

**TOWNSHIP OF DERRY**  
**INDUSTRIAL & COMMERCIAL DEVELOPMENT AUTHORITY**  
**MEETING MINUTES – FEBRUARY 20, 2020**

**CALL TO ORDER**

Chairman Abruzzo called the February 20, 2020 Regular Meeting of the Industrial & Commercial Development Authority to order at 6:12 p.m. in the meeting room of the Township of Derry Municipal Complex, 600 Clearwater Road, Hershey, PA. He advised that all public meetings are recorded for providing accurate minutes. A roll call was completed after the pledge of allegiance.

**THE FOLLOWING WERE IN ATTENDANCE:**

**BOARD MEMBERS:**

Christopher Abruzzo, Chairman  
Natalie Nutt, Vice Chairwoman  
Todd J. Shaffer  
Jay Franklin

**ALSO PRESENT:**

Christopher S. Christman, Manager/Assistant Secretary  
Marie Sirkot, Administrative Assistant  
Jeffrey Engle, ICDA Solicitor  
Julie Echterling, Recorder

**MEMBER ABSENT:**

James Ingalzo

**Public in Attendance**

The following were in attendance: Lori Althoff, Greg Koussis, Louis Verdelli

**REORGANIZATION:**

Because of Supervisor Moyer's resignation, there is a need to reorganize for the position of Vice Chairman. Chairman Abruzzo made a motion to appoint Mrs. Nutt as Vice Chairwoman of the ICDA. Mr. Franklin seconded the motion. **Motion carried 4-0.**

**APPROVAL OF REGULAR MEETING MINUTES:**

Vice Chairwoman Nutt made a motion to approve the minutes for the January 16, 2020 regular meeting. Mr. Franklin seconded the motion. **Motion carried 4-0.**

**VISITOR/PUBLIC COMMENTS:**

There were no public comments.

**NEW BUSINESS:**

**UPDATE ON THE GIANT CENTER REFINANCING:**

Mr. Verdelli provided a presentation to the Board to discuss the Giant Center Refinancing. He spoke about the process that started 5 years ago. There was not a system or money set-up for capital improvements. The hotel tax structure was used only for construction of the project and not future capital projects or issues. He spoke about the efforts to look out to the next 20 years and identify the capital projects for the Center. He discussed the process and how they came up with a way to refinance the Center so that money could be available for these capital improvement projects.

The debts were restructured to mature in 2037 with bank loans at a lower cost. He detailed the original way the Series A and B bonds were set-up. He noted Series A debt was paid with hotel taxes. The Series B debt was paid with revenues from the Center. The refinancing of these debts allows for arena revenues to accumulate for capital improvements. He spoke about the schedule they followed for the price swaps that occurred in January. Below are the details of the new loans:

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	Series A-Tax Exempt	Series B-Taxable
Loan Amounts	\$23,085,000	\$19,610,000
Variable interest rate	(1-month LIBOR + 1.49% X .85%)	(1-month LIBOR + 1.49%)
Bank has the option to call the loans on 12/30/2026. There are no penalties for prepayment of the loan.		

Mr. Shaffer asked why the rates couldn't be fixed. Mr. Verdelli noted banks will not lock rates past 10 years. PNC bank was used because HE&R has accounts there.

Mr. Verdelli spoke about the New Project Enhancement Fund which will be used for needed capital improvements. The beginning balance of this account was \$2,051,389.79. The new Excess Hotel Tax Escrow Account can only be used to pay debt services on both Series A& B. The beginning balance of this escrow was \$971,758.92. He spoke about this creating security for the PILOT for the County, School District and Township. He noted \$50,000 per year with a 3% yearly increase was set-up as an annual fee to help cover the ICDA administrative and professional costs.

He went over a combined debt service summary that outlined the prior debt versus the current debt. He noted there is a savings of \$16.64 million from 2020 to 2030. He discussed the payback schedule and how the debt services would be less than the current amount. He discussed the historical hotel tax cashflows from 2008 to the present. Mr. Franklin asked if the ICDA reviews the spending for the Capital. Mr. Verdelli stated if there is a specific project, it will come to the ICDA for approval. Solicitor Engle noted that the projects don't have to be bid which makes the process go faster. Mr. Shaffer noted he had more questions, but he would email Mr. Verdelli. Chairman Abruzzo thanked Mr. Verdelli for providing this presentation to the Board. He noted the Board could follow up with Mr. Verdelli if they have questions.

**UPDATE ON INTERMODAL TRANSPORTATION FACILITY REPAIR PROJECT:**

Mr. Koussis provided an update on the Intermodal Parking Garage Waterproofing and Structural Repairs project. He provided a short history of how things are taken care of with this structure. He spoke about the engineer they hired, the RFP process, the 9 bids received and the awarding of the contract to Watts Restoration. He noted work began on the site Monday, February 17, which was earlier than expected.

**PUBLIC COMMENTS:**

There were no public comments.

**ADJOURNMENT:**

Mr. Franklin made a motion to adjourn the meeting at 7:08 p.m. Chairman Abruzzo seconded the motion.  
**Motion carried 4-0.**

**SUBMITTED BY:**

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Christopher S. Christman, Manager  
Assistant Secretary/Treasurer