

RESOLUTION NO. 15-2020
Harrisburg Redevelopment Authority

WHEREAS, the Redevelopment Authority of the City of Harrisburg has received a Proposal, dated October 2019, from **KevGar Holdco, LLC**, with Kevin Baird and Gary Nalbandian as its principals, with its principle office located at 80 Greenwood Circle, Wormleysburg, PA, 17043 for the purchase of 25 parcels in Harrisburg as detailed in Exhibit A attached hereto (collectively the "Property"); and

WHEREAS, the Redevelopment Authority of the City of Harrisburg ("Authority") owns the Property, and

WHEREAS, the Authority is willing to permit **KevGar Holdco, LLC** to continue with its planning and negotiations for a definite period, contingent upon completion of certain performance requirements as set forth below.

NOW, THEREFORE, BE IT RESOLVED, by the Redevelopment Authority of the City of Harrisburg as follows:

1. **KevGar Holdco, LLC** is hereby designated as the *Potential Developer* of the Property for the period of six (6) months, during which time **KevGar Holdco, LLC** is required to submit written progress reports by the 5th of each month to the Authority including, but not necessarily limited to, information on the status of financing and development (design) plans and approval for applicable local regulations i.e., the building, planning, zoning and affirmative action regulations of the City of Harrisburg.
2. **KevGar Holdco, LLC** is required to present a final proposal acceptable to the Authority for the redevelopment of the Property including, but not limited to, development (design) plans, development schedule, evidence of financial capability, approvals for applicable local regulations, and such other matters that within the discretion of the Authority are deemed reasonable and necessary, so that the Authority may determine whether or not the Potential Developer has made satisfactory progress to undertake the proposed development.
3. The sale price shall be negotiated to the satisfaction of the Authority's Executive Director and Board Chair, which shall include the buyer pay all Authority's closing costs, including transfer taxes.
4. The Property shall remain subject to all real estate tax in perpetuity, regardless of whether the use qualifies for an exemption from the same under any applicable law.

10-20-2020
Date


Secretary

Parcel	Street Address	Owner Name
06-008-001	1518 N. 5th St.	Redevelopment Authority City of Harrisburg
06-008-002	1516 1/2 N. 5th St.	Redevelopment Authority City of Harrisburg
06-008-003	1516 N. 5th St.	Redevelopment Authority City of Harrisburg
06-008-004	1514 N. 5th St.	Redevelopment Authority City of Harrisburg
06-008-005	1512 N. 5th St.	Redevelopment Authority City of Harrisburg
06-008-016	1515 Walker Al	Redevelopment Authority City of Harrisburg

06-008-006	1510 1/2 N. 5th St.	Redevelopment Authority City of Harrisburg
06-008-007	1510 N. 5th St.	Redevelopment Authority City of Harrisburg
06-008-008	150 1/2 N. 5th St.	Redevelopment Authority City of Harrisburg
06-008-009	1508 N 5th St.	Redevelopment Authority City of Harrisburg
06-008-010	1506 1/2 N. 5th St.	Redevelopment Authority City of Harrisburg
06-008-011	1506 N. 5th St.	Redevelopment Authority City of Harrisburg
06-008-012	1504 1/2 N. 5th St.	Redevelopment Authority City of Harrisburg
06-008-013	1504 N. 5th St.	Redevelopment Authority City of Harrisburg
06-008-016	1515 Walker Al	Redevelopment Authority City of Harrisburg
06-008-026	433 Kelker Al	Redevelopment Authority City of Harrisburg
06-008-027	431 Kelker Al	Redevelopment Authority City of Harrisburg
06-008-028	429B Kelker Al	Redevelopment Authority City of Harrisburg
06-008-029	429 1/2 Kelker Al	Redevelopment Authority City of Harrisburg
06-008-030	429 Kelker Al	Redevelopment Authority City of Harrisburg
06-008-031	427 Kelker Al	Redevelopment Authority City of Harrisburg
06-008-033	1517 Fulton St	Redevelopment Authority City of Harrisburg
06-008-036	428 Reily St	Redevelopment Authority City of Harrisburg
06-008-037	426 Reily St	Redevelopment Authority City of Harrisburg
06-008-040	420 Reily St	Redevelopment Authority City of Harrisburg

Harrisburg Redevelopment Authority Development Process Guide

Acquiring Authority-owned Real Estate is a Two-Step Process:

STEP 1. 'Potential Developer' Status.

