

**GENERAL MUNICIPAL AUTHORITY OF THE TOWNSHIP OF MANHEIM**  
**FRIDAY DECEMBER 8, 2006 MINUTES**

The special meeting of the General Municipal Authority of the Township of Manheim was held on Friday, December 8, 2006 at 7:30 a.m. at the Manheim Township Municipal Building, 1840 Municipal Drive, Lancaster, Pennsylvania. Authority members present were: J. Michael Flanagan, Gary R. Johnson, Ann M. Krissinger, James J. Lombardo and Edward J. Plakans. Also present were Solicitor William C. McCarty, Engineer G. Matt Brown, Finance Officer Valerie A. Calhoun, and Township Manager James M. Martin.

Mr. Sean Eisenhower said he is going to try to explain how the IFIP program works and how they put it in place in Swatara Township. The program provides that the government entity can seek reimbursement from the state for debt service on debt incurred to finance infrastructure projects. He said the way the IFIP is set up is the municipal authority is the borrower and it incurs debt to build infrastructure and then applies to the state to be reimbursed for its debt service on that debt; so that part doesn't sound so good if you're a municipal authority, because you're hearing debt and you're hearing reimbursement and you're hearing look-backs and you're hearing annual re-authorizations, and you're saying that sounds like a lot of risk. He said the way they have structured the program to take the municipal authority out of the risk side of it is the municipal authority then contracts with the developer through a reimbursement grant and the municipal authority goes out to a bank, and in Swatara they went to Fulton Bank, and Fulton Bank bought the municipal authority's note and then funded the proceeds to the municipal authority who used it to build the project. He said that now the municipal authority has a note to the bank and that note is non-recourse to the authority except to the extent that the authority receives grant revenue reimbursement. He said this is the key piece. The note that has been issued to the bank is non-recourse to the authority; in other words, the bank's only recourse is to sue the authority in the event of default and receive any grant reimbursement that is ultimately divided to the authority by the DCED; so if there is no grant reimbursement made for whatever those risk reasons we talked about, then the bank can't get at anything from the authority. It's a part of the note that says it's of limited recourse to the extent only of any grant proceeds ultimately received by the authority.

Mr. Eisenhower said that's the big comfort that an authority takes, but where does that leave the bank? He said the bank then has first, an assignment of any grant proceeds that are received and can make sure that it at least gets that much to the extent that there are grant proceeds; secondly, the bank then looks to the developer who gives a guarantee to the bank for the balance of the debt, and that guarantee is secured as the bank determines it needs to be secured. He said at Swatara, it was secured by a second mortgage on the underlying retail project itself. He said a limitation of the IFIP program is that it has to flow through a municipal authority and it only allows for reimbursement debt. He said the way you cure those concerns a municipal authority would have is by limiting the recourse of the bank to grant proceeds received, if received, and then the bank has to get comfortable that, okay, where do I look? The bank then makes its credit decision by looking to the guarantor, which in the Swatara project was the developer, High Point Commons Holding, which owned the asset.

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Mr. Flanagan asked if the bank wouldn't have a higher interest rate. Mr. Eisenhower said the only way he can answer that question is to say we just did it. He said the project was a community center shadow anchored, meaning they didn't own the premises located in the Harrisburg area, exit 2 off of 283. He said the other thing he thinks is worth mentioning is that at this meeting what they are requesting is a resolution where the municipal authority would go ask for the grant. He said if it receives the grant, and what you get from the state is a commitment letter, but you're still not bound to do anything until you can go get comfortable with the back end of all this. He said that by approving an authorization to seek a grant, you would get a grant offer from the state; you would not be bound by anything then until you are comfortable that the bank steps up or that there is this back end guarantee note. Mr. Flanagan asked for a specimen of that note. Mr. Eisenhower said he just gave it to Mr. McCarty.

