

JOHNSTOWN REDEVELOPMENT AUTHORITY  
SPECIAL MEETING  
Thursday, February 29, 2024 .

The Johnstown Redevelopment Authority met in a stated session for the general transaction of business. Mark Pasquerilla, Chairman, called the meeting to order at 12:00 p.m. The Pledge of Allegiance was recited. Chairman Pasquerilla offered the invocation.

The following members of the Authority were present for roll call:

Ms. Huchel, Mr. Pasquerilla, Ms. Rae, Mr. Truscillo (via telephone)(4).  
Mr. Haselrig (via telephone) (1) entered the meeting after roll call at 12:03 p.m.

William Barbin, Esquire, Solicitor; Michelle Cheche, Office Manager; Cheryl Labosky, Finance Director; and Michael Grandinetti, Maintenance and Operations Manager were also present.

Others present included Sara Ann Sargent, Juanita Gunby-Harris, Deacon Jeffrey L. Wilson, Oscar Z. Cashaw Sr., Chasity Ingram, Donald Roebuck, Cris Ward, King Dozier, Brian Vuletich, and John DeBartola.

PUBLIC COMMENTS CONCERNING AGENDA ITEMS:

John DeBartola, 1197 Bedford Street, expressed concerns regarding Resolution A on the agenda. He requested clarification as to the added property.

Ms. Cheche explained that one property had to be removed since the County removed it from sale. She noted that the property added was from a neighboring property owner who had not realized the process, called and requested it to be added. It was then added to this agenda, instead of that individual waiting until June.

RESOLUTIONS AND MOTIONS

- A. A RESOLUTION OF THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN AUTHORIZING REMOVING ONE (1) PROPERTY FROM THE LANDBANK PURCHASE LIST FOR THE MARCH 7, 2024 PRIVATE TAX SALE AND AUTHORIZING THE OFFICE ADMINISTRATOR TO PURCHASE ONE (1) ADDITIONAL PROPERTY; FOR THE LANDBANK AT THE PRIVATE TAX SALE TO BE HELD BY THE CAMBRIA COUNTY TAX CLAIM BUREAU, MARCH 7, 2024.

Ms. Huchel made a motion to approve the resolution. The motion was seconded by Ms. Rae and passed by the following vote:

Yeas: Ms. Huchel, Mr. Pasquerilla, Ms. Rae, Mr. Truscello,  
Mr. Haselrig (5).  
Nays: None (0).

TABLED MATTERS

None.

NEW BUSINESS

None.

PUBLIC COMMENTS CONCERNING AGENDA ITEMS

Deacon Jeff Wilson presented a letter requesting the ability to purchase the Atrium Manor property on Main Street, downtown Johnstown, across the street from the Flood City Youth Fitness Academy (FCYFA). The FCYFA facility has run out of space due to the increase in its students. Deacon Wilson stated FCYFA, partnering with the Greater Johnstown School District, pick up approximately 180 to 200 children to provide homework assistance and tutoring to the children. Data shows these children have had a 34% increase in their reading ability, expecting an increase of 50% in their abilities in mathematics.

Deacon Wilson noted the children are also fed daily, twice during the summer months. He noted being a member of Pennsylvania's 21st Century Learning Program, which provides the highest quality of education. In addition to tutoring and homework assistance, the children also can be involved in 3-D printing, computer coding, robotics, and roller skating.

Deacon Wilson indicated the academy also employs on average 56 individuals as tutors, mentors, kitchen, and custodians. FCYFA's partners include the 1889 Association; Cambria County Drug and Alcohol; Community Foundation for the Alleghenies; Dr. Spectar of the University of Pittsburgh at Johnstown; and Dr. James Martin of the University of Pittsburgh Main Campus. He stated the academy is as an example to the world on how to change the lives and give-life sustaining skills to children in order to succeed, especially children that come from economically distressed communities.

He stated parents are bringing their children to this safe place in Johnstown from other cities to be educated. A program is also provided whereby parents learn to develop foundational parenting skills, which he called "an extreme success." He pointed out that the Governor, Lieutenant Governor, and the Secretary of Drug and Alcohol, along with local representatives, fully understand what FCYFA is doing.

Deacon Wilson was hopeful to acquire the building for the academy, to keep employees downtown, and to keep bright minds of children in Johnstown. He expressed his understanding of the presence of asbestos and is committed to removing it from the building. FCYFA is committed to doing what is right for the City of Johnstown.

Chairman Pasquerilla noted that JRA has been working with another interested party for the purchase of the Atrium Manor property on Main Street. He stated anyone interested in the building with its backer would need to go to the bankruptcy court. The bankruptcy court is holding the hearing on the purchase of the building. JRA does not have control of that building.

Brian Vuletich noted reading a comment in a February edition of the Tribune-Democrat made by Chairman Pasquerilla that individuals and businesses could bid on this property, but nothing was said about bankruptcy court. He inquired where the bankruptcy court was located, would an attorney be required, and would anyone bidding be able to get the same arrangement with JRA as Croyle-Nielsen.

