

DAUPHIN COUNTY GAMING ADVISORY COMMITTEE
Wednesday, November 10, 2010, Meeting at 3:00 p.m.
112 Market Street ~ 7th Floor
Harrisburg, PA 17101

2010/2011 Local Share Municipal Grant Public Hearings

Members Present

DCGAC

George Groves, Chairman

Justin Warren, Vice Chairman

David Craig, Secretary

Lloyd Umberger

Jim Szymborski

Also present were: Mark Stewart, Eckert Seamans Cherin & Mellott; Michael Musser, Community Networking Resources; Paul Clark, Dauphin County Industrial Development Authority; August Memmi, Dauphin County; George Conner, Dauphin County; and Michelle Shade, Dauphin County.

Call to Order

Mr. Groves, Chairman, called the meeting to order at 3:00 p.m.

Derry Township/Hershey Volunteer Fire Company Presentation

Mr. Rodney Sonderman, Mr. Chris Abruzzo, Mr. Scott Stein, Mr. Paul Thompson, and Mr. Jim Negley presented on behalf of Derry Township/Hershey Volunteer Fire Company. The request is for \$1,300,000. Mr. Sonderman explained that the application is seeking funds to purchase replacement fire apparatus. The Hershey Fire Company is comprised of 87 member who are 100% volunteers. They respond to nearly 700 calls each year and are first responders to the casino facility. Mr. Sonderman remarked that 80% of their calls are in East Hanover Township or adjacent municipalities. The first truck being proposed for replacement is the Rescue 48 truck, which has been the work horse of the department. Currently, the generator does not work and the company currently has to run a second vehicle to provide power. This is the department's only heavy rescue truck. Mr. Sonderman noted that bids have recently been received and the cost has been reduced to \$611,000.00.

Mr. Sonderman explained that Engine 48 is also in need of replacement. Due to the age of the vehicle, replacement parts are no longer available and it is difficult to repair. Mr. Sonderman stated a fire study was performed a few years ago and both trucks were deemed necessary. If the department were to combine the purchase into one truck, they would lower the service to the constituents with reduced manpower and less equipment. He noted that the request is for the purchase of the vehicles only; all equipment will be moved from the old truck to the new. He also stated the department is hoping to sell the old trucks, if possible. Mr. Sonderman and Mr. Abruzzo agreed that if the project does not receive funding, it will likely delay their ability to move forward with the purchases. It was noted that while the Company is the recipient of federal funds for the purchase of equipment, they are unable to secure this type of funding for vehicle replacement due to the fact that one of the trucks in their fleet is less than 20 years old. When questioned if Derry Township would consider taking out debt for this project, Mr. Abruzzo indicated it might be an option should no funding be awarded. Mr. Abruzzo indicated that the Township does not have a fire tax; however they have been setting aside \$30,000 a year

for capital expenditures so they might have some ability to assist in paying down debt if necessary. In regards to priority of projects, Mr. Abruzzo responded the Fire Company project is the priority project of Derry Township.

Derry Township/Derry Township Municipal Authority Presentation

Mr. Wayne Schutz and Mr. Chris Abruzzo presented on behalf of Derry Township/Derry Township Municipal Authority. The request is for \$50,000. Mr. Schutz explained the project is for a low head/low impact Hydro Turbine at the facility on Clearwater Road, which serves Derry Township, South Hanover, Conewago Township, Hummelstown, Londonderry Township and Lower Swatara Township. Following the complete treatment of wastewater at the Plant, clarified effluent is pumped to an elevated channel approximately 15 feet high, where the effluent is disinfected using ultraviolet light. After the UV disinfection step, the wastewater comes back down 15 feet prior to entering the effluent discharge line leading to the Swatara Creek. The proposed project involves the design and construction of the low head/low impact hydro turbine. The modifications would be constructed to the discharge side of the UV effluent channel to intercept the flow and direct it through a barrel style hydro turbine. This would generate approximately 3 kilowatts of continuous electrical power. Mr. Schutz stated the equipment would have a 10 year payback period and is consistent with all local planning and zoning ordinances. Mr. Schutz noted this project is the third priority of Derry Township, but added there is a likely chance the project would not move forward if grant funds are not available. Mr. Schutz added that the current estimate is good through the end of the year; he also stated he is actively seeking other grant opportunities, though none have been identified to date.