In reply to Mr. Flanagan, Mr. Eisenhower said the volume of retail at a Target store for example is in the neighborhood of 35 million dollars and that's just one of the retailers in the shopping center. He said he has used this program now twice – the Harrisburg project which is open and operating, as well as a project in York that is under construction – but in both instances the infrastructure improvements, the off-site improvements, that were paid for through the federal transportation dollar grant and the IFIP. Mr. Flanagan said his question is not in a mean spirited way, but they have an obligation. Mr. Eisenhower said they had many of these questions themselves at the get-go.

Mr. Flanagan said regarding the layers of funding that Mr. Eisenhower talked about, it doesn't look like any of them are really guaranteed: 25 million for the expected road improvements was really kind of a ballpark figure. He said he looks at the convention center history and what he sees is a project there that's more and more expensive. Mr. Eisenhower said in the case of High Point Commons at Yorktown Center, York transportation dollars and the IFIP grant paid for 100% of the outside improvements, but it will not likely be the case here, but to the extent that they make the application and they get a grant and let's say to the total of 15 million dollars, that's it! There's no more funding through IFIP involving the authority, and any other funding is going to come from other sources including the development.

Mr. Flanagan asked what their expected timeframe is that they will get the solicitor to put together this for the authority if the board members desire, authorizing the chairman and vice-chairman to proceed with the agreement with High Real Estate Group LLC.

Mr. Bamford of High Real Estate Group said the indemnification comes to play as Sean expressed, when in fact there is a grant and the Authority and developer enter into these various agreements. He said no one is bound into anything until then; there's really no indemnification need until then and the reimbursement agreement that you enter into at that time and next it becomes the indemnity, and by the time we reach that point, we will have formed probably what we'll call TCCC Holding, Inc., the Crossings at

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Conestoga Creek, just to keep it simple for a lot of words, and that will be the entity that will enter into the agreement and at that point in time it will own that 90 acres of land ... assets, in terms of equity in that project. That credit decision then is made by the bank as to whether it's going to accept it, as it did in the instance of ... Mr. Flanagan said he understands but he is a little surprised that the bank would come up with 10 million dollars on a limited recourse note. Mr. Bamford said the point is if they don't, then it doesn't happen. He said the way this resolution is set up makes a lot of sense, you need to be satisfied as you go, and if at any point you are not satisfied, that's fine. This is merely becoming the applicant on an application to DCED; you are essentially saying we think this is a good project and we think it's deserving, then a grant proposal in response to that, then you take the next step to make sure you get the financing behind it. He said the one tweak he would ask that they make to the resolution is we don't know it's going to be High Real Estate Group but we don't know who it's going to be at this point, and to be comfortable at all points, but he thinks their ultimate comfort comes from a bank that's comfortable with the guarantor; he would prefer that they change rather than designating High Real Estate Group as specific entity, board affiliate satisfactory to the Authority. He said again they have to be satisfied as they go because until they sign a reimbursement agreement or whatever documents with the developer, you are not obligated to do it. Mr. McCarty asked if this change would substantively matter. Mr. Bamford said no, as long as they are happy with it.

Mr. Gary Johnson said the Township with other sources of revenue is not exposing those other sources of revenue in any way or fashion with regard to this project, only to the extent that the flow through funds come from the state legislature. Mr. McCarty said per statute, if your receipts are under your estimate, as the statute is currently set up, your grant still is not less than either more taxes received or the grant amount originally given and now there would be a risk of from the developer and the bank would only be looking for a grant back-up go to the developer.

Mr. Scott ... said about the state provision last year, Mr. Eisenhower said year No. 1 was 5 million dollars statewide which was somewhere in the neighborhood right now and it's part of the annual budget so it's part of DCED's operating budget; it's one of their programs; there's a line item, construction development program. He said the state is pretty sophisticated in their review process recognizing a couple of things; one, the project, and they have already communicated he thinks quite effectively that these improvements for the High project which is going to be generating this revenue on which this request would be based, plenty of stake holders and businesses notwithstanding that also need this set of improvements ... will recognize that the new revenues that they're giving back to this program mentioned earlier was around 21%. He said he knows for a fact that they are plenty of ... for 80% or 90% in taxes that are being generated. He said a large scale project with large scale needs in terms of ... of the tax revenues that will be generated.

