

**DERRY TOWNSHIP INDUSTRIAL & COMMERCIAL DEVELOPMENT  
AUTHORITY  
235 HOCKERSVILLE ROAD, HERSHEY PENNSYLVANIA 17033  
May 18, 2006  
MINUTES**

**CALL TO ORDER**

The May 18, 2006 meeting of the Derry Township Industrial & Commercial Development Authority was called to order at 5:35 p.m. by Chairman J. Scot Chadwick.

**ROLL CALL**

***Board Members Present:***

J. Scot Chadwick – Chairman  
Richard E. Lenker, Jr. (Departed 6:38 p.m.)  
August (Skip) T. Memmi, Jr. – Secretary  
Todd K. Pagliarulo – Vice Chairman

***Board Members Present:***

Michael H. W. Pries

***Also Present:***

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

***Public Present:***

Dave Boyer – Buchart Horn, Inc. / Basco Associates  
Bill Davies – HE&R  
Dave Lavery – HE&R  
Bruce Yerger – Buchart Horn, Inc. / Basco Associates

**PUBLIC COMMENT**

No discussion.

**APPROVAL OF MINUTES**

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

March April 20, 2006

Public Meeting

***Motion carried, 4-0.***

## RECESS

DTICDA recessed its meeting from 5:37 p.m. – 5:50 p.m.

## REPORT ON DOWNTOWN DEVELOPMENT PROJECT

### Construction Update (Buchart/Horn)

Mr. Yerger noted there are still several punch list items open for Phase 1. Lobar has leak tested the deck and has come up with a plan for correction. Line striping will also be redone. The laundry building is 90% complete and should be finished by mid June.

### Agreement with HE&R (Foreman)

Mr. Foreman said there are two agreements: a Construction Agency Agreement and a Purchase Agreement. There is a blank on the Purchase Agreement for the dollar amount for the price of the purchase. The intent, per the Letter of Understanding, is that all the costs involved the entire project will be included in the Purchase Agreement.

The Construction Agency Agreement specifically indicates that in addition to Phase 1 costs the cost of Phase 2 would also be rolled into this agreement.

There are several items to be addressed:

1. The intent is the Construction Agency Agreement allows for refinancing portions of the project which the agent is responsible for paying. The intent is to pay all reasonable and necessary costs incurred by DTICDA.

After the Phase 1 Purchase Agreement is signed it appears in the document any costs incurred would be the responsibility of DTICDA. The closing may be 180 days after the agreement is signed. The document indicates DTICDA will be responsible for the transfer costs.

2. The actual cost of the project is not specified in the document.

Solicitor Foreman asked DTICDA to consider adoption of these documents and proceed, and then have the manager sign off on the forms until these points can be worked out. He suggested a sub-committee then sign off on the actual purchase price. The timeliness of signing the documents affects the awarding of bids.

Buchart-Horn has compiled a list of costs as to what should and should not be included.

Mr. Lavery doesn't believe the costs to be an issue. His biggest concern is the Construction Agency Agreement which gives HE&R the oversight to help manage and control the project with approval and decision from DTICDA. They want to be the lead for the project the same as they were with the Giant Center.

Solicitor Foreman stated the intent of the LOU is clear. The transfer costs deals with Phase 1 and should be picked up in the purchase price.

Solicitor Foreman said DTICDA does not have to wait until a purchase price is determined.

Mr. Lavery stated HE&R has no issues with the language of the LOU. He said they will not approve any contracts today and noted HE&R have not been involved in the bidding process.

It was determined a continuance of this meeting will be held Thursday, May 25, 2006 at 5:30 p.m.

*Buchart Horn Contract Modification for Additional Services*

This agenda item was tabled.

*Phase 3 bids*

Mr. Yerger presented the following bids for the Downtown Hershey Intermodal Bus Station Pedestrian Bridge & Parking Facility – Phase 3:

**General Bid:**

<u>Company</u>	<u>Base Bids</u>
Lobar	\$7,227,886.00
Wohlsen	\$7,688,300.00
MacCabee	\$0
High	\$0
Penncrest	\$0

**HVAC Bid:**

<u>Company</u>	<u>Base Bids</u>
MBR	\$77,700.00
Eshenaur	\$77,770.00
WG Tomko	\$0
Shannon Smith	\$77,350.00

**Plumbing Bid:**

<u>Company</u>	<u>Base Bids</u>
WG Tomko	\$269,950.00
Shannon Smith	\$281,370.00

**Electrical Bid:**

<u>Company</u>	<u>Base Bids</u>
MBR	\$0
B&B	\$468,460.00

Monacacy \$572,320.00

**Low Bids w/alts**

**General:**

<u>Company</u>	<u>Bids</u>	
Lobar	\$7,268,486.00	W/ATL G1
Lobar	\$6,877,886.00	W/ATL G2

**HVAC:**

<u>Company</u>	<u>Bids</u>	
Shannon Smith	\$77,350.00	W/ATL G1
Eshenhaur	\$11,880.00	W/ATL G2

**Plumbing:**

<u>Company</u>	<u>Bids</u>	
WG Tomko	\$269,950.00	W/ATL G1
WG Tomko	\$269,550.00	W/ATL G2

**Electrical:**

<u>Company</u>	<u>Bids</u>	
B&B	\$474,280.00	W/ATL G1
B&B	\$443,754.00	W/ATL G2

**Total W/ATL G1 \$8,090,066.00\***  
**Total W/ATL G2 \$7,603,070.00\*\***

- \* With bus shelter additions
- \*\* Without bus shelter additions

Mr. Yerger noted Lobar made a few math errors on their original bid in the amount of \$323,000. With the correction Lobar remains the low bidder. Lobar said they would withdraw their bid if DTICDA did not find the correction acceptable. Solicitor Foreman said mathematical errors can be corrected by law.

