

# REDEVELOPMENT AUTHORITY OF THE CITY OF HARRISBURG

## Regularly Scheduled Meeting August 21, 2018 - 12:29 P.M.

The Board of the Redevelopment Authority of the City of Harrisburg held a Regularly Scheduled Meeting on June 19, 2018, in Suite 405, Rev. Dr. Martin Luther King, Jr. Government Center, 10 North Second Street, Harrisburg, Pennsylvania, at 12:30 p.m. Chair Michael Wilson presided.

### PRESENT:

Stacia Zewe  
Crystal Brown  
Nichole Johnson

### ABSENT:

Dan Leppo  
Michael Wilson

Also present were: Janell Weaser, Administrative Project Manager; Bryan Davis, Executive Director; and Stuart Magdule, HRA Solicitor and John Logan, COO of the Hamilton Health Center.

### MINUTES

The minutes of the Regular Meeting of June 19, 2018 were presented for approval. Ms. Brown moved to approve; seconded by Ms. Johnson and Ms. Zewe. The motion passed unanimously.

### TREASURER'S REPORT

The Treasurer's Report for May, 2018 was presented for approval, subject to audit. Ms. Brown moved to approve; seconded by Ms Johnson and Ms. Zewe. The motion passed unanimously. The Treasurer's Reports for June & July, 2018 were presented for review.

### COMMUNICATIONS

Mr. Davis brought to the Boards attention the Train Station Center's tenant, Red Privet's lease was ending this month, and with the exception of some furnishings to be removed, they have vacated the space. With the loss of this lease comes a huge amount of lost revenue. Mr. Davis reported that Bill Gladstone is aggressively showing the space. He has had two candidate tenants for Red Privet's space.

Mr. Davis reported on PennDOT's participation at the Transportation Center. He reminded the Board that Toby Fauver was taking the lead in Transit Oriented Development, the Paxton Creek De-Channelization, and pushing Amtrak and PennDOT to come up with a new scenario on ownership and management of the station. With his departure from PennDOT those topics have fallen into the background at PennDOT. Mr. Davis added that we do not have the resources to do those activities without grants.

Mr. Davis reported that PennDOT is still committed to proceed with paying for upgrades for the roof systems at the Train Station as well as improvements to the Observation Room (aka "Window Room" or "Pennsylvania Room"). PennDOT is stopping here and pausing on anything else saying they have some items to work out with Amtrak. This leaves Mr. Davis to believe there could be a better lease for the HRA. Perhaps eliminate some of the cost the HRA has right now. Mr Davis' suggestion to the Members is to have Bill Gladstone do a point in time square footage to lease as much space as possible, if necessary offering space at 'deep discount'. We would not go below the breakeven point of cost per square foot and could stay a few dollars above and still have additional revenue rather than just try to fit within the market competition. Mr. Davis said sometimes it is more attractive to say the first month free or the first-three months at half, \$7 a square foot to attract a tentative tenant. Ms. Zewe inquired if Mr. Davis had ever presented or went to CREDIC or the Chamber in presenting buildings like this. Mr. Magdule shared there is one thing that the HRA could do but it is costly. The Commercial Counsel of the Dauphin County

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Board of Realtors which involves associate members and members such as Layers, Engineers and Realtors house Quarterly Breakfasts Meetings. He stated Harristown had one when they opened up International House so we could definitely have Mr. Gladstone conduct that type of meeting at the Transportation Center. The HRA would need to sponsor the Breakfast and have a speaker that could start off the meeting saying to everyone in the facility while you are here; this is what we have for rent, etc. Mr. Magdole stated this way you can get it in front of all the commercial realtors at one time.

