

red run center

Four Commercial Parcels
Offering A Singular Retailing
& Hospitality Opportunity

April 2011

red run center

Offered By

Red Run Center, LLC

PO Box 912, Waynesboro, Pennsylvania 17268

April 2011

For further information contact

Paul Gunder

Jack Gaughn Realtor ERA

1814 East Main Street, Waynesboro, Pennsylvania 17268

717-762-7111

paul.gunder@jgr.com

Table of Contents

<i>Executive Summary</i>	4
Section 1- The Opportunity.....	5
Section 2- The Site.....	6
Section 3- Market Demographics.....	10

Executive Summary

This memorandum describes a commercial real estate opportunity in Washington Township, in southeastern Franklin County, Pennsylvania.

Red Run Center is a commercial real estate development totaling 13 acres. The 13 acres are divided into four parcels.

The site is immediately adjacent to Rouzerville Commons shopping center anchored by a new Wal Mart Superstore and a Lowe's, and containing ten other retail businesses including a Susquehanna Bank and an Appleby's Restaurant. Red Run Center has received preliminary land development plan approval from Washington Township. Engineering is approximately 90% complete. Final approval should be received within 30-60 days of submission. A traffic light will be installed at the entrance to Red Run Center at the intersection of Washington Township Boulevard and Lower Cross Lane.

Lots 1, 2, 3, and 4 are available with 1.28 acres, 6.86 acres, 3.00 acres, and 2.13 acres respectively. Lots 1 and 4 are ideal locations for restaurant operations with full road frontage and visibility on Washington Township Boulevard. Lot 2 offers excellent opportunity for a 50,000 square foot strip mall or other large commercial structure. Lot 3 is particularly well-suited for motel development in a very under-served market. Opportunity exists for either fee simple sale, or build-to-suit lease. Lots 1 and 2 can be combined into a total of 8.14 acres.

Washington Township Boulevard is designed as a Route 16 bypass around Waynesboro, and, as construction continues, will generate progressively higher traffic counts.

Red Run Center will serve an approximately 40,000-50,000 population service area. It is situated in the fastest growing section of south-eastern Franklin County and is in the heart of the wealthiest residential region in the southern end of the county and the fastest growing retail shopping district. Local institutions expected to impact retail sales include Penn State University, Mont Alto, Waynesboro Hospital, and Pennsylvania Institute of Applied Health Sciences. Major local businesses and industry expected to impact retail sales include Manitowac and Johnson Controls. Corporate Offices Property Trust at Fort Ritchie which will bring major growth to southeastern Franklin County, producing ultimately 4,500 new jobs.

Red Run Center, LLC is a limited liability company whose principals include Paul D. Gunder, a Waynesboro realtor, Bernard J. McGarity, a Waynesboro area retail businessman, and James Rock, a three state regional commercial contractor.



Section 1 - The Opportunity

Red Run Center is a new 13 acre commercial development site immediately adjacent to the new Rouzerville Commons shopping center on the west side of Washington Township Boulevard in Rouzerville, Franklin County, Pennsylvania. Rouzerville Commons includes anchor stores Walmart and Lowe's, as well as a Susquehanna bank, Appleby's restaurant, and ten other retail outlets.

Red Run Center's 13 acres is divided into four parcels.

All of the four Red Run Center parcels are available for sale or build-to-suit lease:

- Lot 1- 1.28 Acres, suitable for a restaurant
- Lot 2- 6.86 Acres, suitable for 50,000 sq. ft. of retail space
- Lot 3- 3.00 Acres, suitable for motel development
- Lot 4- 2.13 Acres, suitable for a restaurant

An additional 23 acres of retail development is planned for the east side of Washington Township Boulevard. A planned community of 61 residential housing units will be built on immediately adjacent land to the rear of the Red Run Center.

Red Run Center will be in the heart of the largest and fastest growing commercial shopping area in southern Franklin County, with the nearest competitive shopping area being in Long Meadow, Hagerstown, Maryland, 13 miles and 22 minutes driving time away.



