



pennsylvania
DEPARTMENT OF GENERAL SERVICES

Information as of 7-26-16.
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WELCOME

July 26, 2016

DGS Annex Surplus Lands - Public Meeting

Julien F. Gaudion

Deputy Secretary for Property
and Asset Management

PA Department of General Services

Elizabeth N. Woods

Director

Bureau of Real Estate

PA Department of General Services



land planning
landscape architecture
civil engineering



Introductions / Project Overview

Mark Hackenburg, RLA

I.0





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Project Management
Civil Engineering
Landscape Architecture
Zoning and Land Use Analysis
Stakeholder Meetings
Report Preparation



AICP Planner
Stakeholder Meetings
Planning Analysis



Phase I Environmental Site Assessments
Asbestos Investigation
Remediation Cost Estimates
Demolition Cost Estimate



Market Research Assessment
Financial Impact Analysis
Economic Impact Analysis
Tax Rate Impacts
Job Creation Analysis
Cash Value Analysis



Historic Resource Assessment



Appraisal Services
Highest and Best Use Analysis

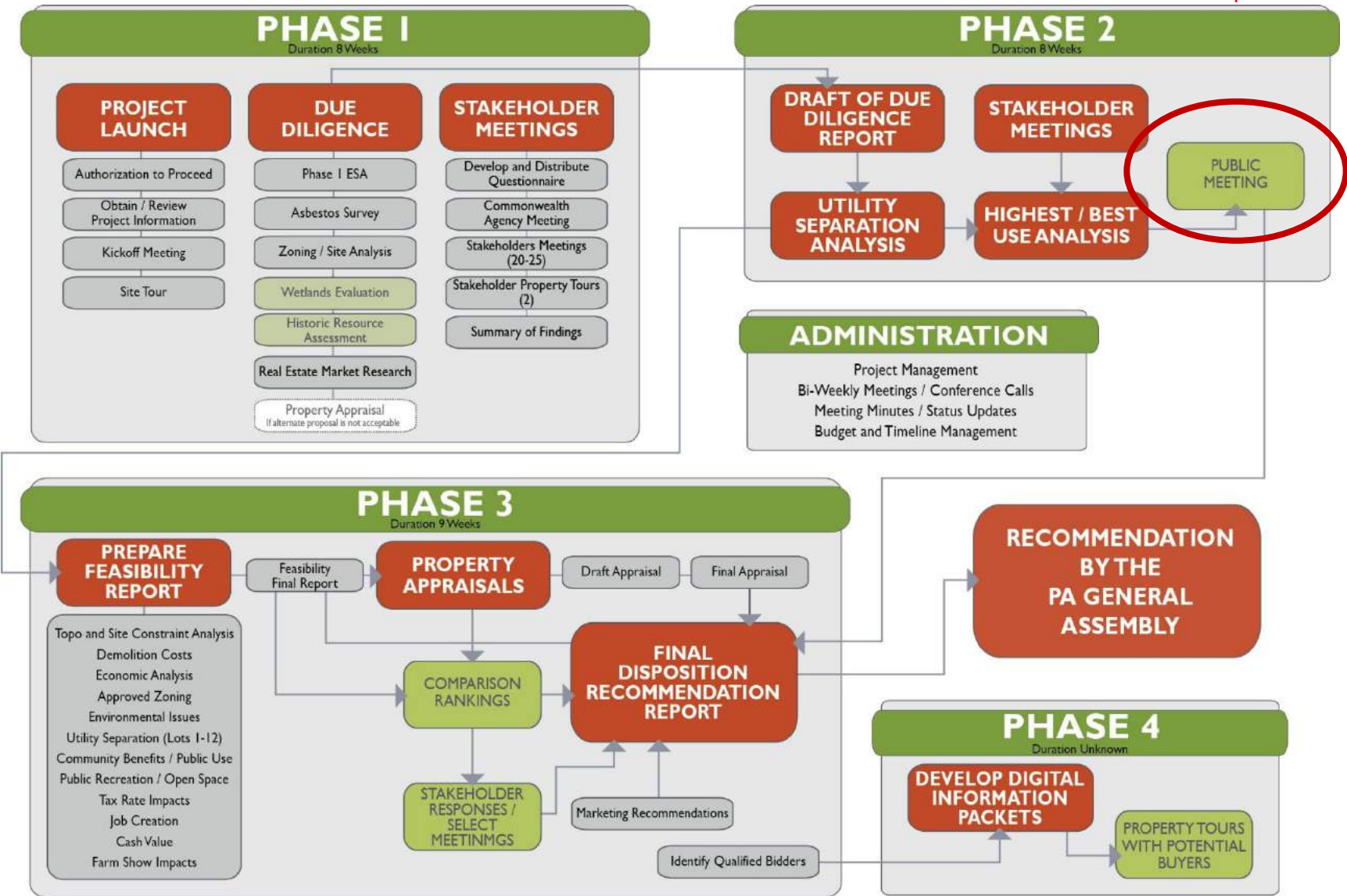


Commercial Real Estate Assessment
Support Materials Preparation



Project Phasing

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Why Consider Selling?

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New development serves as a regional catalyst for
Strong Economic Expansion Opportunities

Contributes to local economy by
Returning Properties to Tax Rolls

Responsible Stewardship
of taxpayer dollars

Employee relocation to
modern facilities results in
Operational Efficiencies

State's commitment to
Downtown Revitalization

Regional Job Growth

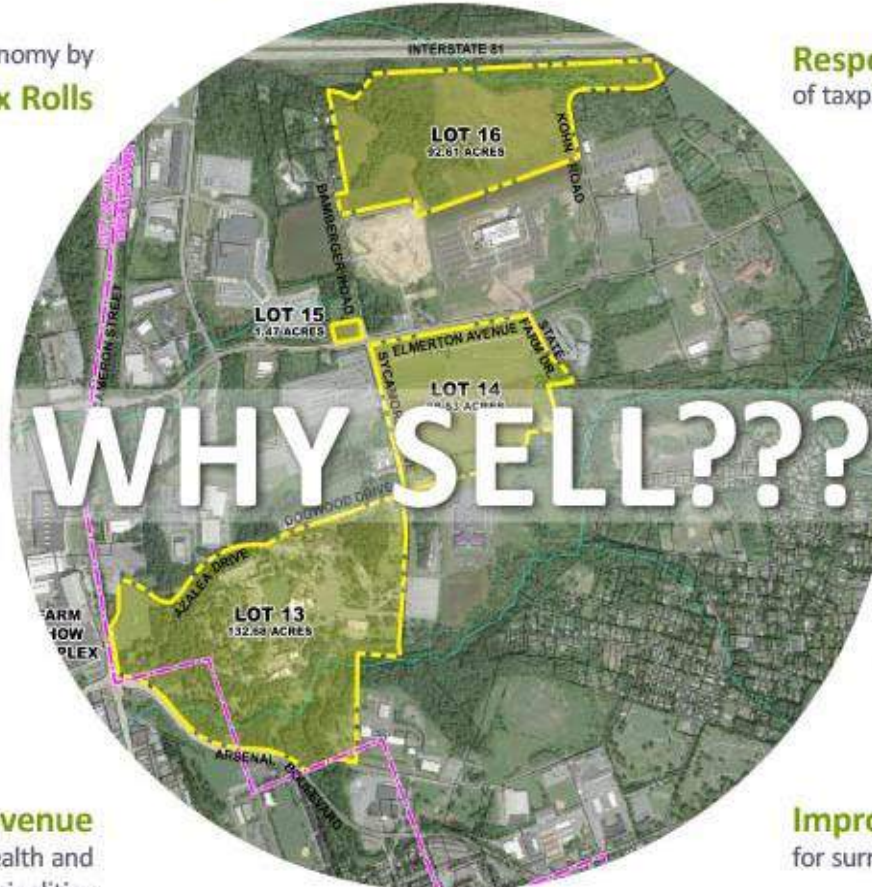
Reduce/avoid costs associated with
Aging Infrastructure

Current operating costs
Exceed \$6 Million/Year

Generate Revenue
for the Commonwealth and
local municipalities

Buildings Near End of Useful Life
without significant reinvestment

Great potential for
Commercial Redevelopment





Stakeholder Input

Tracey Vernon, PP, AICP

2.0



28 Stakeholder Organizations Identified

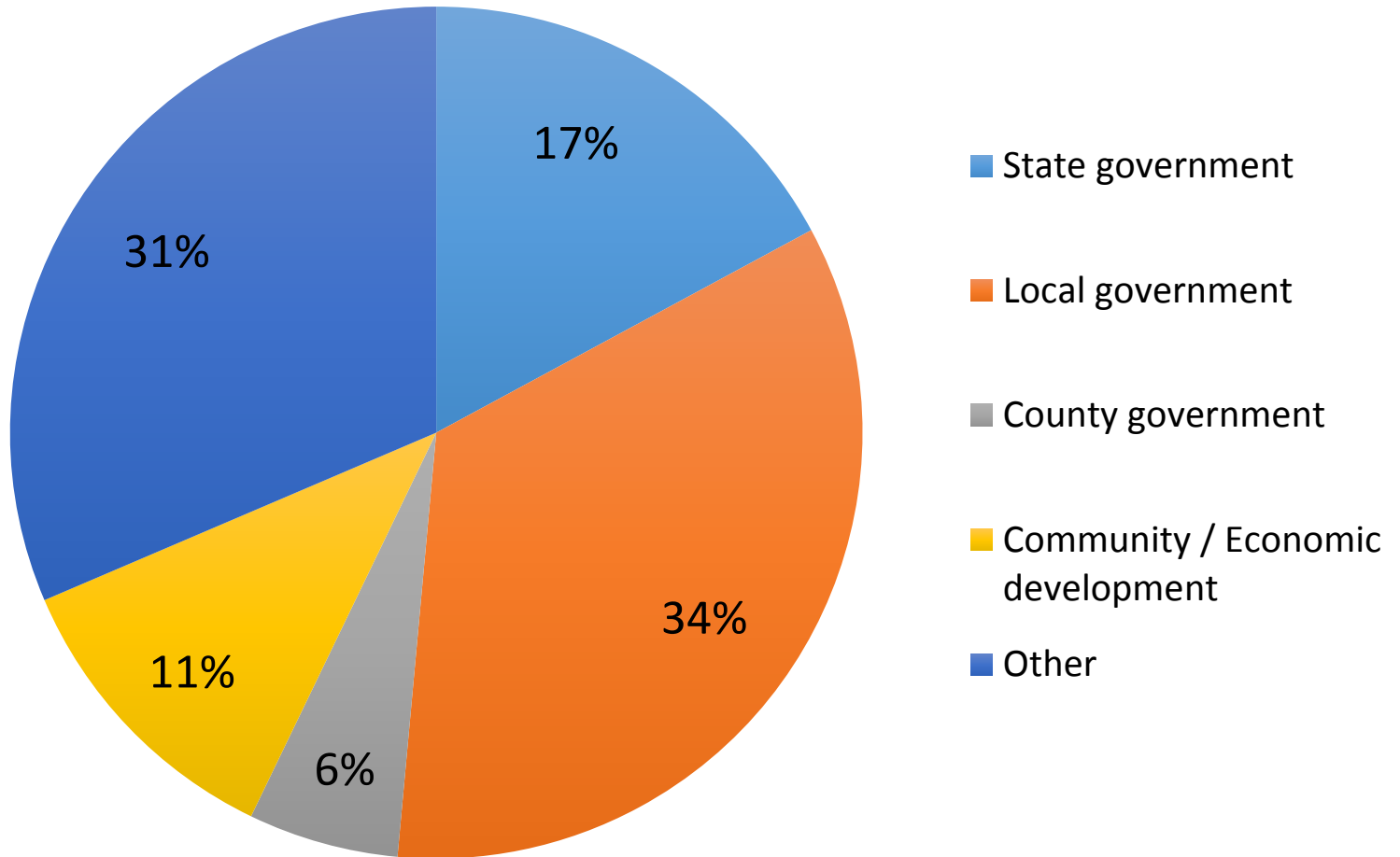
Types of Engagement

- Online questionnaire
 - Administered to 28 stakeholders representing each stakeholder organization
 - Questionnaire link open from February 26 – March 10
 - 35 individuals representing 19 of the 26 stakeholder organizations responded (73%)
- Stakeholder Meetings
 - 22 meetings conducted between February 29 – May 5

Questionnaire Results

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Survey respondents by organization type



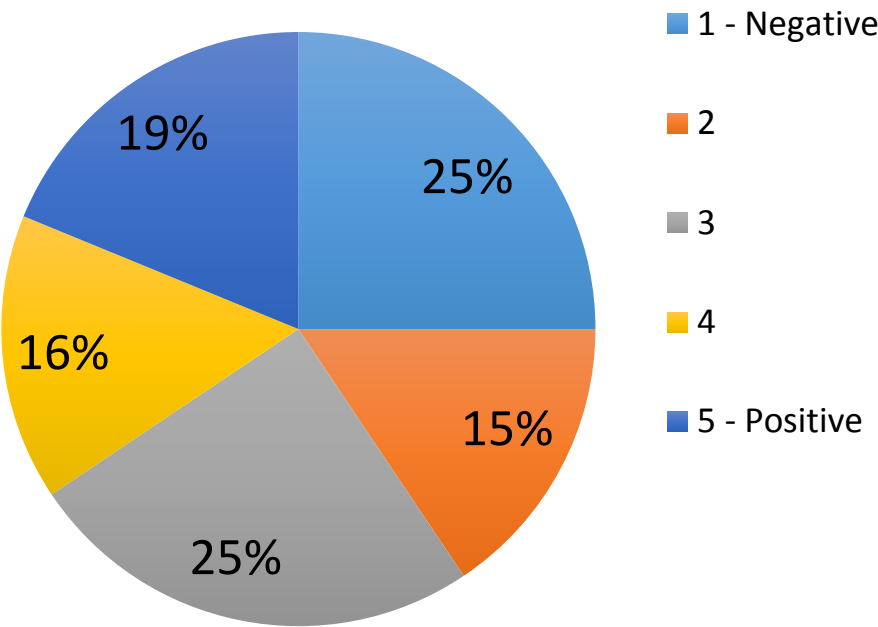
Questionnaire Results

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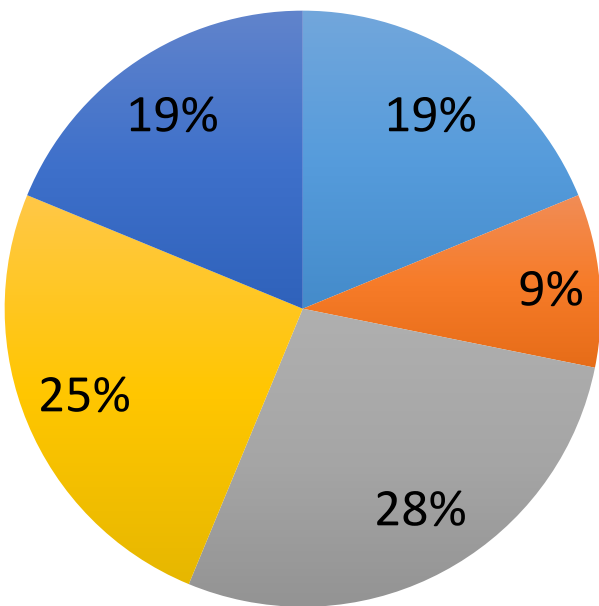
Fairly Equal Opinions on the Impact of Sale & Redevelopment

Would sale or redevelopment have negative or positive impacts?

