

REDEVELOPMENT AUTHORITY OF THE CITY OF HARRISBURG

Regular Meeting May 15, 2012 - 12:00 P.M.

The Board of the Redevelopment Authority of the City of Harrisburg held a Regular Meeting on May 15, 2012, in Suite 405, Rev. Dr. Martin Luther King, Jr. Government Center, 10 North Second Street, Harrisburg, Pennsylvania, at 12:00 p.m. Chairman Daniel C. Leppo presided.

PRESENT:

Charles Peguese
Dan Leppo
Shaun O'Toole

ABSENT:

Harold Dunbar
Michael Wilson

Also present were: Peggy Sheibley, Administrative Project Manager; Stuart Magdule, Esquire, Bryan Davis, Executive Director; Kari Reagan-Bushey, DBHD and James Roxbury, Roxbury News.

MINUTES

The minutes of the Regular Meeting of March 20, 2012 were presented for approval. Mr. Peguese moved to approve; seconded by Mr. O'Toole. The motion passed unanimously.

TREASURER'S REPORT

The Treasurer's Report for February, 2012 was presented for approval, subject to audit. Mr. O'Toole moved to approve; seconded by Mr. Peguese. The motion passed unanimously. The Treasurer's Reports for March and April, 2012 were presented for review.

COMMUNICATIONS

Mr. Leppo brought to the members' attention the Monthly Progress Report for April. Mr. Davis spoke about the highlights of the report. He noted the closing of seven of the lots at the former Phase IV of Capitol Heights so that the HACC GreenWorks Partnership could begin construction on the townhomes for student housing. Also, there was a ribbon cutting ceremony for Governors Square last Phase and we thank Shaun O'Toole for speaking at the event. He mentioned that the members should take a drive by the Furlow Building to see the changes that have been made to the building. And he mentioned that the Mt. Pleasant project has five houses under roof. Pertaining to the Transportation Station, CAT is delivering additional money to refurbish the bus shelters.

Mr. Davis spoke about the Credit Memo (loan documentation) provided by Mr. Adler representing the Harrisburg Midtown Arts Center, LLC and Stu added that the loan is a SBA 504 loan which allows refinancing. The existing mortgage will be taken out by a new first mortgage and there will be a temporary second mortgage placed on record until all of the work is done and then the SBA 504 loan will replace the second bank mortgage. This has been approved and the project will be going forward.

PUBLIC COMMENT

None

OLD BUSINESS

Mr. Leppo inquired about the status of the HRA website. Mr. Davis explained that we were told by Chris McGee months ago that she was very close to giving us the Alpha version. We have been urging her to move this along because we have provided her with everything that she needs for content. When we receive the

demonstration, the Board Members will receive an email with the draft and will be asked for any suggestions or comments. Simultaneously, he has been helping CACH with improving their website and their social media, so this has been beneficial in regards to learning about Twitter and Facebook. He said that he really didn't see the value of having an ongoing Twitter with the world because HRA's activities are not constantly changing. For events such as ribbon cuttings or closings, it would be good to use these social networks to spread the word.

Mr. Leppo inquired about the proposed taxi cab agreement at the train station. Mr. Davis said that he hasn't received any additional information from the City Solicitor but will have something by next meeting.

NEW BUSINESS

RESOLUTION NO. 2-2012, authorizing the Executive Director to execute an Agreement for Exchange of Real Property, a standard Special Warranty Deed and related documents between HRA and Buonarroti Trust for an exchange of parcels per Exhibit A and B of Resolution. Mr. Davis explained that this proposal came to HRA unsolicited for an exchange of real property. Twelve parcels in this area were sold to Vartan so they could construct their building. Vartan was interested in demolishing the HRA-owned parcels that were still close to their property. This resolution is proposing a swap of a commensurate amount of land in which HRA receives more acreage. We rid ourselves of four buildings that would be costly to demolish. We still don't own everything in each block but it gets us closer to developing the land. Mr. O'Toole inquired as to what Vartan's plans are for parcels he receives in the swap. Mr. Davis answered that aside from demolition to enhance the marketability; nothing was said about surface parking or other use. Mr. Peguese added that Vartan will probably need parking for the retail/restaurant space on the first floor. Mr. Leppo added that this would probably be a code issue and maybe a parking garage would be considered. Mr. O'Toole moved to approve the motion; seconded by Mr. Peguese. The motion passed unanimously.

