

**DERRY TOWNSHIP
INDUSTRIAL & COMMERCIAL DEVELOPMENT AUTHORITY
600 CLEARWATER ROAD, HERSHEY, PENNSYLVANIA 17033
July 16, 2009
MEETING MINUTES**

CALL TO ORDER

Chairman James Ingalzo called the July 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
James Ingalzo, Chairman
August T. (Skip) Memmi, Secretary
Michael H. W. Pries

Members Absent:

Domenick Argento

Also Present:

Barbara Zemlock, Post & Schell, ICDA Solicitor
Marie Sirkot, Administrative Assistant
Ardith Yahner, Stenographer

Public Present:

Clint Cullison, Greenlee Partners, LLC
Bill Gladstone, NAI Cir
Diana Reed, Diana M. Reed & Associates

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

PUBLIC COMMENT

No one came forward.

APPROVAL OF MINUTES

Mr. Pagliarulo made a motion to approve the ICDA minutes from May. Mr. Ingalzo seconded the motion. Mr. Pries abstained since he was absent for the May 21 meeting.

Motion carried, 3-0.

CHAIRMAN'S REPORT

Chairman Ingalzo reported that he met with the Board of Supervisors regarding the old township complex coming back to the ICDA for marketing and sale. Discussion on this topic will continue in "Executive Session".

Chairman Ingalzo then advised the board that new member, Domenick Argento could not be at tonight's meeting because of a business meeting in Los Angeles.

GREENLEE PARTNERS

Clint Cullison of Greenlee Partners reported on a recent meeting between staff in Pittsburgh, Philadelphia and Harrisburg in which Chick Tulli introduced the possibility of having the ICDA market the old township building. All engineers, contractors and corporate individuals have been contacted to see if there is any project suitable for that area.

Additionally, Greenlee has been seeking stimulus funding from the federal government for any township projects that might be eligible for said funding. The Commonwealth Financing Authority met on the 15th of July to consider over 700 applications that were presented to them for the H20 Grant Program and Derry Township was one of the approximately 150 that were approved. Greenlee worked with members of the House of Representatives and the DEP to facilitate this and Derry Township will be receiving 4.3 million dollars in storm water management funding.

Lastly, Clint reported that Matt Steck has been in touch with Dr. Mark Greenburg at Shippensburg University regarding a strategic plan for Derry Township with respect to the ICDA. He had asked if anyone would be interested in doing this "gratis". Dr. Greenburg seems very interested and has requested the name of someone to get in touch with on this board.

Skip Memmi suggested Jim Ingalzo be the "point person" and Jim agreed. Mr. Ingalzo thanked Clint Cullison for coming. Mike Pries also thanked Greenlee on behalf of the Board of Supervisors and the residents of Derry Township.

OTHER BUSINESS TO COME BEFORE BOARD

Secretary Memmi referenced a past collaborative agreement between this board and certain other business partners in Derry Township in regard to a Corridor 2 feasibility study. The report coming from this study will be released within the next few days and will be on the Modern Transit Partnership website for viewing, and the recommendation coming from the study is that it is feasible to have regional rail from Lebanon to Harrisburg. This is a long-range goal with a capital outlay in excess of \$217 million. There also may be difficulty obtaining an operating subsidy. Transit would probably initially serve 1700-1800 passengers per day.

The short term suggestion of the study is to go to premium bus service directly from Lebanon through the 422 corridor to Harrisburg with eight or nine stops such as Annville, Palmyra, Hershey, Hershey Medical Center, Hummelstown, etc. This service could be initiated for less than three million dollars in capital and probably around one and one half to two million dollars in operating subsidy. We'd capture about 22% of that operating cost. The Modern Transit Partnership will try to engage funding for this type of transportation alternative in the next year or two; with premium bus service implemented in about three years. If the current bus services (CAT and COLT) could come to an agreement, we could use existing equipment and implement this program in a much quicker fashion.

Chairman Ingalzo asked Mr. Memmi whether premium bus was more viable than rail or was it just the easier financial option at this point. Secretary Memmi advised that dedicated bus was an alternative on a short-term fix since it could take 10-20 years to acquire federal funding. One of the first things they'll ask is whether premium busing has been tried. Reports have indicated that train would take 59 minutes from Lebanon to Harrisburg with seven stops. With bus service it would take about 89 minutes to travel the same route with two extra stops. Mr. Memmi reported that Ray Brace asked at the recent meeting why we can't talk to Norfolk Southern since they already have trains running in the corridor to see if they'd have an interest in establishing this, with the support of MTP. Chairman Ingalzo asked whether a stop at the airport was included in this study. Secretary Memmi said no.

NAI COMMERCIAL REALTORS – MR. BILL GLADSTONE

Chairman Ingalzo explained that Mr. Gladstone did a comparative market analysis about a year ago on the old township property and he is here tonight to explain this information and how it fits into the current economic environment.

Mr. Gladstone stated that commercial real estate is starting to come back in our area, partly because about 25% of the jobs here are state/federal/military related. With a slow economy the offices are the first to leave, but also the first to come back. Land is usually the last to leave. If you don't have an income producing property it will cost you more money to make something happen there. Mr. Gladstone doesn't believe that the hotel industry has been impacted. He has checked with local and regional people in the hotel business, and although the national occupancy average is about 64%, the Hershey average is 75%, which is good. He believes that a hotel is the best option for the old municipal building site. Chairman Ingalzo will see that everyone gets a copy of the comparative market analysis that was done last year by Mr. Gladstone.

[Since there was no financial business to discuss, Diana Reed left at 6:10 p.m.]

Secretary Memmi asked whether Mr. Gladstone's analysis took into consideration a full-service hotel. Mr. Gladstone checked his notes and advised that they talked about a 130 room, 5-story hotel (approx. \$132/night average) that would be a higher-end hotel, with an average occupancy of 67.5%.

Mr. Pries asked whether the hotel that was originally going to go in was full service. Mr. Memmi said it was.

Secretary Memmi asked Mr. Gladstone whether it would be of value if the ICDA Board were involved as a financing vehicle on a project such as this, using a letter of credit. Mr. Gladstone said it definitely would.

Chairman Ingalzo thanked Mr. Gladstone for coming. Chairman Ingalzo adjourned the meeting to go into executive session to discuss legal and land acquisition matters.

ADJOURNMENT

Chairman Ingalzo asked for a motion for adjournment.

Mr. Pries made a motion to adjourn and Mr. Pagliarulo seconded the motion.
Motion carried, 4-0.

Meeting adjourned at 6:15 p.m.

Respectfully submitted by:

James N. Negley
Manager/Treasurer/Assistant Secretary

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