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Mr. Flanagan said they would have to receive approximately 1.5 million each year from the legislature and mechanically that is a grant that goes from the legislature to the Authority ... and asked if it is to the bank or to the developer who gives it to the bank.

Mr. Greg Castle, High Realty Group, said the debt service would be paid by the developer. Mr. Bamford said by way of clarification said they make an advance; they don't pay the debt service; they make an advance and that is used to pay the debt service. The developer makes an advance to the Authority who then pays.

Mr. Flanagan said mention was made early on that there is a lot of work involved in this application process ... verification subsequently ... said in terms of the application development ... their team is responsible for ... He said their goal is to give you ... assembling all the materials. To follow up on ... who handles ... the Authority has no staff; does the Township do that? Mr. Bamford said it is not done by the Township because that was done through the Dauphin County; frankly the Dauphin County was the conduit. Mr. Flanagan asked if there would be reimbursement to the Authority for its costs, for example, its solicitor. Mr. Bamford said yes there would be, from the grant itself actually. He said all the soft costs beyond the 10 million dollars for the hard construction which includes engineering, all the bank fees and so forth, including the fee to the Authority. Mr. Flanagan asked if that gets reimbursed from the developer to the Authority on an annual basis. Mr. Bamford said it is a one-time fee that the Authority earned that they utilize as they chose. He said about the analysis, that CK certification has been completed ... Jim's asking and he didn't know how to answer that because he didn't know if you had to have a CPA review it in subsequent years; he thought it was just the Commonwealth that did that review. He said they have completed the initial audit by Boyer Ritter which is in the application, so that was done.

Mr. Jim Lombardo said they mentioned earlier that the Mayor's Office of Economic Development could be a player in this, but the Mayor is not looking too favorable in this project. Mr. Bamford said the Governor's office, not the Mayor's office. Mr. Ben Bamford said he misspoke. Mr. Lombardo asked what source of funds are they. Mr. Bamford said they are discretionary development funds for which they would apply ... state funds, discretionary funds that the Governor and Secretary of Transportation ... the backstop ... asking for at 10 million dollars, 20 million dollars and over a multi-year period, 3 to 4 million ... annual request to the Governor and the limitation is that you would like to have all the other funding that's being committed to the project including in the corridor including the totality of debt ... about the Conestoga Creek ... in addition if they are going to take and generate it back to cover the initial cost of the interchange through the grant, that other 80% for those ten years is going to the Department of Revenue to fund this program to do other economic development projects.

Mr. Lombardo said the transportation report that came out and what the infrastructure is ... the cost ... he would think that the emphasis being placed on that ... some organization would have a say in where some of these funds ... improvements that are needed across the county. He said factors being equal, if the state of transportation network in the county, why should they put money into a new project. He said with the

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competition for limited funds, why would they put something in that doesn't exist now that is going to be there because of the project, as opposed to what does exist and is already ... how does the MPO fit into all of this.

