



OFFERING MEMORANDUM

ERIE COMMUNITY CORRECTIONS CENTER

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES

ERIE COMMUNITY CORRECTIONS CENTER

137 W 2ND ST | ERIE, PA 16503

EXCLUSIVELY LISTED BY



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MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES

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INVESTMENT HIGHLIGHTS

OVERVIEW

- **INVESTMENT GRADE CREDIT TENANT** — Commonwealth of Pennsylvania, Department of Corrections has a AA credit rating from Fitch and Aa3 credit rating from Moody's.
- **LONG-TERM OCCUPANCY** — The tenant has operated at this facility for over 20 years and recently signed a long-term 15-year lease extension showing their strong commitment to this location.
- **INFLATION RESISTANT** — 2.50% annual rent increases provide a great hedge against inflation.
- **ADDITIONAL PARKING LOT INCOME** — UPMC Hamot Medical Center leased and maintains a majority portion of the parking lot since 2004 and recently extended their lease through 2029.
- **ADDITIONAL LAUNDRY INCOME** — The landlord receives income from laundry services at the property

TENANT HIGHLIGHTS

- **THE COMMONWEALTH OF PENNSYLVANIA DEPARTMENT OF CORRECTIONS (DOC)** — Bureau of Community Corrections (BCC) was established in the early 1970s to operate community corrections centers for actively serving inmates who are nearing their release from state prison.
- **ERIE COMMUNITY CORRECTIONS CENTER** — A state-operated correction facility aiming to provide a safe and disciplined environment while focusing on reformation programs to aid in the transition to life after incarceration.
- **ERIE COMMUNITY CORRECTIONS CENTER** — One of 12 community correction centers in the state of Pennsylvania. The nearest CCC facility is over 77 miles away.
- **OVER 140,000 PEOPLE IN A 5-MILE RADIUS** — Located in downtown Erie, PA.
- **BUDGET FRIENDLY** — Studies have found that Pennsylvania's Community Corrections Centers save the PA Department of Corrections money annually by reducing the number of repeat offenders.

LOCATION HIGHLIGHTS

- **ERIE, PA IS THE 4TH LARGEST CITY IN THE STATE OF PENNSYLVANIA** — Serving a regional population of over ±300,000 people.
- **LOCATED IN DOWNTOWN ERIE, PA** — With over ±140,000 people in a 5-mile radius and 3-minutes from The Warner Theatre, UPMC Park, and Erie Insurance Arena.
- **LOCATED NEAR UPMC HAMOT HOSPITAL** — With 445 beds, 650+ physicians, and over 4,000 employees. In 2021 UPMC Hamot completed a new \$111 million 7-story patient tower with a 64-bed ICU, patient trauma facilities, and expanded imaging department.
- **WALKING DISTANCE TO ERIE INSURANCE HEADQUARTERS** — A Fortune 500 company employing 6,500+ employees with 3,400+ employees based in Erie Headquarters. In 2021 Erie Insurance completed a \$147 million 364,000 square-foot addition to its campus.
- **WALKING DISTANCE TO THE LAKE ERIE BAYFRONT** — Which includes The Bayfront Convention Center, Three Upscale Hotels, The Erie Maritime Museum, Multiple Luxury Restaurants, and the Presque Isle Yacht Club.
- **OVER 6.2 MILLION ANNUAL VISITORS** — That are drawn annually to Presque Isle State Park located in Erie PA.



ASSET OVERVIEW

ERIE COMMUNITY CORRECTIONS CENTER | ERIE, PA

PROPERTY OVERVIEW

Property Description	
Property Name	Erie Community Corrections Center ("Erie CCC")
Property Address	137 W 2nd St, Erie, PA 16507
Assessor's Parcel Number	17-040-006.0-212.00
Number of Stories	Three
Year Built	1972
Year Renovated for Erie CCC	2003
Gross Leasable Area	±44,834 SF
Number of Rooms	49
Resident Capacity	150
Lot Size	±1.40 AC (±60,984 SF)
Parking	74 Surface Spaces
Parking Ratio	1.66:1,000
Topography	Level

Tenant Summary

Tenant Name	Commonwealth of Pennsylvania, Department of Corrections
Credit Rating	AA (Fitch) Aa3 (Moody's)
Lease Type	GSA - Gross Lease
GLA - Actual	±44,834 SF
GLA - Per Lease	±38,316 SF
Lease Commencement	November 1, 2003
Lease Expiration	March 14, 2039
Rent Increases	2.5% Annual
Number of PA Community Corrections Centers	12

