

REDEVELOPMENT AUTHORITY OF THE CITY OF HARRISBURG

10 N. Second Street, Suite 405, Harrisburg, PA 17101

717.255.3000

www.Redevolphbg.org

REGULAR MEETING – May 24, 2022 – 12:30 P.M.

AGENDA

- I. Call to Order
- II. Minutes of the Regular Meeting of March 15, 2022.
- III. Treasurers Report – December 2021, January, and February 2022, for approval; March 2022 for review.
- IV. Communications
- V. Public Comment Regarding Matters of Concern of Authority Business or Agenda Items.
- VI. Old Business
- VII. New Business

RESOLUTION NO. 7-2022 authorizing the Authority to approve a Fourth Amendment of Lease Agreement with Christian Churches United for the property located at 1805 N. 12th Street to manage a facility called Susquehanna Harbor Safe Haven that provides housing for certain homeless individuals.

RESOLUTION NO. 8-2022 authorizing the Authority to approve a First Amendment of Lease Agreement with Cory A. Leshner LLC who is requesting an expansion of leased premises of adding Suite 204A located at the Harrisburg Transportation Center.

RESOLUTION NO. 9-2022 authorizing the Authority to extend the “Potential Developer” status to November 30, 2022 for On Hill Development Company’s project of affordable Residential Apartments located at 1605-1613 Market Street.

VIII. Other Business

IX. Adjournment

Means To Attend

*** In Person Meeting Location:** 10 N. Second Street, Suite 405, Harrisburg PA. 17101

*** Join via Microsoft TEAMS:**

https://teams.microsoft.com/l/meetup-join/19%3ameeting_ZGRkMDFiYWetZDE0YS00Y2RjLThtZjItNTNkNjE5MTBmZDI1%40thread.v2/0?context=%7b%22id%22%3a%22f639450b-581a-4e26-b7dd-8ba0e623af21%22%2c%22oid%22%3a%22ae286958-78ba-41b3-ac74-caee65bf7c40%22%7d

RESOLUTION NO. 7-2022
Harrisburg Redevelopment Authority

RESOLVED, by the Redevelopment Authority of the City of Harrisburg that the Executive Director is hereby authorized to execute a Fourth Amendment of Lease Agreement to Christian Churches United for a certain Lease dated November 10, 2008 for certain real estate located at 1805-1827 N. 12th Street, Harrisburg, PA (PID #07-062-019) (the "Property") to which includes a 8,500 sq ft facility constructed to provide housing for certain homeless individuals, and related off-street parking known as "Susquehanna Harbor Safe Haven", in accordance with the following specifications.

- A. Lease Term of Five (5) years, effective July 1, 2021.
- B. Proposed Rent \$176,253.75 yr./ \$14,687.81 mo.
- C. Renewal options of an additional five (5) years. The Base Rent shall be increased by (1.0) percent.
- D. Lessee shall perform routine maintenance and repairs of the building and the exterior grounds of the property.
- E. The Authority shall maintain and make all repairs to major systems i.e., HVAC, electrical, Plumbing, fire Suppressant, Roof, Exterior masonry, and wall surfaces apart from damages due to Lessee and Lessee agent negligence.
- F. The Authority agrees to pay for gas, trash, water, and sewer expenses serving the Property.
- G. Lessee shall carry comprehensive general liability insurance against claims for bodily injury and property damage.
- H. The Authority shall carry insurance against loss or damage to the Property.
- I. Lessee will not assign, convey, or transfer the Property, or any part thereof without prior written approval. And must continue to provide residential housing to certain homeless individuals in accordance with the Program and HUD.
- J. Lessee shall have a purchase option and right to first refusal to purchase the property as defined in Exhibit C to the Lease.

As modified by this Fourth Amendment, the Lease remains in full force and effect. If there be any conflict or inconsistency between the terms and conditions of this Fourth Amendment and those of the Lease, the terms and conditions of this Fourth Amendment shall control.

