

REDEVELOPMENT AUTHORITY OF THE CITY OF HARRISBURG

Regularly Scheduled Meeting March 18, 2025 - 12:30 P.M.

The Board of the Redevelopment Authority of the City of Harrisburg held a Regularly Scheduled Meeting on March 18, 2025, 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
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: Arthur Jefferson and Daran Sawyers with South Central Pennsylvania Restoration LLC.

MINUTES

The minutes of the Regular Meeting of January 21, 2025, were presented for approval. Mr. Reber moved to approve: seconded by Ms. Brown. The motion passed unanimously.

TREASURER'S REPORT

The Treasurer's Report for November 2024 was presented for approval; December 2024 & January 2025 were presented for review. Mr. Reber moved to approve, seconded by Ms. Brown. The motion passed unanimously.

COMMUNICATIONS

Mr. Davis disclosed that the judge has not appointed a receiver for Governor's Square, however, the City has made its chosen recommendation.

Mr. Davis reported that Harristown Development Corporation expressed their desire to purchase the Verizon Tower One (SO1). They have agreed to purchase the property for a dollar with certain conditions being met. They requested that the Redevelopment Authority have a resolution on our agenda today because they want to finalize the sale by the end of this month. They did not give us much notice.

Mr. Davis said we need to thoroughly review the agreements and make sure that all conditions have been met.

Mr. Reber pointed out the conditions of the defeasance, our debt, and everything related to the tower. Saying that is his biggest concern.

Ms. Rowe commented, You found the biggest concern.

Ms. Rowe said they have the initial lease that grants them the ability to exercise a purchase option for \$1.00, provided that those previous conditions are met. The Authority needs to know if the bonds were paid for through the City, and if the Act 47 refinancing has been settled.

Ms. Johnson asked what resolution they were discussing.

Mr. Reber said their proposal had not been included in the Agenda.

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Ms. Rowe mentioned that she spoke with Council yesterday, and we were able to get some historical knowledge on what's going on here today. We are following up.

Ms. Rowe added that the desire is to see development happen, but not at the cost and expense of the Redevelopment Authority or the City. We need to be mindful of our obligations.

Mr. Reber suggested they have an Executive Session so they can discuss the legal issues.

Ms. Rowe concurred. She can thoroughly brief them confidentially about their rights and responsibilities.

Mr. Davis announced that we have a development team here today for two of the Agenda items. They are the Market and Derry Street Resolutions with the Potential Developer status to South Central Pennsylvania Restorations LLC.

Mr. Davis said, perhaps we could take a moment now for you to introduce yourselves and then describe the projects to the Board Members and answer any questions they may have about your projects.

Mr. Sawyers spoke and introduced himself and Mr. Jefferson to the members.

Mr. Sawyers first wished to apologize, saying we come off a little passionate about what we are doing because we were born and raised in Harrisburg.

Mr. Sawyers revealed that they are currently working on a project off 6th Street that is boarded up with fencing around it. He stated the need for housing in the City.

Mr. Sawyers pointed out their preference to use mass timber that costs 10 to 15% more than the standard construction timbers most buildings use. The reason why is it can withstand fire for four to five hours longer as opposed to steel that bends. For example, you can have a developer build it and they build it cheaply, then after their mortgage is paid, let's say they sell the house, then our city looks down again. We want to see our city built up properly. We have the ability and are gaining knowledge to do it right the first time.

Mr. Sawyers said we also have people behind us. One is Brad Groff. He is an architect who teaches at Carnegie Mellon University. He teaches about this. We acquire our timber from Snyder County in Pennsylvania. All of our resources come from Pennsylvania. This is echo-friendly. It will last for hundreds of years rather than going back to the drawing board in 10 to 20 years.

Mr. Sawyers disclosed that they are scaling up from their smaller projects and have completed and will keep advancing.

Mr. Davis added that they have another project approved by the Authority located on Walnut Street. The idea here is to assemble a sufficient number of units on scattered sites, which is more attractive for financing, such as the low-income housing tax credits.

Mr. Davis said the last time we had a developer who was comfortable in doing scattered site development was in the late 1990s. Governors Square, formerly the McClay Street Apartments, in 2006, was the last scattered site development. We have always tried to encourage scattered sites because that is what we have right now.

Mr. Davis reported that we also have the extension for Wildheart Ministries mixed-use project for the

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1200 block of Market Street. He said they did not receive funding from their Home Loan Bank of Pittsburgh application. They are stepping back and looking at other sources for funding.

Mr. Davis is requesting a six-month extension to see if they can move forward.

Mr. Davis stated that we also have On Hill Development Company over on Regina Street on today's Agenda. They have a very similar situation. They also were not approved by the Homeland Bank of Pittsburgh. We are watching this closely because originally, they had partnered with the Handles Helping Hand Foundation. And today, there is a Resolution for Handles Helping Hand Foundation for a housing project on Market Street.

