

REDEVELOPMENT AUTHORITY OF THE CITY OF LANCASTER

Board of Directors Meeting – July 19, 2016

The members of the Board of the Redevelopment Authority of the City of Lancaster met on July 19, 2016, at 5:15 p.m. in the Commission Room, City Hall Annex Building, 120 North Duke Street, Lancaster, Pennsylvania.

PRESENT: Randall Horst, Miriam Soto, and Douglas Byler.

STAFF: Frank Mincarelli, Karen Bousquet, and Carolyn Faggart.

GUESTS: Joseph Martin, Heather Mellinger, Jean Weglarz, Suzy Hoover, Dan Nephin, Joe Younger, Dave Garpstas, and Jeff Groff.

Chairman Horst called the meeting to order and asked if anybody from the public is not on the agenda. Hearing none, he asked for approval of the minutes of June 21, 2016. Ms. Soto made a motion to approve the minutes of the June 21 meeting. Mr. Byler seconded the motion. Mr. Horst called for the vote, and all were in favor.

Mr. Horst asked if everyone got the Treasurer's Report that was emailed to the Board today. He asked for any questions or corrections on the Treasurer's Report. Mr. Horst asked if his wire transfer didn't get through last month so Ms. Faggart brought along the Bank statement showing the deposit of \$701,162 into the account on May 27 and the deduction of same on June 6. She also had a copy of Mr. Horst's wire transfer to Orrstown Bank on June 6 for the Stockyards Project. She forgot to give a copy of the wire transfer to the accountants last month so she did so this month and it's noted on the Treasurer's Report. Mr. Byler then questioned the deduction of \$137,050 in the Northwest TIF column. Ms. Faggart said that was from two deposits she made from the City and the School District which was automatically deducted by Fulton Bank to pay the debt service on the bonds for the Garage. Mr. Horst asked for any other questions. Hearing none, Ms. Soto made a motion to accept the Treasurer's Report as presented. Mr. Byler seconded the motion. Mr. Horst called for a roll-call vote, and all were in favor.

Mr. Horst went on to the Staff Report. Ms. Faggart said we have Act 2 for five properties, two rehab agreements and one waiver request. There were no proposals to purchase properties tonight. Ms. Soto then made a motion to take Act 2 on 334 East Clay Street, 409 Chester Street, 675 St. Joseph Street, 593 North Plum Street, and 114 North Marshall Street. Mr. Byler seconded the motion. Mr. Horst called for the vote, and all were in favor.

Mr. Horst moved on to the Report from Younger Realty Group. Mr. Younger came forward with Mr. Garpstas. They distributed a chart with the seven homes currently on the list of vacant and blighted RACL properties. Four of these were taken by eminent domain in 2013 and have been on the list the longest. The Board discussed how to move these properties last

