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HARRISBURG COMMERCIAL

# real estate REPORT

## The New Federal Wage and Hour Regulation Increases the Salary Threshold

By Kathy Speaker MacNett, Esq.



On September 24, 2019, after several false starts and a court injunction, the U.S. Department of Labor released the new FLSA regulation increasing the salary threshold for the so-called "White Collar" or EAP or "541" Exemptions. The "White Collar" Exemptions allow an employer to avoid payment of overtime to an employee making or exceeding a specified salary level if the duties of that employee involve certain high-level functions. White collar exemptions are generally available for those employees in otherwise non-exempt industries, who fall within the FLSA regulation's description of Executive, Administrative or Professional employees. Highly-compensated employees and Computer employees, as defined by the FLSA, fall within special provisions of the FLSA, but those exemptions are not available under all

**"The "White Collar" Exemptions allow an employer to avoid payment of overtime to an employee making or exceeding a specified salary level if the duties of that employee involve certain high-level functions."**

state laws including the Pennsylvania Minimum Wage Act. If an exemption is not applicable to an employee, an employer is responsible for paying 1.5 times an employee's regular rate of pay for hours worked in excess of 40 in any individual workweek.

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## New Listings



### Commercial Sale - 1508 Derry Street, Harrisburg

- Large, City church with the original structure constructed in 1906
- The property features a parsonage, large sanctuary (300+ seats), a banquet hall and a separate educational building (constructed in 1957)
- The property also has on-site parking



### Commercial Sale - 241 Gettysburg Street, Dillsburg

- Two-story brick building in the heart of the Borough of Dillsburg
- Current use is an auto-parts store, however the design is flexible for many commercial users
- First floor space has 15' ceilings and ample open space
- The second floor is being used for storage, however is laid out for two apartments

## Commercial Listings



### Sale - 260 Boas Street, Harrisburg

- Two-story brick building features a fully finished basement, an adjacent courtyard, fellowship hall, kitchen, classrooms, and office
- The property is elevator serviced and the second floor sanctuary holds approximately 250 people
- Built in 1881, this historic building features many architectural details



### Sale - 2221 N. Sixth Street, Harrisburg

- Historic church was founded in 1890, rebuilt in 1895 and expanded in 1916 as a memorial to Camp Curtin, the largest northern military camp of the Civil War
- The church stands out as a prominent important architectural landmark for the City of Harrisburg and the region
- Property features the ability to seat over 700 congregants, beautiful stained glass windows, one of the largest organs in Harrisburg, many offices and classrooms, and a large commercial kitchen with adjacent fellowship hall





Currently, the FLSA salary threshold for these White-Collar exemptions requires an employer to pay an employee a minimum salary of \$455 per week. The new regulations will increase the salary threshold amount to \$684 weekly effective January 1, 2020. On an annualized basis this amounts to \$35,568. The new federal regulation also allows a Minimum Guarantee Plus Extras. That means that an employee can be paid more than his/her salary amount of \$684 weekly, without losing the salary exemption even though that increase varies the amount she/he receives weekly. For example, there can be extra pay for extra hours worked or as a productivity bonus paid in a workweek in addition to the salary amount.

**"The new regulations will increase the salary threshold amount to \$684 weekly effective January 1, 2020. On an annualized basis this amounts to \$35,568."**

Furthermore, the exempt employee's total compensation may include commission, nondiscretionary bonuses or other nondiscretionary compensation, but excludes medical insurance payments for life insurance, contributions to retirement plans and the cost of other fringe benefits. However, these extra payments can only be used to satisfy 10% of the salary threshold amount even if the extra payments exceed that amount. Remember that even if the new salary threshold is reached, the employee must still meet specific duties tests in order for the employee to be classified as exempt from overtime.

Highly compensated employees meeting a single duties test and a salary threshold of \$100,000 had been exempt under the FLSA. That salary threshold has now been increased to \$107,432 for federal purposes. Again, Pennsylvania does not recognize this exemption.

If an employee is paid on a fee basis, the amount paid will be tested against the time worked on a particular job to determine if the equivalent of a \$684 per week threshold is met.

