

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

## **Regularly Scheduled Meeting June 17, 2025 - 12:39 P.M.**

The Board of the Redevelopment Authority of the City of Harrisburg held a Regularly Scheduled Meeting on June 17, 2025, in Suite 405, Conference Room of the Rev. Dr. Martin Luther King, Jr. Government Center, 10 North Second Street, Harrisburg, Pennsylvania, at 12:39 p.m. Chaired by Nichole Johnson.

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

Nichole Johnson  
Crystal Brown  
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: Samuel Sulkosky, City of Harrisburg Business Administrator-Chief of Staff, Katelyn Forn, City Intern, Chris Bryce, Justin Heinly with Midtown Development, and Daran Sawyers with South Central Pennsylvania Restorations, LLC.

### **MINUTES**

The minutes of the Regular Meeting of May 13, 2025, were presented for approval. Mr. Reber moved to approve: seconded by Ms. Brown. The motion passed unanimously.

### **TREASURERS REPORT**

The Treasurer's Report for February and March 2025 was presented for approval; reports for April and May 2025 were presented for review. Mr. Reber moved to approve, seconded by Ms. Brown. The motion passed unanimously.

### **COMMUNICATIONS**

Mr. Davis announced that JMB Gardens is planning a ribbon-cutting on the 24<sup>th</sup> of this month at 10:00 AM. They have not given us a precise location. If anyone wishes to attend, he can let them know the location as soon as it is provided.

Mr. Davis added that their project is on N. 6<sup>th</sup> Street.

Mr. Davis explained that there are two components to Governors Square development. One was the 222 units that are undergoing bankruptcy. There is another phase that was later completed, which is 100% new townhome construction. The financing included Pennsylvania Housing Finance (PHFA) low-income housing tax credits. And part of that deal at that time to acquire more points in the application was that they asked the Redevelopment Authority to maintain ownership of the land and execute a ground lease for the land. Our name is still on the title for those lots, but only the land. Everything that was built on top of it is owned separately and was recorded at the county and is taxed by the county, city, and school district.

Mr. Davis said they are now at a point where the existing owners have put it on the market to sell and have an interested buyer. The lead person is Jason Schneid with CIG. They are from East Orange, New Jersey. He resides in New York.

Mr. Davis informed that HUD is in the mix as well as PHFA. They still have a compliance period with

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PHFA, and HUD still has riders attached to the Deed. If they obtain HUD and PHFA's approval, then we can have a conversation about how to deal with the ownership of the land.

Mr. Davis said the Mayor met with Mr. Schneid.

Mr. Davis mentioned that 333 Market Street (SO2) is on the Agenda today. This is similar to the other tower we recently sold. In past meetings, we were not certain if they were going to exercise their purchase option, but now they have made it clear that they want to.

Mr. Davis said he is not sure about the timing. It might be influenced by some of the title work. We placed it on the agenda today for your approval.

Mr. Davis reported that there are three Developers on the agenda for extensions of their potential developer status. Wildheart Ministries on Market Street received a PHARE Grant. They did receive their funding. Because of this we are requesting a year's extension.

Mr. Sulkosky stated, weren't the PHARE Grants just announced.

Mr. Davis answered yes. It was earlier this year. He can share that information with him after the meeting.

Mr. Davis said RB Development LLC has informed us that its engineers are still working on the geotechnical engineering at 1175 Bailey Street. Because of this, he is recommending a twelve-month extension.

Mr. Davis pointed out that Daran Sawyers of South Central Pennsylvania Restoration is present today. He asked Mr. Sawyers if he would like to share with the Board Members about his project's progress.

Mr. Sawyers reported that they are trying to work in phases, from the smaller units building their way up to the largest number of unit projects. They have projects outlined consisting of six, twelve, eighteen, and forty-three units. With the six units, we applied for grants. We have two grants. One is \$350,000, and the other for \$75,000. This is why we are asking for an extension of more time. We are still in the works of the first grant.

Mr. Davis said also on the agenda today is your approval for the Redevelopment Authority to contract with Government Finance Solutions. This is something recommended by our auditors at the end of last year. Attached is their proposal.

In regard to the new Swatara Park, Mr. Davis conveyed that the design team is awaiting some sketches and drawings from the survey work that was done.

Mr. Davis said we included Capital Region Water because of their adjacent improvements.

Mr. Davis revealed that the Authority closed on 1437 Swatara last week, and with 1435 Swatara, we will be acquiring it from the Judicial Sale this Friday. 1433 Swatara is owned by Tri-County. We are waiting to hear back from them about the purchase price. This completes all the land in the footprint.

