

The Redevelopment Authority of the City of York
Meeting Minutes
July 20, 2016

A duly advertised meeting of the Redevelopment Authority of the City of York was held on July 20, 2016 at 101 S. George Street, City Council Chambers, York, PA 17401

I. Call to Order / Welcome

The meeting was called to order at 4:02 p.m. by David Cross. Present were Michael Black, Andrew Paxton, and Melissa Stiles. Aaron Anderson was absent.

II. Public Comment

There was no public comment.

III. Approval of meeting Minutes

Michael Black moved to approve the minutes of June 15, 2016 as distributed. Melissa Stiles seconded. The motion passed unanimously.

Resolution No. 5120

IV. Financial Report

| | |
|--|--------------|
| Authority General Fund Balance stands at | \$314,692.61 |
| 90 day Encumbrances | \$ 96,394.00 |

Note: Balance Loan due November 1, 2016

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

| | |
|----------------|---------------------|
| Demolition: | \$ 67,500.00 |
| Stabilization: | <u>\$ 31,440.00</u> |
| | \$ 98,940.00 |

V. New Business/Action Items

- a. Northwest Triangle. Staff advised there had been negotiations with The Time Group and at this point there are just 2 modifications required.
 1. To change time period of the Option Agreement from November 15, 2016 to 6 months from the signing of the Agreement.
 2. The Time Group would like a refund if they are unable to obtain LERTA certification. The Board discussed the ramifications and the specific

practice of LERTA, which is beyond the RDA's ability to do anything about. Nevertheless, there was a consensus that the modification could be made if the developer makes a full effort to apply for LERTA and is denied. Under those circumstances, then a refund would be acceptable on those terms. Michael Black moved to approve those two modifications. Melissa Stiles seconded. The motion passed unanimously.

Resolution No. 5121

- b. 462-464 West Market Street. Staff is requesting that the Board approve a letter of support for the Special Exception requested under the Zoning Ordinance for an adaptive reuse of the property into a multi-family dwelling with 12 residential apartments. Melissa Stiles moved to approve that letter of support. Michael Black seconded. The motion passed unanimously.

Resolution No. 5122

- c. 462-464 West Market Street. Yohn Property Management is requesting an Option for the properties. Staff is proposing an Option for one year at a cost of \$1,000. Michael Black moved to approve entering into the Option on those terms. Melissa Stiles seconded. The motion passed unanimously.

Resolution No. 5123

- d. Northeast Neighborhood Parcelage. Michael Black moved to exercise the reverter provisions on the sale approved on February 20, 2013 (Resolution No. 4838). Melissa Stiles seconded. The motion passed 3 to 0. Andrew Paxton abstained.

Resolution No. 5124

- e. 460 West Philadelphia Street. Removed from agenda.
- f. Healthy Corner Store Initiative. La Esquina Sabrosa is requesting up to \$1,000 for a refrigerator to increase access to healthy foods at small retail location. The Authority is being asked to help make a distribution in this grant program. Melissa Stiles moved to approve the expenditure. Andrew Paxton seconded. The motion passed unanimously.

Resolution No. 5125

- g. East Princess Street Properties. Royal Square is requesting an Option Agreement for seven properties as follows:
117-119 East Princess Street
121 East Princess Street

127 East Princess Street
129 East Princess Street
137 East Princess Street
146 South Howard Street
148 South Howard Street

The Option period would be for one year for \$1,000 total. Renewal for another year at the cost of another \$1,000. Michael Black moved to approve the Option on those terms. Melissa Stiles seconded. The motion passed unanimously.

Resolution No. 5126

- h. 244-248 North George Street. This is the old Station house and Cupid's. Royal Square is requesting an Option Agreement for 12 months for \$1,000 which is renewable for another 12 months pending satisfactory progress being demonstrated. Michael Black moved to approve the Option on those terms. Andrew Paxton seconded. The motion passed unanimously.

Resolution No. 5127

- i. 51-55 West Princess Street. This will be a pocket park with York Rotary, Bell Socialization Services, and the Authority. It will be a Licensing Agreement to use the vacant lots at no cost to the Authority. Andrew Paxton moved to approve the License Agreement. Michael Black seconded. The motion passed unanimously.

Resolution No. 5128

- j. 13-29 East Maple Street. A family picnic is being requested for August 13. The family will sign an Indemnification and be responsible for cleanup. Andrew Paxton moved to approve the License. Michael Black seconded. The motion passed unanimously.

Resolution No. 5129

- k. 513 South Queen Street. Wells Fargo is willing to donate the property. It has been examined by staff and appears acceptable. Michael Black moved to accept the donation. Melissa Stiles seconded. The motion passed unanimously.

