

# REQUEST FOR PROPOSALS

## State Theater Hanover Redevelopment Project



Hanover Economic  
Development Corporation

Issued: May 2023  
Extended: July 2023  
Due: October 31, 2023

# INVITATION

The Hanover Economic Development Corporation (HEDC), a non-profit affiliated with the Borough of Hanover, located in York County, PA seeks responses to this Request for Proposals (RFP) from qualified development entities interested in redeveloping the State Theater Hanover in downtown Hanover.

As outlined in Section 2, responses to this RFP will be received by the HEDC (c/o of the Hanover Borough Manager) no later than October 31, 2023 at 4:00 PM (EST) at [mlewis@hanoverboroughpa.gov](mailto:mlewis@hanoverboroughpa.gov)

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## SECTION 1: INTRODUCTION AND BACKGROUND

The historic State Theater Hanover, located on Frederick Street in downtown Hanover, originally opened in 1928 as the State Theater to host silent movies and stage shows. The 14,000 square foot building served as a performance space, club, and movie theater over the subsequent decades prior to being shuttered in 1984. Since then, the building has been vacant and long-considered a major redevelopment opportunity in close proximity to Hanover's square and downtown business district.

In 2011, Preservation Pennsylvania named the theater to its Pennsylvania at Risk list of endangered historic resources, bringing statewide and regional attention to the building.

In May 2022, the Redevelopment Authority of the County of York (RACY) acquired the property from a private owner at the request of the Hanover Economic Development Corporation (HEDC). Later in 2022, ownership of the State Theater Hanover, was transferred from RACY to HEDC. The purchase of the State Theater Hanover, was fully funded by a local non-profit foundation.

## ABOUT HANOVER AND YORK COUNTY

York County, Pennsylvania is a diverse urban, suburban and rural landscape with more than 450,000 residents and is an ideal market in which to launch and grow a business. To learn more about the economic advantages of York County, including its proximity to major metros, visit:

<https://www.yceapa.org/economic-development/additional-resources/>.



*Hanover Borough is located within a 25 minute drive (green) of the York and Gettysburg markets and within a two hour drive (purple) of 13.7 million people.*

Hanover Borough is a dynamic community of more than 15,000 residents, located in southwestern York County. The Borough has a vibrant downtown with a mix of retail, commercial office, restaurants, and residential—centered on a town square. For more about downtown Hanover, visit: <https://mainstreethanover.org/>.

The theater is located in close proximity to population centers that experience significant arts, culture, and heritage tourism. The theater is located 14 miles east of Gettysburg, PA, which attracts on average 1-2 million heritage and cultural tourists each year. The theater is 19 miles southwest of the City of York, PA with a population of 45,000, and 17 miles north of Westminster, MD. 19,000 residents live within one mile of the theater; 100,000 residents live within 10 miles.

The theater property may become the lead project in a larger redevelopment effort that includes the current Borough offices (which are tentatively programed to move to a new facility in mid to late 2025). This could present the opportunity for an additional project site to be available directly across the street that could capitalize on the success of the theater redevelopment. Additionally, there is an alley rehabilitation project being designed that includes alleys adjacent to the theater.

## SECTION 2: BUILDING CONDITION AND DETAILS

The building consists of a theater and two (2) associated storefronts. The theater's interior has previously and/or currently included restrooms, stage, and a seating area. In addition, the upstairs portion included a kitchen, bedroom area, manager apartment/suite with a bathroom, and projectors with exhaust pipes from 1938. Both storefronts were vacant and contained a vacant basement. A basement was also located beneath the stage and consisted of dressing rooms, restrooms, and electrical boxes. A sub-basement was also present and contained an old (non-functioning) furnace.

The overall structure of the building is in good condition, with expected levels of deterioration on the wall coverings, and some water damage in the street level lobby (under the marquee sign and at the ticket booth). A previous (2017) private architect led an effort to study the theater for redevelopment noted the foundation, floor slabs, walls and roof to be in "good condition."

Previous uncompleted efforts included the renovation / construction of a caretaker apartment unit. Currently the unit has open walls (exposed stud framing), partially completed wire pulls for lights, electrical and fire alarm system.

The adjacent store units (at street level) are in relatively good condition and each includes a full height basement.

Previous efforts by former owners removed the theater seating and some theater fixtures, but the original projectors, stage surfacing, etc. remain today.

HEDC completed a Phase 1 environmental assessment in March 2022, which identified no apparent environmental concerns on the property. A copy of the report is available upon request.

For photos of the theater's existing condition, [click here](#).

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## SECTION 3: DEVELOPMENT ASSISTANCE AND INCENTIVES

The selected development partner will be working with a collaborative of organizations that share the goal of redeveloping the theater. The Borough of Hanover, Hanover Economic Development Corporation (HEDC), Redevelopment Authority of the County of York (RACY), and York County Economic Alliance (YCEA) partnered to acquire the theater and will continue to collaborate throughout the redevelopment process and provide support potentially including but not limited to:

- **INTERIOR DEMOLITION FUNDS.** As of May 19, 2022, the State Theater Hanover has been accepted into York County's Land Bank program, which provides demolition funds to help community's address blighted properties. The selected developer will have an opportunity to present redevelopment plans to the Land Bank Authority and potentially receive up to \$250,000 in demolition funds, depending on the proposed scope of work and eligible expenses.
- **TAX INCENTIVES.** The theater may be eligible for Local Economic Revitalization Tax Assistance (LERTA) through the county, borough, and school district. LERTA provides a graduated 10-year property tax abatement on approved properties. Approval of LERTA is at the discretion of each taxing body and not guaranteed. In addition to LERTA, Historic Preservation Tax Credits and other federal and state tax credits are possible.
- **TEMPORARY PROPERTY TAX IMMUNITY.** Depending on the development proposal, HEDC is likely to hold the property and would not transfer title following redevelopment. This could provide some tax relief as the HEDC is a recognized 501.c.3 non-profit organization.
- **STATE REDEVELOPMENT FUNDING.** Several state capital budget line items are relevant to this project. HEDC, through its partnership with the York County Economic Alliance (YCEA), will work with the potential developer to apply for potential Redevelopment Assistance Capital Program (RACP) and other grant program funds.
- **TECHNICAL ASSISTANCE.**
  - Navigating the Borough's entitlement process
  - Identifying, applying for, and securing public and private funding sources
  - Public relations and marketing during construction and following opening

In addition to the assistance noted above, Hanover also has an active local chamber of commerce, Main Street organization, and engaged local and state elected officials who are very interested in supporting this project and its success.

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## SECTION 4: SUBMISSIONS

HEDC seeks proposals from qualified development firms or teams of firms to partner in the redevelopment of the theater for a variety of potential uses, including mixed-use commercial redevelopment. HEDC's preference is to maintain ownership of the property, but is open to discussing other alternatives depending on the development proposal. While the HEDC engages with a number of aligned entities, the HEDC would be the sole entity to work with the selected redevelopment team/firm.



**HEDC will consider responses proposing various approaches to redevelopment, but proposals that adequately demonstrate the following outcomes will be considered most favorably:**

- Maintain and leverage the historic character of the theater, including the iconic façade and historic interior elements
- Generate substantial economic impact for Hanover Borough
- Facilitate a final use or uses that regularly activates Frederick Street for residents and other downtown visitors and/or draws patrons to downtown Hanover
- Bring substantial private capital to the project and not rely solely or primarily on public source of funding
- Outline a realistic path to redevelopment and an associated timeline of project milestones
- Outline a budget for the redevelopment project and projected sources and uses of funds
- Identify major obstacles to redevelopment and how the firm will mitigate the obstacles
- Preferably return the property to the tax rolls and/or provide a payment in lieu of taxes to compensate the taxing bodies for foregone tax revenue

**Interested firms must submit electronic proposals via email attachment or file sharing platform to the Hanover Borough Manager, Margaret Lewis at [mlewis@hanoverboroughpa.gov](mailto:mlewis@hanoverboroughpa.gov). Proposals may also be delivered on USB to HEDC c/o of the Borough's offices prior to the deadline. Hard copies should be made available only upon request.**

**Questions related to the RFP must be submitted in writing to the HEDC Chairman, Mr. Oliver Hoar, at [oliver@oliverhoar.com](mailto:oliver@oliverhoar.com).**

**Proposal must be received by [October 31, 2023 at 4:00 PM EST](#).**

**Only timely received submittals meeting the requirements of this Request for Proposals will be considered. No submittal will be considered or accepted which is submitted by a respondent that is in default under the terms of any existing agreement with HEDC, the Borough of Hanover or any other Pennsylvania municipality, or which has failed to perform its obligations faithfully under any previous agreement with HEDC or the Borough. Submittals shall be signed by an authorized representative of the respondent.**

**Under no circumstance will the HEDC be held responsible for any costs incurred for the submission of this Request for Information.**

## SECTION 5: AWARD

HEDC will select a competitive proposal based on information provided on the desired outcomes outlined in Section 4. Competitive firms will have a proven record in advancing similar projects and clearly delineate a process and timeline for redevelopment.

HEDC will give special consideration to firms with a demonstrated expertise in:

- Redeveloping historic theaters and other historic properties
- Delivering completed projects on time and budget to avoid stalled redevelopment
- Raising and deploying significant private capital for redevelopment projects
- Partnering with economic development corporations and other quasi-public entities, such as redevelopment authorities, Main Street programs, and Certified Economic Development Organizations.
- Engaging the public in the redevelopment process

Finalists may be invited for an in-person presentation to HEDC and other community partners. HEDC reserves the right to not select any of the submitted proposals or reissue the RFP.

The estimated timeline for selecting a proposal is December 2023. However, HEDC reserves the right to review and select a proposal sooner or later than the estimate.

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## SECTION 6: CONFIDENTIALITY

The HEDC works closely with Borough of Hanover, the Redevelopment Authority of the County of York, and other public entities, which are subject to Right to Know (RTK) Act. Information submitted in response to this RFP may, in turn, become subject to RTK requirements.

The Pennsylvania Right to Know Act (65 P.S. §§ 67.101, et seq) mandates public access to government records. Therefore, unless information is exempt from disclosure by law, the content of any request for explanation, exception, or substitution, response to this RFP, or any other written communication between HEDC and firms, may be available to the public.

If responding firms believe any communication contains trade secrets or other proprietary information that the firm believes would cause substantial injury to the firm's competitive position if disclosed, the firm shall request that HEDC withhold from disclosure the proprietary information by marking each page containing such proprietary information as confidential.