month with Mr. Younger and he wanted to produce a chart with information on each property to be discussed at tonight's meeting. This included the date taken, holding time, estimated taxes, market value, transfer tax, commissions, rehab cost, investor profit, current and reduced sale price for each property. Mr. Garpstas said there is continued concern with the deterioration of some properties, especially 219 Juniata Street. He took photos of some of the damage to show the Board including a partial collapse of the front porch, and standing water on the third floor. With the price point that it's at, he was concerned that they wouldn't find anyone interested in purchasing this property. Mr. Horst asked for the just comp on Juniata. Mr. Garpstas said its \$32,760, the current sale price at the bottom of the chart. Mr. Byler said so the reduced sale price is what they are suggesting. Mr. Garpstas said that would be their recommendation. Mr. Horst said so you would reduce the list price to generate interest in the property. Ms. Soto thanked Mr. Garpstas and appreciated the work involved to produce this chart. Mr. Garpstas said Mr. Groff put the numbers together for the chart. Mr. Horst noted the suggested reduced price and the estimated market value after rehab. Mr. Garpstas said that's what the comps are showing for this property. He noted that he's not a contractor so they took the repair cost off the write up done by the building inspectors. There is concern that those numbers will increase more the longer the properties sit. For properties that continue to sit on the market, they are looking for ways to attract different buyers. They run into the same things as the people who have interest in living in a property. They might have cash issues where they don't have the funds to purchase the property outright along with the repair costs. They are looking for other ways that might make it attractive for another party to come in. Another thing Mr. Garpstas brought up was when they have their properties advertised, there is a price difference with the RAEL list and their advertised price. Ms. Faggart responded that the list she just updated has the just comp price, as Ms. Bousquet suggested, with a note that said 4% needs to be added to the final price for commission. Mr. Garpstas thought that was good, as long as people know that. Mr. Horst thought the Authority's website should say to check with Younger Realty for the current price. Mr. Younger thought the City's website links Younger's website and there's a designated page on YRG Homes.com. that reviews photographs and details of every listing. Ms. Bousquet said when we were setting this up there was some concern that when the HUD people come to do an audit, that we are posting the just compensation amount somewhere. The just compensation is visible to them recognizing that there are additional costs once it goes to sale, so there was a reluctance to pull all the numbers off. Mr. Byler had two questions if we would drop the sale prices – would that require a motion from the Board and, second, has the just comp been paid on all these properties. Discussion then took place on the chart from last month which showed the properties sold, if we got the just comp or if they were sold below that amount. Ms. Soto was ok with that as long as we could break even. Mr. Horst said these properties will continue to deteriorate and get worse. Mr. Younger thought if they could reduce the price on Juniata Street to \$24,717 and relist it as a new listing in the MLS, that the Board would probably see multiple offers next month, just because it would be a competitive arena with it making sense financially for investors, so that we may see more than the \$24,717. Ms. Soto then asked if a motion was needed to reduce the price. Mr. Younger asked if the Board wanted to do all four at the same time or just one to test the waters and see how it works out. Mr. Mincarelli thought Mr. Younger was looking for a motion on one property at this time. Mr. Younger would like to see all four at the same time because he thought they could sell them faster but he didn't want to see the Board take a \$50,000 loss next month. He thought it made more sense to lower them one at a time.

Ms. Soto didn't think it would make a difference. Mr. Byler agreed with her. After further discussion on the properties to be listed, Ms. Soto made a motion to reduce the just compensation for 548 Beaver Street to \$16,417 and reconsider the other ones next month. Mr. Byler seconded the motion. Mr. Horst called for the vote, and all were in favor.

Mr. Horst went on to the Agreements for Rehab and asked Joseph Martin to come forward for 152-156 Juniata Avenue. Ms. Bousquet handed him a rehab proposal to fill out before the meeting started and copied same for the Board. Mr. Horst asked Mr. Martin if he has done rehab before. Mr. Martin said he did 25 Chester Street. Ms. Soto noted that he will live in the property. Mr. Martin concurred. Mr. Mincarelli had background on this property, saying there are two properties that adjoin one another -- 152 and 156. The current structure overlaps the property line (Mr. Martin concurred). The City owns 152 and is willing to convey this property to the Authority provided that Genesis Properties agrees to certain terms and conditions for the demolition of the portions of the property that are unrepairable, as determined by City Housing, and complete rehabilitation of a new structure that will occupy 152 and 156 after he gets the lots consolidated. Mr. Martin said he's done that. Mr. Mincarelli asked if that is with the City's approval. Mr. Byler was confused. Mr. Mincarelli said the City wants the Authority to get involved so we can facilitate this. He asked Mr. Martin if he got consolidation approval by the Zoning Hearing Board. Mr. Martin said no; this is what he was told to do first, to tie the two deeds into one so he could get a permit to start demo. Mr. Mincarelli concurred and said he needs to submit a lot consolidation plan to the Zoning Hearing Board. They need to approve that because he has two separate lots that he's merging. Part of the Terms of Agreement that he sent to Mr. Martin spells that out. It's the first condition -- that he obtains final approval from the City of Lancaster. That's before the Authority conveys title to Mr. Martin. We can sign agreements today but one of the conditions before we convey title to 152 to him, and he gets the demo permit, is he gets them both consolidated into a single property. He asked Ms. Bousquet, who thought that Mr. Martin had talked with Walt Siderio and Craig Lenhard in terms of how to go about doing that lot add-on. She didn't know if there was any approval given. She advised that he would need something from this Board about the agreement before he got approvals. Mr. Martin said he had the two lots joined into one from Jack McSherry, the engineer. Mr. Byler said Mr. Martin currently owns 156, and the City owns 152; he concurred and said the line goes right through his house. Mr. Byler asked if there is a 154. Mr. Martin said no; 152 is three lots. Mr. Mincarelli had a tax map and explained the situation to the Board. Mr. Martin was told that he needed to combine the lots then submit it to the Board, then he could get a temporary deed so he can get a permit to do demolition work. Mr. Mincarelli said he will get a temporary easement. Mr. Martin said this has been going on for almost four years now. Mr. Mincarelli said this is a piece to the puzzle. He needed a legal description to get his lot consolidation plan approved by the Zoning Hearing Board. That's why Mr. McSherry did that work for him, but he still needs to submit an application to the Zoning Hearing Board for approval of the lot consolidation plan. Once that happens, he will have satisfied the first condition of the Agreement and he can pick up his demo permit. The Board asked if this should not go to the Planning Commission. Mr. Mincarelli said according to the City Solicitor, this is a lot consolidation plan that needs to be approved by the Zoning Board. Ms. Soto asked if any motions are needed today. Mr. Mincarelli said we need to approve Agreements but we should probably look at the proposal that Mr. Martin is submitting for rehab of the property. Mr. Byler thought this property will be demoed. Mr.

