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RESOLUTION # 12-2007

A Resolution of the County of Dauphin authorizing the filing of a proposal for funds with the Department of Community and Economic Development (DCED), Commonwealth of Pennsylvania.

WHEREAS, Dauphin County is desirous of obtaining funds from the DCED in the amount of two-hundred and fifty thousand dollars (\$250,000) for prevention and elimination of blight under Section 4(c) of the Housing and Redevelopment Assistance Law, as amended.

NOW, THEREFORE, BE IT RESOLVED by Dauphin County that a blighting influence exists because of lack of use and subsequent determination and the proposed project will prevent further blight and or eliminate the existing influence by demolition and rehabilitation for reuse.

BE IT FURTHER RESOLVED, that Dauphin County will assume the provision of the full local share of the project costs.

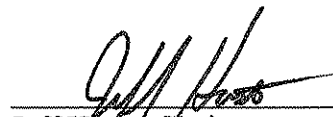
BE IT FURTHER RESOLVED, that Dauphin County will reimburse the Commonwealth for the DCED's share of any expenditures found by DCED to be ineligible.

RESOLVED, that the Chief Clerk of the County of Dauphin is directed to execute a Certificate attesting to the adoption of this Resolution and to furnish a copy of the Resolution to the DCED.

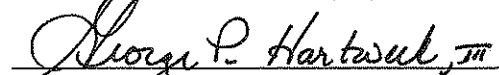
ATTEST:

DAUPHIN COUNTY BOARD OF COMMISSIONERS


Chad Saylor, Chief Clerk


Jeff Haste, Chairman


Dominic D. DiFrancesco, II, Vice Chairman



George P. Hartwick, III, Secretary

(Seal)

X. CERTIFICATION

I hereby certify that all information contained in this document and attachments are true and correct to the best of my knowledge. If I knowingly make a false statement or overvalue a security to obtain a grant and/or loan from DCED, I (company, entity and signer) may be subject to criminal prosecution.

Date: 4/18/07

Signature: 
Print Name: Chad Saylor Title: Chief Clerk
Representing: Dauphin County
Address: 2 S. Second St.
Harrisburg, PA 17101

If this application is being submitted on behalf of another entity, a certification is also required for that entity.

Signature: _____
Print Name: _____ Title: _____

Corporate Submissions Only:

Attested by: _____ (Signature of Corporate Secretary)

"I understand that in order to facilitate the submission of additional applications for this project on the Internet, information from this application (limited to the profile, project summary and site employment/ projected jobs data) will be available to DCED Authorized Service Providers on the DCED Single Application web site, unless I have checked here ____ "

The Department of Community and Economic Development reserves the right to accept or reject any or all applications submitted on the Single Application for Assistance contingent upon available funding sources and respective applicant eligibility.



Application Number

COMMUNITY AND ECONOMIC DEVELOPMENT

Single Application for Assistance

I. PROFILES

Applicant/Sponsor			
Name:	Dauphin County Dept. of Community & Economic Devlp.	CEO:	Daniel Robinson
CEO Title:	Director	Address:	2 South Second Street
City:	Harrisburg	State:	PA
Zip:	17108	FEIN:	23-6003043
NAICS:	926110	<input type="checkbox"/> For-Profit Corporation <input type="checkbox"/> Non-Profit Corporation <input checked="" type="checkbox"/> Government <input type="checkbox"/> Partnership <input type="checkbox"/> Sole Proprietorship	
Contact Name:	Linda Goldstein	Phone:	717-213-5031
Title:	Vice President & COO, CREDC	PA Revenue Tax Box #:	
Fax:	717-232-5184	Internet Access:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
E-mail:	lgoldstein@hborc.org		

Business Specifics (JPI)			
Current # of Full-time Employees:	Pennsylvania _____	50 Worldwide _____	83 _____
Minority Owned:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Woman Owned:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> C Corporation <input type="checkbox"/> Limited Liability Corp <input type="checkbox"/> Limited Liability Partnership			
Total Sales \$	\$1,090,000	R & D Investment (% of budget)	0%
Export Sales \$	n/a	Employee Trng. Investment (% of budget)	< 1%