Mr. Davis said, per the architectural designer, they are going to use this area for more open space. For example, a grassy play area. But they could come up with something different. And they are working on where to place the handicap parking. Because of the preliminary plan walkway placement, this may wind up near the three corner lots.

Mr. Davis said the last thing on the agenda is Marketplace and Capital Heights. Chris Bryce and Justin Hinley are here today concerning their projects.

Mr. Bryce said he wanted to provide an update to the Board and mentioned that he submitted a letter to Mr. Davis requesting release from the first phase of the Marketplace project.

Mr. Bryce said, just to give you an overview, and this pertains to Marketplace initially. Our building plans did go through the land development phase, but there is a small disagreement with the city. Planning and Zoning approved them. There is a City Council meeting tonight. I fully expect to receive the final approval from the City Council. It has been several years for us to get to this point.

Mr. Bryce said there are many properties and lots in the Land Development Plan, and our initial agreement is to construct them in phases. I wrote Mr. Davis a letter, and I came to you to sort of articulate this orally; we are requesting the release of the first phase, which will be for twelve units on Marion Street adjacent to Millworks for a parking lot that the city is requiring us to develop. We lived up to the letter of the law regarding parking for all buildings, which meant we had to build an ancillary parking lot of forty-two spots, so those lots we purchased from the Redevelopment Authority that are for the parking lot, we had to buy additional lots on top of those for the parking lot of which we acquired privately.

Mr. Bryce stated that we are asking for a change in our agreement in some form. We paid fifty percent, half the price of the lots, well over \$300,000, to the Authority. We are asking to be released from paying anymore for the parking lots. In my letter to Mr. Davis and to the Board, I justified my rationale for this, and if I could just summarize, I would say that throughout this project, there have been many changes. We understand the economics of building have changed dramatically since COVID in so many different ways. We are not going to make money from the parking lot. We will have to maintain it, which will cost us a lot of money. It will be a benefit to the city. It is hard to get parking lots legally in the city, but we now have one included in the land development plan.

Mr. Bryce reiterated that we are requesting not to be charged further for just the lots within the planned parking lot.

Mr. Bryce introduced Justin Heinly to the Board. He said Mr. Heinly is a big part of the reason we are on track and moving forward with the building phase.

Mr. Bryce said we are ready to build the parking lot and the first twenty units. Perhaps before the end of the year, or eighteen months, we should be at seventy to eighty percent complete with both the Marketplace and Capital Heights to ask for those releases.

Mr. Bryce informed that these lots are in a qualified opportunity zone. We managed to come up with a

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method of leveraging the qualified opportunity zone while not utilizing a typical qualified opportunity zone fund, which is really important because it allows individual participants, and it is not a very large fund level. This is good for Harrisburg, and I will always be a part of the ownership of these. There will be other folks that are going to own them, and obviously, curating the properties as time goes on.

Ms. Rowe said it sounds like you have two requests here, one to release the lots and second for discount on some of the lots, correct.

Mr. Bryce confirmed.

Ms. Rowe asked what the total discount of these lots looks like.

Mr. Davis answered \$20,800. The resolution that the board passed gave them the designated developer status. It says that at any time, we have authorization to transfer as long as certain criteria are met, which includes an approved land development plan. The financing is in place, and the solicitor and director are satisfied with everything, plus they are ready to go to construction.

Mr. Davis said there is one clarification. The original offer that we accepted was \$6500 per parcel. They paid \$3000 up front. That is how we arrived at \$3500 per lot at closing time.

Mr. Reber asked Mr. Bryce when he initially proposed the project was he aware of the parking requirements, or had things changed since then.

Mr. Bryce said we did not plan on having a parking lot. We planned to put townhouses on those lots. These lots are oddly shaped. It was after we went through the planning and zoning development process that the city said we must put in a parking lot, or we will not be able to move forward. To answer your question specifically, it was not part of our original development proposal.

Mr. Reber pointed out that there have been a dozen other proposals that had the parking requirement waived.

Mr. Bryce said it was not waived for his project, but if you look at the structure that was proposed on Riley Street next to the 1500 block, the parking requirements for that are about 1/6<sup>th</sup> of what we are providing, and that was approved. I cannot speak as to why. We do need parking in Midtown.

Mr. Davis asked how many parking spaces are you planning on producing. The required amount that the city says is one and a half per unit. I believe this satisfies the twelve-unit building, or will you be providing more.

Mr. Bryce said we originally planned to have on-site parking. But now we must put in a parking lot along with this build for phase one, otherwise there will not be a phase two. The city wants the parking lot constructed first. It is a chicken-and-egg kind of thing. These things are all tied together. The parking lot is a catch-all.

Mr. Davis gave a suggestion of perhaps a compromise to defer payment that we forego now and spread it

across the remaining fifty-three parcels. He mentioned that he had not run this past the Authority's board.

