

REDEVELOPMENT AUTHORITY OF THE CITY OF HARRISBURG

Regularly Scheduled Meeting December 19, 2023 - 12:30 P.M.

The Board of the Redevelopment Authority of the City of Harrisburg held a Regularly Scheduled Meeting on December 19, 2023, 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 and/or via TEAMS Web-based Video Conferencing

Nichole Johnson
Crystal Brown (via TEAMS)
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: None

MINUTES

The minutes of the Regular Meeting of November 27, 2023, were presented for approval. Mr. Reber moved to approve; second by Ms. Brown. The motion passed unanimously.

TREASURER'S REPORT

The Treasurer's Report for September and October 2023 was presented for approval; subject to Audit; Mr. Reber moved to approve; second by Ms. Brown. The motion passed unanimously.

COMMUNICATIONS

Mr. Davis reported to the Board Members that two bids came in for Governor's Square. The bids were due to the court. The Authority and the City joined in interviewing both bidders. The outcome was only one candidate who had the qualifications and experience in this type of real estate project. Really it is urban renewal in addition to all the needed renovations and the financial side. One candidate was familiar with HUD Financing in a project and not just HUD Vouchers that come with the tenants. The competition only had experience with the HUD Vouchers and zero experience in projects funded with HUD or any kind of public money. Now we are just waiting for the court to weigh in and give its blessing. Next the package is submitted to HUD for their approval. We learned just last week that once HUD has the complete documents from the bidder it will take about thirty days before anyone hears a response on their determination.

Mr. Davis added that he heard Uptown Partners asked the Court for a continuance. The court was to give its decision on January 21, 2024.

Mr. Davis asked Ms. Rowe if she would give an update on Governor's Square.

Ms. Rowe conveyed that the Uptown Partners who currently own the property are supposed to decide on the bids. They were supposed to do so today, however, they filed a request for a continuance last week. The Judge has granted their request. The Authority has been pushing to file a motion for reconsideration. We are waiting for the city to join in on that.

Minutes of the Regular Meeting December 19, 2023
Redevelopment Authority of the City of Harrisburg
Page 2 of 5

Ms. Rowe said the outstanding issue right now, as I understand it, is that whoever the selected entity is to forward this project needs to go through some approval processes with HUD. That needs to happen before January 12, 2024. The issue is whether HUD can even make that selection by January 12th. This is the concern of the City.

Ms. Rowe said we still want the courts to understand how imperative it is for the decision to be made asap. Efforts have been made. Mr. Davis has been reaching out to HUD. We've been working with the City Council and the Solicitor's Office to try and encourage all to move the process quickly. HUD does understand that this is a priority. HUD also is a Federal Agency, so we cannot force them to act faster other than to press upon them how important it is to do something quickly.

Ms. Rowe disclosed that there were actually five bidders. Only two had the financial resources and one had the actual history and background to move forward.

Ms. Johnson wanted to know more concerning the January 12th deadline.

Ms. Rowe explained that step one is the Seller of the property needing to make a formal decision. The City and the Authority have told Uptown Partners this is the buyer that they recommend. The seller needs to keep moving things forward. My advice is to represent as much as possible to make it clear to the court that we've done the interviews. We did our due diligence, and this is what we recommend.

Ms. Rowe disclosed that bankruptcy proceedings are a different creature. It is not something she does. This is why we went with different counsel for handling the bankruptcy part.

Ms. Rowe reiterated that Uptown Partners need to make that selection. They have requested a continuance on making that selection. They have stated their reason for the continuance is that there is one other potential bidder. I have not received any information about another bidder. I have not heard that the city has received any information about another bidder.

Mr. Davis said he has no knowledge of another bidder.

Ms. Rowe stated that she wonders if they are not being truthful about another possible bidder. From what I understand Uptown Partners has been engaging in some very deceiving behavior. And not just in this procedure but in others. They need to select a buyer and HUD needs to be approved by January 12th.

Mr. Davis mentioned that he still serves as the Mayor's Representative on the Broad Street Market Alliance. He has served since the city's Community Economic Development Director left. Since Ms. Parker left and they asked him to fill the City's slot. He has kept the Mayor updated on the Broad Street Market these past five years. He wanted the Authority's Board members to know that this does take up some of his time in lending support to the Broad Street Market.

Mr. Davis said November was the Market's annual meeting. There was a handful of Board members who decided not to renew who are no longer on the board. They served their term including some who served beyond their term. Many have full time jobs during the day. It is just me and Mark Fahnestock as officers on the Board. Mr. Davis said I can give you more information after this meeting about who he is.

Minutes of the Regular Meeting December 19, 2023
Redevelopment Authority of the City of Harrisburg
Page 3 of 5

Mr. Davis mentioned that we have identified two new Board candidates. We nominated both at this past meeting. We are identifying additional candidates, including two Vendor Representatives.