The newly promulgated regulation has special provisions for the motion picture producing industry, a \$455 threshold for the Commonwealth of the Northern Mariana Islands, Guam, Puerto Rico and the U. S. Virgin Islands for employees other than federal employees, and a \$380 threshold for American Samoa.

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## Commercial Listings



### Sale - 16 E. Market Street, Leola

- Former bank site with good access (three points of access) and visibility
- Freestanding commercial building offers excellent on-site parking and a versatile layout that would be conducive for office, medical, or commercial users
- Over 20 lined parking spaces



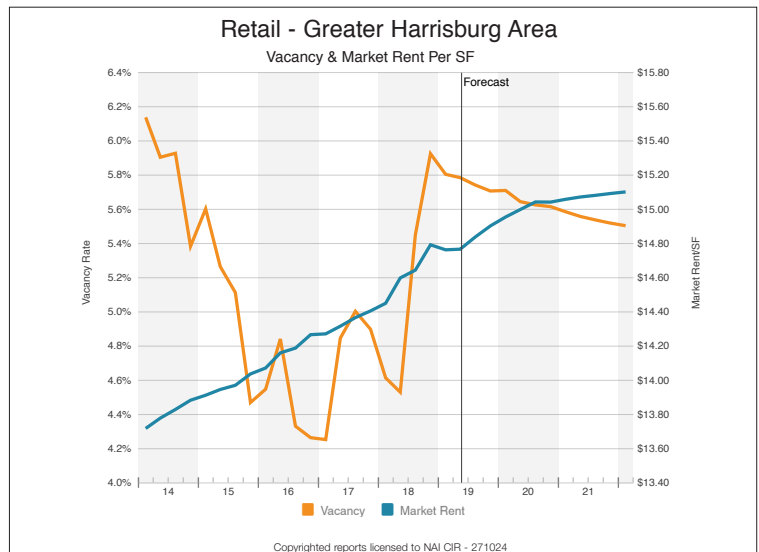
### Sale - 3200 N. 3rd Street, Harrisburg

- All brick church with great potential for multiple uses
- Chapel, several classrooms, and offices on the main level
- Exposed lower level includes a variety of classrooms, fellowship hall, and kitchen area



### Sale - 453 Jonestown Road, Jonestown

- Over 2 acres of commercial land located just moments from Route 72 and Route 22
- Two-story home on the property could be utilized or removed for a redevelopment opportunity
- Excellent access and visibility from heavily traveled Jonestown Road



**Bottom Line:** The regulation is expected to fundamentally impact 1.3 million workers nationwide. Unlike earlier proposed federal regulations, including the previous final regulation which was enjoined by a federal court, and a pending proposed Pennsylvania wage and hour regulation, this newly promulgated FLSA regulation does not include an annual escalator clause to further increase the \$684 salary threshold after 2020.■

#### About the Author:



Kathy Speaker MacNett, Esq. is a Managing Member of SkarlatosZonarich, LLC, concentrating her practice in management-side labor and employment matters. She has advised a large array of public and private sector clients. She can be reached at ksm@skarlatoszonarich.com or (717) 233-1000.



#### 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
- Over 300 lined parking spaces

62,621 SF

## Commercial Listings



5,918 SF

#### Lease - 415 Market Street, Harrisburg

- First floor space available in the Harrisburg Transportation Center in Downtown Harrisburg
- Within walking distance to all the downtown restaurants, amenities, and Riverfront Park



Price Reduced

2,854 SF

#### 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 and to schedule a tour

## Be Featured In Upcoming Harrisburg Publication

**The Bill Gladstone Group of NAI CIR is searching for articles to fill editorial content.**



**What Are We Looking For?** Industry related articles that our readership of nearly 5,000 business decision makers and industry leaders would benefit from reading in print and online through social media and our website.