Derry Township/Derry Township Historical Society Presentation

Ms. Nicki Soliday presented on behalf of Derry Township/Derry Township Historical Society. This request is seeking \$250,000 and Ms. Soliday explained the application is part of the Heritage Campaign. The Historical Society is housed in a 200 year old barn, the former Milton Hershey School Barn, with aging utility issues. The Heritage Campaign is the capital improvement project which seeks to upgrade the utility systems and infrastructure for long-term habitability, ultimately providing greater public access to the facility and programs, while promoting heritage tourism throughout the region. The total goal of the campaign is \$1,000,000. Of the 10,000 square feet available, only 5,000 are currently being utilized for public access and organizational and collection management needs; there is additional space in the basement, currently being used for storage. Ms. Soliday stated grant funds, should they be awarded, would be applied towards the HVAC system upgrade, which will be a gas system. Ms. Soliday noted this item came in under budget and work has already commenced. Following this upgrade, the priorities would be as follows: insulation, electrical service upgrade, and then structural issues such as waterproofing in the basement. The board questioned why structural issues were the last priority. Ms. Soliday explained that a current board member, who is in the construction field and has been an important part of the process, does not believe there are any significant structural issues. Ms. Soliday advised the board that, to date, the campaign has raised \$93,000. In addition, Hershey Medical Center is providing \$25,000 in funding, with an agreement that the Historical Society will expand their medical exhibit. Ms. Soliday explained the Historical Society is not moving forward with any aspect of the project until the funds are available; upon receipt of funds, they will move to the next phase. Ms. Soliday also advised the board that the Derry Township Historical Society has applied for a \$25,000 grant from the Pennsylvania Department of Community and Economic Development; the availability of Federal grants was also investigated, though no applicable grant programs have been identified.

Londonderry Township Presentation

Mr. Steven Letavic and Mr. Andrew Kenworthy presented on behalf of Londonderry Township. Mr. Kenworthy began with the Round Top Road Bridge, which is the priority project of the Township. This grant application is seeking \$110,000 in funding. Round Top Road bridge is located in the northeast corner of the Township. Majority of the project consists of the bridge repair, though there are some associated road improvements. In addition to developments associated with the gaming facility and the need to improve the Township infrastructure, Mr. Kenworthy noted there are also other developments occurring in the Township that may add 2,500 additional housing units. It is very possible that casino employees would purchase these new units. Due to the fact that this bridge is smaller than the definition of a bridge, it is ineligible for State and Federal funding. Round Top Road

Bridge is falling apart and is of insufficient size. The bridge is a needed improvement for the linkage of Round Top Road and the Rt. 743 corridor.

Mr. Kenworthy explained that the Township is taking a very methodical method for infrastructure improvements. The upcoming budget includes a tax increase for capital improvements and the hope is the improvements will also encourage economic development, which will assist in increasing the tax base to help with future improvements. In regards to developers incurring improvement costs, Mr. Kenworthy stated the current improvements, though necessary, are too far from the developments to have the developers incur any costs. He noted, however, that the Township is passing along costs for improvement closer to the projects. Londonderry Township is matching this request with \$56,000. Mr. Kenworthy stated the Township is hoping for this upfront assistance with the thought that, with future Township developments, they will be in a position to bear future improvement costs. He noted there are currently 13 structures in the Township – smaller than the definition of a bridge – that are in need of improvements and/or replacement. However, Round Top Road Bridge is the number one priority. The timeline for completion is approximately one year and the public works department will be doing what work they are able to do to cut costs.

Geyers Church Road was briefly discussed. While this is a priority project of the Township, Mr. Kenworthy and Mr. Letavic agree that, at the moment, the Round Top Road Bridge project is more needed.

East Hanover Township Presentation

Mr. Andrew Stein and Mr. Scott Wyland presented on behalf of East Hanover Township. The total of this grant request is \$3,169,700. Mr. Stein thanked the board for previous funding awards and provided a brief update on the status of some of the projects. He noted that the planning is beginning to pay off and the Township has a good grasp on the issues. Mr. Stein stated that many of this year's requests will be for infrastructure improvement. He began by noting that the Township owns a total of 18 bridges throughout the municipality. The first infrastructure request is for the Bridge over Jonestown/Manada Creek. He stated the board may remember this project from Year 1. He explained the bridge was re-inspected and it was decided total replacement was necessary. Some of the funds from Year 1 were used for design; remaining funds and this grant will allow for complete replacement. Mr. Stein noted this is a border bridge and the East Hanover Township is not asking West Hanover Township to contribute. The request for this line item is \$1,557,000.

