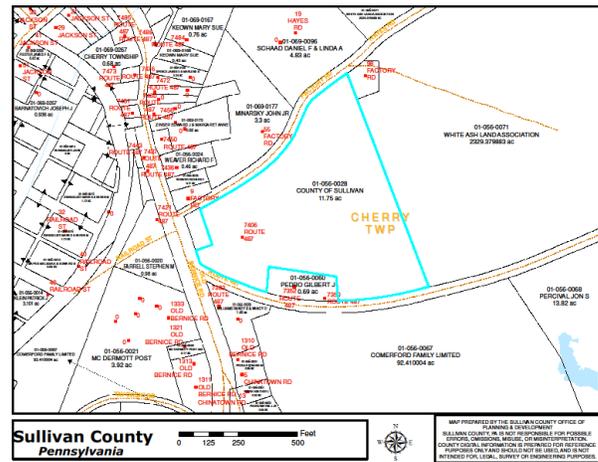
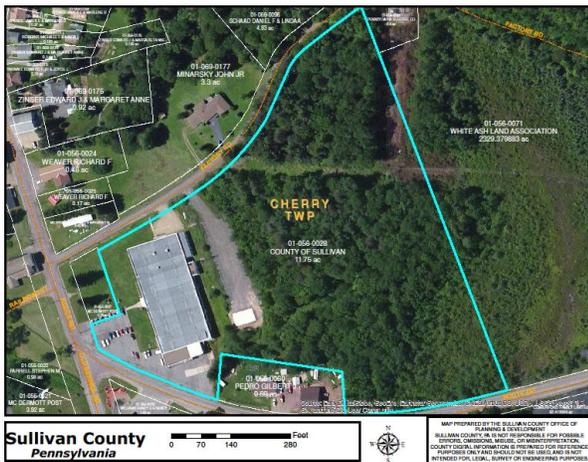


SULLIVAN COUNTY TAX PARCEL 01-056-0028

Known as The Mattern Building



The subject property is a concrete structure 35,040 sq. ft., built in 1947, used for a shoe factory for the first 40+ years with paved parking on an irregular lot of 11.75 acres in the village of Mildred in Cherry Township Sullivan County. Approximately 5.75 acres are considered to be excess land.



There is a Dandy Mini Market adjacent to the property and an American Legion across the street. This is a good draw for employees....gas, lunch, and after work activities.

The majority of the building was built in 1947 with some small additions in the 1970's. It has been occupied by tenants since the county's acquisition on December 8, 2000.

According to Mike Hufnagel, Sullivan County Planner, \$759,964.52 has been spent upgrading this building from 2001 through 2010 using grants. New HVAC in office areas, bathroom renovations, retail store area, call center area, doors, windows, foyer, sewer system, all new electrical system, set up for a call center, loading docks, new roof, insulation and other miscellaneous repairs. The paved parking area is in poor condition. Most of the warehouse seems to be in average to good condition for a 67 year old building. Some areas of the warehouse are in fair condition with some black mold on the ceiling in one of the loading dock areas. The renovated office areas are all in normal condition with drop ceilings and carpeted floors and the retail area is laminate flooring with drop ceilings, also in normal condition.



Black Mold



Good Interior Warehouse



Loading Dock Doorway



Former Retail Area

Mattern Building Property

Also on the property is a 30x49 metal storage building used for Seeds of Hope storage, erected in 2011. This building will be moved.



The property is currently assessed (since 2004) at \$419,520. The STEB Common Level Ratio factor does NOT include any commercial sales; therefore, the estimated fair market value is inapplicable to anything commercial.

Attached is a comparable spreadsheet.

Using the cost approach, the only buildings comparable in Sullivan County are the school buildings:

The former Turnpike Elementary School is probably the best comparable by age, condition and location. Where it falls less is that it is three stories of space vs one and there is little room for expansion since there are only a few acres there. Where it comes in above and beyond the subject would be the continual upkeep of the property, the fact that it has a full cafeteria and was all finished space, last used as a school with no “warehouse” space. This cost comes in at \$34.63/sq. ft. With the lack of comparable and the nature of warehouses, the cost approach is probably not the most accurate indicator of value.

Using the market approach, I asked the neighboring counties for comparables since we don’t even have any buildings like this one to sell.

I have not seen any of the buildings where values were given to me but what I feel was the closest comparable to building structure seemed to be in Monroe County. It was one sale in July, 2014 and contained three separate buildings. The age of the buildings were comparable and, combined, the square footage is similar. However, Monroe County is a neighboring county to the State of NJ and has quick/easy access to infrastructure. This sale was over 2 years old and came in at \$26.24/sq. ft.

Old Lycoming Township in Lycoming County is a more comparable neighborhood even though it is more urban than the subject property’s location. The building in that sale was larger but 10 years newer than the subject property. This sale was over a year old and came in at \$10.26/sq. ft.

Nine Montgomery, Lycoming County comparables were provided to me ranging from \$9 to \$13.37/sq. ft. Montgomery is a very comparable location to the subject, although a little more urban. The infrastructure overall is a little better and interstates are closer but still hard to get to. It seems these sales would most represent a range of value for our subject. The most recent sale was September, 2016 @ \$7.18/sq. ft.

The income approach does not apply here. This building’s value is being reviewed as vacant and available.

Mattern Building Property

Based on my interior inspection on 2/27/2017 and my review of these two approaches, it seems a current fair market value for the entire parcel, in this neighborhood, would be in the range of \$7-\$10/sq. ft. Using aerial overlays with the GIS tax maps following is the land breakdown:

3 Ac. Primary Commercial @ \$15,000/acre assessed.

5.5 Ac. Residual Commercial @ \$11.250/acre assessed.

3.25 Ac. Waste (1 acre swamp; 2.25 acres impeded by electric line right of way)@\$500/acre assessed.

Calculating and applying the common level ratio multiplier, the estimated fair market of land is \$154,100.

Use, supply and demand, and the economy always come into play where commercial (warehouse) values are concerned. To summarize, it would seem that a fair range in value would be in the area of \$399,000 - \$504,500.

Respectfully submitted:

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Chief Assessor
Sullivan County, PA