

# REDEVELOPMENT AUTHORITY OF THE CITY OF HARRISBURG

## Regularly Scheduled Meeting November 19, 2024 - 12:30 P.M.

The Board of the Redevelopment Authority of the City of Harrisburg held a Regularly Scheduled Meeting on November 19, 2024, in Suite 405, Conference Room of the Rev. Dr. Martin Luther King, Jr. Government Center, 10 North Second Street, Harrisburg, Pennsylvania, at 12:30 p.m. Chaired by Nichole Johnson.

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

Nichole Johnson  
Crystal Brown (via TEAMS)  
Alexander Reber

### ABSENT:

N/A

Also present: Janell Weaser, Harrisburg Redevelopment Authority (HRA) Controller, Bryan Davis, HRA Executive Director, J. Chris Davenport, HRA Project Director, and Catherine Row, HRA's Solicitor.

PUBLIC PRESENT: Samuel Sulkosky, Business Administrator-Chief of Staff for the City of Harrisburg, and John R. Logan CLO for Hamilton Health Center,

### MINUTES

The minutes of the Regular Meeting of September 17, 2024, were presented for approval. Ms. Brown moved to approve: second by Mr. Reber.

### TREASURER'S REPORT

The Treasurer's May, June, July, and August 2024 reports were presented for approval, and September and October 2024 for review. Mr. Reber moved to approve, seconded by Ms. Brown. The motion passed unanimously.

### COMMUNICATIONS

Mr. Davis asked Ms. Rowe if she would like to give the Board Members an update on 333 Market Street.

Ms. Rowe announced that Harristown Development Corporation struck a deal with the Commonwealth of Pennsylvania's DGS to extend the Lease to 333 Market Street for one year and to lease the second and third floors of the building for another period of time with the Governor's Communications Office. She said apart from the Master Lease between the Redevelopment Authority and Harristown, Harristown then subleases the property to the Commonwealth. The Master Lease expires on April 1, 2025. We have been asked to sign an extension of the Master Lease to provide for the extended sublease.

Ms. Rowe said she asked to have certain terms included with the Redevelopment Authority's extension. There are significant problems within the building, such as the repairs to the elevator and the firewall issues with the doors, which should be taken care of. Those repair costs are about \$10,000,000.

Ms. Rowe conveyed that the sublease between Harristown and the Commonwealth stipulates that the Commonwealth is obligated for any necessary work on things like the elevators, the HVAC system, and the Fire protection doors, etc. The Master Lease between the Authority and Harristown states that Harristown can make repairs at its discretion to the building, leaving us to deal with those issues and costs in the end if the Commonwealth fails to do the work they promised to do. We have gone back and forth

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quite a bit, and I believe that we have gotten to the point where I can comfortably say to the Redevelopment Authority that we do have protection down the line.

Ms. Rowe said currently we have people in the building. The idea of a vacant building sitting downtown Harrisburg is not at any point in the goals of the Authority and the City. And the extension leaves open the opportunity if things do change with working from home. That space is still available for the Commonwealth.

Ms. Rowe advises that the Authority also includes an executed Cooperation Agreement with Harristown that stipulates after the Commonwealth leaves that Harristown will be involved in the preparation and sale of 333 Market Street. I understand they already have a potential party interested in purchasing the property. This would give the Authority some sort of legal action with Harristown to enforce the terms of the lease. And if there is a potential buyer in the next year and a half then we do not need to worry about it. The new buyer would be well informed of the conditions of the property before the sale.

Secondly, Ms. Rowe wishes the Authority to add to the extension of the Master Lease a new Contract Agreement that Harristown will be responsible for maintaining the building as it is right now. So, if any other major problems happen over the next year and a half, Harristown will be responsible. This was not in the Master Lease that was drafted back in the 70's.

