

**DERRY TOWNSHIP INDUSTRIAL & COMMERCIAL DEVELOPMENT
AUTHORITY
235 HOCKERSVILLE ROAD, HERSHEY PENNSYLVANIA 17033
April 20, 2006
MINUTES**

CALL TO ORDER

The April 20, 2006 meeting of the Derry Township Industrial & Commercial Development Authority was called to order at 5:40 p.m. by Chairman J. Scot Chadwick.

ROLL CALL

Board Members Present:

J. Scot Chadwick – Chairman
Richard E. Lenker, Jr. (Departed 6:50 p.m.)
August (Skip) T. Memmi, Jr. – Secretary
Michael H. W. Pries

Board Members Present:

Todd K. Pagliarulo – Vice Chairman

Also Present:

Jeff Foreman (*Foreman & Foreman, P.C.*) – Solicitor

Public Present:

Scott Loercher – Buchart Horn, Inc. / Basco Associates
Paul McNamee – Buchart Horn, Inc. / Basco Associates
Bud Shuster - Klett Rooney Lieber & Schorling
Chick Tulli – Green Lee Partners

PUBLIC COMMENT

No discussion.

APPROVAL OF MINUTES

Motion: Mr. Lenker moved and was seconded by Mr. Pries to approve the following Minutes:

March 16, 2006

Public Meeting

Motion carried, 4-0.

DISCUSSION OF GOVERNMENT REPRESENTATION SERVICES (SHUSTER AND TULLI)

Bud Shuster - Klett Rooney Lieber & Schorling

Mr. Shuster noted the following: Klett Rooney has submitted DTICDA's requests for the year, Congress has ended its two week recess for the Easter break and they continue to fight over their budget allocations. The 302B allocations are the spending parameters provided to each subcommittee. These will be reviewed after the budget is approved. It's possible the 302B allocation list will be completed by Memorial Day; the appropriations bill should be passed by 7/4/06, and approved before the summer 7/28/06. The Senate usually waits until September. Mr. Shuster believes every effort will be made to get the bills completed within the legal obligated time. Senator Santorum's office requested Klett Rooney meet within the next week to discuss DTICDA's and Derry Township's priorities.

Mr. Memmi asked what DTICDA's first priority is. Mr. Shuster responded the municipal complex, with a \$1.6 million request submitted related to law enforcement complex. Any remaining ITF issues were submitted through the Township.

Mr. Memmi asked if Klett Rooney has contacted Representative Holden's office to determine where the \$250,000 is and what it's for. Mr. Shuster responded the money is from the Transportation Authorization bill passed in 2005 and is in a transit account. They have been unable to nail down FTA as to the flow of money; however it was earmarked in the bill for the ITF in the township. Meanwhile, Holden's office is investigating. The money can't be spent until it's located. Tim Smith is aware of the issue. Mr. Shuster is meeting with Holden 4/24/06.

REPORT ON DOWNTOWN DEVELOPMENT PROJECT

Mr. McNamee noted Buchart-Horn is also working with Holden's office to find the \$250,000 and stated the money is from the public transportation section.

Construction on Phase 1, and 2/3 (McNamee)

Phase 1 is opened and occupied. Some contractors have been retained to address open issues. The final change orders have all been processed.

A leak test will be conducted on the deck sometime late April. There is a warranty and guarantee on the deck. HE&R is responsible for the maintenance of the deck.

Hershey Nursery will seed the area on the museum site and try to stabilize the dirt.

The CAM agreement is in place for Phase 1. Mr. McNamee noted the elevator area is a mess, indicating HE&R is providing inadequate maintenance.

Pflumm, the contractor for Phase 2 of the demolition of the laundry building, said their work should be completed by mid June. Some remaining asbestos was found in the

building.

A pre-bid meeting was held today with the contractors for Phase 3 of the project for the parking deck. Work continues by HE&R and Quandel. Mr. McNamee said an extension of the bid is possible to get more contractors interested.

Buchart-Horn is working with HE&R and the contractors to ensure DTICDA's needs are met. The contractors will be informed their direction comes from DTICDA, as owner of the facility, and not other entities.

Mr. McNamee and Mr. Memmi are working together with DCED on the grant application for the laundry demolition.

