

# REDEVELOPMENT AUTHORITY OF THE CITY OF HARRISBURG

Regularly Scheduled Meeting September 20, 2022 - 12:30 P.M.

The Board of the Redevelopment Authority of the City of Harrisburg held a Regularly Scheduled Meeting on September 20, 2022, 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** **via TEAMS Web-based Video Conferencing**

Nichole Johnson  
Crystal Brown  
Alexander Reber

**ABSENT:**  
N/A

Also present: Janell Weaser, Harrisburg Redevelopment Authority (HRA) Administrative Project Manager; Bryan Davis, HRA Executive Director, Catherine Rowe, HRA Solicitor, and Jake Younts associate with Strokoff & Cowden, P.C.

PUBLIC PRESENT: Bill Gladstone, HRA Realtor with NAI CIR, Neil Grover, City Solicitor, and Matt Long with Harrisburg Commercial Interiors and Associates, Inc.

## **MINUTES**

The minutes of the Regular Meeting of June 21, 2022 was presented for approval. Ms. Brown moved to approve: second by Mr. Reber. The motion passed unanimously.

## **TREASURER'S REPORT**

The Treasurer's Report for April and May 2022 was presented for approval; subject to Audit; Ms. Brown moved to approve; second by Mr. Reber. The motion passed unanimously. The Treasurer's Reports for June and July 2022 were presented for review.

## **COMMUNICATIONS**

Mr. Davis mentioned that he serves on the Broad Street Market Alliance's Board. Sometimes he sees President Danielle Bowers, Harrisburg City Council. He did mention to her that the Authority has some vacancies that need filled on its Board. He asked her if she would be willing to entertain candidates they have. Mr. Davis said she is willing. He recently sent her an email that included a list of the current members and their terms. He also included the information of the one candidate that had wanted to serve about a year ago. He is waiting to hear back from her.

Mr. Davis invited the Board Members to reach out to President Bowers or to himself if they knew of anyone who would like to serve on the Redevelopment Authority's Board. He asked if they do contact President Bowers to please let him know so he can be informed as well.

Mr. Davis said anyone serving on the Redevelopment Authority Board would also serve the Land Bank by default.

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Mr. Davis mentioned that he has served on the Broad Street Market Alliance Board of Directors since Jacqueline Parker left as the Mayor's Representative. He serves as their Treasurer. It requires a great deal of our time especially since they are in transition, having an Interim and seeking a new Director of the Market. Mr. Davis mentioned this as he wanted the members to be aware that he attends weekly meetings with the Interim Director and attends interviews of candidates for the open Director position. The Interim Director is Suzanne Itzko. He also closely monitors their cash flow and makes deposits for the Market which generally is something a Board Member does not do. He is trying to help the Interim Director and the other Board Members so they can budget things like unexpected repairs and expenses at the Market.

Ms. Brown inquired if they found an Executive Director to fill the position. She also asked Mr. Davis if that would reduce his time and workload once the position is filled.

Mr. Davis answered there is a good, strong candidate who has a real passion and desire. One who is willing to work for little money and no benefits. He is waiting to see if an offer was made and accepted. Mr. Davis added that it would absolutely decrease his time and responsibilities.

Mr. Davis reminded everyone that the Authority provides support services to the Capital Area Coalition on Homelessness. We have one staff person whose time is dedicated for the Coalition and their Homeless Management Information System, a portal that tracks the clients. We have another staff person who provides a great deal of Planning and Grant submissions. There is an annual Continuum of Care application made to HUD. This year there is over \$2,000,000 of eligible renewals. Our staff complete this online application which is voluminous and highly detailed including pulling data points from different software that HUD requires everyone to use. HUD's prescribed steps require you to do a ranking and publish it along with the complete application and all the sub applications for the public to see and give comments. The publishing must be posted no less than three days before the application submission deadline. Mr. Davis said this year's Continuum of Care application is due on the 30<sup>th</sup> of this month.

Mr. Davis also shared that HUD has a special, Supplemental Continuum of Care NOFA out. It is for Rural and Street Outreach. Dauphin County is an Urban County according to HUD. It does not qualify for the money. The Rural money will be given to the Commonwealth for its balance of the state's rural counties. However, the other part does apply for street outreach. There are a couple agencies in our network who want to apply. If they are successful and are awarded the three-year funding, then, at the end of the initial 3-year term, those programs will be added to our annual application to HUD. Mr. Davis explained that it will appear as a renewal project in our network. And that application is due October 20<sup>th</sup>. That makes one due this September 30<sup>th</sup> and another due on October 20<sup>th</sup>.

Mr. Davis reported that this past September 14<sup>th</sup>, PennDOT released its invitation for bids for the roof improvements and gut renovation of the Pennsylvania Window Room down at the Train Station. There will be a pre-bid meeting. The deadline for Request of Information is October 12<sup>th</sup>. October 26<sup>th</sup> is the bid opening date. Both the pre-bid and bid opening will be virtual. Everyone is hoping that we receive bid proposals that are within budget. PennDOT will be providing us with a recommendation to award the contract because we are a conduit for the PennDOT financing and will be holding the Contract for the work. Mr. Davis said we can go over all of this at our November 15<sup>th</sup> Board meeting. They want to issue a notice to proceed on November 21<sup>st</sup>. The substantial completion date for the roof and observation room

is December 2023. The final completion date is February 2024.