Ms. Rowe said we would need to get the paperwork signed rather quickly. We do not have everything quite finalized yet. I did get an email just before coming here from Harristown saying they approved our red line. I do not have the final documents with me right now. We are asking that Mr. Davis be authorized to execute all this and allow both Harristown and the Commonwealth to move forward because Harristown is obliged to get back to DGS and DGS needs to act on this as well.

Ms. Johnson inquired further about the timeline of the extension.

Ms. Rowe said it goes to 2027. I will double-check and let you know.

Mr. Reber pointed out that it is written in the Resolution.

Mr. Reber mentioned the Commonwealth will be staying in Strawberry Square for another ten years.

Ms. Rowe confirmed.

Mr. Reber added that last year the tax revenue was about \$2.1 million in taxes for the School District, County, and the City.

Ms. Rowe said it would be going down due to the reassessment.

Mr. Reber wondered about the Authority's debt services for Strawberry Square and 333 Market Street. Do we have any liability on debt service if things do not work out.

Mr. Davis replied, no. The debt service will be resolved by this time next year. There were several bond

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issues that we replaced and were restructured for the repayment primarily with the Verizon Tower which was the one that had the problems. This one does not carry the same challenges as the Verizon Tower. Those Bonds have been repaid entirely.

Mr. Reber said that despite the issues we are having with Governors Square and the HUD money, I just wanted to see if we have more liability here as well.

Mr. Davis stated that on today's agenda, there is another piece that Ms. Rowe was very helpful with in identifying a firm that can provide us with legal services for the sale and acquisition of properties for real estate, Brett Woodburn of Woodburn Law. Ms. Rowe had discussed this candidate with Neil Grover in the City's Law Bureau. They both agree this would be an excellent firm for us to conduct a handful of our properties. Especially, the ones we have for immediate sale of adjacent side yards and of that nature.

Mr. Davis said please keep in mind at some point we will need some Quiet Title work done. This would require us to have a formal contract. Right now, we will use them on a case-by-case transaction and not be unreasonably priced. We are not looking for any approval of a contract today.

Mr. Reber disclosed that he has some clients who use him with great success. And his fees are reasonable. Hopefully, this will clear up some of the Authority's backlog.

Ms. Rowe mentioned that she is not a real estate attorney. She has stumbled along over the last couple of years but now that the Authority is getting on with a regular schedule trying to get properties unloaded it is time that we get someone who does this as a matter of practice.

Mr. Davis reported that on the agenda today we have a Resolution for approval of the Gaming Grant Agreement with Dauphin County for \$72,000 for Swatara Park.

Mr. Reber said, we received word from DCNR last week for the \$250,000 another grant we all worked on. Char Magaro and I were the lead volunteers in this work. I wrote the Gaming Grant, and she was the lead on the DCNR Grant. Rebecca Vollmer, City Grant Manager and former Redevelopment Authority employee, George Payne, did a lot of extra leg work as well.

Mr. Sulkosky inquired if it is a Greenways Grant and asked what the DCNR Grant is called.

Mr. Reber replied that he could not recall. It is for Swatara Park to be located at 15<sup>th</sup> and Swatara Streets. I can get that information for you. I believe it was a Greenways Grant. Between that money, the \$218,00, this \$72,000, and another \$100,000 that we were able to raise privately, we have the \$400,000 assembled to do phase one.

Mr. Reber continued by saying, and then there is another Resolution today to purchase a piece of property for \$6,000 of which we can bill to the Gaming Grant. Gaming Grants can be used for property acquisition. We also received a \$25,000 Challenge Gift from a private donor.

Mr. Davis thanked Mr. Reber.

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Mr. Reber went on to say this is all a part of a plan that stemmed from Tri-County Community Action's survey of 700 residents in South Allison Hill. The residents said they wanted six things. This is one of the six mentioned, more green space.

Mr. Davis said it goes back to when we looked at acquisitions for use of the \$500,000 Impact Harrisburg funds. We strategically chose almost all these vacant lots that now comprise Swatara Park. It took a lot of collaboration which I am thankful for.