Mr. Bryce said we are at the mercy of your board. There is going to be money lost. There is not going to be money made on this project. This is a project of love for the city of Harrisburg. It is a great educational experience for him. I am very happy to do it. He has waited thirty years to see multi-units built in Midtown. He has not seen anyone else do it. It is a milestone for the city.

Mr. Davis said the Redevelopment Authority had to claw this land back from S&A Homes. Then we put it out for public bid. Your group was favored because you stated having the resources to proceed right away. And then there was a pandemic. So, there is a strong incentive for us to get something built. We still need to get certain things completed over the next thirty to sixty days before we can even go to closing.

Mr. Davis recommends that we allow our board members to digest this and be able to talk amongst themselves, and at our next meeting, make a decision.

Mr. Bryce agreed and said I appreciate your time.

Mr. Davis added that if you are successful in a model that uses opportunity zone investment on this scale, which is much smaller than what else exists in the market, we would be very happy to see that happen. We talked with other developers about the opportunity zone designation. We have had it for almost ten years now.

### **PUBLIC COMMENT**

None

### **OLD BUSINESS**

None

### **NEW BUSINESS**

RESOLUTION NO. 17-2025 – Authorizing the Authority to approve the buyout sale of “SO2 Tower” located at 333 Market Street to Harristown Development Corporation for the consideration of One Dollar (\$1.00) according to the terms and conditions of their Lease Agreement. Mr. Reber moved to approve, seconded by Ms. Johnson. Ms. Brown abstained from voting. The motion passed.

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

RESOLUTION NO. 18-2025 – Authorizing the Authority to extend the *Potential Developer* status to **June 30, 2026**, for Wildheart Ministries' project of mixed-use, commercial, and residential housing located on five (5) lots at 1260, 1262, 1264, 1262, 1266, and 1270 Market Street. Mr. Reber moved to approve, seconded by Ms. Brown. The motion passed unanimously.

RESOLUTION NO. 19-2025 – Authorizing the Authority to extend the *Potential Developer* status to **June 30, 2026**, for RB Development LLC's project of affordable housing located at 1175 Bailey Street. Mr. Reber moved to approve, seconded by Ms. Brown. The motion passed unanimously.

RESOLUTION NO. 20-2025 – Authorizing the Authority to extend the *Potential Developer* status to **December 31, 2025**, for South Central Pennsylvania Restoration LLC's project of mixed-use, commercial, and residential housing on five (5) lots located at 1161, 1163, 1169, 1171, and 1173 Market Street. Mr. Reber moved to approve, seconded by Ms. Brown. The motion passed unanimously.

RESOLUTION NO. 21-2025 – Authorizing the Executive Director to execute a Professional Services Agreement with Government Finance Solutions to provide audit and finance services to aid the Authority in implementing controls over accounting and financial reporting in preparation for annual audits in compliance with GAAP. Mr. Reber moved to approve, seconded by Ms. Brown. The motion passed unanimously.

### **OTHER BUSINESS**

Mr. Davis mentioned that the Authority is waiting for the Commonwealth to deposit its grant money in the Wells Fargo account. Earlier this month, we closed those accounts and moved the funds to Mid Penn Bank, which is a highly protected account. Although we calculated, Ms. Weaser was kind enough to recalculate the figures, I did not, however, move any funds into a certificate. I will try to do so before the end of this month.

Ms. Rowe wished to address the matter of the use of Microsoft TEAMS and the use of AI in the meetings. She said the use of having a hybrid approach to meetings still does not appear to occur in some public entities. It is certainly not a universal thing, and there is no obligation that we do it. The risk that we run in doing meetings this way is public access. The public believes that they have full access to the meetings. They attempt to join a meeting, and they are sometimes unable to do so, perhaps because of a broken link, perhaps because they join and it does not ding, and we did not hear it, so we inadvertently might result in having the public not able to attend our public meeting. That is the risk when it comes to holding TEAM meetings.

Ms. Rowe said we have had individuals who claim that they tried to join the meeting and said they were not able to join in. Ms. Weaser was kind enough to pull out records of who was in attendance of the meeting, although it is not entirely clear if that includes records of everyone who tried to attend the meeting. Microsoft TEAMS has not quite caught up with that yet, but I want to flag this for the Authority's Board to understand that there might be Sunshine Act risk associated with that.

