2012 Commonwealth of Pennsylvania Real Property Disposition Plan



Administration Building - Allentown State Hospital

COMMONWEALTH OF PENNSYLVANIA Tom Corbett, Governor

DEPARTMENT OF GENERAL SERVICES Sheri Phillips, Secretary

www.dgs.state.pa.us

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DEPARTMENT OF GENERAL SERVICES PROPOSED PLAN FOR THE DISPOSITION OF COMMONWEALTH REAL PROPERTY

The Department of General Services (DGS) has prepared the 2012 Real Property Disposition Plan in accordance with Act 48 of 1981, amending the Act of April 9, 1929 (P.L. 177, No. 175), known as the Administrative Code of 1929. The properties contained in this year's plan have been identified as having no remaining purposeful or cost effective function by the current using agency; and further, there are no immediate needs for reuse by other Commonwealth agencies. Final determination of sale will be conditioned upon approval of this Plan by the General Assembly, responses received from the public and the needs of the various Executive agencies.

With ever tightening budgets and changing mandates, funding is no longer available to maintain large, aging and outdated facilities. The cost to renovate and remediate often far outstrips the sale value of the property, and carrying costs to maintain them further reduces vital funds for other programs. The annual carrying costs for properties included in this year's plan exceed \$3.6 million. This is much needed funding that can be redirected to critical programs.

The Department is committed to working with legislators and local community leaders to market and sell each property in a manner that both respects the wishes of residents as well as maximizes the value to <u>all</u> Pennsylvania taxpayers. DGS is keenly aware of the integral role the properties have played in the history and economy of the surrounding areas.

As needed, DGS will partner with local municipalities to employ various land use controls, such as zoning and deed restrictions, to ensure appropriate reuse within host communities. The prompt return of surplus properties to productive use in the private sector is a win-win situation for the taxpayers of the Commonwealth. It means that tax-immune properties will generate much needed new jobs and revenue sources for schools, local governments and the state. Additionally, the Commonwealth gains non-tax revenue from the sale, removes substantial carrying costs to maintain the property, and reduces exposure to liability and risk.

If the proposed plan is not approved by the General Assembly, the properties, without maintenance, will begin to deteriorate rapidly, thereby reducing their value and the pool of interested buyers. If properties are removed from the plan, it will guarantee that taxpayers will continue to pay a huge financial burden for heating, securing and maintaining empty, unnecessary buildings. We strongly urge the General Assembly to approve the plan, quickly and in its entirety, so the Department can proceed to market and sell these properties.

Glossary of Real Estate Terms

Agreement of Sale Synonymous with Purchase Agreement. See below.

Appraisal An estimation of value by disinterested persons of suitable

qualifications.

Appraised Value An opinion of the value of a property at a given time, based on facts

regarding the location, improvements, current use, speculative use,

mineral rights, etc. of the property and surroundings.

Auction A public sale of lands or goods to the highest bidder.

Carrying Costs The costs involved in keeping a property. Examples include, but are not

limited to, maintenance, salaries, lawn care, snow removal, heating and

security.

Conveyance Transfer of title to land. Includes most instruments by which an interest

in real estate is created, mortgaged or assigned.

Covenant An assurance set forth or expressed in a deed by the grantor or implied

in law.

Estimate of Value The Department of General Services' opinion of what a property may be

worth (not an appraisal, but required by Act 48 of 1981, as amended, to

be included in this plan).

Fair Market ValueThe price at which the property would change hands between a willing

buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts. The governing statutes require the Department of General Services to establish a minimum bid no less than market value as established by an

independent appraiser.

Fee Simple An estate under which the owner is entitled to unrestricted powers to

dispose of the property, and which can be left by will or inherited. Commonly, a synonym for ownership. Fee Simple is the largest estate in

real property that an owner can have. It is unconditional and absolute

ownership.

Market Value The highest price a willing buyer would pay and a willing seller would

accept, both being fully informed, when property has been exposed for

a reasonable period of time.

Oil, Gas & Mineral (OGM) Specific property interests that can be severed and conveyed or leased

separate from the surface estate.

Purchase Agreement A legal agreement between a buyer and seller of real property, setting

forth the price and terms of sale.

Restriction (Deed) Most commonly used to describe use(s) prohibited to the owner of

land. Restrictions are set forth by former owners in deeds or in the case of a subdivision, a declaration of restrictions (covenants). Examples

include: gaming, health services etc.

