

REDEVELOPMENT AUTHORITY OF THE CITY OF HARRISBURG

Regular Meeting July 17, 2012 - 12:40 P.M.

The Board of the Redevelopment Authority of the City of Harrisburg held a Regular Meeting on July 17, 2012, in Suite 405, Rev. Dr. Martin Luther King, Jr. Government Center, 10 North Second Street, Harrisburg, Pennsylvania, at 12:40 p.m. Vice Chairman Shaun E. O'Toole presided.

PRESENT:

Charles Peguese
Michael Wilson
Shaun O'Toole
Harold Dunbar

ABSENT:

Dan Leppo

Also present were: Peggy Sheibley, Administrative Project Manager; Stuart Magdule, Esquire, Bryan Davis, Executive Director; James Roxbury, Roxbury News and Bill Cluck.

MINUTES

The minutes of the Regular Meeting of May 15, 2012 were presented for approval. Mr. Peguese moved to approve; seconded by Mr. Dunbar. The motion passed unanimously.

TREASURER'S REPORT

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

COMMUNICATIONS

Mr. O'Toole brought to the members' attention the Monthly Progress Report for June. Mr. Davis spoke about the highlights of the report. He mentioned that the seven townhomes at the former Phase IV of Capitol Heights are nearing completion. They will probably be ready just in time for the Fall Semester HACC students move in so there might not have an opportunity for a ribbon cutting. Mr. O'Toole asked how many homes are there. Mr. Davis answered, seven altogether.

In regards to Governors Square, Mr. Davis said that all of the townhomes have been leased. He added that if there is any question about the demand for affordable quality housing in the City of Harrisburg, this answers the question; as soon as they were put on the market, they were leased very quickly.

Mr. Davis informed the members that at the Furlow Building the elevator shaft is being built. He was just informed that the developers completed the heavy structural repairs internally. He added that the addition of the roof saved the building. Mr. Dunbar inquired as to when the roof was installed. Mr. Davis estimated around the late 90s.

Mr. Davis spoke to Mr. Traynor in regards to the Harrisburg Midtown Arts Center, LLC and although closing has been delayed again, they have obtained a stay from the Sherriff Sale and the partners came across an opportunity to replace the first mortgage owner. He also added that the legal documents have been completed; the corporation documents have been filed with the Commonwealth for a new entity and at that time they also brought in a new investor, Robert Staznyki. Mr. Dunbar inquired if the pool was going to be operative. Mr. Davis replied that he would have to find if the pool was still going to be rehabbed.

Mr. Davis spoke about 1500 N. 6th Street, Vartan's new condo building with retail/commercial on the first

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floor in that the developer has a target date to receive their Certificate of Occupancy which is mid August. He told everyone to take a look at night to see the neon on the building. Mr. Wilson added that the developers just applied for Certificate of Occupancy.

Regarding the pending exchange of real property, Mr. Davis added this that wasn't in the monthly report, but Vartan made arrangements to demolish the last remaining Vartan owned structure therefore, the entire block will be vacant land. There is still title work to be done on Vartan's end; therefore, there will not be an exchange of real property until we receive clear title of their land. The exchange agreement has not been finalized as of this date.

Mr. Dunbar inquired about the property at Cameron and Herr Streets as to the status. Mr. Magdule said that we have nothing to do with the project. What he knows is that there were a lot of mechanic liens and public funds against it. The developer has been charged with embezzlement. Mr. Davis added that he has no further information because the Authority isn't a part of the project.

Mr. Davis explained to the members that in regards to the train station, we still have \$400,000 federal dollars, and that a lot of work goes into this earmark in relation to FTA and PennDOT. This money will accomplish the architectural and engineering work including what is necessary to improve ADA access for passenger causeway down to the platforms in the form of elevators.

Mr. Davis told the Board that about two years ago, the City asked the Authority to be the applicant on behalf of the Joshua Group through DCED for \$125,000. At that time, the Joshua Group had an interest in a vacant townhouse at 1444 N. Market Street next door to their facility. Time had gone by and the Authority stayed on top of this proposed project and took the initiative with the Commonwealth and the Joshua Group earlier this year to show interest in the expansion of their facility. The Joshua Group was informed that the tenants of 1459 N. Market Street were vacating and the property was a potential donation to them. We went to the Commonwealth for an extension of the grant for another year and the Joshua Group asked if the Authority would participate as a developer consultant for the improvements associated with the grant. Also, they asked if we would consider, if they are able to raise the funds, to do additional work. This is what brought us to the resolution today; in that they have requested those specific services from the Authority.

PUBLIC COMMENT

Mr. O'Toole introduced Mr. Cluck. Mr. Cluck suggested that the Authority needs to let people know what you are doing; establish a website with the Board Agenda, Minutes, updates on projects. People need to hear the positive that is going on in the City so we can recover from recent times. Mr. Cluck inquired in reference to the Receiver's Plan which has a number of things related to housing and he wants to know what role does HRA play in the implementation of any of the initiatives. Mr. Davis replied that to date the Redevelopment Authority has not been approached with any of the components in the recovery plan specific to housing. The Authority remains willing to share our expertise to advance a successful repositioning of any component in the City. The Authority is the one entity in town that is very well positioned; it has been a steady and sound organization. Its specialty has been real estate development; compliment any type of urban renewal plan that the City adopts so therefore if the Receiver's Plan had a component that fits with the Authority, we have express our willingness to be a part of the project.

Mr. Dunbar said that he is in the process of reading the previous Receiver's plan and he was wondering of the new Receiver has a new plan. Mr. Cluck replied no and that the new Receiver is implementing Mr. Unkovic's plan. He also said that there is an advisory board that meets every two weeks on Wednesday at 8:30 a.m. in City Council Chambers. Mr. Davis explained that some of the components in the plan take a great deal of

planning. A lot of the work that the Authority continues to do with our existing management of the properties; the land assembly that we have plus we aggressively maintain good relationships with reputable developers and investors. As long as we are able to keep a vision of the possible positive outcome after this process, he believes that the City and Authority should be able to come out of this with a very healthy plan that is meaningful.

Mr. O'Toole inquired about the status of the Authority's website development. Mr. Davis explained that we have a deadline of July 4 to have the preliminary launch; the deadline was not met. One of the reasons is some technical problems and we have been working on this for at least seven months. We have our own domain which is redevelophbg.org and our first tier will consist of the Board Agenda, minutes and status of projects.

OLD BUSINESS

None

NEW BUSINESS

RESOLUTION NO. 6-2012, authorizing the Authority to provide Development Services for Improvements to 1459 Market Street, Harrisburg, to Joshua Group for improvements related to the \$125,000 PA DECD Grant, additional improvements as agreed to in writing and approving the execution of a Development Agreement. Mr. Dunbar moved to approve the motion; seconded by Mr. Peguese. The motion passed unanimously.

OTHER BUSINESS

None

ADJOURNMENT

The meeting adjourned at 1:05 pm.

Respectfully submitted,



Secretary/Assistant Secretary