Mr. Bamford said that PennDOT has already acknowledged to them that in spite of the fact that certain improvements were done to that interchange not so long ago, that they kind of closed their eyes to what really needed to be done when they did those improvements and did what they could, and that this is a major gateway, that it will compete. There's no question about it. There's a lot of projects, a lot of need, but it is a major gateway; it's a major interchange, it does carry a lot of traffic, and it fails dramatically today. Mr. ... added discretionary ... development funds operates under a different set of criteria ... State ... are already maximized ... the amount of money available. So it's a different set of criteria ... projects that have been waiting in the wings ... Mr. Lombardo said his concern is that we go through this whole process for this project and everything else falls through, what happens then is we are stuck with half a project and he would like to get some feel and assurance that this is a situation that we are creating the additional need for traffic improvement. He said certainly there's one that exists ... we're creating a situation here where it's going to just exasperate that ... makes them want to fund us instead of somebody else. Mr. ... said the impact study that ... exactly what the existing conditions are and a good bit of that work already which is how they arrived at ... so they definitely have that going for them. Certainly existing conditions that were ... the risk is that ... scenario and you know all the funding sources that we will ... no matter where we're looking, more requests than ... enough money to complete construction ... experience and the feedback that we've got from PennDOT the very credible case ... dollars on the design, and they are not waiting for everyone else to come up to ... the timing of our ... commitment, and they have not yet ... contributions, all of a sudden it makes this project more attractive ... investing in the project and most importantly, the private sector are putting money in ...

Mr. Flanagan said if there is a no-recourse note ... should make application to ... grant, does the Authority then have to go ahead and approach the bank ... think there are other funding sources that are coming in to take care of this, so they are not going to go ahead and sign a note for ...

Mr. Bamford said on the other hand, it's the developer in the meantime that's looking to get an initial nod from DCED that they will issue ... our spending 2, 3, 4 million dollars on the design which PennDOT would typically be spending themselves, and before PennDOT will ultimately grant an HOP permit so you can do the work, we have to give them a bond or an LC for the total cost of the project, so that once we've got a contract to commence construction, if there aren't dollars available to the developer directly to pay the bonds out there, they'll call the bond or the LC and they'll complete the work. He said the risk isn't going to rest then with the Authority; the risk is going to always rest with the developer and the developer's putting up the bond or the LC to stand behind that obligation. Mr. Flanagan asked if the Authority could before ever signing the note ... sources as well, are they going to be using this resolution if it's passed as leverage to

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get other people to also chip in ... He said but until they sign the note, they are not committed to anything. Mr. ... said that's right; they haven't put any obligation of the Authority in the financial ... and even then only subject to the backup at the time you close on the note ...

Mr. Flanagan asked if High expects to come to Manheim Township Board of Commissioners? Mr. ... said over and above the pursuit of the IFIP financing. He said that once they get an indication of the grant, the next step really is the reimbursement grant, so that they take any and all risk away from the Authority before it takes those next steps to proceed with the actual financing. Mr. Flanagan said his concern is beyond the Authority, and wondering if the next ... He said he doesn't know what latitude the Board of Commissioners has ... he does not know what it would be that they would ask for, other than as he suggested ... Mr. Flanagan said they pay for a lot of roads in the Township which was his concern. He said this particular road, this corridor with its improvements does not benefit as much the citizens of Manheim Township as it does the City and East Hempfield ... being in an isolated corner of the Township. The road improvements are not going to be terribly important to our citizens. Mr. ... said it's true that this is a gateway and it serves the community at large in terms of the transportation project; on the other hand, the retail project is going to most benefit the taxes of the Township. He said others argue that your project is going to most benefit through taxes the Township. Others argue that this project is benefiting the School District of Manheim Township but it's putting the traffic impact on us, so they are trying to balance all of that, and he thinks it's fair to say they are not seeking in our pursuit of ... contribution of Township dollars to pay for road improvements. He said they are going to seek whatever relief they can to make this a viable project but they are not necessarily saying they are going to the Township and say we want you to pay for this piece of this transportation project. He said they met with Neal and others. Mr. ... said he has no position at this point ... the Township and asked if the Commissioners received a letter from the Township.

Mr. Flanagan said in the course of the text amendment stage of the process, he thinks they have a legitimate concern about traffic ... engineers have envisioned, but his thinking is that for that exit there, perhaps it should be an exit onto Farmingdale, with right turn only permitted. Mr. ... said that actually there have been a number of scenarios. Mr. Flanagan said he thinks it would be a little bit inappropriate for them to put a shopping center in their place that dumps ...