Mr. Reber said we should be breaking ground this spring.

Mr. Reber wanted to know if there were any updates concerning Governor's Square.

Ms. Rowe stated that it is more of a priority for the City. The City entered a stipulation agreement that has been placed in front of the Judge. The Bankruptcy action will be moved from a Chapter Eleven to a Chapter Seven bankruptcy and that automatic stay will be lifted to allow the City to pursue Code Violations with the Dauphin County Court of Common Pleas. The number of violations is astronomical.

Mr. Sulkosky said the number is in the thousands.

Mr. Rowe explained that part of what Chapter Seven does is provide liquidation of assets. With Chapter Eleven there is more ability to move with the Court System. HUD has been challenging to participate in conversations. This makes our argument all the more difficult when it comes to demonstrating the need of whoever takes over this property to meet certain guidelines to be able to continue that HUD funding.

Ms. Rowe said one of the benefits of allowing Codes enforcement to continue to move forward is that the City can then eventually dispatch work to be done and that is really for the people who are residing there. Ms. Rowe mentioned that there are holes in the ceilings, heat not working, and flooding issues. The list goes on.

Mr. Reber asked if Ms. Rowe is nervous that the Judge might allow for the proceeding of the sale that would not allow stipulations that we need for the HUD loan.

Ms. Rowe replied I am not and ultimately the Judge will decide things. The City and the Authority have been working strenuously, in fact, Mr. Davis was summoned for the last hearing. She asked Mr. Davis if he testified.

Mr. Davis said no. They canceled the testimony for that hearing.

Ms. Rowe said she has been in consultations with Neil Grover, City Solicitor, and McNees Law Firm who is handling the actual Bankruptcy process, because she is not a Bankruptcy Attorney. We have put together a strong order. HUD did engage a little bit over the summer. We have something from them indicating that this property should continue as a HUD property. I wish we had more, but I will keep pushing.

Mr. Davis inquired further about HUD's Attorneys.

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Ms. Rowe said a lot of Attorneys have been at the table. Too many Attorneys.

Mr. Davis said months ago we were distressed because HUD's Attorneys were not engaging. I trust that this means they are bringing all they have available to preserve the riders to the Deed that is governing this whole thing. Hopefully, a Judge is unable to dismiss those riders.

Mr. Rowe agreed.

Mr. Reber inquired if there was any idea in terms of a timeline with this Bankruptcy.

Ms. Rowe answered, no.

Mr. Reber said he hopes it ends soon because McNees' cost keeps accelerating.

Mr. Davis said in regard to that we have a line item of \$25,000 for Legal Expenses listed in the new year's budget in the packet for your review until next month's board meeting. I am hoping that we will not see another \$62,000 next year and hope this Bankruptcy work will be wrapped up soon. We looked at the total that we spent just on Governor's Square. It is almost \$80,000. It is a heavy burden on the Redevelopment Authority. We are looking for more support from the City to fund us again next year. The sum we are requesting is the equivalent of our personnel costs. We are able to cover all the other operation costs. We get some revenue from the Susquehanna Harbor Safe Haven (SHSH).

Mr. Davis said next year the high priority for the SHSH is for us to look at the replacement needs of major systems. It has been in service for fifteen years now. We are currently replacing some components of the HVAC system. That cost has been covered by the rent revenue. There is a bit of surplus to offset our operational costs. We need to consider the replacement of mechanical, electrical, plumbing, and roofing of the major systems to ensure another fifteen years of use.

**PUBLIC COMMENT**

Mr. Logan said before you today is a Resolution for Hamilton Health. I just want to recount for those who were not present at last month's meeting. It was seven and half years ago that I left Pinnacle Health to work for Jeannine Peterson at the Hamilton Health Center. Ms. Peterson was trying to figure out how to expand services with Hamilton. There is a demand for more office and exam space. Hamilton had just implemented a new Vision Center.

