

The Redevelopment Authority of the City of York
Meeting Minutes
November 18, 2015

A duly advertised meeting of the Redevelopment Authority of the City of York was held on November 18, 2015 at 101 S. George Street, City Council Chambers, York, PA 17401

I. Call to Order / Welcome

The meeting was called to order at 4:01 p.m. by David Cross. Present were Michael Black, Andrew Paxton, Aaron Anderson, Melissa Stiles.

III. Approval of meeting Minutes

Melissa Stiles moved to approve the minutes of September 16, 2015 as distributed. Andrew Paxton seconded. The motion passed unanimously. There were no October meeting minutes as there was no October meeting held.

Resolution No. 5062

V. New Business/Action Items

1. Susquehanna Commerce Center Parking Garage. Jack Kay gave a history of the project. There is a management agreement in place to operate the garage, provide staff and handle maintenance collect the funds, etc. The agreement expires on January 1, 2016. Mr. Kay and Gary Sonke are asking for an extension through October 1, 2027. This date is when the bond issue will be paid off. They advise there have been major improvements and maintenance performed during the term of the agreement. Michael Black moved to approve the agreement's extension. Melissa Stiles seconded. The Motion passed unanimously.

Resolution 5063

- b. (1.) Woolworth (44-50 West Market Street). Royal Square Development (Holly Dicaris of Royal Square Development) wishes to exercise the option for the building and purchase the property for \$50,000.00. Michael Black moved to approve the sale. Melissa Stiles seconded. The motion passed 3-0. Andrew Paxton abstained.

Resolution No. 5064

(2.). Weinbrom (56 West Market Street). Ms. Dicaris of Royal Square Development is requesting this transaction be finalized. Michael Black moved to approve the sale. Melissa Stiles seconded. The motion passed 3-0. Andrew Paxton abstained.

Resolution No. 5065

Not on the agenda

105-107 South Duke Street (Alison's). Ms. Dicaris advised that the majority of improvements have been completed to this property and they are ready for the sale. Michael Black moved to move the sale. Melissa seconded. The motion passed 3-0. Andrew Paxton abstained.

Resolution No. 5066

- h. 696-698 East Philadelphia Street. Mr. Jerry Stahlman appeared with Mr. Patel. This is an old hotel at the intersection of Franklin Street and East Philadelphia. It was a bar and rooming house last. Mr. Patel wishes to convert the first floor to a neighborhood grocery store and the upper two floors to a multi-family residence. Special exceptions have been filed with the city for this store as well as the multi-family use. Variances were also filed with the city for parking. The property is in a UNI-2 Zone. Under the Zoning Ordinance, letters of recommendation are required for a multi-family use by the Authority. Melissa Stiles asked questions about how we should move forward at this time. Staff advised that it is concerned about the density of the use because 10 apartments are being proposed. Mr. Stahlman stated that the ordinance requires 400 square feet for an apartment and all of the residential units are larger than that. David Cross advised that he agrees with the staff. Staff advised that the next Planning Commission Meeting is in December and then the Zoning Hearing Board would be February. Melissa Stiles moved to have the Authority issue a letter supporting a mixed-use development, without any further details. Michael Black seconded. The motion passed unanimously.

Resolution No. 5067

- a. 1 North George Street (Citizens Bank). Derek Dilks appeared. There is a Redevelopment Agreement in existence. It is soon to expire. He would like to move to an Agreement of Sale. There will need to be some conditions laid out in the agreement. He proposes Phase 1 to be acquisition and construction. He is proposing four high-end condos. They will be north of the main bank's structure. Phase 2 will be apartments to

the east. Phase 3 will be a restaurant use. He believes he is ready to do phases 1 and 2 now. There was discussion about terms of the agreement such as any use of the area without approval of the Board and quarterly updates of the status. Michael Black moved to approve the sale to Mr. Dilks for \$400,000 on terms to be negotiated by staff. Melissa Stiles seconded. The motion passed unanimously.

Resolution No. 5068

- g. 450 Madison Avenue - Redevelopment Agreement. Seth Predix appeared. He has been discussing with staff a Redevelopment Agreement for this property. His plan is to finish the Keystone Color Works Building in May. He wishes to start 450 Madison as soon as that is concluded. The agreement might be for six months. There was a discussion about a one year construction period. A parking variance is going to be needed from the City. Mr. Predix proposes the building be done in a Phase 1 tower of half the apartments first. The agreement of \$500,000 would be divided. This second payment would be due at the start of the second phase. Mr. Predix advised there are storage units that are no longer necessary so the overall construction would involve 46 units not 44. On page 5 of his handout, he would say Phase 1 would be items a-d and then Phase 2 would be items e-h. He advises new elevators are needed. The City Building Code Official has visited the property. They are comfortable with proceeding. Mr. Predix is waiting for the bank to get clarity on financing. He estimates a total cost budget between \$2 and \$2 ½ million dollars. Staff advised that if the Authority needs to hold the property during Phase 1 there will be an additional cost of \$25,000. Andrew Paxton asked if the first payment not be any less than 50 percent. Mr. Predix advised that would be the case. Mr. Paxton then moved to approve the Redevelopment Agreement on those terms subject to further details being negotiated by staff. Michael Black seconded. The motion passed unanimously.