Mr. Steve Evans suggested that only about 10% ... would be ingressing ... that access; however, it has yet to be determined if it will be dumped on Marietta, in fact, the Barrcrest neighborhood, who we have met with and they are now a little more organized trying to get their thoughts together, have indicated frankly they don't want the traffic that comes through their neighborhood now to continue to come through their neighborhood. He said they have also met with Norfolk Southern about the possibility of meeting some of the input they are getting from that community as to, can't we close this out-grade crossing; so in essence the neighborhood becomes self-contained, but

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there are some people in that neighborhood who want to be able to cross the rail and take their shortcut to the post office or whatever, and they have to decide if they want to give up that convenience so other people aren't doing the same thing. He said it all has to be worked out.

Mr. ... said he knows the zoning has been changed in Manheim Township and the Planning Commission's initial vote was a negative vote. Mr. ... said their next step is to go through the conditional use. Mr. ... said he thinks however it is fair to say you have to speak to them to get their own interpretation, that the decision in large part wasn't because of the proposed retail project or the transportation project, but their point of view relative to the application to the zoning ordinance and its consistency relative to the Comprehensive Plan, which he guesses is a process that is about to be undertaken, and so he would hope that that's going to be resolved as the Township moves forward in their Comprehensive Planning process. He said he does not think their project or their moving forward will resolve that issue. He said that's an issue that the Planning Commission and the Township otherwise will have to resolve through that process, but they will be going forward with conditional uses ... He said that quite frankly on the Harrisburg project and the York project for example, until they had a grant, until they got through the reimbursement agreement and all the agreements with DCED, the did approach ... there was no reason. He said in Harrisburg, the Dauphin County Economic Development Corporation pretty much deferred to them, although in consultation with them, as to whom they would solicit among the banks. He said they had maybe five banks that they solicited and ... one of the things that was a consideration of the Dauphin County Economic Development Corporation was that they wanted to ... that were part of the community. He said it's all of those that they solicited ... that they would ultimately give the financing were part of the greater community and frankly they did not even want to take a look at the project until it's got all of its financing. He said the bank might say it's a really great idea, it's great for the community and all that, but there was nothing a bank could do at this point.

Mr. Flanagan said that the financing, were they talking about the ... financing for the project is something you do when you put all of the other pieces of the puzzle together and you have a project that you can present to the bank and say, here's what we have and here's what we intend to do. Mr. ... said this is their linch-pin, this funding would be the starting point basically, or one of the primary starting points, to gather that financing package together. Mr. ... said tenants, land development approval, and all of those things, until they have all that, the bank really, they don't have a project to take to the bank. Flanagan asked about the engineers. Mr. ... said roughly yes, but not to hold him to that ... it does seem reasonable ... however ... apologize ... engineer for the Authority, same engineer for the Authority and for the Township.

Mr. Ed Plakans said it looks like there are two projects, there is a retail project ... and they said that the full project cost for this was 25 million. Mr. ... said that 15 of which is for the road improvement part. Mr. ... said when they are talking about 25 million, they

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are talking about off-site infrastructure improvements, transportation, all of that; the project overall is 100 million.

Mr. McCarty said ... with one of the identified okay kind of projects, one of which ... the infrastructure work in connection with that approved category of projects, so this infrastructure highway work can only get done through the grant program if it's connected with ... a retail project. Mr. Bamford said without the retail project, they couldn't be an applicant.