Mincarelli said the building sits on both lots. Part of it will be demolished – the part that is unrepairable according to the City housing inspectors. The City will not convey the property to the Authority unless the Agreement is in place and the Agreement spells out the conditions. The City will co-sign the Agreement. Mr. Byler asked if someone lives in the property. Mr. Martin said he doesn't live there because the property is condemned. Mr. Byler said but the Authority did not go through the process to take it. Ms. Bousquet said that's because there has been an effort to work out the issues with this lot so it's never come before the Board as a condemned property. Mr. Byler asked why we are involved now. Ms. Bousquet said because Mr. Martin purchased the property from Mr. McMichael and now wishes to have something built on the property. Mr. Horst said this explains why it's taken four years. In order to get a building permit, Ms. Bousquet said all these other pieces need to come together. We need to combine these lots so Mr. Martin can get a buildable lot. Ms. Soto's only issue with making a decision today is the order of the approvals. Mr. Horst thought the Board could approve it subject to zoning and all the other requirements. Mr. Mincarelli said we're here because the City can't sell the lot directly to Mr. Martin. Third Class City Code requires that property sold by the City be bid. The Redevelopment Authority has agreed to step in since we have a master agreement under which we can sell that property for the City directly to Mr. Martin without being bid. There's an Agreement of Sale the Board can enter into that spells out all the conditions and unless they are complied with the Authority doesn't have to do anything. The first step in the process is to get the two lots consolidated. Mr. Mincarelli said if the Board wasn't ready to approve an Agreement tonight because they want to study the proposal, that's not a problem either. Mr. Martin can still proceed with the Zoning Hearing Board and get his lot consolidation plan done. Mr. Byler said so if the Board does nothing today, that will not slow Mr. Martin's progress. Mr. Mincarelli said no. The Agreement contemplates the property being conveyed to Mr. Martin free and clear of all liens and encumbrances within thirty days of the date of sale, so it contemplates that being done before this becomes effective. Ms. Soto felt there were two components of this she was not sure of and the actual rehab agreement. Mr. Mincarelli said you can't do one without the other, and the second one is our standard Agreement for Rehabilitation with the proposal attached to it, which he didn't have until he got to the meeting today. Mr. Mincarelli said he can submit a lot consolidation plan for approval. He didn't think Mr. Martin needs to be an equitable owner. If he does, the Authority may need to join in on the Application with the City. After further discussion, Mr. Mincarelli said there is a three-page June 13th commentary by the City about the plans where they list all their concerns. Mr. Martin said a lot of the items mentioned are in the plans already. Mr. Byler said for our next meeting Mr. Martin should have Mr. McSherry address the issues and we will be good to go. Even without the Zoning Hearing Board meeting, he would be willing to move forward but not without the list of City concerns addressed. Mr. Horst said Mr. Martin can't get a building permit unless he addresses them. Mr. Mincarelli said he wouldn't need to go to the Zoning Hearing Board if he owned both lots; then he could merge them by deed, as Mr. McSherry did with the single perimeter description. You could merge them yourself without zoning approval, but this is in two different names, owned by two different parties. Mr. Mincarelli said to check with Craig Lenhard to get that redirection. Ms. Soto said to satisfy the Board's portion Mr. Martin should have a more detailed plan. She thought he had that but the Board is not seeing that right now. Mr. Martin said he would make a more detailed list of items required. This was all new to him and it was to the Board also. This item was then tabled until the next meeting. Mr. Martin thanked the Board for their help.