Section 2- The Site



A site plan of Red Run Center can be viewed on the following page. A photograph of the site appears at the bottom of this page taken from the north looking south over the site toward the Rouzerville Commons shopping center.

Engineering for the site is nearly complete and preliminary plan approval has been received from Washington Township. It is projected that final approval will require 30-60 days from submission.

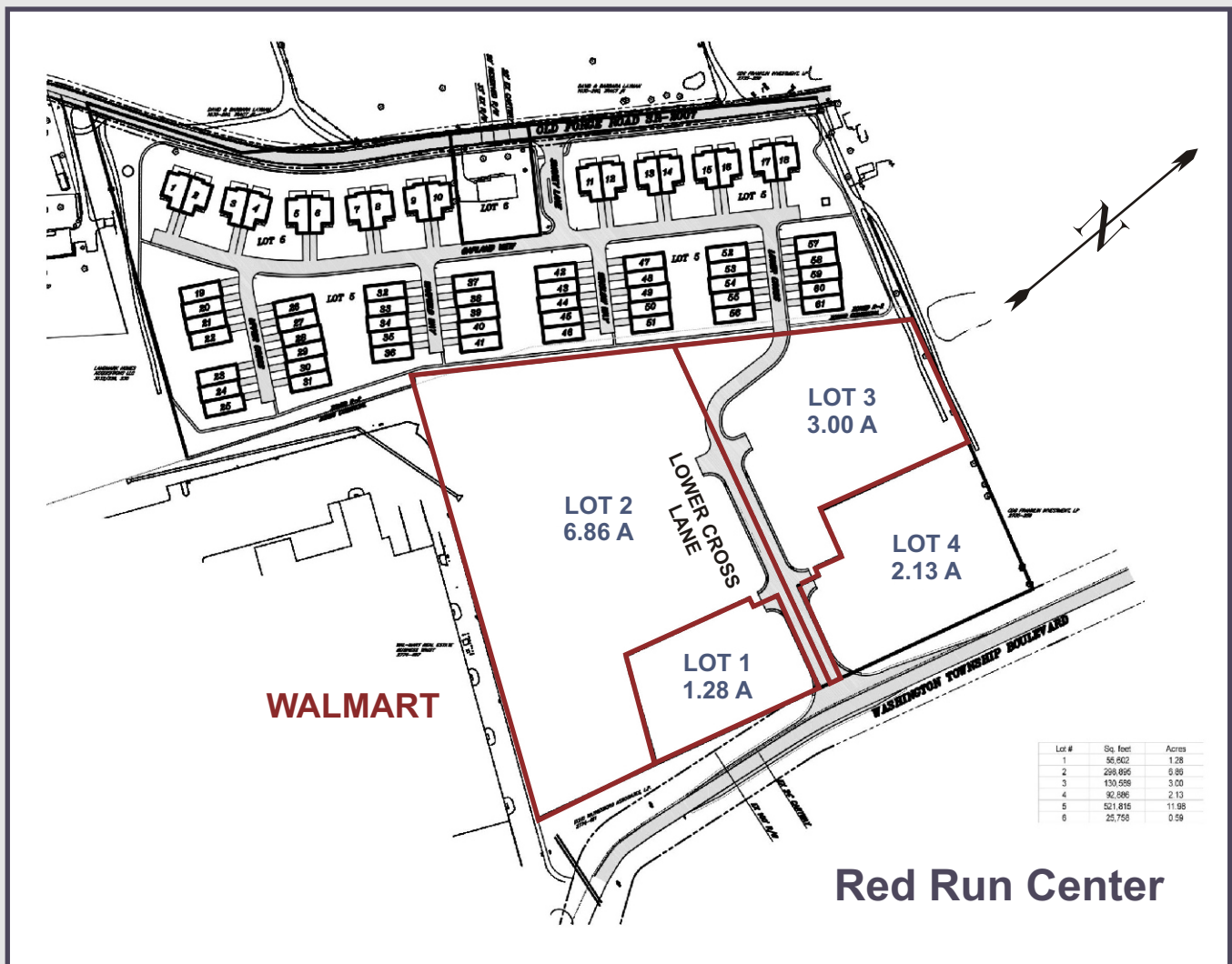
A traffic light will be constructed at the entrance to Red Run Center at the intersection of Lower Cross Lane and Washington Township Boulevard.





