

## Harrisburg hotel to be renovated

### 2 Lancaster developers are partners

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Two local developers are planning a \$3.5 million overhaul of a long-vacant downtown Harrisburg hotel.

Progressive Investments, Inc. and Barry Newhart of GN Associates, both of Lancaster, have entered into a limited partnership with Fulton Bank and Dauphin Deposit Bank and Trust Co. to convert the Governor Hotel, 4th and Market streets, Harrisburg, into 46 apartments for the elderly, said Benjamin H. Bamford, director of public relations for Progressive Investments.

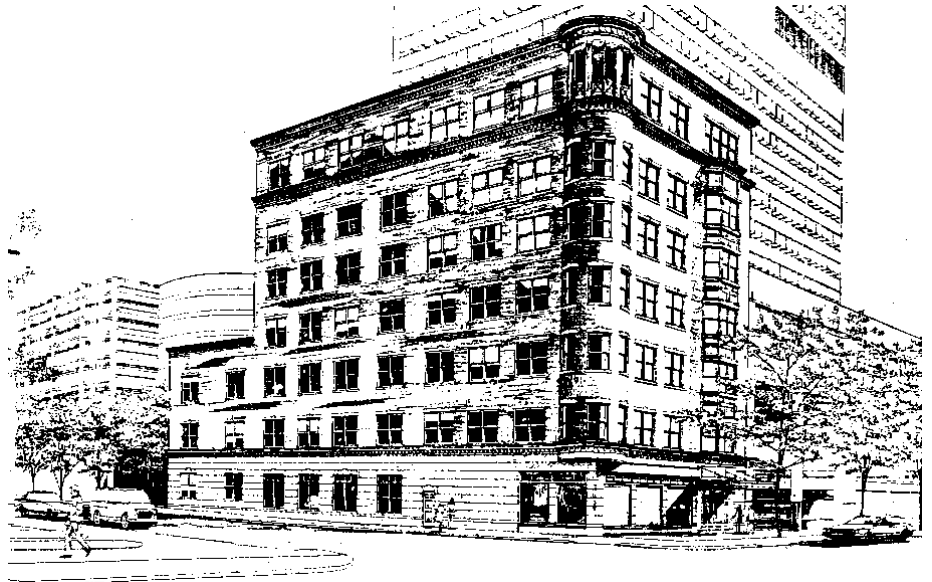
"This is our first venture outside Lancaster," Bamford said. "We are really excited to get put together."

The developers will buy the 85-year-old, seven-story building from the Harrisburg Redevelopment Authority for \$300,000 if Harrisburg City Council approves the sale. The legislative body will consider the proposal tonight at its regular meeting.

Bamford said the renovation project will be financed with investments of \$1.25 million each from Fulton and Dauphin Deposit banks, and a \$1 million loan from the HOMES program through the Pennsylvania Housing Finance Agency. Also, the developer will benefit from state enterprise zone tax credits.

The developers hope to start on the project by the end of the month and finish it by May 1993, Bamford said.

Each of the 650- to 700-square foot apartments are expected to rent for about \$320 a month, he said.



This is an artist's rendering of what the Governor Hotel in downtown Harrisburg will look like after Progressive Investments and Barry Newhart of GN Associates convert it into 46 apartments.

"This is an important project that will bring many more residential units to downtown Harrisburg," Bamford said. "Having people live downtown is essential for any city."

Progressive Investments, the project's managing partner, started working on the project a little more than a year ago when the company was chosen for the project after responding to a request for proposals, he said.

"A number of other companies responded, also, but many wanted to demolish the building," he said. "We believe in adaptive reuse of old buildings."

Progressive Investments' expansion to projects outside the area does not mean the developer will no longer pursue projects in Lancaster, he said.

"Lancaster is our home, and we wish to stay here," he said. "However, as part of our responsibility to our investors, we have to seek other opportunities."

Progressive Investment projects in Lancaster that are in various stages of development include:

- Renovating the former General Cigar building at 453 S. Lime St. for offices.

- Converting the former Farmers Supply Co. building at 215 E. Fulton St. into 42 apartments.

- Constructing a 22-unit, 3 1/2 story building, to be called Simmons Place Apartments at 349 E. King St., for low-income renters.

Several other Lancaster County firms are benefiting from the developers' Harrisburg project, Bamford said.

The project was designed by David B. Maule of Maule and Tucker Architects, and the project manager will be Paul Lewandowski of E.G. Stoltzfus Jr. Inc., the project's general contractor.

"The architects have been very creative with this project," Bamford said. "Also, local developers and others know the quality of work that Stoltzfus does."

When the apartment building is completed, it will be managed by Elderly Housing Management Corp. of Harrisburg, he said.

Among the building's new features will be a seventh-floor corner turret, which will be illuminated and visible from the state capitol.