Developer must provide to the Authority a written preliminary proposal that includes the following:

1. **Description of Proposed Use.** A brief description of the project and intended use of the land/building.
2. **Demonstrate Zoning Compliance.** Letter from **Harrisburg City's Planning Bureau*** that confirms conformance with zoning codes.
3. **Evidence of Past Experience.** Demonstrate experience with similar development projects, including responsible compliance with all applicable codes. (Statement of Past Participation can be used or similar document with pertinent information.)
4. **Preliminary Site Plan.** Plan that shows the parcel map; setbacks of building; parking, landscaping, signage, drainage, trash storage/pickup, and traffic flow plans.
5. **Preliminary Elevations** for proposed new construction.
6. **Preliminary Estimate** of development costs.
7. **Preliminary Financing Plan**, including letters of interest or commitment letters, if available.
8. **Preliminary Construction Schedule.**
9. **Offer of Purchase.** Must be fair market price. A minimum \$1,000 non-refundable good-faith deposit must accompany the submission.
10. **Financial Interests Disclosure Statement** (*required*).
11. **Financial and Credit Statement** (*HUD Form 92417 can be used*). To demonstrate financial viability of developer. (*'Financial Privacy Notice' required*)

First Resolution. Upon review of these submissions, and at a regular monthly meeting (third Tuesday each month), the Authority Board will consider the **First Resolution** to approve 'Potential Developer' status and the sale of the property based on the submission of the items listed above.

KevGar Holdco, LLC
Application re: Step 1: "Potential Developer" Status

APPENDAGE "A"

1. **Description of Proposed Use:** Assemblage of entire 400 block of Reily Street to construct a parking garage to service community with focus on new Federal Courthouse demand along with a commercial office and retail tower.
2. **Demonstrate Zoning Compliance:** Several zoning variances may be necessary to achieve the project goals for the City of Harrisburg.
3. **Evidence of Past Experience:** Mr. Nalbandian's experience with real estate development from the Developer, Lender and Commercial Landlord perspective are self-evident throughout the Harrisburg and surrounding communities. Mr. Baird comes from a background of 20+ years as a licensed real estate attorney; Real Estate Developer in Philadelphia & Mainline area for 20 years with multiple urban infill, multifamily projects to his credit and; Co-Founder of #3 ranked real estate brokerage in Pennsylvania.
4. **Preliminary Site Plan:** See attached Survey.
5. **Preliminary Elevations:** See attached Schematic Drawings.
6. **Preliminary Estimate of Development Costs:** See attached preliminary budget.
7. **Preliminary Financing Plan:** TBD
8. **Preliminary Construction Schedule:** Spring/Summer 2021 break ground – 18 month project.
9. **Offer of Purchase:** LOI in place
10. **Financial Interest Disclosure Statement:** Attached
11. **Financial & Credit Statement:** Will provide upon request.