Organization/Constituents



Local Community

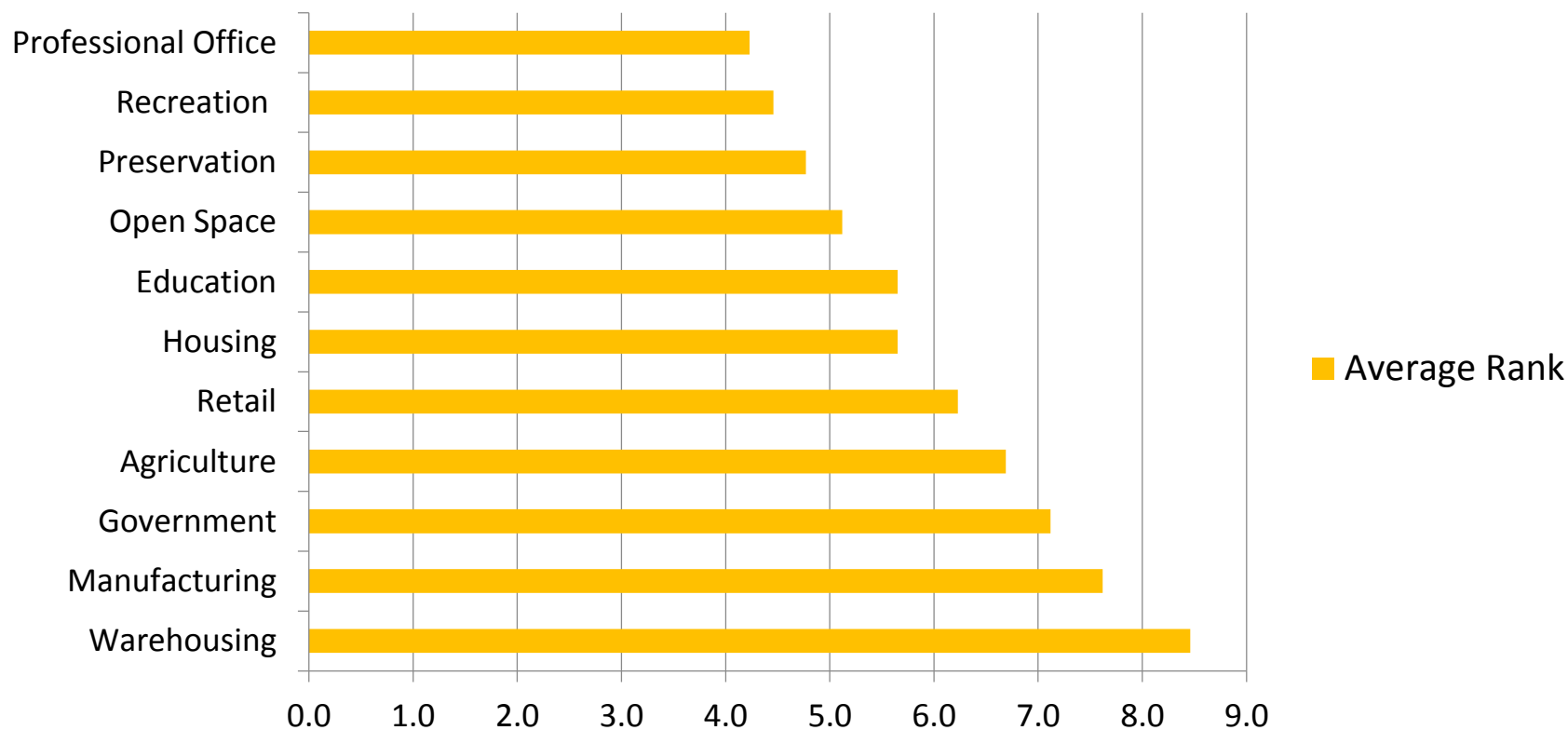


Questionnaire Results

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Professional Office Ranked Most Beneficial; Warehousing Ranked Least Beneficial

How would you rank the following as potential land uses/redevelopment opportunities?

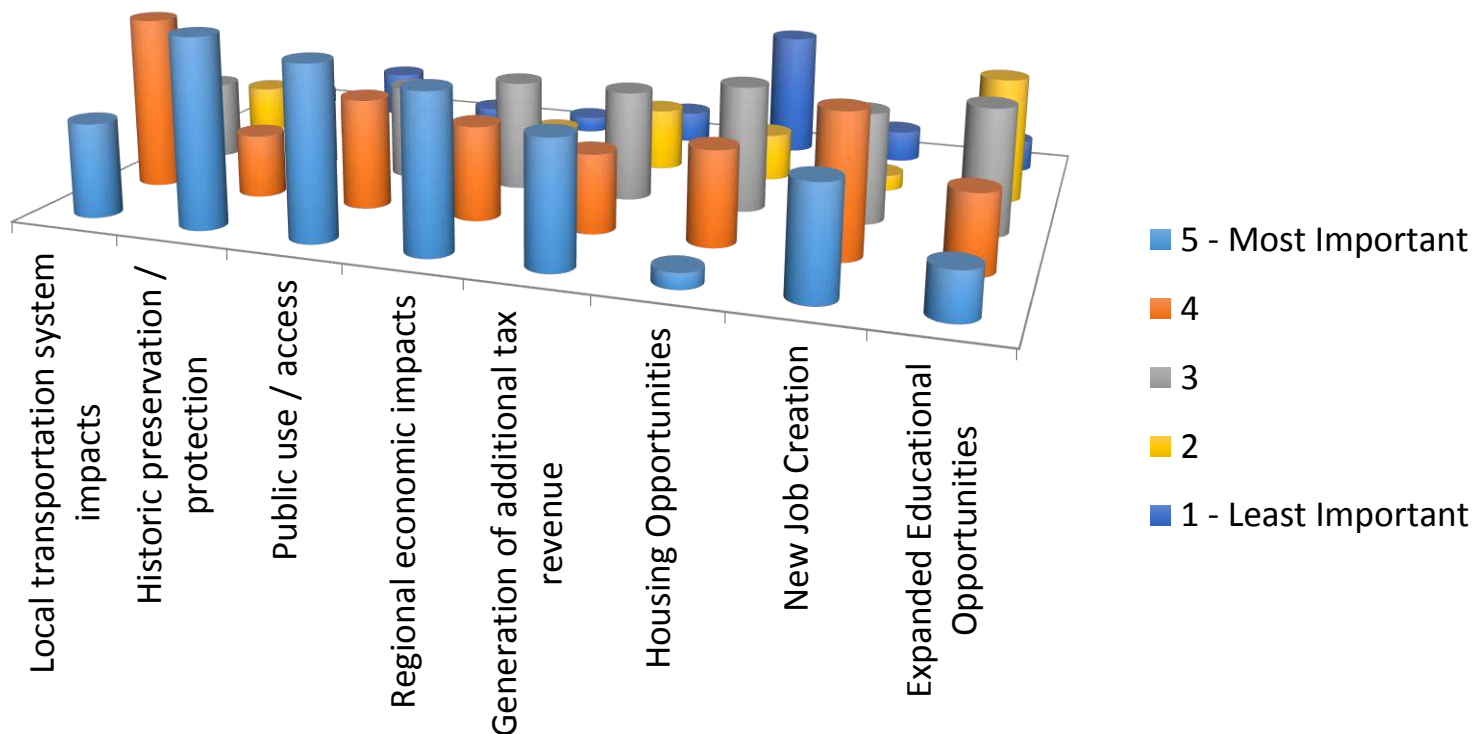


Questionnaire Results

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Preservation & Public Access are Priority Factors for Future Redevelopment

How important are each of the following factors to your organization/constituents?

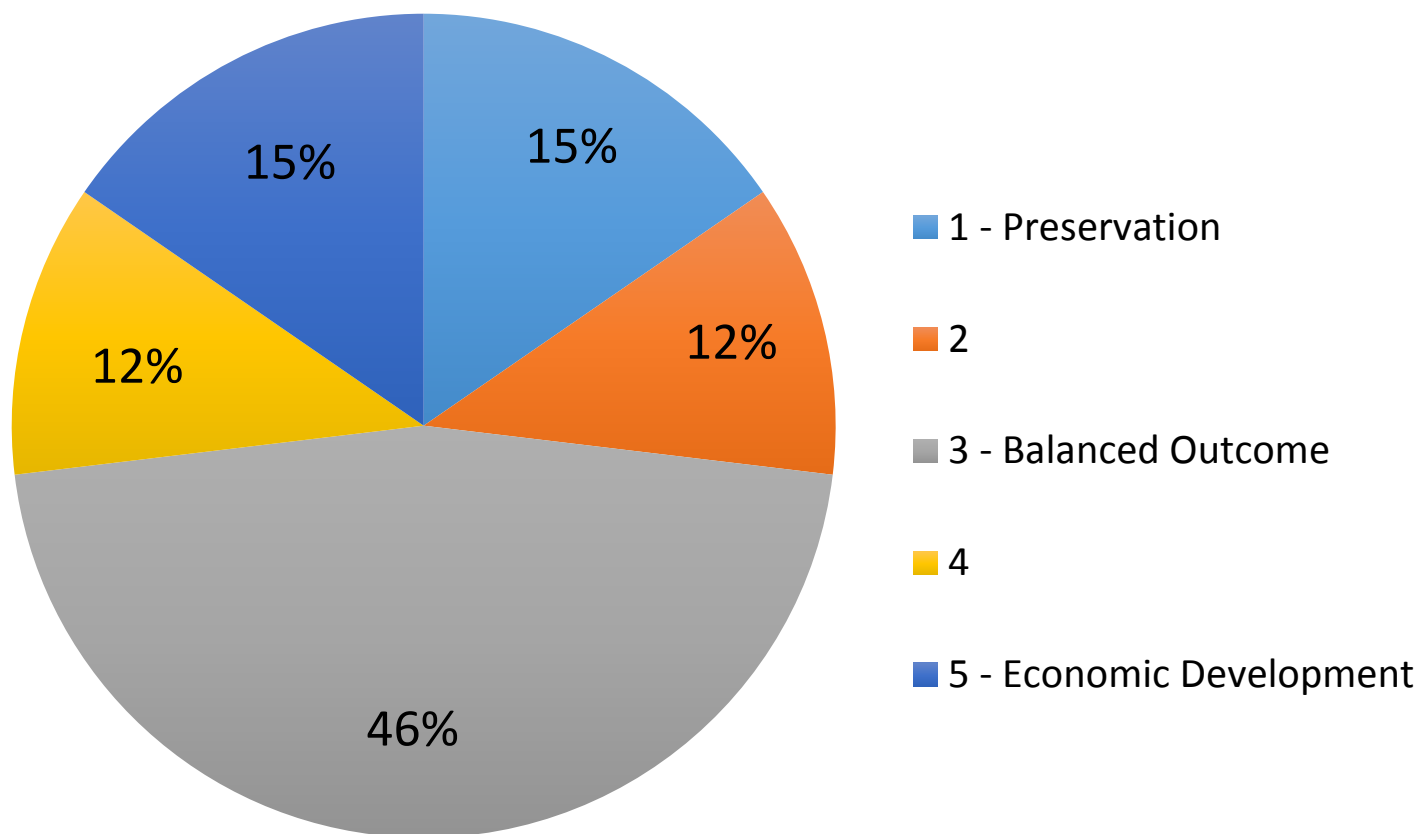


Questionnaire Results

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Nearly 50% of Respondents Seek a Balanced Approach

Which is more important: preserving / protecting resources, creating new opportunities for economic development, or a combination of both?



Stakeholder Feedback

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STAKEHOLDER CONCERNS
SHOULD BE ACCOMMODATED



maintain and
enhance the
**CAPITAL AREA
GREENBELT**

TRANSPORTATION ACCESS



BALANCE

current uses,
historic resources,
and green space with

REDEVELOPMENT

emergency operations



support the
PA FARM SHOW
& EXPO CENTER

MINIMIZE
TRAFFIC IMPACTS



maintain the
**COMMUNITY
GARDENS**



**AGRICULTURAL
PRESERVATION**



generate tax revenues and increase
the region's median income

REDEVELOPING THE HARRISBURG STATE HOSPITAL
property provides the community with a
unique opportunity

REDEVELOPMENT
should compliment
**DOWNTOWN
HARRISBURG
and the
SURROUNDING
REGION**