Ms. Brown recalled a conversation in a prior meeting about Minorities, Minority Women and Diverse participation for the PennDOT Contractors. She asked how that works with the bidding. Is there a percentage that is required for the classification.

Mr. Davis responded, yes, it is FTA money that has a prescribed formula calculation for MBE/WBE/DBE participation. It falls short of the City of Harrisburg's goals for participation. That is why we included the city's Chief Equity and Compliance Officer, Karl Singleton in the first round of bidders and with the upcoming round.

### **PUBLIC COMMENT**

Mr. Davis welcomed and thanked Mr. Gladstone for joining the meeting.

Mr. Gladstone is present to give the Board Members an update on the Market and the leasing at the Transportation Center. He reported that, following the pandemic, people have started leaving their homes and some have headed back to work. He has been experiencing a problem of people bringing their dogs to work with them. Dogs are running the halls in other buildings which was never a part of the deal pre-COVID.

Mr. Gladstone explained before the pandemic in Harrisburg people were looking for an office size of 2500 – 3500 square feet. Now they are seeking 1000 or less. They want smaller spaces that can accommodate one or two employees. It is a different group of people coming back to work. Many larger companies are still letting their staff work from home or they cannot get them to come back. Mr. Gladstone said because the office suites are small at the Train Station, we are doing good.

Mr. Gladstone pointed out the logistical issues at the Train Station. Because heating and cooling are single-systems at the building, those systems are turned-back evenings and weekends. This makes it uncomfortable to work after normal business hours. Plus, the elevator might not be running at those times. This is not conducive for everyone.

Mr. Gladstone reported that he had a showing, a lobbyist group just the other day. This surprised him as most lobbyist prefer 3<sup>rd</sup> Street so they can be close to the Capitol. One of the three in this group had a past office on State Street but, they liked the Transportation Center. Currently, we do not have space that would accommodate them. However, the tenant, Pennsylvania Head Start Association is not using their Suite, 206. They gave permission to show their space in hopes that someone might be interested. Mr. Gladstone informed that about two hours ago he received an email from one of the group members that said they liked the space and would like to do a two-year lease. We had discussed a three-year, but he was adamant that he wanted a two-year lease. Mr. Gladstone said he will talk with Mr. Davis and see if that is possible.

Mr. Gladstone said Head Start's lease expires June 2024. They are still paying their rent. This group could add an additional five or six months.

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Mr. Gladstone disclosed that the tenant PA Orthopaedic Society in Suite 210 have not been back either since the pandemic. He spoke with their managing person. They will not be renewing their lease come March 2023.

Mr. Gladstone brought some handouts. He will leave them with Mr. Davis. They are also available on his website if anyone is interested in seeing the Marketing Materials which also show the floor plans of the Transportation Center's second and third floors.

Mr. Gladstone stated the activity has been light with the current Market.

**OLD BUSINESS**

None

**NEW BUSINESS**

RESOLUTION NO. 17-2022 authorizing the Authority to extend the *Potential Developer* Status to March 31, 2023 for Christopher/Erica Bryce and Harrisburg Commercial Interiors and Associates, Inc.'s mixed-use residential project of (14) parcels located on N. 5<sup>th</sup>, N. 6<sup>th</sup>, Hamilton and Wood Streets.

Ms. Brown moved to approve; second by Mr. Reber. The motion passed unanimously.

Mr. Davis introduced Mr. Long to the Board Members.

Mr. Long wished to give an update on this project and some other moving parts. He said October 17<sup>th</sup> will be out groundbreaking ceremony for Capitol Heights Redevelopment Phase I.

Mr. Long reported that they had a zoning hearing last night for Capitol Heights Phase II and was approved for another phase of which allows us to start negotiations this morning with Messiah Life Ways and Messiah College on Senior Housing that was approved.

Mr. Long said we have a special hearing scheduled next week with the Planning Bureau. They hope to have a special Zoning hearing on October 17<sup>th</sup> to obtain approvals for both the MarketPlace and Capitol Heights projects.

Mr. Long informed that these fourteen parcels are part of the Capitol Heights portion. A set of drawings were given to the Planning Bureau last June. We worked through their recommendations and now have a final preliminary plan to give to Planning and Zoning. It will not be heard this year because our agenda items have expanded the bandwidth of the Planning Bureau's abilities the remnant of this year. They've had to schedule special hearings just to get through Capitol Heights and MarketPlace's other planned buildings. The projected building for the corner of 6<sup>th</sup> and Hamilton Streets should be presented at the January's hearing.

Mr. Long revealed that they have purchased seven parcels around these parcels to complete the project which includes the one that Vartan Trust had owned. This parcel sits directly in between these parcels.

