

REDEVELOPMENT AUTHORITY OF THE CITY OF HARRISBURG

Regularly Scheduled Meeting July 16, 2019 - 12:30 P.M.

The Board of the Redevelopment Authority of the City of Harrisburg held a Regularly Scheduled Meeting on July 16, 2019, in Suite 405, Rev. Dr. Martin Luther King, Jr. Government Center, 10 North Second Street, Harrisburg, Pennsylvania, at 12:30 p.m. by Stacia A. Zewe, Board Chair.

PRESENT:

Stacia Zewe
Nichole Johnson
Daniel Leppo

ABSENT:

Crystal Brown

Also present were: Janell Weaser, Harrisburg Redevelopment Authority (HRA) Administrative Project Manager; Bryan Davis, HRA Executive Director; Stuart Magdole, HRA Solicitor; Jamien Harvey, YMCA Executive Director; Larry Segal, YMCA Building & Development Consultant; Sharon Thomas, YMCA Program Development Director; and Ryan Sanders, Co-owner of RB Development LLC.

MINUTES

The minutes of the Regular Meeting of May 21, 2019 were presented for approval. Mr. Leppo moved to approve; seconded by Ms. Johnson. The motion passed unanimously.

TREASURER'S REPORT

The Treasurer's Report for March & April 2019 was presented for approval, subject to audit. Ms. Johnson moved to approve; seconded by Mr. Leppo. The motion passed unanimously. The Treasurer's Report for May, 2019 was presented for review.

COMMUNICATIONS

Mr. Davis informed the Board Members that the Authority completed the closing of Market Place. Most of the Deeds were transferred from S&A Custom Built Homes, Inc. back to the Authority according to the transaction the Board approved involving 1037 Maclay St., LLC/Seven Bridges Property Management.

Mr. Leppo inquired about the parcels S&A are retaining. Mr. Davis informed that they are going to the Susquehanna Art Museum and the one or two surface parking lots that are currently used by the existing homeowners are under negotiations to take title through the Market Place Homeowner's Association.

Mr. Davis pointed out about the article in the Burg Newspaper. Unfortunately they did not contact the Authority before printing the article. It gave people the impression that the Authority is pursuing additional proposals. We have the project on hold for six months with 1037 Maclay St., LLC/Seven Bridges Property Management to give them time to finalize their plans. Mr. Davis said he received some calls concerning this and has saved them for other Request for Proposals (RFP). He is encouraging them to look at other locations in the City.

Mr. Davis proclaimed his thankfulness to Ms. Johnson for speaking at the EPA Announcement this past June 25th, for the Authority's award of \$300,000 Community Wide Grant. He mentioned the news briefing was on a nice sunny day and that many people attended. Mr. Davis said People are excited as the budget allows for some assessment work from our prior footprint where we did the Brownfield Planning Grant. In addition there are funds to look at more land down towards Cameron Street so we can build adjacent to what we have completed and towards the re-channelization of the Paxton Creek. Mr. Davis said he will talk more about this in future meetings.

Mr. Davis referenced Resolution Number 10-2019 listed on today's Agenda. He explained that Keystone Community Development Corporation (KCDC) is a development non-profit subsidiary of Tri Community Action Commission. KCDC wishes to put in surface parking on some vacant lots on 13th Street, just south of Derry. Mr. Davis said this is the same location for which KCDC received State Grants. When KCDC awarded Bret Peters the design work the costs were \$200,000 over their budget. Mr. Davis mentioned as we finalize the EPA Brownsfield Plan and acquire funding for this site his hope is it will give additional leverage for KCDC to find someone who

would want to buy into this area. He informed that there has been no other interest with this particular area. In the meantime we can give KCDC another twelve month's extension so they can still claim Potential Developer Status.

Mr. Leppo asks for Mr. Magdule for advice if he is able to vote on this action. He explains that the Executive Director of Tri County Community Action Commission (TCCA) currently sits on the Board of Directors where he is employed. Mr. Leppo wonders if this is considered a conflict of interest.

Mr. Magdule believed he is fine to vote because they are only a subsidiary and not TCCA. He added if they were asking for Developer Status then Mr. Leppo should abstain.