Commonwealth of PA, Department of Corrections — Base Rent Schedule

Period	Changes on	Monthly Rent	Annual Rent	Rent/SF	Increase
Base	Current	\$44,862	\$538,340	\$14.05	-
-	3/15/2025	\$45,983	\$551,798	\$14.40	2.50%
-	3/15/2026	\$47,133	\$565,593	\$14.76	2.50%
-	3/15/2027	\$48,311	\$579,733	\$15.13	2.50%
-	3/15/2028	\$49,519	\$594,226	\$15.51	2.50%
-	3/15/2029	\$50,757	\$609,082	\$15.90	2.50%
-	3/15/2030	\$52,026	\$624,309	\$16.29	2.50%
-	3/15/2031	\$53,326	\$639,917	\$16.70	2.50%
-	3/15/2032	\$54,660	\$655,915	\$17.12	2.50%
-	3/15/2033	\$56,026	\$672,313	\$17.55	2.50%
-	3/15/2034	\$57,427	\$689,120	\$17.99	2.50%
-	3/15/2035	\$58,862	\$706,348	\$18.43	2.50%
-	3/15/2036	\$60,334	\$724,007	\$18.90	2.50%
-	3/15/2037	\$61,842	\$742,107	\$19.37	2.50%
-	3/15/2038	\$63,388	\$760,660	\$19.85	2.50%
Option 1	3/15/2039	\$64,973	\$779,677	\$20.35	2.50%
-	3/15/2040	\$66,597	\$799,168	\$20.86	2.50%
-	3/15/2041	\$68,262	\$819,148	\$21.38	2.50%
-	3/15/2042	\$69,969	\$839,626	\$21.91	2.50%
-	3/15/2043	\$71,718	\$860,617	\$22.46	2.50%
Option 2	3/15/2044	\$73,511	\$882,132	\$23.02	2.50%
-	3/15/2045	\$75,349	\$904,186	\$23.60	2.50%
-	3/15/2046	\$77,233	\$926,790	\$24.19	2.50%
-	3/15/2047	\$79,163	\$949,960	\$24.79	2.50%
-	3/15/2048	\$81,142	\$973,709	\$25.41	2.50%

LEASE ABSTRACTS

Lease Abstract – Erie Community Corrections Center

Lease Effective Date: 9/11/2003

Lessee: The Commonwealth of Pennsylvania, Department of Corrections, acting through the Department of General Services

GLA Per Lease: ±38,316 SF + 12 Parking Spaces

Lease Commencement Date: 10/1/2003

Lease Expiration Date: 3/14/2039

Original Lease Term: 10-Years from 11/15/2003 – 11/14/2013

Original Base Rent: \$326,069.16 per year; \$27,172.43 per month; \$8.51 per SF

Original Additional Rent: Year-1 Estimate was \$2.08/SF to cover real estate taxes and insurance.

- Increased annually by the lesser of CPI or 5%.

Original Option Periods: Two (5-Year)

- 1st Renewal Option: 11/15/2013 – 11/14/2018 at \$9.40/SF

- 2nd Renewal Option: 11/15/2018 – 11/14/2023 at \$9.75/SF

1st Short-Term Lease Extension: Three (3) Months; 11/15/2023 – 2/14/2024 at \$9.75/SF

2nd Short-Term Lease Extension: One (1) Month; 2/15/2024 – 3/14/2024

- Base Rent Increased to \$14.05/SF; Additional Rent Increased to \$3.45/SF

Amended Lease Term: 15 years from 3/15/2024 – 3/14/2039

Amended Base Rent: \$538,339.80 per year; \$44,861.65 per month; \$14.05 per SF

- Increased annually by 2.5%

Amended Additional Rent: \$3.45/SF to cover real estate taxes and insurance

- Increased annually by the lesser of CPI or 5%.

Amended Option Periods: Two (5) Year

- 1st Renewal Option: 3/15/2039 – 3/14/2044 at \$20.35/SF increased 2.5% annually

- 2nd Renewal Option: 3/15/2044 – 3/15/2049 at 23.03/SF increased 2.5% annually

Cancelation: If restricted by state law or budget/funding, lessee can cancel the lease with 1-months' written notice.

