

**MINUTES
BOARD OF COMMISSIONERS PUBLIC MEETING
MAY 18, 2015**

CALL TO ORDER - ROLL CALL - DECLARATION OF QUORUM:

The Penn Township Board of Commissioners met in a regular session on Monday, May 18, 2015 at the Penn Township Municipal Building. President Felix called the meeting to order at 7:00 P.M. with a roll call of members. Present were Commissioners Felix, Heilman, Goldsmith, Klunk and Prieber. Also present were Solicitor Tilley, Township Manager Rodgers, Township Secretary Miller, Police Chief Laughlin, Zoning Officer Swanner, and Township Engineer Bortner.

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:

Commissioner Felix announced that prior to the public meeting this evening, the Board of Commissioners met with the Solicitor for the purpose of discussing personnel issues involving attorney/client privilege. Commissioner Felix announced an executive session was held following the Health & Sanitation Committee meeting on May 5, 2015. Commissioner Felix also announced following the public meeting this evening, the Board of Commissioners would reconvene with the Solicitor for the purpose of discussing legal, personnel, and other issues involving attorney/client privilege.

APPROVAL OF THE MINUTES FROM THE PREVIOUS MEETING:

The minutes of the April 20, 2015 meeting of the Board of Commissioners were approved as submitted.

PERSONS TO BE HEARD - CITIZENS COMMENTS: None.

LERTA PUBLIC HEARING:

At this time Commissioner Felix opened the hearing to consider Local Economic Revitalization Tax Act (LERTA) designation for 26 Industrial Drive. The hearing began with staff review and comments. Manager Rodgers stated that The Purpose of this Hearing is 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 Hearing, required by the LERTA legislation, has been properly advertised in the Hanover Evening Sun.

In 2002 a land development plan was approved for the construction of a food processing warehouse at 26 Industrial Drive. At that time the property was owned by Green Glen Produce. The actual permits were issued in July 2003. In 2006 the facility added a new commercial

shed. In 2007 Greenline Foods acquired the facility and added loading docks. In 2012 APIO purchased the facility from Greenline Foods.

On March 19, 2015 the Township received a request from Apio Inc. owner of 26 Industrial Drive for consideration of establishment of a LERTA boundary comprising 26 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 and the existing improvements. 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%. APIO operates food manufacturing facilities in Pennsylvania, California, Ohio, and Florida. Apio owns a 19,000 square foot fresh cut vegetable manufacturing and distribution plant on 15 acres on 26 Industrial Drive. They have submitted to the Township a land development plan (which is on tonight's agenda for approval) for a 43,000 square foot addition. This addition will allow APIO the ability to add eight new processing lines to expand its manufacturing capabilities. This has the potential to create an additional 256 full time jobs in Penn Township over the next three years. If the project is constructed in Penn Township APIO could invest as much as \$21.4 million into its Hanover facility with site improvements, building expansion and the purchase of new equipment. Only \$7 million of these improvements would be subject to property tax.

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.

Jason Frost, Plant Manager, Apio, Inc., Darrell Auterson, President and Kenetha Hansen, Vice President Economic Development of the York County Economic Alliance (YCEA) made a presentation to the commissioners. Mr. Auterson began by stating how the YCEA uses the LERTA process to facilitate economic development in York County. The YCEA works with the taxing authorities to assist in the LERTA process. This incentive is used locally rather than through the state.

Mr. Frost began his presentation by showing a visual of the current property, relating the facility currently processes green beans. Due to substantial growth, Apio is looking to expand their operations on the east coast. This means an additional 250 jobs and eight manufacturing lines to support this growth. Investment for this project includes \$1.5 million in site improvements, \$5.4 million in building expansion and \$14.2 million in equipment. Green beans would continue to be processed as well as salad production lines which would contain broccoli, cabbage, carrots and kale as well as additional components to create the specialty packaged Super Foods Salads. Apio is becoming more innovated in both the existing business and the growth into new markets with the salads.

Mr. Frost reviewed the timeline for the potential expansion. Soil evaluation and preliminary site preparation have begun to make sure the expansion is a feasible build for the company. The Land Development Plan has been submitted for approval. If approval is received the company will begin construction immediately completing the new processing lines and warehouse by October 2015 with final renovations of the current facility and offices to be completed in December 2015. They are estimating moving production trade in January 2016 and March 2016 respectively.

