

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

### **Regularly Scheduled Meeting February 24, 2015 - 12:30 P.M.**

The Board of the Redevelopment Authority of the City of Harrisburg held a Regular Meeting on February 24, 2015, 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:**

Dan Leppo  
Crystal Baxter  
Michael Wilson  
Nichole Proctor  
Dwan Lee

#### **ABSENT:**

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

#### **MINUTES**

The minutes of the Regular Meeting of January 20, 2015 were presented for approval. Mr. Wilson moved to approve; seconded by Ms. Proctor. The motion passed unanimously.

#### **TREASURER'S REPORT**

The Treasurer's Reports for December, 2014 and January, 2015, were presented for review.

#### **COMMUNICATIONS**

Mr. Davis shared with the Board highlights of his monthly report. He pointed out that HRA was in discussion with HHA and the City of Harrisburg and action had already been taken to designate certain vacant lots and some buildings along Derry and Mulberry Streets for HHA do to a fifty unit project. Between the last HRA Board Meeting and now, this has morphed into a Redevelopment Assistance Capital Program application -- where HHA's project was used as an anchor within the defined boundaries as shown on the map that was emailed Board Members. The name, "MulDer Square" was selected only for the purpose of the application by City Planning Staff. Mr. Leppo suggested referring to the project as the Sylvan Heights Project. He added that it has been a long time since we have had this strong of a collaboration with the Housing Authority. Should this funding be awarded, we would come back to the Board for a Resolution authorizing the execution of documents. It will be June till the Commonwealth makes its formal decision.

Mr. Davis also mentioned the properties that the City owns on North Cameron Street; 28-36 N. Cameron Street. It is the building which is just south of the Appalachian Brewery Company. HRA has been approached to take title to the property in order that we would manage its redevelopment; to apply for DEP funding for cleanup of the site and PA Community Economic Development funding for demolition of the site and money from the County. Mr. Wilson inquired if this was the same building that the Appalachian Brewery Co. wanted to buy to expand. Mr. Davis replied that yes and that deal fell through. Last week this item was added to City Council Agenda for February 25 to authorize transfer of the title; it may get put into committee for discussion before action is taken. Mr. Magdule inquired if the Authority will then be responsible for the property management of the building. Mr. Davis replied that this building would be covered under the service contract that HRA has with the City. Mr. Wilson inquired if the expenses that are associated with the building been checked into. Mr. Davis replied that he had not done an analysis. The City has told HRA that they will reimburse for the costs associated with holding the property underneath our existing lease agreement; the same agreement that has been used for the HOP houses. Mr. Leppo inquired what the zoning was for this property. Mr. Davis replied that he will have to review the new zoning code. Mr. Leppo inquired if there was a structural analysis done. Mr. Davis explained that B & L Companies have toured the site and have done some reports but not a Phase I environmental analysis. Therefore, one of the first things would be to have an environmental study done which would be for an application for funding.

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In reference to the Transportation Center, Mr. Davis shared with the Board that we obtained a lease extension till September 30, 2015 and HRA's duty is to produce a business master plan for the station. As the City simultaneously put out an RFP for a City comprehensive plan and they received proposals. The transportation piece will be provided by ARUP, a well known international company. Once the City has selected their vendor, we would like to add on to the City's work just for the Transportation Center. He explained that this will be a basic plan for how this asset can best be used within the context of the City's Comprehensive Plan's Transportation piece for Downtown. The added piece to this plan is CAT talking about moving the Transit Center from Market Square to the Transportation Center. There will be future discussion and negotiation with the City's Comprehensive Plan vendor relating to this scope of work and what can be accomplished for estimated cost of \$25,000 to \$30,000. This money would come from development reserves. Mr. Magdole added that CAT might consider moving their headquarters to the Transportation Center which would accomplish full occupancy and change the finances of the property.

**PUBLIC COMMENT:**

None

**OLD BUSINESS**

Mr. Magdole reported to the Board that since the last meeting the closing occurred with the Verizon Tower, Bonds, City and State and hopefully everything will be moving forward and it will lessen the City's burden.

**NEW BUSINESS**

**RESOLUTION NO. 3-2015**, authorizing the Executive Director to transfer ownership of 1400, 1400 ½ and 1402 William Street and 1417 James Street from S&A Custom Built Homes, Inc. to Susquehanna Art Museum for off-street parking. Mr. Davis explained that of these four lots, only two are in the Land Development Plan for Market Place Townhomes and subject to all the requirements thereof; and that is Lot 1 and Lot 2. We are foregoing any future anticipation of these being used for single family homes which was the original intent. We are also foregoing any real estate taxes that may have been anticipated by the City. We are being offered in return a fair market value but are such that S&A owns them subject to a Redevelopment Agreement. We would need the Boards approval to waive the requirements of the Redevelopment Contract, in any event, whichever route is used to sell these parcels to Susquehanna Art Museum. The two methods are No. 1, execute an acceptable agreement with S&A Homes and goes directly from S&A to SAM or No. 2, HRA would declare S&A in violation of the Redevelopment Contract and be able to take the real estate from S&A and then transfer title to SAM. Mr. Leppo inquired if S&A Homes was aware of this exercise. Mr. Davis replied that he spoke with Rick Fortney of S&A and he has made it very clear that he is agreeable to transferring title to SAM as long as it didn't cost them any additional money than they would already have in carrying costs. The holdup on S&A's side was that they were looking for language in the Sales Agreement from SAM that would say, yes, we will cover all of the costs and if there are any issues with obtaining local governmental approvals or anything related to the Market Place Townhomes Association that SAM would take care of these items. Meanwhile, as an alternate, SAM asked if HRA was willing to take title back from S&A and then transfer to SAM and we agreed to do this. Mr. Leppo said that he felt that this was good redevelopment in that it serves as a destination for the City.

Mr. Magdole clarified 1417 James Street will not go directly to SAM; it will be to David Leaman because he has a lot that he will be giving to SAM in exchange. 1417 James Street will be owned by David Leaman. The resolution will be amended to reflect this.

Ms. Baxter inquired about the past intended use of lots being transferred to SAM. Mr. Leppo explained that S&A Homes had proposed residential builds but it has been since 2009 that they have had any outside interest that would caused them to pursue that type of construction. The museum needs the parking area to function; therefore, this is a good use of these parcels.

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Mr. Wilson moved to approve the motion as amended; seconded by Ms. Baxter. The motion passed unanimously.

**OTHER BUSINESS**

None

**ADJOURNMENT**

The meeting adjourned at 1:06 pm.

Respectfully submitted,

  
Secretary/Assistant Secretary