If W/ATL G2 is accepted Shannon Smith will no longer be the low bidder.

Mr. Memmi said it was discussed at the bid opening that Mr. Lavery was going to do some calculations relevant to what was figured into a preliminary analysis and asked what he was able to ascertain relevant to the contingency and other topics discussed.

Mr. Lavery responded the numbers reviewed last week prior to the adjustment left

HE&R with about \$350,000 in contingency, which is about 3% they thought would be sufficient. The new numbers leave them with no contingency.

The other issue of the question is whether there is enough money in the bid allocated to the ITF, the bridge, and parking spaces. Mr. Lavery noted they just received the adjustment this afternoon. There are unallocated costs as well. He said the actual figure was not \$350,000 but \$440,000 if the bridge is not enclosed with glass and air conditioned. Mr. Lavery said they have not had enough time to review and fully determine that is can be or cannot be taken and not impact the federal funding.

Mr. Yerger believes the figure to be close to \$3.1 million and does not feel the figures to be significantly off. The issue is the contingency amount they thought they had last week from the bid opening.

Fred Clark reviewed all low bids and is comfortable with the terms and conditions each bidder has sufficiently complied with the bid conditions in good faith efforts under their submission to meet DBE goals. DBE participation levels are: Shannon Smith – 13%, W. G. Tomko – 7.1%, B&B - 9%, and Lobar - 2.5%.

Mr. Memmi asked Mr. Lavery if he was comfortable with the DBE goals for this project. Mr. Lavery responded HE&R does not set specific minority goals because it is hard to assess. HE&R has been historically able to carve out work for these objectives because they are able to meet the costs of the bids. It is Mr. Lavery's opinion the review conducted by Fred Clark is sufficient for the project.

## **UPDATE ON NEW MUNICIPAL COMPLEX PROJECT (BUCHART HORN)**

Mr. Yerger provided the Executive Summary Report No. 2 for the municipal complex for review and noted the following:

1. The contract duration is 430 days and is 24% complete.
2. The demolition is near completion. Concrete and masonry foundations are underway at the Police Building and the Administration Building. Installation of the site utilities is ongoing.
3. Buchart Horn continues to respond to RFI's.
4. Project remains under budget.

Mr. Lenker questioned line three of the Change Order log regarding deduct for extended range sprinkler heads. Mr. Negley explained the sprinkler system was originally programmed to be located in certain areas, and will now be placed randomly. There are no safety hazards incurred because of this change, the same level of protection will be provided, and the change is code compliant.

Mr. Memmi noted a contract has not been received from EMS, and that the draft is under legal review.

Right of Way Agreement (Foreman)

**Motion:** Mr. Pagliarulo moved and was seconded by Mr. Lenker to approve the PPL Right-Of-Way Agreement as presented by Solicitor Foreman.

**Motion carried, 4-0.**

**HERSHEY HIGH SCHOOL AFTER PROM PARTY**

**Motion:** Mr. Memmi moved and was seconded by Mr. Pagliarulo to provide a \$2,500 contribution to Hershey High School for their after prom party.

**Motion carried, 4-0.**

Mr. Lenker left the meeting at 6:38 p.m.

**REPORT ON REDEVELOPMENT OF CURRENT MUNICIPAL CAMPUS SITE (FOREMAN)**

Solicitor Foreman noted an email was sent from Jules Patt and Sid Lutkewitte in which they agreed to the proposal subject to contract terms and due diligence. No contract has been received.

A height restriction was noted last week during a meeting between Mr. Negley and Mr. Patt. This may cause the developers to reevaluate their position. It is possible the site may need to be rezoned to Downtown Commercial. The Zoning Hearing Board will take the surrounding area into consideration when making their decision.

It is Mr. Memmi's opinion a conversation with Mr. Lutkewitte over the weekend was positive.

Solicitor Foreman said they should make clear the height restrictions to all potential developers.

**ANY OTHER BUSINESS**

No discussion.

**EXECUTIVE SESSION**

An Executive Session will be held after this meeting to discuss real estate issues.

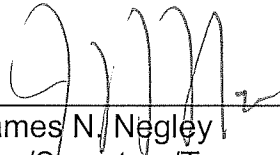
**PAVONE INVOICES**

Mr. Negley was granted permission to question Pavone for two invoices: one for \$906 and the other for \$320. It was noted Pavone was billing for services not rendered regarding the municipal groundbreaking.

**ADJOURNMENT**

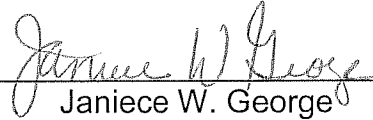
The meeting was not adjourned and will reconvene May 25, 2006 at 5:30 p.m.

**SUBMITTED BY:**



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James N. Negley  
Manager/Secretary/Treasurer



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Janiece W. George  
Recording Secretary