Date

Secretary

FOURTH AMENDMENT TO LEASE

THIS FOURTH AMENDMENT TO LEASE ("Fourth Amendment") is made on this ____ day of _____, 2021, by and between the **REDEVELOPMENT AUTHORITY OF THE CITY OF HARRISBURG**, a public body corporate (together with any successor public body or office hereafter designated by or pursuant to law, the "Lessor"), and **CHRISTIAN CHURCHES UNITED**, a Pennsylvania non-profit corporation ("Lessee").

BACKGROUND:

A. Lessor and Lessee entered into a certain Lease dated November 10, 2008 (as amended, the "Lease"), whereby Lessor leases to Lessee certain real estate located at 1805-1827 N. 12th Street, Harrisburg, PA, identified as Dauphin County Tax Parcel No. 07-062-019 (the "Property"). The Property includes a facility constructed thereto to provide housing for certain homeless individuals.

B. The term of the Lease initially commenced on July 1, 2009 and expired on June 30, 2012.

C. Pursuant to an Amendment of Lease executed by Lessor and Lessee on September 27, 2012; a Second Amendment of Lease executed by Lessor and Lessee on June 11, 2015; and a Third Amendment of Lease executed by Lessor and Lessee on July 2, 2018 and June 26, 2018, respectively, Lessor and Lessee extended the initial term of the Lease until June 30, 2021 with an increased monthly rental amount of Fourteen Thousand Six Hundred Eighty-Seven Dollars and Eighty-One Cents (\$14,687.81).

D. Lessee entered into the November 10, 2008, Lease using the fictitious name "Susquehanna Harbor." Both parties agree and understand that for purposes of this Fourth Amendment, the Lease, and preceding Amendments of Lease, that "Susquehanna Harbor" is the fictitious name for and same entity as Lessee, Christian Churches United. Lessee has been and intends to be bound by the Lease and Amendments thereto, including this Fourth Amendment.

E. Lessor and Lessee now desire to further amend the Lease in accordance with the provisions of this Fourth Amendment.

NOW, THEREFORE, the parties hereto, in consideration of the mutual promises and covenants contained herein and in the Lease, and intending to be legally bound, hereby agree that the Lease is amended as follows:

1. All bold terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Lease.

2. Section 2 of the Lease is hereby deleted and replaced with the following:

2. **Use.** Lessee agrees to operate the Property as a facility which may be known as "Susquehanna Harbor Safe Haven" in the manner described and permitted by, and in

accordance with, HUD's program guidelines for its Supportive Housing Program (the "Program") and with the final Program design, Operating Budget, and goals and objectives contained in Lessee's SHP Grant Agreement with HUD, all of which are on file with Lessor, and which are attached to the Lease as Exhibit B (the "HUD Documents"). The HUD Documents may be amended, with HUD's approval, from time to time only upon the mutual reasonable agreement by Lessor and Lessee. Program activities shall comply with applicable codes and ordinances of the City of Harrisburg (hereinafter the "City"), any other applicable local, State or Federal laws and regulations.

3. Section 6 of the Lease is hereby deleted and replaced with the following:

6. Renewal. At the option of Lessee, the term of this Lease may be renewed for an additional five (5) years, provided that Lessee gives Lessor written notice of the renewal no later than sixty (60) days prior to the end of the current term. During the renewal term, Lessee shall pay to Lessor monthly rent in an amount equal to the monthly rent payable to Lessor during the initial term of the Lease. For each additional five-year Term renewal, the Base Rent specified herein shall be increased by one (1.0) percent.

4. Section 7 of the Lease is hereby deleted and replaced with the following:

7. Maintenance.

a. Lessee shall perform routine maintenance of the building and the exterior grounds of the Property, including but not limited to grass cutting, brush clearing, and snow removal. Lessee shall perform routine maintenance on specialty equipment and appliances, including but not limited to all kitchen equipment (including range hood), grease traps, washers, and dryers. Lessee shall be responsible to repair or remedy all damages to the specialty equipment and the property's systems which are caused by occupancy, including but not limited to clogged drains, damaged walls, damaged fixtures (including showers and toilets). Lessee is not obligated maintain or repair portions of the property pursuant to Section 7(b) below. Lessee shall also perform all maintenance and repairs which are necessitated by any act, negligence, or default under this Lease by Lessee or its agents, employees, licensees, tenants, or contractors.