All four properties located in Red Run Center will be accessed from Lower Cross Lane. Lot 4 with 2.13 acres, provides a nearly ideal location for a full-service restaurant, having full road frontage on Washington Township Boulevard for maximum visibility. In addition, Lot 4 will be within easy walking distance of the 61 residential units located in the Layman's Ridge housing development, and, of course, immediately adjacent to the high traffic Rouzerville Commons shopping center.

Lot 1, with a total of 1.28 acres, offers the perfect location for a fast-food operation of any variety,



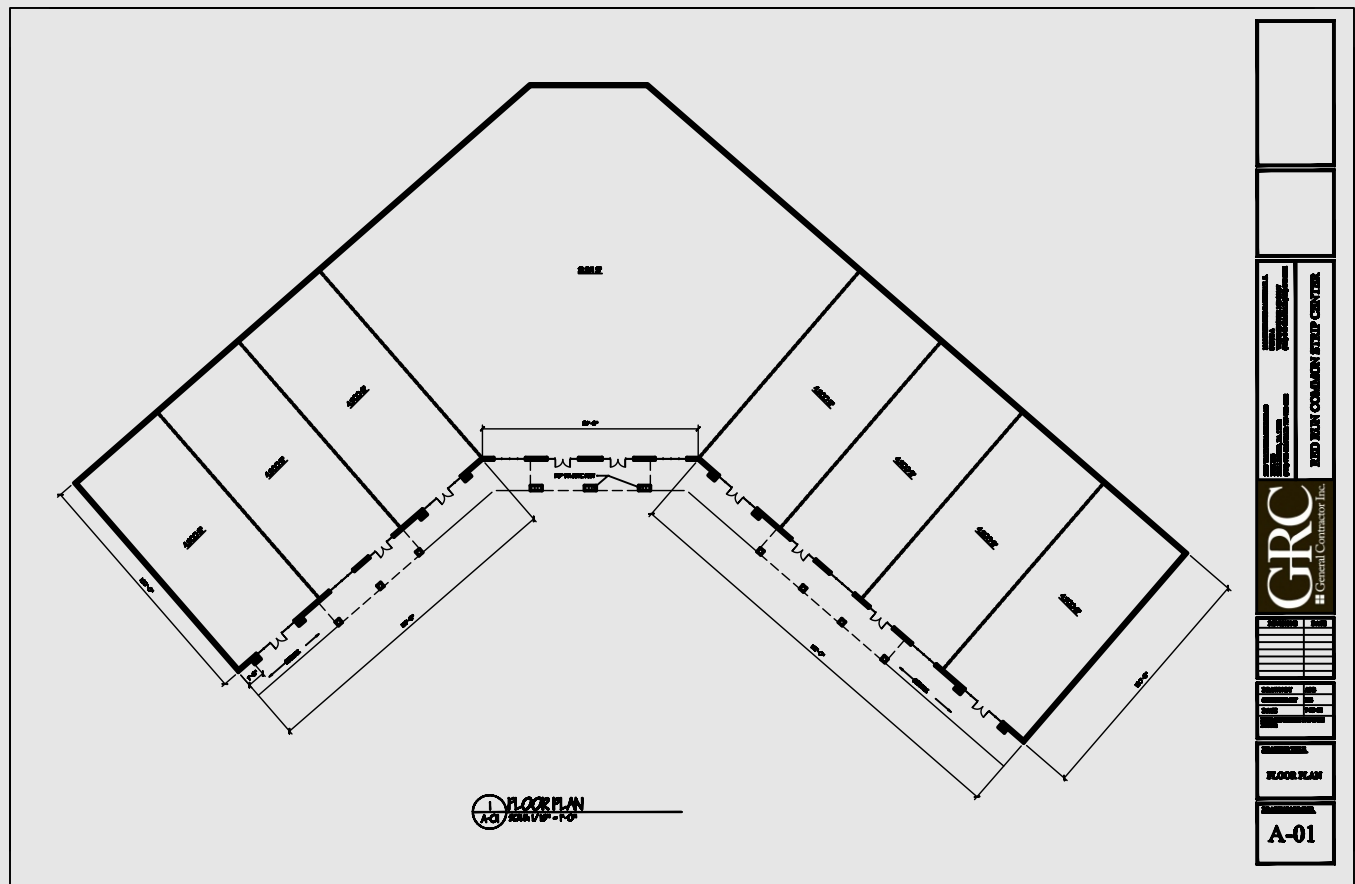


Artist's rendering of a 50,000 square foot strip mall on Lot 2.