Resolution No. 5069

Mr. Predix also gave an update on the status of Keystone Color Works. The third floor of the building has drywall, floors, electrical, plumbing, and it getting ready for the next step. The second floor has drywall. The first floor has been framed. In his opinion, the May 1, 2016 schedule is still viable.

II. Public Comment

Mr. Baldwin Almonte and Ms. Acevedo are asking for more time to pay off their financial obligations and more time to finish the project. Mr. Cross advised that the Board would consult with staff and advise.

IV. Financial Report

The Authority General Fund Balance stands at \$134,196.03. The Pullman Building rental revenue fund is \$52,668.26. The Pullman tenant escrow fund is \$2,503.96.

Currently the CDBG balances (Bureau of Housing Services) are as follows:

Demolition:	\$ 121,293.26
Acquisition:	\$ 0.00
Stabilization:	<u>\$ 57,738.52</u>
	\$ 179,031.78

Mr. Cross asked about any encumbrances on the demolition. Staff advised there will be a demolition of 512 – 516 North Pershing and there will be environmental issues at 154 East Maple. No specific numbers are available at this time.

V. New Business/Action Items

- c. 53 North Newberry Street. The YMCA is requesting this property to be held by the RDA. Melissa Stiles moved to approve an agreement to hold the property for 12 months without a fee. Aaron Anderson seconded. The Motion passed unanimously.

Resolution 5070

- d. 300 North State Street. This transaction was already approved by the Board in the amount of \$25,000. However, there were some additional taxes and the cost is now \$29,133.60. Michael Black moved to approve the transaction on those terms. Aaron Anderson seconded. The Motion passed unanimously.

Resolution 5071

- e. 335 West Maple Street. This is the old Ruffins' property. The York City School District is requesting to use this surface lot on a license basis. The School District and the Teachers' Union will indemnify the City and the Authority for anything that may arise. Aaron Anderson moved to approve

the agreement. Andrew Paxton seconded. The Motion passed unanimously.

Resolution 5072

- f. 369 North George Street - Armory. Keystone Kidspace is requesting a Redevelopment Agreement for a five year period. Andrew Paxton moved to approve for up to a five year period. Andrew Paxton moved to approve the transaction. Michael Black seconded. The Motion passed unanimously.

Resolution 5073

- i. Fresh Food Fund. Back in September, \$20,000 was approved for Otto's Kitchen and Cocktails. Andrew Paxton asked about collateral. Staff advised there would be a UCC on all equipment. A waiver of landlord would be required. Melissa Stiles moved to approve the change in the transaction to the new name Roburrito's. Andrew Paxton seconded. The Motion passed unanimously.

Resolution 5074

- j. 462-464 West Market Street. There is an existing agreement with Initiative Property Group. They have been getting construction costs and engaging in architect for this project. They would like a six month extension. Michael Black moved to approve the extension. Melissa Stiles secondly. The Motion passed unanimously.

Resolution 5075

- k. 343 East Locust. This property is being donated by an estate to a developer. However, the estate is requiring the transfer go directly to the Authority and then the Authority would convey to the developer. There would be no cost or expense to the Authority as the developer would put everything together and bear all costs. Aaron Anderson moved to approve the agreement. Andrew Paxton seconded. The Motion passed unanimously.

Resolution 5076

- m. CODO 241 Loan Modification. The CODO 241 loan has been agreed to be modified to reflect a more standard loan transaction. The loan grant was used as collateral to acquire additional funds and that agreement needs to be modified as well. Melissa Stiles moved to enter an agreement

for the repayment on the same terms as the CODO 241 Agreement. Andrew Paxton seconded. The Motion passed unanimously.

Resolution 5077

- n. Vacant Property Review Committee. A new designee is needed. Melissa Stiles agreed to do it. The Board unanimously thanked Ms. Stiles for her commitment.
- o. Condemnation. One property has been through the blight task force, the City Planning Commission to the Vacant Property Review Committee. This is the old Market Street Saloon. Michael Black moved to certify the property as blighted and authorize staff to file eminent domain. Melissa Stiles seconded. The Motion passed 4 – 1.

Resolution 5078

- p. 729 South Queen Street. Elite Property Management owns 727 South Queen Street. 729 South Queen Street is blighted and should go through condemnation. Elite Property Management is agreeable to entering into a Redevelopment Agreement so that the Authority is made hold and fully reimbursed. Melissa Stiles moved to approve the agreement on those terms. Michael Black seconded. The Motion passed unanimously.

Resolution 5079

VI. Staff Reports

New Business

- a. LandBank Committee. Staff has a meeting with the County on November 20 to discuss a joint cooperative effort.
- b. York Academy Regional Charter School. They are inquiring about potential use of the Northwest Triangle. Staff will advise when they know more.
- c. Financial Analyst. A new City employee was introduced. Katrell Barnes.

Old Business

- a. 422 Lincoln Street. This property has been paid off.
- b. 727 Kelly Drive. . . . What?
- c. 1014 South Pine Street. This agreement is now current.
- d. 515 Linden Avenue. The developers are looking for additional funding sources.

- e. Pullman Property Management Agreement. They will go forward with the new owner.

VII. Chairman's Report

Staff and solicitor had an Executive Session to discuss potential litigation involving real estate as well as negotiations to purchase and sell real estate.

The chairman advised that an Executive Session had been called and is now concluded.

VIII. Adjournment

The meeting adjourned at 5:30.