

August 2018

HARRISBURG COMMERCIAL

real estate REPORT

Billboards

By Jessica T. Zolotorofe, Esq.



for Clear Channel Outdoor, one of the largest billboard tenants in the industry, now invests in them himself. "Billboards are a wonderful passive income stream," he said.

"There are a number of items that are important to address in the drafting and negotiation of a billboard lease to protect a land owner."

With constantly evolving forms of billboard advertising, and the increasing popularity of digital marketing, billboard leases are expected to remain a staple in the advertising industry. There are a number of items that are important to address in the drafting and negotiation of a billboard lease to protect a land owner.

1 Compliance with Law

First, it should be clear in any billboard lease that the tenant is liable for familiarizing itself with local code provisions as they pertain to height, size, location and content of signage. There should be an indemnification provision in the lease whereby the tenant has the obligation to indemnify, hold harmless, and defend the land owner in the event that there are any claims against, or damages incurred by the land owner for the billboard's failure to comply with the law.

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New Listings



NEW Commercial Land Sale - W. Suncrest Drive and Spring Road, Carlisle

- Five land parcels in the commercial/light industrial zoning of North Middleton Township
- One lot has good access and visibility from Spring Road
- The remaining four parcels are tucked in a cul-de-sac just off Cavalry Road



NEW Commercial Land Sale - 1706 Good Hope Road, Enola

- Just over 6.75 acres of land in highly desirable Hampden Township
- Property has excellent visibility from Good Hope Road and I-81
- Zoned Office Park, which is a suitable environment for business, professional, financial and government offices adjacent to or conveniently accessible to major transportation corridors



NEW Commercial Land Sale - Linglestown Road, Harrisburg

- Over 60 acres of land, zoned Agricultural Residential for sale in Lower Paxton Township
- Located off Linglestown Road with access also available from Piketown Road, just moments from several of Harrisburg's major thoroughfares



NEW Commercial Land Sale - 349 Pleasant View Road, New Cumberland

- Nearly 46 acres of land with visibility and quick access to I-83
- Zoned Commercial Business, which allows a variety of uses including hotels, mini storage warehouses, motels, professional businesses, and medical offices
- The parcel can be sub-divided to 5 acre lots
- Water is available adjacent to site



NEW Office Lease - 205 Grandview Avenue, Camp Hill

- Class B medical/office building available for lease
- The building is located in a prestigious West Shore location and boasts gorgeous views
- The property is undergoing major renovations including new HVAC units and exterior painting

Featured Land



Sale - Eisenhower Boulevard, Harrisburg

- Just over 5 acres, 3+/- of which is relatively level land with 770' of frontage on Eisenhower Boulevard
- Property is located next to Cindy Rowe Auto Glass, close to PA Turnpike and 283, and good for a commercial or retail user

(Featured article...Continued from page 1)

All approvals and permits, including zoning approvals, should be obtained by the tenant, at the tenant's expense, as should all surveys, site plans, municipal or other application fees, attorneys' fees, cost of engineers' reports or testimony, and all other costs and expenses in connection with the approvals process.

2 Easement or Lease

Many billboard tenants seek perpetual, or permanent easements that run with the land. Typically, an easement will provide the billboard tenant a non-exclusive right to utilize the lessor's land until the end of time in exchange for a lump sum of money, as opposed to ongoing rental payments. The grantee of the easement will have an actual interest in the real property memorialized in the public records. While a lump sum payment may be attractive to a land owner as opposed to receiving smaller monthly rent payments, it can pose a significant problem if the owner seeks to sell or redevelop the property. The owner may be unable to do so as a result of the prohibitions drafted in the easement agreement or location of the easement itself. Additionally, by virtue of the lump sum structure of payment, future owners derive no monetary benefit from the encumbrance.

The more beneficial manner for a land owner to contract with a billboard tenant would be by ground lease. In a ground lease, the tenant is responsible for maintenance of not only the structural components of the billboard itself, but the ground area around it. It is important to include that the tenant must keep the property in good condition, and must maintain the property in a safe manner by putting up fencing where appropriate, and exercising other precautionary measures to eliminate the possibility of injuries. A ground lease typically has an expiration date and the owner retains far more rights than with an easement.

"The more beneficial manner for a land owner to contract with a billboard tenant would be by ground lease. In a ground lease, the tenant is responsible for maintenance of not only the structural components of the billboard itself, but the ground area around it."

Billboard lessor, Robbie Jansky, owned a vacant piece of land and a billboard lease was the perfect fit for him. His experience has been very positive, but he notes that it is of the utmost importance to negotiate the terms of the lease with knowledge of the nuances of the billboard business. "I wanted to conserve as many of my own rights as a landowner, as opposed to giving them away forever to the billboard company with the permanent easement. I was only willing to give them permission to use the land for a certain period of time," he said.

