

# **REDEVELOPMENT AUTHORITY OF THE CITY OF HARRISBURG**

## **Re-Scheduled Meeting July 23, 2013 - 12:30 P.M.**

The Board of the Redevelopment Authority of the City of Harrisburg held a Regular Meeting on July 23, 2013, in Suite 405, Rev. Dr. Martin Luther King, Jr. Government Center, 10 North Second Street, Harrisburg, Pennsylvania, at 12:35 p.m. Chairman Dan Leppo presided.

### **PRESENT:**

Michael Wilson  
Harold Dunbar  
Shaun O'Toole

### **ABSENT:**

Dan Leppo

Also present were: Peggy Sheibley, Administrative Project Manager; Stuart Magdule, Esquire; Bryan Davis, Executive Director and Emily Previti, The Patriot News.

### **MINUTES**

The minutes of the Regular Meeting of June 18, 2013 were presented for approval. Mr. Wilson moved to approve; seconded by Mr. Dunbar. The motion passed unanimously.

### **TREASURER'S REPORT**

The Treasurer's Reports for April and May, 2013 were presented for approval, subject to audit. Mr. Dunbar moved to approve; seconded by Mr. Wilson. The motion passed unanimously. The Treasurer's Report for June, 2013 was presented for review.

### **COMMUNICATIONS**

Mr. Davis updated the members regarding the project at 1701 N. 3<sup>rd</sup> Street. Mr. Pefley, the developer, went before the City's Zone Hearing Board and was not successful in obtaining a variance for the first floor to be a convenience/deli. Mr. Magdule added that in order to get the variance they want him to prove that he had tried to obtain a commercial office tenant to comply with zoning.

Mr. Wilson inquired about the Joshua Group's plans for 1442 Market Street. Mr. Davis replied that they are repairing the roof and removal of environmental hazards, such as mold and lead based paint. They do have a detailed plan for the renovation of the entire building to be used for their various classes and daycare.

### **PUBLIC COMMENT**

**None**

**OLD BUSINESS**

None

**NEW BUSINESS**

**RESOLUTION NO. 12-2013**, authorizing the Authority to convey to Darryl Daniels a vacant lot, 2036 N. 4<sup>th</sup> Street, Harrisburg, PA, to be used for the construction of a carport and a ten foot fence for the sale price of \$400.00. Mr. Davis added that this lot has been vacant for 15 plus years and it is not a buildable lot. The price is within reason for the size of the lot. Mr. Dunbar moved to approve the motion; seconded by Mr. Wilson. The motion passed unanimously.

**RESOLUTION NO. 13-2013**, authorizing the Executive Director to execute a 12 month contract with B&W, Inc. to provide heating, ventilating and air conditioning preventative maintenance at the Harrisburg Transportation Center for an amount not to exceed \$18,300, effective August 1, 2013. Mr. Davis explained that we have renewed our lease with Amtrak for one year during which Amtrak wishes to move somewhat faster than they did the past five years to set up a new lease agreement. Mr. O'Toole inquired if it was typical to lease for just one year. Mr. Davis added that we have an existing 30 year lease. Mr. Magdule began dialogue with Amtrak to plan ahead for this day and has come back to them repeatedly over the years to prepare renegotiating the lease. Mr. Magdule added that the decision to extend the lease one year was because Amtrak wasn't sure what they wanted to do and we need to figure out internally as to cost structure. Within this year we will be able to speak with PennDOT and FTA to discuss this matter. Mr. Dunbar moved to approve; seconded by Mr. Wilson. The motion passed unanimously.

**RESOLUTION NO. 14-2013**, authorizing the Authority to extend the S01 and S02 Ground Leases to be coterminous with the subleases to the Commonwealth now ending April 1, 2025 and to retain HDC/HBD Realty, Inc. to manage, maintain insurance and secure the empty Verizon Tower starting March 1, 2016 at no additional cost in cooperation to seek buyer and/or tenant(s) for same; and cooperate with HDC and the Commonwealth to refinance and retire the Authority's 1998 Series B Bonds. Mr. Magdule explained that the City gave the underlying fee interest to the Strawberry Square facility to the Redevelopment Authority a number of years ago. At the time this was done, there were bonds issued by the Authority which were zero coupon bonds guaranteed by the City. The underlying lease for the facility is to HDC who manages the building, which includes the S01 which is the State Tower in Strawberry Square; S02 which is the State Tower at 333 Market Street and the Verizon Tower is subleased to Verizon which ends in 2016. The underlying lease with HDC runs only till March 2016 but the leases to the Commonwealth run to April 1, 2025. And since we don't have the desire to become the landlord in 2016, the decision was made to go ahead and extend the underlying lease date to HDC to match the lease to the Commonwealth which is 2025. In addition to which, Verizon will be vacating in 2016 and if there isn't a tenant, the best thing to do is close the tower. Mr. Dunbar inquired that if part of the Verizon Tower is not leased will there be sufficient money to cover the debt service. Mr. Magdule answered no; therefore, everyone is looking at what has to be done now in order to remedy that situation. The City's Receiver Office is looking

**Minutes of the Regular Meeting July 23, 2013**  
**Redevelopment Authority of the City of Harrisburg**  
**Page 3 of 3**

at various alternatives on how to handle this matter. Mr. Dunbar moved to approve the motion; seconded by Mr. Wilson. The motion passed unanimously.

**RESOLUTION NO. 15-2013**, authorizing the Executive Director to execute a contract amendment for Security Guard Services at the Harrisburg Transportation Center with G4S Secure Solutions, Inc. for twelve months commencing August 1, 2013 thru July 31, 2014 for an estimated amount not to exceed \$48,000. Mr. Dunbar moved to approve the motion; seconded by Mr. Wilson. The motion passed unanimously.

Mr. Wilson suggested more security attention at the cab drivers station. Mr. Davis suggested he speak in more detail with him after the meeting so he can follow up with staff at the Station.

**RESOLUTION NO. 16-2013**, authorizing the Authority to amend the Federally Taxable Guaranteed Revenue Note Series of 2006 between Metro Bank and the Authority to extend the due date of the Note payment to November 15, 2013. Mr. Magdole explained that in 2006 the City came to the Authority and requested that we lease the McCormick Building from them on a pay-up lease and then sublease it back to the City. We issued taxable guaranteed revenue bonds in amount of \$7,200,000 which after cost of issuance, the cash went to the City for the pay-up lease and then the City's leaseback pays the debt service on the bond. The Receiver's Office discussed this with Metro Bank to extend the payment date to November 15, 2013. Mr. Dunbar moved to approve the motion; seconded by Mr. Wilson. The motion passed unanimously.

**OTHER BUSINESS**

Ms. Previti inquired about the Wild West Artifacts sale proceeds being used to repay the 2006 Metro Bank Revenue note described in today's Resolution No. 16-2013. Mr. Magdole responded that the Authority is not aware that such an arrangement had been made between the City and Metro Bank. Mr. Davis added that since the City is responsible for the payment of this loan, any discussions that it might have had with the Receiver to use sale proceeds to satisfy the loan would not necessarily involve the Redevelopment Authority.

**ADJOURNMENT**

The meeting adjourned at 12:55 pm.

Respectfully submitted,



Secretary/Assistant Secretary