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Midtown project likely to spur more

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The Vartan Group's proposed five-story building at 1500 N. Sixth St. will likely draw commercial development to midtown Harrisburg, commercial real estate observers say.

How quickly depends, in part, on how some key factors play out, such as where the federal government builds a courthouse in Harrisburg. To date, federal officials have rejected a plan supported by city officials to put the courthouse across from where Vartan's project would go.

Another factor is how soon the city carries out its plan to widen a portion of Seventh Street from two lanes to four.

Chuck Heller, an associate broker with Landmark Commercial Realty Inc., considers the road-widening crucial to commercial investment. City officials have said bids for the road project could go out early next year.

"It will open it up to a new audience of people who would never go there," he said.

Heller said a courthouse would accelerate development but the city isn't counting on that project.

Mayor Stephen R. Reed said Wednesday that development of the Northern Gateway corridor will unfold "with or without the federal courthouse" at Sixth and Reily.

Gina Blyther Gilliam, spokeswoman for the General Services Administration, said the agency is working with Harrisburg to look at a compromise site at Second and Forster streets.

"We wish Vartan every success with their proposed development," Gilliam said in an e-mail.

The Harrisburg firm Powers & Associates LLC plans to invest more than \$100 million in developing the midtown area of the city over five to 10 years. The anchor is the new Harrisburg Area Community College midtown campus at Third and Reily streets, which will be just down Reily from the Vartan project.

Powers is developing a mixed-use tower across from the campus. Campus Square is to include office space, retail and restaurants and is also to become the home of Midtown Cinema.

Matt Tunnell, senior vice president with Powers, said his firm welcomes Vartan's \$13 million project.

"One office building by itself on an island is not exactly an attractive location for tenants, but multiple office buildings with retail integrated with housing and you really start to see a thriving commercial district," he said.

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