RESOLUTION NO. 3-2012, authorizing the Authority to allow Elsie Myers to purchase 415 South 13th Street for the sale price of \$400.00. Mr. Davis explained that this proposal came from DBHD; their staff has had several years of conversations with Ms. Myers and she desires to purchase the parcel as a side yard. HRA has no objections and has no future use for this parcel. Mr. Peguese moved to approve the motion; seconded by Mr. O'Toole. The motion passed unanimously.

RESOLUTION NO. 4-2012, authorizing the Authority to allow Michael Baltozer to purchase 416 Buckthorn Street for the sale price of \$300.00. Mr. Davis added that this came also from DBHD and HRA staff concurs that using this parcel as a side yard is a good use and we have no other plans for it. Also, both Mr. Baltozer, like Ms. Myers, is current on their real estate taxes. Mr. O'Toole moved to approve the motion; seconded by Mr. Peguese. The motion passed unanimously.

RESOLUTION NO. 5-2012, authorizing the Authority to ratify the Memorandum of Understanding between HRA and the Harrisburg Housing Authority and the submission of a \$300,000 Choice Neighborhood Planning grant application to the U.S. Department of Housing and Urban Development. Mr. Davis spoke about HUD having over decades various programs and products that help revitalize, renovate or redevelop what has become stale and really dilapidated public housing. One of these products is the Hope Six product. They funded a lot of initial studies as well as the renovation and demolition through construction of large chunks of public housing all over the country. With this new product, Choice Neighborhood, they want to see the entire area enhanced; not just the housing, but commercial, public schools and transportation. Mr. Leppo added that it would create a sustainable community. Mr. Davis continued saying that when we saw this opportunity we brought it to the attention of the Harrisburg Housing Authority and they agreed to HRA as a co-applicant on the application for \$300,000 for urban renewal planning. Mr. Leppo clarified that this is just for the planning

aspect and that any construction, etc. would be subsequent to what this grant is. And if we are successful with this grant application then we would sign a contract with the Housing Authority before the planning work commences. Mr. Leppo inquired if there were any matching funds required. Mr. Davis replied that they are covered by HHA.

Mr. Peguese expressed that he didn't understand why HRA is doing this instead of HUD because all through the Memorandum of Understanding it talks about HUD which seems to him that this is more their specialty area than ours. Also, the budget of \$300,000 is not explained as to what it will be used for. Mr. Davis explained that even though HUD is committed to these activities, they won't do it on a local level. They will set up pots of money for local authorities to compete to receive the money to pay for the work, but HUD won't come into the community and begin the work itself. Mr. Leppo added that HUD has worked for several years as being an agency that provides funding to local entities or organizations because they understand that the local entity better understands the community and what has to be done. It is really the basis for the Community Development Block Grant and other types of funding. They ask the local entities to provide a project to them for their review to see that it does comply with the standards and the intent of the funding and then HUD will release that money to the local community so that they can control the development of the project. Mr. Magdole spoke about how this type of activity takes HRA back to the roots of what it used to do when it put together urban renewal plans. Mr. Peguese continued with inquiring about the expertise that is mentioned in the memorandum. Mr. Davis explained about the budget in that \$60,000 is split between the HRA and HUD for administrative costs; another \$10,000 for soft costs which leaves \$230,000 for all the work related to urban planning. Mr. Peguese believed there should be more detail in the budget and narrative.

Mr. O'Toole moved to approve; seconded by Mr. Peguese. The motion passed by the majority present. Mr. Peguese abstained.

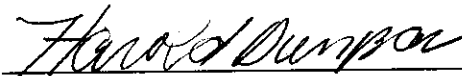
OTHER BUSINESS

None

ADJOURNMENT

The meeting adjourned at 12:40 pm.

Respectfully submitted,



Secretary/Assistant Secretary