Mr. McCarty asked if PennDOT actually did the construction contact on their ... contractor. Mr. Bamford said they actually themselves were the contractor. Mr. McCarty said he thought he heard PennDOT ... Mr. Bamford said they paid and then they were reimbursed through ... and in that instance, 100% of the improvements were done and paid for before they ... Mr. McCarty said they ... all the contracts, they ... right-of-way ... all that stuff ... Mr. Bamford said in an ideal world, you're funding those improvements with the proceeds of the loan, and in the case of Harrisburg, that actually closed after it was completed. Mr. McCarty said there are obligations under the state and ... but asked if there is a separate agreement then between the issuing authority ... in addition to the obvious obligation. Mr. Bamford said yes; they have a guarantee between the developer and the bank and an agreement between the developer and the authority. Mr. McCarty asked if beyond that whether it also covers the obligations under the authority as the applicant. He said there is a broad form indemnity ... and other than just estimating their taxes, there are ... requirements for contracts, that kind of stuff; and if you violate any of those provisions, you're obligated under the contract to the state. He said no one would expect this to occur but the Authority as a conduit wouldn't be doing any of that stuff; it wouldn't be doing its own audit ... taxes ... it probably isn't going to be doing its own tax reports, nor the contracting on the highway to make sure that there's non-discrimination and all of the other obligations that are under five different state and federal standards. Mr. Bamford said that still one of the things that they might do to get more comfortable from their perspective is to talk to Pete Carloucchi of ... Seemens, who represented Dauphin County.

Mr. McCarty said to get to the nub of this, he wouldn't have an aversion to the concept that they would be backing up on this. Mr. ... said he thinks the reimbursement agreement does in fact obligate them to meet for example in a contract process those obligations that would be imposed by the state because this was a state program. He said when they were working with Brian Eckert on this, it being a new program and they being the first project under the program, in working with Pete Carloucchi, in an abundance of caution because a decision hadn't been made by the state as to whether prevailing wage would apply or non-discrimination or all those other provisions that are typically in grant, because this was a different kind of a grant. He said the state wasn't giving them money to do anything, it's a private bank financing through a conduit ... an authority, so in an abundance of caution they agreed amongst themselves that that's what they would do – they would comply with all that just in case, and that's what they did, so they did it that way. Someone asked if they did it prevailing wage. He said this

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... that they have includes prevailing wage. He said they really worked very closely with Pete ... Mr. McCarty said these are the sort of outside fringe liabilities, where two years from now ... general concept that the developer is willing to stand behind, those ...

Mr. Eisenhower said he didn't want to represent that the ... did say that, but this is only because this is brand new and everybody that does it is a little bit smarter than the last guy. He said he thought their subsequent question was was High willing to do that ... because they're bidding it and they will be the GC, so they're taking that risk ... Mr. McCarty said he heard an answer to Jim's question that ... would be the first, doing the first four-year audit for the Swatara deal, he missed that. In reply to Mr. McCarty, Mr. Eisenhower said the application actually requires the audit, and this is an audit where they say, okay, here's what we envision the project to be; we're just going to have these retailers generating this volume in these sales and wage taxes. He said they do that to some extent based on their experience and in other instances, actually talking to the retailers and saying, if you put a store here, what might it generate in sales, and what percentage of those sales would be taxable, based on your experience in the Commonwealth. He said then they present that to, in this case, Boyer & Ritter, and they review that and make a certification, if you will, to the state that they think that's a fair projection.

Mr. Scott ... from ... like this are going to generate ... and then we have a report that gets included as an exhibit and ... Eisenhower is not helping them but ... why they were chosen to do this particular certification. Mr. McCarty said that first audit, have they accepted responsibility for the later audits ... Mr. ... said the audits that are done by the Department of Revenue. Mr. ... said in four years they'll take a look ... audit and make sure that the revenues that were being projected at the start of the process are indeed materializing at a minimum equal to or in excess of ... probably no one knows because no one's ... Ms. ... said each of the individual retailers that locate ... Mr. ... said is a self-functioning audit, if they will ... Mr. McCarty said what he is getting to is the possibility on the outside possibility of some auditor expense because of ... four years out ... Mr. Eisenhower said he does not frankly recall but he knows that the costs of the authority to ... close the financing are covered through the ... and that they aren't coming through a financing because that financing might not close, then they are covered by the developer. He said their intent with regard to High Point Commons with the IDA was that it was to enter into a preliminary reimbursement agreement so that as they were working together for the funding and the closing on the mall, that they would have that obligation to make those payments. He said quite frankly in that instance, they just did a handshake and never bothered to do the preliminary reimbursement agreement ... they just did it through a final ... Mr. McCarty said frequently in these things there's something ... reimburse ... Mr. ... said there's a general provision in there about the costs of the authority, he couldn't recall exactly what it said, but in essence, they bore those responsibilities for those costs from the get-go. Mr. McCarty said ongoing. Mr. ... agreed.