Mr. Horst moved on to the Agreement to Rehab 334 East Clay Street and Heather Mellinger came forward. Mr. Mincarelli asked if the property went to closing yet. Ms. Mellinger said no. Closing was scheduled for yesterday but if she doesn't close on schedule, she is charged \$100 a day, but if the Bank doesn't close, they get no penalty at all. Mr. Byler asked if she still wants to close; she said yes. Mr. Horst commented on the very detailed write up for this property. Since an appraisal hasn't been scheduled, Ms. Faggart brought along the property file that contained a few photos from the condemnation. Mr. Byler thought the Board took Act 1 and Act 2 on this property. Mr. Mincarelli said we took Act 2 tonight. Mr. Byler asked if something was wrong with the title. Ms. Mellinger said it was something where the deed department didn't get the deed for the Bank to sign. Mr. Mincarelli said the Bank just acquired it at foreclosure. Mr. Horst asked Ms. Mellinger if she has rehabbed a property in the city before. She said many times. Mr. Horst said but not with the Redevelopment Authority. She concurred and said she has rehabbed over one hundred properties in Lancaster County. Mr. Horst asked in the county or the city. Ms. Mellinger said both, but mostly in the city. Ms. Faggart asked if most of them were bank owned properties. Ms. Mellinger said she used to do the Sheriff Sales. Ms. Soto then made a motion to accept the Rehab Agreement from Ms. Mellinger for 334 East Clay Street. Mr. Byler seconded the motion. Mr. Horst noted the completion date is September 1 and said if the project is not completed by that date she will need to return to the Board to ask for an extension. Mr. Byler asked if she wanted to extend it now. Ms. Mellinger said yes. Ms. Soto amended her motion to extend the completion date until December 31, 2016. Mr. Horst said the completion date was extended and he called for the vote, and all were in favor. Ms. Mellinger presented a \$1,000 escrow check and all copies of the Agreement were signed and distributed.

Mr. Horst went on to the Request for Waiver of Deed Restriction for 235 Landis Drive. Ms. Faggart said Susan Wenrich purchased this property and did the rehab. She had the property on the market for more than a year and was unable to sell it. She would like to rent the property until she can sell it. Mr. Horst asked how that will work. Mr. Byler said Ms. Wenrich is a part time agent in his firm so he will need to abstain from voting. She is a full time dental hygienist but she has a real estate license because she flips properties. She does about four or five a year. This is the first one she purchased through the Redevelopment Authority. She still wants to sell it but is looking to cut her losses. Mr. Byler said taxes are high in this neighborhood. Mr. Horst asked if we have to drop the deed restriction to let her rent the property. Mr. Mincarelli said we have to waive the requirement. As she noted in her submission, Mr. Byler said an investor will not buy this house since this is a four bedroom, bi-level on a half-acre lot in a development. The Board noted that the price is stagnant and has only been reduced once, dropping from \$192,900 to \$189,900. Mr. Bousquet printed out a list of properties on that block which shows those owner-occupied compared to rentals, which is only two for that block. Ms. Soto understands Ms. Wenrich has had it on the market for so long but if the Board lifts the deed restriction, she asked for how long and she has not budged on the sale price. She couldn't understand that since it's a seller's market in an area where the majority are home owners. It's not in a block where there are high rentals. Mr. Mincarelli said that's one of the guidelines in the policy that it's transitioning from owners to renters. Then it could be used in the Board's determination. Ms. Soto said she can't find that justification here where Ms. Wenrich hasn't made movement in the sale price for over a year. Mr. Byler said people look at the taxes, which are over \$6,000, but

