

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

## **Regularly Scheduled Meeting August 17, 2021 - 12:35 P.M.**

The Board of the Redevelopment Authority of the City of Harrisburg held a Regularly Scheduled Meeting on August 17, 2021, in Suite 405, of the Rev. Dr. Martin Luther King, Jr. Government Center, 10 North Second Street, Harrisburg, Pennsylvania, at 12:35 p.m. by Stacia Zewe Board Chair.

### **HRA BOARD MEMBERS PRESENT via TEAMS**

#### **Web-based Video Conferencing or Telephone**

Nichole Johnson (via Phone)  
Crystal Brown  
Stacia Zewe

### **ABSENT:**

Daniel Leppo

THE PUBLIC PRESENT was: William Gladstone with NAI CIR Realty.

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 July 20, 2021 was presented for approval. Ms. Brown moved to approve; seconded by Ms. Johnson. The motion passed unanimously.

### **TREASURER'S REPORT**

The Treasurer's Reports for June and July 2021 was presented for review.

### **COMMUNICATIONS**

Mr. Davis introduced the Redevelopment Authority's Realtor, William Gladstone with NAI CIR Realty.

Mr. Gladstone addressed the Board Members and said that Mr. Davis invited him to give an update on the Harrisburg Transportation Center and the Market in general. Due to the situation with COVID it exacerbated an already bad situation with Market Leasing. We have about a half million square feet of vacant B and B+ space in the city. The Transportation Center is more of a B- space. The Redevelopment Authority's rate reflects that in our promotions and has helped. There is over 120,000 to 150,000 square feet of vacant B- space. So, we have our work cut out for us. Mr. Gladstone said keep in mind that the Transportation Center is not the easiest building to lease. The elevator stops service Friday night so that the public from below cannot roam the halls. The bathrooms are locked. In the colder months the heat is turned down and in the summer the air conditioning temperature are turned up over the weekends. This is because no one is in the offices over the weekends. Parking is another situation. There really is no parking for clients unless somebody leases a parking space for \$90 a month, which is a good rate but if you only have one or two clients a week, some people are hesitant to spend \$90 to reserve a space.

Mr. Gladstone pointed out that another thing with the Market is net absorption: who is coming in to fill up the spaces. He explained that if it is the same people moving from building A to building B the net absorption is zero. We had years with no absorption. The most absorption that he could recall in this area including both East and West Shores was 20,000 sq ft.

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Mr. Gladstone mentioned the ideal tenant is one who likes the fact they can go downstairs and jump on a train. That worked for some past tenants.

Mr. Gladstone reported that we had a good showing a couple of weeks ago, but they said it was not going to work because the building was too far from where they wanted to be with their clients. Next Mr. Gladstone directed to the printouts he brought for the Board Members. He pointed to the suites that were just recently leased on the floor maps. Those suites are 301A to Amtrak on the third floor and 203, 205, 207 and 209 on the second floor to the accredited Charter School. Mr. Gladstone said both Mr. Davis and Ms. Weaser really help to secure the Lease with the school. They had to make some concessions, but it was better to have some rent than no rent. Plus, we do have the annual increases. He added that after all these years it is nice to see a big block of space gone. Now his focus is on the space where Red Private was. Mr. Gladstone mentioned the suits on the third floor are the ones that overlook Interstate 83. They can be broken down into small suites.

Ms. Zewe asked Mr. Gladstone what he is seeing as far as demand outside of the city.

Mr. Gladstone replied, it is weak. The city is weak. It is the same right now. The sub-markets are hot if you have a 7,000 – 8,000 sq ft office building for sale on an owner occupy. The commercial buildings sell fast. Sometimes you cannot find them. He added that investments are selling fast. The interest rates are good. Multi-family land with water and sewer close by are moving quickly. The week spots are office leasing. COVID did not help. People are still deciding if they want to work from home. Mr. Gladstone said February through November is when you see the most activity. People start thinking about the holidays. January and February are the cold months and then March it starts to pick back up. This does not mean things are dead. We are just going into a slower moving season. It is the same with Retail. A lot of people got use to ordering online and have things delivered the next day. That has worked out well. In the Market there are currently a few Retail deals in progress. Mr. Gladstone shared that he received a call from Carvana. They are looking for a place to store their cars. They are coming to Harrisburg with a vending machine.

Mr. Gladstone directed the Board Members to let Mr. Davis know if they have any more questions. He should be able to get back to them in about a day.

Mr. Davis announced that today he wanted to give the Board a report on the August 2<sup>nd</sup> Request for Proposals for the 67 parcels at MarketPlace. The Authority received two proposals for the final buildout. One was from the team of Erica and Christopher Bryce and Harrisburg Commercial Interiors and Associates, Inc. (HCI) which is with Matthew Long. They offered \$435,000. The other team is RB Development LLC which has Ryan Sanders and Blane Stoddart who offered \$400,000. Ms. Rowe was present with him to open the packages and read the purchase offers. Both teams were in attendance. One was in person and the other remotely. Our review of the proposals is solely on the comparative components of each. Mr. Davis wanted to stress that reviewing proposals of this type we work hard to compare what they submitted. There are usually follow-up questions to obtain additional information or clarification on some items. He said we work hard to be fair in our evaluation of what was presented when we open the packages. In this case both teams did not provide all required documents. One required item listed in the RFP is to include a letter of consistency from the Planning Bureau. They had two months' notice to obtain this. Mr. Davis said on this same day he sent out emails to both teams and informed them

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that they need to provide this letter. Both teams replied immediately showing their corresponding emails with Geoffrey Knight in Planning. Their emails contained the detailed information that the Authority looks for in the consistency letters. On August 9<sup>th</sup> the Bryce/HCI team submitted their official consistency letter. Mr. Davis is still waiting on RB Development's Letter. But as of today, what they have provided is sufficient for us to make a recommendation.