Mr. Davis informed that his role was Treasurer and now he serves as Interim Chair/Treasurer combined until the end of April 2024. He agreed to add the Interim Chair to give the new members time to acclimate and then they have another election of officers.

Mr. Davis said he has been monitoring the cash flow and working with the accountants, doing the typical operational oversight. It is critical because the revenue was cut by seventy percent due to the loss of the burnt building. We decided to increase the rent price per square footage. He wanted them to know this just in case any vendor complaints come their way.

Mr. Davis said the new rate is still far below other Market's around us. The new rate is \$5.25 per square foot in addition to common area maintenance. The old rate was \$2.65 per square foot. The increase will help to close the monthly operating cash flow deficit. They will not need to raise \$12,000 each month in donations.

Mr. Davis informed that the city has taken the lead on the new construction of the temporary tent. The city is responsible and has taken the lead in the reconstruction of the brick building. The city established the Maret Alliance years ago. The alliance board's function is to manage the daily/monthly operations including the collection of rent, pay the bills, and marketing matters.

Mr. Davis said the city created a web page to update all concerned people with the progress on the tent and anything else concerning the facility.

EXECUTIVE SESSION

The Regular Meeting was suspended for an Executive Session.

PUBLIC COMMENT

None

OLD BUSINESS

None

NEW BUSINESS

RESOLUTION NO. 32-2023 – approving the Harrisburg Redevelopment Authority Board meeting dates, place, and time for the 12-month period beginning January 2024. Mr. Reber moved to approve; second by Ms. Brown. The motion passed unanimously.

Minutes of the Regular Meeting December 19, 2023
Redevelopment Authority of the City of Harrisburg
Page 4 of 5

RESOLUTION NO. 33-2023 – authorizing the Authority to approve SAVOY HARRISBURG LLC the status “*Designated Developer*” of 1540 N. 6th Street, as part of its mixed-use project consisting of commercial/retail and residential apartments. Mr. Reber moved to approve; second by Ms. Brown. The motion passed unanimously.

Mr. Davis communicated that this project is on the block just north of the 1500 Building on the corner of North 6th and Reily Streets. The Authority’s property is a single lot being added to the McCoy Brothers and Vice Capital’s land. They have formed a single entity, limited partnership called Savoy Harrisburg LLC specifically for this project.

Mr. Davis reported that they have their financing in place and are ready to close. He is recommending the Authority move them to the Designated Developer status.

RESOLUTION NO. 34-2023 – authorizing the Authority to extend the Potential Developer status to June 30, 2024, for RB Development LLC’s project of affordable housing located at 1175 Baily Street. Mr. Reber moved to approve; second by Ms. Brown. The motion passed unanimously.

Mr. Davis said this parcel is the bluff at the end of Baily Street in Summit Terrace. This project is proposed to include Tax Credits. This year they will be applying again. In the meantime, they have submitted additional site plans due to the echo geotechnical study that was conducted. Some foundation and parking spaces needed to be moved.

Mr. Davis’ recommendation is to extend their Potential Developer status an additional six months to June 30, 2024, so they can apply for the PHFA Tax Credits.

RESOLUTION NO. 35-2023 – authorizing the Authority to extend the Potential Developer status to June 30, 2024, for On-Hill Development’s project of affordable housing located at 1605-1613 Market Street. Mr. Reber moved to approve; second by Ms. Brown. The motion passed unanimously.

Mr. Davis explained this is the partnership between Shawn O’Toole and Jamien Harvey. They have received several extensions from its original Resolution. Just before Thanksgiving they applied for PHARE grant money from the Commonwealth. The Mayor gave them a letter of support. This six-month extension will give them time to see if they receive that funding.

Mr. Davis added that they had a second project with the Authority on Regina Street. This too was up for an extension; however, they did not make any progress, so he did not recommend another extension for that project. This is why it was not added to the Agenda today.

RESOLUTION NO. 36-2023 – authorizing the Authority to approve the General Operating Budget for the fiscal year beginning January 1, 2024, in the approximate amount of \$532,092. Mr. Reber moved to approve; second by Ms. Brown. The motion passed unanimously.

OTHER BUSINESS

Mr. Davis wished to express his gratitude to the Board Members for their steadfast faithful service in supporting the Redevelopment Authority, especially this past year. It was a very challenging year, and we are heading into another challenging year. Your faithfulness is deeply appreciated, and I know that your predecessors were also very committed and would have stayed on especially through difficult times. That does not always happen with non-profits. Especially, with volunteer boards.

Mr. Reber said we have communicated to individuals again our interest in having a full population on this board. We will continue to do that. The council had said they wanted to have all Boards filled by year-end and we were hopeful. We have not received any notification nor any movement there. It is not that we are trying to tell them what to do. We just want to have a fully formed Board. If someone is sick or cannot make it, we could still meet.

ADJOURMENT

The Meeting was Adjourned at 1:09 pm.

Respectfully submitted,


Secretary/Assistant Secretary

3/19/24