Landlord Responsibility and Maintenance:

- All property taxes

- Insurance including workers comp, general liability, and property coverage

- Upkeep of exterior including parking lot

- Upkeep of all internal building systems including HVAC, electrical, lighting, plumbing, elevators, escalators, lifts

- Lessor to provide, install, and replace all lighting

- Fire alarms, sprinkler systems, generators, fire extinguishers, and emergency lighting are to be inspected and tested annually at the lessee's request

- Service and inspection of elevators and boilers periodically

- Provide a local superintendent or property manager

- Repaint the interior premises every 5 years unless Lessee waives this requirement

LEASE ABSTRACTS

Lease Abstract – UPMC Hamot Parking

Note: UPMC/Hamot Medical Center has been leasing parking of the building since 2004.

Current Lease Effective Date: 12/3/2018

Lessee: UPMC/Hamot Medical Center

GLA Per Lease: 48 Parking Spaces located at 137 West 2nd Street

Lease Commencement Date: 5/1/2019

Lease Expiration Date: 4/30/2029

Rent Per Lease: \$47.25 per space per month X 48 spaces = \$2,268.00 per month for first (1st) lease year, increased each Lease year by two percent (2%) annually

Current Rent: \$2,268.00 per month

Partial Cancellation: Lessor maintains the right to modify the agreement reducing the number of spaces at any time with 30 days written notice to Lessee up to and including reducing the number of spaces to zero (0).

Permitted Use: Parking of motor vehicles

Lessee's Obligations: Snow and ice removal, repairs and replacement of parking stops, sweeping, landscaping the perimeter areas of the parking lot including grass cutting and any damage to the Premises or adjacent property by Tenant, its contractors, agents, servants, or employees.

Lessor's Obligations: All parking lot lighting, patching, sealing, restriping, repaving, and any concrete work as necessary including repairs and replacement of any curbs and sidewalks.

Lessor's Insurance: Commercial general liability insurance (\$1,000,000 per occurrence)

Lessee's Insurance: Commercial general liability insurance (\$3,000,000 per occurrence; deductible not to exceed \$55,000) and name Lessor as additional insured.

Termination: The Landlord may terminate with 120 days' written notice.

Lease Abstract – Continental Laundry

Lease Effective Date: 4/7/2010

Lessee: Continental Laundry Systems Incorporated

GLA Per Lease: Laundry Room located at 137 West 2nd Street

Lease Commencement Date: 10/15/2010

Lease Expiration Date: 10/14/2018

Lease Extension: This lease shall continue for subsequent terms of 1-year following the original term and extension unless terminated prior. Lessor has the right to terminate this agreement at any time if Erie CCC or Lessor deems it interferes with the lease between Erie CCC and Lessor.

Fee: Lessee shall pay 40% of the monthly collection to the Department of Corrections of the Commonwealth of Pennsylvania (or as designated by the Lessor) and 15% of the monthly collections to the Lessor (or another party as designated by the Lessor).

Termination: Upon termination of the lease the Lessee shall remove its equipment at its sole cost and expense and shall return any area of the building used for or damaged by the laundry services to be in good repair and condition.



FINANCIAL OVERVIEW

ERIE COMMUNITY CORRECTIONS CENTER | ERIE, PA

VALUATION SUMMARY

PRICING SUMMARY		LIST PRICE
Sale Price		\$6,511,000
Price PSF (\$)		\$145
RETURNS SUMMARY		LIST PRICE
Proforma Cap Rate		7.66%
Proforma Cash-on-Cash		6.18%
Return on Capital		7.66%
Debt Yield		11.79%
CAPITAL SUMMARY		LIST PRICE
Required Equity		\$2,278,850
Debt		\$4,232,150
Capital Reserves		\$22,990
DEBT SUMMARY		LIST PRICE
LTV		65%
Loan Amount		\$4,232,150
Interest Rate		6.25%
Amortization		25 Years
Term		10 Years
Monthly Debt Service		\$27,918
Principal		\$5,876
Interest		\$22,042
Annual Debt Service		\$335,018
Principal		\$70,509
Interest		\$264,509
Proforma Net Cash Flow		\$140,945
DSCR		1.49x
PROPERTY INFORMATION		
Year 1 NOI	\$498,953	\$13.02 PSF
Current Occupancy	38,316 SF	100.0%
Gross Leasable Area	44,834 SF	100.0%