including retail donut or coffee outlets, neither currently available in the greater Waynesboro area apart from convenience stores. Full road frontage on Washington Township Boulevard and a traffic signal at the intersection provide for both superb visibility and easy traffic access.

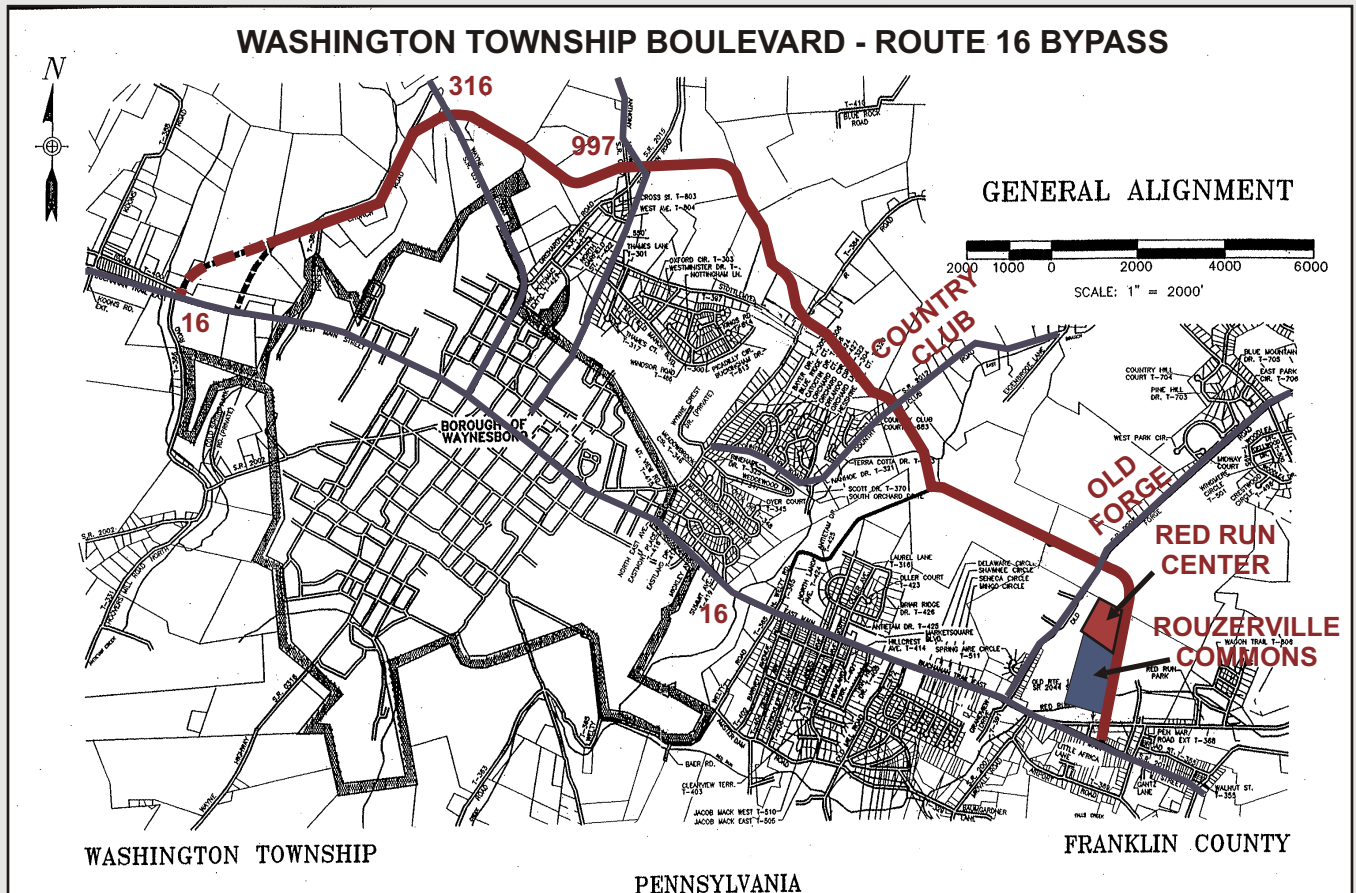
Lot 2, with nearly seven acres, offers sufficient space for approximately 50,000 square feet of retail space in whatever configuration is desired by the buyer. The artist's rendering above, and accompanying floorplan below, show a strip mall configuration with seven shops of 4,300 square feet each, and a central anchor store of 21,251 square feet. Lot 2 can be purchased fee simple, or structured as a build-to-suit long term lease.