Mr. Logan conveyed that he contacted Mr. Davis and met with him along with the City. They discussed how Hamilton could provide economic growth in the South Allison Hill area one of which was the transfer of property 47 S. 14<sup>th</sup> Street which is why we have the Resolution today.

Mr. Logan said we acquired the Hill Top Diner, the Gas Station, and the Cab properties. This coming Monday we will close on the Harrisburg Masjid [200 S. 17<sup>th</sup> Street]. If you drive by the front the building looks good, but the ceilings and roof are falling in. We are working with Dauphin County to have the property demolished. We are obtaining quotes with contractors who work with Dauphin County Economic Development. They have a list to raise and secure the property. Next is for us to go back to the City with

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our Land Development Plan that has been recorded. We needed all these properties to start the remediation process. Now it is coming to fruition.

Mr. Logan revealed that Hamilton wishes to realign the Mulberry Street intersection so it will be signalized. He said Hamilton would pay for the wiring and demolition on our side to create a streetscape for both the public and traffic.

Mr. Logan thanked everyone for helping to make this all possible.

**OLD BUSINESS**

None

**NEW BUSINESS**

RESOLUTION NO. 17-2024 – authorizing the Authority to approve the sale of a truck and tractor that was used exclusively for maintenance at the Harrisburg Transportation Center for the total price of \$30,500. Ms. Brown moved to approve, seconded by Ms. Johnson. Mr. Reber voted not to approve. The Resolution passed by a majority vote.

Mr. Davis mentioned this was tabled at last month's meeting so we could provide documentation on how we arrived at the sale prices for each item. Our thoughts were that we were quickly leaving the train station and did not have a place to store these things. We felt compelled to sell them as quickly as possible. Attached to the Resolution is the documentation showing where we got the prices. The tractor needed hydraulic repairs, and the cab was damaged, so the price was discounted.

Mr. Davis said also attached are some pictures of the truck. They show the truck damage. The truck needed tires and a new battery. The driver's seat had some damage. We felt the price was reasonable.

Mr. Sulkosky asked if the Authority was required to put them on Action.

Mr. Davis answered, no. We are required to have our own policy and practice for the sale of things. It happens so seldom. This is the second time we have sold equipment since I came on board in 2008. Both times were because the items were obsolete down at the station.

Mr. Sulkosky inquired if they were negotiated sale prices.

Mr. Davis replied, yes. Amicable sale prices based on what we saw were the going sale prices from the Kelly Blue Book and from another sale place that sells tractors.

Mr. Sulkosky stated but could you have put these into an auction.

Mr. Reber answered, yes. This was our discussion last month and why this Resolution was tabled. I am disappointed in the way this was carried out and feel that it was inappropriate. Hopefully, we will do better in the future.

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RESOLUTION NO. 18-2024 – authorizing the Authority to release certain conditions for Hamilton Health Center, other than the Environmental conditions, placed upon the property 47 S. 14<sup>th</sup> Street by the Pennsylvania Department of Environmental Protection. Ms. Johnson moved to approve, seconded by Ms. Brown. The motion passed unanimously.

RESOLUTION NO. 19-2024 – authorizing the Authority to extend the Potential Developer status to April 30, 2025, for Rivas Property Investments LLC's project of new off-street parking located on four (4) lots at 2452, 2454, 2456, and 2458 N. 6<sup>th</sup> Street. Mr. Reber moved to approve, seconded by Ms. Brown. The motion passed unanimously.

Mr. Davis stated since their last extension they have submitted to the City's Planning Bureau plans and specifications for a land development plan. Mayor Williams expressed her support. Unfortunately, it is not zoned for the use of off-street parking. They will need a couple of approvals.

Mr. Sulkosy asked if they needed a variance.

Mr. Davis replied, yes. A special exception.

