

**NEWS INFORMATION FROM
THE OFFICE OF MAYOR STEPHEN R. REED
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**FOR IMMEDIATE USE
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**MIDTOWN DEVELOPER PURCHASES REILY
MIDTOWN CINEMA BUILDING; THEATRE
TO REMAIN IN BUSINESS AT SITE PENDING
MOVE TO NEW MIDTOWN QUARTERS;
NEW POLICE PATROLS FUNDED BY
DEVELOPER TO ALSO BEGIN SERVICE IN
MIDTOWN**

Harrisburg, PA - Mayor Stephen R. Reed and officials from Powers and Associates and the Midtown Market District today announced that they have reached agreement on the sale of the Reily Midtown Cinema Building at 250 Reily Street. The independent theater located at the site will continue to operate as normal, pending a possible relocation to new cinema facilities to be built nearby by Powers and Associates.

Tom Powers, President of Powers and Associates (P&A), and Clare Jones, President of the Board of Directors of the Midtown Market District (MMD), current owners of the site, said negotiations for the purchase of the approximately 10,000 sq. ft. building have been underway for several months and a sales agreement has now been formalized.

Jones said the site previously housed the Seratec Plasam Collection Center before being vacated in the early 1990's. The Midtown Market District took occupancy of the building in the late 1990's and with \$375,000 in grant and loan monies from the city, purchased and rehabilitated the site as the new home for an independent movie theater operated by Allen Brown of Palmyra.

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“We’re very pleased to have played a role, however small, in helping Midtown’s resurgence,” said Board President Clare Jones. “The Reily Cinema and its longevity have certainly proven to many that the Midtown neighborhood is ripe for further growth and renaissance – a fact well-evidenced by the presence of Tom Powers and the many other private investors who are putting their money into the area now.”

Under the terms of the sales agreement, P&A will immediately assume all outstanding debt and related interest penalties accrued by MMD since its takeover of the site. The full \$375,000 from the original loans as well as nearly \$20,000 in interest remain outstanding. P&A will initially pay all back payments and then negotiate a regular repayment schedule for the remaining balance due to the city.

Powers said his firm is committed to keeping the Reily Midtown Cinema open and operating as normal. “We believe the Reily Midtown Cinema is an important component of the overall revitalization of the Midtown area,” said Powers, “and are fully committed to ensuring that independent cinema will continue to be offered in the midtown”

Powers noted that the building as it currently sits is very outdated and ill-suited for its current purpose or future growth. Electrical, plumbing, roofing and other structural issues exist throughout the building, only a portion of which is being used by the Midtown Cinema.

Powers said long term plans for the site are closely related to the planned construction of the new Campus Square building on the site of the former Baker’s Garage at N. 3rd and Reily Streets. If pre-leasing commitments allow for the building to proceed to construction, P&A plans on incorporating new theater space on the ground-level of the building that would feature new theaters, concession space, lobby and comfort facilities that would be occupied by the Midtown Cinema. The space could also be used during the theater’s non-operating hours for public meetings and educational sessions by students attending HACC’s Midtown educational facilities or by other tenants.

The Midtown Master Plan unveiled by the Mayor and Powers and Associates earlier this year calls for the existing structure housing the Midtown Cinema to be demolished and replaced with new commercial, retail and academic space, with the site used in the short-term as a surface parking lot for Campus Square workers and Midtown Cinema theatergoers, thus ending years of tension between neighborhood residents and theater patrons who take up many of the neighborhood residents’ on-street parking spaces.

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“This is truly a win-win resolution for everyone involved,” said Mayor Reed. “The Midtown Cinema will benefit greatly from modern new facilities with all the amenities theatergoers have come to expect. Residents will get their on-street parking spaces back. The Midtown Market District is relieved of an ongoing financial burden. New and convenient parking will be available to midtown visitors and workers, and the city is repaid the investment dollars it put into the Cinema project years ago.”

Allen Brown, the operator of the Midtown Cinema, said he “was thrilled with the news and looks forward to moving into the new space. Independent cinema’s future in midtown is assured now,” he added.

Powers said they hope to begin demolition of the former Baker Garage on the Campus Square building site sometime this Fall, with the new building expected to be ready for occupancy by late 2008 or early 2009.

In related news, Powers and Associates also announced they have reached agreement with the Harrisburg Bureau of Police to pay for dedicated patrol services in the Midtown area around 3rd and Reily Streets, home of Harrisburg Area Community College’s new Midtown 2 building, where nearly 2,000 students will begin classes on August 20.

Powers said the officers will be paid by the company to provide dedicated patrol and security services to the area bounded by Harris, Reily, Green and N. 5th Street. Officers will be able to respond to calls beyond the targeted area but will primarily be assigned or stationed at or near HACC’s Midtown 2 building. A police substation may also be established in the new education center.

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