Mr. Lenker asked if the entrance into the post office is part of the Township or part of this land. The lane markings are worn down because of the construction traffic. Mr. Lenker is concerned with traffic turning from onto Linden Road from Chocolate Avenue. Mr. Negley, stating the road is public to the alley line, will follow-up with Mr. Clark.

Mr. Memmi provided an update regarding a meeting held today with Jackie Parker, representing DCED, and Chick Tulli, Green Lee Partners. Ms. Parker's greatest issue is from a meeting held with HE&R one year ago in which she noted there was a lack of cooperation between the entities. Both Memmi and Tulli tried to dissuade her of that perception, indicating all entities are working together. A letter will be sent to DCED informing them that Derry Township, DTICDA, HE&R, Hershey Trust, the Museum Foundation, Hershey Foods, and Hershey Medical Center are all cooperating in an effort to get these projects completed. The letter will also include an explanation of the process for the ITF, the bridge project over the railroad tracks, and DTICDA's involvement with the CAT bus system route evolution.

Ms. Parker requested a copy of the Letter of Understanding and indicated she wants to be present at a meeting involving all entities. It was suggested she attend a meeting Representative Payne is in the process of scheduling a bridge review meeting involving several of the entities. Mr. Foreman agreed the LOU should be included.

Chick Tulli, Green Lee Partners, said an agenda containing many subjects should be written to show where the cooperation between the entities is at. He suggested the meeting should also include the sewer agreement which reflects cooperation of several parties. Mr. Tulli said Ms. Parker is not willing to move the grant request along. Mr. Tulli said a meeting should be scheduled before May 12, 2006 and to include all entities. Mr. Negley will check with Representative Payne's office regarding this meeting. Mr. McNamee said the meeting should be scheduled within the next week and not wait for May 12.

Mr. Memmi stated clarification is needed regarding reimbursement instead of approval before the project is too far along to wait for Ms. Parker's decision. Mr. McNamee said Ms. Parker knows what the schedule is and that it's to be a reimbursement. It would be in HE&R's best interest to come forward explaining the current cooperation between entities.

Buchart-Horn will provide a breakdown of the costs for Ms. Parker. Information regarding the CAM agreement would also be beneficial in that it shows cooperation between the entities.

Mr. McNamee will work with the Manager and Quandel and talk to the contractors in an effort to work out a deal so as not to impact costs.

Mr. Tulli stated his contract specifically states any project DTICDA wants Green Lee Partners to work on the local and state level, the Chairman should communicate to Green Lee. It was determined Mr. Negley is to contact them and provide clear direction. If changes are needed, then clarification should be provided. Green Lee Partners observes many areas of interest to DTICDA; however, they do not want to overstep their contractual agreement.

Mr. Tulli was at the meeting with Ms. Parker today in an effort to validate the cooperation between the entities. He said the residents of Derry Township are fortunate to have individuals working together for the Township's benefit. Mr. Tulli informed HE&R they are to be ready for the meeting when it occurs.

Mr. Memmi asked Mr. Tulli if it is correct Green Lee Partners is doing nothing directly for monies for the ITF project. Mr. Tulli responded correct. Mr. Memmi said DTICDA is OK for grant monies for the demolition of the laundry facility, with Green Lee Partners representing DTICDA. At that point, in finding money for this specific project, HE&R may, on their contract with Green Lee Partners, ask for help. DTICDA is not supposed to because they do not want to pay it twice. Mr. Tulli will clear it up with HE&R.

Mr. Tulli again stated Green Lee Partners sees opportunities DTICDA is unaware of. Mr. Memmi wants Green Lee Partners to contact the Manager when these arise. Mr. Negley will then pass the information along to the Board.

Mr. Pries said things have gotten better since Green Lee Partners become involved with DTICDA and noted their involvement with HE&R regarding the stadium events.

Agreement with HE&R (Foreman)

Mr. Foreman said outside HE&R counsel doesn't have everything ready regarding this agreement and that it should be presented at the next meeting.

Mr. Garrett, of HE&R, wants Solicitor Foreman to restate the Minutes of March 16, 2006: the \$10.7 million costs associated with Phase 1 & 2 are identified and will be covered entirely by HE&R. All ongoing costs need to be agreed upon mutually between DTICDA and HE&R, financing of the ongoing project will be at the sole discretion of HE&R, and public information between DTICDA & HE&R will be fully vetted by both.

