

**HARRISBURG AREA COMMUNITY COLLEGE
BOARD OF TRUSTEES
BUILDINGS AND GROUNDS COMMITTEE**
Monday, September 29, 2008, 12 P.M.
Boardroom, B106

MINUTES

Present: Dr. William Murray
Mr. Charles Peguese
Mr. Thomas Richey
Mr. Timothy Sandoe
Mr. Donald Schell
Mr. Jeffrey Shaffer (via
telephone)
Ms. Toni Sharp (via
telephone)
Mr. Mark Whitmoyer

Dr. Edna V. Baehre
Mr. Jay Ellison
Mr. Thomas Fogarty
Mr. George Franklin, Jr.
Ms. Nancy Rockey
Mr. Keith Rufalo
Mr. Stuart Savin
Mr. Ronald Young

Guests: Mr. Bill Morgan, Eastern PCM
Mr. Chris Seitz, Coldwell Banker

Minutes

The minutes of the July 28, 2008 Board of Trustees Buildings and Grounds Committee meeting were reviewed and approved with one change.

York Update

Mr. Chris Seitz distributed an aerial view of the three properties the College is trying to secure surrounding the existing York Campus. He talked briefly about each of the properties. The first property, 2130 Pennsylvania Avenue, is currently under contract for \$550,000.00 with Integrity Real Estate Development LLC for HACC as a straw buyer. There is a 30 day due diligence on this property. Mr. Morgan is currently completing the due diligence. We have until October 10th for due diligence, and we need to settle by October 27th. BL Companies is completing the due diligence which includes ground water and soil samplings. This should be finished by October 7th. As soon as Mr. Morgan receives the environmental reports, he'll forward to Mr. Franklin for review who will then forward to the Board Buildings and Grounds Committee.

Mr. Chris Seitz noted that at this time, Mr. Sheldon Gross, landlord of the current York Campus, is not aware of the College's intent to purchase the surrounding properties. Mr. Seitz told Mr. Gross that the Board is meeting close to October 10th to decide on the College's next steps.

Mr. Sandoe placed a call to one of his contacts who knows the owner of 2130 Pennsylvania Avenue very well and he knew nothing derogatory about this company. Mr. Richey also did some research and called his contact at DEP to see if there were any violations against this company. Within the last 6 years, they have had only one minor violation, and it was cleaned up quickly.

The second property discussed was the Advanced Skills Center and Cytec. Mr. Seitz has been in contact with YCED's legal counsel and all the major terms and conditions have been negotiated. There are just a few comments going back and forth, but nothing major. Their executive committee has verbally approved the deal. A legal interpretation was done regarding Mr. Loren Kroh's decision making capabilities and conflict of interest as a trustee, since he is on the YCED's board. He will need to announce that he has a conflict of interest and abstain or excuse himself from any discussions and decisions. The same is true for Jean Treuthart. There is a longer due diligence period (about 60 days) with this property, but everyone is ready to execute this by October 10th. Acquisition costs will be approximately \$8.1MM.

The third property discussed was Aaron Enterprises/Shiloh Paving. We are talking to their attorney, and they have a draft sales agreement that they are reviewing, Mr. Seitz explained. In essence, they have agreed to the price of \$3.5MM. This organization may want to buy a piece of property and build a facility, so we felt it was fair that it becomes a lease back and have asked for \$10,000 per month. We haven't heard any feedback yet, but I think everything is positive, and the goal is to have this under agreement by the end of the week, he explained further. The hope is to have all properties under agreement before due diligence is up on 2130 Pennsylvania Avenue. Environmental reports were previously done on this property, and Mr. Seitz has made arrangements with their attorney to review the reports at their office, but no copies can be made. Unfortunately, the reports won't transfer to the College if we buy the property, but reviewing the reports will give us a good idea about the property, Mr. Seitz noted. Mr. Richey suggested adding to the due diligence list a file review with DEP to see if anything comes up with this address.

Mr. Sandoe questioned whether or not the College still wants to go through with the process of purchasing all three properties if one of these properties falls through. Mr. Franklin didn't think any of these sales would fall through. Mr. Richey thought that the trustees agreed that the first and third properties are applicable to either campus location whether we stay where we are or go to the Skills Center. The committee agreed. We are in the current building to 2016, so we can still use the additional 5,000sf for something if the other properties fall through. Also, it is a very marketable building if we want to dispose of it.

The resolution regarding the Authorization to Enter into Sales Agreements for Properties Located in York City was revised so that it was clear that HACC agrees to pay for the seller's attorney's fees, but not to exceed \$20,000. This resolution will be revised and submitted to the Board Finance Committee for review and approval.

Construction Project Reports

Mr. Morgan reviewed the ongoing projects at all campuses, which are explained in detail in his monthly report. He reviewed some of the highlights. The CCTA project is moving along and will be coming together very quickly over the next couple of weeks. Substantial completion is October 31st. The wayfinding project is just about complete. They are fixing all of the misspelled words as well as several other issues. A punch list was sent to them. The College is holding 10% along with the balance of their payment until these items are fixed.

At the Gettysburg Campus, there was a problem with carpet tiles sticking to the concrete. The contractors acknowledged that maybe they put the tile down prematurely. They are to do moisture and humidity tests prior to putting the tiles down, but given the schedule, they thought they would take a chance and put it down anyway prior to testing. They are working with Ms. Jennifer Weaver and Mr. Ron Cline on this and classes aren't being seriously impacted at this time.

All of the PDE projects were completed as scheduled.

The committee briefly discussed Mr. Leaman's property in Lancaster. The last discussion regarding this was to hold off on purchasing his property. He can't do anything with his property right now anyway, since the College owns the property next to it. The committee decided to continue holding off on pursuing this property.

Proposed Location for Central Administration

The mini master plan group met to talk about transitioning for the Harrisburg Campus and those staff and offices that are in Penn Center as well as what was going to roll over in Hall Tech now that some of the programs are relocating to Midtown 2. We talked about who was moving where, and the only outstanding piece was central administration and where they are going to go, Mr. Franklin explained. Powers & Associates are interested in having central administration located in the Campus Square building. A group of us had a discussion with Powers & Associates about the possibility of purchasing Campus Square and the Evangelical Press building, Mr. Franklin noted. They are going to provide us with proposals for each building. In the meantime, we are doing our own due diligence, and Mr. Morgan is developing a budget/estimate to see how much it would cost to build our own building so that we can compare to the proposal from Powers, Mr. Franklin explained further. We looked at Penn Center for housing central administration and even did a fit out, but there is not enough room overall. Also, we are trying to

get out of leasing and would prefer to purchase a building, Mr. Franklin noted. There are still many variables to work through including parking, so we will have to wait until all of the information is received.

HERSHA Group Hotel

Hersha Group is interested in putting a hotel, restaurant, and fast food restaurant on the property that is catty-corner to where the other hotel is being built. This property has a deed restriction, which states that the land can only be used for recreational purposes, but Mr. Stu Magdole is researching it to see if something can be done. If we permit it and get approval for it, it will be a land lease. It would also tie in with our Hospitality, Travel, and Tourism Program. The hotel would not include a conference center. The Culinary Program would move into the restaurant and the travel and tourism portion of that program would move into the hotel. This would free up space at the Wildwood Conference Center and expand the seating capacity in the dining room. This will be discussed further at a future meeting.