

TOWNSHIP OF DERRY
INDUSTRIAL & COMMERCIAL DEVELOPMENT AUTHORITY
MEETING NOTES
JULY 16, 2015

CALL TO ORDER

Chairman John W. Foley called the July 16, 2015 Regular Meeting of the Industrial & Commercial Development Authority to order at 6:00 pm in the meeting room of the Township of Derry Municipal Complex, 600 Clearwater Road, Hershey, PA. He advised that all public meetings are recorded for the purpose of providing accurate minutes. A roll call was done after the Pledge of the Allegiance.

The following were in ATTENDANCE:

BOARD MEMBERS

John Foley, Chairman
Domenick Argento
James Ingalzo
Chris Abruzzo

ALSO PRESENT:

James Negley, Manager, Asst. Treasurer, Asst. Secretary
Lauren Zumbrun, Economic Development Manager
Marie Sirkot, Administrative Assistant
Barbara Zemlock, Perry, Shore, Weisenberger & Zemlock
Julie Echterling, Stenographer

ABSENT

Justin C. Engle

Public in Attendance

The following were in attendance:

Donna Kreiser, McNees, Wallace & Nurick, LLC
Lou Verdelli, RBC Capital Markets
Greg Koussis, Capital Construction Management, LLC
Lori Althoff, Diana Reed & Associates

APPROVAL OF REGULAR MEETING MINUTES

Mr. Ingalzo made a motion to approve the minutes of the June 18, 2015 regular meeting, as written. Mr. Argento seconded the motion. **Motion carried 4-0.**

PUBLIC COMMENTS.

There were no public comments.

GUARANTEED TOWNSHIP REVENUE BONDS, SERIES 2015.

Mr. Verdelli discussed the background of the financing for the Guaranteed Township Revenue Bonds, Series 2010. He stated the current outstanding balance is \$9,670,000 with a call date of November 2015. The new bond balance would be \$9,995,000 with a 2.71% fixed interest rate with an after cost savings of \$364,751. The settlement date would be August 25. He discussed the credit rating being lowered to AA with these bonds because of the Township's debt ratio and reduced fund balance. Mrs. Kreiser discussed the resolution required for the bonds to be issued.

Mr. Ingalzo made a motion to approve **Resolution No. 2015-03**, authorizing and directing issuance of the guaranteed Township Revenue Bonds, Series of 2015. Mr. Argento seconded the motion. **Motion carried 4-0.**

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GIANT CENTER LETTER OF CREDIT FINANCING

Mr. Verdelli discussed the Letters of Credit renewed last year and that they are coming due this November. He has been working and reviewing the renewal options presented by PNC Bank for the Letters of Credit. The Series A bonds has an outstanding balance of \$18,355,000 and the series B has \$23,955,000. PNC has offered the option of a one or a two-year renewal. Mr. Verdelli and the team recommend the one-year renewal. PNC has offered a five-point reduction on the one-year renewals. He stated the renewal costs would be just under \$20,000. He asked the Board for their input to prepare documents and return in August for final approval. The Board agreed with going with a one-year renewal with PNC Bank for the Letters of Credit.

Mr. Verdelli provided an update on the Pilot Payment summary that he distributed to the Authority members. He explained that the \$150,000-\$200,000 prior year excess hotel tax collected by Dauphin County as being a one-time payment.

RESOLUTION: MULTIMODAL TRANSPORTATION GRANT OF \$3,000,000.

Mrs. Zumbrun discussed the background of the resolution formally requesting a Multimodal Transportation grant of \$3,000,000 from the Commonwealth Financing Authority for the Chocolate Avenue Streetscape Improvement Project. She explained how this project would need to be coordinated with the PennDOT paving project for high visibility crosswalks to increase pedestrian and bike connectivity. The grant has a 30% match and the application is due at the end of July. HRG estimated cost for the project at \$3,959,000. The improvement to the Kiss lights (\$2,600,000) is not in HRG's estimate for the project. She explained the required steps that are needed for submitting the grant. The grant requires identification of the matching funds and the source. She shared an option with Dauphin County for matching funds.

Chairman Foley stated the ICDA does not have the funds for the 30% required match. We need to go to the Board of Supervisors for approval and funding. Solicitor Zemlock asked if the ICDA could approve execution of the grant subject to the Board of Supervisors' approval. Discussion ensued. Chairman Foley asked to table this action until a meeting can take place with Lauren, Justin, Jim and Chris. The Board could reconvene, if necessary, at the end of the month.

Mr. Ingalzo made a motion to table the resolution for the Multimodal Transportation Grant. Mr. Abruzzo seconded the motion. **Motion carried 4-0.**

UPDATE: FIRE HOUSE PROJECT

Mr. Koussis updated the Board on the Fire House project. He stated the project is on schedule and on budget. He met with the Redevelopment Assistance Capital Project (RACP) Budget Office, the contractor, Diana Reed's office, along with the Fire Company. Everyone is pleased with the progress and documentation for the project. He stated they would be submitting the first request for payment.

OTHER BUSINESS

There was no other business discussed.

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ADJOURNMENT

Mr. Ingalzo made a motion to adjourn the meeting at 6:53 pm. Mr. Abruzzo seconded the motion.

Motion carried 4-0.

SUBMITTED BY:

James N. Negley, Manager
Assistant Treasurer, Assistant Secretary