Zoning / Site Analysis Findings

Mark Hackenburg, RLA

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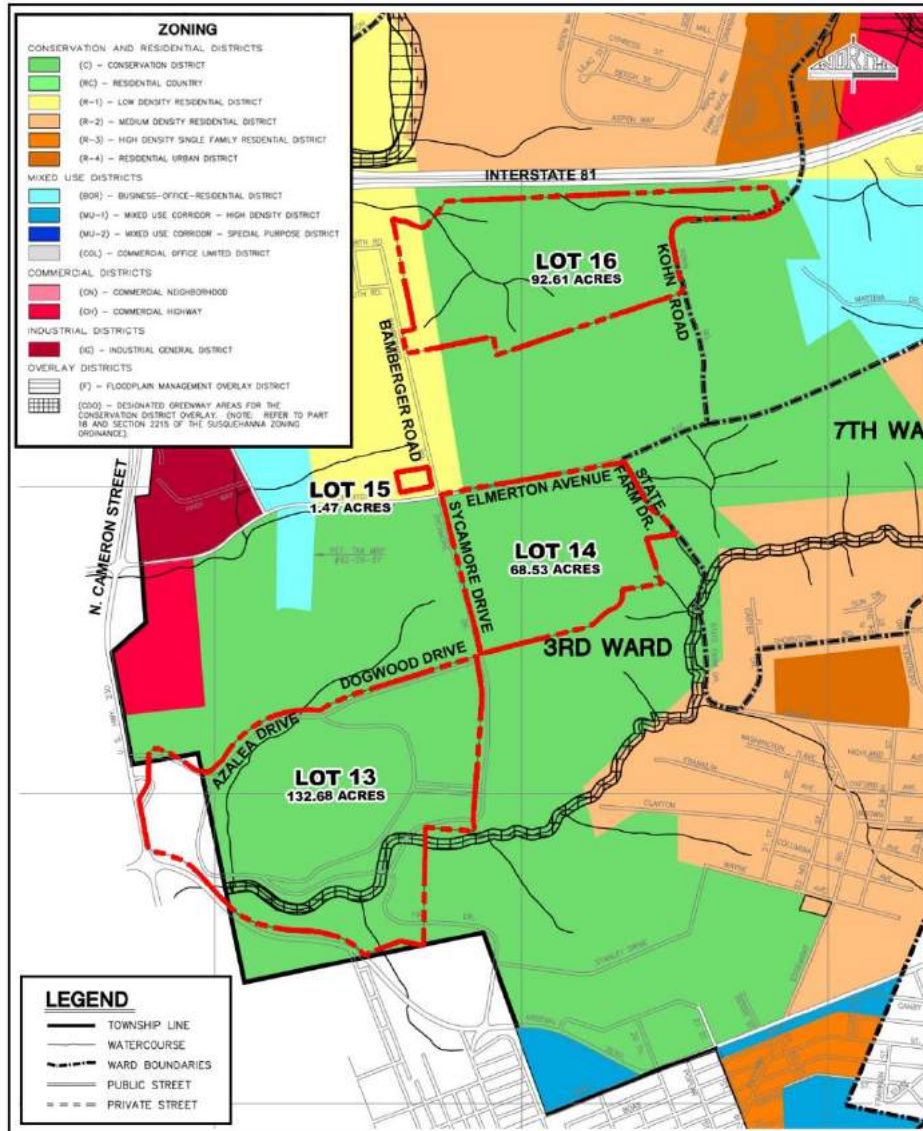
Project Site – Zoning & Site Analysis

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Zoning - Susquehanna Township

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Existing Zoning – Largely Conservation Zoned

- Lot 13 = 132.7 acres C Zone
 - Portion of Lot 13 lacks zoning designation (boundary discrepancy; likely C Zone)
- Lot 14 = 68.5 acres C Zone
- Lot 15 = 1.5 acres R-1 Zone
- Lot 16 = 6.3 acres R-1 / 86.3 acres C Zone (92.6 ac.)

C - Conservation Zone Permitted Uses

- Single Family
- Public and Municipal Uses
- Preservation / Parks
- Utilities
- Campgrounds (SE)

R-1 – Residential Zone Permitted Uses

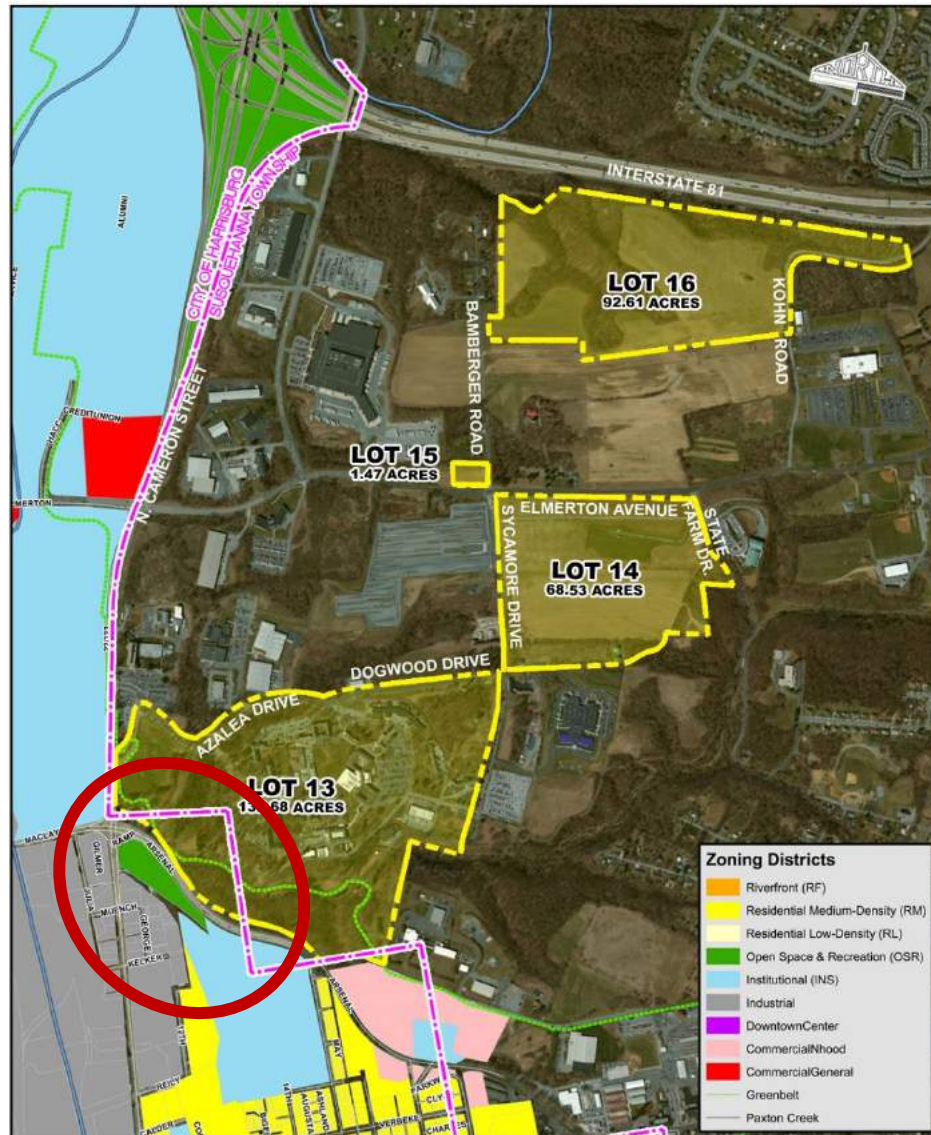
- Agriculture
- Single Family
- Public and Municipal Uses
- Parks
- Utilities

Churches



Zoning – City of Harrisburg

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Existing Zoning – Likely OSR Zoned

- Lot 13 = 4.5 acres in City of Harrisburg
 - Portion of Lot 13 lacks zoning designation (boundary discrepancy; likely OSR Zone)

OSR – Open Space & Recreation Zone

Permitted Uses

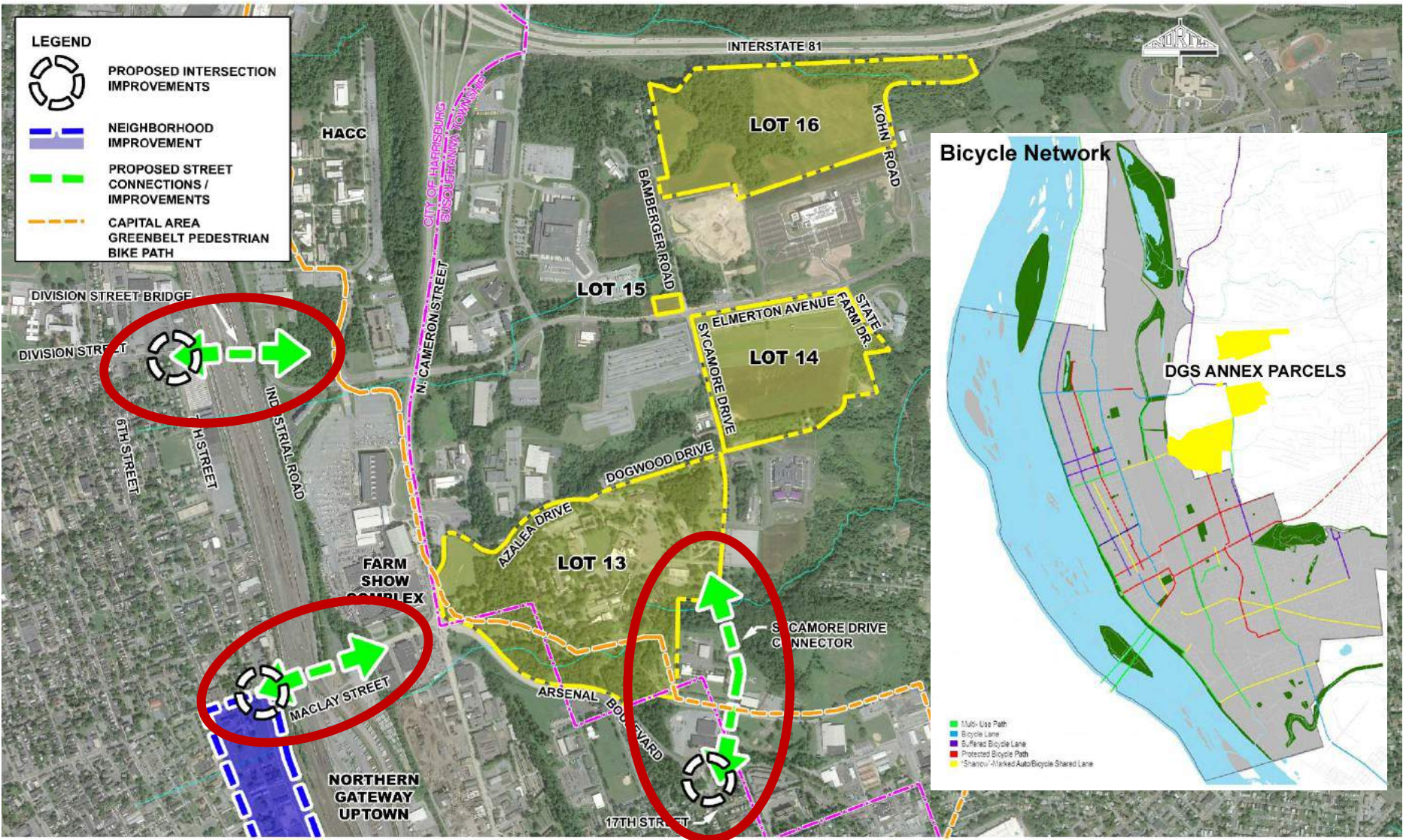
- Animal stables
- Essential services
- Natural area or wildlife refuge
- Public utility facility
- Public and outdoor recreation areas
- Public swimming pool

Special Exception Uses

- Cemetery
- Communication tower/antenna
- Community center / Library
- Municipal owned uses
- Indoor and outdoor theaters
- Urban agriculture/livestock
- Wind or solar energy facilities
- Accessory parking lots or structures

Regional Transportation Improvements

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Site Analysis – Lot 13

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ARM Group Inc.
Earth Resource Engineers
and Consultants

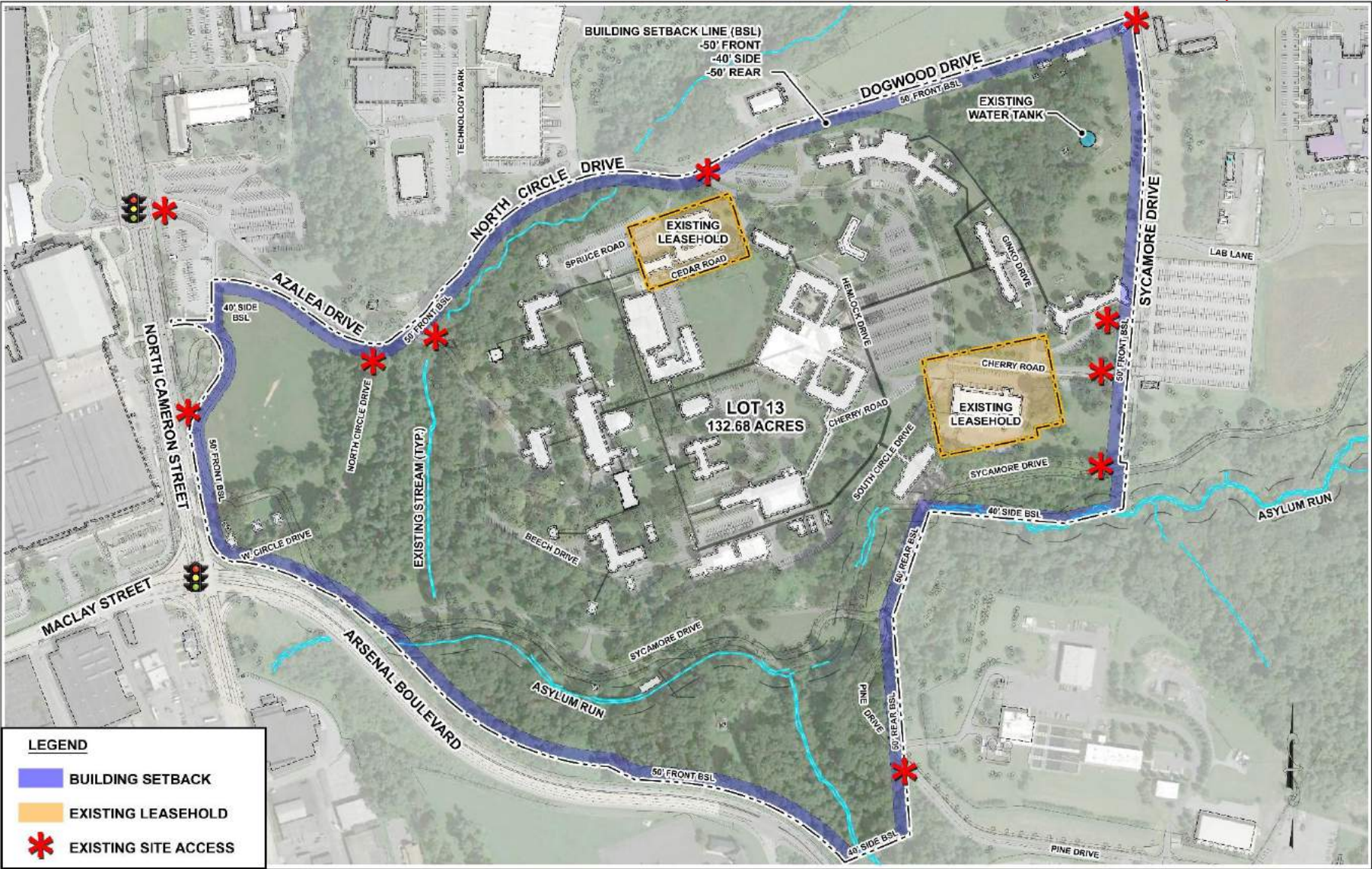


WALTERS
APPRAISAL SERVICES, INC.



