

**Redevelopment Authority
Regular Meeting
April 20, 2009**

1. Call to Order

Mr. Disciullo convened the meeting at 6:37 pm in Council Chambers

Present: Members: Joseph Disciullo, Harry Colon, Jack Burkholder, Jon Kasitz and Richard Stonewall

Solicitor: Patrick O'Donnell

Staff: Harry Walker, Kirby Hudson and Ruthann Mowday

Mr. Disciullo announced the Redevelopment Authority met in Executive Session earlier on April 20, 2009 at 5:30 pm for the purpose of discussing Real Estate and Litigation.

2. Receive and Approve Minutes

Mr. Burkholder made the motion to approve the minutes for March 16, 2009; Mr. Stonewall seconded the motion. Motion passed 3-0. Mr. Disciullo abstained due to his absence at the last meeting. Mr. Kasitz was not present for the vote.

3. Account Payable

Mr. Burkholder made the motion to approve the accounts payable; Mr. Disciullo seconded the motion. Motion passed 4-0. Mr. Kasitz was not present for the vote.

4. Presentation

a. Briggs, Bunting & Dougherty – 2007 Audit – Carl Hogan

Mr. Hogan stated the activities of the Authority are accounted as an enterprise fund of the proprietary fund type. An enterprise fund accounts for operations that are financed and operated in manner similar to private enterprises when the intent is that the cost of providing goods and services be recorded primarily through user charges and revenues. The operating revenues of the Authority consist of rental income and the sale of property for redevelopment.

The Financial Highlights were at the December 31, 2007, the liabilities of the Authority exceeded its assets by \$1,526,863. During 2007, the Authority's net assets decreased by \$235,855. The Authority acted as a pass through entity for a \$400,000 grant from the Pennsylvania Dept. of Community and Economic Development (DCED) for the purpose of acquiring nine properties in the City to be used as the site if the Brandywine Health and Housing Center. The Authority received \$168,292 in reimbursements through DCED grant for costs related to the assessment project at the Former Lukens Steel Facilities located in the City. The Authority leased vacant rental property at 238 East Lincoln Highway to the Chester County Dept. of Community and Economic Development for a period of four years.

At December 31, 2007, the Authority had total outstanding debt of \$7,005,513. The Authority's debt decreased by \$6,445 during 2007 due to the debt service payments. The Authority's outstanding debt as of December 31, 2007 consisted primarily of \$6,999,156 due on the Guaranteed Urban Redevelopment Note – Series of 2004. The proceeds from the note were used for the acquisition and rehabilitation of certain blighted properties located in the City, payment of the costs of appraisals and environmental studies in connection with the acquisition of such property, payment of the costs of environmental remediation of all acquired property and demolition of existing structures, payment of the costs of professional services, public relations, engineering costs, relocation expense and development expenses for the acquired property and providing funds to pay costs and expenses related to the issuance of the note. Amounts borrowed on the note are due and payable on August 15, 2009. The Authority is currently renegotiating the terms of the note with the bank.

Mr. Stonewall made the motion to appoint Briggs, Bunting & Dougherty for the Redevelopment Authority 2008 Audit; Mr. Burkholder seconded the motion. Motion passed 4-0. Mr. Kasitz was not present for the vote.

b. Chetty Builders

Carl Chetty announced recently he became aware that the developer (Baker Homes) of the North Flats Residential Site had decided not to move forward with the project at this time. He stated the site is very important to the redevelopment effort in Coatesville since the location is such an important window to the downtown area.

Chetty Builders would like to be considered by the City of Coatesville to step into the role and build and develop this important site. Mr. Chetty thanked the Redevelopment Authority for allowing Chetty Builders to present our proposal for the development of the site.

Mr. Chetty announced Chetty Builders has been a long-term advocate of Coatesville. Chetty Builders has successfully developed over \$60m worth of residential and multi-family projects to date within the city. The downtown sites currently under development are well on their way to becoming a reality thanks in part to the hard work and dedication of Harry Walker.

The proposal to the city for the site would not only maximize the return for the city but, more importantly, would create an important window to people looking to invest in the City of Coatesville. The vision for this site will create a prominent streetscape for newcomers entering the city. The proposal would build ninety (90) aesthetically pleasing, quality town homes on the site that will make a statement as a new, urban lifestyle. The level of quality and aesthetic detail will enhance and overcome pessimistic views of the Coatesville

redevelopment. Chetty Builders is committed to being an integral part of the redevelopment effort; however, our visions can only be realized by working together. The development would start immediately

c. Mosaic Development Partners

Leslie Smallwood Lewis introduced herself and her partner Greg Reaves of Mosaic Development Partners. Mrs. Lewis stated the plan for the south part of the Flats consists of an 82,000 square foot shopping center with a grocery store as an anchor. Mrs. Lewis announced a grocery store is interested but at this time does not wish to be named. In order for the Mosaic to begin negotiations with tenants, site control is required. She stated time is of the essence. Financing will be through the Reinvestment Fund. Mr. Reaves stated he is excited about being in the community. The name of the development will be Stonebridge Crossing. The development costs will range between \$23-24 million. Mosaic Development has been in constant negotiations regarding the agreement of sale. Ms. Lewis stated she feels comfortable the two entities have come to an understanding on the agreement.

Mr. Kasitz made the motion to approve an agreement of sale for the South Flats for Mosaic Development Partner, LLC; Mr. Burkholder seconded the motion. Motion passed 4-1. Mr. Colon was the dissenting vote.

d. Shelter Group – Jeff Paxon

Mr. Paxon announced the Shelter Group is interested in acquiring three acres on the North Side of the Flats. The project consists of a community for seniors. Shelter Group must have site control to apply for tax credits. The process of acquiring grant money and tax credits may take up to two years for approval. Shelter Group will pay real estate taxes since they are a for profit company.

5. New Business

a. Weston Proposal - Prepare Act 2 Cleanup Plan and Final Report

Mr. Kasitz asked if the Redevelopment Authority received other proposals for the Act 2 Cleanup Plan and Final Report. The RDA should look into other entities for a Clean up Plan proposal. Mr. Disciullo explained the RDA's prior experiences with proposals. The RDA has approved proposals in the past and later had substantial monetary amendments. Mr. Kasitz suggested acquiring other proposals before committing to Weston Solutions.

Mr. Kasitz made the motion to move forward with Weston Solutions on the Act 2 Cleanup Plan and Final Report providing no objections or lower proposal submitted prior to Monday April 27, 2009, Mr. Disciullo seconded the motion. Motion passed 5-0.

b. Receive and Approve 2009 Budget

Mr. Colon made the made the motion to table approval of the 2009 Redevelopment Authority budget; Mr. Stonewall seconded the motion. Motion passed 5-0.

c. **Receive and Approve changing the Redevelopment Authority Meeting starting on May 18, 2009 to 7:00 pm.**

Mr. Kasitz made the motion to change the Public Redevelopment Authority Meeting start time from 6:30 pm to 7:00 pm; Mr. Burkholder seconded the motion. Motion passed 5-0.

6. **Citizens Comments**

Patsy Ray

Ms. Ray asked who owns the lot where Chetty's trailer was. Mr. Disciullo stated the Redevelopment Authority owns that property. Ms. Ray stated Doug's Detailing is using the property for their business and not letting other people park on the lot. Ms. Ray suggested charging rent from Doug's Detailing for using the RDA lot.

7. **Adjournment**

Mr. Disciullo made the motion to adjourn the meeting at 8:40 pm; Mr. Kasitz seconded the motion. Motion passed 5-0.

Respectfully Submitted,

Jack Burkholder
Secretary