# U.S. DEPARTMENT OF LABOR'S MINE SAFETY HEALTH ADMINISTRATION

4499 APPALACHIAN HWY | PINEVILLE, WV 24874

OFFERING MEMORANDUM

*Colliers International Brokerage Company ("Broker") has been retained as the exclusive advisor and broker for this offering.*

*This Offering Memorandum has been prepared by Broker for use by a limited number of parties and does not purport to provide a necessarily accurate summary of the Property or any of the documents related thereto, nor does it purport to be all-inclusive or to contain all of the information which prospective Buyers may need or desire. All projections have been developed by Broker and designated sources and are based upon assumptions relating to the general economy, competition, and other factors beyond the control of the Seller and therefore are subject to variation. No representation is made by Broker or the Seller as to the accuracy or completeness of the information contained herein, and nothing contained herein shall be relied on as a promise or representation as to the future performance of the Property. Although the information contained herein is believed to be correct, the Seller and its employees disclaim any responsibility for inaccuracies and expect prospective purchasers to exercise independent due diligence in verifying all such information. Further, Broker, the Seller and its employees disclaim any and all liability for representations and warranties, expressed and implied, contained in or omitted from the Offering Memorandum or any other written or oral communication transmitted or made available to the Buyer. The Offering Memorandum does not constitute a representation that there has been no change in the business or affairs of the Property or the Owner since the date of preparation of the Offering Memorandum. Analysis and verification of the information contained in the Offering Memorandum are solely the responsibility of the prospective Buyer. Additional information and an opportunity to inspect the Property will be made available upon written request to interested and qualified prospective Buyers.*

*By accepting the Offering Memorandum, you agree to indemnify, defend, protect and hold Seller and Broker and any affiliate of Seller or Broker harmless from and against any and all claims, damages, demands, liabilities, losses, costs or expenses (including reasonable attorney's fees, collectively "Claims") arising, directly or indirectly from any actions or omissions of Buyer, its employees, officers, directors or agents.*

*Buyer shall indemnify and hold Seller and Broker harmless from and against any claims, causes of action or liabilities, including, without limitation, reasonable attorney's fees and court costs which may be incurred with respect to any claims for other real estate commissions, broker's fees or finder's fees in relation to or in connection with the Property to the extent claimed, through or under Seller.*

*The Seller and Broker each expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers regarding the Property and/or to terminate discussions with any entity at any time with or without notice. The Seller shall have no legal commitment or obligations to any entity reviewing the Offering Memorandum or making an offer to purchase the Property unless a written agreement for the purchase of the Property has been fully executed, delivered, and approved by the Seller and its legal counsel, and any conditions to the Seller's obligation thereunder have been satisfied or waived.*

*The Offering Memorandum and the contents, except such information which is a matter of public record or is provided in sources available to the public, are of a confidential nature. By accepting the Offering Memorandum, you agree that you will hold and treat it in the strictest confidence, that you will not photocopy or duplicate it, that you will not disclose the Offering Memorandum or any of the contents to any other entity (except to outside advisors retained by you, if necessary, for your determination of whether or not to make an offer and from whom you have obtained an agreement of confidentiality) without prior written authorization of the Seller or Broker, and that you will not use the Offering Memorandum or any of the contents in any fashion or manner detrimental to the interest of the Seller or Broker.*

*No employee of seller or at the Subject Property is to be contacted without the written approval of the listing agents and doing so would be a violation of this confidentiality agreement.*

*Broker and their prospective buyers agree not to contact the tenants, their employees or customers of any business on the Property without prior permission from the Landlord.*

Colliers
INTERNATIONAL

**U.S. DEPARTMENT OF LABOR'S MINE SAFETY HEALTH ADMINISTRATION**

## 4499 APPALACHIAN HWY | PINEVILLE, WV 24874

### EXCLUSIVE INVESTMENT TEAM


**JOHN LESINSKI** ***(Broker of Record)***
*Executive Vice President | Virginia*
+1 540 671 5721
john.lesinski@colliers.com

**GEOFF FICKE**
*Executive Vice President*
+1 972 759 7814
geoff.ficke@colliers.com

**ZACK FICKE**
*Vice President*
+1 972 759 7854
zack.ficke@colliers.com

**DEBRA VANDER WEIT**
*Senior Associate*
+1 847 987 1265
debra.vanderweit@colliers.com


Colliers INTERNATIONAL

# U.S. DEPARTMENT OF LABOR'S MINE SAFETY HEALTH ADMINISTRATION

**4499 APPALACHIAN HIGHWAY | PINEVILLE, WV 24874**

Colliers International is pleased to present an investment opportunity, for the Mine Safety Health Administration (MSHA) office located at 4499 Appalachian Highway, Pineville, West Virginia. This 2016 build-to-suit for MSHA is the newly created, critical mission District 12 Office that's a consolidation of three field offices and reallocation of District 4 due to the increase in coal production in southern West Virginia. District 12 covers Cabell, Lincoln, Logan, McDowell, Mercer, Mingo, Wayne, and Wyoming counties coal mines. It is also home to the Logan and Pineville field offices.

