

The Redevelopment Authority of the City of York
Meeting Minutes
March 15, 2017

A duly advertised meeting of the Redevelopment Authority of the City of York was held on March 15, 2017 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 Michael Black. Present were Michael Black, Andrew Paxton, Aaron Anderson, and Teen Vebares. Melissa Stiles was absent.

II. Public Comment

Matthew Bupp of the Lenders Group appeared. He has been interested in 120 North Richland. He is thinking about an argi- tourism project. It would be involved with the fairgrounds. He found out that the property will be on the agenda as an option. He is aware that the property has some environmental contamination and he would like the Board not to go with the option so that he could explore the potential of the property a little further.

III. Approval of meeting Minutes

Teen Vebares moved to approve the minutes of February 15, 2017 as distributed. Andrew Paxton seconded. The motion passed unanimously.

Resolution No. 5171

IV. Financial Report

Authority General Fund Balance stands at \$208,084.06

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

Demolition	\$ 85,600.00
Acquisition	\$ 40,000.00
Stabilization	<u>\$ 53,017.03</u>
	\$ 178,617.03

This does not include the 2017 CDBG allocation. There are two encumbrances in the demolition line item, 353 S. George and 324 S. George. Both of these will be in the \$20,000 range, as estimated.

V. New Business/Action Items

- a. 55 West Philadelphia. There is a roof issue there. There was also a tree that damaged a downspout and fascia. Staff has consulted with Shafer Enterprises who was able to do the work for the estimate costs of \$7,795.00. Aaron Anderson moved to approve the expenditure. Andrew Paxton seconded. The motion passed unanimously.

Resolution No. 5172

- b. 320 West Princess. The roof is a problem there. Staff has obtained a price from Gangloff Roofing for \$10,300.00. Mr. Vebares asked if we have ownership. Staff advised yes it was the neighbor who was being affected by this roof issue. The neighbor at 322 West Princess was further explained. Andrew Paxton moved to approve the expenditure. Aaron Anderson seconded. Mr. Vebares asked about background of the matter. Staff advised this was a spot check and Gangloff was doing the work next door so one thing lead to another. The vote was taken and the motion passed unanimously.

Resolution No. 5173

- c. 120 North Richland. The York County Agriculture Society deeded the property to the Authority. There is some development potential there. However, some of the building is collapsing. Mr. Ryan McKinney and Mr. Darryl Bonfessuto appeared. They have development experience. A Phase I Environmental Study was done in March 2015. It appears more studies should be done. They are looking at anywhere from \$500,000.00 to \$2 million for demolition costs. The ISRP Grants required a 25 percent match. The developers advise that they can offer \$135,000.00 as the 25 percent match. They are requesting an 18 month option cost of \$1,500.00. Andrew Paxton questioned the amount involved. He advised that traditionally the Authority requests a larger deposit. The amount is then credited towards the eventual purchase price but it not refundable if the developer does not go through with it. The option period is for due diligence and not to allow for remediation which is a much longer process. Mr. Vebares asked about the remediation. His concern was about any areas of danger. Staff advised that 25 percent match being offered is good because the Authority does not have funds to undertake the demolition. Andrew Paxton advised that Step 1 is the option for the due diligence. Step 2 is the grant application but a Phase II would be needed. Mr. Paxton asked what else you spend on in this timeframe. Staff advised the ISRP Application for Phase II could be from \$10-\$50,000.

