

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

## **Regularly Scheduled Meeting December 18, 2018 - 12:35 P.M.**

The Board of the Redevelopment Authority of the City of Harrisburg held a Regularly Scheduled Meeting on December 18, 2018, in Suite 405, Rev. Dr. Martin Luther King, Jr. Government Center, 10 North Second Street, Harrisburg, Pennsylvania, at 12:35 p.m. Chair Daniel Leppo presided.

**PRESENT:** Dan Leppo  
Crystal Brown  
Nichole Johnson  
Crystal Brown  
Stacia Zewe

**ABSENT:** Michael Wilson

Also present were: Janell Weaser, Harrisburg Redevelopment Authority (HRA) Administrative Project Manager; Bryan Davis, HRA Executive Director, Stu Magdole, HRA Solicitor and Franchon Beeks, Acting Director of the City of Harrisburg Bureau of Building & Housing Development.

### **MINUTES**

The minutes of the Regular Meeting of October 16, 2018 were presented for approval. Ms. Johnson moved to approve; seconded by Ms. Brown. The motion passed unanimously.

### **TREASURER'S REPORT**

The Treasurer's Report for September, 2018 was presented for approval, subject to audit. Ms. Johnson moved to approve; seconded by Ms. Brown. The motion passed unanimously. The Treasurer's Report for October, 2018 was presented for review. Ms. Johnson moved to approve; seconded by Ms. Brown. The motion passed unanimously.

### **COMMUNICATIONS**

Mr. Davis updated the Board Members with the status on Hamilton Health Center (HHC) project at 47 S. 14<sup>th</sup> Street. Per the letter that HHC sent to the Authority, their ISRP Project start date has been delayed due to budget over cost and excessive precipitation that fell this past summer and fall creating numerous issues with excavating soil removal. The revised start date is anticipated for spring, April 1, 2019. Mr. Davis shared that one of our consultants, Jill Gaito, the former PA DEP Secretary for Local Government Support, was at a recent meeting with Hamilton Health and had suggested they take earth from one section of the property and move it on top of another part of the property. They could encapsulate the contaminated soil with elevated, bi-level parking. That would save them time and money. Mr. Davis said that with evolving program needs he would not be surprised if they change their original plans for the location of the building. In addition, he said they no longer have Capital Area Head Start as a Tenant on the first floor. However, their growth with clients and the need for more space continues to grow.

Mr. Davis explained that we know a lot more today, especially with a completed market study for the area wide plan. One benefit is they have identified a couple smaller scale industries that do not require two million square feet of warehouse space that would fit nicely in an urban setting and in this particular part of town. Along with the latest meetings with the public, building owners and stakeholder meetings (that included HHC) we have generated an understanding of what today's market is; what the options are and what opportunities exist including our target areas. We held a stakeholder meeting a week and a half ago of which brings us to the point now where we can work on what kind of identifying, concrete opportunities we will pursue once they wrap up their work in March.

Mr. Davis mentions we have six different census tracts in the City that are already designated by the Commonwealth as Opportunity Zones. They include the corridor north of the new Federal Court House

location and all of South Allison Hill including the Paxton Creek corridor. Cameron Street is is part of an Opportunity Zone. Mr. Davis said he hopes it will benefit the Transportation Center and the residential areas within our area wide plans for South Allison Hill.

Mr. Davis reported that the Harrisburg Housing Authority's (HHA) three new buildings are about 75% complete with preparations for leasing up. Per PHFA tax credits they must have certificates of completion to satisfy HHA year-end requirements. He believes all construction will be 100% complete by March.

Mr. Davis updated the members concerning PennDOT at the Transportation Center. Last summer PennDOT had some bold plans to redesign the layout of the first, second and third floors. Their talks have now changed to just doing two primary activities next year. One is a complete renovation of the first floor Observation Room of which is also called the Pennsylvania Room with all the windows that overlooks the trains. The second is replacement of the roof systems. There is another concerning improvement that we are pressing on them is to replace the cooling tower. The Redevelopment Authority spent twenty-three hundred dollars this past summer to repair one of the pumps in the cooling tower.

Mr. Davis said it is still unknown at this time if we will contract the work ourselves or if PennDOT will handle the contract work. We will have paperwork and contracts to approve. He gave an example of the time the boiler needed replacing. PennDOT paid for the replacement. They told us they would contract it directly with one of their vendors. They handled the contract.

Mr. Magdule inquired if all the repairs were completed on the historic shed. Mr. Davis replied yes. He went on to say that the shed roof's useful life will last longer than some of the other items such as the cooling tower. As long as we perform preventive maintenance on the shed roof we will be good.

Mr. Davis advised we really need to lease up space at the Train Station. The budget presented today shows a short fall of cash flow from lack of revenues especially, with the loss of Red Private this last summer. HRA had a candidate tenant that was looking to rent all the available space and parking for two or three years. Unfortunately, it fell through. Later he found out they were also looking to purchase property and decided to proceed with that plan instead. Our plan moving forward is having our Realtor, Bill Gladstone advertise deep discounts in hopes to lease up space.

Mr. Davis announced that the HRA has acquired a new leasee for one of the smaller office suites. The company is Bruce-Merrilees Electric Company. They are scheduled to move in the beginning of the New Year. He explains it is not enough revenue but it is a start. The HRA needs approximately forty-eight hundred more a month in tenant rent to stay within the budget.

Mr. Davis reported things are moving along with the Mulder Square Project. He explained they are at the table with design work from the City Engineer for the intersection of Mulberry and Derry Street that is in front of the new apartment buildings.