FINANCIAL OVERVIEW (AS-IS)	YEAR 1	
INCOME	TOTAL	PSF
Occupied Space	\$549,555	\$14.34
Parking Revenue	\$27,216	\$0.71
Laundry Revenue	\$1,700	\$0.04
Gross Potential Rent	\$578,471	\$15.10
Total Expense Reimbursements	\$132,190	\$3.45
Gross Potential Income	\$710,661	\$18.55
Vacancy Factor (0.0% of GPI)	\$0	\$0.00
Effective Gross Revenue	\$710,661	\$18.55
EXPENSES		
Real Estate Taxes	\$93,405	\$2.44
Insurance	\$14,300	\$0.37
Maintenance	\$68,470	\$1.79
Management Fee (5.0% of EGR)	\$35,533	\$0.93
Total Operating Expenses	\$211,708	\$5.53
Net Operating Income	\$498,953	\$13.02



10 YEAR CASH FLOW MODEL

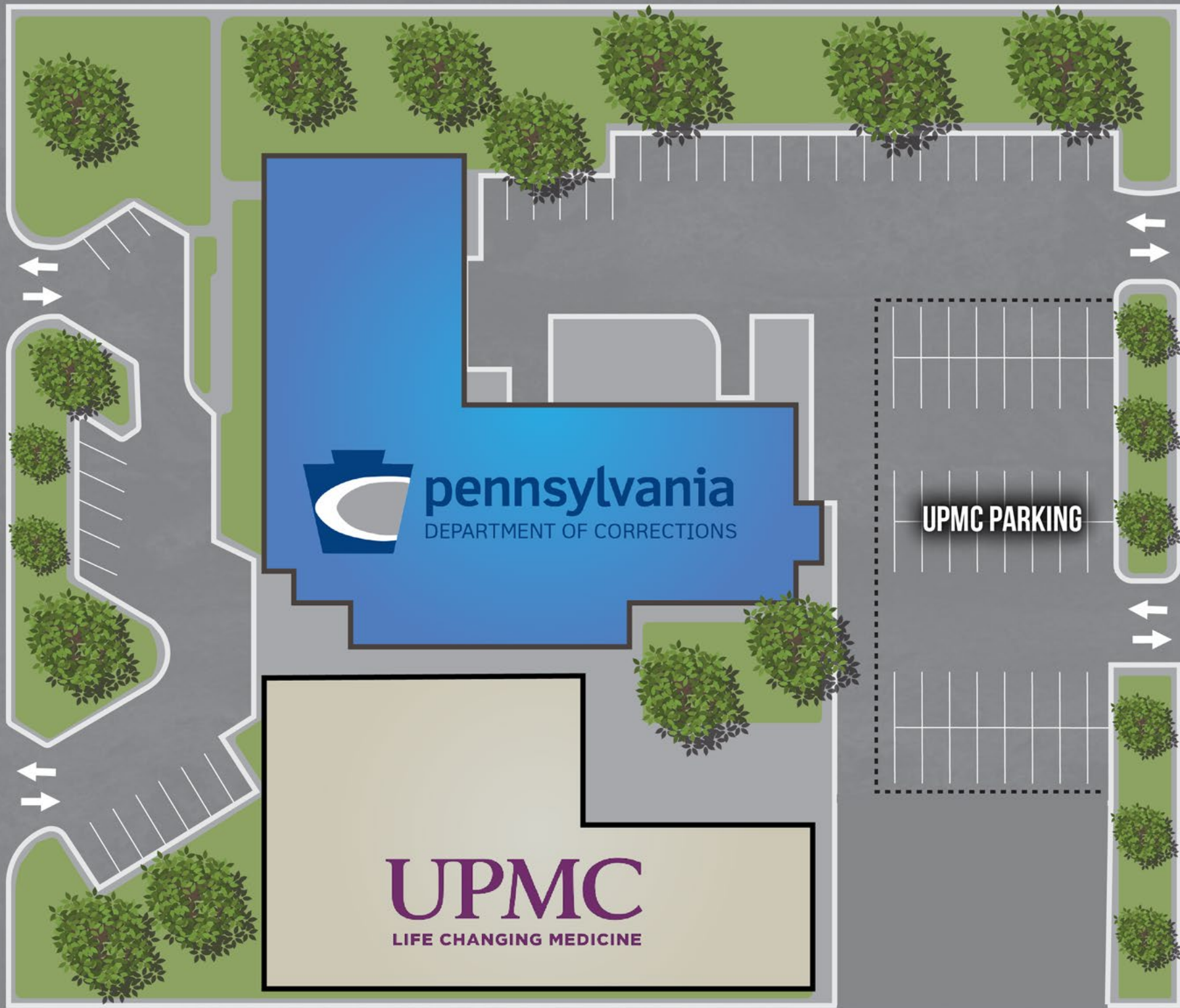
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	YEAR 11
INCOME											
Rental Income	\$549,555	\$563,294	\$577,376	\$591,811	\$606,606	\$621,771	\$637,316	\$653,248	\$669,580	\$686,319	\$703,477
Reimbursement Revenue	\$132,190	\$136,156	\$140,241	\$144,448	\$148,781	\$153,245	\$157,842	\$162,577	\$167,455	\$172,478	\$177,653
Parking Revenue	\$27,216	\$27,760	\$28,316	\$28,882	\$29,459	\$30,049	\$30,650	\$31,263	\$31,888	\$32,526	\$33,176
Laundry Revenue	\$1,700	\$1,751	\$1,804	\$1,858	\$1,913	\$1,971	\$2,030	\$2,091	\$2,154	\$2,218	\$2,285
Effective Gross Revenue	\$710,661	\$728,961	\$747,737	\$766,999	\$786,759	\$807,036	\$827,838	\$849,179	\$871,077	\$893,541	\$916,591
EXPENSES											
Real Estate Taxes	\$93,405	\$96,207	\$99,093	\$102,066	\$105,128	\$108,282	\$111,530	\$114,876	\$118,323	\$121,872	\$125,529
