
INFORMATION PACKAGE
520 ACRE INDUSTRIAL TRACT
STATE ROUTE 281
SOMERSET, PA

No Representations by Seller Parties.

The information contained herein has been collected from sources believed to be reliable; however neither the Seller, nor the Broker, nor other Parties working in behalf of the Seller make any representations or warranties as to the accuracy or completeness of the Evaluation Materials contained herein. Owner, Owner's Representatives and Listing Broker expressly disclaim any and all liability for representations or warranties, express or implied, contained in the Evaluation Materials, or in any other written, oral or other communications transmitted or made available to Potential Purchaser by Seller Parties, including, without limitation, any information submitted electronically to a Prospective Purchaser. Interested Parties are advised to seek professional legal, engineering or other services to determine if the property being offered meets their needs.

RMB REALTY

*P*ROPERTY DESCRIPTION

Executive Summary

To follow is an overview of a 520 acre tract of industrial land for sale in Somerset, PA. Further details are provided in the other materials included in this package.

The evaluation materials contained herein have been collected from sources believed to be reliable; however neither the Seller, nor the Broker, nor other Parties working in behalf of the Owners make any representations or warranties as to the accuracy or completeness of the evaluation materials. In addition, the Owner is offering the property in its "as is and where is" condition. Interested parties are advised to retain professional legal, engineering and other technical guidance to ascertain if the property will suit the needs they are proposing for the property.

The Broker believes the property represents an exceptional value. It is well suited for a developer with both the financial wherewithal to undertake a project of this size and the personnel to develop the land and lease or sell parcels to regional or national industrial companies seeking larger tracts of land in western Pennsylvania.

Background:

The property is the location of a former strip mine. The precise dates of operation are unknown but it appears from historical aerial photography that mining operations began in the 1960's and ceased in the 1980's. A photo dated 1993 appears to indicate that the site had by then been reclaimed.

After laying fallow for a number of years the mining company sold the property in 2003 to Geiger Development Corporation. Geiger in turn leased the property to Somerset Regional Water Resources, who was active in the Marcellus Shale gas industry. They had plans to develop a water treatment facility consisting of a series of large interconnected settlement ponds to treat gas well fracking water. They were highly leveraged however and forced to declare bankruptcy when the natural gas industry went into a slump a few years ago. This in turn forced Geiger Development into bankruptcy. Prior to becoming bankrupt, Somerset Regional Water Resources did construct several ponds as part of the proposed treatment facility. However, the facility was never completed nor operated.

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The land is now owned by a company affiliated with one the former owners' creditors. RMB Realty exclusively represents the new Owner.

- Quick Facts

Address: 153 Green Acre Road, Somerset, PA 15501

Deed Reference: Deed Book 1583 Page 596

Tax Map Parcels: S42-008-185-00; S42-008-188-00
S42-008-189-00; S42-008-190-00
S42-008-191-00; S42-008-192-00
S42-028-098-00

Municipality: Somerset Township

Assessments: \$136,850

Millage Rate: 56.67 mils

Real Estate Taxes: \$7,755.29 (2017 At Face Value)

The tract has some unique features that will make it attractive to the right developer.

- Keystone Opportunity Zone – 128 acres of the tract have been designated as a Keystone Opportunity Zone. This entitles companies that build in this section to reduced property taxes, no state corporate income tax on corporate profits, and a number of other tax savings. More information on the Keystone Opportunity Zone program is found in Section 3 of this package.
- Zoning – The tract has three distinct zoning districts. The approximate acreage in each district is as follows:
 - Light Industrial Zoning – 396 acres
 - Multifamily residential – 18 acres
 - Unrestricted – 106 acres

More information on the Somerset County Interchange Zoning Ordinance is found in Section 6 of this information package.

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- Infrastructure Completed by Prior Owners – The prior owners completed two infrastructure improvements that add value to the site.

Spine Road – The prior owners widened, in many places to almost 40 feet, and installed a heavy base under approximately 2,300 feet of a former haul road to create a useful interior spine road. There is another approximately 1350 feet of useable gravel road bed but which is not constructed to the standard of the spine road noted above.

Building Pad – The prior owners prepared a 3 acre building pad site including grading, a heavy stone base, and permitting and installation of the storm water management pond required by the PA DEP

- Pennsylvania Turnpike Frontage – The property has over 3,900 feet of frontage along the Pennsylvania Turnpike. This section of the Turnpike combines both I-70 and I-76 and thus offers unique exposure to both regional and national business and consumer traffic
- Utilities – There are adequate utility services available to fully develop the entire 520 acre tract.