Mr. Davis said there is a chance that Handles is backing out of the Regina project. While Shawn O'Toole with On Hill Development Company says he is conversing with Hamilton Health Center about a possible partnership. He will let us know in a couple of months whether or not this happens. So, we will give them a six-month extension.

Mr. Davis said for Resolution Number Eight we are taking On Hill Development Company's name off and putting the Resolution into Handles Helping Hands Foundation. This will help satisfy one of the requirements of the Commonwealth for their funding gaming grant application. We are allowing them a year's extension because of the kind of application they are applying for. And here again, no other parties are interested in the Regina Street lots.

Mr. Davis mentioned that there has not been a lot of progress for him to report on the Paxton Creek De-channelization. Our team is still moving forward with the Environmental EPA funding. We finally got access to draw down those funds. There was a blockage there that prevented us from accessing the funds to pay our consultants. Today, we have a check for signing so they can receive payment for their first three months of service.

Ms. Johnson wanted to know what the blockage was.

Mr. Davis replied that he really cannot say. We did all the steps online and waited. We kept complaining about not being able to draw the funds down. Then one day, we had access.

Mr. Davis said the other thing concerning the Paxton Creek, Chris Davenport and I met with Representative Scott Perry to discuss the Paxton Creek project. With Chris being new, I wanted him to meet his local staff, say hello, and remind him of the project. Inquire about any future grants that may become available that we could apply for. We were able to talk with Representative Perry for about twenty minutes. It was not the first time he had heard about this project. Our timing was good because just last week, Capital Region Water had met with him and his staff. That parallels us.

Mr. Davis said we are following up with him to give copies of our two main studies, including the one that PennDOT had done back in 2017, the master plan, and the most recent plan from the EPA funds that builds onto the PennDOT work and concept drawings.

Mr. Davis added that Representative Perry said to let him know if we need anything, as he wants to support our project.

PUBLIC COMMENT

None

OLD BUSINESS

Mr. Reber wondered about the status of the newly hired attorney with Tri-County Housing Development Corporation LTD and Sharon Brunson's lot acquisition. The reason he asks this is because an hour ago, he received a call from Brooke Echeveria saying we are at risk of losing the grant funding because we have not spent any of the grant money for the acquisition.

Mr. Davis said he has been communicating back and forth with the new attorney, Brett Woodburn. He will push Mr. Woodburn to move as quickly as possible. He will instruct Mr. Woodburn to handle the sale of 1437 Swatara first and then the lots on N. 6th with Tri-County HDC Ltd.

Mr. Reber said he is more concerned with Sharon Brunson, as she has cancer. He said something could happen, and then we would have to deal with the Estate and a whole different person.

Mr. Davis said he just responded to some questions from the County. He will follow up with Brooke.

Mr. Reber replied, so she communicated with you, and now she is communicating with me. I am happy to get them whatever they need. If we need to write a narrative or something.

Ms. Rowe said if you have been given a deadline, make sure to send it to Mr. Davis.

Mr. Reber articulated that he thought the deadline was the end of March.

Mr. Davis relayed that he knew something is due by the 25th. We are not going to make that deadline. He asked if that is a problem. They told him no, but to keep them posted.

Mr. Davis said there was this unanswered question between us and the city. The city has a DCNR grant, and we have the gaming grant from the county. We asked the city to tell us if they will contract the work.

Mr. Reber said yes, we and Neil Grover figured all this out.

Mr. Davis reported that we have since learned that the City would like HRA to oversee the new park's construction. So, we will oversee the work, and I conveyed this to Char Magaor.

Mr. Davis said a contract for the DCNR grant funds will need to be executed between the city and the Redevelopment Authority.

Mr. Reber agreed.

Mr. Davis continued saying we will spend the funds in accordance with the regulations and coordinate the scope of work, prepare any Request for Proposals, and manage the contracts.

Mr. Reber said there is one with Ann Yost, landscape architect. She specializes in the DCNR, MM, and HMM Branch. This is a part of the project on Swatara Street.

Mr. Reber pointed out that he is a volunteer and is putting some of his own money into it, but it is part

of Tri-County Community Action Commission's plan. We assembled about half a million dollars to put this project on 15th and Swatara together. Ann Yost's contract is to make sure the bid process is moving.

Mr. Reber said we were hoping to put shovels in the ground this spring, but now maybe this Summer because it is a garden.

Mr. Reber added that we also have some one thousand in funds sitting over at The Foundation for Enhancing Communities (TFEC) to help pay for whatever funding needs that may arise outside the grant funds. Plus, we are writing for more grants that we could potentially get.

Mr. Reber said we are waiting for the bid to come in, so we can see if there is a funding gap. He is hoping there is no gap, but if there is, they have a funder to help close it.

Mr. Davis said we will need to have some sort of agreement between that funding source and the Redevelopment Authority.