In regards to the Jonestown over Bow Creek Bridge, the request is in the amount of \$650,000. This bridge was identified as deficient in its width and safety. It is located on local roads that often serve as alternate access routes for the local traffic. The current weight restrictions on the bridge limits the emergency and commercial traffic access to various parts of the Township and further deterioration could occur, requiring further reductions of the posting limits. Bridge replacement is necessary to provide a more reliable and safer infrastructure system within the Township.

The third request of East Hanover Township is for Phase II Construction of the Grantville Volunteer Fire Company. This project will include the construction of a new centralized fire station for the Fire Company, which will be located at the intersection of Allentown Boulevard and South Hill Road. The new station is necessary as the current station no longer meets the emergency response needs of the Township. The request for this project is \$300,000. The project was awarded \$300,000 last year and will be submitting an application for funding, in the amount of \$300,000, next year.

East Hanover Township is in need of a new Public Works Building in order to most cost effectively serve residents and increase the capacity of the public works department. The Public Works Building is being proposed for construction at the now vacant site of the former waste water treatment plant off of Jonestown Road. The Administrative offices would then expand into the current public works space in the present municipal building. The scope of work is to include all necessary steps and procedures to determine the needs of the Public Works department, design, cost, building approvals, necessary building permits, and the preparation of the bid package for the new building. The request for this project is \$100,000.

The next project of the Township includes various road paving projects. The scope of work is to include whatever is necessary to bring the roads up to acceptable condition, which may include surveying, base and topcoat improvements as well as expanding right of ways. The roads identified for this project include: Chestnut Place, Sycamore Lane, Red Fox Lane, Steeplechase Lane, and Hunter Lane. The five roads are subpar and this project is necessary to maintain the infrastructure of the Township. The request for this project is \$329,500.

The sixth request is the purchase of Municipal Equipment, to include an A300 Bobcat All-Wheel Steer Loader and a Caterpillar 930H Wheel Loader. This grant request is \$200,000. The East Hanover Public Works department continues to increase its operational capacity for ongoing maintenance, new construction projects handled in-house, as well as snow and emergency response on the township's roads and bridges. The two pieces of equipment will enable the Township to more efficiently and effectively handle the work load without any near term increase in public works staff. The objective is also to save money in operations and manpower.

The final request of the Township is the Sludge Dewatering Study. This application proposes the review and analysis of installing sludge dewatering facilities at the East Hanover Township Wastewater Treatment Facility to consider conventional methods, their applicability, cost and impact on process. The information will be used to determine if there is a financial benefit to the Township and the ratepayers for such a process modification. The request for this project is \$33,200.

Mr. Stein indicated the grants were presented in order of priority. He also stated that if a small cut was needed; the Township could forego a piece of the requested equipment. In which case, the Steer Loader would be the priority piece of equipment for the Township.

East Hanover Township/South Central Emergency Medical Services Presentation

Mr. Barry Calhoun presented on behalf of East Hanover Township and South Central Emergency Medical Services. This request is in the amount of \$149,402 and is for the 2010 Ambulance Replacement. The vehicle being considered for replacement is a 15 year old ambulance which has accumulated over 230,000 miles. This replacement will provide SCEMS with enhanced response capabilities since the current vehicle has not only outlived its useful life but has also been tasked with duties it was not originally designed for. The new ambulance would increase capabilities by carrying more medical equipment and providing larger space for patient treatment. He noted South Central EMS is a primary response company to the gaming facility. The board questioned whether the casino had been approached in regards to any funding contributions. Mr. Calhoun responded that he has not yet done so, but anticipates meeting with them in 2011. He stated SCEMS does receive funding from townships and these funds are budgeted towards general operating costs. In regards to other funding opportunities, Mr. Calhoun stated he has applied for funding with the Pennsylvania Department of Community & Economic Development. He added he is also looking for other grant opportunities. Mr. Calhoun advised the board that he did attempt to secure a loan for the purchase, however the organization was denied. Mr. Calhoun also stated he would be appreciative of any funds that might be awarded and would find a way to move the project forward should SCEMS receive partial or no funding at all.

