

TOWNSHIP OF DERRY
INDUSTRIAL & COMMERCIAL DEVELOPMENT AUTHORITY
MEETING NOTES
DECEMBER 20, 2018

CALL TO ORDER

Chairman Engle called the December 20, 2018 Regular Meeting of the Industrial & Commercial Development Authority to order at 6:02 pm in the meeting room of the Township of Derry Municipal Complex, 600 Clearwater Road, Hershey, PA. A roll call was completed after the pledge of allegiance. He noted the Authority met in Executive Session to discuss land, legal and personnel issues.

The following were in ATTENDANCE:

BOARD MEMBERS

Justin Engle, Chairman
Brian Shiflett, Vice Chairman
James Ingalzo
Marc Moyer

ALSO PRESENT:

Marie Sirkot, Administrative Assistant
Julie Echterling, Recorder

BOARD MEMBER ABSENT:

Thomas Fowlston

Public in Attendance

The following were in attendance: Lori Althoff, David Twaddell, Greg Koussis, Lou Verdelli

APPROVAL OF REGULAR MEETING MINUTES:

Mr. Ingalzo made a motion to approve the minutes for the July 19, 2018 regular meeting. Vice Chairman Shiflett seconded the motion. **Motion carried 4-0.**

PUBLIC COMMENTS:

There were no public comments offered.

UPDATE ON GIANT CENTER REFINANCING:

Mr. Lou Verdelli, RBC Capital, provided a presentation to the Board. He discussed the setup of the Dauphin County Hotel tax revenues which support the Giant Center, Intermodal Facility and the Hershey Museum. He stated lower annual debt services create excess hotel taxes to fund capital projects. He went over how the revenues are deposited and used to pay debt services based on the agreements and the Memorandum of Understanding. He discussed the following results:

- Intermodal Facility Note Series 2016 was converted to a fixed rate until May 2037 in an all-in rate of 2.6565%.
- Series A of 2000 (tax-exempt) and Series B of 2001 (taxable) – the PNC Letters of Credit (LOC) expires on 11/15/2019.
- He went over the historical hotel tax cashflows from 2008 to 2018 YTD and the Intermodal and Museum debt services for 2018 to 2037 flow.

He discussed projected hotel tax cashflow analysis which includes a 1% projected increase. Chairman Engle asked if 1% should be kept since the average increase has been greater. Mr. Verdelli stated he would run sheets with 2% and 3% and provide them to the Board. He spoke about the strategy to restructure the Giant Center debt which would include refinancing the existing bonds with PNC providing direct bank loans. This would eliminate the annual Letters of Credit and associated fees. This would move the

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maturity date to May 25, 2037. He discussed the next steps in the process including approvals by both parties and settlement. The process could take up to 90 days to finalize.

APPOINTMENT OF ICDA MANAGER, ASSISTANT SECRETARY AND ASSISTANT TREASURER

Chairman Engle made a motion to appoint Christopher Christman as the ICDA Manager, Assistant Secretary and Assistant Treasurer. Mr. Ingalzo seconded the motion. **Motion carried 4-0.**

INTERMODAL REPAIR PLAN FOR 2019 TO 2021:

Chairman Engle stated they received the report from Crossgates. HE&R is going out for bids and Mr. Koussis will be part of this process representing the ICDA. The Board and Mr. Koussis discussed if there was a contract in place for this project. The Board agreed to turn over the Crossgate documents to Mr. Koussis for him to provide his input during the January 2019 meeting.

Mr. Ingalzo made a motion to agree to engage Capital Construction (Mr. Koussis) to work on an interim basis, and expenses not to exceed \$5,000, pending approval of a final contract. Vice Chairman Shiflett seconded the motion. **Motion carried 4-0.** Mr. Koussis will try to meet with HE&R in the next two weeks to discuss the timing and documents.

RACP CONTRACT FOR HERSHEY TOWNE SQUARE PROJECT:

Mrs. Sirkot discussed Mrs. Zumbrun's memo outlining the RACP funding for the Hershey Towne Square project. The state authorized release of \$750,000 for the project. As part of the approval process, a grant contract that reflects the revised scope that contains several conditions must be met prior to the disbursement of funds. She spoke about the Authority accepting the award and Hershey DTC, LP paying an administrative fee to cover costs associated with the administering of the application and grant contract, accounting and legal fees. The contract was reviewed by the Solicitor.

Vice Chairman Shiflett made a motion to approve the Redevelopment Assistance Capital Program grant contract between the Commonwealth of Pennsylvania (acting through Office of the Budget) and the Derry Township Industrial and Commercial Development Authority for the Hershey Towne Square project. Mr. Moyer seconded the motion. **Motion carried 4-0.**

GREENLEE PARTNERS CONTRACT:

Chairman Engle stated the ICDA has been in contract with Greenlee Partners since 2014. It makes sense to look at the agreement. Mr. Moyer believes that is a good idea and to discuss the cost benefits. Chairman Engle will reach out to them.

OTHER BUSINESS:

Mr. Moyer spoke with Mrs. Althoff. He stated there are a lot of complicated issues that this Authority deals with monthly. He asked her to create a dashboard to see what is happening between meetings and know the balances and transactions. This would be available before the meeting for members to understand the changes. The Board agreed it would be helpful and asked if it would be interactive. There was more discussion. The Board agreed the report doesn't have to be interactive but be an update on what has changed between meetings.

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PUBLIC COMMENTS:

There were no public comments offered.

ADJOURNMENT:

Mr. Moyer made a motion to adjourn the meeting at 6:55 pm. Mr. Ingalzo seconded the motion. **Motion carried 4-0.**

SUBMITTED BY:

Christopher S. Christman, Manager
Assistant Secretary/Assistant Treasurer