

**DERRY TOWNSHIP
INDUSTRIAL & COMMERCIAL DEVELOPMENT AUTHORITY
600 CLEARWATER ROAD, HERSHEY, PENNSYLVANIA 17033
December 18, 2008
MEETING MINUTES**

CALL TO ORDER

Vice Chairman Todd Pagliarulo called the December meeting of the Derry Township Industrial & Commercial Development Authority to order at 5:30.

PLEDGE OF ALLEGIANCE

All present stood for the Pledge of Allegiance.

ROLL CALL

Members Present:

Todd Pagliarulo, Vice Chairman
August T. (Skip) Memmi, Secretary
Michael H. W. Pries
James Ingalzo

Member Absent:

J. Scot Chadwick, Chairman

Also Present:

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

Public Present:

Bill Davies, H.E. & R.
Diana Reed, Diana M. Reed & Associates
Jim Rippon, 1325 Wyndham Rd., Hummelstown, PA 17036
Drew Weidman, The Sun

Vice Chairman Pagliarulo advised all those present that it is the policy of the Authority to tape all meetings for the purpose of providing accurate minutes; also that the Board met in a brief executive session before the meeting to discuss real estate and possible litigation matters.

PUBLIC COMMENT

No one came forward.

APPROVAL OF MINUTES

Mr. Pries made a motion to approve the November 20, 2008 ICDA meeting minutes. Mr. Ingalzo seconded the motion.

Motion carried, 4-0.

UPDATE ON DERRY LODGING

Vice Chairman Pagliarulo stated that a letter was received from the Patt Organization and turned the matter over to Barb Zemlock. Ms. Zemlock advised that she forwarded a letter to the board from the Patt group dated December 10th asking to terminate the ground lease with the ICDA and the board needs to advise her how to proceed. Mr. Ingalzo recommended having Ms. Zemlock draw up paperwork terminating the ground lease and report back to the board for their approval. Mr. Memmi seconded the motion.

Motion carried, 4-0.

UPDATE ON OFFER FROM BUCHART HORN FOR THE MUNICIPAL COMPLEX INVOICE - SETTLEMENT AGREEMENT

Mr. Negley reported that a settlement agreement was received from Mr. Glen DeWillie, Executive Vice President of Buchart Horn/Basco offering the Township a settlement of the \$172,000 invoice as billed on July 22, 2008. The offer is to pay the Township \$100,000 during the first fiscal quarter of 2009 and to provide in-kind services for the remaining balance of \$72,000. A copy of this agreement has been given to our solicitor for her review. Also Mr. DeWillie agreed to continue work on the generator problem until its completion and has signed a contract with a vendor for \$74,000 for that solution.

Ms. Zemlock reported that she has looked at the information and (other than some minor details and technical language issues) feels comfortable with the board approving the agreement for \$100,000 to be paid in the first fiscal quarter of 2009 and the balance of \$72,633.09 of in-kind services (not including the generator).

Mr. Pries moved to accept the agreement (with the language changes that Ms. Zemlock feels are necessary) and Mr. Memmi seconded the motion. Mr. Memmi asked to make sure the language for the generator is structured in such a way that the situation will be remedied at Buchart Horn's expense, whether or not the \$74,000 takes care of it. Ms. Zemlock reiterated that the agreement for the "in-kind" services does not include the generator and that the board has the option to take further action if the generator problem is not fixed to their satisfaction – at Buchart Horn's expense.

Mr. Pries asked what safety net is in place in case the \$100,000 is not paid by the end of March. Ms. Zemlock answered that this would be a breach of the settlement agreement and the ICDA could go to court to enforce it. She added that she would include some terminology in the final agreement terms that she feels will satisfy the board and be acceptable to Buchart Horn.

Motion carried, 4-0.

ANY OTHER BUSINESS TO COME BEFORE THE BOARD

Solicitor Zemlock advised the board that she received a request this morning from H.E. &R.'s counsel for the board's consent to a sub-lease agreement between H.E. &R. and M. S. Hershey Foundation for the museum. She has forwarded copies to all board members. The Solicitor's only issue is that H.E. &R. and the board work out an indemnity provision and H.E. &R. has agreed.

Mr. Memmi moved to approve the consent to sub-lease and Mr. Ingalzo seconded the motion.

Motion carried, 4-0.

Mr. Memmi advised that the roof on the Giant Center seems to be looking worse and asked what is being done. Mr. Davies replied that he does not have an update at this time and that they're not sure if it's mold or moss. Mr. Memmi suggested adding this topic to the next board meeting.

Mr. Ingalzo stated that an email was sent to all board members pursuant to the strategic plan for future development in this Township. After an informal meeting, it was decided that each board member would compile a list of stakeholders to put on January's agenda. Mr. Pagliarulo asked what the next step would be after the stakeholders are chosen. Mr. Ingalzo answered that it would depend on how many people are involved, how

formal the process will be and what resources will be expended. A steering committee may have to be formed.

Mr. Pries wished everyone a happy holiday and hopes to see them at the New Year's Eve event downtown.

PUBLIC COMMENT

Mr. Jim Rippon of 1325 Wyndham Rd., Hummelstown, PA, 17036 introduced himself and suggested to the board that if the ground lease between the ICDA and Derry Lodging is successfully concluded, that in lieu of an RFP, they use a local real estate agency. Vice Chairman Pagliarulo thanked Mr. Rippon and said that the board will take this under advisement. Mr. Rippon stated it was his understanding that the Board of Supervisors sold it for \$1.00 to the ICDA. The ICDA should decide what to do with it. Mr. Pagliarulo answered that out of courtesy they would not work in a vacuum on this. They will work closely with the Board of Supervisors on this matter. Mr. Pries advised that the Board of Supervisors might want to play a role in moving this process forward and it will be done as a team effort.

ADJOURNMENT

Vice Chairman Pagliarulo asked for a motion to adjourn and Mr. Ingalzo so moved. Mr. Pries seconded the motion. Meeting was unanimously adjourned at 6:00 p.m.

Respectfully submitted by:

James N. Negley
Manager/Treasurer/Assistant Secretary

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