CONSOL Energy has commenced the development of a new metallurgic coal mine in Wyoming County that is expected to produce more than 600+ thousand tons per year of high-quality, low-vol coking coal production. The mine is projected to be in full production in 2021 and create new jobs in the area. Global steel production is dependent on coal, as 70% of the steel produced uses coal, of which metallurgical coal is a vital ingredient.

The U.S. Department of labor's MSHA helps to reduce deaths, injuries, and illnesses in the nation's mines with a variety of activities and programs. The Agency develops and enforces safety and health rules for all U.S. mines, and provides technical, educational and other types of assistance to mine operators. MSHA works cooperatively with industry, labor, and other Federal and state agencies to improve safety and health conditions for all miners in the United States.

.

## INVESTMENT HIGHLIGHTS:

- First Generation GSA Firm-Term Lease to MSHA through March 2026
- Build-to-suit in 2016
- U.S. Government Guarantee – "AA+" Credit Rating by Standard & Poor's
- Mission Critical Facility District 12 Office Located in Wyoming County
- Attractive 7.75% Cash-on-Cash Return


PINEVILLE
WEST VIRGINA
WYOMING COUNTY METRO AREA
POPULATION (2019)
21,248+

# DEMOGRAPHICS

| | 1 MILES | 3 MILES | 5 MILES |
|---|---|---|---|
| **POPULATION** | | | |
| 2024 Projection | 195 | 1,980 | 5,739 |
| 2019 Estimate | 200 | 2,029 | 5,883 |
| 2010 Census | 199 | 2,021 | 5,860 |
| 2000 Census | 237 | 2,351 | 6,515 |
| **INCOME** | | | |
| 2019 Average Household | $53,930 | $52,917 | $52,054 |
| 2019 Median Household | $40,712 | $39,105 | $37,058 |
| 2019 Per Capita | $23,012 | $22,490 | $21,592 |
| **HOUSEHOLDS** | | | |
| 2024 Projection | 85 | 843 | 2,394 |
| 2019 Estimate | 87 | 867 | 2,462 |
| 2010 Census | 87 | 867 | 2,462 |
| 2000 Census | 104 | 1,009 | 2,734 |
| **HOME VALUE** | | | |
| 2019 Median Home Value | $87,500 | $88,453 | $79,872 |
| **EMPLOYMENT** | | | |
| 2019 Government (SIC91-97) Businesses | 3 | 8 | 22 |
| 2019 Government (SIC91-97) Employees | 79 | 149 | 289 |
| 2019 Total Daytime Population | 366 | 1,978 | 6,375 |
| **2019 UNEMPLOYMENT RATE** | | | |
| | 6.6% | 5.8% | 8.5% |
| **RACE & ETHNICITY** | | | |
| 2019 White Population (%) | 98.00% | 98.18% | 98.06% |
| 2019 Hispanic Population (%) | 0.50% | 0.64% | 0.71% |
| 2019 Black/African American Population (%) | 0.50% | 0.39% | 0.42% |
| 2019 Asian Population (%) | 0.00% | 0.15% | 0.10% |

## PINEVILLE OVERVIEW *(5 MILE RADIUS)*

### POPULATION

In the identified area, the current year population is 5,883. In 2010, the Census count in the area was 5,860. The rate of change since 2010 was 0.04% annually. The five-year projection for the population in the area is 5,739 representing a change of -0.49% annually from 2019 to 2024. Currently, the population is 49.5% male and 50.4% female.

### HOUSEHOLDS

The household count in this area has changed from 2,462 in 2010 to 2,462 in the current year, a change of 0.00% annually. The five-year projection of households is 2,394, a change of -0.56% annually from the current year total. Average household size is currently 2.38, compared to 2.37 in the year 2010. The number of families in the current year is 1,713 in the specified area.

### INCOME

Current median household income is $37,058 in the area, compared to $60,548 for all U.S. households. Median household income is projected to be $39,717 in five years, compared to $69,180 for all U.S. households.

Current average household income is $52,054 in this area, compared to $87,398 for all U.S. households. Average household income is projected to be $55,718 in five years, compared to $99,638 for all U.S. households.

Current per capita income is $21,592 in the area, compared to the U.S. per capita income of $33,028. The per capita income is projected to be $23,038 in five years, compared to $36,530 for all U.S. households.