DTICDA will submit the CAM agreement, the Operations agreement, and the Maintenance agreement to HE&R for Phase 2.

In Phase 1 the CAM agreement at the press building will be serviced by parking. In Phase 2 HE&R will be fully responsible for operations, maintenance, and CAM charges. DTICDA will agree to CAM for the project area for whatever goes in there. There are

not too many outstanding issues except for that of determining the exact costs of the project.

Mr. Pries asked who the outside council is for HE&R. Solicitor Foreman responded Christopher Cicconi.

REPORT, NEW MUNICIPAL COMPLEX PROJECT (McNAMEE)

Mr. McNamee presented the Executive Summary Report No. 1 for the municipal complex.

The ITF museum property has a land development plan issue regarding egress to the parking garage to Linden. Their property abuts the garage causing safety issues involving trucks backing up. School/tour busses will also have problems at this location. Mr. McNamee suggested the busses should have a designated lane at the bus terminal which does not impact regular CAT and other transportation entities. This subject needs to be discussed with the Trust.

Construction is underway on the municipal site. Substantial completion is scheduled for 3/30/07 with occupancy by April 30, 2007. Mr. McNamee encouraged Board members to schedule a meeting as a group for a tour of the facility.

Mr. Lenker asked is the project is on schedule. Mr. McNamee responded yes.

Mr. Memmi has attended several construction meetings regarding this project. He noted Public Works, in an effort to reduce costs, has become involved with stuff not completed within the scope of work, i.e. removal of unexpected concrete. Public Works will also install shrubbery and plant buffering around the site.

Mr. Memmi stated he is impressed with Quandel representatives. Their professionalism and precision is working to keep costs down.

Chairman Chadwick asked for a web camera update. Mr. Negley said nothing has been agreed to, and that he is concerned with the significant costs associated with this. It was agreed by all Board members to shelve the idea.

EMERGENCY SERVICES ADDITION TO PUBLIC WORKS BUILDING (McNAMEE)

Discussion has been held with Public Works regarding this subject. Buchart-Horn has not begun the process for the project but is willing to facilitate. Mr. McNamee noted the addition is feasible.

Mr. Lenker said they are waiting for a response from Hershey Medical Center before anyone can proceed. He requested the design of the addition blends in with the current Public Works facility.

Mr. Pries said the money is available because of the recent financing of the \$3 million bond. Mr. Negley said the bond was extended. The medical center will pay for \$3,500

a month for 25 years, with DTICDA netting approximately \$1 million. The timeline for a decision regarding ownership of this project is April, 2007.

Mr. Lenker directed the Manager to contact Steve Davis to get this project started. Mr. McNamee will provide information at the next meeting regarding a construction schedule. A signed agreement is needed between both parties before commencement.

HERSHEY PLAYHOUSE REQUEST

Hershey Playhouse received the money last week.

ANY OTHER BUSINESS

No discussion.

EXECUTIVE SESSION

An Executive Session was held 6:50 p.m. to 7:00 p.m. to discuss land and legal issues. Chairman Chadwick noted Mr. Lenker left at 6:50 p.m. and was not present for Executive Session or the remainder of the regular meeting.

REPORT, RFPs FOR REDEVELOPMENT OF CURRENT MUNICIPAL CAMPUS Site (FOREMAN)

Motion: Mr. Pries moved and was seconded by Supervisor Memmi naming PATT Organization as main developer for the current municipal project subject to negotiation of contract and to be presented at the next meeting.

Discussion: Solicitor Foreman noted there was only one response to the RFP request with respect to the development of the current municipal project.

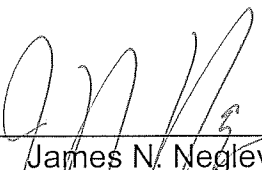
Motion carried, 3-0.

ADOURNMENT

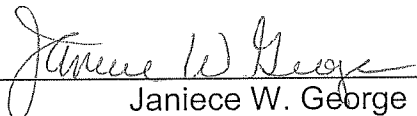
Motion: Mr. Pries moved and was seconded by Mr. Memmi to adjourn the meeting at 7:01 p.m.

Motion carried, 3-0.

SUBMITTED BY:



James N. Negley
Manager/Secretary/Treasurer



Janiece W. George
Recording Secretary