Company/Occupant			
Name:	Journal Publications Inc. (JPI)	CEO:	David Schankweiler
CEO Title:	Publisher	Address:	101 N 2nd St # 2
City:	Harrisburg	State:	PA
Zip:	17101	FEIN:	23-2345334
NAICS:	511110	UC#:	
Contact Name:	David Schankweiler	Title:	Publisher
Phone:	717-236-4300	Fax:	717- 236-6803
E-mail:	davids@journalpub.com	Internet Access:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Beneficial Owner/Developer			
Name:	1841 North Third Street Partners LLP	Address:	202 State Street
City:	Harrisburg	State:	PA
Zip:	17101	FEIN:	20-8637953

BACKGROUND & PROBLEMS TO BE ADDRESSED

Years of decline in the city of Harrisburg ("City") culminated with the 1972 flood caused by Hurricane Agnes. The damage caused to the downtown and its neighborhoods was substantial and resulted in many home owners relocating out of the city and into the suburbs leaving homes and neighborhoods vacant and susceptible to vandalism.

Since late 1990, the City has seen a marked resurgence. From new townhouses built in some of the city's once blighted, vacant neighborhoods to a wide variety of eateries along downtown's "Restaurant Row" on Second Street, Harrisburg has re-established itself as a destination and vibrant place to live, work and play. Other improvements and amenities include the National Civil War Museum, Whitaker Center for Science and the Arts, and City Island, which hosts professional soccer and baseball. These advances have helped the City to begin to change its public perception from one of decay to one of vibrant opportunity.

However, the City continues to suffer from an extreme lack of investment in many of its residential neighborhoods. With minimal residential attraction, commercial development in the Midtown area, specifically between Maclay and Forster Streets, is presently lacking. To support a culture of reinvestment and revitalization in Midtown Harrisburg and contribute to a productive tax base by re-enlisting underutilized properties back on the tax roll, Dauphin County is requesting \$250,000 in grant funds through the Housing and Redevelopment Assistance Program (HRA). These funds will be used for site improvements and necessary renovations of the old Glass Factory located at 1841 North Third Street, between North Third and Logan. The Capital Region Economic Development Corporation (CREDC) will assist the County with the administration the HRA grant.

PROJECT DESCRIPTION

This crux of this project is the purchase of and renovations to property located at 1820-1822 Logan Street and 1833-1841 North Third Street, Harrisburg, Dauphin County, Pennsylvania. The 1841 North Third Street is owned by Samundar Holdings and was originally built as a stained glass factory, known as the Glass Factory, vacant since the early 1990's. WCI Partners, LP (WCI) is the developer on this project, working in combination with the proposed occupant, Journal Publications, Inc. (JPI). Together they plan to take ownership of the property, demolish the unsalvageable section of the building, encapsulate and pave parking lots, and renovate the remaining 12,480 square feet for commercial office space available for the new JPI headquarters. JPI currently employs 83 people PA and NJ, 50 of which are currently in Harrisburg. This project through the relocation of JPI headquarters is expected to create an additional 15 full-time, family sustaining jobs over the next three years.

WCI and JPI will form a limited partnership ("1841 N. 3rd Street Partners LLP") to purchase and renovate 1841 North Third Street along the midtown corridor as well as two surrounding parking lots. The partnership, consisting of WCI with 99% ownership and JPI with 1% ownership, will complete the construction and renovations to JPI's specifications. The project construction is expected to commence early June 2007, slated for completion December 2007. Upon delivery of an occupancy permit, JPI will buyout WCI to obtain majority ownership of 1841 N. 3rd St. Partners LLP, and immediately move into the revitalized building.

