

TOWNSHIP OF DERRY
INDUSTRIAL & COMMERCIAL DEVELOPMENT AUTHORITY
MEETING NOTES
APRIL 15, 2021

CALL TO ORDER

To ensure public safety during the COVID-19 crisis, the April 15, 2021 meeting was held by audio and video conferencing via a Zoom Virtual Webinar and shown live on the Derry Township YouTube page.

Chairman Abruzzo called the April 15, 2021 Regular Meeting of the Industrial & Commercial Development Authority to order at 6:03 p.m. A roll call was completed after the pledge of allegiance. He noted the meetings are recorded.

THE FOLLOWING WERE IN ATTENDANCE:

BOARD MEMBERS

Christopher Abruzzo, Chairman
Natalie Nutt, Vice Chairwoman
James Ingalzo, Secretary
Todd Shaffer, Treasurer

ALSO PRESENT

Christopher Christman, Manager/Assistant Secretary
Marie Sirkot, Admin. Assistant
Jeffrey Engle, ICDA Solicitor
Brian Blahusch, IT Manager
Julie Echterling, Recorder

MEMBER ABSENT

Jay Franklin

Public in Attendance

The following were in attendance: Lou Verdelli, RBC, Wendy McClintock, HE&R, Garrett Gallia, HE&R, Dane & Linda Eysers

REORGANIZATION

Officers of the Board

Supervisor Abruzzo made a motion to appoint the following Officers to the Board:

Chairwoman - Mrs. Nutt
Vice Chairman - Mr. Ingalzo
Secretary - Mr. Abruzzo
Assistant Secretary - Christopher Christman
Treasurer - Mr. Shaffer

Mr. Ingalzo seconded the motion. **Motion carried 4-0.**

APPROVAL OF REGULAR MEETING MINUTES:

Vice Chairman Ingalzo made a motion to approve the minutes for the September 17, 2020 regular meeting. Mr. Shaffer seconded the motion. **Motion carried 4-0.**

VISITOR/PUBLIC COMMENTS:

There were no public comments.

BUSINESS TO COME BEFORE THE BOARD:

GIANT CENTER UPDATE:

Mr. Verdelli, RBC, provided an update on the Giant Center. He stated they have been meeting monthly and have been in regular contact and discussions with PNC Bank. Mrs. McClintock, HE&R, spoke about the impact COVID has had on the Giant Center and the funds available to pay the debt on the Center. She stated they had a profit of \$550,000 in the first quarter of 2020 before the Center was closed. The debt

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payment was made in 2020 with the limited hotel taxes received and the profit from the first quarter. This left a balance of \$292 in the account.

As they estimate potential revenue, they are projecting 30% of their 2019 revenue for quarter two and 50% for quarter three. Based on these estimates, they will need to use all the hotel tax money coming in for 2021 and all the money in the project enhancement fund to pay the debt (\$1.4 million) at the end of 2021.

She spoke about the obstacles for the Giant Center with the current state regulations on indoor events. The Center has mostly been dark, and they have been unable to generate revenue. Mr. Gallia, also with HE&R, spoke about the issues with the increased volume allowed with inside events. With the 6-foot distance requirement on events, we are very limited. They can have 2,627 guests in the Giant Center but only 1,300 to 1,500 with the six-foot distance rule.

Mrs. McClintock spoke about year 2022 and expecting hotel tax to be 75% of the 2019 receipts. She projects building profit for 2022 to be zero and with no money in the project enhancement fund, this will leave a shortfall of \$554,000 to pay the debt in 2022. Their estimates for 2023 are 90% of the 2019 hotel taxes and this would be a breakeven point. She noted that with just being able to breakeven with these estimates, the Pilot payments will not be made in 2023.

Mr. Abruzzo asked if they were able to receive any of the federal funding with COVID. Mrs. McClintock stated they looked at it and their assessment is that the building is not qualified through the programs. Chairwoman Nutt asked if the restrictions are lifted, could the Bears be back playing and would that help with the projections. Mr. Gallia spoke about the NHL and its rules. They would like to fill the Center as much as possible. Chairwoman Nutt asked what the deadline is for the concerts and booking events for the Giant Center. Mr. Gallia stated many acts rebooked for 2021 and many have moved them to the fall. He said many want to play, but they need to make sure they can make a profit with the number of participants allowed.

Mr. Shaffer asked what the worst-case scenario is and what would happen if a payment cannot be made. Mrs. McClintock spoke about the June interest payment and a November interest and principal payment. They have been talking with PNC Bank and keeping them updated on the situation. She knows they will need to work through a waiver for the Debt Covenant issue with the bank. Mr. Verdelli noted that the worst-case scenario would be asking for a deferral of the principal payment, which would trigger a loan default, which would then trigger a reset interest rate on the loans. Mr. Shaffer asked if they could take the Center. Mrs. McClintock hopes they stay motivated to work with us because she does not believe they want to own this building. It is in the bank's best interest to see the building be successful.

Mrs. McClintock stated they will be able to provide an update after the June receipts (hotel taxes) are received. They will have a schedule of events for 45-60 days out. If there is a change before that, they can provide an update.

PUBLIC COMMENTS:

Mr. Dane Eyers, 2321 Raleigh Road, asked about the \$17 million in cash that has been growing for the ICDA. He asked if it was earmarked for something specifically. He asked about cash issues with the Giant

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Center and having this amount on the financial statements. Chairwoman Nutt asked him to reach out to Mr. Christman for more information.

Mrs. Linda Eysers, 2321 Raleigh Road, asked for an update on the Intermodal Center, which is dependent on the hotel tax. She is hoping to hear an update at the next meeting about this.

ADJOURNMENT:

Mr. Abruzzo made a motion to adjourn the meeting at 6:45 p.m. Vice Chairman Ingalzo seconded the motion. **Motion carried 5-0.**

SUBMITTED BY:

Christopher S. Christman
Manager/Assistant Secretary