

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

## **Regularly Scheduled Meeting April 20, 2021 - 12:30 P.M.**

The Board of the Redevelopment Authority of the City of Harrisburg held a Regularly Scheduled Meeting on April 20, 2021, in the lower-level Stage Room, Rev. Dr. Martin Luther King, Jr. Government Center, 10 North Second Street, Harrisburg, Pennsylvania, at 12:30 p.m. Chaired by Ms. Zewe.

### **HRA BOARD MEMBERS PRESENT via Zoom,** **Web-based Video Conferencing**

Stacia Zewe  
Nichole Johnson  
Crystal Brown

**ABSENT:**  
Daniel Leppo

THE PUBLIC PRESENT via ZOOM were: Tiffanie Baldock, Sr. Deputy Solicitor with the City.

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

### **MINUTES**

The minutes of the Regular Meeting of March 16, 2021 were presented for approval. Ms. Johnson moved to approve; seconded by Ms. Brown. The motion passed unanimously.

### **TREASURER'S REPORT**

The Treasurer's Reports for January and February 2021 were presented for approval, subject to audit. Ms. Brown moved to approve; second by Ms. Johnson. The motion passed unanimously. The Treasurers Reports for March 2021 was presented for review.

### **COMMUNICATIONS**

Mr. Davis said there are two things not mentioned in his monthly report. One: a couple of months ago you asked me to explore Wendell Hoover as a new Agent for the Transportation Center. I held off on that because at that very same time Bill Gladstone had presented three new candidates, two of which will be leasing space in the Transportation Center. And the second item Ms. Rowe brought to our attention. The City is working on some Bond activity related to the Ball Park Stadium. Back in 2005 the Redevelopment Authority was a conduit for financing the upgrades to the Stadium. Mr. Davis invited Ms. Rowe to share more on this subject as he has not been in any of the discussions.

Ms. Rowe informed that she has been researching to understand the original agreements and to perceive what they look like moving forward. She spoke with both City Solicitor, Neil Grover and Timothy Horstman of McNees, Wallace and Nurick LLC, Bond Counsel to the City. Ms. Rowe had several conversations with Mr. Horstman about what this is going to look like. They plan to give a presentation at the next Board Meeting to give the in-depth specifics prior to the Redevelopment Authority being asked to sign any kind of Resolution regarding its status as the conduit for the Stadium Bonds.

Mr. Davis offered Ms. Rowe the option of having a meeting with just two of the five Board Members before the next Board Meeting.

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Ms. Rowe said that is a good recommendation to at least go over some of the more complicated information and then have the conversation in a Public Meeting so individual who are interested and concerned can be a part or at least listen to the conversation.

Mr. Davis agreed and explained further that the Authority uses these in-depth workshop opportunities to cover complex issues and legal counsel that may take up to three hours' time in a Public Board Meeting.

Ms. Zewe inquired if the two new people had signed Leases for the Train Station.

Mr. Davis replied, they have not. One party is Amtrak who is requesting more office space. The other is a small Dance Studio under the Department of Education. Amtrak is closer to executing a Lease. The Dance School has been adamant with wanting to be located at the Train Station. Currently they are trying to get a certain occupancy language from the Department of Labor and Industry so the State Department of Education can grant them the permission they need to proceed. Back in 1983 Labor and Industry designated the building's usage broadly but did not specifically word for Educational purposes.

Ms. Zewe asked of how much space are they looking to occupy.

Mr. Davis reported that Amtrak wants one suite approximately 450 to 650 square feet and the Dance School two or more suites around 1150 – 2175 square feet.

Ms. Zewe said after they sign the Leases how does business fair at the Train Station.

Mr. Davis explained that it does not put us over the threshold for breaking even. We still need to have a conversation with Amtrak. The building insurance is the biggest issue. Mr. Davis mentioned that he shared the 300-page Amtrak Lease Agreement with Ms. Rowe. This is the next item on both of their agendas. The current agreement specifies the Authority to cover replacement insurance for the building. At this standpoint it is not sustainable.