Mr. Reber replied that it is all with TFEC. It is a project of the Harrisburg Parks Foundation, which is a project of TFEC. We need to go through their whole grants administration process to make sure we are spending it appropriately. This allows people to give money and receive tax deductions.

Mr. Reber wished to share some great news. We received the full allotment from the City. This year, they paid the full lump sum in one payment. He mentioned some talks of the Authority potentially opening a CD or a high-interest money account, but this can be discussed outside the meeting.

Mr. Davis wanted to know if everyone agrees to this. He is leaning towards a six-month CD. At first, he inquired about a Money Market Account because they typically pay more interest, but our special accounts already pay the high money market interest rates. The Bank pointed him towards short-term CDs.

All the Board Members agreed.

NEW BUSINESS

RESOLUTION NO. 5-2025 – Authorizing the Authority's Executive Director to purchase a new SonicWall threat protection for its IT Services for the cost of \$1,848.26. Mr. Reber moved to approve, seconded by Ms. Brown. The motion passed unanimously.

Mr. Davis explained the Authority's technology framework to the Board Members. He said the current firewall has become obsolete and poses a threat to our technical security. It needs to be replaced.

Mr. Davis mentioned that our IT Contractor told him that our server is also obsolete, and come this October, we will need new computers for staff. It was explained to him that Microsoft will no longer support the current computers we are using. He does not have that pricing at this time.

Mr. Davis added that there is a three-year service plan that comes with the new SonicWall.

Mr. Reber was reading over the documentation that shows the costs. He questioned the number listed for the number of users.

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Ms. Weaser replied that the IT Contractor was in error on that specific email message. As soon as I received his quote, I reminded him that we have downsized our staff. The actual number is five: three staff computers, one server, and one laptop.

Mr. Reber questioned whether the price is lower.

Mr. Davis said the upfront cost is \$1800 to purchase the SonicWall. After the installation, there will be a monthly payment for the service of the three-year plan.

Mr. Reber asked if the technology is similar to what the City has. Was a vulnerability test done.

Mr. Davis said we are not linked with the City. He has no knowledge of what the City has. The Authority's contracted IT Specialist performs tests daily and does backups each evening. The IT Specialist acquired the price from an outside source, although they will perform and maintain the services.

RESOLUTION NO. 6-2025 – Authorizing the Authority to extend the *Potential Developer* Status to **September 30, 2025**, for On Hill Development Co.'s project of newly constructed affordable housing on five (5) lots located at 1623, 1625, 1627, 1629, 1631 & 1633 Regina Street. Ms. Brown moved to approve, seconded by Ms. Johnson. Mr. Reber abstained from the vote, stating that they are a client of his business. The motion passed.

Ms. Johnson noticed a discrepancy on the Agenda. Two Resolution numbers do not match up with the attached Resolutions. Numbers Six and Seven are transversed on the Agenda.

The Board Members noted this and continued forward.

RESOLUTION NO. 7-2025 – Authorizing the Authority to extend the *Potential Developer* status to **September 30, 2025**, for Wildheart Ministries' project of mixed-use, commercial, and residential housing located on five (5) lots at 1260, 1262, 1264, 1266, and 1270 Market Street. Ms. Brown moved to approve, seconded by Ms. Johnson. The motion passed unanimously.

RESOLUTION NO. 8-2025 – Authorizing the Authority to approve Handles Helping Hand Foundation the status of "*Potential Developer*" of 1605-1613 Market Street for the project of affordable residential apartments. Mr. Reber moved to approve, seconded by Ms. Brown. The motion passed unanimously.

RESOLUTION NO. 9-2025 – Authorizing the Authority to approve South Central Pennsylvania Restoration LLC the status of "*Potential Developer*" for their project of mixed-use, commercial, and residential housing on five (5) lots located at 1161, 1163, 1169, 1171, and 1173 Market Street. Mr. Reber moved to approve, seconded by Ms. Brown. The motion passed unanimously.

RESOLUTION NO. 10-2025 – Authorizing the Authority to approve South Central Pennsylvania Restoration LLC the status of "*Potential Developer*" for their project of mixed-use, commercial, and residential housing on three (3) lots located at 1420, 1424, and 1426 Derry Street. Mr. Reber moved to approve, seconded by Ms. Brown. The motion passed unanimously.

Ms. Johnson commented about how very different South Central Pennsylvania Restoration LLC is compared to other developers.

Mr. Reber said he is excited to see more diverse developers and people instead of the same folks. This is something to be commended on.

The Board Members thanked the team for coming and presenting their proposed projects to them.

EXECUTIVE SESSION

The Regular Meeting was interrupted for an Executive Session to discuss other business affairs concerning the Redevelopment Authority.

OTHER BUSINESS

None

ADJOURNMENT

The Meeting was Adjourned at 1:18 pm.

Respectfully submitted,


Secretary/Assistant Secretary