THE OCCUPANT

Journal Publications Inc. is a multi-title publishing and events management company with operations in Pennsylvania and New Jersey. Founded in 1984, JPI publishes award winning business journals, consumer magazines and custom publications. The company also plans and manages dozens of events annually for company owned products as well as for external customers. In addition, JPI coordinates Best Places to Work surveys nation-wide through its Best Companies Group subsidiary.

Also included in JPI's subsidiary publications are the locally renowned Central PA Business Journal as well as the Central PA Parent. During the last two decades JPI has grown to over 80 professionals in Harrisburg and NJ.

JPI is currently located in downtown Harrisburg in leased space in the Commerce Bank building but has outgrown the space. JPI would like to remain in the City of Harrisburg and take advantage of an ownership opportunity.

The Glass Factory revitalization is the perfect opportunity to satisfy JPI's requests, as well as contribute to the commercial *and* residential growth of Midtown Harrisburg. 1841 N. Third Street is a pivotal piece to the revitalization of this neighborhood. This type of commercial development in an area that is primarily residential will not only spearhead future commercial development, but will compliment the already progressing residential development in Midtown Harrisburg. Once rehabbed and occupied it will attract both business and residential use into this blighted neighborhood and will supplement the other development plans taking place there, including the expansion of the HACC college campus. This site, in the shadows of the Governor's Mansion is an ideal location for the new headquarters of JPI. WCI and JPI feel that the presence of JPI in this area of midtown will spur additional commercial attraction in the neighborhood.

REVITALIZE MIDTOWN!

The same developer for the proposed project and its development team are working to restore numerous historic residential structures in several neighborhoods of the City, working to advance the *Revitalize Midtown!* initiative. WCI has received a \$600,000 grant from PHFA to revitalize the neighborhood by renovating existing dilapidated row houses and building new single family houses on vacant properties. Once complete, "Revitalize Midtown!" will add these new and/or rehabbed homes to the city's roster of homes for sale, effectively allowing this older, urban community to compete with the surrounding suburbs in quality of construction, architectural significance and price.

Revitalize Midtown! is an eighty-five (85) home rehabilitation and new construction project located in the shadow of the Pennsylvania Governor's Mansion between Maclay and Muench Streets, bordered by 2nd and 3rd Streets in Harrisburg's Midtown neighborhood. The keystone of the project is the construction of nineteen (19) new in-fill brick town homes on vacant land currently owned by the City of Harrisburg and under contract to WCI. The land formerly contained vibrant town homes that were blighted, condemned and eventually demolished due to severe decay and neglect in the immediate neighborhood. This new construction, which will blend architecturally and functionally with existing homes, will in turn allow for the renovation of an additional sixty-six (66) existing homes that are currently in various stages of blight and disrepair. Along with the commercial development, it is anticipated that this area of the City will once again be a vibrant area.

LOCATION

Harrisburg is the hub of a metropolitan region having over 600,000 people. Located on the east bank of the 3,000-foot-wide Susquehanna River in south central Pennsylvania, Harrisburg is the largest city on the main course of the Susquehanna River.

The Project Area is located within 2 blocks of Harrisburg's Riverfront Park, 2 miles from downtown, 1 block from the bus line with transit service to educational facilities (Harrisburg Area Community College, Penn State University-Harrisburg, Temple University and Harrisburg University), close proximity to medical facilities, cultural events, recreational activities and easy access to major highway systems. The Project Area is also located near the Harrisburg Fire Museum, the American Red Cross Harrisburg Chapter, Hamilton Elementary School, the United Methodist Church Neighborhood Center and the John Heinz Senior Center. The project is 12 blocks away from the Midtown Business District and the Historical Broad Street Market.

In the center of Old Uptown and in the Project Area stands the Simon Cameron School at 1839 Green Street. Listed on the National Register of Historic Places in 1986, this building has been converted into 35 market rate apartments and lofts. Over the past 5 years the Simon Cameron School has operated at a 98%-100% occupancy rate housing mostly single, young professionals that have been attracted to the unique housing that Simon Cameron School has to offer in spite of the surrounding neighborhood. Several of their renters have gone on to

purchase their own homes in the City, again proving that the issue in Harrisburg remains one of supply not of demand; and it is our belief that providing high quality housing, similar to what one will find in the suburbs will entice people to relocate and/or stay in the city.