that's just that neighborhood. It's Lancaster City School District, and it's a half-acre single-family property. He didn't look at all the assessments but said he lives in that neighborhood and the taxes are high. Mr. Mincarelli said the provision that he and Ms. Soto were referring to – “In deciding whether to grant a waiver request and permit rental of a property, the Board shall consider whether or not the block in which the property is located contains other rental units and is transitioning from owner-occupied to rental units. Staff will review the history of the block, notify the Board of the number of rental properties, and the number of units compared to the number of owner occupied, and will determine if the block is transitioning from owner occupied to rental.” That's a guideline; part of your policy in making a determination. Mr. Byler said it's definitely an owner-occupied block. Ms. Soto asked for thoughts. Mr. Horst said it doesn't seem like it's a rental area and Ms. Wenrich did drop the price but it was only a few thousand dollars. If it wasn't a seller's market, Ms. Soto could say yes. She didn't know what the cash flow was to break even and if that was the reason here. Mr. Horst would be ok with a temporary release if she needs to rent while still marketing the property to sell but to take the deed restriction off completely doesn't seem warranted to him. Ms. Soto thought Ms. Wenrich needs to reduce the price. Does giving her cash flow for a few months really change the outcome? She needs to revise the price structure. Mr. Horst thought she could be upside down. If you are upside down and you rent it, you have cash flow. If you sell it, you have to come with cash. Ms. Soto said she can't make a motion on assumptions. Mr. Horst agreed and said he's comfortable with denying the request. Ms. Soto agreed and made a motion to deny the request to waive the deed restriction for 235 Landis Drive. Mr. Horst seconded the motion, then called for the vote, which was 2-0-1 with Mr. Byler abstaining.

Mr. Horst moved on to the Update on Residential/Commercial Properties. Ms. Bousquet said she didn't have any items. Mr. Horst noted an article in the paper today on the park. Ms. Bousquet said she didn't see the article. Mr. Horst asked if the Planning Commission meeting went well. Ms. Bousquet said the meeting is tomorrow.

Solicitor's Report and Proposed Actions. Mr. Mincarelli had several items, most of which were housekeeping items. The first two resolutions would rescind actions taken previously since the properties have been rehabbed. Resolution 16-7-41 would rescind Act 1 for 537 Woodward Street which was rehabbed. Mr. Byler so moved, and Ms. Soto seconded the motion. Mr. Horst called for the vote, and all were in favor. The next Resolution was 16-7-42 to rescind Acts 1 and 2 for 32 West New Street. Mr. Byler made a motion to rescind Acts 1 and 2 for 32 West New Street. Ms. Soto seconded the motion. Mr. Horst called for the vote, and all were in favor. Mr. Mincarelli said this property was rehabbed and certificates issued. The third item needed a motion to approve the completion for 32 West New Street. The City issued the CO on June 21. Mr. Byler made a motion for Resolution 16-7-43 to approve the completion. Ms. Soto seconded the motion. Mr. Horst called for the vote, and all were in favor. The next one is also a Certificate of Completion for 713 North Queen Street. The CO was issued by the City on July 14. Mr. Byler so moved, and Ms. Soto seconded the motion. Mr. Horst called for the vote, and all were in favor. Mr. Mincarelli said the next Resolution, 16-7-43, would rescind the Acts 1 and 2 taken with respect to 713 North Queen Street. Mr. Byler made a motion to rescind Acts 1 and 2 for the above property. Ms. Soto seconded the motion. Mr. Horst called for the vote, and all were in favor. Mr. Mincarelli said the Board took Act 2 on 230 West Strawberry

