

# REDEVELOPMENT AUTHORITY OF THE CITY OF HARRISBURG

## Regularly Scheduled Meeting May 22, 2018 - 12:30 P.M.

The Board of the Redevelopment Authority of the City of Harrisburg held a Regularly Scheduled Meeting on May 22, 2018, in Suite 405, Rev. Dr. Martin Luther King, Jr. Government Center, 10 North Second Street, Harrisburg, Pennsylvania, at 12:30 p.m. Chair Dan Leppo presided.

### PRESENT:

Stacia Zewe  
Crystal Brown  
Dan Leppo

### ABSENT:

Nichole Johnson  
Michael Wilson

Also present were: Peggy Sheibley, Administrative Project Manager; Bryan Davis, Executive Director; Stuart Magdule, HRA Solicitor and John Logan, Hamilton Health, COO.

### MINUTES

The minutes of the Regular Meeting of April 24, 2018 were presented for approval. Ms. Brown moved to approve; seconded by Ms. Zewe. The motion passed unanimously.

### TREASURER'S REPORT

The Treasurer's Reports for January, February and March, 2018 were presented for approval, subject to audit. Ms. Zewe moved to approve; seconded by Ms Brown. The motion passed unanimously. The Treasurer's Report for April, 2018 was presented for review.

### COMMUNICATIONS

Mr. Davis updated the Board in regards to the application for the IRSP fund. The auditors sent a list of items that are needed to close out audits for DCED Ball Park funding. He said that this should be accomplished by the end of the month and this would free up the IRSP application for Hamilton Health.

Mr. Logan updated the Board in regards to the conduit for the IRSP application is CREDEC. They are in a holding pattern till the other information is released. Mr. Davis inquired who is working on the bid documents. Mr. Logan said that he would follow-up with an answer.

Mr. Davis told the Board that there have been a lot of inquiries about Capital Heights and Market Place Townhomes since the announcement of the commencement of construction of the Federal Courthouse. There is one that might come to fruition and it is headed by Ian Wewer and John New. Ian Wewer with Seven Bridges, a property management company and John New is the one who is lead for financing. They have drawn up a master plan for a lot of the unused land in midtown. They have been talking to S & A Homes and they executed an agreement with them for the purchase of the real estate. Our control over the property was a 2004 Redevelopment Contract that was for the construction of single family homes. Seven Bridges plans to construct some of the planned homes but they would need to go to the Homeowner's Association to request that they sign off on a number of the properties to be mixed used. They want to do commercial/retail on the first floor and rentals above. Their assessment is that Reily Street would be a great candidate street for shops and businesses. Then behind the main thoroughfares, this land would be used for residential; maybe a three or four story apartment building. They would incorporate a number of the units for work force housing. Ms. Zewe inquired if there is tax abatement available. Mr. Davis replied that there is full tax abatement throughout the City but it depends on the type of housing construction. When HRA transferred title to S & A, it was done with zero consideration. The consideration was that we would not take any money for the land until they sold the new house. When the house was sold, they would cut HRA a check for 4% of the sale price. Our compensation has been

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forgotten in their negotiations. This has to be worked through because we will receive compensation for our investment costs. Ms. Zewe asked if S & A Homes had honored the agreement when each house sold. Mr. Davis replied that yes they did. Ms. Zewe also inquired if this group has done any work in the area. Mr. Davis replied that work was done in other cities and the details will be in the proposal regarding experience. Mr. Magdule added that they are putting a pretty decent amount of money down so they seem serious about the project.

Mr. Davis reported that HRA submitted to the County paperwork and a check for 43 parcels and we are waiting on the School Board and City to approve. This is under the Impact Harrisburg Grant.

Mr. Davis said that we have a draft for the RFP for demolition of 420 Reily and 1540 N. 6<sup>th</sup> Street. Also, there was a complaint about someone camping on HACC's land and dumping happening. This was passed onto HACC.

Regarding the Red Privet letter requesting relief from rent, Mr. Davis explained that we offset their build-out cost of \$30,000 with free rent for six months. Ms. Zewe said that a recent project involving moving furniture out of a leased space cost approximately \$14,000 to move and throw away. Mr. Magdule suggested giving them a deadline to remove their furniture. He added that Red Privet is still in an existing lease and they still are paying; they have not been in breach yet. Mr. Davis added that we have conveyed to Red Privet that we have no interest in taking the furniture in lieu of rent. They are responsible for removing the furniture by the end of their lease, which is the end of August. Mr. Magdule suggested not giving Red Privet any relief at this time and wait to see what transpires; if they remove their furniture or relocate to another property or contract with a new client, etc.

Mr. Davis brought the Board Members attention to the letter from the PA National Fire Museum. Mr. Leppo spoke about what the museum promotes and that they have taken good care of the property. He agrees to extend the lease/purchase agreement for two years. Mr. Magdule explained that they are not asking for relief from their payment but an extension of the agreement. Mr. Davis added that the purchase price amount was to make the Authority whole.

Ms. Brown made the motion to extend the lease/purchase agreement for two years; seconded by Ms. Zewe. The motion carried unanimously.

**PUBLIC COMMENT:**

None.

**OLD BUSINESS**

None

**NEW BUSINESS**

**RESOLUTION NO. 4-2018**, authorizing the Authority to convey 1528 N. Fifth Street, Harrisburg, PA, vacant land, to Mr. Barzyk for an amount of \$1,000 which includes all transfer costs. Mr. Barzyk intends to build a fence and add a shed. Ms. Zewe moved to approve; seconded by Ms. Brown. The motion passed unanimously.

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**RESOLUTION NO. 5-2018**, authorizing the Executive Director to execute a contract with Real Property Research Group to produce a "Harrisburg Housing Study" for the fee of \$9,400 plus expenses which are estimated at \$800. Mr. Leppo inquired if the study was going to be digitized property by property that could be used with GIS. Mr. Davis explained that GIS is used to create the maps and there will be electronic copies. Ms. Brown asked if this will be for public distribution or just for the agencies involved. Mr. Davis replied that this will be only for private use. Mr. Leppo suggested that if it is shared, there should be a partnership agreement and a fee. Ms. Zewe moved to approve; seconded by Ms. Brown. The motion passed unanimously.

**OTHER BUSINESS**

**ADJOURNMENT**

The meeting adjourned at 1:30 pm.

Respectfully submitted,

  
Secretary/Assistant Secretary