3 Use of the Property

Notwithstanding that it is a ground lease, however, the tenant should not have an unfettered right to operate any business on the premises, or build any building or structure other than the billboard. The lease should expressly provide that the property can only be used for billboard advertising and for no other purpose.

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Commercial Listings



Sale - 110 Altoona Avenue, Enola

- Freestanding commercial building with good visibility
- Property has been well-maintained over the years and offers an open floorplan which allows for a variety of uses
- The previous use was a daycare



Lease - 1421 N. Third Street, Harrisburg

- Great leasing opportunity in completely renovated and updated building in the heart of thriving Midtown Harrisburg
- Neighbors include HACC Technology & Trade Campus, Susquehanna Art Museum, Midtown Cinema, Broad Street Market, The Midtown Scholar Bookstore (two blocks away), Millworks, Yellow Bird Cafe and much more



Sale - 2801 North Third Street, Harrisburg

- Stunning landmark in the City of Harrisburg available for sale
- The Zembo Shrine Center was beautifully constructed with the Moorish Revival style architecture and has been well-maintained throughout its years



4 Other Expenses

As with any ground lease, the tenant should be responsible for paying all expenses of the property, including utilities and property taxes. Especially where the land was previously vacant, the construction of a billboard will significantly increase the land valuation, thereby increasing the land owner's property taxes, all of which should be passed through to the tenant.

5 Metes and Bounds

It is advisable to attach a metes and bounds description of the property being leased to the tenant as an exhibit to the lease. Sometimes a billboard tenant will attempt to expand the area actually leased to it in order to accommodate the installation of additional equipment or supports and the land owner should be fairly compensated.

6 Assignment and Subleasing

The lease should prohibit a tenant from assigning or subleasing without the land owner's consent. It is important that the land owner has the ability to ensure that the tenant remains a responsible operator. For example, a land owner would not want 'Verizon Wireless' to assign its lease to 'Mom and Pop Telephone Company', which has no assets, no credit, and no experience in the billboard or advertising industry, whether or not the use would remain the same.

7 Guaranty

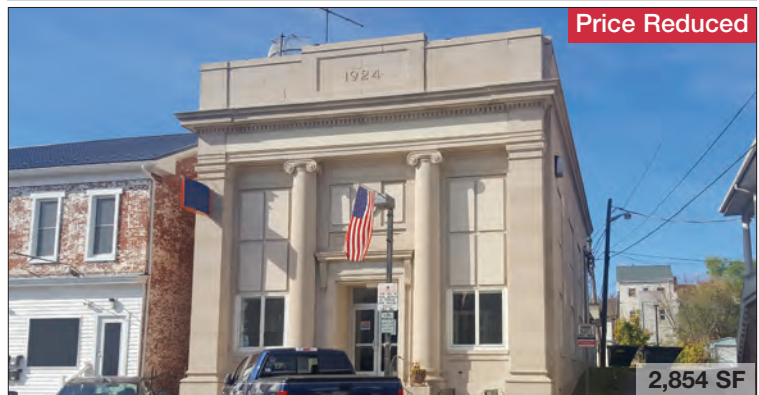
To the same point, just like with any commercial lease agreement, it should be considered whether a lease guaranty is important to the land owner. For example, if the property is leased to advertise for Verizon Wireless, but VW 123, LLC is the actual tenant, that tenant entity likely has no assets other than what is located on the property, so it is beneficial, if possible, to obtain the guaranty of a parent company, or an individual guarantor.

8 Content

The lease should also restrict the content of the billboard for two main reasons. First, land owners do not want the billboard to compete with existing commercial tenants, if applicable. For example, if there is a gym in an adjacent shopping center owned by the land owner, the land owner would not want a competing gym advertisement on the billboard. Second, it is important that the land owner has control over the content so that the billboard

(Continued on page 6)

Commercial Listings



Sale - 5 N. Market Street, Duncannon

- Prime retail/commercial space in the Borough of Duncannon
- Former bank boasts a notable exterior facade and a clean, functional interior with vault
- Call for additional details to view floorplans and schedule a tour



Lease - 5129 E. Trindle Road, Mechanicsburg

- Brand new retail or office space along Trindle Road
- Great visibility and parking
- The 4,000+/- SF is an open shell - ready for your finishing touches



Sale - 3424 N. 6th Street, Harrisburg

- Gorgeous cafe located along North 6th Street in Harrisburg
- The beautifully decorated restaurant has great seating options, including a courtyard and a full kitchen
- Recently updated, the second floor apartment allows for the Owner to stay on-site or for additional income



Our 7th Annual community event benefiting children with special needs and their families took place on July 31, 2018 at the beautiful venue, The Grace Milliman Pollock Performing Arts Center in Camp Hill, PA. The Bill Gladstone Group of NAI CIR hosted the event with TrueNorth Wellness Services with there being about 200 attendees. Children enjoyed animal balloons, temporary tattoos, crafts, character meet and greet, musical talent, therapy dogs, and light food and refreshments. There was also a live, theatrical performance of Mary Poppins, JR. that attendees enjoyed. We organized this event at zero cost to families in an effort to provide a free and fun family activity in a supportive and understanding environment.