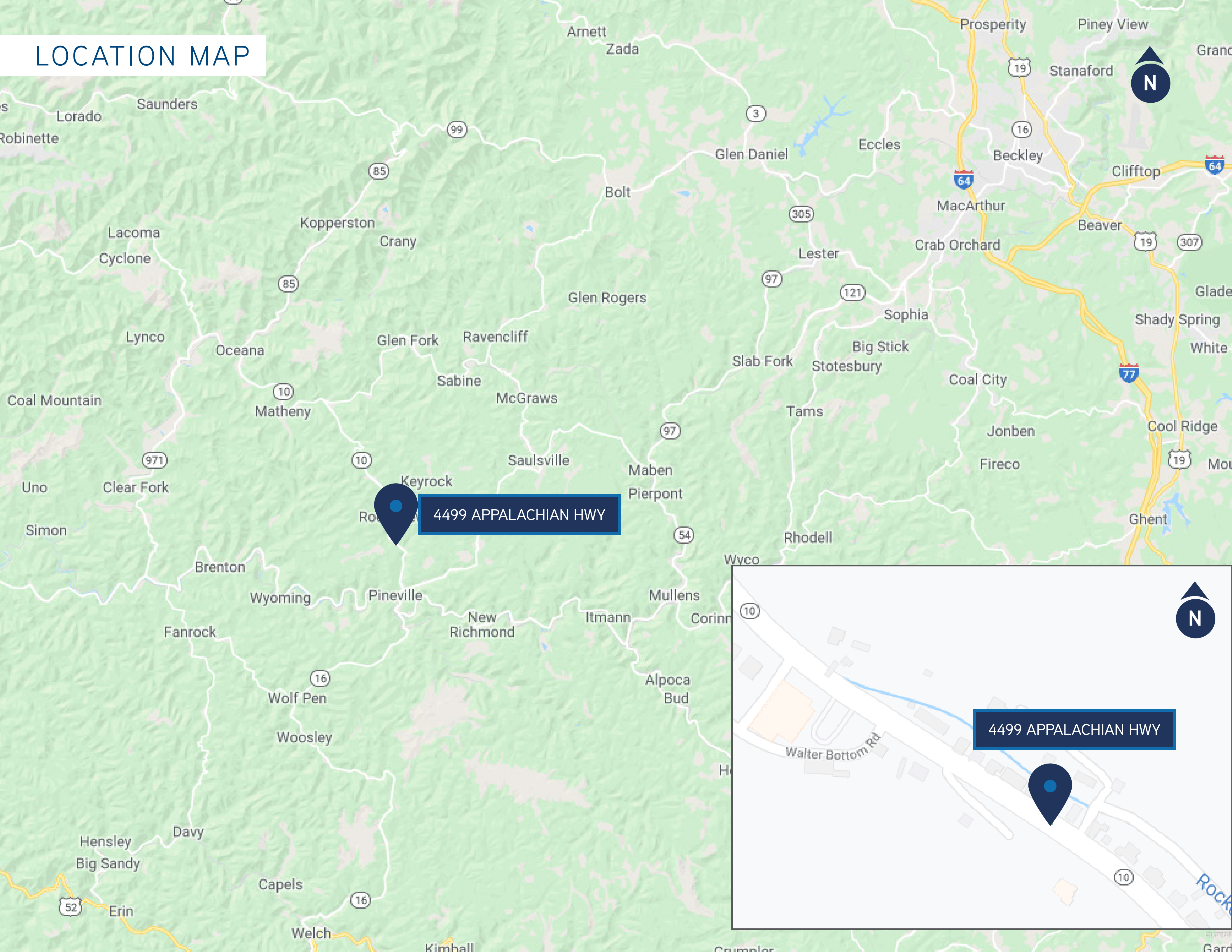
### RACE AND ETHNICITY

Persons of Hispanic origin represent 0.7% of the population in the identified area compared to 18.6% of the U.S. population. Persons of Hispanic Origin may be of any race. The Diversity Index, which measures the probability that two people from the same area will be from different race/ethnic groups, is 5.2 in the identified area, compared to 64.8 for the U.S. as a whole.

### HOUSING

Currently, 71.8% of the 2,742 housing units in the area are owner occupied; 18.0%, renter occupied; and 10.2% are vacant. Currently, in the U.S., 56.4% of the housing units in the area are owner occupied; 32.4% are renter occupied; and 11.2% are vacant. In 2010, there were 2,735 housing units in the area - 72.2% owner occupied, 17.8% renter occupied, and 10.0% vacant. The annual rate of change in housing units since 2010 is 0.11%. Median home value in the area is $79,872, compared to a median home value of $234,154 for the U.S. In five years, median value is projected to change by 1.46% annually to $85,865.