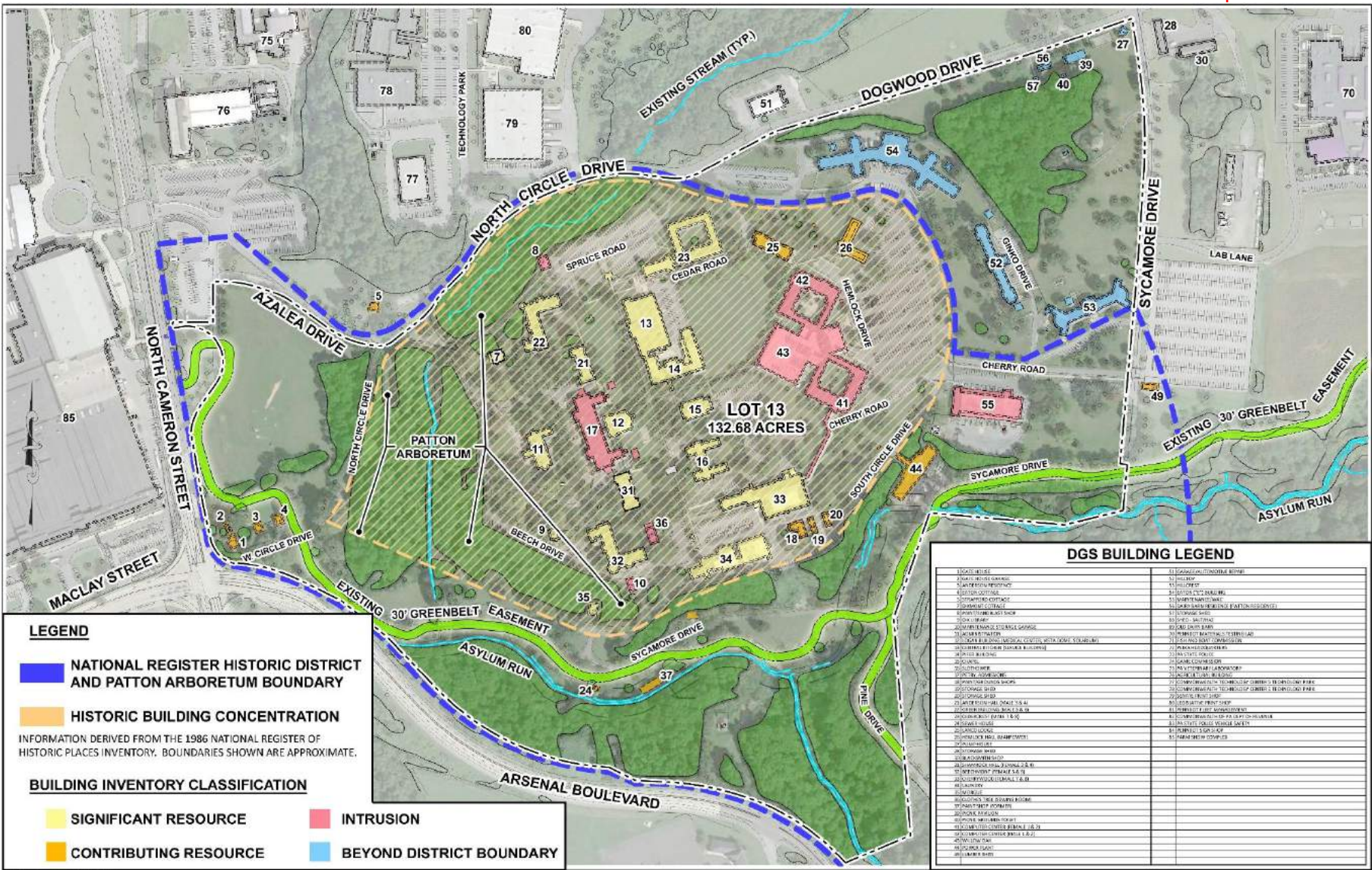
Lot 13 - Site Features

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Lot 13 – Historic Resources

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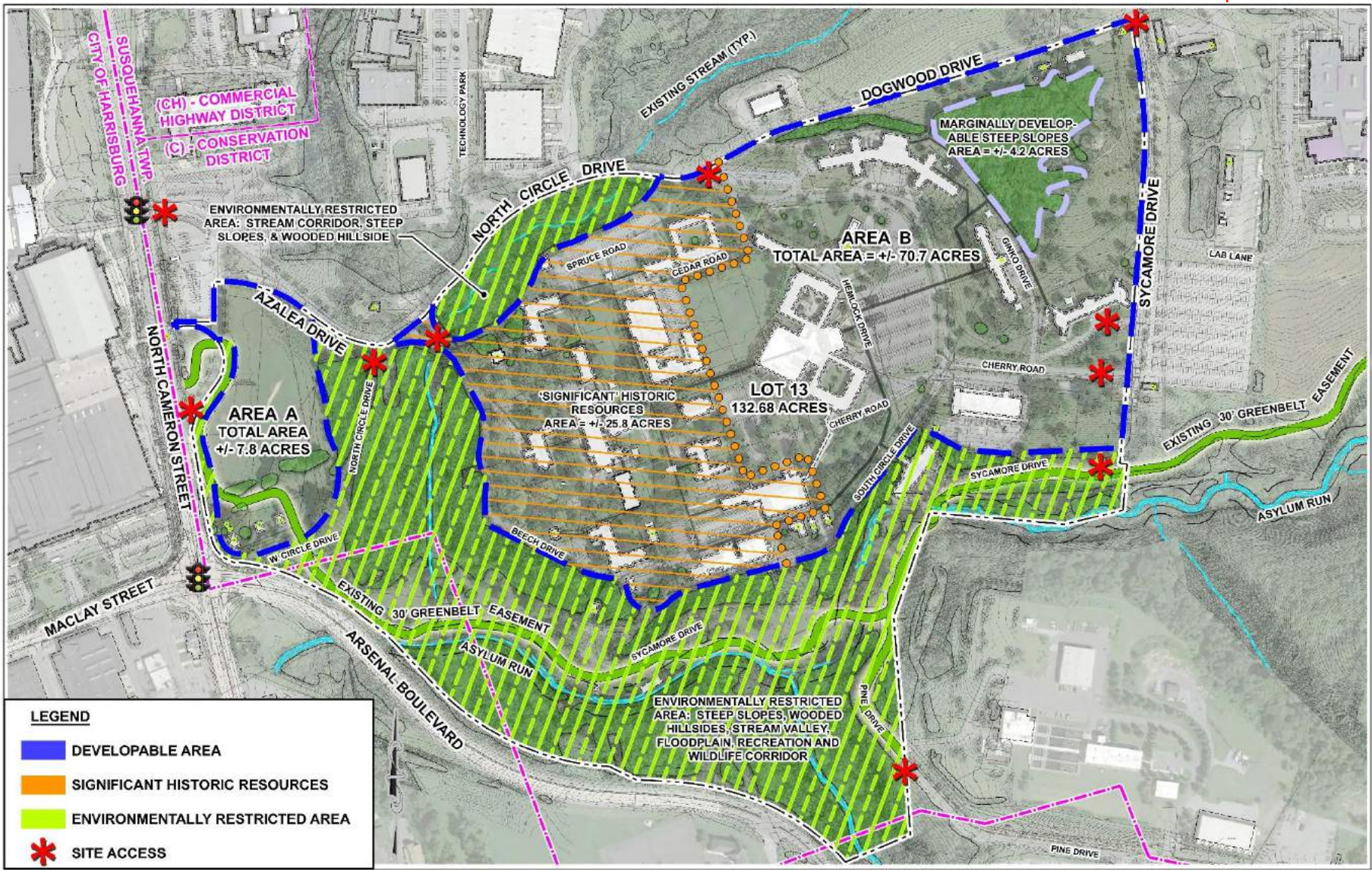
Lot 13 – Existing Conditions / Utilities

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Lot 13 – Developable Areas

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Lot 13 – Conclusions

Information as of 7-26-16.
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Total Lot Area = 132.68 acres

Developable Area A = 7.8 acres

- Farmhouse/Garage, 2 c.1930's residences
- Recreation Area
- Capital Area Greenbelt
- Potential development site with assurances of greenbelt connectedness

Developable Area B = 70.7 acres

- Harrisburg State Hospital Site - 45 buildings and significant infrastructure
- National Register Historic District
 - Significant Historic Resources Area = 25.8 acres of Developable Area B (36.5%)
 - 15 Significant / 2 Contributing / 3 Intrusions
 - Logical to protect some of the historical resources
- Marginally Developable Area = 4.2 acres

Environmentally Restricted Area = 54.2 acres

- Natural features, Capital Area Greenbelt, Patton Arboretum, floodplain, etc.
- Logical areas for protection and public use

Site Analysis – Lot 14 & 15

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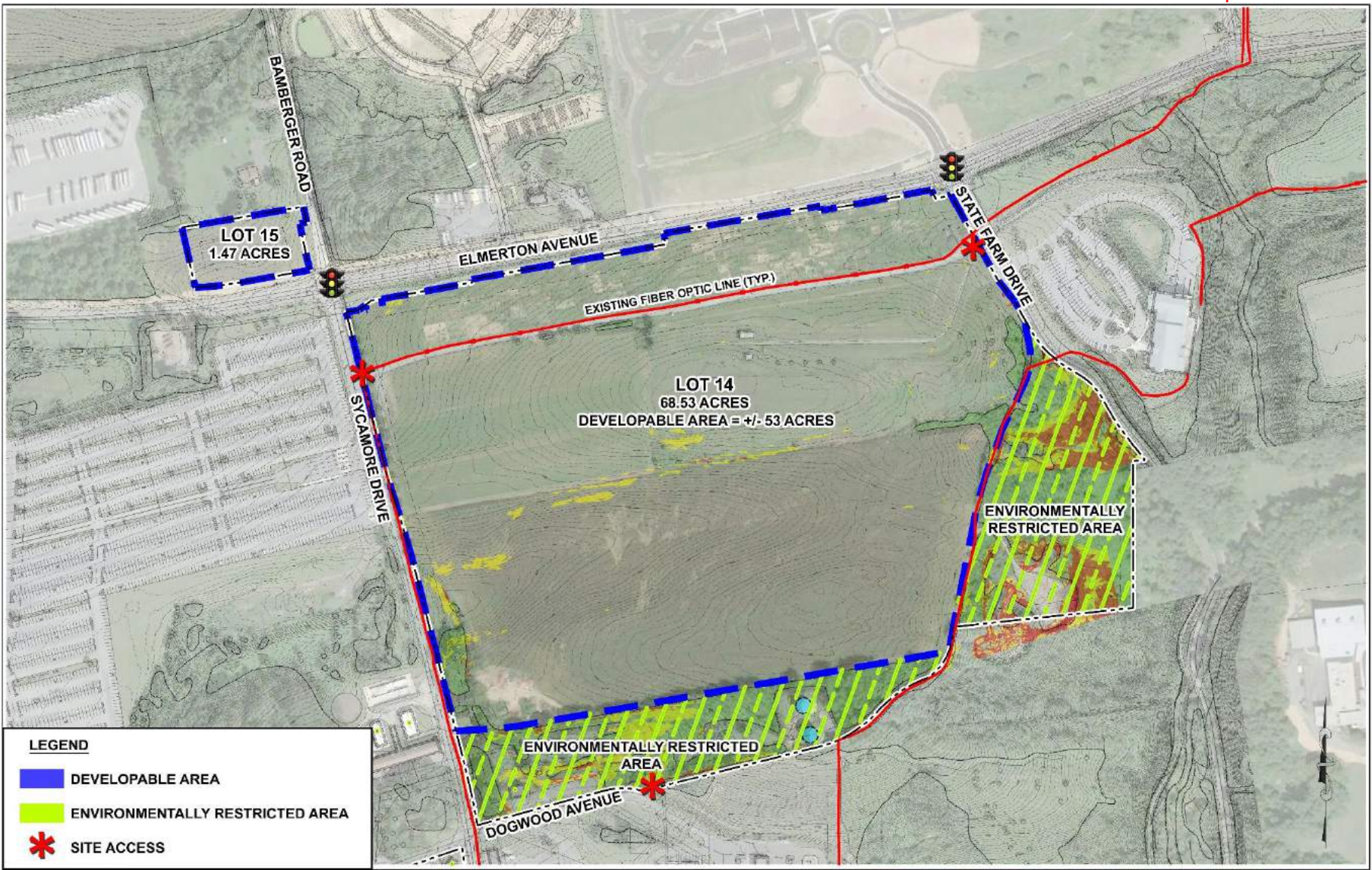
Lot 14 & 15 - Site Features

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Lot 14 & 15 – Developable Areas

Information as of 7-26-16.
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Lot 14 & 15 – Conclusions

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Lot 14: Total Site Area = 68.53 Acres (C Zone)

Developable Area = 53 acres

- Dauphin County Public Garden Plots, Harrisburg Area Flying Society and agricultural lands
- Signalized intersections, frontage onto a major roadway, adjacent utilities
- Reasonably developable, used extensively by Dept. of Agriculture and general public

Environmentally Restricted Area = 15.5 Acres

- Steep slopes, wooded hillsides, and two areas of waste disposal
- Development unlikely

Lot 15: Total Site Area = 1.47 Acres (R-1 Zone)

Developable Area = 1.47 acres

- Agricultural land use
- Corner property, signalized intersection with frontage onto major roadway, adjacent utilities
- Logical development site

Environmentally Restricted Area = None

Site Analysis – Lot 16

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Earth Resource Engineers
and Consultants



