

**DERRY TOWNSHIP
INDUSTRIAL & COMMERCIAL DEVELOPMENT AUTHORITY
600 CLEARWATER ROAD, HERSHEY, PENNSYLVANIA 17033
February 21, 2008
MEETING MINUTES**

CALL TO ORDER

J. Scot Chadwick, Chairman, called the February meeting of the Derry Township Industrial & Commercial Development Authority to order at 5:30 p.m.

PLEDGE OF ALLEGIANCE

All present stood for the Pledge of Allegiance.

ROLL CALL

Members Present:

J. Scot Chadwick, Chairman
Todd Pagliarulo, Vice Chairman
August T. Memmi, Secretary
Michael H. W. Pries
James Ingalzo (arrived at 5:45 p.m.)

Also Present:

Joseph Caraciolo (Foreman, Foreman & Caraciolo) ICDA Solicitor
James N. Negley, Manager/Secretary/Treasurer
Marie Sirkot, Administrative Assistant
Ardith Yahner, Stenographer

Public Present:

Bill Davies, HE&R
Diana Reed, Diana M. Reed & Associates PC
Tom Fowlston, PNC Bank

PUBLIC COMMENT

No discussion.

APPROVAL OF MINUTES

Mr. Pagliarulo made a motion to approve the January 17, 2008 I.C.D.A. meeting minutes.
Mr. Memmi seconded the motion.

Motion carried, 4-0.

HERSHEY MUSEUM FINANCING 2008

Mr. Lou Verdelli reported for the financing team and H.E.&R. that the money from the first financing is being spent on Chocolate Avenue. Bill Davies is updating the financing team on the projected need for the second financing. He is working with Donna Kreiser on a time line for what will need to be done by the Authority, and also authorizing the team to proceed in putting the second financing together. Hopefully, at the March meeting he will have the official incurrence of the debt and will have the closing in April or May depending on approvals from the state and the need for the funds.

Mr. Verdelli then asked Bill Davies to continue. Mr. Davies reported that the \$23.5 million dollar project is still on budget and still on time and things are going well on the construction and payment side. On the fundraising side, things are going well, a capital campaign is being developed and there have been several meetings regarding that.

A \$3,000,000 debt offering was anticipated in 2008, but Mr. Davies would rather have a \$6,000,000 offering. An additional \$3,000,000 contribution is anticipated from one of the other Hershey entities, but it is not here yet, so the timing of the cash flow needs to be worked out. As a result, the amount should be increased from \$3,000,000 to \$6,000,000 for 2008. The project is anticipated to have \$8.1 million dollars of debt after all contributions and funding has come in from other sources.

Mr. Davies went on to say the hotel tax that was enacted at the state level has now been enacted at the county level effective March 1. We will need to work through those issues together with Mr. Verdelli and the Authority, but this will be the source of funds for debt payment. This is guaranteed by the Foundation and we have already talked with their board, guaranteeing that the \$3,000,000 amount will now be \$6,000,000 so there is no risk from the Authority's perspective because the payoff is guaranteed by the Foundation entity. This has already been approved at their board level.

Mr. Davies added that nothing is needed from the board tonight, but he wanted to make sure that everything was in order for the March meeting and that all the meetings were lined up. Donna Kreiser is working on public notification of the meetings.

Mr. Memmi moved to authorize H.E.&R. to work with the Authority's financing team of Buchanan Ingersoll & Rooney, PNC Bank and RBC Capital Markets for the 2008 Hershey Museum financing. Mr. Pries seconded the motion.

Motion carried, 5-0.

Mr. Davies asked whether the meeting at the Giant Center should be a public meeting. He added that H.E.&R. has hired H.O.K. to develop a capital plan for the Giant Center over the next 20 to 30 years, and they will be presenting this capital plan along with how it can be funded over the next five or ten years.

Mr. Memmi suggested actually having the board meet at the Giant Center in order to visualize the items being talked about, especially since there is a new board member. He asked Mr. Caraciolo whether the meeting would have to be advertised to the public and was told no, since it is an informational meeting specifically for the board. The April meeting, however, should be advertised. Mr. Davies will work with Mr. Negley on finding a date for this meeting.

INTERMODAL TRANSPORTATION PROJECT

Mr. Davies went over a quick review of the financial situation on the Intermodal and reported that the project is in closeout phase now, with final debt being less than \$11.5 million. Right now it is at \$13,300,000 in debt, and the finance team will work with the Authority's accountant as to whether to pay down the debt now and wait for the remaining reimbursements from the FDA as well as the RACP grant funds to finally close it out. Anticipation is something less than \$11.5 million, so this is positive news.

Mr. Memmi asked Mr. Davies when everything would be closed out and Mr. Davies replied that there are still some elevator repairs being completed in Phase I (about \$20,000 worth of work). He anticipates about 60-90 days to closeout.

EXECUTIVE SESSION

Chairman Chadwick recessed the meeting at 5:50 p.m. and went into Executive Session. Meeting resumed at 6:30 p.m.

PUBLIC COMMENT

No discussion.

ADJOURNMENT

Mr. Inganzo moved to adjourn the meeting and Mr. Pries seconded the motion. Meeting was adjourned at 6:30 p.m.

Motion carried, 5-0.

Approved:

James N. Negley
Manager/Treasurer/Assistant Secretary