

TOWNSHIP OF DERRY
INDUSTRIAL & COMMERCIAL DEVELOPMENT AUTHORITY
MEETING NOTES
DECEMBER 19, 2019

CALL TO ORDER

Chairman Engle called the December 19, 2019 Regular Meeting of the Industrial & Commercial Development Authority to order at 6:00 p.m. 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.

THE FOLLOWING WERE IN ATTENDANCE:

BOARD MEMBERS

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

ALSO PRESENT:

Christopher Christman, ICDA Manager
Marie Sirkot, Administrative Assistant
Jeffrey Engle, ICDA Solicitor
Julie Echterling, Recorder

MEMBER ABSENT:

Thomas Fowlston

Public in Attendance

The following were in attendance: Lori Althoff, Dan Malpezzi, Wendy McClintock, Jennifer Beck, Matthew Weir, Ryan Mentzer

APPROVAL OF REGULAR MEETING MINUTES:

Vice Chairman Shiflett made a motion to approve the minutes for the August 21, 2019 regular meeting. Mr. Moyer seconded the motion. **Motion carried 4-0.**

VISITOR/PUBLIC COMMENTS:

There were no public comments.

NEW BUSINESS:

RESOLUTION 2019-02 GIANT CENTER REFUNDING:

Mr. Verdelli, RBC Capital Markets, provided a presentation to the Board. He discussed the history of the loans with their current set-up and finance structure for the Giant Center. He spoke about the refinancing with PNC direct bank loans. He spoke about the advantages of reducing the costs including eliminating the annual letter of credit and remarking fees. He stated the new maturity date will be May 25, 2037. The estimated hotel taxes are sufficient to pay debt services on the Series A & B bonds. This will allow the arena revenues to accumulate for capital improvements. He went over the schedule for the swap with settlement scheduled on December 30.

Below are the details of the new loans:

- Series A – Tax Exempt
 - \$23,240,000 is the debt with a variable rate of 1-month LIBOR + 1.49% x 0.85% with a maturity date of May 25, 2037.
- Series B – Taxable
 - \$19,585,000 is the debt with a variable rate of 1-month LIBOR + 1.49% with a maturity date of May 25, 2037.

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Both series are prepayable at any time with no penalty/no DSRF requirements. The bank has the option to call the loan on 12/30/2026. He noted both loans will be converted to a fixed rate with the swaps. The rates are fixed to final maturity dates of the loans.

The New Project Enhancement Fund will provide funds for needed capital improvements with a beginning balance of \$2,051,389.79. He discussed the Hotel Tax Escrow Account which will hold excess hotel taxes to be used to pay debt services on the Series A & B loans. The Escrow Account cannot be used on the capital needs for the Giant Center. The Escrow Account will have a beginning balance of \$971,758.92. He discussed the annual debt services, which will be approximately \$3 million a year. He went over the payment schedule, which goes out to 2037. He discussed the historical tax cashflows from 2008 to the current year.

Mr. Verdelli spoke about the team effort that went into the refinancing. He thanked the Board. Chairman Engle spoke about the process and the great job the team did on the refinancing. Mr. Ryan Mentzer, Eckert & Seamans, spoke about the resolution, which will authorize the paperwork for the refinancing. The Board members thanked everyone involved in the refinancing.

Mr. Ingalzo made a motion to adopt Resolution 2019-02 for Giant Center Refunding. Vice Chairman Shiflett seconded the motion. **Motion carried 4-0.**

INTERMODAL TRANSPORTATION FACILITY PARKING GARAGE CONTRACT:

Mr. Greg Koussis, Capital Construction Management, spoke about the bidding process for the Intermodal Transportation Facility Parking Garage Waterproofing and Structural Repair Project. He stated there were nine bids and Watts Restoration was the lowest bid with alternative No. 1 at \$327,200. He stated the bids are based on estimates by the engineer for unit prices for additions and deductions. He noted the engineer will be part of the work and at the site at times during the project. He stated he would be there managing the work during the project and coordinating with HE&R. The work is scheduled for spring.

Mr. Ingalzo made a motion to award the contract for the Intermodal Transportation Facility Parking Garage Waterproofing and Structural Repair Project to Watts Restoration with Alternative No. 1. Vice Chairman Shiflett seconded the motion. **Motion carried 4-0.**

PUBLIC COMMENTS:

There were no public comments.

ADJOURNMENT:

Chairman Engle made a motion to adjourn the meeting at 6:40 p.m. Mr. Moyer seconded the motion. **Motion carried 4-0.**

SUBMITTED BY:

Christopher Christman, Manager
Assistant Secretary/Treasurer