

REDEVELOPMENT AUTHORITY OF THE CITY OF HARRISBURG

Regularly Scheduled Meeting May 20, 2014 - 12:30 P.M.

The Board of the Redevelopment Authority of the City of Harrisburg held a Regular Meeting on May 20, 2014, in Suite 405, Rev. Dr. Martin Luther King, Jr. Government Center, 10 North Second Street, Harrisburg, Pennsylvania, at 12:30 p.m. Chairman Dan Leppo presided.

PRESENT:

Dan Leppo
Shaun O'Toole
Michael Wilson

ABSENT:

Harold Dunbar

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

MINUTES

The minutes of the Regular Meeting of April 15, 2014 were presented for approval. Mr. Wilson moved to approve; seconded by Mr. O'Toole. The motion passed unanimously.

TREASURER'S REPORT

The Treasurer's Reports for January, February and March, 2014 were presented for approval, subject to audit. Mr. O'Toole moved to approve; seconded by Mr. Wilson. The motion passed unanimously. The Treasurer's Report for April, 2014 was presented for review.

COMMUNICATIONS

Mr. Davis shared with the Board Members that MarketPlace Townhomes has been re-energized on the marketing side and he believes this means that there is movement of real estate in the new housing construction.

He pointed out at the Transportation Center there is a new lease that is on the agenda today. Part of the deal is that the Authority will replace the carpet and repaint the suites. On the operating side, we did receive a sizable payment from Bieber plus we did receive a response as to Mr. Davis' inquiry as to why the amount wasn't the full amount due as promised. And the response from Bieber was that the financing wasn't as large as they had anticipated. Mr. Davis requested a payment plan by the end of May for the balance owed or the Authority would take legal action. Mr. Leppo inquired as to the amount they still owe. Mr. Davis replied that they paid approximately \$60,000 and they still owe \$71,000 plus. Mr. Leppo stated that they paid less than half of the arrears.

Mr. Davis added that when the heating system was turned over to cooling at the Station, the preventative maintenance team, B&W, did remind us that the cooling tower has maybe two years of useful life. We are proceeding to analyze what the cost of replacement would be.

Mr. Leppo inquired when Amtrak's lease is up for renewal. Mr. Davis replied July 13, 2014 and he added that he received a visit from Amtrak staff and their consultants and Mr. Davis also had meetings with CREDC, David Black and the City; whom are stakeholders that would want to see the Redevelopment Authority as leaseholder. Since a long-term lease solution is unlikely before July 13, Mr. Davis said that we would be much better off if, instead of a one-year renewal, we negotiated a three or five year lease with Amtrak. Amtrak consultants said that they would evaluate the Station and come up

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with recommendations as to what the next steps would be for the Transportation Center. Amtrak employees said that they have been thrilled with our last thirty years and they would like to see the possibilities for the next thirty years. They added that the Redevelopment Authority has been a great partner and what they delivered was what had been promised. Mr. Davis added that he doesn't see how given the amount of time between now and July 13, their consultant could complete their analysis and for Amtrak to take action. Mr. Magdule suggested that by June 1, if a meeting isn't held with PennDOT, etc., Mr. Davis should contact Amtrak to find out what they are planning. Mr. Magdule added that at a minimum we should have at least a one year agreement and a decision can be made during that year if the lease is going to be a three, five or whatever years the lease will be. Mr. Magdule also said that the City is looking at the entire area around the Station regarding new development.

Mr. Davis spoke about new bank account signature cards that are needed from certain Board Members as a result of Paytime data being compromised.

Mr. Davis shared with the Board that the Authority has been invited by the City Staff on a number of occasions regarding real estate, redevelopment, repositioning and planning for housing as well as the HUH consolidated plan and the comprehensive plan for the City. Also, we have been asked to research and help the City implement a Land Bank. The City has express its desire that initial makeup of a Land Bank Board include the five (5) Members of the Redevelopment Authority Board. Mr. Leppo inquired if representatives from the Mayor and the Council are included in the Land Bank Board. Further details of the Land Bank are unavailable at this time, however Mr. Davis replied that the Commonwealth's Land Bank legislation allows for the local government to determine how it appoints, selects the qualifications for the members. The residency requirement is different; Land Bank does not require all members to be residents. One must be a resident and one must be a representative of a recognized civic organization.

Mr. Davis reminded everyone that one (1) HRA Board Member position is open, two (2) Members whose terms have expired, and two (2) will expire in October this year. Mr. Magdule added that our statute does not allow for Board Member removal [without cause], and it is the Mayor who appoints or re-appoints Authority Board Members for full five year terms.

Mr. Leppo brought to the Board Members attention the annual Statement of Financial Interest that needs to be completed and returned to the Authority's controller.

PUBLIC COMMENT:

None

OLD BUSINESS

None

NEW BUSINESS

RESOLUTION NO. 7-2014, authorizing the Authority to accept the Demolition Proposal and removal of debris at 332 Kelker Street and authorizing the Executive Director to deliver \$8,050 toward the demolition costs to be paid directly to the vendor upon completion of work. Mr. Leppo asked if this deals with the church property that we have been holding for the PA National Fire Museum. Mr. Davis

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explained that the lessee has requested permission from the Authority to conduct the demolition. They have obtained a vendor with a reasonable price and asked if the Authority would participate in the cost of the demolition. They have a funding resource that requires 50% matching funds. The Authority has funds available for this type of activity in the CSM Fund. Mr. Davis reminded the Board that the sale will reimburse the Authority approximately \$130,000. Mr. Leppo said that after the demolition occurs, the lessee will pursue acquisition from the Authority. Mr. Davis added that they are applying for funds for both acquisition and demolition. There is no guarantee that they will receive both; it is likely they will receive the money for demolition. He felt that it would be wise to take advantage of the low price for demolition and to remove the exposure of risk to the Authority. Mr. Wilson moved to approve the motion; seconded by Mr. O'Toole. The motion passed unanimously.

RESOLUTION NO. 8-2014, authorizing the Executive Director to execute a commercial office lease with Pennsylvania Head Start Association and Pennsylvania Association for the Education of Young People for Suites 206 and 206A at the Harrisburg Transportation Center. Mr. Leppo asked that Mr. Gladstone be told that we appreciate his support and continued efforts. Mr. Wilson moved to approve the motion; seconded by Mr. O'Toole. The motion passed unanimously.

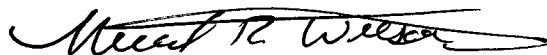
OTHER BUSINESS

None

ADJOURNMENT

The meeting adjourned at 12:50 pm.

Respectfully submitted,



Secretary/Assistant Secretary