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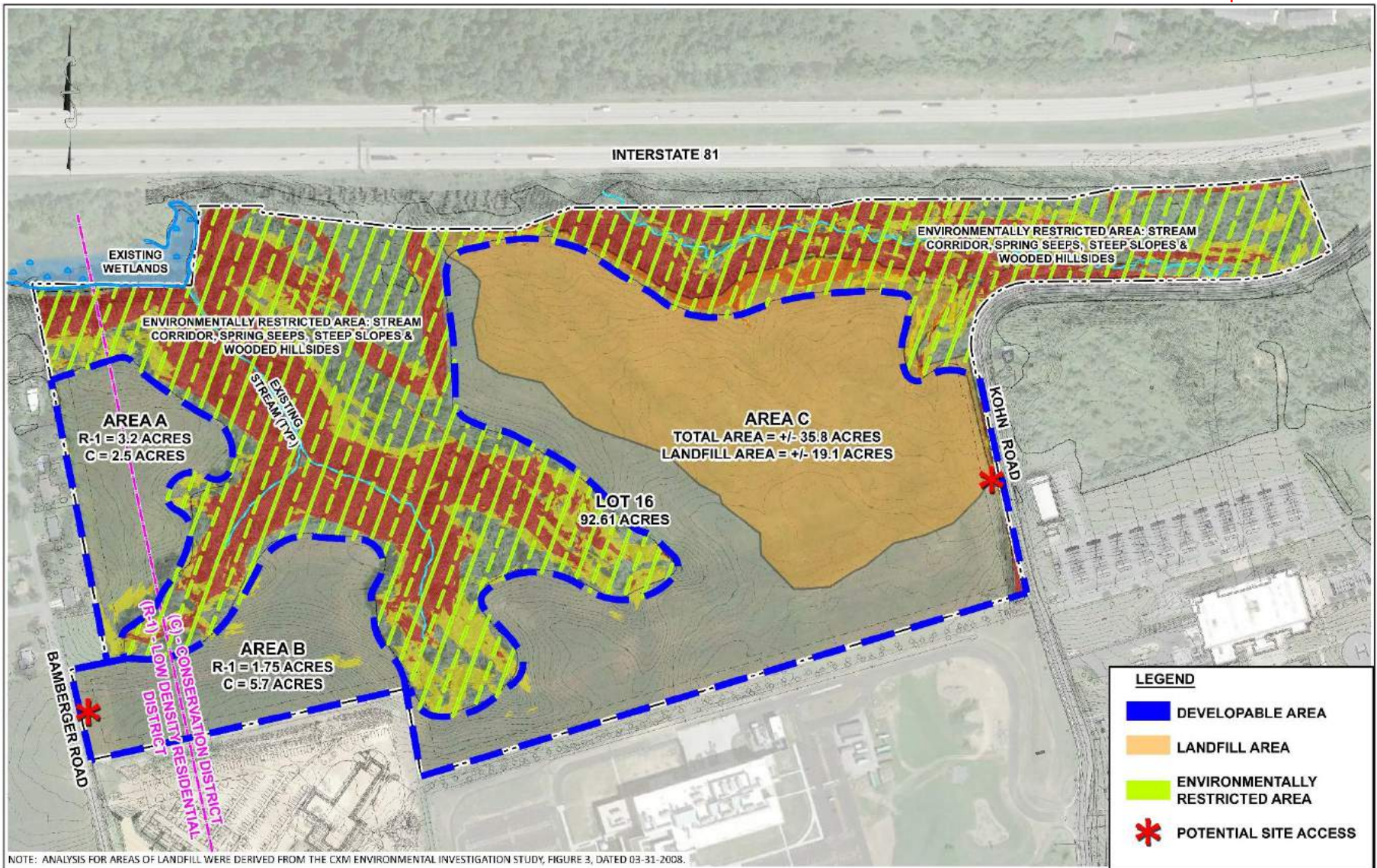
Lot 16 - Site Features

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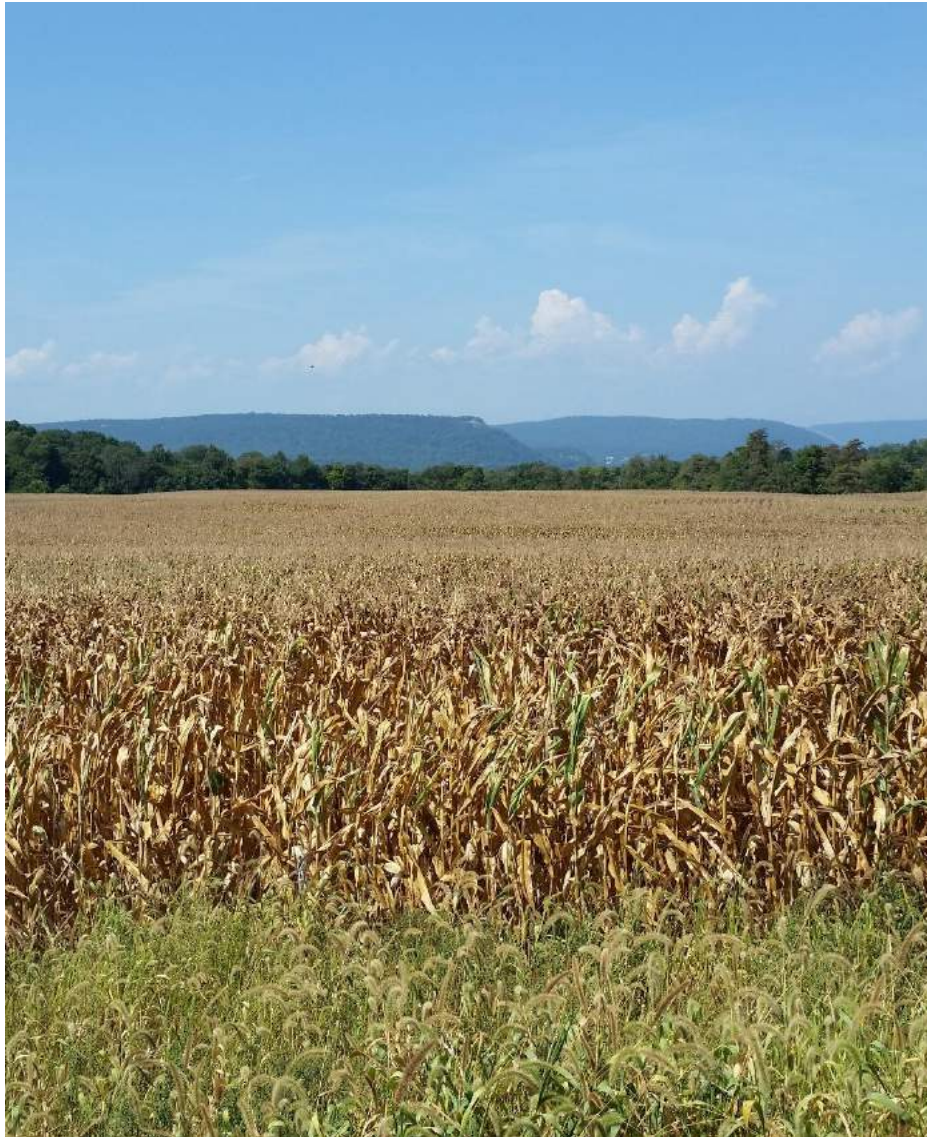
Lot 16 – Developable Areas

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Lot 16 – Conclusions

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Total Lot Area = 92.61 Acres

Developable Area A = 5.7 acres

- 3.2 Ac. R-1 / 2.5 Ac. C Zoning
- Adjacent residential homes, access, utilities
- Reasonable slopes but geometric constraints
- Limited development potential

Developable Area B = 7.5 acres

- 1.8 Ac. R-1 / 5.7 Ac. C Zoning
- Adjacent commercial building, access, utilities
- Topographic and geometric constraints
- Limited development potential

Developable Area C = 35.8 acres

- All C Zoning, open area, gentle slopes
- 22 acre landfill (19.1 acres in Area C)
- 16.7 acres of narrow lands outside footprint
- Kohn Road access requires sight distance evaluation
- Limited development potential, potential recreational / open space use

Environmentally Restricted Area = 49 acres

- Steep slopes, stream and wildlife corridors
- Over half (53%) of the total site area
- Development unlikely



Environmental Due Diligence

Steve Fulton, PE, PG

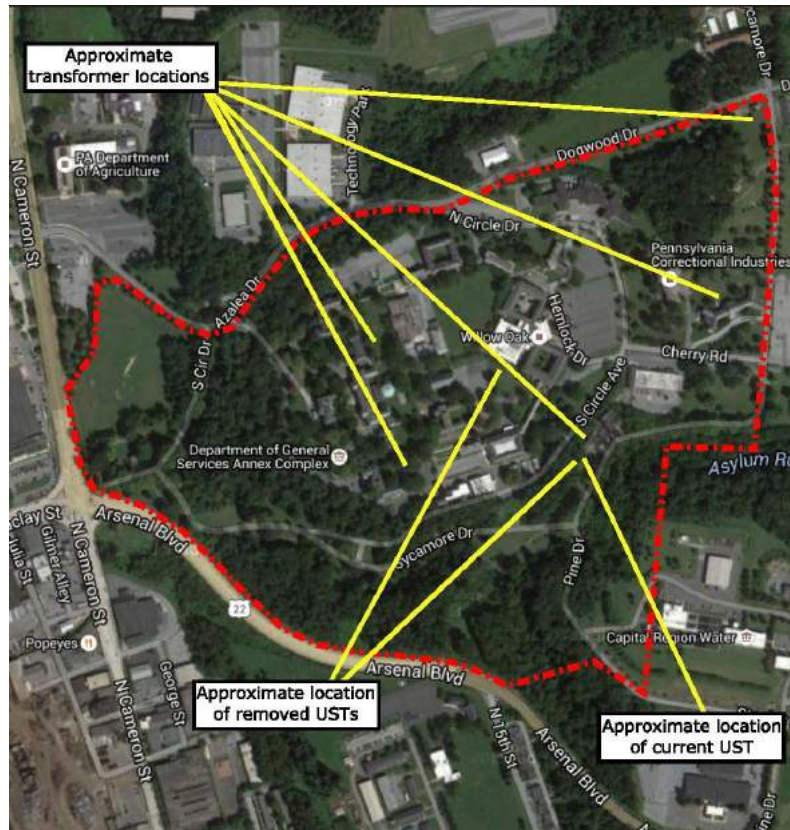
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Scope of Work Conducted

- Phase I Environmental Site Assessments (ESAs) for four lots
 - Lot 13, Lot 14, Lot 15, Lot 16
- Phase I ESAs conducted per ASTM E-1527-13
 - Requested and reviewed available background documents
 - Requested and obtained user questionnaires
 - Requested and obtained environmental database searches
 - environmental databases, Sanborn maps, historic aerial photos, historic topo maps
 - Conducted site inspections
 - Completed and issued Draft Phase I ESA Reports

Lot 13 Summary

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General Conditions

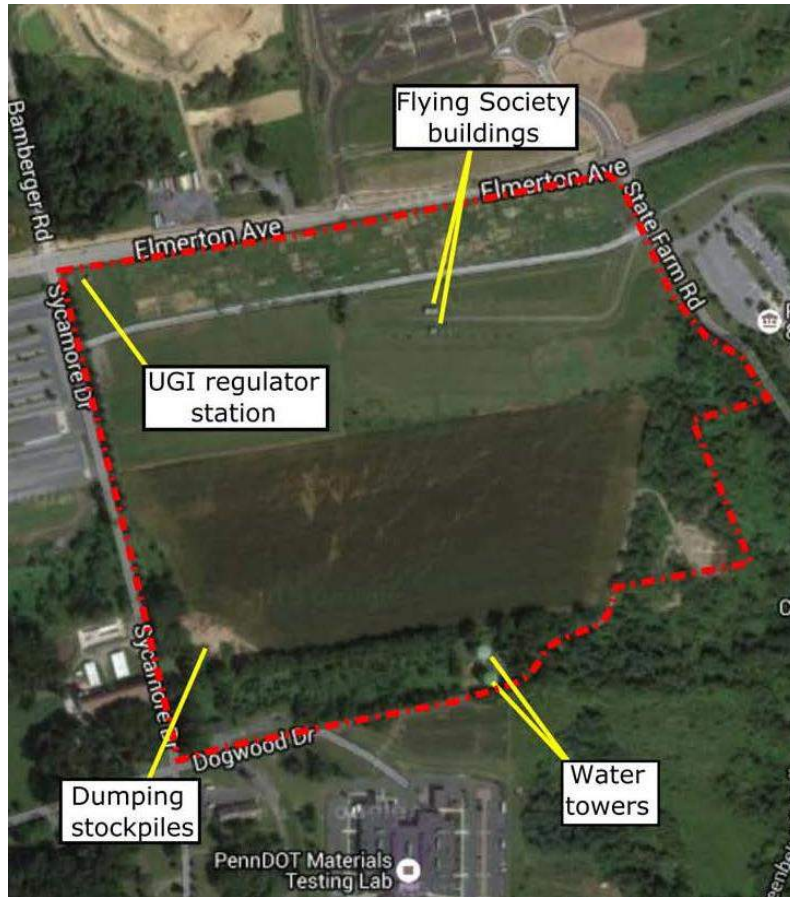
- 133-acre parcel, 44 building improvements
- Former Harrisburg State Hospital
- 2 paint shops and maintenance building from late 1800s
- 5,000-gallon petroleum UST
- Two 2,000-gallon ASTs (diesel and gasoline)
- Radon potential (EPA Zone 1)

Summary of Findings

- No RECs, HRECs, or CRECs
- UST, ASTs, & radon considered to be BERs

Lot 14 Summary

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General Conditions

- 68-acre parcel, managed by PA Department of Agriculture
- 4 building improvements
- 2 open-air buildings used by Harrisburg Area Flying Society
- Water well
- UGI Regulator
- Two large water tanks managed by DGS
- Radon potential (EPA Zone 1)

Summary of Findings

- No RECs, HRECs, or CRECs
- Debris/waste piles considered to be BERs



Lot 15 Summary

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General Conditions

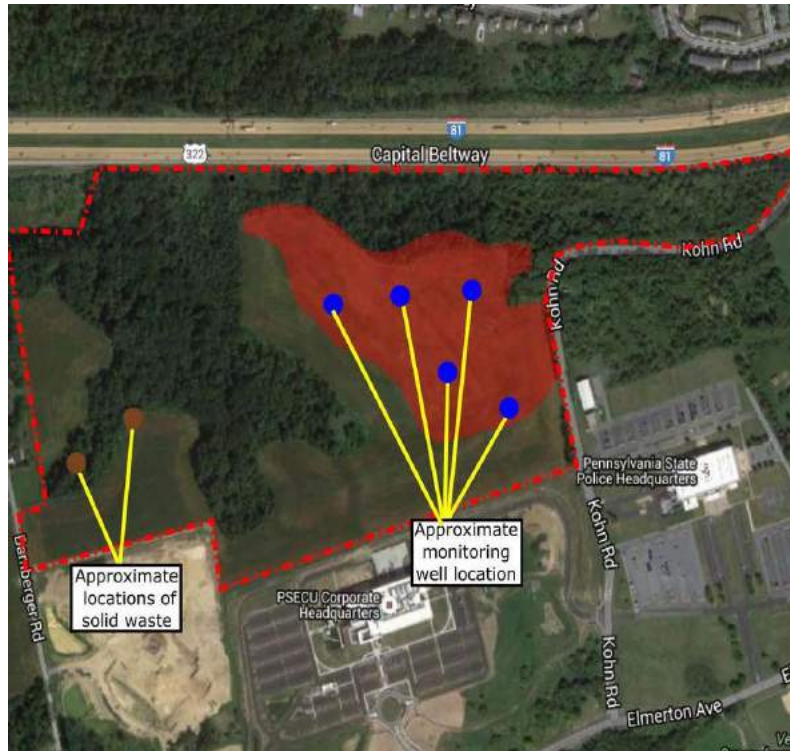
- 1.5-acre parcel, managed by PA Department of Agriculture
- No building improvements
- Radon potential (EPA Zone 1)