Ms. Zewe reported that KCDC and RB Development, LLC are both Insurance Clients of hers' where she is employed.

Mr. Magdule advised her to recuse her voting. He stated there are two other board members that can pass on the Resolutions.

Ms. Zewe announced that she is removing herself from the voting.

Mr. Davis brought to the Members' attention that the Authority has quite a few lots close together on North 6th Street, north of Maclay up to Schuylkill Street where the Harrisburg Housing Authority (HHA) had given a proposal to develop what they call Uptown Communities. He explained that the HHA applied twice for PHFA financing and will do so a third time this coming fall.

Mr. Davis said that the HHA had planned to construct three Single Family Units on some lots located on Woodbine Street. At this current time the Camp Curtin YMCA wishes to do a project adjacent to their building to improve the neighborhood and eliminate blight. We asked the HHA if they would consider parting with this particular area and support the YMCA's project. Per Mr. Davis, they agreed. Mr. Davis announced that on today's agenda is Resolution Number 11-2019 asking the approval of "Potential Developer Status" to Camp Curtin YMCA who is present here today to talk about their proposed housing project.

Mr. Davis introduced the individuals from Camp Curtin YMCA Development Team.

Mr. Jamien Harvey stated that he is the Executive Director for the Camp Curtin YMCA and has been there for eight years. He continued to say that he was born and raised in Harrisburg and Graduated from Harrisburg High. Mr. Harvey expressed his desire to invest in his community, the environment and the neighborhood around the YMCA. Mr. Harvey pointed out that he has a remarkable team helping him with his vision.

Mr. Larry Segal introduced himself as a Building and Development Consultant for the Camp Curtin YMCA. He shared how this is a labor of love between Mr. Harvey's vision for the neighborhood and his appreciation of the Board Members, the City and the Redevelopment Authority.

Mr. Shaun O'Toole introduced himself as a resident in the City and having a Law Practice in the City of Harrisburg. Mr. O'Toole has served on the Camp Curtin YMCA's Board for about seven and half years.

Ms. Sharon Thomas said that she is also a Harrisburg native, born and raised in Harrisburg. She started out as a volunteer at the Uptown YMCA and is currently the Program Development Director. Ms. Thomas stated that part of her roll is assisting with Grant Writing.

Mr. Davis inquired of Mr. Harvey about some news from PHFA. Mr. Harvey explained that they submitted a packet to PHFA and have been awarded \$300,000 towards their project and that they met with Capital Region Water (CRW) who is currently working on a \$200,000,000 project. Mr. Harvey said between our plan, the CRW

Minutes of the Regular Meeting July 16, 2019
Redevelopment Authority of the City of Harrisburg
Page 3 of 6

project, plus all the banks that have invested into the Corner Stone and Uptown Harrisburg; you are looking at close to \$500,000,000 for the area.

Ms. Zewe inquired about the construction of the homes if they will be three-stories high. Mr. Harvey confirmed they will be three-stories.

Ms. Zewe then inquired if they would need sprinkler systems. The reason she asks is from her observation of how budget conscious the project is for the homeowners. Ms. Zewe mentions of a prior building and townhomes project she worked on with a sprinkler system. They required larger water lines. Those homeowners were surprised by the higher tapping fees.

Mr. Harvey thanked her for that important information. He added that they are working with Susquehanna Builders and that the designs are still in the preliminary stages.

Mr. Harvey mentioned they have a meeting scheduled a week from now down at the site with Geoffrey Knight, City Planner. They want to make sure they are following all the codes and protocols with the City. He also stated how he has spent a great deal of time with the York YMCA as he is trying to model after them. The York YMCA was successful with their homeowners and neighborhood stabilization of rehabilitated and newly built single family homes for their community. Mr. Harvey informed that they were recognized nationally for their achievements.

Ms. Johnson wondered why they are looking at homeownership instead of renting. Mr. Harvey said he wishes to change the environment. He believes ownership would make the people feel more invested in the surrounding community. Mr. Harvey continued saying they had met with the Tri County Action Commission and the Harrisburg Housing Authority to learn more about their housing programs. He stated there is a market out there for the prices we have set.

Ms. Zewe inquired if there will be any Tax Abatement. Mr. Davis and Mr. Harvey confirmed there will be phased in ten year tax abatement.