Mr. Davis reported that Amtrak was planning (after their resolution with ownership and management pieces) to completely renovate the second and third floors including new office space. Mr. Davis said this surprised him. It did not make any sense as there are existing tenants. He adds they wanted to move the Amtrak Police as well as add handicap assessable bathrooms where Bill Cologie of Transit News is currently located. He expressed concerns that it seemed like PennDOT was driving the Train Center. He went on to explain that the HVAC system and plumbing need major upgrades. Mr. Davis said the roof system needs to be improved, as it is thirty years old and has reached its useful life.

Ms. Zewe stated when we were at Harristown the shops on the outside at Strawberry Square did a call for entries. Their rent structure was leased at 7% of the Sales. They may have been Incubators. She says CREDIC would know. Maybe someone is ready for a larger space to move into. Mr. Davis shared that is how we got Red Privet, LLC. Red Privet started out in an Incubator next to the Technology Council of Central PA. When the Tech Council moved out they took over the whole space.

Mr. Davis reported he will be talking with PA DCED staff later today about shifting over to the Paxton Creek with the wall collapsing at 29<sup>th</sup> and 65<sup>th</sup> S. 10<sup>th</sup> Street. We are looking at the cost now of acquisition and cost to do the remediation clean up of the wall that collapsed. And see if we can put together money to do both activities between PA DEP (Department of Environmental Protection) and DCED (Department of Economic Development). Right now what we have on the table is an application for \$500,000 to PA DCED which is not enough money to do both the acquisition and restoration of the wall. His concerns are they may only be able to do just stabilization instead of a large acquisition and stabilization project.

Mr. Davis shared with the Board about a possible candidate site for acquisition. The Atomic Warehouse is interested in selling and there are other tentative deals for acquisition of the real estate around it. The agent who is marketing those properties is also marketing the Atomic Warehouse.

**PUBLIC COMMENT:**

Mr. Logan asked the HRA Board to rescind or amend Resolution No. 19-2014 that had approved the Hamilton Health Center (HHC) to construct accessory off-street parking at 47 S. Street for the Hamilton Health Center and to construct a building with parking to house ancillary businesses such as child care services and/or Humane Society. To now grant the Hamilton Health Center to have a different Resolution that grants a Lease to Purchase at the end of the project and pay back the HRA any cost and expenses occurred from the project.

Mr. Logan explained to the Members that the HHC has maximized their current space and now needs to add more. The HHC wishes to complete Phase III and IV of excavating the soil and capping it with asphalt by October 30, 2018. They hope to have the final Phase V, the erecting of the building completed before the winter of 2019.

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Mr. Logan requested a second agreement from Mr. Davis and Mr. Magdole to help in drafting a three party agreement that would consist of the HRA, HHC and the third with Wilson (who gets the Bids, etc.). He explained the HHC are to be the financial parent and designated developer.

Mr. Davis and Mr. Magdole believed they could have all by the next month's Board Meeting. Mr. Logan replied that he could be reached via telephone at his residence due to a surgery he has scheduled at that time.

**OLD BUSINESS**

None

**NEW BUSINESS**

Mr. Davis prefaced the resolution requesting to rescind the prior Resolution that approved the sale of 332 Kelker Street to the National Fire Museum and to pass this new Resolution that now includes the sale of both 332 Kelker St. and 1823 N. 3<sup>rd</sup> Street to the National Fire Museum.

**RESOLUTION NO. 8-2018**, Authorizing the Authority the Sale of 332 Kelker Street and 1823 N. 3<sup>rd</sup> Street to the National Fire Museum, with the sale occurring not later than August 29, 2018. Ms. Brown moved to approve; seconded by Ms. Johnson & Ms. Zewe. The motion passed unanimously.

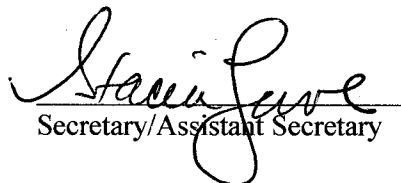
**OTHER BUSINESS**

None

**ADJOURNMENT**

The meeting adjourned at 1:30 pm.

Respectfully submitted,

  
Secretary/Assistant Secretary