South Western School District did not have anyone present to comment on this request. Manager Rodgers read a prepared statement from Jeffrey Mummert, SWSD Business

Administrator/Board Secretary as follows:

“The South Western School District has been approached by Apio, Inc., to consider a LERTA tax exemption plan for the expansion of their plant in Penn Township. The School Board discussed the request at their Planning Meeting held on May 13, 2015, and will be voting to approve said request at our regularly scheduled Board meeting to be held on May 27, 2015. The Board has not received a specific request-so there may be some discussion regarding the structure of the tax exemption. Again, the Board of School Directors of the South Western School District supports the LERTA designation for this plant expansion project, and the economic opportunities it presents.

If you have any questions regarding this letter of support, please feel free to contact me at 632-2500 x20100.”

The York County Commissioners did not have anyone present to comment on this request. Mr. Auterson spoke on behalf of the Commissioners. The YCEA organization serves as the county-wide economic development organization. Mr. Auterson has briefed the county commissioners on the proposed LERTA request. The county practice has been to follow the lead of the municipality authorities. If the municipalities propose a favorable recommendation, the county commissioners generally follow suit.

Commissioners Felix and Klunk, members of the Penn Township Planning Commission reiterated the positive recommendation that was made by the Planners at their April meeting.

Mr. Auterson spoke on behalf of the York County Economic Development Corporation, reiterating the position of the corporation is to assist the taxing authorities in making their informed decision with neutrality. They are in support of this project for the economic growth and jobs creation.

The Hanover Area Chamber of Commerce (HACC) did not have anyone present to comment on this request. Kenetha Hansen of the YCEA reviewed a prepared statement from, Gary Laird, President HACC as follows:

“The Hanover Area Chamber of Commerce is a business advocacy organization that supports business growth and development and has approximately 600 members in the greater Hanover Area.

The Chamber supports the expansion of Apio Inc. in the Penn Township Industrial Park, and the Chamber respectfully requests that the Penn Township Board of Commissioners give consideration to allow Apio 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 in recent years it has become more challenging for companies like Apio to fund expansions that result in job creation to help fuel the growth of our local economy.

Apio is a great example of how entrepreneurship, leadership and commitment to community can equate to success, growth and improve the overall quality of life within our community.

A few key points about this project that warrant consideration:

- Apio will add 200-250 new jobs
- The additional employees will contribute to local tax revenue
- The area will recognize \$6.9 million in construction and site improvements

- The development of the property in the industrial park will not impact existing highway and utility infrastructure
- Total economic output of over \$203 million
- 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.

I thank you for your time and consideration. If you have any questions, I would be happy to answer them now. Please feel free to contact me at the Chamber at 637-6130 ext. 102 or glaird@hanoverchamber.com.”

Commissioner Felix thanked everyone for their presentations. Commissioner Heilman then posed a question to the applicants in regards to the data in the economic impact analysis. Mr. Auterson stated the data came from assumptions based on a three year jobs creation and entered into a formulated model to create the analysis. Ms. Hansen noted the economic impact software Implan was used to generate the analysis. Commissioner Heilman inquired about future follow-up on the program. Mr. Auterson mentioned there has been monitoring on a state level. Ms Hansen noted there are some parameters that can be monitored easier than others such as job creation.

There were no comments from Solicitor Tilley.

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

Commissioners Klunk/Goldsmith moved to adopt Ordinance No. 773 adopting the Local Economic Revitalization Tax Assistance Program (LERTA) for Apio, Inc. Motion carried 5-0 on a roll call vote.

BRIEF RECESS:

PUBLIC HEARING - SUBDIVISION LAND DEVELOPMENT ORDINANCE-SECTION 514:

Manager Rodgers stated the Township would like to amend its Subdivision and Land Development Ordinance to create one recreation account for use of recreation funds throughout the Township. Act 135 of September 24, 2014 expanded the use of recreation funds to include acquiring, operating or maintaining park or recreational facilities reasonably accessible to the development. The fund needs to be clearly identified as reserved for providing, acquiring, operating or maintaining park or recreational facilities. The legislation also eliminated the time frame which the funds were spent. The Township will be going from three recreational districts to one. This will also reduce the amount of bank fees associated with the accounts. This will be an amendment to Section 514 of the Subdivision Land Development Ordinance.

There were no Penn Township residents at the meeting who wished to comment on the Subdivision and Land Ordinance-Section 514 and the public hearing was closed.

TOWNSHIP REPORTS - STANDING COMMITTEES:

Public Safety Committee - Commissioner Prieber:

Commissioners Prieber/Goldsmith moved to appoint Justin Reed as a student intern for the police department for the summer of 2015. Motion carried unanimously.