Summary of Findings

- No RECs, HRECs, CRECs, or BERs

Lot 16 Summary

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General Conditions

- 93-acre parcel, no improvements
- 22-Acre Unpermitted Municipal Solid Waste Landfill
 - operated between ~1960 to 1972
 - investigated in 2008
 - waste up to 60 feet deep
 - some contaminants in groundwater and seeps
- Tires and surface debris piles
- Possible on-site wetlands
- Radon potential (EPA Zone 1)

Summary of Findings

- No HRECs, or CRECs
- 22-acre solid waste landfill is a REC
- Surface debris, wetlands, and radon considered to be BERs

Scope of Work Conducted

Asbestos Survey for Lot 13 Buildings/Structures

- Also completed Limited Lead-Based Paint (LBP) Survey

Compilation and Review of Existing Information

- Discussions with site personnel
- Detailed file review of maps and documents
- Obtained copies of relevant reports:
- 1990 Asbestos Inspection and Planning Reports (LRK)
- 2005 Biennial Building Survey Report
- Asbestos abatement reports

Completed Detailed Building Inspections

- PA-licensed asbestos inspectors
- Inspected and samples accessible locations (buildings, tunnels)
- Confirmed locations and quantities of existing ACMs
- Focused sampling on suspect materials and unknowns
 - Submitted 140 samples for analysis
 - Didn't resample known asbestos
- Limited sampling of paint chip samples for lead

Summary of Findings

- Asbestos present in most of the buildings and tunnels
- LBP present in most of the buildings (26/28 samples positive)



Real Estate Market Analysis

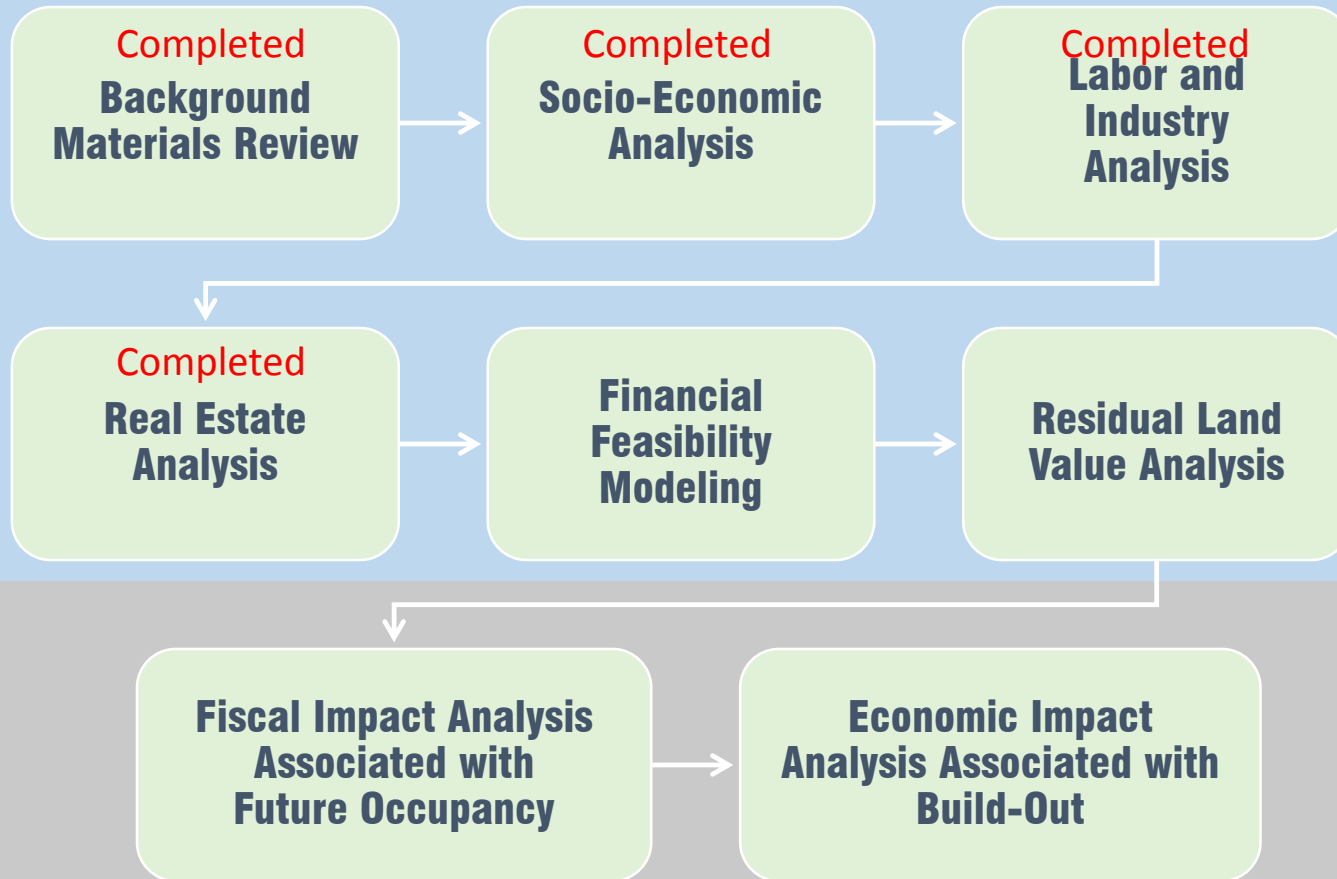
Todd Poole

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Market, Fiscal, and Economic Impact Analysis

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Phase I: Market Analysis

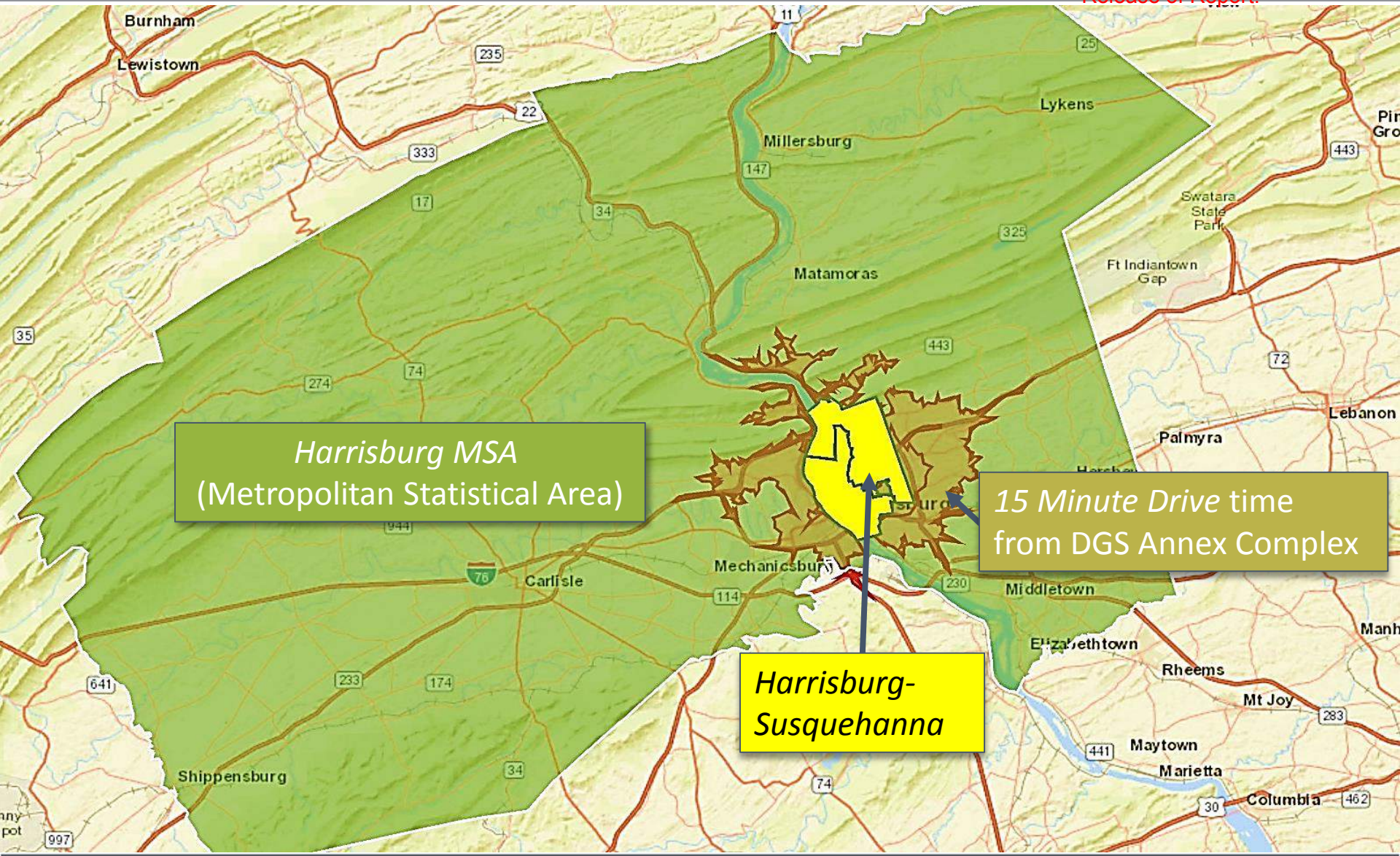


Phase II: Fiscal and Economic Impact Analyses





Market Study Areas

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Key Metrics: Socio-Economic, Labor and Industry

	Harrisburg-Susquehanna	15-Minute Drive-Time Contour	Harrisburg MSA
 <p>Socio-Economic</p>	Total Population (2015)	74,601	77,915
	Student Population (18-24)	9.9%	9.7%
	Elderly Population (65+)	13.5%	13.8%
	Forecasted Annualized Population Growth (2015-2020)	0.29%	0.14%
	Total Households (2015)	31,973	34,176
	Median Age (2015)	37	37
	Median Household Income (2015)	\$38,984	\$41,602
 <p>Labor and Industry</p>	Workforce Population (18-64)	63.1%	64.5%
	Total Employment (2014)	69,224	162,209
	Top Industry by Employment (2014)	Public Administration	Public Administration
	Unemployment Rate (2016)	6.6%	3.2%
			Health Care and Social Assistance

Key Metrics: Real Estate

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Harrisburg MSA

Multi-Family



Under Constr. (number):	30 projects
Under Constr. (value):	\$154.0 million
Vacancy Rate:	3.5 percent
Average Lease Rate:	\$857 per month

Office



Under Construction (number):	33 projects
Under Construction (value):	\$133.4 million
Vacancy Rate:	17.9 percent
Average Lease Rate:	\$16.42 NNN

Retail



Under Construction (number):	55 projects
Under Construction (value):	\$219.4 million
Vacancy Rate:	13.5 percent
Average Lease Rate:	\$14.52 NNN