Wiconisco Township/Wiconisco Fire Engine Company #1 Presentation

Mr. Matthew Basti and Mr. Ron Pinchorski presented on behalf of Wiconisco Township/Wiconisco Fire Engine Company #1. This request, in the amount of \$250,000 will be used for debt consolidation and the purchase of new equipment. In regards to the debt, Mr. Pinchorski advised that the original loan was for \$250,000 at a 5.7% interest rate. Currently, the outstanding principal is \$160,000 and the Fire Company makes a lump sum payment on the principal and interest every year. Mr. Pinchorski also explained that the Company is in need of some equipment to operate efficiently; however, cannot afford any of these purchases due to the burden of this yearly debt and interest payment. Mr. Pinchorski explained that the Fire Company does receive approximately \$11,700 a year from the Township. Due to the composition of the township, levying higher or additional taxes on residents would realize very little increase in revenue to the Company. Attempts to increase revenues include fundraising efforts such as bingo, food sales, etc. If funding was secured through this grant application to pay off

the debt service, Mr. Pinchorski indicated he believes the Fire Company could proceed with the equipment purchases on their own.

West Hanover Township Presentation

Mr. Jay Megonnell, Ms. Linda Turns, and Mr. William Ostermayer presented on behalf of West Hanover Township. The first application, requesting \$670,138, is for the Fire Station Construction project. This project is for the construction of a new fire station at 7624 Jonestown Road. Mr. Megonnell noted that the Board of Supervisors has agreed to incur debt, at a favorable rate and term, to move this project forward. The project would then apply for gaming funds each year until the debt is exhausted. The construction of the new Station is the third of three phases. In regards to scheduling, the project is currently one month ahead. The bid package will be out around the third week of January, bids are due in February, award will be made in March, and it is anticipated that groundbreaking should occur sometime in April/May. The project is expected to be substantially complete by the end of 2011. In regards to funding, the Board of Supervisors has pledged \$300,000 towards the project as a direct contribution and \$793,185 is available in the building fund to help offset debt service. The old station will be sold to West Hanover Township for \$1 and it will continue to be used as the recreation building and a recreational area. In regards to Federal funding, it was stated that the recent stimulus funds only allowed for 2 new facilities throughout the state and projects needed to be shovel-ready. During this application period, this project was not at that point. The Fire Company does apply for and receive a \$10,000 Federal grant, which is used to offset operating expenses. In regards to the possibility of the project coming in over budget, it was stated they are actively seeking ways to reduce project expenses such as free fill and free disposal of tree stumps when clearing the site. In addition, the Township is contributing to the site preparation costs. The design team for this project also has a very good track record for bringing projects in at budget and there is also continued coordination between the fire company and the architect to explore alternatives in design.

The Dauphin County Gaming Advisory Committee indicated no presentation was necessary on the second project application, SR0039 Right-of-Way Purchase and Utility Relocation.

South Hanover Township Presentation

Mr. Paul McNamee, Mr. Robert Cassel, Mr. Dan Collins, Ms. Cathy Kessler, Mr. Stephen Strasser and Ms. Penny Pollick presented on behalf of South Hanover Township. This request, in the amount of \$500,000, is for the New South Hanover Township Municipal Complex and Emergency Services Center. Mr. McNamee stated the project includes professional architectural and engineering design services for the building. The project will house the South Hanover administrative facilities and a central fire station for the Union Deposit Volunteer Fire Company, to be located on a 12 acre site on SR 39 in the Township. In regards to the project status, Mr. McNamee stated the land has been acquired, the master plan is completed, a project manager has been retained, the architect has been selected, and the civil site engineer selection is currently underway. To date, all services have come in at budget. Mr. McNamee added that the Township Board of Supervisors also passed the resolution to proceed with the project.