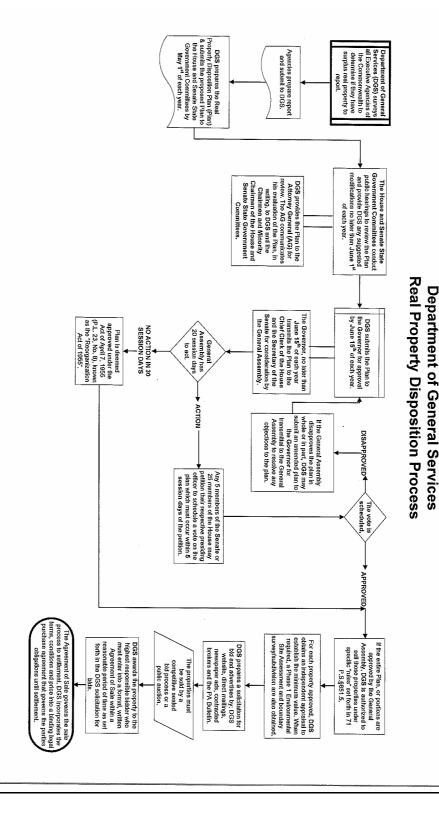
Sealed Bid An offer made in competition with others to purchase real estate.

Tax Immunity Unless there is specific statutory authority to the contrary, real property

owned by the Commonwealth of PA is "immune" from the payment of real estate assessments of any kind imposed by municipal governmental

bodies.

Real Estate Disposition Process



Scotland School for Veterans' Children

Location: Greene Township, Franklin County

Senate District: 33rd – Alloway

House District: 89th – Kauffman

Acreage: 166-acres (approx.)

Buildings: 70

Year Opened: circa 1895

Last Utilized: June 2009

Ownership Interest: Fee simple

Warranty: As Is

Utilities: Public water, sewer, electric and natural gas

OGM Rights: To be retained by the Commonwealth

Surplussing Agency: Department of Military and Veterans' Affairs (DMVA)

Carrying Costs: \$1.6 million per year (approx.) for two DMVA maintenance employees,

grounds keeping (mowing and snow removal), security, heating (freeze

protection), and Guarantee Energy Savings (GESA) payments.

Estimated Value: \$5,000,000*

* If the General Assembly grants DGS the authorization to sell the property, an independent appraiser will be contracted to determine actual market value.

Costs to Sell: DGS estimates less than \$100,000.

Conditions of Sale:

Scotland School for Veterans' Children (Greene Township, Franklin County)



Education Building – Scotland School for Veterans' Children



Administration Building – Scotland School for Veterans' Children

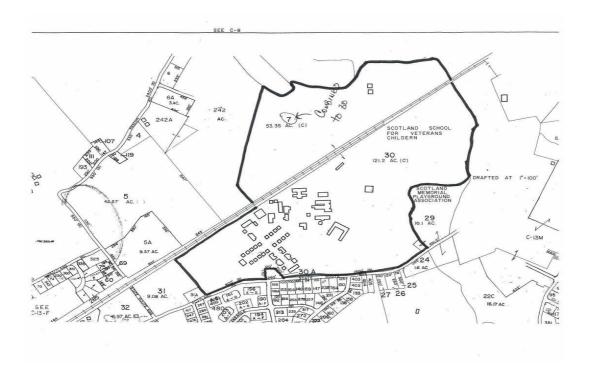
Scotland School for Veterans' Children (Greene Township, Franklin County)

Site Location Map



<u>Scotland School for Veterans' Children</u> (Greene Township, Franklin County)

The property includes approximately 166-acres of land and 70 buildings as shown on the plan below:



Special Conditions:

1. Nothing herein shall be construed to convey land that is subject to easements and/or right of ways as recorded with the Franklin County Recorder of Deeds as recorded in Record Book 468, Page 237; Record Book 409, Page 654; Record Book 507, Page 539; and Record Book 338, Page 486.

Allentown State Hospital

Location: City of Allentown & City of Bethlehem, Lehigh County

Senate District: 16th – Browne & 18th - Boscola

House District: 135th – Samuelson

Acreage: 165.846-acres

Buildings: 30

Year Opened: circa 1912

Last Utilized: August 2012

Ownership Interest: Fee simple

Warranty: As Is

Utilities: Public water, sewer, electric and natural gas

OGM Rights: To be retained by the Commonwealth

Surplussing Agency: Department of Public Welfare (DPW)

Carrying Costs: \$1.8 million per year (approx.) for several DPW maintenance and utility

(operator) employees, grounds keeping (mowing and snow removal),

security and heating (freeze protection)

Estimated Value: \$1,200,000*

* If the General Assembly grants DGS the authorization to sell the property, an independent appraiser will be contracted to determine actual market value.