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Mr. McCarty said his last question is about eligible ... specifically identifiable parties. He said it talks about 45 act authorities ... Mr. Eisenhower said that would be as another type of project – research and development, medical facilities, convention centers, retail projects – different types of projects that qualify for this ... Mr. McCarty said he was hoping that it was just badly worded and that somehow ... He said he did speak to Brian Eckert ... Act 45 was ... he thought it was just the wording. Mr. Eisenhower said in the case of Springettsbury, where they did IFIP financing and they did it through the authority of the township which was actually formed in order to do it because they didn't then have an authority. He said in order to do the IFIP application, it formed an authority to be the applicant and in that case, in fact, they went beyond the IFIP financing and they did additional borrowing so they could do additional transportation improvements in that township, and frankly they put the ... credit of the township behind the ... which is also a retail project. Mr. McCarty said that was all the laundry list of questions he had.

Mr. McCarty said they took their resolution provided to them and made some changes ... they like to make some more. Mr. Bamford said he didn't see their resolution and they brought Sean in ... thinking it might be a good idea to bring him along. Mr. Lombardo said relating to the submit of receipts, sales receipts and tax ... when this process was done, is it being done on the basis of this retail establishment being an independent establishment or was Park City taken into account? Mr. Eisenhower said this is all new. He said he knows the one in Harrisburg was a new shopping center right along a major highway and there wasn't a Park City Center right up the street from it. Mr. Bamford said believe it or not, there is a great deal of value in the synergy of having retail together. He said he sat down with General Growth Properties on Tuesday afternoon to discuss the project and they are supportive of the project because they recognize that if the retail that they want to bring to the Crossings is across the street from Park City, it will help Park City. He said if that retail is scattered all over Lancaster County, it won't, plus too, of course, they're very supportive of the fact that this project will be the catalyst to improve that interchange, because their customers will be better served as well as the hospital and everyone else along the corridor, if they make these transportation improvements.

Mr. Lombardo said to get back to the question – was it considered ... as an independent establishment. Mr. Bamford said yes, because the IFIP program doesn't give any benefit today out of any sales that are generated by Park City. Mr. Lombardo said what he was getting at was if the receipts are based on an independent stand-alone facility and because of the proximity to Park City ... ask them what was estimated that will affect the reimbursement. Mr. Bamford said maybe he should answer his question differently because now that he has a better understanding – the retailers who give sales projections make those sales projections based on the competitive market place, so if you're ... and you know that there's Giant in the area, and there's Weis in the area, you can determine what the market potential is and what you can generate in sales based on that competitive environment. The same thing would apply for every retailer that's doing business or proposes to do business in Lancaster County, so sure when

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you project sales and when they rely on those sales and give those projections to the auditors, it in a way then does take into consideration the market place, not specifically each and every other retailer, but the market place and the potential that's there ... He said their joint venture partner on the development of Yorktown Center which is right across the street so to speak from York Galleria is the owner of York Galleria. He said so you recognize that if you're going to operate a mall, there's a great deal of synergy in terms of having other retail in the market place across the street.