Insurance	\$14,300	\$14,729	\$15,171	\$15,626	\$16,095	\$16,578	\$17,075	\$17,587	\$18,115	\$18,658	\$19,218
Maintenance	\$68,470	\$70,524	\$72,640	\$74,819	\$77,064	\$79,375	\$81,757	\$84,209	\$86,736	\$89,338	\$92,018
Property Management Fee	\$35,533	\$36,448	\$37,387	\$38,350	\$39,338	\$40,352	\$41,392	\$42,459	\$43,554	\$44,677	\$45,830
Total Operating Expense	\$211,708	\$217,908	\$224,291	\$230,861	\$237,625	\$244,587	\$251,754	\$259,131	\$266,728	\$274,545	\$282,595
NET OPERATING INCOME	\$498,953	\$511,053	\$523,446	\$536,138	\$549,134	\$562,449	\$576,084	\$590,048	\$604,349	\$618,996	\$633,996
<i>Capital Reserves</i>	\$22,990	\$23,679	\$24,390	\$25,121	\$25,875	\$26,651	\$27,451	\$28,274	\$29,123	\$29,996	-
Unlevered Cash Flow	\$475,963	\$487,374	\$499,056	\$511,017	\$523,259	\$535,798	\$548,633	\$561,774	\$575,227	\$589,000	-
Interest Payment	(\$262,454)	(\$257,787)	(\$252,819)	(\$247,532)	(\$241,904)	(\$235,915)	(\$229,541)	(\$222,756)	(\$215,535)	(\$207,850)	-
Debt Payment	(\$72,564)	(\$77,232)	(\$82,199)	(\$87,487)	(\$93,114)	(\$99,103)	(\$105,478)	(\$112,262)	(\$119,483)	(\$127,168)	-
Levered Cash Flow	\$140,945	\$152,355	\$164,038	\$175,998	\$188,241	\$200,780	\$213,615	\$226,755	\$240,208	\$253,981	-

Assumptions:

- Analysis Period
 - Commencement Date - January 1, 2025
 - End Date - December 31, 2024
 - Term - 10 Years
- Vacancy & Credit Loss - 0.00%
- General Inflation - 3.00%
- Management Fee (% of EGR) - 5.00%
- Capital Reserves - \$0.60
- Operating Expense Source - 2024 Budget
- Property Tax Source - 2024 Budget

