

REDEVELOPMENT AUTHORITY OF THE CITY OF HARRISBURG

Regularly Scheduled Meeting February 9, 2016 - 12:35 P.M.

The Board of the Redevelopment Authority of the City of Harrisburg held a Regularly Scheduled Meeting on February 9, 2016, in Suite 405, Rev. Dr. Martin Luther King, Jr. Government Center, 10 North Second Street, Harrisburg, Pennsylvania, at 12:35 p.m. Chair Dan Leppo presided.

PRESENT:

Crystal Baxter
Nichole Proctor
Dan Leppo

ABSENT:

Michael Wilson
Dwan Lee

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

MINUTES

The minutes of the Regular Meeting of January 12, 2016 were presented for approval. Ms. Baxter moved to approve; seconded by Ms. Proctor. The motion passed unanimously.

TREASURER'S REPORT

The Treasurer's Report for November, 2015, was presented for approval, subject to audit. Ms. Proctor moved to approve; seconded by Ms. Baxter. The motion passed unanimously. The Treasurer's Report for December, 2015 was presented for review.

Mr. Davis summarized the Treasurer's Report for the Board Members by explaining the balance and profit and loss sheets for the three components of the report which are the Operating, Contract Services Miscellaneous and Transportation Center Operations statements. The Statement of Cash and Investments gives a snap shot of our cash and investments at the end of the month for each component. Mr. Leppo inquired if a new project would be listed separately on the reports? Mr. Davis answered that for the Transportation Center's last phase of improvements there was an additional page showing transactions so if there would be a new project that had many transactions, an additional page would be included in the report. Ms. Baxter inquired if everything related to CACH and HMIS is all HUD? Mr. Davis explained that there is a blend of money sources that help pay for CACH. Also, HRA includes in its bills to CACH the value of all of the income, but does not ask for the total bill to be paid back but does want to memorialize the value of what they get for free. Adjusting journal entries are done at the end of each year for the balance. Mr. Leppo mentioned the Bieber account that Mr. Magdule is going after and the balance they owe which is a total of rent, security, trash and late charges. Mr. Leppo also inquired about the city parking tax. Ms. Morrison replied that the tax is paid quarterly and as it is received it is shown as an asset until paid.

COMMUNICATIONS

Mr. Davis mentioned that Harrisburg Housing Authority is still finalizing the land development work for the Mulberry Street apartments. It will probably be April or May till the work is done

and under contract to start demolition.

Mr. Davis spoke of the work with the City and PennDOT as it relates to identifying Transit Oriented Development plan that uses the train station as its center and as it radiates out from there. Since the passing of the budget with the Commonwealth that freed up certain money and PennDOT was able to engage an additional contractor and the key stakeholders at this stage are PennDOT, HRA, Amtrak and the City. He added that a TRID, Transportation Revitalization Investment District might be put in place which covers up to a half mile around the train station. Ms. Baxter inquired as to the time frame for the TOD. Mr. Davis responded with an estimate of 12 to 18 months.

PUBLIC COMMENT:

None

OLD BUSINESS

Mr. Magdule updated the Board that the complaint against Bieber Bus Company was filed.

NEW BUSINESS

RESOLUTION NO. 1-2016, authorizing the Executive Director to execute a Special Warranty Deed and related documents with Harristown Development Corporation for the sale of 15,000 SF of Retail/Common/Storage Area at 333 Market Street for the sale price of \$52,000 plus transfer taxes and attorney fees. Mr. Leppo added that this has been previously discussed by the Board, the Mayor and the City Solicitor. Mr. Davis explained the history of the agreement with HDC in that they had the right to exercise the option to purchase 321 Market Condo. Because this was a component of the larger footprint, we needed to get feedback from the City. The appraisal that was completed by Harristown for the space and correspondence back and forth with them was how we arrived at of \$52,000. Even though the Mayor isn't entirely pleased with the transaction; the City does recognize that HRA did enter into this agreement and therefore deem ourselves bound to adhere to the terms. Ms. Proctor inquired why did Harristown do the appraisal instead of an independent entity. Mr. Magdule explained that the City originally owned all of the underlying ground. Back in the 90's the City asked HRA to takeover all of the underlying ground and pay them a purchase price which they used for their own purposes. Harristown along with the State has had the right to buy in specific areas. When the agreements were drafted in the 70's there was no subdivision plan or mechanism to separate the spaces. The easiest way to divide the space was to do a condo plan. Everything is long termed lease to Harristown Development Corporation including the area that they are purchasing. The agreement says that if you get an appraisal which was done by an independent appraiser, not Harristown; they had to look at the fair market value of the space and the lease and it was the difference between the value of the lease and the value of the fee interest. To clarify, the appraisal was conducted by Walters Appraisal Services, an independent appraiser. An additional \$20,000 was negotiated to get the

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price to \$52,000. Mr. Leppo inquired as to what was the concern of the Mayor. Mr. Davis replied that he didn't think that it was a smart idea to sell an asset that local government already held title to. Mr. Magdule added that this agreement has been in existence for the last 35 years and this has been contemplated for that amount of time. Ms. Baxter moved to approve; seconded by Ms. Proctor. The motion passed unanimously.

OTHER BUSINESS

Mr. Leppo mentioned that the By-Laws are still being reviewed by Mr. Magdule and that we will review them at the next Board Meeting. Action will be taken then at the following Board Meeting, possibly April.

Also, we are still working on the RFP for HRA solicitor.

ADJOURNMENT

The meeting adjourned at 1:26 pm.

Respectfully submitted,



Secretary/Assistant Secretary