Ms. Zewe next asked what time frame they are looking to hold the houses for sale before possibly considering renting and if you do decide to rent them would the YMCA manage it? Mr. Harvey replied if it came down to that we would definitely manage the rentals.

Ms. Zewe inquired if the project has to go through the Historical Architectural Review Board (HARB). Mr. Leppo and Mr. O'Toole both confirmed it does not. The area is under the National Register Historic District and not a Municipal Historic District.

Mr. O'Toole inquired as to how long the Authority would give them Potential Developer Status. Mr. Davis replied the duration is set for six months however, as long as you show meaningful progress extensions can be granted.

Ms. Zewe inquired of what time frame they have set. Mr. Harvey responded we are looking to build come this spring of 2020.

Mr. Davis and Mr. Magdole conversed on the subject of how long they retained the titles to these properties. Mr. Davis recalled how they were initially projected for Habitat for Humanity. He informed that Habitat for Humanity had constructed homes on the opposite side.

Mr. Magdole said he most likely has all the titles to these properties as he believes he worked on that project at that time. Mr. Magdole offered to help the YMCA team with the title work.

Ms. Zewe inquired with Mr. Harvey if he "himself" would be managing this project's construction. Mr. Harvey acknowledged that he is along with the support of the team.

Mr. Leppo and Ms. Zewe recommended he rethink this. They stated that taking the role of a Construction Project Manager will require all of his time which would hinder his managing the YMCA. Mr. O'Toole stated, speaking on behalf of the YMCA Board, they have started transitioning in Mr. Harvey's Assistant into the role of Executive Director of the facility. Mr. Harvey added that his Assistant has also worked for the YMCA eight years.

Mr. Segal expressed to the Board Members how he promised Mr. Harvey that he will be with him from beginning to end of the construction process. He added they will have the right builder as they are currently in that process. Mr. Segal continued to point out how they have the York YMCA experience and that Mr. Harvey knows the neighborhood and a great deal about Real Estate Development. Mr. Segal informed that they had the lots surveyed. He believes they have a defensible budget and how Ms. Thomas has done a great job with the Grant Funding.

Mr. Davis reported next on the agenda today is RB Development LLC seeking to authorize them as Potential Developer for three parcels in the Uptown area of Herr and the N. 6th Street intersection. Mr. Davis spoke about the history of this area. He said back in the 1990's Bethel AME Church had acquired some houses located behind the Church with intentions of renovating them. Unfortunately they failed to bring them into compliance. The City's Property Reinvestment Board took action via eminent domain under the Vacant Property Reinvestment Act. The Redevelopment Authority became custodians of the titles for the City. A few years later in 1994 the Church had a horrific fire. They relocated to North 5th Street where they are currently. The old church and rundown houses were demolished. The Church used the lots for temporary surface parking until the time came that someone could redevelop the area.

Ms. Zewe inquired if the Church had collected any revenue from the parking. Mr. Davis said the Planning Commission had granted them some time to charge for parking but that ended in 2008 or 2009. The Redevelopment Authority did not share in that revenue.

Mr. Davis announced that the Bethel AME Church has partnered with RB Development LLC to construct a four story structure that would include 47 units of affordable senior housing, a community room plus other features on the first floor of commercial retail or restaurant space as well as parking.

Mr. Davis introduced Mr. Ryan Sanders to the Board Members.

Mr. Sanders announced that he is one of the owners of RB Development LLC. About eight months ago he met with Pastor Brangman of the Bethel AME Church. He said they are the co-developers with this particular project. We wanted to find ways to be able to develop the community.

Mr. Sanders passed out design packets stating they are from the owner of RD Development who also owns a group called BFW Group located out of Philadelphia. Mr. Sanders informed that they worked on several senior housing projects throughout Center Pennsylvania including low income housing tax credit projects very much like what we are currently working on.

Mr. Sanders spoke about the history of the area. He highlighted the prior owner's attempts to have an African American Museum.

Mr. Sanders informed the Board Members that he and a group of partners have purchased the Curtis Funeral Home. And that they are under contract for the Jackson House. We have purchased with RB Development, LLC the lot next to it that use to be an old Beauty and Cultural School at 1008 which is a part of the amalgamated land we want to build this structure. They are looking at the overall block of 1000 N. 6th Street.