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## Industrial Listings



### Lease - 1900 Crooked Hill Road, Harrisburg

- Multi-use building with up to 12,000 SF available for lease
- Built in 2001, the space features newer upgrades - high ceilings (18'7" clear), 3 docks, 3 drive-in's, a sprinkler system, central air, and heat
- Located minutes from the City of Harrisburg, Route 22 and I-81, this site is highly desirable



### Sale - 700 Angenese Street, Harrisburg

- Functional warehouse property for sale along the 6th Street industrial corridor
- Convenient access to I-81, Route 22/322 and the City
- A 5,500 SF temporary canvas building has been setup at this location, which can also be purchased for an additional cost



### Sale - 638 & 651 Alricks Street, Harrisburg

- Freestanding warehouse along the 6th Street industrial corridor
- Clean, well-maintained, functional, and offers convenient access to I-81, Route 22/322 and the City
- Additional land across the street (638 Alricks Street) is also available for sale, all as one parcel including the street between them (Alricks Street, which has been vacated, paved, and fenced)
- Opportunity for additional car parking, truck parking or outside storage

## Office Listings



### Sale/Lease - 1001 S. Market Street, Mechanicsburg

- Two-story professional medical office available
- Recently renovated with high quality finishes and an efficient floorplan
- Desirable location in Southpoint Office Center at the intersection of Market Street and Shepherdstown Road and near Cumberland Parkway exit of Route 15



Price Reduced

### Lease - 1100 N. Mountain Road, Harrisburg

- Large, open office suite in this brick, single-story office building in Lower Paxton Township
- Great signage and visibility on Mountain Road
- Close proximity to I-81



### Lease - 1773 W. Trindle Road, Suites B & D, Carlisle

- Newly updated office space for lease along busy Trindle Road
- Easy access to I-81 and the rapidly growing areas of Carlisle
- Located right in the heart of new retail and adjacent to Target anchored Carlisle Crossing Shopping Center



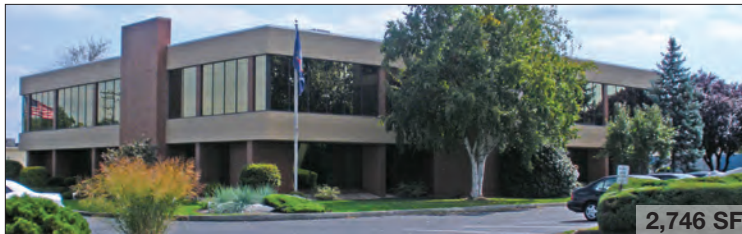
## Office Listings



680 - 4,260 SF

### **Sublease - 1801 Oberlin Road, Suites 302, 303, 304, Middletown**

- Charming three-story stone structure with professional office tenants
- Great office setup featuring reception/waiting area, private offices with good views, a conference room, break room, and in-suite restroom
- Convenient access to both Harrisburg and Lancaster



2,746 SF

### **Lease - 3425 Simpson Ferry Road, Camp Hill**

- One suite available with great perimeter window lines designed for professional users
- Ample parking on-site and easy access to Route 15, Route 581, and the PA Turnpike (I-76)
- Amenities close by including banks, restaurants, shopping, and convenience stores



1,500 SF

### **Lease - 3507 Market Street, Suite 102, Camp Hill**

- Located within the heart of the West Shore, this aesthetically pleasing building has one suite available for lease
- The property is centralized on Camp Hill's main travel artery and is close to many restaurants and businesses
- 45 Parking spaces available



524 - 10,918 SF

### **Lease - 301 Chestnut Street, Harrisburg**

- Located at Pennsylvania Place, this is a one-of-a-kind development for the Harrisburg market that includes over 50,000 SF of Class A office space in the City's thriving downtown district
- The building offers an ultimate level of visibility, functionality and sophistication
- On-site parking, workout facility, a swimming pool and high-end finishes embody the urban luxury of this high-rise mixed-use building
- Call for **FREE RENT** details and certified opportunity zone benefits



1,304 SF

### **Sale - 4825 E. Trindle Road, Mechanicsburg**

- Various opportunities exist at this location
- For the office user, the building lays out well for a small professional or business office
- For an investor, there is an acre of land for a potential larger office or construction of multi-family units behind the current office building



**Price Reduced**

3,600 SF

### **Lease - 4386 Sturbridge Drive, Harrisburg**

- Class A office space for medical or professional use
- Space in shell condition, ready to accept a build-out designed to suit tenant
- Located along Route 39 with access to amenities such as lodging, eateries, gas, banking and all major transportation corridors