Lot 3 provides 3.00 acres that are nearly ideal for a hotel development, and could be combined with lot 4, at the buyers discretion, to provide a total of 5.13 acres.



Washington Township Boulevard will provide dramatically increasing traffic in coming years to support commercial development. The Boulevard was designed as a Route 16 bypass around the traffic congestion of Main Street Waynesboro. Construction of the Boulevard will be complete to Country Club Road by 2010, to Route 997 by 2011, to Route 316 by 2014, and back to Route 16 on the west side of Waynesboro by 2018.

Completion to Route 997 will provide dramatically improved access to the Rouzerville Commons/Red Run Center commercial area for the Quincy, Mont Alto, Penn State, and wealthy Penn National region of the county.





Section 3- Market Demographics

The new Red Run Center is located in Rouzerville on Waynesboro's high-growth east side in southeastern Franklin County, Pennsylvania. Franklin County recorded a population during the 2010 census of 145,000. Nearby Adams County, Maryland recorded 102,000, Washington County, Maryland recorded 146,000, and Frederick County, Maryland 228,000, all three county lines being less than five miles from the site.

The combined population of Waynesboro and Washington Township is about 22,000. Nearby Antrim Township, Quincy Township, and Mont Alto Borough have a combined population of about 19,000. It is projected that family visitors, wedding guests, and other social events related to this population base of over 40,000, as well as that of nearby communities in Adams County and Washington County, would constitute a substantial source of revenue for a hotel, as well as other retail establishments.

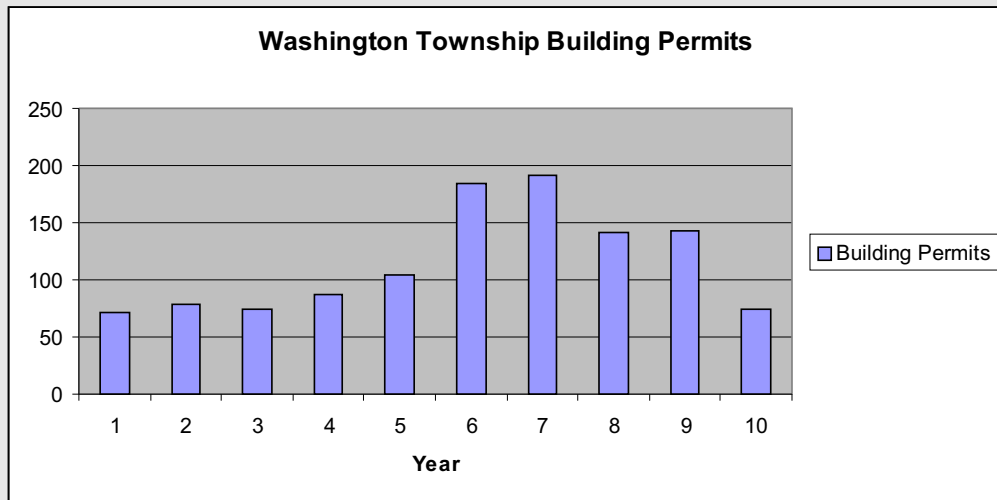
Rouzerville has witnessed the greatest commercial development activity in southern Franklin County in the last five years with the construction of Washington Township Boulevard which, when completed, will provide a traffic bypass around the north side of Waynesboro. Multiple new development projects have recently been completed including the Rouzerville Commons shopping center anchored by Lowe's and Walmart.

