

**MINUTES
BOARD OF COMMISSIONERS' PUBLIC MEETING
MARCH 21, 2011**

CALL TO ORDER - ROLL CALL - DECLARATION OF QUORUM:

The Penn Township Board of Commissioners met in a regular session on Monday, March 21, 2011 at the Penn Township Municipal Building. President Prieber called the meeting to order at 7:00 P.M. with a roll call of members. Present were Commissioners Prieber, Heilman, Goldsmith, Rewa and Felix. Also present were Solicitor Fazzini, Manager Garvick, Police Chief Rhodes, Township Engineer Bortner and Zoning Officer Menges.

PLEDGE OF ALLEGIANCE TO THE FLAG FOLLOWED BY A PERIOD OF SILENT MEDITATION:

All in attendance stood for the Pledge of Allegiance to the flag, which was followed by a period of silent meditation.

ANNOUNCEMENTS:

President Prieber announced that following the public meeting this evening, the Board of Commissioners would convene in an executive session with the Solicitor for the purpose of discussing legal and/or personnel issues.

APPROVAL OF THE MINUTES FROM THE PREVIOUS MEETING:

The minutes of the February 21, 2011 meeting of the Board of Commissioners were approved as submitted.

PERSONS TO BE HEARD/CITIZENS COMMENTS: None

LERTA PUBLIC HEARING:

At this time Commissioner Prieber opened the hearing to consider Local Economic Revitalization Tax Act (LERTA) designation for 17 Industrial Drive. The hearing began with staff review and comments. Manager Garvick stated that the Purpose of this Hearing was to elicit testimony regarding the establishment of a boundary within which industrial development would occur and could result in the assessment of a property tax rate divergent of the rate assigned to all other properties within the taxing district. The option to adjust the tax rate is allowed by the Local Economic Revitalization Tax Act, known as LERTA. This Public Hearing, required by the LERTA legislation, has been properly advertised in the Hanover Evening Sun.

In 2005 a land development plan was approved for the construction of a spec building and warehouse at Lot #21 on Industrial Drive, which was comprised of two separate parcels: parcel 1 being 23.3 acres and parcel 2 being 6.7 acres. Subsequently, the parcels were provided with separate addresses. The larger lot now being designated as 17 Industrial Drive and the smaller lot being designated 21 Industrial Drive. In 2009 a land development plan was approved for the construction of a Verizon Wireless communications tower on 17 Industrial Drive. The tower was constructed shortly thereafter.

On February 4, 2011 the Township received a request from Conewago Contractors, Inc., owner of 17 Industrial Drive for consideration of establishment of a LERTA boundary comprising 17 Industrial Drive. The request is for consideration of a 10-year tax relief schedule for improvements only. In other words, any relief granted would not include the current property taxes being paid on the land itself. The proposed taxing schedule would have the property owner contributing 0% property taxes in the first year of the LERTA schedule incrementally increasing by 10% per year until by year 11 the tax rate would be the full 100%.

All three taxing authorities, the Township, the SWSD, and the County of York, must agree to participate in a LERTA schedule. However, the schedule need not be the same for all three taxing entities. The Township is solely responsible for establishing by Ordinance the LERTA boundary itself.

David M. Moore, Knorr Brake Corporation, Director of Finance, made a presentation to the commissioners. He explained that the company builds brakes, doors, air conditioning systems, and electronic components for mass transit systems. They are headquartered in Munich, Germany and are a privately held corporation. The company is divided into two divisions - mass transit and commercial vehicles. They have about fifty locations throughout the world, which all have different charters and therefore have a local presence in the countries in which they operate. They have sales of \$4 billion worldwide. He explained the different divisions and locations throughout North America. The Westminster office does applied engineering and accepted engineering and he explained some of the work that is done there and showed pictures of the products constructed there. He explained the current configuration of the Westminster facility. He referenced the customers that purchase their product and the employee composition. He referenced several pending projects, which will require the company to acquire additional space. They also have other projects they are bidding on. They are looking for about 200K square feet of space with 160K for manufacturing and 40K for offices. The new facility will be constructed as a green building. They have explored both the option of purchasing an existing building as well as building a new structure. After visiting several existing buildings in Pennsylvania, Maryland, North Carolina and South Carolina, they have decided to build in either Northern Maryland or Southern Pennsylvania. Mr. Moore reviewed some of the buildings that the company had considered. Most of building were not configured or sized to Knorr's specification. Many were located too far from the homes of Knorr's current staff. The workforce they have is highly technical and they do not want to have to start over with a new workforce. They are preparing to hire additional employees in future years with the average wage being higher than the current average in the southern Pennsylvania. There is very little hazardous material used or created by this company. Knorr Corporation currently operates one shift per day and may be up to two shifts a day when they relocate.