Lodging

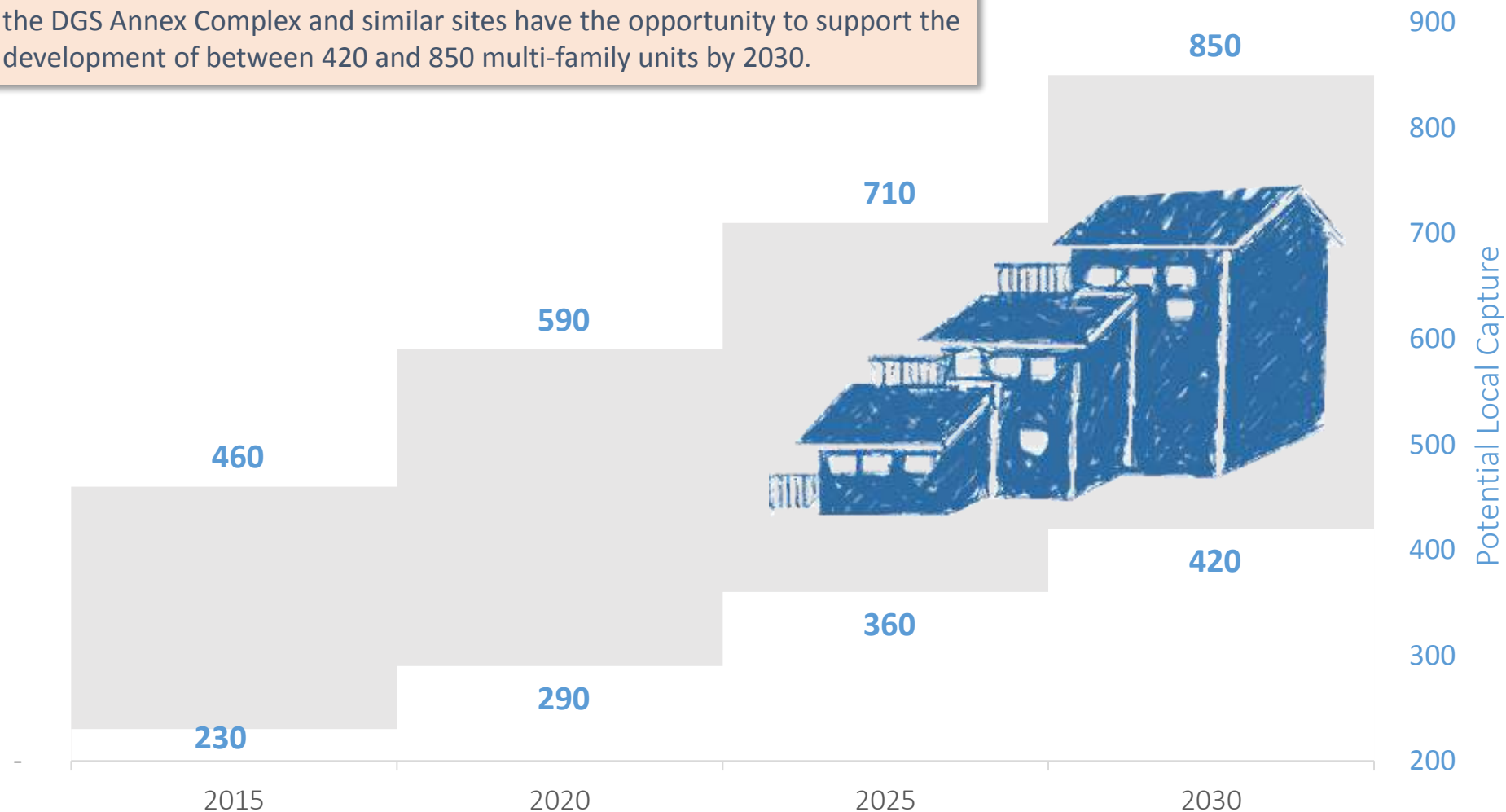


Under Constr. (number):	11 projects
Under Constr. (value):	\$16.0 million

Projected Residential Demand

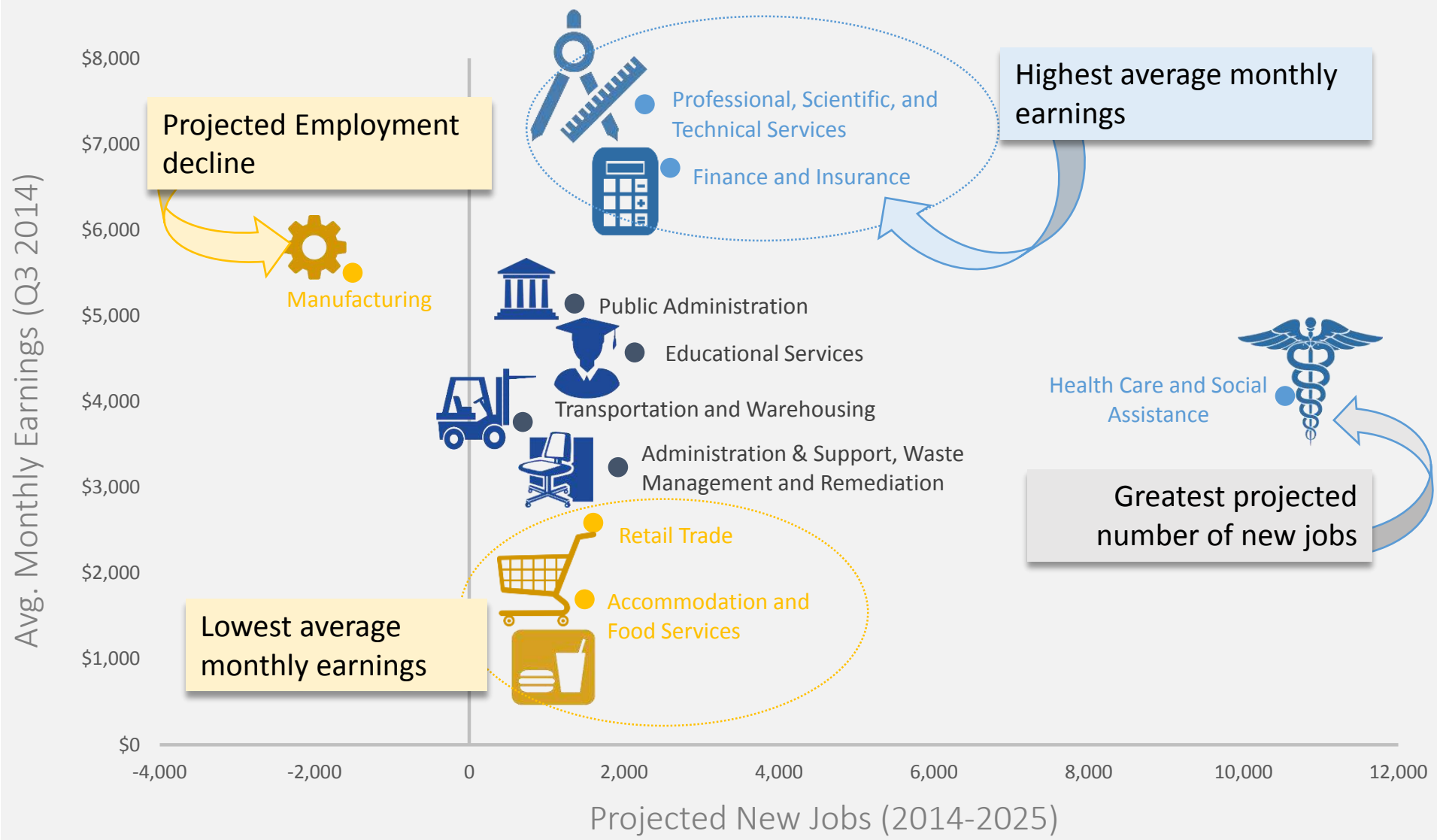
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Assuming between 10- and 20-percent of net housing demand within Harrisburg-Susquehanna would be captured, and based on current trends, the DGS Annex Complex and similar sites have the opportunity to support the development of between 420 and 850 multi-family units by 2030.



Industry Earnings and Growth: Harrisburg MSA

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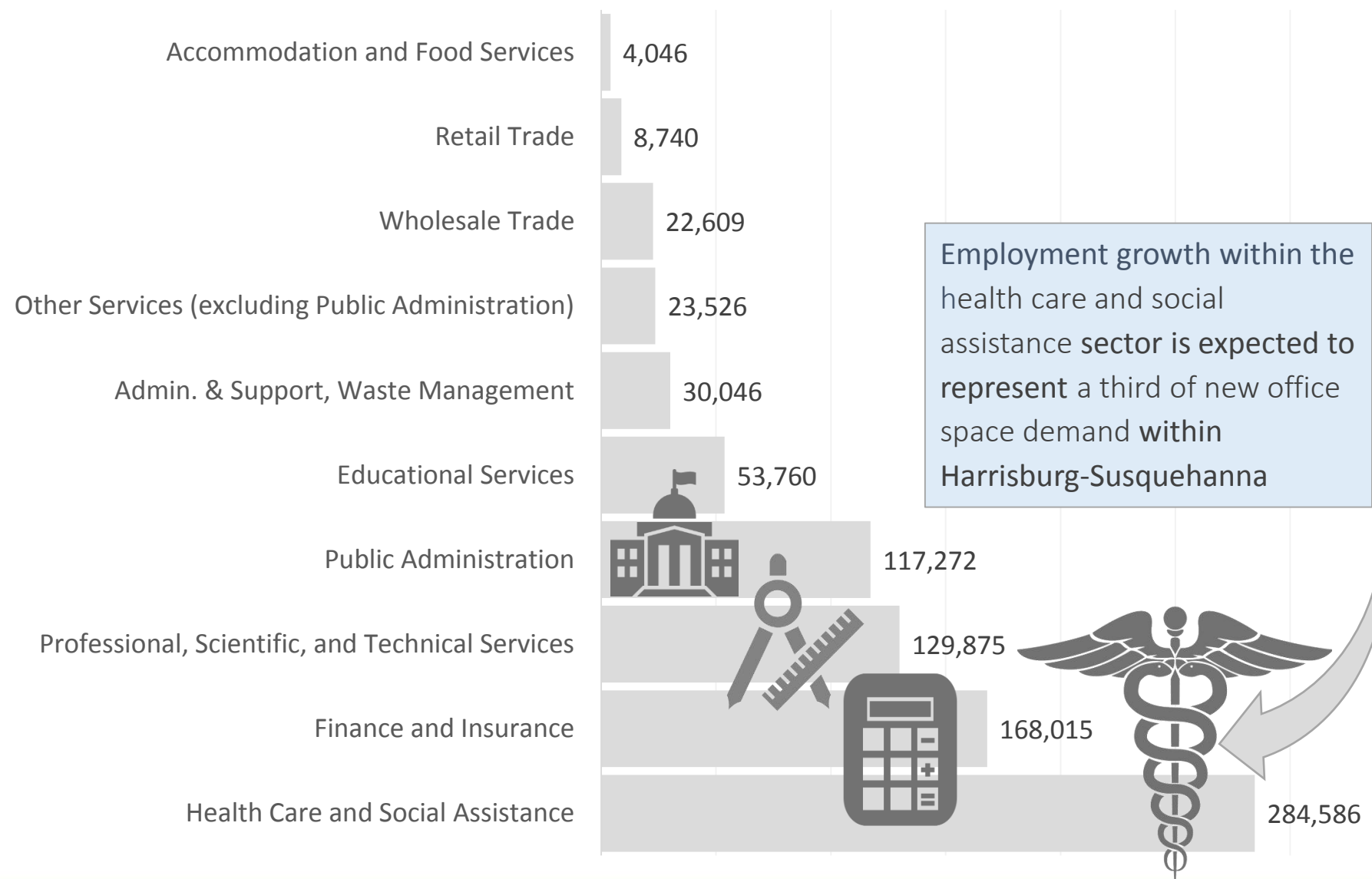


Source: PA Dept. of Labor and Industry

LANDMARK
COMMERCIAL REALTY INC.

Projected Net New Office Demand (SF)

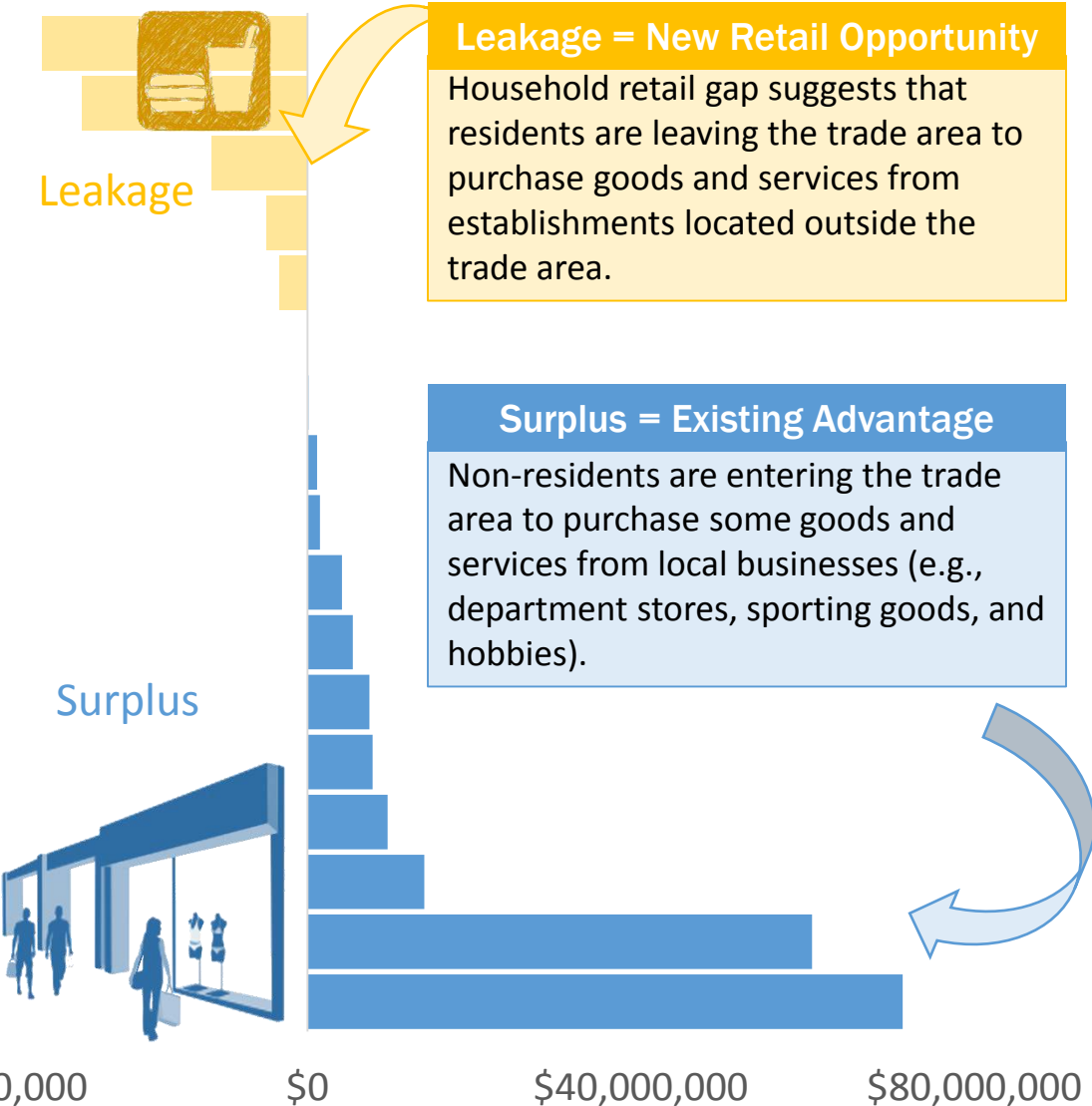
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Household Retail Gap: Harrisburg-Susquehanna

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- Food Services & Drinking Places
 - Full-Service Restaurants
- Health & Personal Care Stores
- Electronics & Appliance Stores
- Drinking Places - Alcoholic Beverages
- Office Supplies, Stationery & Gift Stores
- Furniture Stores
- Beer, Wine & Liquor Stores
- Home Furnishings Stores
- Food & Beverage Stores
- Grocery Stores
- Clothing Stores
- Sporting Goods/Hobby/Musical Instr Stores
- Sporting Goods, Hobby, Book & Music Stores
- Bldg Material & Supplies Dealers
- Department Stores Excluding Leased Depts.
- General Merchandise Stores



PA Farm Show Complex & Expo Center

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Theme

87% of events are related have an
Agriculture or Outdoors theme

Est. Dates

75% of total attendance occurs in
January and February

Event	Theme	Est. Dates	Days	Est. Attendance
Annual Pennsylvania Farm Show	Agriculture	Mid Jan	7	500,000
Great American Outdoor Show	Outdoors	Mid Feb	9	200,000
PA Garden Expo	Home & Garden	Feb/March	3	17,000
PA Home Show	Home & Garden	Feb/March	4	10,000
Horse World	Agriculture	Early March	6	20,000
PA Home Builders Show	Home & Garden	Mid March	3	20,000
PA Junior Wrestling Championships	Sports	Mid March	2	15,000
U.S. Junior National Hershey Showcase: Girls Basketball To	Sports	Late June	4	3,000
Fire Expo	Professional	Mid May	6	20,000
Keystone State Summer Games	Sports	Late June	4	6,000
Mennonite World Conference	Religion	Late July	6	8,000
MotorRama	Automobile	Mid Feb	2	25,000
All-American Dairy Show	Agriculture	Mid Sept	6	6,000
Keystone International Livestock Exposition	Agriculture	Sept/Oct	10	15,000
Penn National Horse Show	Agriculture	Mid Oct	11	15,000
American Rabbit Breeders Association	Agriculture	Mid Oct	4	7,500
PA State 4-H Horse Show	Agriculture	Late Oct	3	5,000
Standardbred Horse Sale	Agriculture	Early Nov	6	15,000
PA Christmas Show	Holiday	Early Dec	4	30,000
Total			100	937,500