# LOCATION MAP



# OPERATING DATA

**4499 APPALACHIAN HIGHWAY | PINEVILLE, WV 24874**

| TENANT | SQUARE FEET | % BLDG SHARE | LEASE COMMENCEMENT | LEASE EXPIRATION | RENEWAL OPTION* | ANNUAL RENT PSF | TOTAL RENT PER MONTH | TOTAL RENT PER YEAR | LEASE TYPE |
|---|---|---|---|---|---|---|---|---|---|
| **MSHA** | 20,781 | 100% | 4/1/2016 | 3/31/2026 | One Five-year Option | $25.75 | $44,592 | $535,098 | Modified Gross |

**10% rent escalation in the renewal option*

| INCOME | PRO FORMA | PER SF |
|---|---|---|
| **Shell Rent** | **$300,078** | **$14.44** |
| Operating Expenses | $120,614 | $5.80 |
| Tenant Improvement | $110,407 | $5.31 |
| Building Specific Costs | $3,999 | $0.19 |
| Effective Gross Revenue | $535,098 | $25.75 |

| OPERATING EXPENSES | PRO FORMA | PER SF |
|---|---|---|
| Janitorial Services | $23,358 | $1.12 |
| Real Estate Taxes | $29,855 | $1.44 |
| Utilities | $22,360 | $1.08 |
| Insurance | $5,081 | $0.24 |
| Snow Removal | $1,709 | $0.08 |
| Trash Pickup | $3,240 | $0.16 |
| Maintenance and Repair | $1,427 | $0.07 |
| Management Fees | $13,188 | $0.63 |
| Total Expenses | **$100,218** | **$4.82** |
| Expenses as % of EGR | **18.7%** | |
| Net Operating Income | **$434,880** | **$20.93** |

# PRICING DETAILS

**4499 APPALACHIAN HIGHWAY | PINEVILLE, WV 24874**

| SUMMARY | |
|---|---|
| Total Price | $5,611,361 |
| Down Payment | $5,611,361 |
| Down Payment % | 100% |
| Number of Suites | 1 |
| Price Per SqFt | $270.02 |
| Rentable Built Area (RBA) | 20,781 SF |
| Year Built/Renovated | 2016 |
| Occupancy | 100.00% |

| INCOME | | PRO FORMA |
|---|---|---|
| **Shell Rent** | | **$300,078** |
| Operating costs | | $120,614 |
| Tenant Improvement | | $110,407 |
| Building Specific Costs | | $3,999 |
| Less: Operating Expenses | *18.7%* | $100,218 |
| Net Operating Income | | $434,880 |
| Cash Flow | | $434,880 |
| Net Cash Flow After Debt Service | *7.75%* | $434,880 |
| Total Return | *7.75%* | **$434,880** |

| RETURNS | PRO FORMA |
|---|---|
| CAP Rate | **7.75%** |
| Cash-on-Cash | **7.75%** |

| OPERATING EXPENSES | PRO FORMA |
|---|---|
| Janitorial Services | $23,358 |
| Real Estate Taxes | $29,855 |
| Utilities | $22,360 |
| Insurance | $5,081 |
| Snow Removal | $1,709 |
| Trash Pickup | $3,240 |
| Maintenance and Repair | $1,427 |
| Management Fees | $13,188 |
| Total Expenses | **$100,218** |
| Expenses/Suite | **$100,218** |
| Expenses/SF | **$4.82** |

**COLLIERS INTERNATIONAL | DALLAS**
1717 McKinney Avenue, Suite 900
Dallas, Texas 75202

www.colliers.com



## EXCLUSIVE INVESTMENT TEAM

**JOHN LESINSKI** ***(Broker of Record)***
*Executive Vice President | Virginia*
+1 540 671 5721
john.lesinski@colliers.com

**GEOFF FICKE**
*Executive Vice President*
+1 972 759 7814
geoff.ficke@colliers.com

**ZACK FICKE**
*Vice President*
+1 972 759 7854
zack.ficke@colliers.com

**DEBRA VANDER WEIT**
**Senior** *Associate*
+1 847 987 1265
debra.vanderweit@colliers.com

**YUWEN CAO**
*Sr. Financial Analyst*
+1 972 759 7850
yuwen.cao@colliers.com

**SYDNEY GONZALEZ**
*Sr. Client Services Specialist*
+1 972 759 7840
sydney.gonzalez@colliers.com

**SWARREN O'BARR**
*Sr. Client Services Coordinator*
+1 972 759 7854
swarren.obarr@colliers.com