They have reviewed raw land and shovel ready projects. They project that if they begin with a raw piece of land it would take about three years to be in the facility. However, if they start with a shovel-ready site they can be up and running in only fifteen to sixteen months. The two properties they have decided upon have some improvements in place and would not take as long to construct. The Westminster property is located on Rt 97 near the airport and the property in PA is located in the Hanover Area Industrial Park at 17 Industrial Drive. He expects about 95% of the workforce to stay if they relocate to Penn Township. They expect a growth in business, which will result in a growth of all taxes. The cost of the project is expected to be about \$15 to \$16 million, which includes the new building, the

purchase of the property and some additional new assets. He reviewed the features of both sites being considered. There is approval for 220K square foot building on the Penn Township property. He reviewed the current tax structure of the Corporation along with the charity contributions and the involvement of the employees. They would like to build a new building but they will be considering what is most beneficial for them as a company.

Dale Myers, President of South Western School District Board of Directors spoke on the Board's behalf and with their authorization. He introduced those in attendance from the District and then read a prepared statement as follows:

"We have previously had a presentation regarding the possible Knorr Brake relocation and the LERTA considerations. We have, as a board, voted unanimously in favor of the LERTA designation and the 10-year plan for tax reductions.

We believe the LERTA designation would be proper application based primarily on Items #2 and #5 of the applicable criteria. Specifically that the land in question is undeveloped or under-developed for its intended industrial designation, and has been so for an extended period of time.

We favor the ten-year tax leniency plan, as we firmly believe that this offers the best chance of attracting Knorr Brake to relocate to Penn Township. We additionally believe the tax revenue over the ten-year period, though reduced, will far exceed the tax revenue otherwise generated by the undeveloped parcel. We have no reason to believe another entity, of equal value is likely to locate or relocate to this parcel in the near future and generate equal or greater tax revenue.

We believe there are other, very significant reasons to encourage this development. Although Knorr Brake intends to employ approximately 230 employees, most of these employees are expected to travel from their current Maryland homes. Thus, the initial impact on school and municipal resources is expected to be minimal; that is a favorable item.

In time we would expect the natural turnover of employees and/or any expansion will result in quality employment opportunities for this community. Significant secondary employment opportunities are expected to be available as soon as ground is broken.

These include initially the jobs created for construction of the facility as well as sales from local construction supply companies. Once complete, we would expect lawn services, landscaping, cleaning, local restaurants and plethora of other companies would also benefit from the facility and the facility's employees.

It is our understanding that Knorr Brake is a significant contributor to local charities and organizations in Carroll County and we would expect them to continue their philanthropic leadership in this community.

Finally, we have been assured that a student shadowing or school-to-work program will be an opportunity presented to local students.

In closing, the revenue generated from new sources has always been preferred to tax revenue from an increase in the millage rate to those business or residents already within

our boundaries. Never has that been truer than it is today.

We believe this is an opportunity that should not be ignored and we would respectfully request that the Penn Township Board of Commissioners approve the LERTA designation and join the School District in offering as much tax relief as their members can agree upon as an incentive for the relocation of Knorr Brake to the Penn Township location. Thank you for your kind attention.”

The York County Commissioners did not have anyone present to comment on this request.

Ray Van de Castle, Chairman of the Penn Township Planning Commission, reiterated the positive recommendation that was made by the Planners at their last meeting.

Paul Wojciechowski, York County Economic Development Corporation, stated that part of his job is to help maintain the current businesses within the Hanover/Penn area and to attract new businesses to the area. He has had several meetings with Knorr Brake Corporation and has had the Governor’s Action Committee involved in those meetings. They view this as a very attractive project for the Commonwealth of Pennsylvania.

Gary Laird, President of Hanover of Chamber of Commerce, presented a prepared statement as follows:

“The Hanover Area Chamber of Commerce is a business advocacy organization that supports business growth and development and has over 600 members in the greater Hanover Area. The Chamber supports the location of Knorr Brake Corporation at the Penn Township Industrial Park. In addition, the Chamber respectfully requests that the Penn Township Board of Commissioners give consideration to allow Knorr Brake Corporation to enter the Local Economic Tax Assistance Act (LERTA) Program.

For the past 100 years the economic strength and vitality of this area has been based on business growth, particularly in the manufacturing sector. As our economy has changed, the opportunities to recruit and attract world-class companies like Knorr Brake Corporation have been limited. The Chamber supports this action for the following reasons:

- As a community we have the opportunity to bring approximately 250 skilled jobs to the Hanover Area.
- These employees will support local restaurants and retailers.
- Most of these employees will be commuting from Maryland so there will not be an immediate increase in enrollment at local school districts.
- Local residents will have the opportunity to apply for new positions or positions created by attrition.
- Knorr Brake Corporation is a world-class company with a history of investing in the community-from supporting local organizations and initiatives to working with local school districts on career pathway opportunities for high school students.
- Having Knorr as an established business may benefit existing local businesses and has the potential to attract other companies and suppliers that may fit within the Knorr supply chain.
- The development of the property in the industrial park will not significantly impact

existing highway and utility infrastructure.