Est. Attendance

937,500 annual
participants from
19 largest events

Employment Centers, 2014

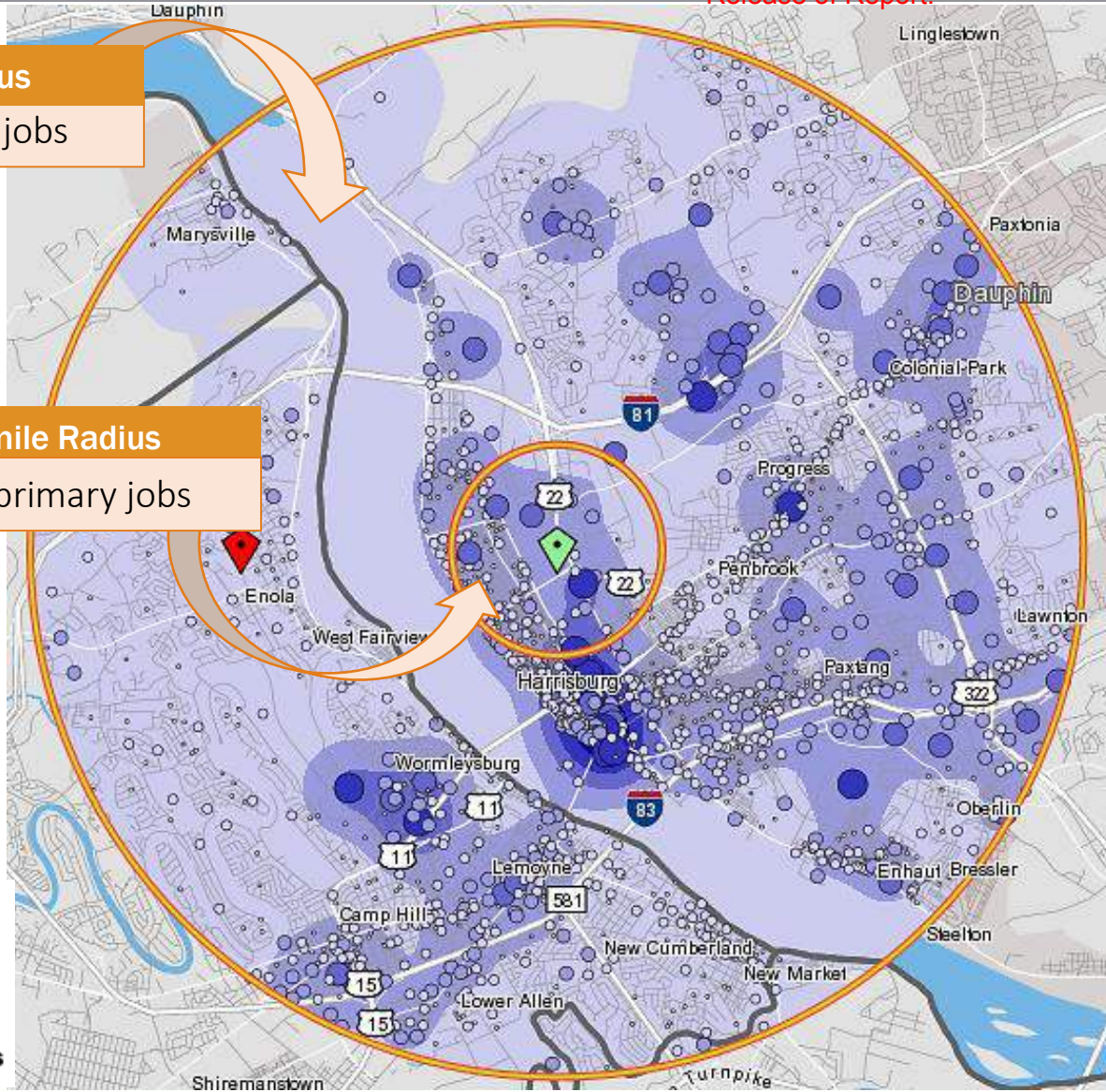
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Identifying
employment clusters
can help predict
unmet services
demand



5-mile Radius
133,000 primary jobs

1-mile Radius
11,200 primary jobs



5 - 1,717 Jobs/Sq.Mile	• 1 - 13 Jobs
1,718 - 6,853 Jobs/Sq.Mile	• 14 - 195 Jobs
6,854 - 15,414 Jobs/Sq.Mile	• 196 - 984 Jobs
15,415 - 27,398 Jobs/Sq.Mile	• 985 - 3,109 Jobs
27,399 - 42,808 Jobs/Sq.Mile	• 3,110 - 7,589 Jobs

Average Daily Traffic Volumes

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High levels of traffic can drive significant "walk-in" and leisure traveler business.

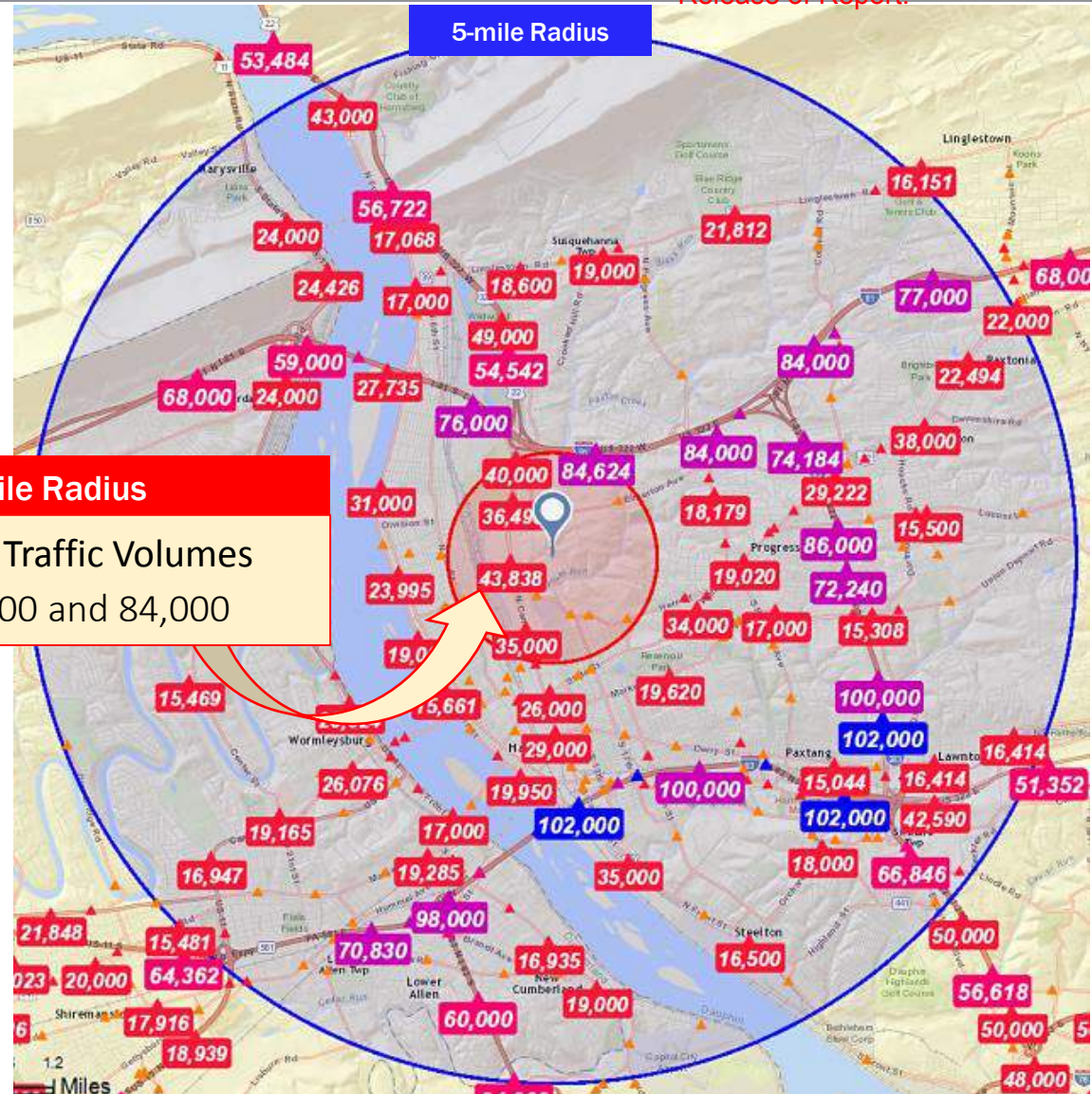


Average Daily Traffic Volume

- ▲ Up to 6,000 vehicles per day
- ▲ 6,001 - 15,000
- ▲ 15,001 - 30,000
- ▲ 30,001 - 50,000
- ▲ 50,001 - 100,000
- ▲ More than 100,000 per day

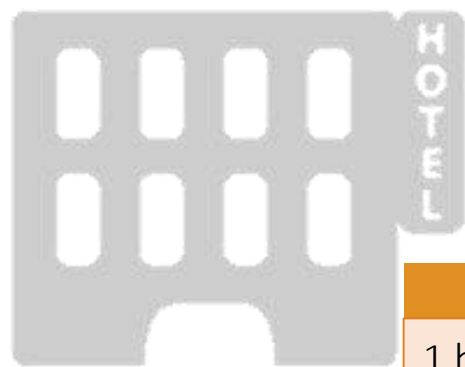
1-mile Radius

Average Daily Traffic Volumes
between 35,000 and 84,000



Lodging Inventory & Pipeline

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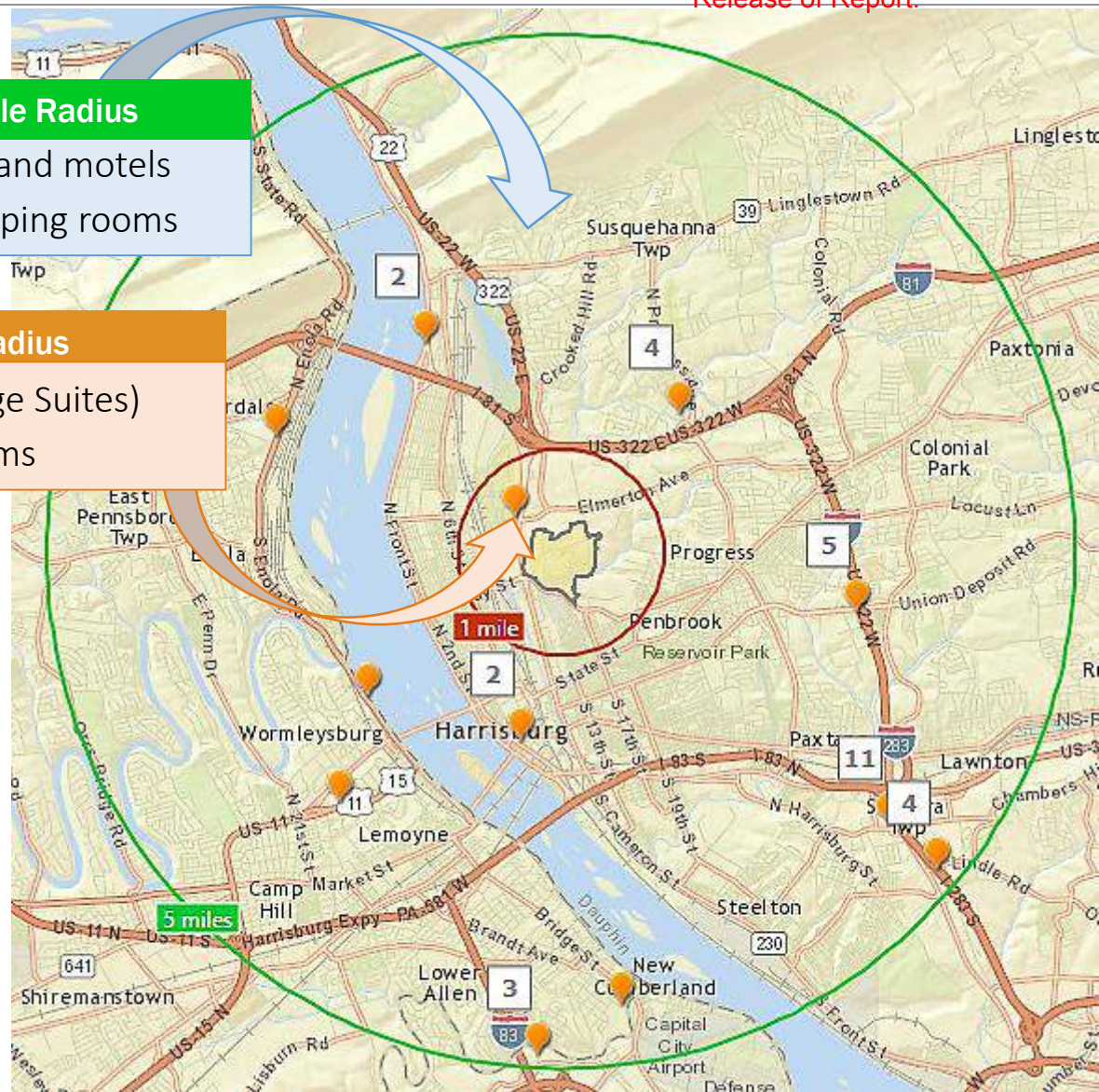
5-mile Radius

36 hotels and motels
4,540 sleeping rooms

1-mile Radius
















1 hotel (Staybridge Suites)
127 sleeping rooms

There are currently 11 hotel projects (1,183 rooms) currently in development within the Harrisburg MSA, but no pipeline hotel projects within the 5-mile radius.



Key Findings & Takeaways

Information as of 7-26-16.
Final Information Pending
Release of Report.

Socio-Economic			Labor and Industry		Real Estate	
Population/ Households	Household Formation Dominated by Non-Family Households		Top Industry By Share of Employment	Currently Public Administration But Declining 	Multi-Family Residential	Support 420 to 850 Apartments 
Age Distribution	Growth in Baby Boomers and Empty Nesters		Industry by Average Monthly Earnings	Lowest Earnings in Retail Trade, Accommodations, and Food Sector 	Commercial Office	New Regional Demand for Medical Office 
Household Income & Spending	Higher Regional Purchasing Power			Highest Earnings in Professional, Scientific & Technical Services 	Retail	Mixed-Use Convenience Retail 
Housing Tenure	Higher Local Share of Renter-Occupied Households		MSA Employment Change (2011-2015)	Decline in Manufacturing Jobs 	Regional Attractions	Leverage Annual Event Participants 
Housing Vacancy	Higher Housing Vacancy than MSA			10,000 new Health Care & Social Services Jobs 	Lodging	Potential to Accommodate Regional Visitors 



Questions & Answers

6.0

Guidelines for Engagement

1. Priority will be given to the general public. Stakeholders may comment after all general public participants have been heard.
2. Written comments will be accepted. Comment cards are available at the registration table and will be collected afterward.
3. Commentary should be limited to three (3) minutes so everyone can be heard.
4. Speak slowly and clearly; comments are being documented for inclusion in the final disposition report.
5. State your name, where you live and stakeholder group affiliation (if applicable). *Note whether you have previously been engaged in providing input or feedback.*