Mr. Davis conveyed that he and Ms. Rowe talked about publishing the core land development sketches and land usage concepts of each team on the Redevelopment Authority's website for the public's input and comment. He is recommending we have this on the website for a week. This is an opportunity for transparency so that the public can weigh in. The public would be able to see the floor plans, the facade, and the land usage. Mr. Davis said we do not need to upload any of the additional details and narratives such as their financing plan or strategy of financing, etc. He believes it is more important that the public see what is going to impact them directly. Mr. Davis would like to schedule a special meeting of the Board with a single item agenda just for that decision. The special meeting could be scheduled at the end of next week or the following week. Mr. Davis inquired of the Board Members if that could be possible with their schedules and possibly look at next Thursday, Friday or the following week.

Ms. Zewe, Ms. Brown, and Ms. Johnson all agreed that next Thursday or Friday would be good.

Mr. Davis next asked for their approval to continue in the method he has outlined.

Ms. Zewe wondered how the Authority promotes or advertises. She asked if it through Facebook. She was curious as to how the public is directed to go to the Redevelopment Authority's website.

Mr. Davis replied there are two ways. We upload on the website first and then promote it on Face Book. We have very few followers on Twitter. The Authority also has a short list serve but that is mostly Developers. Mr. Davis said for an example we can post, August 26 the Redevelopment Authority Board will at 12:30 pm meet to select the Designated Developer at MarketPlace and give a link to both proposals containing their concepts and then promote it on Facebook.

Mr. Davis mentioned that he called Ryan Sanders and Matt Long. Both understood. He did get a little push back from Mr. Sanders as he did not want anyone seeing their plans. Mr. Davis explained to him that they are public record; the public needs to be made aware and that the Authority would only post their concepts part. Mr. Sanders agreed. Mr. Davis believes they will see the best results from the two teams as they are doing outreach in the neighborhood. They can direct the public to the Authority's website. The public can send electronic feedback. In this day of COVID that is a good thing. Everyone can see the individual comments remotely.

**PUBLIC COMMENT**

None

**OLD BUSINESS**

None

**NEW BUSINESS**

**RESOLUTION NO. 26-2021**, authorizing the Authority to approve Angel Fox of Fox's Wash and Go the status of "*Potential Developer*" of five (5) parcels; three located at 1243-1247 Market Street and two at 8 & 10 S. Cameron Street for the project of (a) a new lower cost Laundromat with apartments above and (b) a new parking lot for the customers. Ms. Brown moved to approve; second by Ms. Jonson. The motion passed unanimously.

Mr. Davis stated that the Authority owns several vacant lots on Market Street. Some lots are contiguous. There are three contiguous lots on the south side that the Authority as owned for many years. They are 1243, 1245 and 1247 Market Street. Angel Fox operates a laundromat across the street at 1254 Market Street. She would like to build a new facility with apartments above and possibly acquire 8 and 10 S. 13<sup>th</sup> Street for accessory parking. These two lots are nearby. Currently Ms. Fox is undecided on the parking lots. Ms. Fox has proposed a purchase price of \$7,500 for the three Market Street lots and if she later decides to continue with the parking, we will then negotiate a sale price for 8 and 10 S. 13<sup>th</sup> Street.

Ms. Zewe inquired of Ms. Brown if she knows Ms. Fox.

Ms. Brown said that she is somewhat familiar. Ms. Brown wanted to know if Ms. Fox is looking to move the current laundromat into the new building or once built will have two laundromats.

Mr. Davis informed that Ms. Fox is early in the planning of her project. She could operate two facilities. Perhaps further along she may decide to keep both buildings.

Ms. Brown asked how many apartments Ms. Fox is looking to build.

Mr. Davis replied two.

**RESOLUTION NO. 27-2021**, authorizing the Authority to approve the company, *Capital Flooring, Inc.* for new carpet installation in Suite 203 at the Harrisburg Transportation Center in the amount of \$1,960.00. Ms. Johnson moved to approve; second by Ms. Brown. The motion passed unanimously.

Mr. Davis informed that this resolution is to replace old carpeting in suite 203 for an additional Lease with the dance school, The Worship Academy School of the Arts. The current carpeting has surpassed its useful life and fortunately this morning we received a second quote from Capital Floor with a price of \$1,960 compared to the first quote of \$3,700 and was able to add it to today's meeting agenda.

Ms. Zewe said in comparing the two quotes there appears to be a bit of difference in the scope of renovations. The company Renovations lists putting down a subfloor.

Mr. Davis said he noted that but cannot understand why that is needed. Mr. Davis added that he is relying on Chuck's advice down at the Station that a subfloor is not necessary in suite 203.

**OTHER BUSINESS**

Mr. Davis reminded the Board Members to look for a follow-up email from him concerning scheduling the Special Board Meeting.

**ADJOURNMENT**

The meeting adjourned at 1:00 pm.

Respectfully submitted,

  
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Secretary/Assistant Secretary