Financial Interests Disclosure/Update Report

Department of Building
and Housing Development

City of Harrisburg

Owner/Developer Information

Indicate whether this is an Initial Report ☒ or an Update Report ☐

1. Owner/Developer Name, Address, and Phone (include area code): <i>KeuGar Holdco, LLC; 80 Greenwood Circle, Wormleysburg, PA 17043</i>		2. Social Security Number or Employer ID Number: <i>85-2125319</i>
3. Program Name: <i>Court House Parking Garage 400 Kelly St</i>		4. Amount of City Assistance Requested/Received: <i>N/A</i>
5. State the name and location (street address, City and State) of the project or activity: <i>400 Block of Kelly Street</i>		

Part I Threshold Determinations

1. Have any of the Interested Parties filed for bankruptcy, experienced (or have pending) legal litigation, filed (or have pending) litigation against the City of Harrisburg; do any of the Interested Parties have partnership interest in another entity that filed for bankruptcy, experienced (or have pending) legal litigation, or filed (or have pending) litigation against the City of Harrisburg? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	2. Do any of the Interested Parties have delinquent real estate taxes, delinquent City utility accounts, or Building Code violations on any properties owned in the City of Harrisburg; or do any of the Interested Parties have partnership interest in another entity that has delinquent real estate taxes, delinquent City utility accounts, or Building Code violations on any properties owned in the City of Harrisburg? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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If you answered "Yes" to either question 1 or 2, **Stop!** You must attach additional detail documenting each of these items, curative measures taken, disposition of litigation, and explain all the important events pertaining to it.

Part II Other Government Assistance Provided or Requested / Expected Sources and Use of Funds.

Such assistance includes, but is not limited to, any grant, loan, subsidy, guarantee, insurance, payment, credit, or tax benefit.

Department/State/Local Agency Name and Address	Type of Assistance	Amount Requested/Provided	Expected Uses of the Funds
<i>State</i>	<i>REAP</i>		
<i>State</i>	<i>REAP</i>	<i>3.9M</i>	<i>Excavation/Foundations</i>

(Note: Use Additional pages if necessary.)

Part III Interested Parties. You must disclose:

- All developers, contractors, or consultants involved in the application for the assistance or in the planning, development, or implementation of the project or activity and
- any other person who has a financial interest in the project or activity for which the assistance is sought that exceeds \$50,000 or 10 percent of the assistance (whichever is lower).

Alphabetical list of all persons with a reportable financial interest in the project or activity (For individuals, give the last name first)	Social Security No. or Employee ID No.	Type of Participation in Project/Activity	Financial Interest in Project/Activity (\$ and %)
<i>Kevin A. Baird</i>	<i>85-2125319</i>	<i>Principal</i>	<i>750</i>
<i>Gary Nalbantyan</i>		<i>Principal</i>	<i>750</i>

(Note: Use Additional pages if necessary.)

Part IV Release for Verification of Information & Financial Privacy Notice. You must provide a Verification of Information and Financial Privacy Notice, as completed by each of the Interested Parties in Part III (Note: Use Form Attached.)

Certification

Warning: If you knowingly make a false statement on this form, you may be subject to civil or criminal penalties under Section 1001 of Title 18 of the United States Code. In addition, any person who knowingly and materially violates any required disclosures of information, including intentional non-disclosure, is subject to civil money penalty not to exceed \$10,000 for each violation.

I certify that this information is true and complete.

Signature: <i>x N. C. [Signature]</i>	Date: (mm/dd/yyyy) <i>10/12/2020</i>
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Courthouse Parking Project

