

**DERRY TOWNSHIP
INDUSTRIAL & COMMERCIAL DEVELOPMENT AUTHORITY
600 CLEARWATER ROAD, HERSHEY, PENNSYLVANIA 17033
MEETING MINUTES
August 19, 2010**

CALL TO ORDER

Chairman James Ingalzo called the August 19, 2010 meeting of the Derry Township Industrial & Commercial Development Authority to order at 6:10 p.m.

PLEDGE OF ALLEGIANCE

All present stood for the Pledge of Allegiance.

ROLL CALL

Members Present:

James Ingalzo, Chairman
Todd Pagliarulo, Vice Chairman
Michael H.W. Pries
Chris Abruzzo

Members Absent:

Domenick Argento

Also Present:

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

Public Present:

John Foley, Hess Realty
Tom Fowlston, PNC Bank
Bill Gladstone, NAI/CIR
Mary Holovack, Diana Reed & Associates
David Hogg, Springwood Hospitality
Keith Kahlbaugh, Springwood Commercial Realty
Dave Lavery, HE&R
Wendy McClintock, HE&R
Neera Scarboro, HE&R

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 public comment at this time.

APPROVAL OF MINUTES

Mr. Pries made a motion to approve the ICDA meeting minutes from July 15, 2010. Chairman Inganzo seconded the motion. *Motion carried, 2-0-2.*

CONSIDERATION OF AND ACTION ON PURCHASE AND SALE AGREEMENT WITH CENTRAL PA EQUITIES 13 LLC (BILL GLADSTONE)

Mr. Gladstone advised the Board that Mr. Hogg, CEO of Springwood Hospitality, LLC is present at tonight's meeting and everything is complete for execution of the Purchase and Sale Agreement. There are two items they have been working on. The first is the due diligence material that the ICDA, as seller, will make available for the buyer, and the second is third party contracts.

Solicitor Zemlock noted that the due diligence documents will be provided immediately after this evening's meeting.

Chairman Inganzo asked for a motion to approve the Purchase and Sale Agreement with Springwood Hospitality. Mr. Pries made a motion. Mr. Abruzzo seconded the motion. *Motion carried, 4-0.*

PRESENTATION OF AND ACTION ON RESOLUTION NO. 2010-02 AUTHORIZING AMENDMENTS TO LOAN AGREEMENT AND GUARANTY AGREEMENT FOR THE INTERMODAL PROJECT (VERDELLI/KREISER)

Mr. Verdelli advised the Board that the amendments to these agreements are to change the document to reflect the actual amount used for the Intermodal Project. This Resolution will be No. 2010-02.

Mr. Pries made a motion to approve Resolution No. 2010-02. Mr. Abruzzo seconded the motion. *Motion carried, 4-0.*

PRESENTATION OF AND ACTION ON RESOLUTION NO. 2010-04 AUTHORIZING REFUNDING OF 2005 BONDS (VERDELLI/KREISER)

Mr. Verdelli has proceeded with the refinancing of the 2005 bonds and has the good news of reporting a significant savings to the Township since they make the debt service payment on these bonds. The current interest rate for the 20-year bond refinancing is 4.06%, which is nearly the lowest rate in 40 years. The new issue size is \$10,525,000 and bond yield is 3.42% with the new bonds being callable on November 15, 2015. The net savings to the Township from this transaction is **\$659,350**. Our credit rating in Standard & Poor is AA+ (positive outlook), which is the best credit rating in the County.

The next step will be to approve the Bond Resolution tonight. Settlement will be September 15 and the 2005 Bonds will be retired.

Mr. Abruzzo thanked Mr. Verdelli and Ms. Kreiser for their hard work on behalf of the ICDA and Derry Township. Mr. Pries expressed his appreciation on behalf of all Board members.

Donna Kreiser advised the Board that the Resolution before them authorizes and directs the issuance of the Bonds for this Project, approves the form of certain key documents and authorizes action in connection with the Bond Issue. This Resolution will be No. 2010-04.

Chairman Ingalzo asked for a motion to adopt Resolution No. 2010-04. Mr. Pries made a motion to adopt the Resolution and Vice-Chairman Pagliarulo seconded the motion. *Motion carried, 4-0.*

PRESENTATION OF AND ACTION ON RESOLUTION NO. 2010-03 AUTHORIZING ACTION ON PNC LOC (VERDELLI/MALPEZZI)

Mr. Verdelli reported that over the course of the last month several members of the Board met with Mr. Tom Fowlston of PNC Bank to discuss new pricing of the Letter of Credit and whether to go with a two-year or three-year renewal. The team decided to choose a three-year renewal, as there are costs incurred each time a Letter of Credit is renewed. The resolution before the Board is to renew the Letter of Credit with PNC Bank by November 15. Tom Fowlston, Dan Malpezzi and the HE&R team are present tonight if there are any questions.

Vice Chairman Pagliarulo expressed his appreciation to Lou Verdelli on his assistance at getting the best for the ICDA in this matter. Mr. Pries asked why the basis points went from 60 to 90. Mr. Verdelli explained that the main factor is because of a change in the cost of credit. Also, there were 5 or 6 banks involved in the last Letter of Credit. This current LOC only involves PNC Bank and M & T Bank.

Vice Chairman Pagliarulo made a motion to adopt Resolution 2010-03. Mr. Pries seconded the motion. *Motion carried, 4-0.*

CHAIRMAN'S REPORT

Chairman Ingalzo advised the Board that since the last meeting he has met with the Hershey Aquatic Club. He also met with Jon Sheppard who is representing the Borough of Hummelstown. Chairman Ingalzo will keep the Board members advised of any progress.

Vice Chairman Pagliarulo asked whether we were acting as a pass through for the Hummelstown project or actually funding it. Chairman Ingalzo said the ICDA would be a pass through.

ANY OTHER BUSINESS TO COME BEFORE THE BOARD

No other business.

PUBLIC COMMENT

No public comment.

ADJOURNMENT

Mr. Pries made a motion to adjourn the meeting. Vice Chairman Pagliarulo seconded the motion. *Motion carried, 4-0.*

Meeting was adjourned at 6:40 p.m.

Respectfully submitted by:

James N. Negley
Manager/Treasurer/Assistant Secretary