

TOWNSHIP OF DERRY
INDUSTRIAL & COMMERCIAL DEVELOPMENT AUTHORITY
MEETING NOTES
JULY 19, 2018

CALL TO ORDER

Vice Chairman Shiflett called the July 19, 2018 Regular Meeting of the Industrial & Commercial Development Authority to order at 6:04 pm in the meeting room of the Township of Derry Municipal Complex, 600 Clearwater Road, Hershey, PA. A roll call was completed after the pledge of allegiance.

The following were in ATTENDANCE:

BOARD MEMBERS

Brian Shiflett, Vice Chairman
Tom Fowlston
James Ingalzo
Marc Moyer

ALSO PRESENT:

James N. Negley, ICDA Manager/Asst. Sec'y/Asst. Treas.
Marie Sirkot, Administrative Assistant
Julie Echterling, Recorder

BOARD MEMBER ABSENT:

Justin Engle

Public in Attendance

The following were in attendance: Lou Verdelli, Lori Althoff

APPROVAL OF REGULAR MEETING MINUTES:

Mr. Fowlston made a motion to approve the minutes for the May 17, 2018 regular meeting. Mr. Ingalzo seconded the motion. **Motion carried 3-0-1.** Mr. Moyer abstained as he was absent from the meeting.

PUBLIC COMMENTS:

There were no public comments offered.

GIANT CENTER LETTER OF CREDIT RENEWALS/REFINANCING UPDATE:

Mr. Lou Verdelli, RBC Capital, provided a presentation to the Board. He discussed the background setup of the Dauphin County Hotel tax revenues which support the Giant Center, Intermodal Facility and the Hershey Museum. He discussed the following:

Intermodal Facility – Series 2016:

- \$8,145,000 outstanding balance – Final Maturity May 25, 2037
- Interest Rate = 1-month LIBOR + 149 bps*65%
- Guaranty Agreement provided by HE&R which transferred in 2016

Series A (2000) Tax Exempt:

- \$16,435,000 outstanding balance which matures in November 2030.
- Restructure will move maturity date to 2037.
- Recommends one-year renewal of the PNC letter of credit. Renewal gives more time for the restructure which should be done by next year.

Series B (2001) -Taxable:

- \$21,920,000 outstanding balance and matures in November 2030.
- He spoke about the one-year renewal of the PNC letter of credit.

TOWNSHIP OF DERRY
INDUSTRIAL & COMMERCIAL DEVELOPMENT AUTHORITY
MEETING NOTES
JULY 19, 2018

Schedule:

- Final authorization and signatures at the August meeting.
- Notify Trustee by September 15
- Renew LOC around November 15.

Restructure – Giant Center Debt:

- PNC would provide direct bank loans for the restructuring which would eliminate the annual letter of credit and remarketing fees.
- Set the new maturity date to 2037.
- October – Authority approve new loan and swap transfers
- December – HE&R approves transaction
- December – Finalize amounts of new loans and transfer swaps
- January – settlement of new loans/retirement of existing bonds

Mr. Moyer asked about the revenues from the refinancing of the debt. Mr. Verdelli spoke about how the funds can be used and what the restrictions are. He spoke about the MOU which spells out how the money is to be used. Vice Chairman Shifflet asked about Capital projects for the Giant center. Mr. Verdelli stated he doesn't know HE&R's plans. The Board asked if HE&R could be here in August to provide an update on the plans for the Giant Center. Mr. Ingalzo asked if action could be taken on this tonight instead of waiting until the August meeting. Mr. Shifflet stated the dates on the resolution would need to be changed from August to July.

Mr. Ingalzo made a motion to approve Resolution 2018-02 updating the letter of credit pending legal review and amending the dates on the Resolution from August to July. Mr. Moyer seconded the motion.
Motion carried 4-0.

ADJOURNMENT:

Mr. Moyer made a motion to adjourn the meeting at 6:35 pm. Mr. Fowlston seconded the motion.
Motion carried 4-0.

SUBMITTED BY:

Marc A. Moyer, Treasurer