

REDEVELOPMENT AUTHORITY OF THE CITY OF HARRISBURG

Regularly Scheduled Meeting January 16, 2018 - 12:35 P.M.

The Board of the Redevelopment Authority of the City of Harrisburg held a Regularly Scheduled Meeting on January 16, 2018, 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 Brown
Dan Leppo
Nichole Johnson (via phone)
Michael Wilson

ABSENT:

Stacia Zewe

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

MINUTES

The minutes of the Regular Meeting of December 19, 2017 were presented for approval. Mr. Wilson moved to approve; seconded by Ms. Brown. The motion passed unanimously.

TREASURER'S REPORT

The Treasurer's Reports for September and October, 2017 were presented for approval, subject to audit. Mr. Wilson moved to approve; seconded by Ms. Johnson. The motion passed unanimously. The Treasurer Report for November, 2017 was presented for review.

COMMUNICATIONS

Mr. Davis inquired of the members if they had any questions on the projects covered in his monthly report. If not he then shared with the Board an update on the Planning Commission which had a meeting for public input on the Comprehensive Plan for the City. He spoke on behalf of HRA to its steering committee on the substance and its outline/format. He conveyed to the commission that he thought the plan was released prematurely. There were misspelled words and the content was hard to understand and follow. He added that the premises and the global goals and objectives were on the money. But the expanded goals and objectives in the plan were too specific and could change in a year or two. Mr. Leppo asked if there are competing plans. Mr. Davis explained that the City took the same information and used OPA's product as a spring board to do a condensed version. Mr. Leppo added that the plan will end up going before City Council; the Planning Commission is an advisory body.

PUBLIC COMMENT:

None.

OLD BUSINESS

None

NEW BUSINESS

RESOLUTION NO. 1-2018, approving the designated officers for the Board of Directors of the Harrisburg Redevelopment Authority for 2018. Mr. Wilson moved to approve; seconded by Ms. Brown. Mr. Magdule presented the resolution for approval. Mr. Wilson moved to approve; seconded by Ms.

Minutes of the Regular Meeting January 16, 2018
Redevelopment Authority of the City of Harrisburg
Page 2 of 3

Brown. Mr. Magdule inquired if any other discussion, nominations or changes to be presented to the Board. Mr. Leppo wanted to point out that his term expires at the end of September. The motion passed unanimously.

RESOLUTION NO. 2-2018, authorizing the Authority to designate Matthew Krupp and Kenneth Shutts together as Developer of 254 and 256 North Street, Harrisburg to renovate existing buildings as office space on first floors of both buildings and residential apartments on second floors of both buildings and authorizing the sale price of the property for the amount of \$34,300. Ms. Johnson told the Board that she had spoke with Mr. Davis prior to the meeting regarding this topic. She expressed her concerns in regards to the letter from Mr. and Ms. Peltier, one of the proposals for the North St. properties, that now they might not be interested in any future purchases in the City. Mr. Davis explained that early November, Mr. Krupp said that he wanted to present a proposal for 254 and 256 North Street. Mr. Davis sent out the guidelines for Potential and Designated Developer which lists documents that need to be submitted for the proposal. Not long after this inquiry was made, he received a call from Ms. Peltier inquiring if the properties had been sold and he told her that there was someone preparing a proposal to go before HRA's Board. He told her that this rarely happens, but what we will do is set a deadline for both parties to submit their proposals. He also sent Ms. Peltier the development guidelines. Mr. Davis contacted Mr. Krupp to let him know that we now have a second interested party. Both proposals were received by the deadline date which was December 13, 2017. Mr. Davis added that in the conversations with both parties he told them there is a deadline and if both proposals are strong, it will come down to the purchase offer price. Then it might be that you are bidding against each other for the best offer. He also followed this up with an email to Ms. Peltier. He shared with the Board that he did receive documents that exhibited that both had the financing, proposed to do the same with both properties, and photos that showed previous renovated homes which demonstrated experience. Mr. Davis contacted Mr. Krupp and inquired if he was willing to offer a price higher than Ms. Peltiers which was \$33,300; his was \$5,000. Mr. Davis then contacted Ms. Peltier regarding the purchase price offer. Ms. Peltier said that she believed that it was highest and best offer in her proposal and that she could not believe that he had gone back to Mr. Krupp and shared what her offer was to him and was allowing to both bid against each other for the purchase price. Mr. Leppo inquired if Ms. Peltiers letter meant that she rescinded her offer. Mr. Davis replied yes.

Mr. Magdule shared his concern that we went back to Mr. Krupp who had the lower offer and asked him if could outbid the higher offer. Mr. Magdule suggested that language should be added to our RFP that clarifies that if more than one bid is received, we have the right to bid and disclose to get the highest and best price. Mr. Leppo and Ms. Johnson agreed with this suggestion. Mr. Leppo requested that at the next HRA Board Meeting, Mr. Davis come back with a policy that clarifies how this proposal process will be followed in the future. He also added that he believes we should take the best price unless we have a specific criterion that shows how both offers match and then take to a bidding process.

Ms. Brown added that when people are submitting proposals, there should be clarification of how the proposals are determined. Mr. Leppo added that if the values that are offered are within a certain percentage point of dollar amount of each other, then I can see a bidding process. He can understand why the party that had the best price by \$25,000 somehow lost the bid.

Mr. Wilson added that it would be a good idea to clear up the language going forward. He also added that this is a great thing for the City that there is interest in these properties.

Mr. Leppo inquired of Mr. Davis if after he had received the initial interest in these properties, was an

Minutes of the Regular Meeting January 16, 2018
Redevelopment Authority of the City of Harrisburg
Page 2 of 3

RFP issued. Mr. Davis replied that there was no RFP issued by the Authority, no publication or advertising was put out there for proposals. He also added that no details about either of the proposals were shared with either party. He said that language would be added to the Development Process Guide for the members' consideration at next meeting. Mr. Magdole mentioned that confusion arises when you say it is a proposal versus a bid.

Ms. Brown asked if there would be any follow-up with Ms. Peltier. Mr. Davis replied that he did send a response that expressed our disappointment but we are grateful for the hard work and commitment to the City and wished them success in their endeavors.

Mr. Leppo suggested that after we have the clarified proposal procedure, it might be a good idea to follow up with Ms. Peltier in that we heard her concerns and we have taken steps to further clarify what the procedure will be and we would be more than happy to entertain other proposals from them.

Mr. Wilson moved to approve; seconded by Ms. Brown. The motion passed unanimously.

OTHER BUSINESS

None

ADJOURNMENT

The meeting adjourned at 1:07 pm.

Respectfully submitted,



Secretary/Assistant Secretary