Costs to Sell: DGS estimates less than \$100,000.

Conditions of Sale:

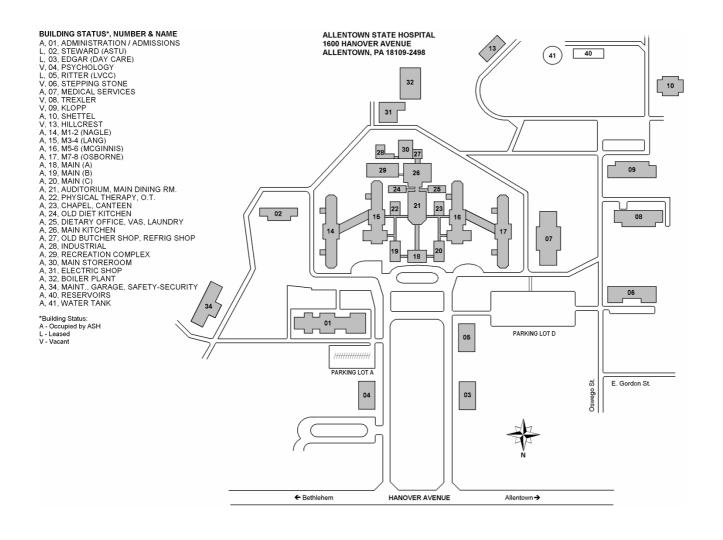
Allentown State Hospital (City of Allentown, Lehigh County)



Administration Building – Allentown State Hospital

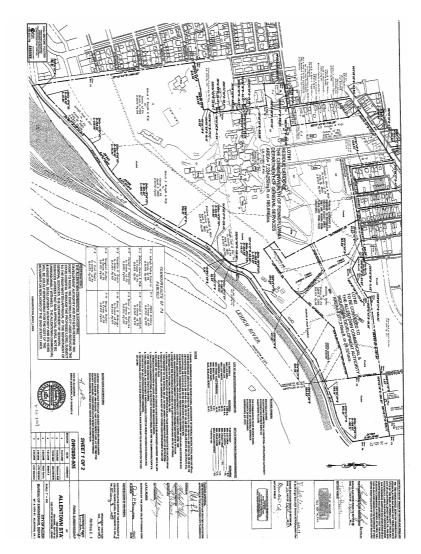
Allentown State Hospital (City of Allentown, Lehigh County)

Site Location Map



Allentown State Hospital (City of Allentown, Lehigh County)

The property includes approximately 165.846-acres of land and 30 buildings as shown in the plan below designated as Lot #1.



^{*} It should be noted that Lot #2 was previously sold through specific legislative authorization.

Special Conditions:

1. The Department of General Services shall take no action to convey this property until all of the remaining patients have been relocated to other appropriate facilities by the Department of Public Welfare. The Department of Public Welfare has advised DGS that the remaining patients (currently 15 or less), shall be relocated no later than June 30, 2012.

Weaversville Secure Treatment Facility

Location: East Allen Township, Northampton County

Senate District: 16^{th} – Browne

House District: 138th – Hahn

Acreage: 16.94-acres (approx.)

Buildings: 3 (1 primary structure and 2 small ancillary structures)

Year Opened: Unknown (Originally part of Allentown State Hospital farm colony)

Last Utilized: May 2010

Ownership Interest: Fee simple

Warranty: As Is

Utilities: Public water, sewer, and electric

OGM Rights: To be retained by the Commonwealth

Surplussing Agency: Department of Public Welfare (DPW)

Carrying Costs: \$200,000 per year (approx.) for grounds keeping (mowing and snow

removal), security and heating (freeze protection)

Estimated Value: \$900,000*

* The estimated value was derived from an independent appraisal, dated 10/5/11.

Costs to Sell: DGS estimates less than \$25,000.