We were pleased to have another successful event and could not have done so without our sponsors below! Thanks to our sponsors, the Bill Gladstone Group of NAI CIR and TrueNorth Wellness Services were able to supply attendees with goodie bags, provide treats prior to the show, and some volunteered their time during the activities. Some sponsors contributed a monetary donation, directly benefiting TrueNorth Wellness Services.

Contact Leah Wentz at lwentz@naicir.com or (717) 761-5070 ext. 116 for details on how to contribute for future events.

Thank You Sponsors



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Office Listings



266 - 5,260 SF

Lease - 415 Market Street, Harrisburg

- Attractive office spaces at the Harrisburg Transportation Center
- In walking distance to all the downtown restaurants, amenities, and Riverfront Park
- Located in Technology Corridor Enterprise Zone



210 - 930 SF

Lease - 800 N. Third Street, Harrisburg

- Prominent downtown office building across from the State Museum
- One block from the Capitol Complex; perfect location for attorneys and associations
- On-site parking and many other amenities are available to tenants



900 - 5,500 SF

Lease - 142 Reno Avenue, New Cumberland

- Good space for a light manufacturing or small warehousing operation
- Located in the heart of New Cumberland with good access to I-83, and the PA Turnpike (I-76)
- There is both a shared dock door and a ramped drive-in door available with the space

does not portray anything distasteful or offensive. Some land owners even choose to specifically prohibit certain types of content such as religious or political advertisements.

9 Expiration of Term

Finally, a land owner should attempt to negotiate that it is within land owner's discretion at the expiration of the lease term to either require that the billboard be removed and the premises repaired to its original condition, or that the tenant leave the fixture in place to become the property of the land owner. From a land owner's perspective, assuming the billboard has proven a positive investment, Vermuth adds, "Many billboards are legal nonconforming uses due to changes in zoning regulations, so in that case it is very rare you would want to remove it", though if another development opportunity arises and the land would be more useful for another use, the owner may not want the billboard to remain, or become his responsibility to remove.

According to Outdoor Advertising Association of America, there was 7.7 billion dollars in ad revenue just in 2017, an increase over the previous year, with nearly 350,000 billboards throughout the United States. According to the Pennsylvania Department of Transportation, Pennsylvania leads the eastern region states with over 14,000 billboards on its highways, followed by New York, which has less than half as many. Especially in light of the rapid growth and evolution of the industry, it is important to always consult an attorney before signing a billboard lease or easement. ■

About the Author:



Jessica Zolotorofe is an attorney with the law firm of Ansell Grimm & Aaron. Her practice is focused on commercial real estate, including financing, dispositions and acquisitions, development, leasing, and structuring tax-deferred transactions. Jessica can be reached at (973) 247-9000 or by email at JTZ@AnsellGrimm.com.



Lease - 3029 N. Front Street, Harrisburg

- Second floor office space for lease in this beautiful, three-story office building with lovely character and amazing river views
- The property has been well-maintained over the years and was fully renovated in 2008
- It is obvious that great attention to detail was made to turn this space into efficient professional office space

Office Listings



Sublease - 208 N. Third Street, Suite 400, Harrisburg

- New sublease opportunity in completely renovated and updated suite on the 4th floor
- Historic building faces the Capitol Complex with great window lines
- Downtown amenities are just a few steps from the doors and parking is a block in every direction
- **SIX MONTHS FREE RENT (CALL FOR DETAILS)**



Sale/Lease - 346 York Road, Carlisle

- This nearly 50,000 SF property offers immense versatility and opportunities
- Located just moments from the Carlisle Crossing Shopping Center, Carlisle Airport, and I-81
- Over 240 lined parking spaces



Lease - 156 Cumberland Parkway, Suite 200 Mechanicsburg

- First floor office space available in this Class A, high-profile building
- The location offers easy access to Route 15 and the PA Turnpike (I-76), plus great local amenities
- It is hereby disclosed that a partner in the ownership of this property is a licensed real estate salesperson in the Commonwealth of Pennsylvania

Investment Listing



Portfolio of 4 properties; 3 existing buildings and 3 acre vacant parcel

Sale - 5620-5630 Derry Street, 5650-5670 Lancaster Street, Harrisburg

- Investment Analysis available with signed Confidentiality Agreement
- Stable income from strong credit tenant and tremendous upside from the vacant 3 acres that can accept additional office/commercial buildings
- High visibility and excellent parking