Ms. Rowe added now the ramifications of violating the Sunshine Law are that you are told to go back and do it again on record. It is not a huge liability, but when the job of the Authority is to ensure the public trust as a public body in its decision-making. Something we should be mindful of is that this method might not be the best way to go about doing it. With that being said, we are not fully virtual. We are hybrid. People can come in person. Board Members attend in person. And nothing about what I am sharing right now is intended to indicate that the Board Members cannot call in from time to time. I know there are some accessibility issues where calling in is fine for Board Members, provided that you are able to be present over the phone or whatever the case may be, but we might want to consider going forward, not offering TEAMS as the public access point in person.

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Ms. Rowe said if we do not have TEAMS anymore, AI becomes a little bit of a non-issue. The AI side of things has not quite been figured out because it is still relatively new. We cannot prevent individuals from attending to the definition of individual being the challenge. We cannot force someone who signs in to identify themselves. That is also one of the problems with using TEAMS. We cannot force somebody who is present at the meeting to identify themselves or who they are. The public is allowed to attend. They cannot speak unless they have some sort of interest, whether that is being a resident, or a Developer, or some sort of shareholder stake in what is happening in front of the Board, but they can certainly be present for meetings. That does make things tricky. When we have an AI device that signs in, which is what we experienced back in May, because they can be there, and who are we to kick them out, and ultimately, that issue is yet to be really worked through the courts to decide.

Ms. Rowe said she would not recommend that this Board take action to remove individuals or AI entities from the meetings. Again. If we decide not to go forward with TEAM Meetings, that becomes a non-issue. But if we are going to continue doing so, we are going to see more of the AI devices being used because they are happening in meetings. I have them in board meetings. I have talked to other solicitors who have seen them popping up in a variety of public meetings, and I know of other public entities that are not allowing AI access. I do not believe that is necessarily the right or appropriate step at this time, but there are other views on how that can be handled.

Ms. Rowe wanted to know the Board's thoughts, particularly about moving away from TEAMS and just going back to in-person meetings.

Ms. Rowe explained about the Act twenty or Act fifteen of 2020 which was the emergency declaration that all public meetings could be held virtually so that people had access to the meetings. We are no longer in an emergency declaration. That necessity no longer exists; however, we continue to offer this, but I think at this point we might have out used its usefulness.

Ms. Rowe mentioned that if a board member was not able to attend a meeting in person that they could still attend via the telephone, which is permissible under the Sunshine Law.

Ms. Rowe noted that the Office of Open Records' interpretation of the Sunshine Act is that virtual meetings are not considered public access. Hybrid is a little different. We are hybrid. She believes that people are moving away from the hybrid approach because accessibility is a problem, and people think they can access us virtually, they cannot, or there are challenges, such as the internet going down all of a sudden, and they are unable to participate.

Mr. Reber said he prefers to err on the side of having as much access as possible. He would like to continue this approach, especially if there are no legal ramifications that would be monetary against us. He wishes to have things more accessible to folks because, physically coming in person, they have to pay \$4.50 per hour to park for an hour. This is a challenge for some people.

Ms. Rowe stated that in terms of liability, when it comes to virtual access for the public, feeling that they are being excluded, you start to run into some constitutional claims. There can be an allegation that I'm being denied my due process access to public bodies, but even so, we are not looking at significant financial in terms of damages.

Ms. Rowe said from the Authority's perspective, when we have members of the public saying they are trying to access and then saying they cannot access, that is an issue.

Ms. Weaser inquired about the possibility of adding a disclaimer to the Agenda or in the TEAMS meeting site that states the Redevelopment Authority cannot guarantee 100% access through any online virtual service. Technical issues could occur, taking the liability off the Authority if they are not able to attend the meeting virtually.

Ms. Rowe replied, saying if you are putting it out there as a way to access a public meeting, then you must do everything in your power to make sure that it is accessible for a public meeting. The phone is probably the most reliable way to get in now. It is different than video.

Mr. Reber pointed out that on the Agenda, it has written that if you are having trouble joining the Meeting to call this number. He wondered if the listed number is someone's cell phone or an office number.

Mr. Reber suggested testing out the phone number before a meeting starts to make sure the phone line is working.

Ms. Rowe again addressed the issue of AI recording meetings. For example, when you have ABC27 News or PennLive wanting to record part of a meeting. Some public bodies have put in place rules or provisions for the recording of meetings, either by telephone or video, and often the press wants to record. She would rather allow some flexibility. The official record of the meeting is the minutes. AI does an okay job, but there are inconsistencies and inaccuracies, which is why it is important that our minutes be reviewed and voted for approval.

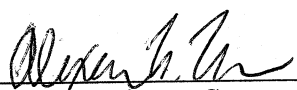
### **EXECUTIVE SESSION**

The Regular Meeting was interrupted for an Executive Session.

### **ADJOURNMENT**

The Meeting was adjourned at 1:32 pm.

Respectfully submitted,

  
Secretary/Assistant Secretary