The Lessee agrees to protect the Property from attractive nuisances, vandalism and thievery during the Term.

b. Lessor's Obligations. Lessor shall maintain and make all repairs to major systems (including replacements and alterations when necessary), including but not limited to HVAC, Electrical, Plumbing, Fire Suppressant, Roof, exterior masonry and wall surfaces. Lessor shall not be responsible for damages to major systems that are caused by Lessee activities, agents, employees, licensees, tenants, or contractors.

Lessor shall also perform all maintenance and repairs which are necessitated by any act, negligence, or default under this Lease by Lessor or its agents, employees, licensees, or contractors and all maintenance and repairs that are required as a result of a change in any applicable federal, state, or local law or regulation during the term of the Lease.

5. Section 9 of the Lease is hereby deleted and replaced with the following:

9. Utilities. Lessor agrees to pay for gas, trash, water, and sewer expenses serving the Property. Lessee agrees to arrange for and pay all other utility bills and any connection charges which may be incurred by Lessee, including electricity, telephone, and broadband internet, used or consumed upon the leased premises. Lessor shall not be responsible in any way in the event that the supply of heat is cut off by reason of any cause beyond the control of the Lessor. Lessee does hereby release the Lessor from any damage which may result by reason of the failure of the supply of any utility service for which Lessee is responsible. Should the Lessee fail to pay any bills as aforesaid, the Lessor shall have the right to pay the same, and the amount paid shall be chargeable to the Lessee as additional rent.

In further consideration of securing this Lease, Lessee does hereby release and discharge Lessor, its successors, heirs or assigns, from any and all liability for damage that may be brought about by the fault or negligence of the Lessee, its agents, contractors, or employees including but not limited to the bursting, stoppage, and leaking of any water pipe, sprinkler system, gas pipe, sewer, basin, water closet, steam pipe and drain, or from any damage occasioned by wind, water, snow or ice being upon coming through the roof, sky lights, doors or otherwise, and from all liability for any and all damage caused by the above or any utility service or water, gas, steam, waste and contents of any said

water pipes, gas pipes, steam pipes, sewers, basins, water closets and drains.

6. Section 10 of the Lease is hereby deleted and replaced with the following:

10. Insurance.

a. Lessee's Obligation. During the term of this Lease, Lessee shall carry comprehensive general liability insurance against claims for bodily injury (including death) and property damage occurring on the Property, in an amount reasonably acceptable to Lessor, per occurrence for bodily injury and property damage. Lessee shall provide proof of insurance to Lessor upon written request from Lessor.

b. Lessor's Obligation. During the term of this Lease, Lessor shall carry insurance against loss or damage to the Property by fire and such other perils as may be included in the form of all risk insurance, in an amount equal to the full insurable replacement value of the Property. Lessor shall provide proof of insurance to Lessee upon written request from Lessee.

c. Waiver of Subrogation. Each of the parties hereby releases to the extent of any insurance coverage, the other and the other's agents and employees from any and all liability for any loss or damage arising out of or incident to the perils insured against in this Section 10, which perils occur on, in, or about the Property, even if such loss or damage is brought about by the fault or negligence of the other party, its agents, or employees. Each party shall cause its applicable insurance policies to contain a waiver of subrogation rights against the other party and a clause to the effect that this release shall not affect said policy or the right of the insured to recover thereunder. If any policy does not permit such a waiver, the insured party shall notify the other party immediately and shall name the other party as an additional insured under such policy.

d. Release of Liability. Subject to the waiver of subrogation above, Lessee does hereby release and discharge Lessor and its successors and assigns from any and all liability for damage to the Property by fire, flood or other peril, including the bursting, stoppage, and leaking of any water pipe, sprinkler system, gas pipe, sewer, basin, water closet, steam pipe and drain, or from any damage occasioned by wind, water, snow or ice, and from all liability for any and all damage caused by the above, provided the same is not caused by an intentional or negligent act

or default under this Lease by Lessor or its agents, employees, licensees, or contractors.