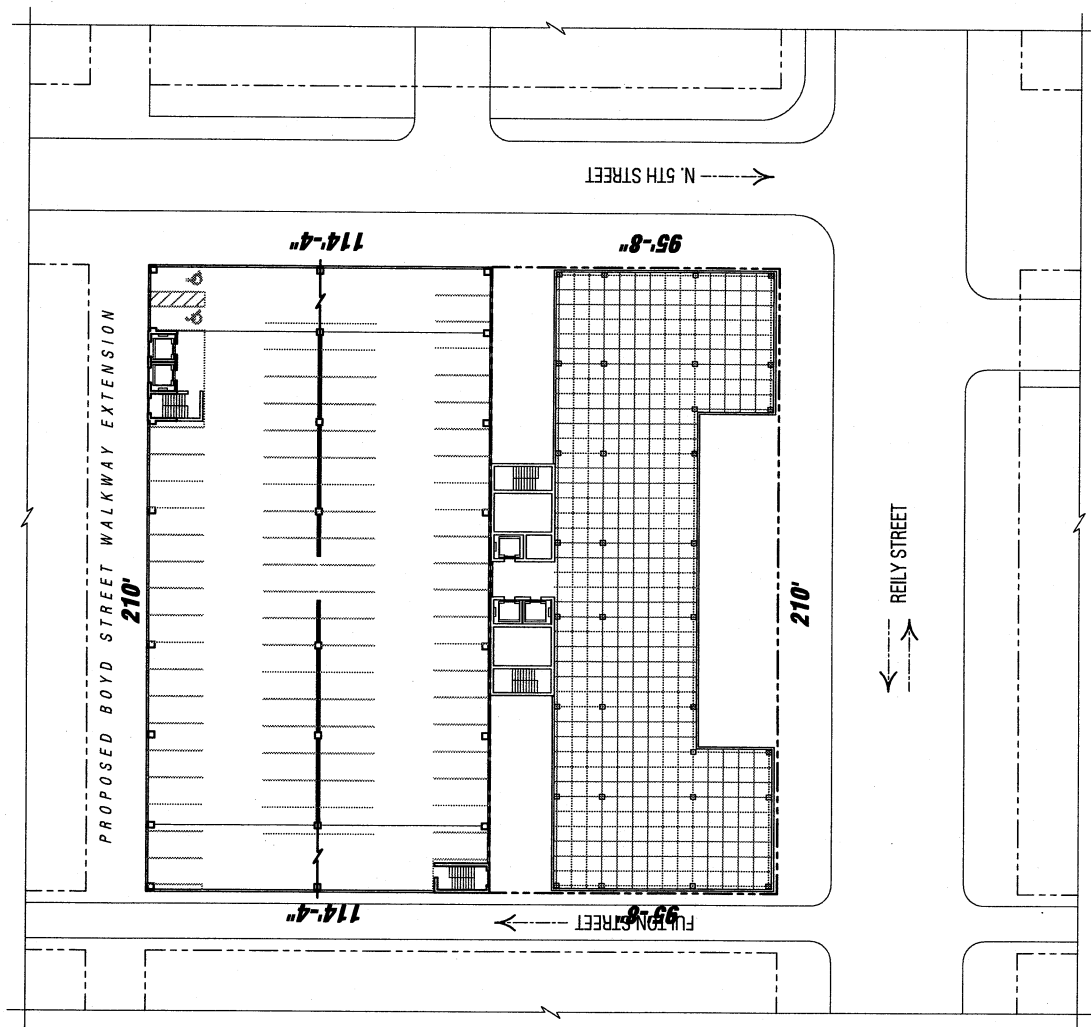
Baird Development

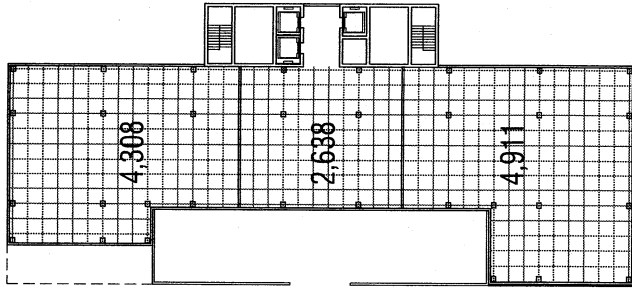
Schematic Estimate

7/11/2020

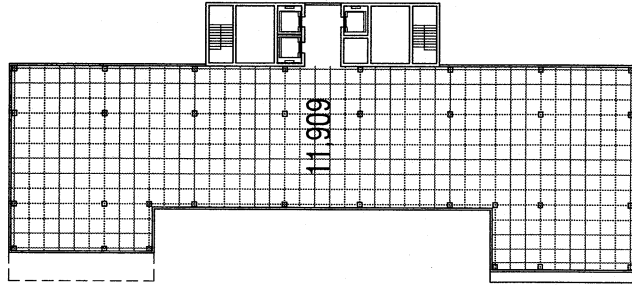
SCHEMATIC ESTIMATE**Reilly St Site**

		Sitework	Garage	Retail	Office	Totals
Construction Costs						
Sitework	\$3,400,000	\$3,400,000				\$3,400,000
Garage Structure (5 Floors)	\$11,025,000		\$11,025,000			\$11,025,000 420 Parking Spaces (Separate Structure)
Retail	\$1,410,000			\$1,410,000		\$1,410,000 Shell Only
Office	\$4,020,000				\$4,020,000	\$4,020,000 Shell Only
Core / Common Area	\$302,500			\$151,250	\$151,250	\$302,500 Corridors / Lobby / Stairs / Elevator
SUBTOTAL:	\$20,157,500	\$3,400,000	\$11,025,000	\$1,561,250	\$4,171,250	\$20,157,500
Permits	\$100,788	\$17,000	\$55,125	\$7,806	\$20,856	\$100,788
GL Insurance	\$201,575	\$34,000	\$110,250	\$15,613	\$41,713	\$201,575
General Condition	\$1,612,600	\$272,000	\$882,000	\$124,900	\$333,700	\$1,612,600
CM Fee	\$806,300	\$136,000	\$441,000	\$62,450	\$166,850	\$806,300
SUBTOTAL:	\$22,878,763	\$3,859,000	\$12,513,375	\$1,772,019	\$4,734,369	\$22,878,763
Construction Contingency	\$1,715,907	\$289,425	\$938,503	\$132,901	\$355,078	\$1,715,907
Builders Risk Insurance	\$201,575	\$38,590	\$125,134	\$17,720	\$47,344	\$228,788
Design Fees	\$1,143,938	\$192,950	\$625,669	\$88,601	\$236,718	\$1,143,938
Owners Representative	\$629,166	\$106,123	\$344,118	\$48,731	\$130,195	\$629,166
COMPONENT TOTAL:	\$26,569,349	\$4,486,088	\$14,546,798	\$2,059,972	\$5,503,704	\$26,596,561