RESOLUTION NO. 20-2024 – authorizing the Authority to extend the Potential Developer status to April 30, 2025, for McCoy Boy Realty LLC's project of mixed-use commercial/residential housing located on eight (8) lots at 1600, 1602, 1610 N. 7<sup>th</sup>, and 1611 & 1625 Wallace, and 622, 634, 636 Harris Streets. Mr. Reber moved to approve, seconded by Ms. Brown. The motion passed unanimously.

Mr. Davis divulged that the McCoy Boys are wrapping up construction on the N. 6<sup>th</sup> Street project and now their attention is back on this one. They issued a heartfelt request for us to extend them for another six months so they can seek financing and a Land Development Plan for site use. There are no other interested parties for these lots. Mr. Davis said they have been successful in getting through barriers for starting the construction behind 1500 Place on 6<sup>th</sup> and Reily Streets.

RESOLUTION NO. 21-2024 – authorizing the Authority to extend the Potential Developer status to April 30, 2025, for Angel Fox's project of a new laundromat with apartments above and a parking located on five (5) lots at 1243, 1245, & 1247 Market Street, and 8 & 10 S. 13th Streets. Mr. Reber motioned to approve; seconded by Ms. Brown. The motion passed unanimously.

Mr. Davis mentioned that Angle Fox is still interested in acquiring these for the new construction. Here again, we have no one else interested in these lots otherwise I would be hesitant. We are asking to approve her for another six months to see if she makes more progress.

Mr. Davis said this brings to mind something I recently discussed with the Mayor. We have a handful of projects and people who expressed interest in developing our land. Some of them are not forthcoming with reporting on the progress and you know we are looking at the end of this year for a handful of those, some are on our Agenda here. Either they provide some sort of preliminary proposal, or we open it up to the public. My suggestion to the Mayor was if another party were to become interested in this same land then we could issue an immediate deadline to the Potential Developer that states they have fifteen or thirty

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days to give us a proposal or we will revoke their potential developer status and then entertain the other party. Mayor Williams seemed pleased with that. Mr. Davis said here is a good example of just that. Angel Fox pressed to get Potential Developer status on these lots. She gave us preliminary drawings but she has not shown us any progress on the financing or the final plans and drawings.

Mr. Reber informed that Angel Fox has had some huge issues this past year. I believe most of those are coming to a resolution. I suspect we will see some activity again. Mr. Reber said Angel Fox is Patty Kim's District Director. She has also had some significant issues with the destruction and vandalism of property in her other laundromat locations by a homeless person who repeatedly goes in and damages the property, which has created huge problems for her businesses and has delayed some of these other things. It is all documented online.

Mr. Sulkosky commented, can't she do anything about this?

Mr. Reber said the homeless person has mental health issues. It is all very challenging and delicate. It has been a big issue over the year.

RESOLUTION NO. 22-2024 – authorizing the Authority to approve the Latino Hispanic American Community Center the status of “Potential Developer” for their proposed parking lot on three (3) lots located at 218, 232, and 236 S. 13<sup>th</sup> Street. Mr. Reber motioned to approve, seconded by Ms. Brown. The motion passed unanimously.

Mr. Davis said as you may recall there is a section of vacant land that consists of several lots on S. 13<sup>th</sup> Street just south of Derry Street. The Redevelopment Authority owns three. A month ago, Tri-County Community Action (TCCA) owned the other six. The Latino Hispanic American Center did reach out to us saying they are interested in buying all the lots. They just acquired the lots from TCCA. We have negotiated the purchasing price of \$3,000 per lot. This Resolution allows them to be the Potential Developer of those lots.

Mr. Davis added their project is for off-street parking. They will need certain zoning approvals.

Mr. Reber commented we do not normally approve parking, but I think this project and the new facility; the old PNC building are very exciting and what they are doing for the community warrants all of this.

Ms. Johnson agreed.