- Permitting access to the LERTA program will not negatively impact the current tax revenue of the Township or School District, but as taxes are phased in on the improved property, tax revenue will increase for both the Township and School District.

Again, thank you for your time and consideration. If you have any questions I would be happy to answer them now. “

Commissioner Prieber thanked everyone for his or her presentations. The Commissioners then posed questions to the applicants.

Commissioner Heilman stated that he is in favor of the LERTA but there are other issues that the Commissioners need to consider before making the decision including how this impacts our real estate property owners.

Commissioner Goldsmith expressed concern about the truck traffic that would be created at this location. Mr. Moore stated that the product is built, staged and picked up by the customer at the Knorr location. Mr. Moore provided more explanation on the green building.

Mr. Moore indicated that property taxes are about thirty percent higher in Pennsylvania than in Maryland for the same size property and building and that is why they are requesting the LERTA.

Commissioner Felix stated that not only are there going to be jobs created by the construction and the actual opening of the building but there will also be increases in the sewer revenue and the local services tax.

Solicitor Fazzini stated that most items have been properly addressed. He stated that the LERTA is only on the improvements and that each taxing authority can designate a different tax schedule. He clarified that the Board has to decide if they want the LERTA and if so what schedule they would be willing to accept. They will also have to designate the actual LERTA area.

There was no one from the general public present for comment.

The Commissioners agreed in principal to adopt an ordinance approving a LERTA for ten years for 17 Industrial Drive at a special board meeting on April 4, 2011.

TOWNSHIP REPORTS - STANDING COMMITTEES:

Public Safety Committee - Commissioner Felix: Commissioner Felix had nothing to report.

Personnel Committee - Commissioner Heilman: Commissioner Heilman had nothing to report.

Finance Committee – Commissioner Heilman:

Commissioners Heilman/Goldsmith moved to approve Township warrants in the

amount of \$6,092,534.34. Motion carried.

Commissioners Heilman/Goldsmith moved to approve a request dated February 3, 2011 from St. Joseph's Parish for a waiver of the permit fees associated with a yard sale being held on March 26, 2011. Motion carried.

Public Works Committee – Commissioner Goldsmith:

There were no additions or changes to the Engineer's Report.

Planning & Recreation Committee – Commissioner Felix:

Commissioners Felix/Goldsmith moved to approve a request dated January 27, 2011 from Group Hanover, Inc. for a waiver of the sign ordinance for the Hanover School District Stadium Project. Motion carried.

Commissioners Felix/Goldsmith moved to deny a request dated January 27, 2011 from Group Hanover, Inc. on behalf of York/Adams Community Tennis Association for a waiver of a land development plan to enclose the existing tennis courts located behind the Emory H. Markle Intermediate School. Motion carried.

Commissioners Felix/Goldsmith moved to adopt Resolution No. 756 authorizing the DCNR grant agreement signature. Motion carried.

There were no additions or changes to the Zoning Officers Report.

The following subdivision and land development plans were formally filed:

P11-05 – Lot 108 – High Point North, High Pointe LLC.

Commissioners Felix/Goldsmith moved to approve the following subdivision and land development plans:

P10-09 – Wallen Tract/South West Crossing, LLC.

P10-18 – Susquehanna Bank Addition

P11-02 – Fulton Bank (Gateway Hanover – Lots 4 and 5)

Motion carried.

Commissioners Felix/Goldsmith moved to approve the following extension requests that will expire on June 20, 2011:

P09-10 – American Home Contractors, LLC

P10-18 – Susquehanna Bank Addition

Motion carried.

Health & Sanitation – Commissioner Rewa:

Commissioners Rewa/Goldsmith moved to adopt Ordinance No. 721 amending Ordinance No. 192 providing for the renewal of Plumber's licenses. Motion carried 5-0 on a roll call vote.

Commissioners Rewa/Goldsmith moved to adopt Resolution No. 755 adopting local

pretreatment discharge limits for dischargers to the Penn Township Wastewater Treatment Facility. Motion carried.

MANAGERS REPORT: There were no additions/corrections to this report.

OLD BUSINESS: None.

NEW BUSINESS: None.

CITIZEN'S QUESTIONS TO THE BOARD REGARDING DISCUSSION ITEMS: None.

QUESTIONS FROM PRESS: Questions from the press were received and answered.

ADJOURNMENT:

There being no further business to come before the Board, Commissioners Heilman/Rewa moved for adjournment at approximately 7:50 P.M. Motion carried.

Respectively submitted,

Kristina J. Rodgers
Township Secretary