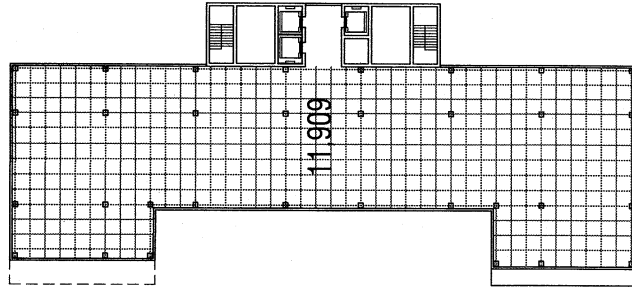




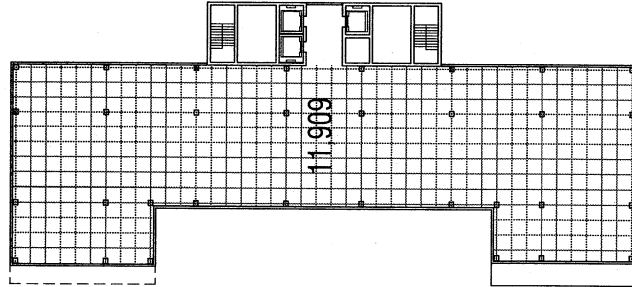
GROUND



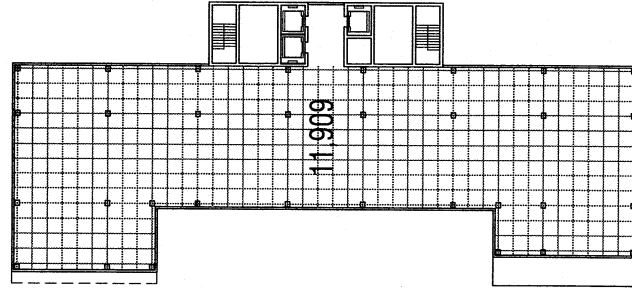
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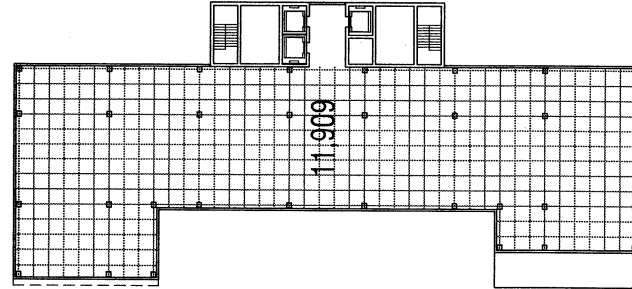
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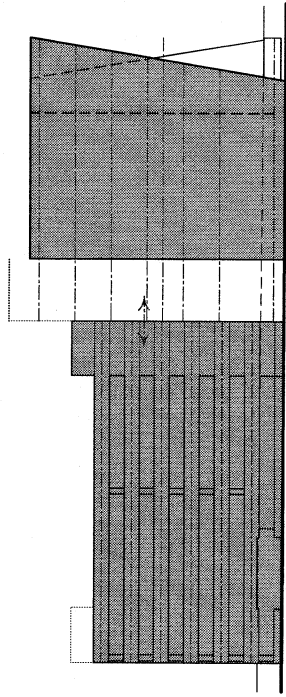
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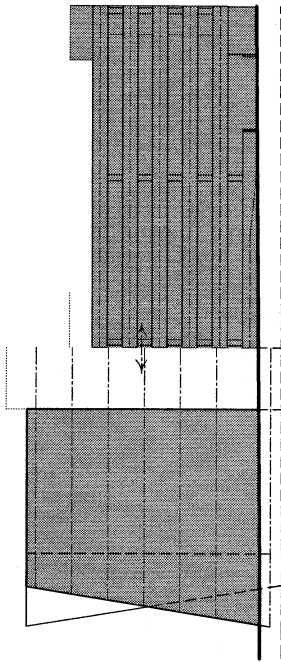
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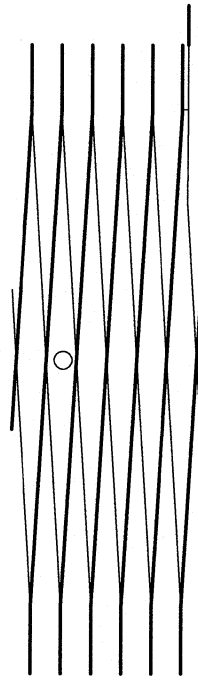
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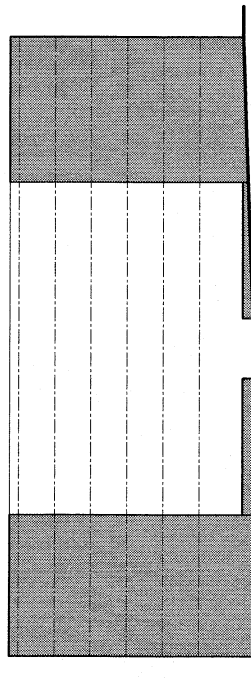
WEST ELEVATION