Conditions of Sale:

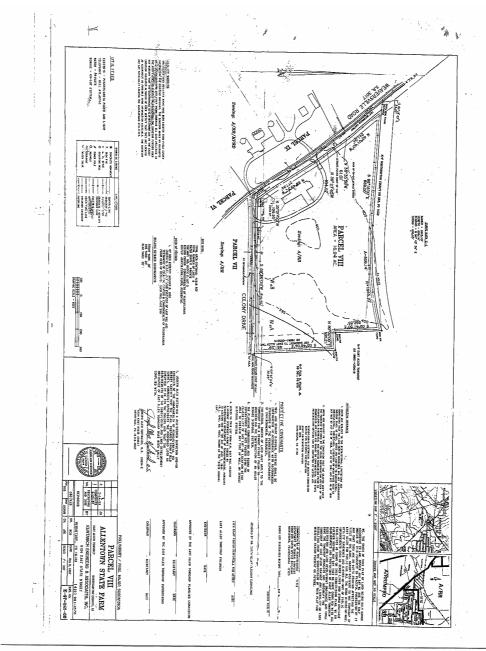
<u>Weaversville Secure Treatment Facility</u> (East Allen Township, Northampton County)



Weaversville Secure Treatment Facility

<u>Weaversville Secure Treatment Facility</u> (East Allen Township, Northampton County)

The property includes approximately 16.94-acres of land and 3 buildings as shown on the plan below:



Special Conditions:

1. None.

Fort LeBoeuf Museum

Location: Borough of Waterford, Erie County

Senate District: 21st – White (Mary Jo)

House District: 3rd – Hornaman

Acreage: 1.18-acres (approx.)

2010

Buildings: 1

Last Utilized:

Year Opened: 1970

Ownership Interest: Fee simple

Warranty: As Is

Utilities: Public water, sewer, electric and natural gas

OGM Rights: To be retained by the Commonwealth

Surplussing Agency: PA Historical and Museum Commission (PHMC)

Carrying Costs: \$30,000 per year (approx.) for grounds keeping (mowing and snow

removal), security and heating (freeze protection)

Estimated Value: \$200,000*

* If the General Assembly grants DGS the authorization to sell the property, an independent appraiser will be contracted to determine actual market value.

Costs to Sell: DGS estimates less than \$100,000.

Conditions of Sale:

Fort LeBoeuf Museum (Borough of Waterford, Erie County)



Ft. LeBoeuf Museum

<u>Fort LeBoeuf Museum</u> (Borough of Waterford, Erie County)

The property includes approximately 1.18-acres of land and 1 building as shown on the plan below:



Special Conditions:

1. None.

DGS Annex Parcel (formerly Harrisburg State Hospital)

Location: City of Harrisburg & Susquehanna Township, Dauphin County

Senate District: 15th – Piccola

House District: 103rd – Buxton & 104th - Helm

Acreage: 7.86-acres

Buildings: 3 (unutilized residences)

Year Opened: N/A

Last Utilized: N/A (primarily vacant land)

Ownership Interest: Fee simple

Warranty: As Is

Utilities: Public water, sewer, electric and natural gas

OGM Rights: To be retained by the Commonwealth

Surplussing Agency: Department of General Services (DGS)

Carrying Costs: \$15,000 per year (approx.) for grounds keeping (mowing) and security

Estimated Value: \$1,500,000 to \$2,000,000*

* If the General Assembly grants DGS the authorization to sell the property, an independent appraiser will be contracted to determine actual market value.

Costs to Sell: DGS estimates less than \$50,000.

Conditions of Sale:

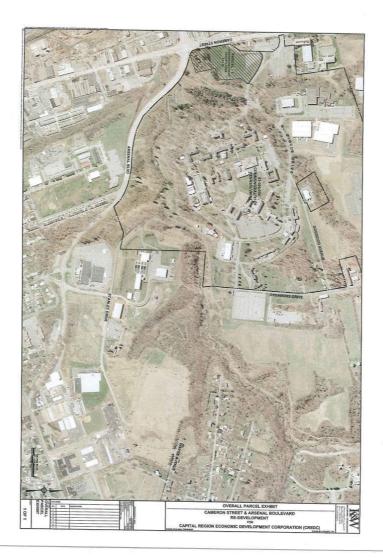
DGS Annex Parcel
(City of Harrisburg and Susquehanna Township, Dauphin County)



DGS Annex Parcel Grounds

<u>DGS Annex Parcel</u> (City of Harrisburg and Susquehanna Township, Dauphin County)

The property includes approximately 7.86-acres of land and 3 unutilized residential homes as shown on the plan below in the crosshatched area:



Special Conditions:

- 1. The purchaser will be required as a condition of sale to remove the 3 residential homes from the Commonwealth's utility systems.
- 2. The Department of General Services may reserve or grant any easements on the DGS Annex Property as the Secretary of General Services shall deem necessary or appropriate for the benefit of the Commonwealth's residual property or to effectuate the sale of the surplus parcel.