ECONOMIC IMPACT

The City of Harrisburg's Five Year Consolidated Plan was developed to ensure that Harrisburg is a stable, thriving residential and business community. To achieve this, the city had established a number of goals, three of which are listed below:

Goal 1- Increase total occupied housing inventory to 25,000 dwelling units.

Goal 2- Stabilize neighborhoods through increased homeownership, achieved by attracting new resident homebuyers, transforming existing tenants to homeowners, and accommodating household of all incomes, races and needs.

Goal 3- Stabilize property values by ensuring all property is maintained in a decent, safe and sanitary condition and removing abandoned and blighted properties.

The Revitalize Midtown! project clearly supports the goals established by the City of Harrisburg. The project, as stated previously, is located 2 short blocks from one of PHFA's past award recipient, Capitol Heights. It is also located within the Elm Street boundaries that are currently being established in Midtown and within a few blocks of The Towne's at Governors Square, a PHFA/HCP past recipient, the Maclay Townhouses at 4th & Maclay, and is immediately adjacent to Uptown Harrisburg (north of Maclay Street) which is the subject of an extensive development plan. The Revitalize Midtown! Project is complimentary with all of these development projects.

In addition, it is anticipated that JPI project will attract additional commercial development and revitalization to the area. JPI will be the anchor tenant in the area and two additional commercial ventures have expressed interest in the neighborhood as a direct result of JPI's potential move. JPI will create over 15 family sustaining jobs over the next three years. JPI's presence at 1841 N. Third Street will encourage both residential and commercial development in the surrounding areas. Currently the neighborhood is a vacant, blighted residential neighborhood. WCI Partners is working to revitalize this area and attract new homeowners to this part of the city.

Both of these projects will help to stabilize the neighborhood. Nearby commercial properties include the National Fire Museum, Third Street Used Furniture, Alvaro's Bakery, Hamilton Health Center, UMC Community Center, the Simon Cameron Apartments and the Capitol Heights residential development project. 1841 N.3rd Street is within 3 blocks of Harrisburg's Riverfront Park, 2 miles from downtown and on the CAT bus line, and 12 blocks away from Historical Broad Street Market.

FINANCIAL CHALLENGES

WCI Partners, LP estimated the total project cost of the Glass Works component at \$2,212,000. This price is broken down as follows (*these figures are rounded to the nearest thousand - for additional detail, please refer to the single application budget*):

Building Acquisition: \$375,000

Construction/renovations: \$1,575,000

Site preparation (including excavation/grading, demolition, and paving): \$150,000

Carry and soft costs: \$113,000

To make the square footage rental costs within reach of the tenant, WCI will need some financial assistance with this project. JPI is able to acquire the completed property for \$1,100,000, leaving a "gap" of \$1,113,000. The Housing and Redevelopment Authority funds would help alleviate this funding gap. Other sources of funding contributing to this project include New Market Tax Credits and Historical Tax Credits, both for 20% of the total project costs. The remainder of the project costs will be absorbed by the developer through private equity and bank financing.

BUDGET SUMMARY	
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HOUSING PROJECT	
PHFA	\$600,000
City of Harrisburg – land contribution (and infrastructure)	\$190,000
Wachovia Bank - construction loan	\$9,262,000
Developer's Equity	2,513,000
Total Development Cost	\$12,565,000

JPI PROJECT	
Building Acquisition:	\$375,000
Construction/renovations:	\$1,575,000
Site work and paving:	\$150,000
Carry and soft costs:	\$113,000
Total Development Cost	\$2,213,000

JPI Investment:	\$1,100,000
New Market Tax Credits (20%):	\$345,000
Historical Tax Credits (20%):	\$345,000
Total Secured Investment	\$1,790,000
FUNDING GAP:	\$423,000