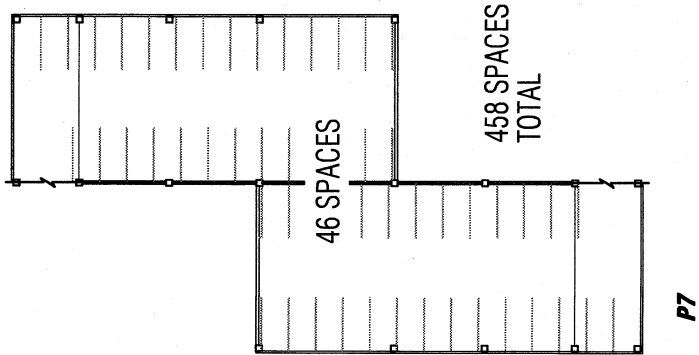
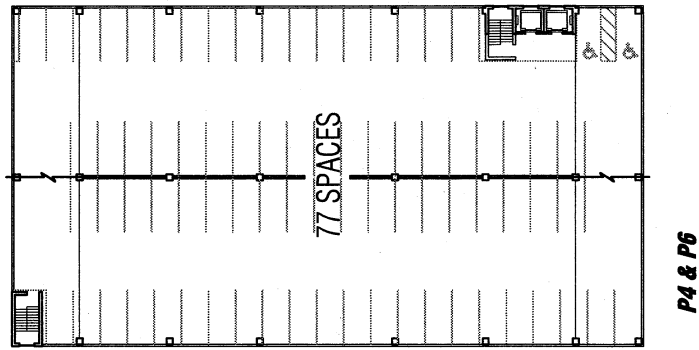
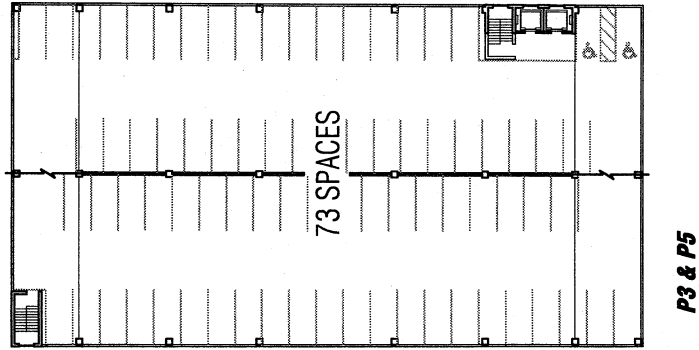
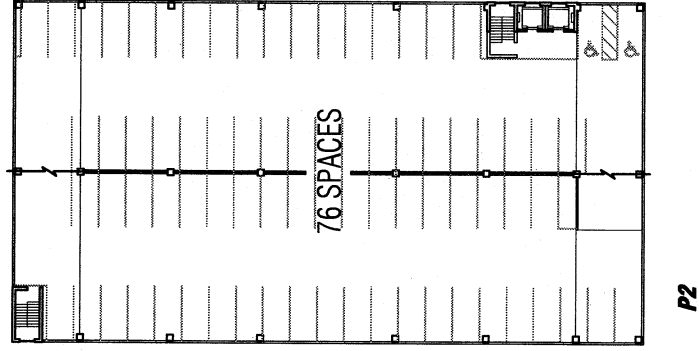
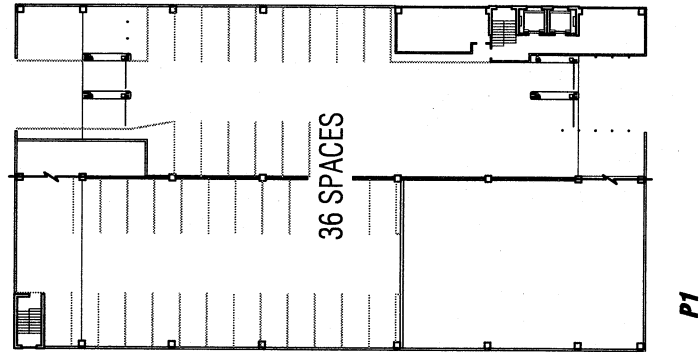
EAST ELEVATION



GARAGE SECTION



NORTH ELEVATION



**458 SPACES
TOTAL**