To the north lies the wealthiest and fastest growing residential region of southern Franklin County. The Waynesboro Country Club, and the high-end residential communities of Country Club Estates, Deerfield, Weatherstone, Longwood, Foxleigh, and Woodcrest are within two miles of the site.

Homes in these development can near one million dollars. Just several miles further north lies the rapidly growing residential golf community of Penn National Estates. The area has become a mecca for retired families escaping the higher home prices and taxes nearby Washington, DC and Frederick County, Maryland. Virtually all of the residents of these wealthy areas egress their enclaves for travel anywhere past the Washington Township Boulevard and Red Run Center.



This residential growth is reflected in the growth in building permits issued by the Washington Township between 1999 and 2008.



Local institutions having a significant impact on the local retail and hotel market include Penn State University, Mont Alto Campus with over 1,000 undergraduates, the Waynesboro Hospital, and the Pennsylvania Institute of Applied Health Sciences which hosts out of town students for courses in critical care and emergency medicine.

Business related travel is expected to have a major impact on the potential for hotel occupancy. Among existing large local industries that host visitors, including customers, vendors, and dealers, are the Grove hydraulic crane division of Manitowoc in nearby Shady Grove, and Frick Company in Waynesboro.



Major new area growth is expected to be fueled by Corporate Office Properties Trust in nearby Cascade, Maryland at the site of the previous Fort Ritchie Army base just seven miles from the proposed Best Western. COPT is an S&P MidCap 400 real estate investment trust that focuses on strategic customer relationships and specialized tenant requirements in the U.S. Government, Defense Information Technology and Data sectors.

The approximately 591 acre site contains a mix of office space, support buildings, residential units, recreational and woodland areas. COPT's proposed development plan includes 67 acres of historic area, 24 acres of lakes, 20 acres of community use, 79 acres of business development, 135 acres of residential development and 257 acres of woodland area. The Company plans to develop 1.7 million square feet of office space on the site and 673 residential units including a mix of apartments, duplexes, condominiums, townhomes and single family units. It is anticipated that Fort Ritchie will be developed over a 10 to 15 year time frame, with the intent of creating 4,500 jobs.

Specific Hotel Market Opportunities

Other local attractions that will have a more minor impact upon hotel occupancy include Ski Liberty in Fairfield, Pennsylvania, a 15 minute drive from the site, the Battle of Monterey Pass civil war battlefield on Blue Ridge Summit, and the nearby Appalachian Trail.

Competitive Environment

The hotel will open in a market with little local competition. The Days Inn in Waynesboro is a vintage 1960's building that recently lost their Best Western franchise. It is a low-end facility that does not meet contemporary standards of the hospitality industry, and to the best of our knowledge is not utilized by local businesses for guests.



Greencastle's lodging offerings are a similar story. Castle Green Inn and Castle Motel are both very old, small, budget motels, and the Econolodge, although newer, is also a budget facility with few amenities.

The Comfort Inn south of Greencastle on Route 11 is a larger budget motel with 71 rooms, but is also in excess of twenty five years old. It has not been renovated and for the most part it is fair to say that the interior design is not tasteful and falls below contemporary hospitality standards. The Comfort Inn does have a pizza restaurant, meeting room, and exercise facilities. None of the Greencastle motels have an indoor pool. All are dependent

upon budget-minded interstate highway travelers.

High quality, contemporary hotels are available in both Chambersburg and Hagerstown, with the nearest of these competitors being a 25 minute drive from the site.

Summary

The combination of ready access from four counties, growing retail concentration, increasing traffic counts, growing employment prospects, and immediate proximity to wealthy residential communities offers businesses locating in Red Run Center excellent opportunity for market growth.



Comfort Inn, Greencastle Guest Room