RESOLUTION NO. 23-2024 – authorizing the Authority to (a) amend Resolution No. 8-2021 by removing Harrisburg Commercial Interiors and Associates, Inc. as they are no longer a part of the Developer Team and (b) extend the Potential Developer status to October 31, 2025, for Christopher/Erica Bryce's project of mixed-use commercial/residential housing located at 1700, 1702, 1706, 1708, 1712, and 1714 N. 6<sup>th</sup>, and 1707 & 1709 N. 5<sup>th</sup>, and 1708 & 1710 ½ Wood, and 510, 512, and 514 Hamilton Streets. Mr. Reber motioned to approve, seconded by Ms. Brown. The motion passed unanimously.

Mr. Davis relayed this is the same development team that has Designated Developer status for Capital Heights and Marketplace Townhouses. Christopher and Erica Bryce informed me that Matt Long is no



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longer a partner. There has been a falling out and parting between the partners.

Mr. Davis said Christopher has paid for all the developer costs and he would like to stay on as the Developer of this site and the other sites. I believe there is evidence that he is serious. They recently got the Land Development Plan approved. With that in mind, we recommend extending their Potential Developer status to October 2025.

Ms. Johnson conjectured, one year.

Mr. Davis confirmed and said they have completed substantial design work for this mixed-use Commercial / retail and residential unit above with off-street parking. They have a lot invested. That is why we recommend a year instead of six months.

RESOLUTION NO. 24-2024 – authorizing the Authority to execute a Dauphin County Local Share Municipal Grant Agreement in the amount of \$72,000 needed to fund the construction of a new public green space park located at S. 15<sup>th</sup> and Swatara Streets, also known as Swatara Street Park. Mr. Reber motioned to approve, seconded by Ms. Brown. The motion passed unanimously.

Mr. Sulkosky wondered if that was the total amount that was requested.

Mr. Reber replied we asked for \$75,000, which is the maximum on non-governmental officials a governmental entity could ask for. We got \$72,000. This was one of the most successfully funded grants of this cycle.

RESOLUTION NO. 25-2024 – authorizing the Authority to acquire 1437 Swatara Street from Sheran Brunson at the purchase price of \$6,000 for the purpose of adding this parcel to other adjacent vacant property owned by the Authority for the construction of a new public green space park, also known as Swatara Street Park in the South Allison Hill area. Mr. Reber motioned to approve, seconded by Ms. Brown. The motion passed unanimously.

Mr. Davis stated that we discussed this earlier.

Mr. Reber added that the other lots appraised for \$9,000 because we used that as an in-kind for our application with DCNR. This is less than the appraised value. We would like to move as quickly as possible because Sheran Brunson is terminally ill and wishes to get this executed. She is very nervous that she may pass at any time.

RESOLUTION NO. 26-2024 – authorizing the Authority to extend its Lease with Harristown Development Corporation to March 31, 2027, and the related Cooperation Agreement. Mr. Reber motioned to approve, seconded by Ms. Johnson. Ms. Brown abstained from voting. The motion was passed.

Ms. Brown said she must abstain from this vote because she serves on Harristown's Board.

**OTHER BUSINESS**

Mr. Reber brought up the Transportation Center Realtor's contract. Has any outreach been done to rectify that. Bill Gladstone has reached out to him multiple times since we last spoke.

Ms. Rowe replied that she had not.

Mr. Davis said he has not either although we have completed and need to give Ms. Rowe an assessment of what we could pay him and then Ms. Rowe and I to agree on who will call Bill Gladstone.

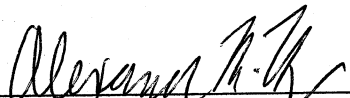
Mr. Reber added to include some language saying by accepting this you release all other claims.

Both Ms. Rowe and Mr. Davis agreed.

**ADJOURNMENT**

The Meeting was Adjourned at 1:19 pm.

Respectfully submitted,

  
Secretary/Assistant Secretary