

**The Redevelopment Authority of the City of York
Meeting Minutes
November 19, 2014**

A duly advertised meeting of the Redevelopment Authority of the City of York was held on November 19, 2014 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, and Melissa Stiles.

II. Public Comment

None.

III. Approval of meeting Minutes

Michael Black moved to approve the minutes of October 15, 2014 as distributed. Melissa Stiles seconded. The motion passed unanimously.

Resolution No. 4973

V. New Business/Action Items

a. Multiple Property Acquisition.

1. Brickbox – Derek Dilks who with Dan Deitchman made a presentation for Citizens Bank, Elm Terrace, and Pullman Apartments. He stated all three properties make things more financially worthwhile for them to do a project. He advised who their various teams were. He gave a list of the recent projects they had done in Harrisburg. Lux Condominiums, Kunkel Building, Governor Hotel, Seel Building, Riverview Manor, and the Furlow Building.

Citizens Bank - as they are proposing some retail, a restaurant, a gallery space, and eight high end apartments. He believes it will be more formal than CODO. They will not have exposed brick, etc. They are requesting a 90 day option so they can formalize tenants and get commitments. They believe the property will require \$750,000 in

development costs. They are projecting a 12 month construction timeframe.

Elm Terrace – They think this will continue to be an apartment building but perhaps some small mixed use to it. They believe development costs will be between \$2.1 and \$2.5 million dollars. They believe that the timeframe will be 15 months.

Pullman Apartments – This will also remain an apartment building (at market rate). At some time in the future they may consider selling them as condos, but that decision has not been made at this point. They estimate the construction costs at between \$950,000 and \$1.2 million dollars. They believe the timeframe for this will take 9 months. The total offer is \$1,034,000 broken out as follows:

a. Citizens Bank	\$178,000
b. Elm Terrace	\$518,000
c. Pullman Apartments	\$338,000

They are willing to pay \$10,000 for an option. They understand this would be nonrefundable but it would apply to the purchase price. Andrew Paxton asked if the option period could be less than 90 days. Mr. Dilks answered yes.

2. Tawanda Thomas introduced Mr. Thaddeus Shaw and Ryan Davis. Mr. Shaw stated he is not a developer. He has created a software development company for Veterans called Analyst Warehouse, LLC. His proposal for the Citizens Bank building is to turn it into a cyber-integration center both for youth and adult training. This would not be retail but he believes it would bring considerable foot traffic to the downtown core. Mr. Ryan Davis' business is called Reveal, Inc. Global Consulting Company. He believes there is a need for this kind of use. They are offering \$450,000 for Citizens Bank.

Pullman Apartments – Tawanda Thomas stated the highest and best use for this building is for it to remain an apartment building. It would be as market rate rentals. There could be a common space for use by all the tenants. Mr. Tony Thomas believes that the target market is right now between \$750 and a \$1,000 a month. However, after rehab they believe the rentals could go for \$950 a month, \$850 a month, and \$900 a month and commercial space \$3,000 a month. Thus the total income would be \$22,000 a month. He believes that Pullman would have synergy with a cyber-integration center. They are working with Bob Pullo to develop financing. They are offering

\$350,000 for the Pullman building. They believe the total construction costs for both properties would be \$800,000.

Melissa Stiles asked why they believe the Citizens Bank is a good building for the cyber integration center. Mr. Davis advised it is right in the heart of York with a lot of foot traffic into its square could inspire more development and provide visibility. Michael Black advised that Citizens is a huge building and asked if all of the space be used. Mr. Davis advised yes. Mr. Shaw stated that he would be locating other companies here to this building. Aaron Anderson asked how many employees would be brought in. Both Mr. Davis and Mr. Shaw each said 20 employees. David Cross asked about development costs. The reply was Pullman will cost \$240,000 for construction and Citizens Bank will cost \$400,000. David Cross asked what motion they would like. Ms. Thomas asked for an extension of 2 to 3 weeks to present a better more-detailed proposal. Mr. Cross asked if they were offering anything for the option. The answer was 1 percent. Melissa Stiles asked who the option would be with. Messrs. Shaw and Davis advised it would be them. Aaron Anderson asked why both Citizens and Pullman together. Mr. Davis advised that the Thomasas would be a good fit to a system with Pullman and the bank as the cyber center would provide innovation and education to the city. Andrew Paxton asked where the draw would be from for the cyber integration center. Mr. Shaw advised it would first be regional and the plan is to go national.

David Cross addressed the timing issue. He discussed the Authority's mission and dollars issues in a general way. The process involves proposals from the development community. He advised that the Authority had been looking at the development from the beginning of the Citizens' acquisition. The Authority did first speak to Brickbox. He detailed the entire process of development that it uses. The Authority does not want to hold on to properties. He advised that all proponents should remain engaged in the city and work with staff because other properties are certainly available.

Mr. Cross advised there should be two motions. One for each developer. The first was to offer a 30 day option with Reveal for \$8,000 for the two properties Citizens Bank and Elm Terrace with a total purchase price of \$800,000. Andrew Paxton made that motion. Aaron Anderson seconded. Andrew Paxton voted yes. Melissa Stiles, Michael Black, and David Cross voted no. Aaron Anderson then voiced his opinion that he was not sure there was proper time. David Cross answered him that he was voting on the use of the properties not

the time matters or the plan. Leonardo McClarty advised that the Authority has been talking about doing something with Pullman even before the October meeting. Eventually Derek Dilks stated he would be ready for the November meeting. Last week discussions were held with Mr. and Mrs. Thomas. David Cross advised further that this is not a sale of these properties. It is an option only. It is not a dollar issue. It is too allow the people getting the option time to do their due diligence and be ready for a sale if that comes to pass. Mr. Anderson then stated that he will yes. The final vote was 1 to 3 and therefore failed. The second motion was to grant a 90 day option with Brickbox for the sum of \$10,000 and purchase price for all three properties, Elm Terrace, Pullman, and Citizens Bank, was \$1,034,000. Michael Black stated he would make that motion but that it would be a 60 day option. Melissa Stiles seconded. The motion passed unanimously.

