

**DERRY TOWNSHIP
INDUSTRIAL & COMMERCIAL DEVELOPMENT AUTHORITY
600 CLEARWATER ROAD, HERSHEY, PENNSYLVANIA 17033
MEETING MINUTES
October 21, 2010**

CALL TO ORDER

Chairman James Ingalzo called the October 21, 2010 meeting of the Derry Township Industrial & Commercial Development Authority to order at 6:00 p.m.

PLEDGE OF ALLEGIANCE

All present stood for the Pledge of Allegiance.

ROLL CALL

Members Present:

Todd Pagliarulo, Vice Chairman
James Ingalzo, Chairman
Chris Abruzzo

Members Absent:

Domenick Argento

Also Present:

James N. Negley, Manager, Treasurer, Assistant Secretary
Barbara Zemlock, Post & Schell, ICDA Solicitor
Marie C. Sirkot, Administrative Assistant
Ardith Yahner, Stenographer

Public Present:

John Foley, Hess Realty
David H. Hogg, Springwood Hospitality, LLC
Keith A. Kahlbaugh, Springwood Commercial Realty
Diana Reed, Diana M. Reed & Associates

Chairman Ingalzo advised all those present that it is the policy of the Authority to tape all public meetings for the purpose of providing accurate minutes.

PUBLIC COMMENT

No public comment at this time.

APPROVAL OF MINUTES

Chris Abruzzo made a motion to approve the ICDA minutes from September 16, 2010. Vice Chairman Pagliarulo seconded the motion. *Motion carried, 3-0.*

**UPDATE BY SPRINGWOOD HOSPITALITY (OLD MUNICIPAL PROPERTY)
AND ACTION ON AMENDMENT FOR EXTENSION AND AMENDMENT OF
ROOMS**

Mr. David Hogg, CEO of Springwood Hospitality delivered a timeline to the Board of the events that have transpired since the municipal property was placed under contract. He advised that the original plan was to build a mid-range extended stay hotel with about 95 suites. The fallback was a traditional transient-type hotel with approximately 117 to 120 hotel rooms. After putting the property under contract, a market study was commissioned with the Highland Group. They are one of the nation's premier market study firms that Springwood has used several times. The architect did a floor plan for the extended stay hotel, which Springwood thought they were going to build. At the same time, Springwood commissioned a Phase I environmental survey. The environmental study came back clean except for hydraulic oil which is still in the two hydraulic lifts in the service garage. The oil may have leaked into the soil.

The market study revealed that there was no demand whatsoever for the mid range extended stay hotel which Springwood thought they were going to build! Highland Group recommended a hybrid transient hotel with suites. This is similar to the Country Inn & Suites that opened recently on Rte. 39 and Grandview Road. It has 40% one-bedroom suites and 60% regular hotel rooms. Springwood has already met with their favorite brand of this type hotel and there is a franchise available. The market study said 105 rooms and suites would be the perfect combination.

A floor plan for the recommended hotel was taken to the engineer. Because of the larger size of the building, they are concerned it might be too tight for the property. They also had some other concerns and made a request to survey the property again. This took three weeks because of all the rain we have had. They did a new survey, took the prototype and put it on the property. Since then, they have been alternating back and forth to attempt to find a site plan that will work with the zoning ordinances. The parking is the toughest one.

The goal of Springwood is to optimize revenue and put the biggest feasible building on the site without going underground and without asking for any variances.

Mr. Hogg advised that they have identified three issues. The first one is the hybrid design as opposed to the extended stay originally planned. The second is the hydraulic oil issue. The third is, because of the setbacks, they would like to request a 30-day extension from the Board. Mr. Hogg asked if the board members had any questions.

Mr. Abruzzo asked whether the original survey that the Township had done was any different from the one that was just completed. Mr. Hogg replied that they were very similar. There was not a big variance.

Vice Chairman Pagliarulo asked whether 30 days would be enough for Mr. Hogg to gather all the information he needs. Mr. Hogg answered yes.

Chairman Ingalzo asked for a motion to approve the amendment for a 30-day extension for Springwood Hospitality. Solicitor Zemlock added that this agreement also includes the modification for the flexibility of rooms.

Vice Chairman Pagliarulo moved to approve the amendment to the agreement for a 30-day extension and modification for the number of rooms. Mr. Abruzzo seconded the motion. *Motion carried, 3-0.*

ACTION ON IN-GROUND HYDRAULIC LIST CLOSURE AGREEMENT

Chairman Ingalzo advised that the Township has an agreement from BL Companies for the professional removal of the in-ground hydraulic lift system and testing of surrounding soil. Solicitor Zemlock added that the fee for BL Company services is \$5,880.00. However, if any oil-contaminated soil exists, it will be removed and transported at additional cost. A closure letter report will include waste disposal records and a comparison of the laboratory results to the PADEP standards.

Vice Chairman Pagliarulo asked whether this comes under the umbrella of Springwood's 30-day extension. Solicitor Zemlock advised that it does not; this is separate. Mr. Negley advised the Board to vote to proceed with the contract with BL and stated that it is the Township's responsibility as the seller.

Mr. Abruzzo made a motion to approve the in-ground lift closure agreement. Vice Chairman Pagliarulo seconded the motion. *Motion carried 3-0.*

CONSIDERATION OF AND ACTION ON PROPOSED DONATION OF \$10,000 TO NEW YEAR'S EVE COMMITTEE

Chairman Ingalzo stated that the ICDA Board has donated \$10,000 to the New Year's Eve Committee every year since its inception and would like a motion to donate the same again this year. Vice Chairman Pagliarulo made a motion to donate \$10,000 to the New Year's Eve Committee. Mr. Abruzzo seconded the motion. *Motion carried 3-0.*

ACTION ON LICENSE AGREEMENT WITH HERSHEY COMPANY TO USE PARKING AREAS IN CONNECTION WITH AND DURING THE NEW YEAR'S EVE EVENT

Solicitor Zemlock stated she has looked over the agreement and it is allowing us to use the Hershey Company's parking facilities for the New Year's Eve celebration. Mr. Abruzzo made a motion to approve the parking agreement. Vice Chairman Pagliarulo seconded. *Motion carried 3-0.*

ACTION ON LICENSE AGREEMENT WITH HERSHEY COMPANY TO USE LICENSED ARTICLES/TRADEMARK IN CONNECTION WITH THE NEW YEAR'S EVE EVENT

Solicitor Zemlock advised that the Hershey Company trademark is included on the New Year's Eve logo and this agreement gives permission for the ICDA to use the logo for limited purposes.

Vice Chairman Pagliarulo made a motion to accept the license agreement with Hershey Company. Mr. Abruzzo seconded the motion. *Motion carried 3-0.*

CHAIRMAN'S REPORT

No Chairman's report.

ANY OTHER BUSINESS TO COME BEFORE THE BOARD

No other business.

PUBLIC COMMENT

No public comment.

ADJOURNMENT

Mr. Abruzzo made a motion to adjourn the meeting. Vice Chairman Pagliarulo seconded the motion. *Motion carried, 3-0.*

Meeting was adjourned at 6:30 p.m.

Respectfully submitted by:

James N. Negley
Manager/Treasurer/Assistant Secretary