

**DERRY TOWNSHIP
INDUSTRIAL & COMMERCIAL DEVELOPMENT AUTHORITY
600 CLEARWATER ROAD, HERSHEY, PENNSYLVANIA 17033
September 20, 2007
MEETING MINUTES**

CALL TO ORDER

Chairman Scot Chadwick called the September meeting of the Derry Township Industrial & Commercial Development Authority to order at 5:30 p.m.

PLEDGE OF ALLEGIANCE

All present stood for the Pledge of Allegiance.

ROLL CALL

Members Present:

J. Scot Chadwick, Chairman
Todd Pagliarulo, Vice Chairman
August T. Memmi, Secretary
Michael Pries (arrival at 5:40 p.m.)

Members Absent:

Richard Lenker, Jr.

Also Present:

Jeff Foreman (Foreman & Foreman, P.C.)
James N. Negley, Manager/Treasurer/Asst. Secretary
Marie Sirkot, Administrative Assistant
Ardith Yahner, Stenographer

Public Present:

Dave Boyer, Buchart Horn, Inc.
Bill Davies, H.E. & R.
Diana Reed, DRA

APPROVAL OF MINUTES

Mr. Memmi moved and Mr. Pagliarulo seconded the approval of the minutes of the July 19, 2007 meeting.

Motion carried, 3-0.

HERSHEY MUSEUM PROJECT UPDATE

RACP Document Approvals

Mr. Foreman explained that he has brought before the board a resolution and a cooperation agreement, which are similar to other RACP grants seen in the past. The resolution approves administering the fund (it is a requirement to submit this to the state, in order to receive the grant), and the cooperation agreement is between the township and DTICDA to administer the fund.

A motion was made by Mr. Pagliarulo to accept the resolution and the agreement as presented by Mr. Foreman. Mr. Memmi seconded the motion. Mr. Memmi stated that the Authority usually collects a fee of ½ of 1% up front. Has this been discussed with Hershey Trust? Mr. Foreman replied that it has not. Mr. Pagliarulo believes that an earlier discussion took place, but it was not about RACP dollars, but other dollars. Mr. Memmi suggested that some discussion should occur with the foundation and come up with a reasonable resolution to those issues. Mr. Foreman agreed.

**Motion to approve the Cooperation Agreement and Resolution
No. 2007-06 carried, 3-0.**

Mr. Pries arrived at 5:40 p.m. and was added to the roll.

Mr. Davies brought the board up to date on the Museum project. The project is going well and the foundation block is 90% complete and on time. The steel has been started and the building should be under roof by Thanksgiving. The final piece will be to get the funds flowing from the RACP grant.

DEVELOPMENT OF OLD MUNICIPAL CAMPUS PROJECT

Mr. Foreman advised that the amended agreement has been executed and the deed for the property has been executed and recorded.

INTERMODAL TRANSPORTATION FACILITY PROJECT

Mr. Boyer referred the board to Report #13 which includes the latest reported information. We have the certificate of occupancy and the garage is now in use and the remainder of the project should be complete by November 11th. Word has been received from FTA that the grant application is moving through their internal review process to get funds flowing.

Mr. Pries commented that he was at the site recently and it looks fantastic! He asked if there would be a ribbon cutting ceremony. Mr. Boyer advised that this would be directed from the township and nothing has been planned as of yet.

Mr. Memmi suggested having something in mid-November and inviting some of the FTA officials to attend. They have commented that they seldom get to see any of these projects come to fruition, so this would be an ideal time for them to see the completed work. He also suggested that staff, along with Buchart Horn and HE&R do the planning of the event. Chairman Chadwick added that most of these people will need some lead time in order to come, so we should get started on the planning soon. Mr. Pagliarulo suggested talking to Jim Hoffer at CAT to get a new bus here for everyone to see as well.

Mr. Memmi suggested that the public relations people at Buchart Horn and HE & R coordinate this event so that invitations reach the proper people and Mr. Davies and Mr. Boyer agreed.

NEW MUNICIPAL BUILDING PROJECT CLOSEOUT

Mr. Boyer reported that they are taking care of warranty corrections as they come up. Also, there are still two roof leaks in the new building and that CH&E has pinpointed the leaks and is repairing them. The manufacturer's inspector will be present when tested.