Ms. Rowe asked Mr. Davis if the National Railroad Historical Society is also under Amtrak's Sub-Lease.

Mr. Davis replied that is something separate. We have a Master Lease of the whole building from Amtrak. Then Amtrak Leased back space from us, part of which is called the Director's Office. It is the area where all the old train track electronics are located. It was last used in the 1980's to monitor the rail lines. Amtrak asked the Redevelopment Authority to allow the Historic Society to take responsibility for this space. The Authority agreed.

**PUBLIC COMMENT**

None

**OLD BUSINESS**

Ms. Brown wondered if there was an update on the process of approving new Board Members. She asked if it is still the Mayor who appoints or did that change to the City Council.

Ms. Rowe responded the Amendment to the Redevelopment Authority Law does state the City Council now appoints new Board Members. The new appointment by the Mayor was inappropriate. The Mayor has been informed of this by both the Authority and Ms. Baldock. At this time, we are waiting on an appointment to hopefully come down from City Council. She informed that Mr. Davis is planning on having a conversation with the City Council President, Wanda Williams so we can get a full contingent on the Board.

Ms. Zewe reminded the Members that if Ms. Magilton is appointed then we still have Mr. Leppo's position to fill.

### **NEW BUSINESS**

**RESOLUTION NO. 6-2021**, authorizing the Authority to extend the *Potential Developer* status to October 31, 2021 for KevGar Holdco, LLC for twenty-five (25) Parcels, in the Midtown area for the project of a Mixed-Use Parking Garage. Ms. Johnson moved to approve; second by Ms. Brown. The motion passed unanimously.

Mr. Davis said Gary Nalbandian and Kevin Baird's Team are planning a new Parking Garage in Midtown at the corner of 5<sup>th</sup> and Reily Streets. The Redevelopment Authority does not own all the land under that footprint. The Authority has twenty-five (25) parcels. They just received approval for their Land Development Plan from City Council. This Resolution is to extend their Potential Developer Status for an additional six-months so they can finalize the financing component needed to start the construction.

Ms. Rowe queried of when Developers ask for an extension of their Potential Developer Status are they required to submit an explicit reason to obtain an extension.

Mr. Davis answered saying not as a part of our policy or practice. He has found that most often they do not realize their time is expiring. We take an internal administrative step based on knowledge that their project is still viable with moving forward. When there are doubts, I have in the past told them to provide an explanation convincing us why we should extend their status.

**RESOLUTION NO. 7-2021**, authorizing the Authority to sell seven (7) parcels on the 1500 Block of N. 5<sup>th</sup> and Boyd Streets to HACC. Ms. Brown moved to approve; second by Ms. Johnson. The motion passed unanimously.

Mr. Davis said as I previously mentioned the Authority does not own all the land under the footprint for the new parking garage. It just so happened that HACC owns seven (7) parcels within the development plan. The Authority owns seven (7) parcels just north of the footprint. We saw an opportunity to sell an additional seven (7) lots making the total now at thirty-two (32). HACC is willing to purchase these lots in a simultaneous closing and sell their seven (7) lots to 400 Reily Street LLC which was formed by Kevin and Gary for this project. The purchase price is the same as the other twenty-five (25) lots at \$3,000 per lot. They are paying all the closing costs. Mr. Davis said to Ms. Rowe, on behalf of their Team, Stu is preparing the Deed for you to review. They would like to close this Thursday. We have already obtained the Settlement Sheets from the City and Capital Region Water. With your review, this resolution approved and the Officers to execute all related documents including a Special Warrantee Deed containing the

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language of sale price, sold as is, subject to Real Estate Taxes in perpetuity and any reuse of the property complying with the City's Zoning Ordinances and Regulations and other conditions that staff at the Redevelopment Authority deem are reasonable and appropriate; the closing can take place this Thursday.