SITE PLAN

W 2ND ST



UPMC PARKING

UPMC
LIFE CHANGING MEDICINE

pennsylvania
DEPARTMENT OF CORRECTIONS

W 3RD ST



W 2ND ST

SHERATON
Erie Bayfront Hotel

BAYFRONT CONVENTION CENTER
ERIE, PENNSYLVANIA

Hampton
by HILTON

ERIE MARITIME MUSEUM

UPMC HOSPITAL

COURTYARD
Marriott



ENCOMPASS HEALTH REHABILITATION HOSPITAL OF ERIE

W BAYFRONT PKWY ± 16,200 VPD

120,000 SF CLASS A OFFICE BUILDING

PARKING GARAGE

UPMC HOSPITAL PARKING

70,000 SF OFFICE BUILDING

UPMC PARKING

135,000 SF MEDICAL OFFICE

UPMC SURGERY CENTER



SUBJECT PROPERTY

ERIE DOWNTOWN PARTNERSHIP

132,000 SF MEDICAL OFFICE

expERIENCE CHILDREN'S MUSEUM
Create. Explore. Imagine. Play!

Erie Insurance

BLACKBURN'S
DOVE Medical Equipment & Supplies

UPMC

A

Erie Art Museum

SUBWAY

McCarty PRINTING
Established 1916

GANNON UNIVERSITY
3,289 STUDENTS

ERIE COUNTY COURTHOUSE

ERIE CITY CENTER

KinderCare
LEARNING CENTERS

First National Bank

ERIE INSURANCE ARENA

BAYFRONT CONVENTION CENTER
1100 FISHKILL BLVD

PRESQUE ISLAND YACHT CLUB

Hampton
BY MILTON

ERIE MARITIME MUSEUM

W 2ND ST

COURTYARD
Marriott

SHERATON
Erie Bayfront Hotel

W BAYFRONT PKWY + 16,200 VPD

UPMC HOSPITAL

ENCOMPASS HEALTH REHABILITATION HOSPITAL OF ERIE

FAMILY DOLLAR **LIBERTY TAX**
FINE WINE & GOOD SPIRITS

SWANSON Erie Corporation

SUBJECT PROPERTY

120,000 SF CLASS A OFFICE BUILDING

UPMC SURGERY CENTER

70,000 SF OFFICE BUILDING
135,000 SF MEDICAL OFFICE
132,000 SF MEDICAL OFFICE

ERIE DOWNTOWN PARTNERSHIP

Erie Art Museum **expERIENCE CHILDREN'S MUSEUM**
Create. Explore. Imagine. Play.

Erie Insurance

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814-340-0178

GANNON UNIVERSITY
3,289 STUDENTS

ERIE COUNTY COURTHOUSE

SUBWAY
ERIE CITY CENTER

First National Bank

ERIE INSURANCE ARENA

PLATINUM
COLLISION & AUTOBODY

ERIE COUNTY PRISON

WOODCO
BOSTON STORE

DOLLAR GENERAL

boost mobile

UPMC PARK

CATHEDRAL PREP SCHOOL
469 STUDENTS

McDonald's
GANNON UNIVERSITY

INFINITE erie

St. Martin Center

AMERICAN TINNING & GALVANIZING COMPANY

Select MEDICAL

WARNER THEATRE
STAGE @ THE WARNER

TACO BELL

ROG'S INC.
Rigging • Crane Service

Erie Specialty Products

FBO FITNESS

ANGELO TRANSMISSIONS

Wendy's

PERFORMANCE CASTINGS

RICK WEAVER GMC

MEDcare URGENT CARE

UPMC

DOLLAR GENERAL

Davita

Berry

Firestone

octapharma plasma

PHELPS
Landscaping



TENANT OVERVIEW

Pennsylvania Department of Corrections

The Pennsylvania Department of Corrections (DOC) oversees various programs designed to facilitate the reintegration of reentrants into the community through its Community Corrections Centers (CCCs) and Community Contract Facilities (CCFs). Unlike state correctional institutions (SCIs), CCCs and CCFs monitor reentrants as they participate in activities essential for their successful transition back into society, such as employment, treatment services, and meetings with parole agents. The DOC's Bureau of Community Corrections offers multiple residential programs tailored to specific needs, including group homes for reentrants requiring additional support, various treatment facilities addressing substance abuse and mental health issues, and specialized centers for veterans and individuals with violent or extensive criminal histories.

Moreover, the DOC administers unique initiatives to address the diverse challenges faced by reentrants. The State Intermediate Punishment (SIP) Program integrates incarceration with rehabilitative treatment for drug and alcohol-related offenses. Parole Violator Centers (PVCs) provide evidence-based supervision for non-violent technical parole violators, while partnerships with county jails facilitate work release programs to help reentrants secure employment and housing locally. Additionally, the DOC plays a pivotal role in preparing juvenile lifers for eventual parole, using CCCs as transitional "bridges" from incarceration to community supervision. Through these comprehensive programs, the DOC aims to reduce recidivism and promote public safety by addressing the underlying issues contributing to criminal behavior.