Industrial Listing



Sublease - 507 N. York Street, Suite 7, Mechanicsburg

- 270+/- SF of office space and 3,831+/- SF of warehouse space available
- This property offers a clean, open space
- 1 Drive-in door (10 x 12) and a common dock area available

Land Listings

Location	Acres	Zoning	Type
300 S. Sporting Hill Road, Mechanicsburg, Cumberland County	1.19	Apartment Office Limited (AOL)	Sale
370 W. Main Street, Leola, Lancaster County	1.3 - 2.8	General Commercial	Sale/Lease
Allentown Boulevard and N. Hershey Road, Harrisburg, Dauphin County	1.35 (1 lot)	Business Enterprise District	Sale
Bent Creek Boulevard, Lot 2, Mechanicsburg, Cumberland County	2.02	Community Commercial	Lease
7700 Derry Street, Harrisburg, Dauphin County	2.12 (lot 4)	Commercial District General	Sale
Price Reduced - I-81 and W. Trindle Road, Carlisle, Cumberland County	2.18 (2 parcels)	Commercial Highway	Sale
East Cumberland Street (Route 422), Lebanon, Lebanon County	2.2	Commercial	Sale
8001 Grayson Road, Harrisburg, Dauphin County	2.25	Commercial	Lease
7700 Derry Street, Harrisburg, Dauphin County	2.3 (lot 8)	Commercial District General	Lease
2600 Delta Road, Brogue, York County	2.5	General Commercial	Sale/Lease
St. Johns Road, Camp Hill, Cumberland County	3.05	General Commercial District	Sale
SOLD - W. Trindle Road, Mechanicsburg, Cumberland County	4.13	Highway Commercial	Sale
700 S. Baltimore Street, Dillsburg, York County	5.23 - 57.5	Agricultural - Conservation (AC)	Sale
Eisenhower Boulevard, Harrisburg, Dauphin County	5.39	Commercial General	Sale
NEW - W. Suncrest Drive and Spring Road, Carlisle, Cumberland County	6.72 (5 parcels)	Commercial/Light Industrial	Sale
NEW - 1706 Good Hope Road, Enola, Cumberland County	6.78	Office Park	Sale
Pending - Lancer Street Extended, Harrisburg, Dauphin County	7.52	Medium Density Residential (R-2)	Sale
503 Jonestown Road, Jonestown, Lebanon County	7.91	Commercial	Sale
Route 441 and Orchard Drive, Harrisburg, Dauphin County	8.34	Single Family Residential District	Sale
Price Reduced - 730 Limekiln Road, New Cumberland, York County	8.64	Commercial Business	Sale
Carlisle Pike (Route 11) Waterford Square, Mechanicsburg, Cumberland County	9.6 (11 lots)	Community Commercial (C2)	Sale
Eisenhower Blvd & Highspire Road, Harrisburg, Dauphin County	10	Commercial District General	Sale
Route 75 & William Penn Highway, Mifflintown, Juniata County	11	Industrial Commercial	Sale/Lease
Gettysburg Pike & Spring Lane Road, Dillsburg NWC and SWC, York County	14.68 & 14.92	Commercial	Sale
Price Reduced - Allentown Boulevard, Harrisburg, Dauphin County	17+	Commercial Highway (CH)	Sale
3050 Heidlersburg Road, York Springs, York County	18.16	Highway Commercial	Sale/Lease
NEW - 349 Pleasant View Road, New Cumberland, York County	45.48	Commercial Business	Sale
NEW - Linglestown Road, Harrisburg, Dauphin County	61.55	Agricultural Residential	Sale

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Check Out Our Recent Deals

Visit www.billgladstone.com to view listings not included in this issue.



LEASED - 26 Northeast Drive, Hershey, PA

Packaging Corporation of America leased 4,800 SF of newly renovated office/showroom space located in Derry Township. The Bill Gladstone Group of NAI CIR represented the landlord and Mike Curran of CBRE, Inc. represented the tenant.



LEASED - 1013 Mumma Road, Suite 302, Wormleysburg, PA

4 Consulting, Inc. leased 790 SF of office space at this Cumberland County location. The Bill Gladstone Group of NAI CIR represented the lessee and Tom Posavec of Landmark Commercial Realty Inc. represented the lessor.



LEASED - 800 N. Third Street, Suite 406, Harrisburg, PA

Palco, Inc. leased 451 SF of office space at this Dauphin County location. Palco, Inc. is a third party vendor to the Commonwealth. The Bill Gladstone Group of NAI CIR handled the transaction. Space remains available, please call us for details.