Ms. Brown asked if there is any Authority land left in Midtown.

Mr. Davis informed that the Authority land is split into three different sections. To the north we have Capitol Heights that is located between Harris and Hamilton. And then between Harris and Reily Streets we have land left over from the early years of partnering with HACC on their huge expansion that did not materialize. South of Reily Street is MarketPlace. We still have one hundred and five (105) parcels of Capitol Heights and then about sixty (60) parcels south of Reily. Remember not all those sixty (60) parcels were on the original land development plan for MarketPlace. The ones that remain are the forty-three (43) that were on the original land development plan. We have a grand total of sixty (60) parcels there. Mr. Davis pointed out that the Authority is rapidly selling off our assets in Midtown.

**OTHER BUSINESS**

Ms. Zewe noted that she did not see any updates from the Developers at MarketPlace or the Cameron Street Properties.

Mr. Davis replied that he gave them reminders last Friday. He was promised pictures. The Cameron Street project is doing well. They discovered after looking through the concrete structure to make the holes for the plumbing that they could not put them where they originally wanted. Where the plumbing can be installed allowed them to include an additional unit. Instead of having five (5) apartment units there will be six (6).

Ms. Zewe said what about MarketPlace.

Mr. Davis answered that he needs to have a conversation with Christopher Rice and either John Knew or one of the Partners. The agreement states to have all approvals for Phase I by 5/31/21 otherwise the agreement becomes null and void. They have agreed to the amount of \$142,000 plus title insurance costs, that the Authority would reimburse them. We have memorialized with them and limited the Authority's exposure to financial risk. Mr. Davis announced that come June 1<sup>st</sup> they will be in default.

Mr. Davis mentioned that right after they signed the Agreement, they contacted him asking to receive a little more money than that and for them to be able to keep lots on the corner of 6<sup>th</sup> and Reily Streets.

He could not understand why. There were some communications from Chris Rice but they did not generate any substance. Mr. Davis would prefer to pay them now and end the contract before May 31<sup>st</sup>.

Ms. Rowe reported to the Board Members that last evening an application went on Public Record requesting a continuance from the Zoning Hearing Board. Their last opportunity for Zoning Approval would be this coming May 17<sup>th</sup> Meeting. She stated even with approval that would not be enough as they still need Land Development approval.

Ms. Baldock concurred and reaffirmed that they did submit a request for continuance. She added that they

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submitted a Land Development Plan, but they have not gotten the Zoning approval and I know there was going to be changes to the plan. It is impossible for them to meet the May 31<sup>st</sup> deadline.

Ms. Rowe believes it is appropriate to reach out and say we do not see a viable way for you to get the approval necessary for you to comply with your Redevelopment Authority Contract. Ms. Rowe said, if you prefer it can come from my Office.

Ms. Zewe asked Mr. Davis if he has someone else interested in those properties. Mr. Davis replied, there is someone else who is interested. Ms. Baldock shared, there are multiple parties interested in that area. You might have a bidding war.

Ms. Zewe asked Mr. Davis if he heard anything from the Bryce's on their project.

Mr. Davis said their Land Development Plan was also approved by City Council. The Plan is for a mixed-use on N. 3<sup>rd</sup> Street. And Single-Family Townhomes on the 1600 block of Logan Street. Closer to 3<sup>rd</sup> Street will be a Community Center on the first floor with twelve (12) apartments above it. Mr. Bryce let us know they are about a month behind on their plans for the next Phase that goes between Logan and 4<sup>th</sup> Streets. Mr. Davis said Matt Long has bounced off ideas and shown drawings of the land for the next Phase including where the parking would be. Mr. Davis stated that they have been working hard and are moving forward.

**ADJOURNMENT**

The meeting adjourned at 1:00 pm.

Respectfully submitted,

  
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Secretary/Assistant Secretary