Street. This property is also scheduled to be sold at Tax Sale in November by the Tax Claim Bureau. Our just comp, based on the appraisal, is \$3,000. The taxes owed plus municipal lien claims are about \$9,000. The Bureau would like to move forward with the sale but asked Mr. Mincarelli if the Board would go forward with the condemnation. He didn't know if the Bureau expects to get more than \$3,000. We are poised to take the property but he didn't file the Declaration of Taking yet. Since the property only appraised for \$3,000, Mr. Byler thought it would need a lot of work. Mr. Horst said we could let the Bureau try to sell it for more but the risk we take is that we lose the ability to put the deed restriction on the property. After a short discussion, the Board decided to stop Mr. Mincarelli from filing the Declaration of Taking and let the property go to Tax Sale. Mr. Mincarelli went on to the next property, 765 Hager Alley, and said the Bank in the Midwest who wanted to complete its foreclosure on so it could retake and rehab, they sent a check for \$8,100 to pay the City liens, the taxes and legal fees to have the Declaration of Taking relinquished. Next, Mr. Mincarelli sent an email to the Board on the property at 453 South Queen Street where the attorney for PHFA in Harrisburg did an appraisal on this property. Our appraisal was \$14,000 and theirs was \$23,000. The Authority already paid the just comp and sold the property on March 15. PHFA hired an attorney to see if they could get more money from the Authority and he sent a letter to Mr. Mincarelli with this request. Mr. Horst noted that the Authority sold the property for \$16,000, which included the carrying costs and the real estate commission. Mr. Byler questioned if this would go to a Board of View was the Authority liable for the legal fees. Mr. Mincarelli said no; the mortgagee would have to pay them. The Authority would only pay the legal fees for a condomnee, not a mortgagee. You could still go to a Board of View and challenge the amount we paid out for the property but it's based upon the date of the taking which occurred back in November of 2015. It's the fair market value as of the date of taking. He noted their appraisal was done in February, three months after the taking, and there were no improvements made since we didn't sell it until March. Mr. Byler asked if the Authority fights the mortgagee what would it cost us. Mr. Mincarelli said the legal fees. He was surprised that a State agency would pursue this matter with an instrumentality of the State. Mr. Byler thought if the Authority was not liable for their legal fees then they could pursue their action.

Mr. Mincarelli distributed his monthly report on the blighted properties as well as the commercial projects on the back. There are several properties where Act 2 was taken today and Mr. Horst noted that the Board entered into a Rehab Agreement today for the last property. He then passed down the status report on the Redevelopment Contracts and Rehab Agreements. Ms. Soto asked what's happening with the parking lot on South Prince Street. Mr. Mincarelli checked the list and noted that Mr. Guerrero's extension expired on June 30. The Board discussed the next step and Mr. Mincarelli said the question is – is the property blighted any longer? Mr. Byler thought he completed the work on the building but Ms. Soto said it was the ramp and retaining wall that needed to be addressed before the CO could be issued. She thought there's nothing the Board could do. Mr. Mincarelli said Mr. Guerrero is under a Rehab Agreement. He violated this Agreement so he forfeits his \$1,000 and we don't issue a CO. So without a CO, he can't use the property. This is not condemned by the Authority. We never owned this property. This is just a Rehab Agreement. Mr. Byler said this is a City problem. Mr. Mincarelli concurred and said the Authority tried to help him out. Ms. Soto said the Board was very lenient with Mr. Guerrero. Mr. Mincarelli pointed out the number of extensions he received from the Board and

noted this goes back to 2013. Mr. Byler asked if a motion was needed to keep the escrow funds. Mr. Mincarelli said yes – a motion to terminate the Rehab Agreement and forfeit Mr. Guerrero’s \$1,000 deposit. Ms. Soto so moved and Mr. Byler seconded the motion. Mr. Horst called for the vote, and all were in favor.

Ms. Faggart brought up an appointment to the Property Reinvestment Board. Mr. Horst said we have been appointing Amy Fields who has been willing to serve. It could be someone from this Board or someone else we can appoint. Ms. Fields served on this Board and served as Chairman, and she understands what the Board does. Ms. Soto was in favor of Ms. Fields and Mr. Byler thought likewise. Mr. Horst recommended that the Board re-nominate Amy Fields to serve for another year on the Property Reinvestment Board. Mr. Byler so moved, and Ms. Soto seconded the motion. Mr. Horst called for the vote, and all were in favor.

Mr. Horst asked for any other business. Jean Weglarz wanted to thank the Redevelopment Authority for accepting the proposal from Jon Leventry for 526 East King Street. She knows the Board took a loss, Mr. Horst noted a huge loss, but it was a long road for the neighboring property owners. Mr. Byler was glad the Board made somebody happy. Ms. Weglarz said the Board did the right thing. Mr. Horst asked for anything else.