The state requires a 25 percent match for a remediation and there may be soft costs for putting everything together. Mr. Bonfessuto advised that Phase II could be up to \$200,000.00 and the Phase III up to a \$1 million. The DEP has available funds for this but the timeframe could be anywhere from 6 months to 18 months and are out of their control. He advised that they could commit to time constraints that are within their control but not otherwise. Mr. Vebares asked about the timeframe for their own Phase I. Mr. Bonfessuto advised between anywhere from 6 weeks to 6 months. Mr. Paxton advised could we do an option with time constraints in your own control. Mr. Bonfessuto advised that they could. Andrew Paxton considered allowing staff to negotiate an agreement to control the timelines. Mr. Vebares asked what the vision is for the parcel and how big is it. Staff advised it was 1.8 acres. Mr. McKinney and Mr. Bonfessuto said they would very much like to do this without contamination but that remains to be seen. They are looking at potential as a hotel or commercial and residential or residential. The amount of funds available will dictate what they could do. Staff advised that after the option period the developer still has to provide acceptable plans and evidence of financing. Aaron Anderson asked about the status of other matters. Staff advised that these gentlemen have been in discussions for six months. Other staff did not know about Mr. Bupp. Staff is comfortable with Mr. McKinney and Mr. Bonfessuto. The Authority needs resources to move forward. Mr. Bupp advised he does not need a grant. He has been talking to one staff member for 1 ½ months. He wishes to talk to the Fairground Board. Andrew Paxton moved to authorize staff to enter into an agreement with 120 North Richland LLC for \$1,500. Teen Vebares seconded. The motion passed unanimously. Andrew Paxton requested staff to please memorialize these issues to move quickly with the agreements.

Resolution No. 5173

- d. 1 North George Street. Matthew Landis and Sean Landis at Landis & Landis Realty. They own Fat Daddy's in Springettsbury Township and have owned it for 18 years. They would like to purchase 1 North George Street for a live music venue and a nightclub. They are offering \$400,000. They passed out some photos to show the overall look and feel of what it might look like. They plan on selling the business, and demolishing the building and move the Liquor License to this location. Renovations were discussed. Potential such as a rooftop bar and lounges. Mr. Vebares asked about the community awareness. Staff advised none had been undertaken yet. This was the first opportunity to see what the Landises had in mind. Michael Black asked about the difference between their existing establishment and what they propose here. Sean Landis advised the security will be a much bigger issue. They do not want to attract a younger, wilder crowd. They want to add to the downtown. They are proposing some ticketed events. The entertainment will be varied and diverse consisting of county, rock and roll, and popular music.

Staff asked about a restaurant. Matthew Landis said yes they are working on that on the North George Street side. It would not be high end and fine dining but good food that patrons could move around the building with. Andrew Paxton asked about the capacity for the lower level on North George. Mr. Landis said about 350-400+ the mezzanine area. Staff asked what the total capacity might be on a big night - say New Year's Eve. Matthew Landis thought maybe a thousand people. Aaron Anderson advised that he thought it was a neat vision. He has questions and comments consisting of any police and fire discussion, and handling crowds at the square. He is interested in the demographics. Mr. Landis advised the average customer will depend on the night and better and higher priced bands and the age group being 25 to 45. Michael Black asked if there was any thought to lighting the exterior. Mr. Landis agreed it would be good to do so. They will work with the city. Staff advised Downtown Inc. is working on a proposal to light the square. Mr. Vebares asked if they knew what their investment would be. Mr. Landis said well when they sell Fat Daddy's and bring money here and get a loan from the bank they will know more. Andrew Paxton advised he would like to start with an option to allow discussions with city stakeholders for a sales agreement we would need more details. Matthew Landis stated that he they have been in discussions with Derek Dilks as a contactor and it might take a year from the final agreement signature to opening a 90 day option. It makes sense with 120 days for land development. Teen Vebares moved to grant a 90 day option at a cost to be negotiated by staff. Andrew Paxton seconded. The motion passed unanimously.

Resolution No. 5174

VI. Staff Report

- a. 300 State Street- Staff made presentation to York City School District and City Council addressing safety concerns and environmental and demolition issues.
- b. York Traditions Bank - The due date on the loan is May. Staff will continue discussions with the bank.
- c. Real Estate RFP- is being held back now while the proposal by the Landises for 1 North George Street is being explored.

VII. Adjournment

The meeting adjourned at 5:24 p.m.