Mr. Barbin stated he could not provide legal advice, but suggested an attorney would be necessary for bidding on the property. He further stated the property was shown openly by Mrs. Komar to many individuals, and no one came forward except Croyle-Nielsen. Croyle-Nielsen hired a contractor, toured the building, and drafted a plan for JRA to bid. An agreement was signed that Croyle-Nielsen would pay back the bid price to JRA. JRA would obtain a grant for the asbestos removal.

Mr. Vuletich inquired as to the sewage connections. Mr. Barbin stated Croyle-Nielsen felt positive about the agreement, hired Major Builders, and made the sewage connections, as well as other renovations on their dime to reflect their good faith. JRA would contract with Tetra Tech to handle the asbestos removal at this building, as well as another building owned by JRA, utilizing Brownfield funds.

Mr. Barbin reiterated that JRA would not be providing the funding for anyone to bid on the Atrium building.

Chairman Pasquerilla commented the bankruptcy court ran a large ad in the newspaper regarding this matter. Mr. Barbin added the bidding instructions as published by the court are also posted on the building.

Mr. Vuletich clarified that anyone bidding on the Atrium property in bankruptcy court would be bidding against JRA. Mr. Barbin stated the bankruptcy court

would take bids from anybody. The bankruptcy court will follow the procedure believed to yield the most money to pay off all of the bills owed. Mr. Barbin stated there is an incremental bidding process.

Chairman Pasquerilla inquired whether Mr. Vuletich would purchase the building for the school district. Mr. Vuletich stated he would purchase it for himself. He commended the FCYFA for their work. He can see the children from his apartment. He state, "Those kids are wonderful."

Mr. Vuletich noted prior discussion regarding the Red Cross building for the homeless.

Chairman Pasquerilla explained the agency interested in buying the Atrium building is a mental health business. According to a study in 2022 by the 1889 Foundation, the number one need in Johnstown was mental health services. Croyle-Nielsen provides needed services in Johnstown, not a homeless shelter.

Sara "Sally" Sargent, The Sargent's Group, 210 Main Street, thanked the Board for her opportunity to speak. She agreed with Deacon Wilson's presentation and commended him and his agency for their work, which is a tremendous service to the community.

Ms. Sargent inquired if there was a contract with Jesper Nielsen and whether that contract could be broken. Mr. Barbin explained there are penalties when a contract is broken.

There was a discussion regarding whether or not clients would be located at the building. Mr. Barbin stated Croyle-Nielsen's intent is to "do away with all the bathrooms," and Mr. Pasquerilla noted that the building would be used to house offices and outpatient services.

Ms. Sargent noted the Atrium building is not only beside her building on Main Street but also behind her building. She inquired as to why Flood City Youth Fitness, if the successful bidder on the property, would not be given the same opportunity with JRA as Jesper Nielsen since the agreement was "Confidential."

Mr. Barbin stated the agreement is not confidential. It was publicly advertised, listed on the website ahead of time, approved at a public meeting, and the agreement is attached to the Minutes.

Ms. Sargent explained her surprise that Mr. Nielsen never came to her to explain his plans for a building located next door to her building. She expressed her disappointment that the FCYFA group was never informed of JRA offering of this kind of a deal.

Mr. Barbin explained JRA was approached and asked to assist Croyle-Nielsen in the matter. He explained the Brownfield grant for the asbestos removal. He stated an agreement was reached, and Mr. Barbin added, from his point of view, "Croyle-Nielsen is guaranteeing to take it off their (JRA) hands no matter what." JRA does not want to get stuck with a building it cannot maintain properly.

Mr. Barbin stated the job of JRA is to help developers who want to invest money in downtown Johnstown buildings. He reviewed the negotiations for the agreement. He clarified that JRA will be taking title to the building subject to a trust, but "it's not really ours."

Ms. Sargent requested that the FCYFA group be given the same opportunity.

Mr. Barbin stated, hypothetically, if somebody else wanted to bid, and JRA did not have the building subject to an agreement, then the agreement would end at that point. At that point, the Board would decide whether another agreement may be reached.

Mr. Barbin read into the record an excerpt of the agreement with Croyle-Nielsen as follows: If bidding goes higher, Croyle-Nielsen has the right to provide additional money into the bid. If another party would win the bid, that would end the contract. The contract with Tetra Tech to do the asbestos analysis and remediation at 216 Main Street would remain.

Ms. Sargent stated Mr. Nielsen would be a wonderful neighbor, but with the opportunity for others to bid, she would be proud to have Flood City Youth next door.

King Dozier inquired whether there were other sources of grants or loans available for bidders of the property. Mr. Barbin noted a \$50,000 small business loan available through the City for new businesses.