Resolution No. 5130

- l. New Bank Account. The Authority needs a new escrow account for Gus' Bar at 594-596 West Princess Street. Michael Black moved to approve the setting

up of that account. Andrew Paxton seconded. The motion passed unanimously.

Resolution No. 5131

- m. 380 West Market Street. This is Penn and Market Farmers' Market. The city has been involved in providing grant funds for the market. More funds will be needed to get all the work done. Staff advised they have been working with the market and friends of the market to find some more money. The discussion is to negotiate a Redevelopment Agreement which would give the Authority flexibility to take title of the property for a period of time in order to obtain funding. Andrew Paxton moved to authorize staff to negotiate a Redevelopment Agreement. Melissa Stiles seconded. The motion passed unanimously.

Resolution No. 5132

- n. 1 North George Street/Citizens Bank. Derek Dilks is requesting a modification of resolutions on this property. There have been 4. April 15, 2015 (Resolution No. 5021), May 20, 2015 (Resolution No. 5028), November 18, 2015 (Resolution No. 5068), and May 16, 2016 (Resolution No. 5113). Mr. Dilks advised this is a challenging project. He believes that 2 additional floors are needed on the easternmost building so that he can put in 10 more apartments which will assist in income projections. He would like to the entire project in 3 phases.
1. First phase will be the building that adjoins Otto's that will be a café and 2 apartments. That will be for a period of 6 months.
 2. The second phase is the apartments on the eastern building which will be a 12 month project.
 3. The third phase is the bank building which will be a restaurant and would be a 6 month project. He needs a subdivision because all 3 parcels on currently on 1 deed. When each is completed closing could occur and then move on. He stated that in doing the project in phases he estimates saving \$220,000. He gave some indication of actions taken so far. He doesn't request any change in funding. He advises that the subdivision cost will be borne by him. He will cover insurance and utilities. Staff requested to go into Executive Session.
- o. 450 Madison Avenue. Seth Predix of Distinct Equities gave an update of the project. He has been working on this since April. He has obtained 5 or 6 variances. He has hired an engineer for surveying purposes. He has hired a structural engineer. He has hired an architect. He has met with QDot, the city's inspector, as well as Chief Steven Buffington. He is requesting to reduce the purchase price by \$1,000 due to 6 matters.

1. First Energy is requiring 2 additional poles and underground transformer and labor and materials which will cost between \$120,000 and \$185,000. This is a huge cost and dwarfs any of the previous developments that they have encountered. First Energy has advised that the old system cannot provide enough power on the grid.
 2. QDot is requiring a fire sprinkler pump. This is a new item. The 50' threshold is the concern. That matter will cost approximately \$52,932.
 3. To reset the concrete caps which will require crane rental at a cost of \$18,382. Additional crane rental for the entire project to service everything higher than 54'. The estimated cost there is \$11,200.
 4. An added cost to the elevator tower for work greater than 54'. The mason has changed his bid proposal and that be approximately \$22,823.
 5. Additional cost to upsize the electrical wire for a volt drop on the 6th and 7th floors at a cost of \$18,284. These total between \$243,000 and \$308,000. He is discussing maximizing rents as high as possible with his lenders. Staff requested to go into Executive Session. Executive Session was held.
- n. 1 North George Street. After Executive Session, the chairman advised the Board it is willing to work with Mr. Dilks and has several ideas. Staff will be meeting with him to try and facilitate a resolution.
- o. 450 Madison Avenue. David Cross moved to modify the agreement to reduce the sales price from \$500,000 to \$400,000, contingent on the paying off of phase 1 at the started time and phase 2 will have the lesser amount. Mr. Cross asked how quickly phase 1 could start. The Board would like to see 30 days for settlement. Mr. Predix advised he would have to talk to the bank but he felt 30-45 days might certainly be acceptable. Michael Black moved to approve the agreement modification on those terms. Melissa Stiles seconded. The motion passed unanimously.

Resolution No. 5133

VI. Staff Reports

- a. 319 East Chestnut Street is in trial.
- b. Northwest Triangle RACP Audit has occurred. Some finer details are being submitted and questions are being answered. An answer is hoped to be available soon.
- c. 300 State Street- Penn Rose is almost ready for an agreement.
- d. York Traditions Bank loan- staff is meeting with the bank on Friday, July 22.
- e. 745 Pacific Avenue-the purchaser has paid everything on this transaction.
- f. Fresh Food Fund – Charred Barrel is an applicant and they have selected 25-27 West Market Street. They will come back for some funding.

g. Time Group has come back to town and has looked at other projects this week.

IX. Adjournment

The meeting adjourned at 5:22 p.m.