

REDEVELOPMENT AUTHORITY OF THE CITY OF HARRISBURG

Regularly Scheduled Meeting June 18, 2024 - 12:34 P.M.

The Board of the Redevelopment Authority of the City of Harrisburg held a Regularly Scheduled Meeting on June 18, 2024, in Suite 405, Conference Room of the Rev. Dr. Martin Luther King, Jr. Government Center, 10 North Second Street, Harrisburg, Pennsylvania, at 12:34 p.m. Chaired by Nichole Johnson.

HRA BOARD MEMBERS PRESENT and/or via TEAMS Web-based Video Conferencing

Nichole Johnson (via TEAMS)
Crystal Brown (via TEAMS)
Alexander Reber

ABSENT: N/A

Also present: Janell Weaser, Harrisburg Redevelopment Authority (HRA) Controller; Bryan Davis, HRA Executive Director and Catherine Rowe, HRA Solicitor.

PUBLIC PRESENT: None

MINUTES

The minutes of the Regular Meeting of May 21, 2024, were presented for approval. Mr. Reber moved to approve: second by Ms. Brown. The motion passed unanimously.

TREASURER'S REPORT

The Treasurer's Report for March 2024 was presented for approval: April 2024 for review. Mr. Reber moved to approve: second by Ms. Brown. The motion passed unanimously.

COMMUNICATIONS

Mr. Davis reported that there have been two major activities since our last board meeting. The first one is the winddown of the Harrisburg Transportation Center. We finally got some feedback from Amtrak. It took them some time to gather their teams in Philadelphia and Lancaster.

Mr. Davis said the Authority has notified all the tenants. And Amtrak said they reached out to them as well. We are working together to switch over the utilities, including the contracted one for gas with the set pricing. If this contract does not transfer to Amtrak, then the Authority will have to pay an early cancellation fee.

Mr. Davis informed that there is one vendor that he may need Ms. Rowe's help with. The cancellation notices were dated and mailed out on May 23rd. However, we received a renewal letter from Kone, Inc. who serviced the elevator. Their contract was up for renewal on May 31st. They did not receive our termination letter until June 5th. The letter says they automatically renewed our contract for an additional five years. This may be their attempt to reposition themselves to get the contract with Amtrak. We just received their letter yesterday.

Mr. Reber asked if the notices were sent out by means of certified mail.

Mr. Davis's reply was no. He just dropped them off personally at the post office via regular mail. The only one that was overnighted was the Authority's notice to Amtrak.

Ms. Rowe mentioned that the mailbox rule is three days. If the notices were mailed out on the 23rd, three

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days would be May 26th. She said we do have an argument there if necessary.

Mr. Davis mentioned the Maintenance Staff. He said Aaron's last day of employment is June 28th and Chuck will be staying on until the end of July to help tie up any loose ends. One in particular which is on our agenda today is the Susquehanna Harbor Safe Haven. Besides the Train Station, Chuck also oversees the maintenance of the Safe Haven. We directed our attention on the Train station. Having more time with Chuck will also help us to reposition his duties of the Safe Haven.

Mr. Davis said currently Chuck is working on pricing with the HVAC Company, B&W, Inc. Their routine inspection for the cooling system is this time of the year. They reported to us that two compressors are bad and need to be replaced and that the coolant fluid is a different kind that is no longer used. There are more efficient, environmentally friendly types and we could take this opportunity to replace it in the cooling system for an extra cost of \$12,000. We elected to just replace the equipment that is broken at this time.

Mr. Davis stated that the Safe Haven was placed in service in 2009. It has reached its fifteen-year mark of use with the major systems. We will need to develop a plan for the major system replacements and/or updates. We will need a grant for this.

Mr. Reber inquired of Mr. Davis if he had any discussion with Amtrak concerning the maintenance staff possibly being hired by them.

Mr. Davis relayed that he did tell the crew that the Authority would give them the highest recommendation. He talked with John Hogan at Amtrak. Mr. Hogan said he would share this with his counterparts.

Mr. Davis also mentioned that the Authority owns five parcels along Market and the corner of 4th Street that is intertwined with Amtrak's land at the Harrisburg Transportation Center. It is a parking area, an egress to the station. He is currently working with Amtrak to purchase the lots. In the meantime, we are drafting a license agreement. He is asking for some money to help pay for the monthly Capital Region Water storm water bills.

Mr. Davis said another thing is the EPA County Wide Assessment. We received a grant of \$500,000 from the EPA. Requests for Proposals have been sent out and one proposal was received back in Mid-March. George Payne provided us with an analyzed pricing of which is on the agenda today.

Mr. Davis reported the other major activity is 333 Market Street. Last time we touched on it briefly because we had just learned about it before the board meeting. Both Ms. Rowe and Mr. Reber have been very helpful in talking to people. Mr. Davis asked Ms. Rowe if she would give the Board Members a professional summary concerning this project.

Ms. Rowe conveyed that at the beginning of May Harristown Development Corporation reported to the Authority that the Commonwealth will not be renewing their Leases and will not be taking title to either office buildings, which are 333 Market Street and Strawberry Square. Harristown also shared that they will not be taking title. Both leases have a \$1 buyout title option.

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Ms. Rowe said of more recent there has been talk of the Commonwealth possibly staying a bit longer in Strawberry Square. She heard it is for ten years, but she has not seen anything in writing. She has not seen any of the leases or contracts, but Harristown seems to be comfortable with moving forward on that assumption. 333 Market Street remains the outstanding issue.

