

**DERRY TOWNSHIP
INDUSTRIAL & COMMERCIAL DEVELOPMENT AUTHORITY
600 CLEARWATER ROAD, HERSHEY, PENNSYLVANIA 17033
MEETING MINUTES
October 22, 2009**

I. CALL TO ORDER

Chairman Ingalzo called the October meeting of the Derry Township Industrial & Commercial Development Authority to order at 5:30.

II. PLEDGE OF ALLEGIANCE

All present stood for the Pledge of Allegiance.

III. ROLL CALL

Members Present:

James Ingalzo, Chairman
Todd Pagliarulo, Vice Chairman
August T. (Skip) Memmi, Secretary
Michael H. W. Pries (arrived at 5:40 p.m.)
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:

Bill Davies, H.E.& R.
Wendy McClintock, H.E.&R.
Diana Reed, Diana M. Reed & Associates
Bill Gladstone, NAI CIR

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

IV. ANNOUNCEMENT OF EXECUTIVE SESSION

Chairman Ingalzo reported the board met in Executive Session after the September 17, 2009 ICDA meeting to discuss legal matters and to obtain the advice of counsel.

V. PUBLIC COMMENT

No one came forward.

VI. ANY OTHER BUSINESS TO COME BEFORE THE BOARD

Mr. Davies advised the board that debt service payments were made on October 1 and October 15 (\$410,000 for the Museum and \$798,000 for the Intermodal) with funds set aside from the Hotel Tax.

The Giant Center has purchased new flat screen TV's leaving approximately 60 CRT televisions to sell or give away. Mr. Davies asked for input as to what the board would like to do. (Approximate value \$50 each or \$3,000 for all). After some discussion it was decided to store the televisions until the Council Of Government auction in the spring. Vice-Chairman Pagliarulo would like to see any profit donated back to the Giant Center.

VII. APPROVAL OF MINUTES

Mr. Pries moved to accept the minutes from the September 17, 2009 meeting and Mr. Argento seconded the motion.

Motion carried, 5-0.

VIII. NEW YEAR'S EVE CELEBRATION (MIKE PRIES)

Mr. Pries advised the board that the fifth annual New Year's Eve celebration will be held downtown on December 31st from 9:00 p.m. until midnight. Two great bands will be entertaining the crowd; opening with *Honor Society* who just toured with the Jonas Brothers and the headline band the *Cherry Poppin' Daddies* a well-known swing band. Mr. Pries reported that the police department, public works and administration departments have always participated and assisted in the event. Todd Pagliarulo is running the fireworks; H.E.&R. and the Hershey Company are all involved (on behalf of

the New Year's Eve planning committee). Mr. Pries asked the ICDA for their usual donation of \$10,000 toward this celebration.

Vice-Chairman Pagliarulo made a motion to donate \$10,000 and Secretary Memmi seconded the motion.

Motion carried, 5-0.

Mr. Pries thanked the board for their generous donation.

IX. CHAIRMAN'S REPORT

Chairman Ingalzo advised that tonight's report is in regard to Bill Gladstone and marketing the Old Municipal property. It would be advantageous to have this item discussed and completed this evening. The Chairman invited Mr. Gladstone to come before the board.

X. BILL GLADSTONE, NAI CIR

Mr. Gladstone suggested two ways of marketing this property – a listing with NAI/CIR and also setting up an RFP, which he would do concurrently. He handed out packets to the board members, including demographic reports and the sales and listing agreement and advised that the demographic report and an amended ordinance would be included with the RFP.

Secretary Memmi remarked that the broker's fee seemed very high. Mr. Gladstone explained that he would recommend a two-tier step to pay CIR for an exclusive marketing agreement. The commission would be 7% if it were a cobroke (for example, if the sale price were \$100,000, \$7,000 would be split between CIR and the cobroker. If no cobroke was involved then the commission amount would be reduced to 6%; half to Mr. Gladstone and half to the company. Mr. Gladstone advised that he has six people working for him. Four of these employees only do marketing; one employee strictly keeps everything up to date. Overhead is extremely high. For an RFP, the commission would be 6% split for a cobroke or 5% if no cobroke. This reflects the sale of the property and buildings that exist now, not a completed project.

Secretary Memmi asked Mr. Gladstone if all marketing expenses would be his. He replied that they would unless the board required extra marketing

that he doesn't normally do. Secretary Memmi asked if Mr. Gladstone could provide the board with a breakdown of the percentages of commission. Mr. Gladstone said he would. Also, Mr. Memmi asked what the approximate cost of the marketing plan would be. Mr. Gladstone estimated about \$4,000.00.

Mr. Gladstone advised that he does not usually advertise in the Wall Street Journal or the New York Times. He does most of his advertising digitally on LoopNet, NAI Global, and CCIM and SIOR sites. Also, he would advertise in the local newspapers. Anything else would be paid for by the ICDA.

Mr. Argento asked whether it makes sense to proceed down both paths of an RFP and exclusive sales listing. Mr. Gladstone replied that most of what he has done has been exclusive sales listings.

Chairman Ingalzo recommended looking at the fee structure independent of the extra advertising in which case Secretary Memmi feels that 7% is too high.

Mr. Pries pointed out that without an up-to-date appraisal it's hard to even "guesstimate" what the property is worth. The last two appraisals are \$1.2 million and \$3.5 million, which is quite a difference and being that this property has been under much public scrutiny he would like a new appraisal before starting. Vice-Chairman Pagliarulo added that since time is of the essence, he would like to negotiate tonight and get going with this project.

There was discussion of a subcommittee to establish a minimum price and fee, and to make a recommendation to the Board. Solicitor Zemlock advised that formal action must be done at a public meeting. If necessary, it can be a special meeting as long as it is advertised.

Vice-Chairman Pagliarulo moved to approve the RFP conceptually and complete the balance of the information at the next meeting. Mr. Argento seconded the motion.

Motion carried, 5-0.

The subcommittee will include Chairman Ingalzo, Domenick Argento, Solicitor Zemlock and Jim Negley. The subcommittee will address the

current market value of the property, negotiate the fee structure and make a recommendation to the Board. Also, Mr. Gladstone asked to discuss what is expected for the marketing and exclusive sales listing agreement.

XI. PUBLIC COMMENT

No one came forward.

XII. ADJOURNMENT

At 7:00 p.m. Mr. Memmi moved to adjourn the meeting. Mr. Pries seconded the motion.

Motion carried, 5-0.

Meeting adjourned at 7:00 p.m.

Respectfully submitted by:

James N. Negley
Manager/Treasurer/Assistant Secretary

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