Personnel Committee - Commissioner Heilman:

Prior to considering ratifying the contract with the International Association of Firefighters Local #2045, Commissioner Prieber announced a change to Article 13, Section B of the contract stating the Township will provide for the firefighters first coat. The firefighters will then be responsible for their second coat. Commissioners Heilman/Prieber then moved to ratify the contract between Penn Township and the International Association of Firefighters Local #2045. Motion carried 3-2 on a roll call vote with Commissioners Klunk/Felix casting the dissenting votes.

Finance Committee – Commissioner Heilman:

Commissioners Heilman/Goldsmith moved to approve Township warrants in the amount of \$857,429.87. Motion carried unanimously, with Commissioner Klunk abstaining from warrants for vendor number 60.

Commissioners Heilman/Goldsmith moved to approve a request dated April 15, 2015 from the Southwestern High School Cheerleaders for a waiver of the permit fees associated with their Community Shopping Day. Motion carried unanimously.

Commissioners Heilman/Goldsmith moved to approve a request dated April 24, 2015 from the Friends of Codorus State Park for a waiver of the permit fees associated with their annual blast. Motion carried unanimously.

Commissioners Heilman/Goldsmith moved to adopt Ordinance No. 771 amending Ordinance No. 465 which establishes and regulates the police pension fund. Motion carried 5-0 on a roll call vote.

Commissioners Heilman/Goldsmith moved to adopt Resolution No. 851 declaring a bidder in default, taking the bid bond, vacating bid award and readvertising the public sale of the Heights Avenue property. Motion carried unanimously.

Commissioners Heilman/Goldsmith moved to adopt Resolution No. 852 authorizing the advertisement and public sale of a 1995 International Dump Truck. Motion carried unanimously.

Commissioners Heilman/Goldsmith moved to approve a lighting upgrade design proposal dated April 10, 2015 from Paragon Engineering Services, Inc. Motion carried unanimously.

Public Works Committee – Commissioner Goldsmith:

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

Planning & Recreation Committee – Commissioner Klunk:

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

Commissioners Klunk/Goldsmith moved to adopt Ordinance No. 772 amending Ordinance No. 407, Section 514 of the Subdivision and Land Development Ordinance. Motion carried 5-0 on a roll call vote.

The following land development plans were formally filed:

- P15-10 – Hillside Medical Center
- P15-11 – Hanover Foods WWTP Improvements

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

- P15-02 – Add-on to Marburg Memorial Gardens
 - P15-08 – APIO, Inc.-Hanover Plant Expansion
 - P15-09 – Bruce L. Jones Contractor, Inc.
- Motion carried unanimously.

Commissioners Klunk/Goldsmith moved to approve the following extension requests that will expire on August 17, 2015:

- P01-28 – High Pointe @ Rojen Farms
 - P03-30 – Mustang Pointe
- Motion carried unanimously.

Health & Sanitation - Commissioner Klunk:

On Thursday, April 16, 2015 the following bids were opened and publicly read aloud by Manager Rodgers for the refuse unit bid:

<u>Bidder</u>	<u>Amount</u>
Central Poly Corporation 2400 Bedle Place P.O. Box 4097 Linden, NJ 07036	\$19.57/per 100
All American Poly 40 Turner Place Piscataway, NJ 08854	\$20.32/per 100
Dyna-Pak 112 Helton Drive P.O. Box 967 Lawrenceburg, TN 38464	\$27.11/per 100

Interboro Packaging Corporation \$26.98/per 100
114 Bracken Road
Montgomery, NY 12549

XL Plastics Inc. \$21.99/per 100
220 Clifton Blvd
Clifton, NJ 07011

Commissioners Klunk/Prieber moved to award the refuse unit bid to Central Poly Corporation, Linden NJ, for a bid price of \$19.57/per 100 bags. Motion carried unanimously.

MANAGERS REPORT: None.

OLD BUSINESS: None.

NEW BUSINESS:

Commissioners Klunk/Prieber moved to authorize the President of the Board of Commissioners or the Township Manager to be the agent authorized to bid on Lot 6 on Hemlock Court in Hanover Borough at the Judicial Tax Sale on June 4, 2015. Commissioners Klunk/Prieber further moved to authorize that the representative of the Township can bid up to a maximum of \$130,000 for the purchase of Lot 6 on Hemlock Court. Motion carried unanimously.

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

QUESTIONS FROM PRESS: None.

ADJOURNMENT:

There being no further business to come before the Board, Commissioners Goldsmith/Klunk moved for adjournment at approximately 7:32 P.M. Motion carried unanimously.

Respectively Submitted,

Melissa A. Miller
Township Secretary