

**DERRY TOWNSHIP INDUSTRIAL & COMMERCIAL DEVELOPMENT  
AUTHORITY  
235 HOCKERSVILLE ROAD, HERSHEY PENNSYLVANIA 17033  
February 16, 2006  
MINUTES**

**CALL TO ORDER**

The February 16, 2006 meeting of the Derry Township Industrial & Commercial Development Authority was called to order at 5:30 p.m. by Michael H. W. Pries.

**ROLL CALL**

***Board Members Present:***

J. Scot Chadwick – Chairman  
Richard E. Lenker, Jr.  
August (Skip) T. Memmi, Jr. – Secretary  
Todd K. Pagliarulo – Vice Chairman  
Michael H. W. Pries

***Also Present:***

Jeff Foreman (*Foreman & Foreman, P.C.*) – Solicitor Departed 6:53 p.m.

***Public Present:***

Paul McNamee – Buchar Horn, Inc. / Basco Associates

**PUBLIC COMMENT**

No discussion.

**APPROVAL OF MINUTES**

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

January 19, 2006

Public Meeting

***Motion carried, 5-0.***

**REPORT ON DOWNTOWN DEVELOPMENT PROJECT**

Mr. McNamee reported the following:

- Meetings were held between Buchart Horn & HE&R regarding the ITF and parking deck.
- Phase 1 is completed; several punch list items remain outstanding.
- Phase 2/3 is moving forward.
- An agreement is under negotiation regarding HE&R's consideration of paying a share of Phases 1, 2, and 3
- Phase 2 is defined as the surface parking lot on the south side of the tracks.
- Phase 3 is the parking deck portion of the ITF.
- HE&R want to proceed quickly with these plans.
  - Buchart Horn agrees speed is a necessity in order to maximize funding money.
- Buchart Horn has provided HE&R with the ITF plans for the parking facility, and cost estimates for the rest of the project. Buchart Horn has remained in contact to respond to questions.
- The project is a go.
- The bids for the laundry demolition have been advertised.
- Buchart Horn will not make changes to the plan unless approved by DTICDA.

Solicitor Foreman stated:

- HE&R is willing to pay for all expenses related to the project. There would be no additional costs to DTICDA.
- A draft Letter of Understanding (LOU) was submitted contingent upon a final conclusion.
- Indemnity concerns were raised by DTICDA members regarding item #10, page 3 of LOU. HE&R originally requested DTICDA take over full indemnity for the project and indemnify HE&R for design, engineering, construction, and materials defects.
- AIA contract has general conditions acceptable to HE&R that are not outlined in the LOU.
- Buchart Horn will not issue warranties. They do not have the ability to secure any contractors, and cannot warrant a low bid contract. The

contractor would be responsible for work completed. No engineering firm would take responsibility for unforeseen events.

- Solicitor Foreman will draft a paragraph to the LOU stating every contractor will be responsible for their own requirements.
- Dave Lavery, Project Executive for HE&R, is satisfied with the requirements as stated in the AIA contract.

Mr. Memmi noted:

- Is there sufficient language in the LOU to guarantee payment of Phase 2/3?
  - Solicitor Foreman believes it is HE&R's intent to be responsible for the completion of the project and its financial obligations.
  - Solicitor Foreman stated HE&R deliberately left the purchase amount blank.
  - Diana Reed estimates this will be in the \$500,000 - \$600,000 range.
  - HE&R will pay full costs.
  - Mr. Pries wants sufficient language included to complete the project.

Mr. Foreman said HE&R wants to be the agent of the Authority and manage the property. No changes would be made unless approved by DTICDA.

Mr. Memmi said if the LOU is approved:

- Buchart Horn will be directed to get the drawings completed.
- Concern with costs incurred prior to DTICDA having an official agreement completed. Cost could be run up for whatever reason and he wants to know how DTICDA can be protected from those expenses.

Solicitor Foreman stated the LOU is not enforceable until the final agreement is signed.

Mr. Pagliarulo directed Buchart Horn to provide updates to all parties involved and suggested a representative of DTICDA be appointed a contact person for this project to know what each entity is doing. Mr. Chadwick agreed with Mr. Pagliarulo regarding appointment of a liaison for DTICDA. He also noted there is a degree of exposure for the short term, and indicated the LOU is an expression of good faith to proceed, contingent upon liability and insurance issues being addressed.

In response to Mr. Lenker's concern, Solicitor Foreman stated he did not have to recuse

himself from a vote regarding this subject because he does not have a direct pecuniary interest.

Mr. Memmi, noting item #14 of the LOU regarding a construction management agreement whereby HE&R will function as the agent for DTICDA for the construction of Phase 2 and operate on its behalf, said Buchart Horn's contract is with DTICDA and not HE&R. Solicitor Foreman said nothing in the LOU changes the Buchart Horn contract with DTICDA.