Mr. Leppo stated that he hopes the restaurant will stay. Mr. Sanders said they are looking to restore the area for a tourism spot so people can learn of the rich tradition with the history of the eighth ward of this block. He added we

are working with Dauphin County for a beautification grant to touch up the mural and add some flowers. They wish to open up the commerce and retail side that has been missing for about forty years.

Mr. Sanders reported that the parcels the authority would grant to us are designated for affordable senior housing. They will work with the Harrisburg Housing Authority to find individuals that can benefit from the new housing.

Mr. Sanders pointed out that their key Architect is currently working on PHFA's Corporate Transition Project of \$30,000,000. He said they are anxious to start Phase One and start the geotechnical work. They have already spent a number of dollars on legal work to get that up and running.

Mr. Leppo commended Mr. Sanders for using a local Architect. Mr. Sanders explained to the Board that they are a Minority Based Enterprise (MBE) Developer. One of their priorities is to use Minority and Women Owned Business throughout their projects.

Mr. Leppo inquired if they have reached out to the local residents. Mr. Sanders replied they have. He mentions there is one resident that is very interested in what is going on as they had many conversations.

Mr. Sanders said we are opening up the commercial side with 2-4 new commercial spaces to be a different business corridor so the city can increase tax revenue. He mentioned about the new Federal Court House that is going in on 6th Street.

Mr. Leppo wondered about their plan for a four story building. He mentions that three story structures are the usual height. Mr. Leppo inquired if Geoffrey Knight talked to him about the building height. Mr. Sanders replied that they sent everything over to Mr. Knight and Mr. Grumbine at the Historic Preservation Society. He added that everything was approved. Mr. Sanders noted the concerns were the set-backs and the visibility of the existing mural. He added that two of the investors are a former and current NFL Player. We are going to add their picture and names to the mural. Mr. Sanders said some of the names listed at the bottom have worn off. They will be restoring that section as well. He said this was conditional upon getting the Jackson House. They cannot knock down this building and must preserve the History of the area.

Ms. Zewe mentioned the Sprocket Mural Works who are having a mural festival. Mr. Sanders said that is a good suggestion however, he is interested in finding the original artist to give him the first right or refusal before looking at other artists.

Mr. Sanders reported they will submit the Agreement of Sale with some added items that were discussed over the phone and make sure we are in compliance with the law and then get back with Mr. Magdole. Mr. Magdole inquired who his law firm is. Mr. Sanders replied Matt Krupp with the Desantis Krupp Law firm.

Ms. Zewe inquired of the overall time frame. Mr. Sanders said the deadline for the PHFA application is this November. It takes about seven months to hear if one has been awarded tax credits. If tax credits are awarded, then we are looking at an additional six months to put the shovel in the ground. Mr. Sanders believes this could happen sometime next year, 2020. Mr. Davis mentioned that if PHFA were to insist on having Designated Developer Status in order to complete the Tax Credit Application, to let him know before the deadline. He stated that we can come back and meet with the Board again.

PUBLIC COMMENT:

None.

OLD BUSINESS

None

NEW BUSINESS

RESOLUTION NO. 10-2019, authorizing the Authority to extend Keystone Community Development Corporation's status as Potential Developer of 232 and 236 S. 13th Street, Harrisburg, PA to June 30, 2020. Mr. Leppo moved to approve; seconded by Ms. Johnson. The motion passed unanimously.

RESOLUTION NO. 11-2019, authorizing the Authority to approve Camp Curtin YMCA as "Potential Developer" for eight (8) parcels located in the Uptown area of Woodbine Street. Mr. Leppo moved to approve; seconded by Ms. Johnson. The motion passed unanimously.

RESOLUTION NO. 12-2019, authorizing the Authority to approve RB Development LLC as "Potential Developer" for three (3) parcels located in the Uptown area of Herr Street. Mr. Leppo moved to approve; seconded by Ms. Johnson. The motion passed unanimously.

OTHER BUSINESS

None

ADJOURNMENT

The meeting adjourned at 1:17 pm.

Respectfully submitted,



Secretary/Assistant Secretary