7. The first paragraph of Section 13 of the Lease is hereby deleted and replaced with the following:

13. Default. If a default by Lessee in the payment of rent or additional rent or any other charge herein reserved remains unpaid for fifteen (15) days after written notice from Lessor, or if any other default by the Lessee remains uncorrected for thirty (30) days after written notice from Lessor (or, if the default cannot reasonably be corrected within such thirty (30) days, if Lessee has not commenced corrective action within thirty (30) days after written notice from Lessor), the Lessor may, in addition to its other rights or remedies, terminate this Lease.

The remaining paragraphs of Section 13 of the Lease shall remain as written therein.

8. Section 15 of the Lease is hereby deleted and replaced with the following:

15. Prohibition Against Transfer of Property. The Lessee has not made or created, and will not make or suffer to be made, any assignment, conveyance, or transfer with respect to this Lease or the Property, or any part thereof or any interest therein, nor has Lessee, nor will Lessee, contract or agree to do any of the same without the prior written approval of the Lessor. Notwithstanding the foregoing, Lessee has and will continue to provide residential housing to certain homeless individuals upon the Property in accordance with the Program and the HUD Documents, and Lessee shall not be required to obtain Lessor's prior written approval to do so.

9. The following shall be added to the Lease as new Section 16(c):

(c) Purchase Option and Right of First Refusal. At any time during the term of this Lease from and after the date of this Fourth Amendment, Lessee shall have the option (the "Option") to purchase the Property by giving notice to Lessor of the exercise of the Option. The Option shall be upon the terms and conditions set forth on Exhibit C to this Lease, attached hereto and incorporated herein.

During the term of this Lease from and after the date of this Fourth Amendment, Lessor also grants to Lessee an ongoing right of first refusal (the "Right of First Refusal") to purchase the Property. In the event that Lessor intends to accept a third party offer to purchase the Property, Lessor shall notify Lessee of such third

party offer in writing. Within fifteen (15) days of receiving notice of the third party offer from Lessor, Lessee may elect, in Lessee's sole and absolute discretion, either (i) to exercise its Option and purchase the Property upon the terms and conditions thereof set forth on Exhibit C; or (ii) to exercise its Right of First Refusal to purchase the Property upon the same terms and conditions set forth in the third party offer and otherwise as set forth on Exhibit C. If Lessee exercises its Right of First Refusal, all references in Exhibit C to the "Option" shall be deemed to mean the "Right of First Refusal."

If Lessee does not exercise the Option or the Right of First Refusal within fifteen (15) days of receiving notice of the third party offer, Lessee shall be deemed to have waived the Right of First Refusal (only as to that third party offer, and not as to any different or subsequent third party offers), provided however that Lessee's Right of First Refusal shall be refreshed and shall not be deemed to have been waived, and Lessor shall be required to re-notify Lessee in accordance with this Section, if the terms of the same third party offer become materially more favorable to the buyer. The parties hereby agree and acknowledge that in the event Lessee waives or is deemed to have waived the Right of First Refusal, this Lease shall continue in full force and effect.

Lessor shall execute any and all documentation that Lessee requires to be executed by Lessor in order to place record notice of the Option and the Right of First Refusal upon the records of the Dauphin County Recorder of Deeds.

10. Exhibit C attached to this Fourth Amendment, is hereby attached to and incorporated into the Lease as exhibits thereto.

11. Miscellaneous Provisions. This Fourth Amendment shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. This Fourth Amendment may be executed and delivered by facsimile or electronic mail and in one or more counterparts, each of which so executed and delivered shall be deemed to be an original and all of which shall constitute one and the same instrument. The Lease, as amended by this Fourth Amendment, constitutes the entire agreement between Lessor and Lessee, and there are no other covenants, agreements, promises, terms, provisions, conditions, undertakings, either oral or written, between them concerning the Property other than those expressly referenced or set forth herein. No subsequent alteration, amendment, change, deletion, or addition to the Lease shall be binding upon Lessor and Lessee unless in writing and signed by both Lessor and Lessee. As modified by this Fourth Amendment, the Lease remains in full force and effect. If there shall be any conflict or inconsistency between the terms and conditions of this Fourth Amendment and those of the Lease, the terms and conditions of this Fourth Amendment shall control. The paragraph headings of this Fourth Amendment are for reference purposes only and are to be given no effect in the construction or interpretation of this Fourth Amendment.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, Lessor and Lessee, intending to be legally bound, have executed this Fourth Amendment as of the day and year first above written.