Another area is the cul-de-sac at the end of Derry Street, right behind the YWCA. HRA is making progress on behalf of the City to acquire lots down in that area. Some are proving to be difficult to acquire. The drawings are at 90% completion. We might be putting out bids this spring with the project construction starting late summer, earlier fall.

Mr. Davis informed we have money from the RCAP to demolish the building at 28 – 40 Cameron Street. It is a two step process. One is the initial application and final submission which we just completed the end of this past November. The second is putting it out to contract which will be another six months or so to contract with the RCAP grant down in the Paxton Creek area. Once that money is under contract then we can look at pricing for the demolition of that building.

Mr. Davis mentioned the HRA is almost at the end with the Impact Harrisburg Project properties that were taken off the Repository List. The deeds for the properties finally came at the end of October and the rest the beginning of December. The HRA can now have Stu Magdule, our Solicitor, start working on the Quiet Titles. Mr. Davis said once we have the money from that work we can precede with demolishing the buildings. There is a delay in receiving funding, and we are still awaiting payment of our first requisition. We worked out any questions or concerns they had.

Mr. Davis shared with the Board Members that the Land Bank agrees to make available \$200,000 from the RCAP funds for the acquisition of the property where the Paxton Creek Wall partially collapsed. Mr. Davis recommended having the Land Bank take the title of the property. Then once the Authority receives the RCAP money and some other State funding; use the \$200,000 to purchase it from the Land Bank.

Mr. Leppo pointed out that there is one other piece of communication to report. The HRA now needs to look for two board replacements. Mr. Leppo's time is expired and Michael Wilson has given notice that he is resigning. Mr. Leppo explained that Mr. Wilson's employment position and schedule has changed making him inaccessible to continue.

Ms. Zewe asked what the requirements are to sit on the HRA Board. Mr. Magdule replied either one has to reside in the City of Harrisburg or have a business they own within the City.

Mr. Magdule gave a suggestion to the Board Members of a person he believes would be a good candidate for the Board. He mentioned someone who lives in the City; is in banking. This person is involved with regular Financing and active in the community. Mr. Leppo agreed, adding even if she cannot serve on the Board perhaps she would recommend someone else who would also be a good candidate.

Mr. Davis said he knows someone at the Hispanic Center that he will contact and that Mr. Wilson mentioned to him of someone he knows in Banking that he promised to talk to as well. Mr. Davis added it would be nice to have someone with experience in Economic Development.

## **PUBLIC COMMENT**

None

## **OLD BUSINESS**

None

## **NEW BUSINESS**

**RESOLUTION NO. 16-2018**, Authorizing the Authority to approve the application for Redevelopment Assistance Capital Program funds in the amount of \$2,000,000 to the Office of the Budget of the Commonwealth of Pennsylvania for the purpose of executing the ("Project") Paxton Creek De-Chanelization-2018 Acquisition and Construction. Ms. Brown moved to approve; seconded by Ms. Johnson. The motion passed unanimously.

**RESOLUTION NO. 17-2018**, Authorizing the Authority to approve TLC Construction and Renovations LLC as Developer and Purchaser of 1622, 1624, and 1935 Market Street for the purpose of renovating existing structures into Residential Homes and related site improvements. Ms. Johnson moved to approve; seconded by Ms. Brown. The motion passed unanimously.

**RESOLUTION NO. 18-2018**, Authorizing the Authority to sell vacant lots 2246 & 2248 Atlas Street to Daniel Miller ("Developer") for the use as an urban garden. Ms. Johnson moved to approve; seconded by Ms. Zewe. The motion passed unanimously.

**RESOLUTION NO. 19-2018**, Authorizing the Authority to approve the General Operating Budget for the fiscal year beginning January 1, 2019 in the approximate amount of \$618,450.00. Ms. Brown moved to approve; seconded by Ms. Johnson. The motion passed unanimously.

Mr. Magdule reported that a date needs corrected on page two of the proposed budget.

Mr. Leppo stated there are some client and business names that need updating. Mr. Magdule added that the Budget can be amended.

Mr. Davis pointed out that the Insurance is the Authority's largest cost. He believes there needs to be new lease negotiations or termination with Amtrak and PennDOT concerning the management at the Train Station. Mr. Davis explained the current lease was put together before he started with the Authority. The current lease is on a month-to-month basis with a thirty-day notice to terminate. He added that HRA should not be burdened with this expense and that the Owners should pay the Liability Insurance at the Train Station.

Mr. Magdule inquired what the limits of the Liability Insurance are for the insurance with cost of \$119,000 a year. Mr. Davis could not recall at that time the insurance details. Mr. Magdule suggested that he and Ms. Zewe take a look at the current policy. Ms. Zewe confirmed.

Mr. Leppo inquired if the HRA places the Insurance out for bid each year. Mr. Davis replied yes we had two different Insurance Brokers and each time they did put out for competitive bids to try and get a lower price.

The Board Members confirmed that the Redevelopment Authority should renegotiate with Amtrak and PennDOT for a revised Lease.

**RESOLUTION NO. 20-2018**, Approving the Harrisburg Redevelopment Authority Board Meeting dates, places and time for the 12-month period beginning January, 2019. Ms. Brown moved to approve; seconded by Ms. Johnson. The motion passed unanimously.

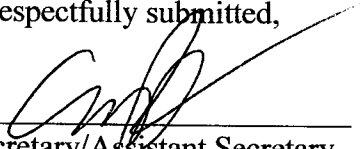
#### **OTHER BUSINESS**

None

#### **ADJOURNMENT**

The meeting adjourned at 1:22 pm.

Respectfully submitted,

  
Secretary/Assistant Secretary