Mr. Flanagan said ... that one reason they're doing this now is that you folks requested a meeting in December ... with the expectation that the Governor's office ... up there in Harrisburg would act upon it sometime this year, that would be 2006? Mr. ... said in terms of getting ... DCED is aware that they are working on ... earlier and there is a window of opportunity here to make application; DCED will accept applications year-round ... so that this application now ... because they are in a unique situation where committed all the resources from last year nor have they committed ... funding that is available in this district. Mr. Flanagan said ... some people in the community were concerned that one of the tenants in their ... retailers was Wal-Mart ... He asked if anyone else had any questions. There were none. Mr. Flanagan said there was no further discussion. Mr. Flanagan asked if this motion was changed in such a fashion ... Mr. McCarty said there is a revised version of the resolution and passed out copies of the revised resolution, marked up to reflect the changes. Mr. Flanagan said they were receiving a marked-up version ... which is the resolution they ...

Mr. ... said three changes, two of which ... Mr. Lombardo said he has two concerns ... and he just wanted to lay his cards on the table; one is ... we had about the Governor's discretionary funds. He said they are told that the City Mayor is opposed to this project and he knows that the Rendell administration is ... on revitalization of cities, and he is wondering if those two forces are going to come into play when they seek the transportation discretionary funding for this. He said his second concern is what he pointed up earlier about the MPO and where the MPO stands on this whole thing. He said this is where he sees some potential problems in this whole process, and they're real and there are some political problems involved. Mrs. Krissinger asked what MPO stands for. Mr. ... said it was Metropolitan ... Mrs. Krissinger thanked him. Mr. Lombardo said real issues that he though ... considering if they do materialize ... half a project done and where High's going to be put on the book to lay out more money, which he knew they don't want ... which could be developer funds, in essence ... doesn't matter where those funds come ... Mr. ... said construction of the infrastructure improvements will probably take longer than the construction of the retail. Mrs. Krissinger said they put up those stores so fast ... Mr. ... said the highway takes time. Mrs. Krissinger wanted to look at the amended resolution for a few minutes.

Mr. Eisenhower said there were three changes, but only the first one is probably only ... to a lawyer; it deals with a definition since we don't know which entity will be the ultimate guarantor of this and ultimate owner of this; it was ... High Real Estate Group together with all affiliates and related parties in the notion of whoever it is, it is. He said

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he didn't like the "together with all affiliates" being defined as High because that means every High organization now defined as High, and when you come back to paragraph 5 at the end in the second line, it says guaranteed by High, and they don't intend to have every High entity be the guarantor. He said they changed it to say "High Real Estate Group or an affiliate thereof satisfactory to the Authority." He said it still needs to be satisfactory to the Authority but it's not going to be the whole universe, so that's a substantive change but it's a definition change. He said he capitalized "Retail Project" because it defines; it's a typo more than anything else. In paragraph 1, he added both projects ... because they are joined; they're both part and parcel the same overall project. Mr. ... said you can't do the infrastructure project without a retail project because it would involve ... Mr. ... asked why we state in the first sentence ... and approving an application; are they just authorizing that? Mr. Eisenhower said it is the form of the application. Mr. ... said if they authorize it, isn't that considered approving it? Mr. McCarty said that generally it authorizes the action and then approves the action. Mrs. Krissinger said she just needed clarification of the changes.

Mr. ... moved to adopt Resolution 2006 – 01, a Resolution by the General Municipal Authority of the Township of Manheim authorizing and approving an application to the Pennsylvania Department of Community and Economic Development to participate in the Infrastructure and Facilities Improvement Program in order to facilitate a Retail Development to be situated in Manheim Township, Lancaster County to be known as the Crossings at Conestoga Creek; authorizing certain officers of this Authority to execute and deliver an application to participate in said program and such additional documents as may be required in connection therewith; and authorizing and directing related matters. Seconded by ... Motion carried unanimously.

There being no further business, on a motion by Mr. ... seconded by Mrs. Krissinger, it was moved to adjourn the meeting at 8:40 a.m. Motion carried unanimously.

The next meeting will be Friday, January 19, 2007 at 7:30 a.m.

Respectfully submitted,

James M. Martin  
Manager-Secretary