Ms. Rowe said 333 Market Street currently has eleven vacant floors that used to be occupied by the Pennsylvania Department of Education (PDE). They moved to the Forum building and have some offices out by Vartan Way.

Ms. Rowe stated that Harristown is optimistic they will have a three-year lease with the Commonwealth for 333 Market Street which would be good and extend the time for the Authority to market the building and hopefully acquire a private company who could pay taxes. Otherwise, it will come back to the Redevelopment Authority with the liability, the utilities and other expenses. The other party is the Harrisburg School District who will lose those taxes.

Ms. Rowe mentioned that this morning the Redevelopment Authority, the School District, and Representatives Patty Kim, Justin Fleming, and Dave Madsen met to talk about the issue. They want the Governor's Office's support to try and get the contract for more time. It was a good meeting this morning. All parties are appropriately worried. There is to be a follow-up next month.

Ms. Rowe stated that there is also the matter of two major repairs that need to happen. One is a 2.7-million-dollar staircase repair. The staircase that goes up the front of 333 Market Street is crumbling. It needs to be structurally replaced. The second is the elevators. That estimate is ten-million-dollars. Our agreement with Harristown states they are responsible for the maintenance and upkeep of the building. Per Harristown their lease with the Commonwealth says the Commonwealth," the tenant" is responsible for the maintenance which includes elevators. We know it is a problem. They know it is a problem and said they are working on it. I am hopeful they will do what is required.

Ms. Rowe pointed out that we still need to talk about a long-term solution.

Mr. Reber commented that Patty Kim seemed very fixed on the matter. She took the lead to make sure they were united.

Ms. Rowe agreed.

Ms. Brown inquired about the three-year extension. She asked if this discussion was prior to this morning's meeting.

Ms. Rowe said I got the impression that Patty Kim and everyone present are aware that there is a tentative agreement. It was presented as their goal. Her opinion is that there needs to be some different pressures put in place to reach that goal. Ms. Rowe said she is optimistic but still realistic about it. I know that Harristown's Lobbyists are very active in trying to get this to happen.

Mr. Rowe reiterated that if we do not receive a positive update then we must get ready to market the

building. If we are unable to find a suitable buyer, then we need to talk about some contingencies. You cannot afford to maintain and operate this building.

Mr. Reber disclosed that Harristown told them the cost is approximately five-million dollars a year. Two million is the real estate taxes which the Authority would not be liable for but still we certainly cannot bare three-million-dollars a year. His advice would be to action the building. But we would want it to go to someone that has good intentions so it would be positive for the City.

Mr. Reber concluded by saying that a two-million-dollars loss would be tough on the School District.

PUBLIC COMMENT

None

OLD BUSINESS

None

NEW BUSINESS

RESOLUTION NO. 11-2024 – authorizing the Authority to extend the Potential Developer status to December 31, 2024, for RB Development LLC’s project of affordable housing located at 1175 Bailey Street. Mr. Reber moved to approve; second by Ms. Brown. The motion passed unanimously.

Mr. Davis said you may recall this is the bluff property that sits opposite the YWCA off Cameron Street. RB Development did a geotechnical analysis and had to adjust their plans. They are going in for another round of funding. The Low-Income Tax Credits are very competitive. We should know if they are successful by the end of this year. They have been successful in other parts of town in delivering affordable housing. That is why I requested another extension of six months.

RESOLUTION NO. 12-2024 – authorizing the Authority to approve the company B&W, Inc. for HVAC System repairs at the Susquehanna Harbor Safe Haven in the amount of \$9,166.00. Mr. Reber moved to approve; second by Ms. Brown. The motion passed unanimously.

RESOLUTION NO. 13-2024 – authorizing the Authority to approve an EPA Community-Wide Brownfield Assessment Professional Services Agreement to BL Companies Pennsylvania Inc. in the amount of \$473,000. Mr. Reber moved to approve; second by Ms. Brown. The motion passed unanimously.

Mr. Davis said the primary contractor, BL Companies, has grown to be highly respected. They come very qualified with environmental and new green engineering work throughout the Commonwealth and across the Country. Their team consists of three Contractors who helped us with the Paxton Creek work in the past. They coordinated with our previous vendors who already have an intimate understanding of the Paxton Creek De-channelization and that adds a lot of value to the proposal.

Mr. Davis said Gaito & Associates, LLC, Stromberg/Garrigan & Associates, Inc. and Michael Baker

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International, Inc. have been working on the Paxton Creek for as long as the Redevelopment Authority has been involved.

OTHER BUSINESS

Mr. Reber inquired about the status of the Grant Manager job position.

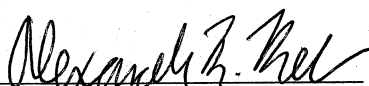
Mr. Davis said we are getting ready to post the job on Indeed or another similar platform. He did circulate it with the Mayor's Office and with some other professionals that we have a relationship with. The Authority did receive two or three and one formal application, but it was weak, not quite what we need. He would like to see who else might apply.

Mr. Davis inquired of Ms. Brown for her assistance in drafting the wording for the posting to make it sound exciting. He recently saw a solicitation for the Neighborhood Center on Facebook. Their advertisement sounded exciting. He would like to do the same for this job posting.

ADJOURMENT

The Meeting was Adjourned at 1:00 pm.

Respectfully submitted,


Secretary/Assistant Secretary