Resolution No. 4974

- b. 337 Smyser Street. Dommonick Chatman t/d/b/a D Wood Realty and Unique Realty Group are requesting the reversion of this property. It is going through condemnation. He agrees to a Redevelopment Agreement. It will become a single family home. Melissa Stiles moved to agree to the reversion for \$2,000 plus the continuing obligation for taxes. Aaron Anderson seconded. The motion passed unanimously. Mr. Chatman advised that he thought construction costs would be around \$7,000.

Resolution No. 4975

- e. Royal Square NPP Project Phase I. Joshua Hankey of Royal Square Development which is a subsidiary of Susquehanna Renovations wishes to finalize the purchase of 105-107 South Duke Street, 123-125 South Duke Street, 127-129 South Duke Street, and 46 South Duke Street for \$1.00 each. Aaron Anderson moved to approve the sale on those terms. Melissa Stiles seconded. The motion passed unanimously.

Resolution No. 4976

- f. 422 Lincoln Street. Mr. Kenneth Bethea and his wife, Tammy Bethea are requesting to purchase this property. The staff advised that the Board of View determined it at a value of \$35,000. The appeal period has not yet run but assuming it does the Authority will have expenses of a total of \$40,000, with attorney expenses, appraisal expenses, and court costs. The Betheas are offering to deposit \$4,000 and pay the first in installments over a year after which conventional financing will be obtained. The Betheas have contracting experience. Staff believes that when the

renovation is concluded the neighborhood would provide a value of between \$70,000 and \$80,000 for the property. Andrew Paxton moved to approve this sale on those terms. Michael Black seconded. The Solicitor advised that there would need to be approval by HUD under the regulations due to Ms. Bethea's employment. The motion then passed unanimously.

Resolution No. 4977

- g. 701 W. Princess Street. Baldwin Almonte d/b/a Diamante Construction is working on 703 West Princess Street and he is up to the point where he needs to do the roof and it makes sense to do both the roof for 703 West Princess and 701 West Princess at the same time. He is therefore requesting to purchase 701 West Princess for \$5,000. Staff advised that he needs to resolve the financial matters for the existing property and some taxes and sewer and refuse. Melissa Stiles moved to approve the Redevelopment Agreement for staff to work out the details as stated. Aaron Anderson seconded. The motion passed unanimously.

Resolution No. 4978

- c. 109 West Gay Avenue. Staff is requesting to modify the Keystone Color Works Building from a Sales Agreement to a Redevelopment Agreement so that plans, specifications, and estimates and proof of financing and the duration schedule milestones to accomplish before approving the final Sales Agreement. Staff advised there would also be some additional land involved. Michael Black moved to approve a Redevelopment Agreement on those terms. Andrew Paxton seconded. The motion passed unanimously.

Resolution No. 4979

- d. CODO HRA Loan. CODO 241 is paying interest and that is used by the Authority to pay on a loan it has elsewhere. CODO is now requesting a more conventional installment loan. The Board advised that we do not want a financial shortfall so the terms of the Authority's loan need to match whatever this is. Staff was then directed to negotiate equal terms.
- h. 727 Kelly Drive. Wells Fargo would like to donate this property to the Authority. Andrew Paxton moved to accept the donation. Michael Black seconded. The motion passed unanimously.

Resolution No. 4980

- i. Declarations of Taking. The following properties have been declared blighted and so designated by the York City Planning Commission and Vacant Property Review Committee:

- i. 342 South George Street
- ii. 343 East Locust Street
- iii. 429 West Princess Street
- iv. 443 East Walnut Street
- v. 444 East Wallace Street
- vi. 512 North Pershing Avenue
- vii. 514 North Pershing Avenue
- viii. 516 North Pershing Avenue
- ix. 756 West Philadelphia Street
- x. 1023 South Queen Street
- xi. 38 East South Street
- xii. 50 South Pine Street
- xiii. 526 South Duke Street

Melissa Stiles moved to certify these properties as blighted and authorized staff to commence eminent domain. Michael Black seconded. The motion passed unanimously.

Resolution No. 4981

- j. 600-630 South Pine Street. This is the Simon Camera property. The Authority has had a couple of developers over the years. Habitat for Humanity has expressed an interest in it currently. In addition, however, Ms. Britta Schwab and James Munene of Central Penn Development are requesting an option. They plan on creating a biofuel production site on the structure and use the adjacent parking lot. They are talking to a distribution company in Lancaster. David Cross asked if there is a critical time crunch. Ms. Schwab advised that there was not. Mr. Cross advised that he would like to see a more formal proposal at the December meeting. Ms. Schwab advised that she will take that advice.

VI. Staff Reports

- a. New Business
 - a. CSX Letter of Intent. There was negotiations there but nothing has come to fruition at this point.
- b. Old Business
 - a. Citizens Bank – Staff is working on maintenance issues.
 - b. GUS' Bar – an update was provided.

IV. Financial Report

The Authority General Fund Balance stands at \$201,033.56. The Pullman Building rental revenue balance is \$56,028.13. The Pullman tenant escrow balance is \$2,501.46.

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

Demolition:	\$ 84,719.59
Acquisition:	\$ 45,000.00
Stabilization:	<u>\$ 7,500.00</u>
	\$137,219.59

VIII. Adjournment

The meeting adjourned at 5:45 p.m.