## Investment Listing



### Sale - 3101 N. Front Street, Harrisburg

- Well-maintained, 3-story masonry building overlooking the Susquehanna River
- Five (5) year lease renewal started January 1, 2019
- No deferred maintenance and on-site parking available
- Tenant is an agency of the Commonwealth of PA
- Signed Confidentiality Agreement needed for additional information

## Featured Land



### Sale - W. Suncrest Drive and Spring Road, Carlisle

- Five (5) 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

## Land Listings

Location	Acres	Zoning	Type
370 W. Main Street, Leola, Lancaster County	1.3 - 2.8	General Commercial	Sale/Lease
1301 Eisenhower Boulevard, Harrisburg, Dauphin County	1.86	ML-Light Industrial	Sale
5650 Derry Street, Harrisburg, Dauphin County	1.90+/-	Commercial Limited	Sale
<b>Pending</b> - Bent Creek Boulevard, Lot 2, Mechanicsburg, Cumberland County	2.02	Community Commercial	Lease
453 Jonestown Road, Jonestown, Union Township	2.05	Commercial	Sale
<b>Price Reduced</b> - 7700 Derry Street, Harrisburg, Dauphin County	2.12 (lot 4)	Commercial District General	Sale
<b>Price Reduced</b> - I-81 and W. Trindle Road, Carlisle, Cumberland County	2.18 (2 parcels)	Commercial Highway	Sale
<b>Price Reduced</b> - 100 Narrows Drive, NEC of US Route 422 & Narrows Drive, Lebanon	2.2	Commercial	Sale
<b>Price Reduced</b> - 7700 Derry Street, Harrisburg, Dauphin County	2.3 (lot 8)	Commercial District General	Lease
<b>Pending</b> - St. Johns Road, Camp Hill, Cumberland County	3.05	General Commercial District	Sale
1345 Eisenhower Boulevard, Harrisburg, Dauphin County	3.95	ML-Light Industrial	Sale
Peters Mountain Road & River Road, Halifax, Dauphin County	5.1	None	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
W. Suncrest Drive and Spring Road, Carlisle, Cumberland County	6.72 (5 parcels)	Commercial/Light Industrial	Sale
<b>Pending</b> - 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
730 Limekiln Road, New Cumberland, York County	8.64	Commercial Business	Sale
Carlisle Pike (Route 11) Waterford Square, Mechanicsburg, Cumberland County	8.78 (8 lots)	Community Commercial (C2)	Sale
1900 State Road, Duncannon, Perry County	9.46	Commercial	Sale
<b>Price Reduced</b> - Eisenhower Blvd & Highspire Road, Harrisburg, Dauphin County	10	Commercial District General	Sale
Gettysburg Pike & Spring Lane Road, Dillsburg NWC, York County	14.92	Commercial	Sale
<b>Price Reduced</b> - Allentown Boulevard, Harrisburg, Dauphin County	17+	Commercial Highway (CH)	Sale
<b>Price Reduced</b> - 349 Pleasant View Road, New Cumberland, York County	45.48	Commercial Business	Sale

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## Check Out Our Recent Deals

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### **SOLD - 5006 E. Trindle Road, Suite 103, Mechanicsburg**

**Medspack, Inc.** purchased 5,113 SF of office space located in Mechanicsburg. The company provides a complete, compliant and convenient solution to managing medications. The Bill Gladstone Group of NAI CIR represented the seller and Roy Brenner of Landmark Commercial Realty, Inc. represented the buyer. Call for details on the space that remains available.



### **SOLD - 5 N. 25th Street, Harrisburg**

**McLamb Memorial Church of the Living God** purchased this 5,584+/- SF religious facility located in Penbrook. This will be a new location for the church. The Bill Gladstone Group of NAI CIR handled the transaction.



### **SOLD - 5660 Lancaster Street, Harrisburg**

**Jeremiah & Katelyn Hunsberger** purchased a 19,300 SF investment property (apartments) in Harrisburg. The Bill Gladstone Group of NAI CIR represented the seller and Phil Brubaker of Kingsway Realty represented the buyer.