

**DERRY TOWNSHIP
INDUSTRIAL & COMMERCIAL DEVELOPMENT AUTHORITY
600 CLEARWATER ROAD, HERSHEY, PENNSYLVANIA 17033
October 16, 2008
MEETING MINUTES**

CALL TO ORDER

Chairman J. Scot Chadwick called the October 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. (Skip) Memmi, Secretary (via teleconference)
Michael H. W. Pries
James Ingalzo

Also Present:

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

Public Present:

Bill Davies, H.E. & R.
Diana Reed, Diana M. Reed & Associates
David Twaddell, Rhoads & Sinon

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

PUBLIC COMMENT

No one came forward.

APPROVAL OF MINUTES

Vice Chairman Pagliarulo made a motion to approve the September 18, 2008 Derry Township Industrial & Commercial Development Authority Meeting Minutes. Mr. Ingalzo seconded the motion.

Motion carried, 5-0.

UPDATE ON, AND CONSIDERATION OF, RESOLUTION AUTHORIZING AND APPROVING THE SECOND SUPPLEMENTAL TRUST INDENTURE, THE CONSENT TO HOTEL TAX AGREEMENTS AND AMENDMENT TO REIMBURSEMENT AGREEMENT AND THE ASSIGNMENT OF TOURISM SUPPORT TAX COLLATERAL

Mr. Twaddell of Rhoads & Sinon introduced himself and reminded the Board that he was here during the summer in light of amendments that have been made to the hotel tax enabling legislation. He reported that in the working group, some anomalies were identified which required him to go back and amend some existing documents affecting the financing of those projects. Also, in late June or July the Board approved the form of a new acknowledgement and support agreement with the County for the transfer of funds for the Giant Center project and also the Intermodal, the Museum and other projects that are the subject of this financing. We also had the form of the hotel tax escrow agreement, which allowed us to move that money promptly to M & T Bank (as trustee for the Giant Center bonds) and then to PNC Bank as the primary financing entity for the other projects of the moment.

Since then, the bank group has been working on finalizing the form of that escrow agreement and one of the conditions of that was to prepare a consent agreement which says that the bank consents to the other agreements that you've already approved, but on the other hand wants the Authority to assign its rights to the hotel tax to the bank as lender for the newer projects. The Board has already assigned its rights to the 70% of the first 2% of the Giant Center (under the original 2000 trust indenture). This will close the loop on the other two financings.

As a final “clean up” item, a new agreement has been created reflecting the 5% tax and the difference in collection from monthly basis to quarterly. We feel the banks will be more comfortable with this new agreement reflecting the entire correct wording.

Solicitor Barb Zemlock added that in addition to Mr. Twaddell, Donna Kreiser has looked at all documents related to the hotel tax and is comfortable with them.

Vice Chairman Pagliarulo asked if there was a problem with the legislation initially, do we need to have it looked at again? Mr. Twaddell answered that we’re fine the way it is, we shouldn’t need to bother the General Authority again. Chairman Chadwick asked how much work would need to be redone if the legislature wanted to correct it and Mr. Twaddell answered – everything that we’ve just redone. Chairman Chadwick answered for now then we’ll just let things stand as is.

Barb Zemlock stated that the Board has before them a resolution authorizing and approving the documents that are before them; specifically the Second Supplemental Trust Indenture, the Assignment of Tourism Support Tax Collateral, and the Consent to Hotel Tax agreements and Amendment to Reimbursement Agreement. The resolution authorizes the approval of those documents and the form provided authorizes execution of the same and forwarding the documents on to M & T and then to PNC. If everything is acceptable to the Authority, simply take action on this resolution.

Chairman Chadwick asked for a motion to adopt Resolution 2008-03. Mr. Ingalzo so moved and Mr. Memmi seconded the motion.

Motion to approve Resolution 2008-03 carried, 5-0.

ANY OTHER BUSINESS TO COME BEFORE THE BOARD

Chairman Chadwick recognized Mr. Ingalzo who advised that he had sent an e-mail to all board members regarding some ideas involving commercial development in the Township. He advised that this was based on the informative presentation by Greenlee Partners at our last meeting, and Chairman Chadwick asking the board for ideas regarding development in the Township. Mr. Ingalzo’s idea is based not on a single development project, but working together with the Board of Supervisors and the Planning

Commission to develop a strategic plan for industrial and commercial development in the Township and to quantify the kind of growth they would like to see coming from commercial development and the obvious tax benefits thereof. Then, based on this information, we could go out and encourage that growth and pre-identify the kinds of things that would help us move forward in this Township. Mr. Ingalzo advised that he feels long term that a strategic plan could be in the best interest of Derry Township. He believes that we will be very limited as far as residential development and that the Township needs to look at where the growth is going to come from, what kind of revenue it will produce, and the quality thereof.

Mr. Pries commented that in theory it sounds like an outstanding idea and that our Board as well as the Township Supervisors and the Planning Commission should have an opportunity to digest this suggestion and then at a later date. Maybe the three chairmen of these boards can get together and discuss what direction we should take to implement this idea.

Mr. Memmi agreed that it is a good idea to have a more comprehensive strategy before getting down to individual projects and that what Mr. Ingalzo is describing should help get us there.

Mr. Pries suggested having the Medical Center and the Milton Hershey School give their input as well. Mr. Memmi asked if maybe bringing in some of the major stakeholders would be a good idea as well, so that we are discussing the whole breadth of development and involving others who actually could advise what their organizations are looking to do (such as the Partnership) and incorporate it into our planning process. Mr. Ingalzo agreed with Mr. Memmi and added that if we could quantify, from whatever sources available, what we'd **like** to see done instead of having the project come before us and deciding whether it **can** be done, it would be a step in the right direction. Chairman Chadwick suggested Mr. Negley, Mr. Memmi, Mr. Pries, and Mr. Ingalzo talk together before next month's meeting and decide how all of this could work and then report back to the Board.

Mr. Memmi agreed that this was fine with him and it might take some time to establish a protocol – maybe even into the first or second quarter of 2009. Chairman Chadwick thanked everyone and said that no formal action is required for this matter.

PUBLIC COMMENT

No one came forward.

ADJOURNMENT

Chairman Chadwick asked for a motion to adjourn and Vice Chairman Pagliarulo so moved. Mr. Pries seconded the motion. **Motion carried, 5-0.**

Meeting was adjourned at 5:55 p.m.

Respectfully submitted by:

James N. Negley
Manager/Treasurer/Assistant Secretary

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