Deacon Wilson noted his diligent work with children in the City since approximately 2006 or 2007. His agency has a track record of being able to do what is necessary to be sustainable in the City. He and Mr. Cashaw have had an interest in the building ever since learning the building was going to be vacated and have communicated the same to City leaders. He noted the

building provides a "perfect scenario" for the academy by providing an investment in our children. Deacon Wilson reiterated that governors across the state of Pennsylvania look to FCYFA, a 501(c)(3) nonprofit, as a model for their cities.

Chairman Pasquerilla applauded the work of FCYFA and encouraged them to bid on the property if they desired to do so.

Brian Vuletich requested additional information regarding the penalty to break an agreement. Mr. Barbin explained, per contract law, when a contract is broken, "you're responsible to pay damages the other person suffers." He stated JRA does not ever break a contract.

Deacon Wilson requested clarification as to whether JRA is responsible for removal of the asbestos, regardless of the successful bidder. Mr. Barbin explained that a future decision would be made by the Board regarding the asbestos matter. That is a separate matter from bidding on the building.

Mr. Barbin noted that JRA did bid \$50,000 on the building, which is public knowledge.

Chasity Ingram, Johnstown and UPJ alumni, noted her children attend the Youth Academy programs. She commented that she already knows their "product is good; what they do is something phenomenal that is changing lives." She questioned the next step for FCYFA and the date of the auction. Mr. Barbin indicated the date is posted on the window at the Atrium Manor. He offered to email copies to those interested. FCYFA's next step would be to go to the bankruptcy court.

Mr. Pasquerilla indicated the mental health agency, Croyle-Nielsen, would bring 30 to 50 jobs into the City. Deacon Wilson stated his agency, along with the Greater Johnstown School District professionals, also provide mental health. He reiterated that FCYFA employs at least 56 individuals. With the expansion of the Atrium building, FCYFA would employ additional people.

Mr. Barbin stated the bankruptcy court involved in this matter is in Pittsburgh.

Ms. Sargent commented that this Atrium building location is perfect to expand the Flood City Youth Program, but inquired if there was another possible location available for Mr. Nielsen in downtown Johnstown.

Chairman Pasquerilla stated the contract as signed must be honored. Coyle-Nielsen expressed first interest in this building that would sit vacant. The situation could change based on the successful bidder. Deacon Wilson expressed his

desire to have a conversation with Mr. Nielsen regarding the matter.

Mr. Barbin noted the recent sale of the old Bethlehem Steel building by the hospital. If everyone could win, that would be perfect.

John DeBartola stated, he "doesn't believe in big government," and "feels that JRA operates as a quasi-real estate company overreaching its powers and abilities."

He commented this venue is more of a town hall than a meeting, and everyone has overreached their authority and power. No one knew what JRA was voting or doing, but it entered into a contract.

He noted, at a recent meeting, Mr. Vuletich was passionate about how JRA was improperly bidding, which was not made public. Mr. DeBartola inquired why JRA was involved in this, referring to the matter as "special interests and special favors." "A deal was cut." Everyone wants the same deal if they buy the building. "It's already been decided." A vote was taken, and the matter was passed at a special meeting "that nobody knew about." Mr. DeBartola agreed with Deacon Wilson, Ms. Sargent, and Mr. Vuletich. He questioned why the Board was "doing this" and the bidding process.

Mr. Barbin explained the whole purpose of an urban redevelopment authority is to acquire property. There was discussion regarding ownership of the State Theater building. Mr. Barbin explained JRA did a title search and refused to take ownership until a problem was resolved. JRA "did nothing wrong."

Mr. DeBartola had a conflict of interest in entering into the contract with Coyle-Nielson. Mr. Barbin stated JRA followed all of the public notice and legal requirements of Pennsylvania State Law in approving the contract.

Mr. DeBartola stated these interested parties want the same deal you offered, and JRA will not guarantee it. "That's the special favors."

Deacon Wilson stated, "The Flood City Youth Fitness Academy appreciates anyone within our region who is willing to help advance the ability of our young people in this region to succeed."

Chairman Pasquerilla noted JRA's efforts or "this building would still probably be sitting empty. It was empty for a long time." Ms. Komar was commended for her hard work on this matter.

Ms. Huchel suggested everyone review the definition of a redevelopment authority with regard to real estate. She stated JRA "has no control of whatever

happens at bankruptcy court, but we're committed to helping anyone in Johnstown who would like to expand business in the City, whoever that may be." "JRA supports any Johnstown business."

ADJOURNMENT

Ms. Huchel made a motion to adjourn. The motion was seconded by Ms. Rae and passed by the following vote:

Yeas: Ms. Huchel, Mr. Pasquerilla, Ms. Rae, Mr. Truscello,  
Mr. Haselrig (5).  
Nays: None (0).

There being no further business, the Special Meeting was adjourned at 12:52 p.m.

  
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TRANSCRIBED BY:  
SARGENT'S COURT REPORTING  
SERVICE, INC.

  
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BRUCE HASELRIG,  
SECRETARY