The Erie Community Corrections Center provides structured and secure housing for adult detainees and is one of twelve Community Corrections Centers in the state of Pennsylvania. This facility is known for its robust security measures, consistent educational and reintegration programs, and comprehensive offender services, all aimed at facilitating the effective reintegration of detainees into society after their release.



AREA OVERVIEW

ERIE COMMUNITY CORRECTIONS CENTER | ERIE, PA

ERIE, PENNSYLVANIA

Located in the northwest corner of Pennsylvania, Erie is the state’s only Great Lakes port city. Lake Erie is the main attraction in Erie, with the sparkling water giving Erie its nickname, “Gem City”. Erie is the state’s fourth-largest city serving a regional population of 300,000 people. The nearby peninsula of Presque Isle State Park provides residents and visitors ample opportunities for outdoor activities such as sailing, swimming, hiking, and biking. The city is also part of the Snowbelt, famous for the winter wonderland created by the lake effect.

MAJOR EMPLOYERS



ECONOMY

Erie is the Commonwealth of Pennsylvania’s primary access point to Lake Erie, the Great Lakes, and the Saint Lawrence Seaway. Erie has a diverse mix of mid-sized industries. The broader economic base includes not only smaller and more agile steel and plastic plants, but also a vigorous service sector: health, insurance, and tourism. Erie is the corporate headquarters of the Erie Insurance Group, which is a Fortune 500 company, and Marquette Savings Bank. LORD Corporation was founded and has major operations in Erie. Erie is an emerging center for biofuels and environmental research, producing over 45 million U.S. gallons of biofuel a year. Tourism plays an increasingly important role in the local economy with over 6.2 million people visiting Presque Isle State Park and other attractions. Shoppers from Ohio, New York, and the Canadian province of Ontario frequent the Millcreek Mall and Peach Street stores because of Pennsylvania’s tax exemption on clothing. According to Forbes, Erie has a gross metro product of \$15 billion and its cost of living is 13% below the national average.



PROPERTY DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2024 Estimate	13,898	79,243	140,961
2029 Projection	13,744	78,019	139,171
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2024 Estimate	6,063	32,556	59,673
2029 Projection	6,021	32,218	59,194
INCOME	1-MILE	3-MILE	5-MILE
Average HH Income	\$42,158	\$57,555	\$68,591

TOURISM

Erie's location along the shores of Lake Erie provides a plethora of outdoor activities throughout the year. The region's largest attraction is Presque Isle State Park, drawing over 6.2 million visitors a year. Millions of tourists also find recreation at the Presque Isle Downs & Casino. The Seaway Trail runs through downtown Erie along the lakefront. The Tom Ridge Environmental Center, positioned at the foot of the Presque Isle, features 7,000 square feet of exhibit space.

Other tourist destinations include the Bayfront Convention Center; the Bicentennial Tower that overlooks Lake Erie; Dobbins Landing, a pier in downtown Erie; the Erie Land Light, and the Erie Maritime Museum, the home port of the Niagara. The Millcreek Mall, one of the largest shopping malls in the United States, is located on Peach Street in the nearby Millcreek Township.

Bayfront Convention Center

Bayfront Convention Center, located on the shores of Lake Erie's Presque Isle Bay, offers more than breathtaking views, it provides the world-class facilities, amenities, and service needed for meetings, trade shows, and events. The Bayfront Convention Center boasts northwestern Pennsylvania's largest banquet venue for 2,000 people and smaller meeting rooms for as few as 10 people. The state-of-the-art facilities are complemented by superb cuisine.





HIGHER EDUCATION

Erie is home to several colleges and universities including Gannon University, Mercyhurst University, Penn State Behrend, and Erie County Community College. Gannon University is in the downtown area of the city, where over 4,200 students are enrolled. It offers 66 bachelor's degrees, 9 pre-professional programs, 33 cooperative professional school options, 6 associate degrees, 27 master's degrees, and 6 doctoral degrees. Mercyhurst University is in the southeastern part of the city, where over 3,400 students are enrolled. It offers more than 60 undergraduate majors and over 10 master's programs. Penn State Behrend is a subset of Penn State University and it is rated "top 10 percent for return on tuition investment and best value".



