

**COVINGTON TOWNSHIP BOARD OF SUPERVISORS**  
**PUBLIC HEARING for NORTHPOINT DEVELOPMENT LERTA APPLICATION**  
**MONDAY MARCH 22, 2021 AT 5:30 PM**

*The Covington Township Board of Supervisors held a Public Hearing on Monday, March 22, 2021 at 5:30 p.m., at the Covington Township Municipal Building, 20 Moffit Drive, Covington Township, PA 18444 to consider a Local Economic Revitalization Tax Assistance program (LERTA) application submitted by NorthPoint Development .*

*There were present: Thomas M. Yerke, Chairman; Joseph Setta, Vice-Chairman; John Brostoski, Supervisor; Melissa Kearney, Supervisor; Marshall Peirce, Supervisor; Douglas A. Hein, Secretary / Treasurer; and Joel M. Wolff, Esquire. Present for the developer were Attorney Brian Stahl; Brent Myles, an owner and founding partner of NorthPoint Development; Max Breitmayer, Development Manager for NorthPoint Development; and Eric Britz, PE of Bohler Engineering. Also present was Michelle Smolskis, Court Reporter.*

*Chairman Yerke called the hearing to order with the Pledge of Allegiance at 5:30 pm. Chairman Yerke stated the purpose of the hearing was to enact LERTA for the NorthPoint Development property at 79 RGM Drive. He stated LERTA is a tax exemption for ten years; it entices a developer to come into the Township. Chairman Yerke said the same thing was done for the developer of the industrial park. Chairman Yerke turned the hearing over to Solicitor Wolff.*

*Solicitor Wolff entered the following exhibits into the record: T1 – the actual ordinance and map showing the area along with the application that will need to be submitted when and if a building is built. He stated LERTA is on the improvements only; they are not getting nor requesting forgiveness of permit fees, income tax, nor realty transfer tax. T2 – request for advertising and the actual advertisement for the hearing. Solicitor Wolff turned the meeting over to NorthPoint Development.*

*Attorney Stahl introduced Mr. Myles who was then sworn into the hearing. He introduced himself and gave a brief background of NorthPoint Development. He explained that they build speculative buildings, and he believes this site is suited for their development because of its proximity to the interstates. He listed the other warehouses / distribution centers in the area they have built: an 800,000 square foot building for Chewy.com now with over 2,000 employees, an 800,000 square foot building for Adidas, a 400,000 square foot building for Patagonia, a 1,000,000 square foot building for TrueValue. He purchased the Schuylkill Mall, tore it down and built a 1,000,000 square foot building. He is in the process of building a 1.3 million square foot building in Nanticoke.*

*Mr. Myles said he drove by the property, looked into the background of the property, and started pursuing the purchase of it. He acquired it and knows the challenges that come with the site. He is not asking for any grants, only LERTA. In order to compete, he has to control costs and taxes are a part of the operating costs that are included in lease costs. He will be investing \$60 million in the facility and needs to keep it leased. He said the benefits to the Township will be jobs, realty transfer taxes, permit fees. He said NorthPoint has LERTA and KOZ on properties all over Pennsylvania and believes LERTA should be used here because of the current condition of the property and where it will be long term after development. Mr. Breitmayer noted there is a high salt content in the water and the fire suppression system will be a significant investment to be addressed.*

*Chairman Yerke asked, as he did with First Industrial at the industrial park, if the Township could have an opportunity to make recommendations for people who don't have jobs. Mr. Myles said he has a provision in a lease in Detroit that is called a two week first look which gives residents a two week notice on any jobs posted. He said if the Township does not have the power to do it, he does by incorporating it into his lease. Chairman Yerke said we would like to have local vendors have an opportunity. Mr. Myles said he will give local contractors what he calls a last look so he can review contractors in the county who may have applied and if they are close, he will give it to the local person.*

*Vice Chairman Setta asked how many tenants he planned on having. Mr. Myles said one to two tenants in a building this size. He stated there will probably be 400-500 jobs with a Fortune 100 company. Supervisor Kearney stated the constituents have a concern about truck traffic and asked if he had ever taken that into consideration in a lease. Mr. Myles said he will do a sound study and at the distance there is to the property line, there will probably be 45-50 decibels, noting that a dishwasher is 55 decibels. Chairman Yerke said that working with First Industrial, sound studies were done, and he asked if they would be opposed to a berm. Mr. Myles said no but recommended against a wall because the*

*sound bounces back between it and the building. He suggested a berm; Chairman Yerke said a berm with pine trees. Mr. Myles agreed.*

*Supervisor Brostoski asked Mr. Myles what building was displayed on the front of the presentation packet. He said it was one built in Cincinnati, in Westchester Township. The building being proposed here will look similar to the one in the packet. Vice Chairman Setta asked how long it usually takes to get a tenant. Mr. Myles said he would not do the project without the LERTA but if he does, he will be out marketing the property as soon as possible. He did say that usually the buildings are leased before finished or shortly thereafter. Supervisor Peirce asked him how often he sells a building. Mr. Myles said he doesn't often sell but would under three scenarios: 1) He built a warehouse in Kansas City and Amazon wanted it but would only purchase it; he said he doesn't sell. They said he would be responsible for stopping 5,000 jobs from coming to the area; so, he sold it. 2) If it is specialty work that he doesn't deal with. 3) If he has to sell an investor's share to someone else, but he keeps his share.*

*Vice Chairman Setta asked Mr. Myles what his background was. He stated he started working for a municipal utility laying pipe, went to college, got a degree in public planning, went to work for a city, getting his master's in public administration at night. He became Assistant City Manager, ran the Economic Development Council for the County. He had a group of officials he didn't get along with and his friend approached him with this business he was starting.*

*Supervisor Kearney asked if there is anything that can be done to put everyone at ease regarding the water problems. Mr. Breitmayer said engineers will be looking at it and drilling wells. It will be worked out through the land development plan. Mr. Myles said they would put it in the land development agreement that they would comply with DEP requirements.*

*A resident asked what it would do to the taxes if residents would pay more. He was told no. Solicitor Wolff said they would be getting real estate transfer tax and earned income tax. Chairman Yerke said they haven't raised taxes in 22 years and the industrial park has had a lot to do with that. Roz Davis asked about the fire tax Supervisor Brostoski was talking about. Vice Chairman Setta said that was a referendum they were going to look into. She asked if the school board has any comment on this. Chairman Yerke said they are the next step then the county and any could deny it but the first step is the Township.*

*Chairman Yerke read Township Ordinance 2020-02 defining the LERTA exemption for NorthPoint Development.*

*ON MOTION duly made (Setta), seconded (Brostoski), and carried 5-0 to approve NorthPoint Development's request for LERTA exemption.*

*ON MOTION duly made (Setta), seconded (Kearney), and carried 5-0 to adjourn the hearing at 6:10 pm.*

*Respectfully submitted,  
Douglas A. Hein  
Secretary / Treasurer*