Electric – Penelec currently delivers 23 KV 3 Phase power to the site. This is provided via a standard overhead power lines.

If needed, up to 115 KV 3 Phase power is available either by extending a line from the Somerset Substation, located directly across the PA Turnpike from the site, or by installing a transformer and connecting to high tower transmission lines which cross the site in two locations

Natural Gas – Columbia Gas Company has a two inch medium pressure line along Rte. 281 that can provide 42 Lbs of pressure and up to 5 Mcf/hr of natural gas. They also stated that additional capacity is available and that the existing distribution line can be upgraded as needed.

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Public Water– While the site is not currently serviced with public water, public water is available from the Somerset Township Municipal Authority from the two following sources:

(1) The Cambria Somerset Authority has an 18 inch transmission line that transports water from the Quemahoning Reservoir to Somerset and that runs along Pleasant Hill Rd. This line is capable of carrying up to four million gallons of fresh water per day, but currently operates at approximately half of that capacity. Obtaining service involves the installation of a service line extending approximately 770 feet from Pleasant Hill Road to the northern property line. The PA DOT permit to bore under Rte. 219 is in hand by the Somerset Township Municipal Authority

(2) There is a distribution line along Rte. 281 near a 45 foot right of way to Rte. 281 on the south eastern portion of the property. However, while water is available from this source, the Municipal Authority has advised that there is only limited capacity available from this line.

Somerset Township Municipal Authority (Sewer) – There is a municipal sewer pumping station located on site. This line flows into the Friedens treatment plant. This plant has a capacity of 1.1 million gallons per day of effluent, however it is permitted for only 800,000 gallons per day. The most recent 12 month average is approximately 300,000 gallons per day.

Note: The aerial survey included with this package shows the locations and capacities of the various utility services

- Communications Services

Internet – Business data service is provided to the site by Comcast. Their distribution lines run along Rte 281/Stoystown Road and are capable of providing service speeds of up to one gigabit per second. Contact information for the local business services account representative follows:

Sofia Botto - Business Services Account Manager
Commercial Business Services – Northeast Division
Email: Sophia_Botto@comcast.com
Tel: 603-541-2834

Cellular – The Crown Castle Company operates a communications tower on a parcel of land adjoining the western property line of the site. Crown Castle would not disclose which carriers lease space on the tower, or the levels of their services they provide, but did state that additional space is available on the tower if needed. Contact information is as follows:

Network Operations Center
Tel: 800-788-7011
Business Unit # 868101

- Wheelage Agreement – The property is encumbered with a wheelage (or right-of-way) agreement with the operator of a surface coal mine situated on an adjoining property. This right of way agreement provides passage for coal trucks along a gravel haul road located on the northern section of the property being offered. Copies of the two documents related to this agreement, those being the Wheelage Agreement and the Landlord Consent Agreement are found in Section 7 of this information package. A drawing showing the location of the right of way is included in the Landlord Consent Agreement. In payment for the right of way the property owner receives a \$0.25 per ton royalty for use of this haul road.
- Non-Permitted Stone Quarry – The former owner obtained an Earth Disturbance permit from the Pennsylvania DEP that allowed earth moving in a small section of the southeastern portion of the tract. However, it is believed that they exceeded the limits of their permit and operated what amounted to a stone quarry for their personal on-site use. The Broker has been advised that a Small Non Coal Permit is the correct permit that should have been obtained. The new owners became aware of the situation, advised the PA DEP and Somerset Conservation District of this matter, and subsequently met on site with representatives of both agencies. It is the Brokers' understanding that the Owners have been advised that this area will need to be re-excavated so as to remove the high wall section of the quarry, but that no citations or fines have been levied or deadlines issued.
- Water Treatment Ponds For Former Mining Operations – When the former strip mine was reclaimed a system of pumps and settlement ponds were installed to prevent any discharge of acidic waters. It is the Brokers' understanding that this system has operated successfully since installation and currently produces nearly

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900,000 GPD of passively treated water. While the pumping station and ponds are currently deeded as part of the tract offered for sale, the PA DEP is interested in acquiring this section of the tract. The area being taken will comprise an estimated 20 acres. Subsequent to the DEP acquiring this parcel the Owners will be relieved of any further responsibility for the treatment of this water or environmental liability for the same.

- **EXCEPTIONAL VALUE** – The Broker herein was engaged by the former owners to sell the property in 2003. While the prior owners decided not to move forward with a sale when the opportunity was presented, the broker at that time was working with one of the regions' largest industrial developers and presented to the Owners an offer approaching \$4,000,000.

Today the property is priced at only \$2,000,000