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RESOLUTION NO. 18-2022 authorizing the Authority to extend the *Potential Developer* status to April 30, 2023 for Angel Fox's laundromat and housing project of (5) parcels located on Market and S. 13<sup>th</sup> Streets. Ms. Brown moved to approve; second by Mr. Reber. The motion passed unanimously.

Mr. Davis reported that the Potential Developer has made sufficient progress that the Authority is willing to extend them another six months.

RESOLUTION NO. 19-2022 authorizing the Authority to extend the *Potential Developer* status to April 30, 2023 for McCoy Boy Realty LLC's mixed-use residential project of (8) parcels located on N. 7<sup>th</sup>, Harris and Wallace Streets. Ms. Brown moved to approve; second by Mr. Reber. The motion passed unanimously.

**OTHER BUSINESS**

Mr. Davis announced that they would like to brief the Board on the ongoing challenges and the proposed buyer of Governors Square. Some time ago I shared with you that the Redevelopment Authority has the Right of First Refusal. This was specific to the financing and the Authority's initial conduit roll in the project.

Mr. Davis conveyed that there is a potential buyer. This past March, Landex Corporation, Uptown Partners LP and the potential buyer, Stephen Schuback sent us a letter of interest that outlined their agreement. The Authority was not a party to that letter of intent. One component stated the HUD Upfront Grant liens would be removed. This was a promise to the potential buyer that neither party could make. This is not a promise that the Redevelopment Authority can offer. HUD will require some type of satisfaction to this loan. There are riders in the deed specific to the HUD Upfront Grant money. There is a mountain of agreements and HUD regulations and requirements, not to mention this is also a tax credit deal. PHFA has requirements.

Mr. Davis informed that Stephen Schuback provided a package of information to the Authority. The Redevelopment Authority, the Mayor and the Chief of Staff met with him back in July. He did not provide us with any details on how he would finance it or give any other details on what his estimate of cost and timeline is. He just voiced rather strongly that he wants this as a legacy project for his family. Mr. Davis said the public has been made aware of all this and they are working closely with the City to keep them informed.

Mr. Davis reiterated that we are the conduit of HUD Upfront Grant funds to this project. We are accountable to resolving the HUD loan. He mentioned receiving an email from the Texas HUD Disposition Division that contains a laundry list of documents that must be provided for HUD to review and approve.

Mr. Davis said in addition to all of this, there is another issue I need to report: he believes since the pandemic hit back in 2020, but more so in the last eight months there have been residents at Governors Square in need of necessary repairs that are not being done by Landex Corporation, Managing General Partner, who is in Maryland. Some units are off-line.

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Mr. Davis said we had a great experience repositioning these rentals back in 2006. Some units were of brand-new construction. Others were a complete gut renovation. He said it is very distressing that it has come to this point.

Ms. Rowe communicated that she and Mr. Davis sat down and went through the Deed and Contracts. Like most everything the Redevelopment Authority engages in, it does not provide for some sort of long arm to be able to go back and take control over a property a decade after the fact. Obviously, the intent behind the Redevelopment Authority is to allow development of property and have it out of our hands. That is essentially the situation here.

Ms. Rowe said there has been conversations in public, with City Council, and other meetings concerning what can be done for this property and from a legal perspective there is not a whole lot that the Authority can do in terms of taking back the property. We can be a part of the contributing conversations and help by working with the other agencies and groups to try and improve the property. She said there is not legal authority to be able to take back the property at least based on the information we have at this time.

Mr. Grover stated the reason he is present today is because of Uptown Partners LP. The city wants the Redevelopment Authority Board to know where they stand in this matter. In the Right to Know Request that was just generated this week the citations for their property just from January of 2022 are a thousand pages long. He said they are now officially the largest slum landlord in the city of Harrisburg and are going to be treated accordingly. The Law Bureau and Codes Officers are working to make recommendations to the Mayor on options of what to do.

Mr. Grover said what is unacceptable is that people are starting to live in misery. Winter is coming. There are windows that are out and pipes not working. They are still paying their rent, but it is not going back into the property. The city is ready to come after them.

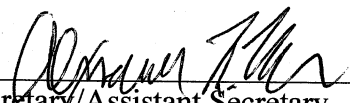
Mr. Grover believes they are going to hire outside counsel to come at them full tilt because they have shown up for every hearing and appealed every citation. They have not paid one fine.

Mr. Grover stated that it would not shock him if this comes full circle all the way back to the beginning when the Redevelopment Authority first got involved. He believes it will get to the point where something must be done and the Authority has the ability to act on such a large property, but there is not a clear plan on the plate right now. He said there are competing people with interest, but interest and money are two different things. And if anyone has the money, it is news to the City. Because no one has come forward with the money. What we do not want is to have to relocate people at the City taxpayers' expense. This has been a festering problem that is getting worse. The people who live there are outraged. There is a lot of misinformation on what can be done but we are trying to come up with a solution.

**ADJOURNMENT**

The meeting adjourned at 1:13 pm.

Respectfully submitted

  
Secretary/Assistant Secretary