Lower Swatara Township /Lower Swatara Township Volunteer Fire Department Presentation

Mr. Chris DeHart, Mr. William Leonard, Mr. Robert Loych, and Mr. Eric Brew presented on behalf of Lower Swatara Township/Lower Swatara Township Volunteer Fire Department. This request, in the amount of \$583,000, is for the Lower Swatara Fire Department Rescue Replacement program. It was stated the grant request is specifically for the replacement of one vehicle, a heavy duty rescue truck that is 35 years old and includes funding for two inspection trips to the vendor to insure the build is progressing as designed. The board questioned the need for a heavy rescue truck in both Lower Swatara and Derry Township. Mr. DeHart responded that, considering the infrastructure in both Townships, it does make sense. Lower Swatara Volunteer Fire Department is the first responder to facilities such as the airport, Penn State Harrisburg, and the railroad. It was also stated that maintenance on the current truck is failing to keep up. The budget of the Department is approximately \$300,000, half of which is received from the Township. The other portion of funding is received through fundraising efforts. It was stated that, due to the tax base, it is very hard to raise revenues. Many of the tax-exempt facilities it serves provide little to no contributions for services. The presenters also informed the

board that they are planning a capital campaign in order to raise the monies needed to upgrade other vehicles in this program. It was stated that the Township had not discussed doing a bond issue to assist with these purchases; however, it was explained that the Township was very instrumental in the Department's recent building project which cost approximately \$3.5 million. If the Township/Fire Department were to be awarded partial funding, it was stated this would likely allow the project to move forward.

City of Harrisburg Presentation

Mr. Craig Peiffer, Mr. John Campbell, Mr. J. Robinson, and Mr. Gregg Fetterman presented on behalf of the City of Harrisburg. This request, in the amount of \$452,925, is for the Broad Street Market Accessibility, Energy Efficiency and Conservation Improvements project. Specifically, this grant application is seeking funding for Phase I of the project, to include the purchase and installation of four high-efficient, gas-fired, condensing boilers and appurtenances. Mr. Peiffer advised the board that a grant application has been submitted to the Pennsylvania Department of Community & Economic Development. To date, they have not heard back in regards to the status of that. He also stated the answers to the questions the board submitted prior to this presentation are included on the handout. The Broad Street Market was a private entity until the 1970's. At which time it went bankrupt and the City took it over to keep it going. Eventually, the Historic Harrisburg Association gained oversight of the facility, except for building ownership which the city continued to hold. Mr. Peiffer stated approximately \$3 million in shell improvements on the two building were performed in the 1990s. The Market sees approximately 105,000 visitors annually, and has annual revenues around \$4million. The market serves as a business incubator will 66 fulltime employees, 53 part-time employees, and market staff; in total, the Broad Street Market has about 120 employees. The board and presenters briefly discussed the on-going issues with arrearages to NRG; Mr. Peiffer noted the City is looking to find a resolution to this situation that is beneficial to both sides. He added that the current steam line is very antiquated and fails often. The only two remaining users on this line are the Broad Street Market and the Historic Harrisburg building across the street. The system that distributes the heat throughout the market is also antiquated and is costing significant dollars each month due to the inefficiencies. The total cost to replace these systems is \$682,000, which is just a piece of a \$4 million total improvement cost. Mr. Peiffer stated the City did a review of the systems improvements to identify what is necessary to continue operations. Some equipment costs can be cut out, existing systems can be left intact, additional ADA upgrades can be postponed, and the requested funds for an administrative aspect of the project can also be taken out. Mr. Peiffer advised that the project will be receiving some funds from the City's CDBG program and there is also an application for funding in with the USDA. In regards to in-kind contributions from tenants, Mr. Peiffer stated the market has experienced many difficulties this year. A failure in the heating system resulted in the closure of the market for some time. Due to the closure, traffic is still down and many vendors continue to feel the effects of that. In regards to raising rates, Mr. Peiffer stated it is probably not feasible at this moment, even though the rates at the Broad Street Market are lower than other area markets. He did note they are considering extending the hours of operation in order to generate more revenue. In addition, a new heating system would save the Market approximately \$40,000 a year. This system would also have a domino effect as it would likely increase the number of patrons at the Market, therefore increasing revenues for the vendors, which would in turn allow for the Market to raise the rents. Mr. Peiffer stated that if this grant application was not awarded this grant, the City's intention would be to find other funding sources by the time NRG severs the steam line. He noted the project still has to go to bid and the hopes are that the costs will come in lower than budgeted. The award of a portion of funding from the Gaming Program, Mr. Peiffer stated, would likely make it much easier to secure additional funding from other sources.

Close

Mr. Groves, Chairman, adjourned the meeting at 9:00 p.m.