GOVERNMENT RELATIONS AGENDA

Chairman Chadwick reported that he met with Chick Tulli of Greenlea Partners (at Mr. Tulli's request) to discuss the proposal to increase the hotel tax. Mr. Tulli told him that there is currently an agreement that apportions the revenue of the room tax with 70% going to DTICDA, 20% to the city of Harrisburg, and 10% to Dauphin County Econ. Dev. Corp. for tourism promotion. This was confirmed by Mr. Negley. There have been ongoing discussions of a 2% increase in the hotel tax and according to Mr. Tulli's explanation, if the 2% goes forward the way it's being discussed now (by the mayor's office, the tourist promotion people and Representative Ron Buxton who will be one of the lead legislators in this matter) the TPA's would get 1% and the other 1% would get divided between Derry Twp. and the city of Harrisburg 75%/25%. All of these numbers are estimates. Mr. Tulli also advised Chairman Chadwick that the Derry Twp. portion would first be applied toward the museum and if anything is left over it would go to the Intermodal Transportation Facility and then anything else would go to the Authority for the Giant Center. Mr. Davies said his understanding is that after the Museum and ITF the rest would go toward the Giant Center.

Chairman Chadwick asked the board what their feelings are about what to tell Chick Tulli, since Greenlea does represent us. Mr. Pagliarulo stated that we own the museum and it is being constructed with the RACP funding; therefore, we need the hotel tax and Chick needs to work hard on our behalf to ensure that this goes through or we'll have a dramatic deficit. Even with Ron Buxton making the presentation, it still has to be signed by the Governor and that may be a large obstacle to overcome. Chairman Chadwick agreed and pointed out that the politics are very complicated and we need a lot of people working together to get this job done.

Mr. Memmi referenced the other consultant for Washington activities (Mr. Schuster at Buchanan, Ingersoll, Rooney) and that at this time there is very little there to be accomplished. Maybe we should terminate our agreement with them within the 60-day notice of termination, and just use their services on an "as needed" basis - to show us results. The political environment has changed, and we need to change also. Mr. Memmi feels that we should keep the Harrisburg consultants engaged. Our private sector partners are expending funds along those lines also. Maybe there should be a reallocation of our \$5,000 per month after some of our outstanding issues are resolved, (such as the museum and transportation), then in three to six

months we revisit costs and reduce exposure if possible, since we don't have limitless funding to pay their bills. Mr. Memmi suggested terminating Buchanan Ingersoll, and keeping Greenlea, but expressing our concerns.

Mr. Pries stated that he agrees with what Mr. Pagliarulo said and what Mr. Memmi just said and thanked Chairman Chadwick for the update. Does someone want to word this for a motion?

Chairman Chadwick feels that if the hotel tax is a high priority, Greenlea should not be let go at this time. He also advised the board that Mr. Tulli is already aware of our financial situation and how important this is to us.

Mr. Memmi moved to have our solicitor notify Buchanan Ingersoll Rooney of our intent to terminate our existing contract for services with them, but to advise that we will use them in the future on an "as needed" basis. Also, if they see projects that would have value to the DTICDA, we will discuss, review and make recommendations from there. We continue to retain Greenlea Partners at the current rate and advise them to push ahead as quickly as possible with this project. Also see that they be engaged in working with Representative Buxton in the House and Senator Piccola in the Senate and someone in the Governor's office and work hand in hand with the county commissioners. Sometime after the first of year we will reevaluate our position on finances relevant to their contract.

Motion seconded by Mr. Pries.

Supervisor Chadwick asked Mr. Foreman about whom else Greenlea represents and whether there could be a potential conflict of interest. Mr. Foreman said he sees no problems at this time.

Motion carried, 4-0.

PUBLIC COMMENT

No public comment.

NEW BUSINESS

Mr. Memmi advised that each board member has a copy of the audit in front of them and since Diana Reed is here tonight she can advise us whether

there is anything else we need to know. Diana Reed answered that there are no adjustments. Mr. Memmi moved to accept the audit as is. Mr. Pries seconded the motion.

Motion carried, 4-0.

Mr. Pries checked with Ms. Reed to make sure she was getting statements from the treasurer of the New Year's Eve committee. She replied that she was.

ADJOURNMENT

Chairman Chadwick asked for a motion to adjourn. Mr. Pries moved and Mr. Pagliarulo seconded the motion.

Motion carried, 4-0.

Meeting adjourned at 6:07 p.m.

Approved:

James N. Negley
Manager/Treasurer/Assistant Secretary

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