Mr. Chadwick asked the Solicitor to change the DTICDA Downtown Hershey Intermodal Project flow chart from Phase 3 to Phase 2.

It is Mr. Pagliarulo's opinion that if things can be sorted out then HE&R may hire someone like Whiting Turner. Mr. McNamee noted that bringing in another consult may muddy the water regarding this project.

Mr. McNamee further stated that no federal money could be used for a separate construction manager. If DTICDA went that route, they would then have to procure fees, and advertise for FTA reimbursement. The case would have to be presented carefully to FTA. DTICDA would also be subject to audits for all grants. It is Mr. McNamee's opinion the flow chart as presented will not work.

Mr. Pagliarulo suggested Buchart Horn take the LOU about the construction manager to HE&R, explain the situation regarding federal funding, and come to a conclusion that would benefit all parties involved.

Mr. McNamee noted it will save time and money to keep the same team in place. Buchart Horn would ensure HE&R is kept abreast of all details; however, identification of criteria is needed to address HE&R's concerns.

Mr. McNamee said it is ironic HE&R wants Buchart Horn to warranty the whole project and not give them control of the project. He noted a subcontractor could be appointed for reporting.

Mr. Pagliarulo stated the LOU could be approved contingent upon language changes as noted.

Mr. Memmi said he is looking to keep the framework as used in Phase 1, and the same framework used for the municipal complex.

**Motion:** Mr. Pagliarulo moved and was seconded by Mr. Pries to approve the Letter of Understanding contingent upon the necessary insurance information being included, verbiage as deemed necessary by the Solicitor, and appointing Mr. Memmi as primary liaison and Mr. Pagliarulo as secondary liaison.

**Motion carried, 5-0.**

## EXECUTIVE SESSION

DTICDA went into Executive Session at 6:23 p.m. to discuss real estate matters. They returned to regular session at 6:27 p.m.

## REPORT ON DOWNTOWN DEVELOPMENT PROJECT (continued)

Mr. McNamee presented the Overall Project Cost Summary as follows:

- Phase 1 total project costs	\$ 6,400,000
- Phase 2/3 total project costs	\$10,069,000
- Total Phases 1, 2, & 3	\$16,469,000
- Net of grant funds committed	\$ 3,864,000
- Net costs after committed & projected grants	\$ 2,253,000

Mr. McNamee presented the Phase 2/3 Parking & Intermodal Demolition and Construction Schedule as follows:

- Pre-bid meeting for laundry demolition	2/21/06
- Bid opening for Phase 2 – laundry demolition	3/2/06
- DTICDA consideration to process award of laundry demolition contract	3/9/06
- Advertise for bids for Phase 3 parking & intermodal	3/12/06
- Pre-bid meeting Phase 3 parking & intermodal	3/23/06
- Issue Notice to Proceed laundry demolition	3/31/06
- Bid opening for Phase 3 parking & intermodal	4/13/06
- DTICDA consideration to process Phase 3 parking & intermodal contracts	4/20/06
- Issue Notice to Proceed for Phase 3 parking & Intermodal contracts	5/12/06
- Completion of demo contract	5/31/06
- Construction completion Phase 3 parking & intermodal	5/31/07

Mr. Lenker indicated he would feel better if the LOU was signed prior to approving this schedule. Mr. Memmi responded the laundry building needs to be demolished

regardless if signed or not.

**Motion:** Mr. Pries moved and was seconded by Mr. Lenker to advertise for bids as outlined in the Phase 2/3 Parking & Intermodal Demolition and Construction Schedule.

**Motion carried, 5-0.**

Mr. Pagliarulo noted that Paul Clark could be of assistance to Buchart Horn regarding this project, noting there was no conflict of interest for him to do so. Mr. McNamee agreed.

Mr. McNamee presented the DTICDA Phase 2/3 Intermodal Transportation and Parking Facility Design, Bidding, Construction Inspection and Management, and DEB Compliance Services, January 2006 – May 2007. This was an itemization of costs yet to be incurred and recommended for the completion of the Phase 2/3 ITF. Highlights include:

- Design and specifications to implement value engineering items for Phase 3 Parking Facility; to separate the Laundry Demolition into a separate package for bidding; update the traffic signal warrant report and HOP, and otherwise prepare the project for final bidding. The value engineering items are estimated to reduce the cost of the facility by nearly \$800,000 (foundation and parking evaluation modifications)
  - Buchart Horn \$110,000
  - HE Black \$ 20,000
  - ARM \$ 7,500
  
- Bidding services for two separate bids for two contract packages (Laundry Demolition and the Intermodal and Parking Facility)
  - Buchart Horn \$ 30,000
  
- Grant application revisions and management assistance (FTA, RACP) through project completion and closeout.
  - Buchart Horn \$ 50,000
  
- Project Management and Coordination through project completion.
  - Buchart Horn \$ 75,000
  
- Construction Administration
  - HE Black \$ 25,500
  - Gannett Fleming \$ 17,000
  - Buchart Horn \$ 50,000

- Special Construction Inspections required by Building Code
  - ARM \$ 78,000
  - Ritchie \$ 30,000
- DBE/Equity Compliance Services
  - Clark Associates\* \$104,000
- Construction Management
  - Quandel \$310,000

\* Mr. McNamee recommends Clark Associates and not Kirkland Anderson.