Dan Nephin said he is with the LNP and had some questions about the Lemon Street properties that will come up tomorrow night. He wasn’t sure of the history of how the Redevelopment Authority decided a park was wanted there, if there was a public hearing or if a survey of the neighborhood was conducted. Where did the park idea come from? Mr. Horst said he didn’t remember. He thought it was in the land development plan that Ed Drogaris brought in when they presented the Press Building rehab because they planned to have an entrance on the east side and for better visibility for Market Street. There was a need for parking in the neighborhood, which precipitated the Authority to build the parking garage. They planned to have retirement housing so they needed more area for ambulances and larger vehicles to make the turn at Market Street. The houses would be removed to open that area up and make a turn around. Mr. Nephin said there are three houses, two were habitable rentals, and a third one that the owner doesn’t want to sell that the City would need to take by eminent domain. Mr. Horst thought the Board made agreements with two of the owners while the owner didn’t want to sell the third one. Mr. Mincarelli noted the one that disagreed is vacant. Mr. Horst said it’s blighted because there is nothing in it. Ms. Faggart said it has been taken down to the studs. Mr. Horst said there’s five or six satellite dish receivers on the outside but there’s nothing inside. Mr. Mincarelli said this Authority would have to condemn it, not the City. It’s part of the Redevelopment Proposal that’s submitted to the Planning Commission that we would condemn it and redevelop the area. Mr. Nephin said since the article came out he was contacted with concerns. Why is a City entity taking three properties to put in a park that some people view as luxury condos/apartments. Mr. Horst thought Garden Spot Village or one of the retirement communities was going to put retirement housing in there, then somewhere along the line it changed. He didn’t know if part of it is stormwater because of the parking garage. Mr. Mincarelli said the other thing is that it was a bridge between the parking garage and the Lancaster Press Building itself because the whole bottom floor of the garage is going to be dedicated to the people who reside in the Press building. It was all part of a total plan for the block. Mr. Horst said it might be the timing of it because

this is the last thing but when he first saw it here, it was all combined. Mr. Nephin asked if there was any opposition or concerns. Mr. Horst said we may have had a few neighbors here because when we did the garage construction, we did have some damage to one of the neighbors' homes. Mr. Nephin said opposition to the three properties on West Lemon Street. Mr. Mincarelli said no one attended the meetings and raised any objections. It wasn't a public hearing but it was a public meeting like this where everything was discussed and open. There were no executive sessions. The other two owners were quite willing to sell. Mr. Nephin said so the park idea was there even before the original entity decided they couldn't do the condos. Mr. Horst said that's his recollection. When the parking garage and the rehab of that building came here, there were colored renderings, but he didn't remember what year. He also remembered that parking was an issue for the restaurant across the street. Mr. Byler mentioned the limited sight distance for pedestrians using Market Street as well as vehicles. Mr. Horst said it made it safer for delivery vehicles to be able to drive down that street for pickups or if someone needed an ambulance. This plan would have gone through the normal City processes for development because we don't issue the building permits for those projects. Mr. Nephin mentioned something that came up at the Planning Commission meeting a few months ago and asked if the Redevelopment Authority should look at marketing these properties as residential units instead of apartments. Mr. Mincarelli answered that the function of the Authority isn't really to manage properties at all. We can acquire them and sell them. Mr. Horst said the Authority puts a deed restriction on homes to make sure they stay as single family residential versus as rental units. Mr. Horst showed Mr. Nephin the minutes from last month where the condition of the properties and the cost to rehab them was discussed. Mr. Nephin asked if there was any concern or criticism that the Authority is removing these properties and turning them into a park right next to upscale condos. Mr. Horst said if it's a park, anybody can use it. Mr. Byler noted it's such a small park; .06 acres; we are not providing a recreational area for these new luxury condos, its grass to clear sight lines. Mr. Mincarelli said there will be a new sidewalk area with access to the garage. Mr. Horst said this is the last piece of the puzzle that the original plan showed all of that. Mr. Nephin asked about the owner of 31 West Lemon and asked why he doesn't want to sell. Mr. Mincarelli said he has been negotiating with him, and he keeps saying this is his retirement. They then discussed the items certifying blight and Mr. Mincarelli said it would go to the Property Reinvestment Board first to determine blight. Mr. Nephin asked if the owner is holding out for more than the Authority wants to offer. Mr. Mincarelli said yes; and Mr. Horst said considerably more than it's worth. He said Mr. Nephin is welcome to read his minutes. Mr. Nephin said he will take a picture of the pages.

Having no further business to be brought before the Board, Mr. Horst adjourned the meeting.

Respectfully submitted,

Carolyn Faggart

