

**DERRY TOWNSHIP
INDUSTRIAL & COMMERCIAL DEVELOPMENT AUTHORITY
600 CLEARWATER ROAD, HERSHEY, PENNSYLVANIA 17033
MEETING MINUTES
July 17, 2014**

CALL TO ORDER

Chairman Foley called the July 17, 2014 meeting of the Derry Township Industrial & Commercial Development Authority to order at 6:05 p.m.

PLEDGE OF ALLEGIANCE

All present stood for the Pledge of Allegiance.

ROLL CALL

Members Present:

Domenick Argento
Justin Engle
John Foley
James Ingalzo

Members Absent:

Chris Abruzzo

Also Present:

Barbara Zemlock, Township Solicitor
Marie Sirkot, Administrative Assistant
Ardith Yahner, Stenographer

Public Present:

John Dornberger, Post & Schell
Greg Koussis, Capital Construction Management, LLC
Diana Reed, Diana Reed Associates
Scott Stine, Hershey Fire Company
Lou Verdelli, RBC Capital Markets

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

APPROVAL OF MINUTES

Mr. Engle made a motion to approve the minutes of the June 19, 2014 meeting. Mr. Argento seconded the motion. *Motion carried, 3-0-1. Mr. Ingalzo abstained.*

PUBLIC COMMENT

No public comment.

UPDATE OF FIRE COMPANY PROJECT

Mr. Koussis reported to the Board the activities in the last 30 days on the fire company project and those to come in the next 30 days.

The RACP application has been submitted. The design team has met on multiple occasions to work on advancing the design. Much has been accomplished, both in terms of the floor plan and the site, and schematically we are satisfied with the results. The exterior of the building needs a bit more work, but is coming along very well.

A fund raising kick-off meeting was held on Monday, July 14 which was attended by Mr. Koussis and Chairman Foley.

Mr. Dornberger was working with Pyramid Construction during the last 30 days finalizing the design/build agreement and the land development design has started.

In the next 30 days we need to work on finalizing the Cooperation Agreement between the ICDA and the fire company, and completing the schematic design of the exterior of the building. A team meeting has been scheduled for July 31 for the architect to present new concepts for the exterior of the building, based on the most recent feedback. The contractor for Pyramid Construction will update its budget and present that to us as well. They will update the numbers based on design changes made within the past 30 days.

Coordination meetings will continue. Ray Brace will keep up fund raising efforts by scheduling meetings with the primary donors within the next two to three weeks. The RACP application review meeting has been scheduled for August 29. The budget office received the application and requested a meeting with the project team to review the administrative conformance pieces of it. Mr. Koussis also advised that a meeting has been scheduled for July 25 with Solicitor Zemlock, Mr. Dornberger, Mr. Yost and himself to go over the legal issues that need to be resolved going forward.

CONSIDERATION OF AND ACTION ON AGREEMENT WITH PYRAMID CONSTRUCTION SERVICES, INC.

Mr. John Dornberger introduced himself and advised that the most recent form of this agreement has been emailed to the ICDA members by his office. He has been negotiating with Pyramid and has come to an agreement on all terms with regard to the design build agreement. Solicitor Zemlock confirmed that all members were sent a copy of this agreement. Chairman Foley asked if there were any questions. Seeing none, Mr. Engle thanked Mr. Dornberger for his synopsis of the agreement and for its timely completion.

Chairman Foley advised that the vote on this agreement will be contingent upon the finalization and approval of the Cooperation Agreement with the fire company. Solicitor Zemlock added that this approval should be within the next 30 to 45 days.

Chairman Foley spoke with Solicitor Zemlock to see if he has a conflict since he is a member of the fire company and the ICDA. She advised that he is free to vote. However, he has chosen to abstain at this time, but reserves his right to vote in the future. Chairman Foley asked for a motion to approve the agreement between Pyramid Construction Services and the Derry Township ICDA; subject to the approval of the Cooperation Agreement. Motion by Mr. Engle and seconded by Mr. Ingalzo.
Motion carried, 3-0-1. Chairman Foley abstained.

UPDATE ON GIANT CENTER FINANCING

Mr. Lou Verdelli reminded the Board that one year ago they approved a one-year renewal of the two Letters of Credit for the two bond issues that finance the Giant Center. During that time there have been extensive meetings with representatives of HE&R and Dauphin County to discuss some of the refinancing options. Given that we have an expiration of November 15 with a notification deadline of September 15, we need to proceed with a renewal. It was decided that a one-year renewal would be the best option to take care of the extension and allow additional time for discussion and review.

Mr. Verdelli then explained the renewal schedule for the Series A and B bonds to the Board.

Series A of 2000 (tax exempt) has \$18,875,000 outstanding with a final maturity date of November 1, 2030. These bonds are enhanced by a PNC Bank Letter of Credit at a current cost of 90 bps. This LOC expires on November 15, 2014 and PNC will renew at the same rate until November 15, 2015 with a 5bps renewal fee of \$9,608. The bonds are remarketed by PNC Capital Markets and the debt service is paid with Dauphin County hotel tax revenues. SIFMA fixed rate swap at 4.875% until November 1, 2015 – SIFMA fixed rate swap at 5.15% from November 1, 2015 until November 1, 2030.

Series B of 2001 (taxable) has \$24,485,000 outstanding (final maturity November 1, 2030). The bonds are enhanced by a PNC Bank Letter of Credit at a current cost of 115 bps. This LOC expires on November 15, 2014 and PNC will renew at the same rate until November 15, 2015 with a 5 bps renewal fee of \$12,197. The bonds are remarketed by PNC Capital Markets and the debt service is paid with Giant Center revenues and excess Dauphin County hotel tax revenues. LIBOR (1 month) fixed rate swap at 5.47% until November 1, 2030.

Mr. Verdelli would like to receive final authorization and signatures at the August 21 ICDA meeting. PNC can then notify the trustee (M & T Bank) by September 15 and renew the LOC on or about November 15, 2014.

ANY OTHER BUSINESS TO COME BEFORE THE BOARD

No new business at this time.

ADJOURNMENT

Mr. Ingalzo made a motion to adjourn the meeting. Mr. Argento seconded the motion.

Motion carried, 4-0.

Meeting adjourned at 6:35 p.m.

Respectfully submitted by:

James N. Negley, Manager/Assistant Treasurer/Assistant Secretary