**Motion:** Mr. Memmi moved and was seconded by Mr. Pries to approve the DTICDA Phase 2/3 Intermodal Transportation and Parking Facility Design, Bidding, Construction Inspection and Management, and DEB Compliance Services, January 2006 – May 2007 as presented, subject to the legal agreement being reviewed by the Solicitor and the Manager.

**Motion carried, 5-0.**

## **HERSHEY AREA PLAYHOUSE**

Solicitor Foreman and Mr. Verdelli were to review Hershey Area Playhouse's request of \$25,000 from the last meeting and provide an update today.

Mr. Pagliarulo said DTICDA should concentrate its efforts on projects that benefit local economic development such as the recent New Year Celebration. Mr. Pries agreed.

## **REPORT, MUNICIPAL COMPLEX PROJECT**

### Web camera

Mr. McNamee provided a web cam update indicating two cameras could be installed for approximately \$12,000 for a 14-16 month time period, with links to the Township's web site. This subject deferred to the March agenda.

### Clearwater Drive improvements

Mr. McNamee noted Bucharthorn met with representatives of MHS regarding Clearwater Drive improvements. It was determined the school is not expected to generate a lot of traffic.

DTICDA members indicated they do not want to ask MHS to pay for some of the costs to the intersection. Bucharthorn was directed not to correspond on this issue.

### Radio towers

Mr. Lenker said the new proposal analysis regarding emergency services indicates a need a new radio system and is expected to be online within the next three years. Radio tower sites are critical.

### Groundbreaking ceremony

Mr. Memmi said a groundbreaking ceremony needs to be scheduled for the municipal complex.

### Social event

**Motion:** Mr. Pries moved and was seconded by Mr. Pagliarulo to approve a social event at the Giant Center between the members of the Board of Supervisors and DTICDA to discuss items of interest related to both entities.

**Motion carried, 5-0.**

## **REPORT, RFPs FOR REDEVELOPMENT OF CURRENT MUNICIPAL CAMPUS SITE**

The RFP deadline was extended. Solicitor Foreman will provide an update at the next meeting.

## **UPDATE ON CAT FUNDING**

No written agreement has been provided. Ridership is increasing.

## **UPDATE ON GOVERNMENT REPRESENTATION MATTER**

Klett Rooney Lieber & Schorling will replace Washington Strategies as DTICDA's federal representation in Washington, D.C. Mr. Memmi suggested an Executive Session be held with Klett Rooney Lieber & Schorling to discuss the establishment of a monthly report.

Mr. Lenker requested DTMA also be included with these updates. Mr. Memmi responded it wouldn't be possible due to Klett Rooney Lieber & Schorling using the services of a firm unrelated to DTMA. Mr. Lenker withdrew his request.

Foreman & Foreman was directed to arrange an Executive Session with Klett Rooney Lieber & Schorling regarding this subject.

## **CORRIDOR TWO REPORT**

Mr. Pagliarulo stated train service is expected to come to the Hershey earlier much earlier than anticipated, sometime within the next 5 years. He further stated that CAT service is critical to supporting this effort.

The study has a deficiency of approximately \$400,000 and is looking to the legislature to support \$200,000. Local interests will be approached to obtain the rest.



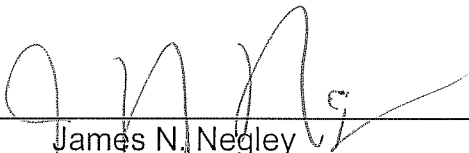
Mr. Memmi said a feasibility study is needed to see if it can be done. A meeting may be scheduled with Lancaster County's Red Rose System regarding transit from Elizabethtown to Harrisburg, thus making the ITF the center for transportation systems. He wants to schedule a meeting within the next six months regarding this issue.

**ADOURNMENT**

**Motion:** Mr. Pries moved and was seconded by Mr. Lenker to adjourn the meeting at 7:20 p.m.

**Motion carried, 5-0.**

**SUBMITTED BY:**

  
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James N. Negley  
Manager/Secretary/Treasurer

  
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Janiece W. George  
Recording Secretary