LESSOR:

**REDEVELOPMENT AUTHORITY OF THE CITY
OF HARRISBURG**


By: _____

Printed Name: Bryan K. Davis

Title: Executive Director

LESSEE:

SUSQUEHANNA HARBOR

By: 

Printed Name: Darrel Reinford

Title: Executive Director

RESOLUTION NO. 8-2022
Harrisburg Redevelopment Authority

RESOLVED, by the Redevelopment Authority of the City of Harrisburg that the Executive Director is hereby authorized to execute a First Addendum to Commercial Office Lease with **Cory A. Leshner, LLC** for Suite **204A** at the Harrisburg Transportation Center, in accordance with the following specifics.

Approximate Floor Area: 266 square feet

Lease Term: remaining 2 years, effective June 1, 2022

Renewal Options: three (3) year term renewal.

Proposed Rent for both suites 204 & 204A: \$11,225.37 / 12 = \$935.45 (7/01/22-2/28/2023)
\$11,564.31 / 12 = \$939.69 (3/01/23-2/29/2024)

Date

Secretary

First Addendum to Commercial Lease
Dated
March 1, 2021
Between
The Redevelopment Authority of the City of Harrisburg, Lessor
And
Cory Leshner, Lessee

For the property located at
415 Market Street, Suite 204, Harrisburg, PA
Harrisburg City, Dauphin County

Lessor and Lessee agree, per page 17, Special Clauses paragraph b.) of the Lease, that Lessee is exercising its Right of First Offer (ROFO) to expand into Suite 204A (266 SF), for a total of 807+/- SF.

The term for Suite 204A shall run concurrently with the Lease for Suite 204, commencing June 1, 2022 and terminate on February 29, 2024. The monthly rental rate for Suite 204A shall be at the same cost per square foot as Lessee's current rate, and the total monthly rate shall be as follows:

June 1, 2022 – February 28, 2023: $\$13.91/\text{SF} \times 807 = \$11,225.37 / 12 = \$935.45$
March 1, 2023 – February 29, 2024: $\$14.33/\text{SF} \times 807 = \$11,564.31 / 12 = \$963.69$

All other terms and conditions will remain in effect and binding, as set forth in the original Lease. In the event of any conflicts between the terms and conditions of the Lease and the terms and conditions of this First Addendum, the terms and conditions of this First Addendum shall prevail.

This Addendum may be executed in counterpart by original, electronic or facsimile signatures, each of which shall constitute an original signature and all of which shall constitute the entire agreement of the parties.

Witness:

Lessor:
**The Redevelopment Authority of the
City of Harrisburg**

By: _____
Bryan Davis, Executive Director

Date: _____

Lessee:

By: _____
Cory Leshner

Date: 5/19/22

RESOLUTION NO. 9-2022
Harrisburg Redevelopment Authority

WHEREAS, the Redevelopment Authority of the City of Harrisburg (“Authority”) in **Resolution 10-2021**, has recognized **On Hill Development Co.** as Potential Developer for the purchase of 1605-1613 Market Street in Harrisburg (collectively the “Property”); and

WHEREAS, the Authority is willing to extend **On Hill Development Company’s** status as Potential Developer so that it may continue with its planning and negotiations for an additional (6) six months.

NOW, THEREFORE, BE IT RESOLVED, by the Redevelopment Authority of the City of Harrisburg hereby extends the Potential Developer status as stated in Resolution 10-2021, and Resolution 35-2021 to **November 30, 2022**. All other terms and conditions of **Resolution 10-2021** not in conflict herewith shall remain in full force and effect.

Date

Secretary