TRANSPORTATION

Erie is served by Interstate 79, Interstate 90, the Erie International Airport, and the Port of Erie. Interstate 79 connects the city to Pittsburgh, which is approximately 2 hours south of Erie. Interstate 90 connects the city to Buffalo, which is approximately 90 minutes northeast of Erie. The Erie International Airport is serviced by American Airlines, which has nonstop flights to Charlotte. The Port of Erie is located on the southeast shore of Lake Erie in a natural bay formed and sheltered by Presque Isle Pennsylvania. Erie's harbor entrance channel is 29 feet deep. The Port of Erie and O-N Minerals Erie offer cargo shippers on the Great Lakes/Seaway System the finest facilities available. With 85 million people within a 500-mile radius, Port Erie is the hub of the U.S. and Canadian Industrial Center.

Erie County Community Projects

NAME OF PROJECT	PROJECT DESCRIPTION	ORGANIZATIONS INVOLVED	TOTAL INVESTMENT	ESTIMATED COMPLETION DATE
Erie Insurance Thomas B. Hagen Building	A 346,000-square-foot addition to Erie Insurance's home office campus in Erie PA	Erie Indemnity Company www.erieinsurance.com	\$147,000,000	2021
AHN St. Vincent	Expansion of patient rooms and emergency department.	Allegheny Health Network www.ahn.org	\$115,000,000	2020
UPMC Hamot	A new 7-story patient tower with a 64 bed ICU, a morgue, and an expanded imaging department.	UPMC	\$111,000,000	2021
Bayfront Highway	A long-term improvement project beginning 25 feet for the Bayfront Highway to waterfront to the downtown. Project will involve two iconic, large scale roundabouts.	PennDoT	\$100,000,000	2023-2025
Waterfront Development	Closed in 2019 (former Erie Coke facility). 100 acre, waterfront superfund site. Presently, under phase I review for remediation by DEP & EPA. Development for light industrial reuse is planned.	Erie County Redevelopment Authority/Erie Western PA Port Authority	\$100,000,000	TBD
Harbor Place (located on Bayfront Highway downtown)	A dynamic, mixed-use development plan for the bayfront involving office space, condominiums, and another hotel. Development will happen on land adjacent to the Hampton Inn/Oliver's Rooftop/Olivers Beer Garden	Scott Enterprises	\$85,000,000	TBD
Erie Downtown Development Corporation (private investment corporation) www.erieddc.org	475,000 sq. ft. multi-use downtown redevelopment involving apartments, office space, climbing wall/gym, bar, food hall, market, parking facility, and retail. Located in the central business district involving 3 interconnected city blocks adjacent to the UPMC and Erie Insurance campuses.	Erie Insurance, Mercyhurst, Marquette, Gannon, Erie Community Foundation, Erie Bank, Thomas B. Hagen, PNC, National Fuel, Pierre & Kathy McCormick, Richards & Associates, Saint Vincent, UPMC Hamot, Northwest, Plastek Group,	\$70,000,000	2023
Erie High School renovations	A series of upgrades to the school, including HVAC, electricity, classroom and lab improvements, office improvements, and auditorium and gym improvements.	Erie School District	\$65,000,000	2022
Millcreek School District renovations	Mechanical, electrical, and plumbing upgrades to the high school. Additionally, mechanical, electrical, and plumbing upgrades at Belle Valley Elementary, Westlake, and Walnut Creek middle schools.	Millcreek Township School District	\$47,300,000	2022
Fairview School District renovations	Several upgrades and additions to the school district. Includes a new 90,000 square foot addition with 48 classrooms. A new STEM lab and classroom, a photography room, an interior press box room overlooking the gym, and an air handling room. Additionally, a 10,000 square foot addition to the elementary school will be made.	Fairview School District	\$45,000,000	2023

NAME OF PROJECT	PROJECT DESCRIPTION	ORGANIZATIONS INVOLVED	TOTAL INVESTMENT	ESTIMATED COMPLETION DATE
LECOM Senior Living Center	New 151,000 sq. ft. facility serving 138 residents	LECOM	\$42,500,000	2016
Gannon iHACK	The Institute for Health and Cyber Knowledge (I-HACK) serves as Gannon's global headquarters for academics, industry and business owners to design, integrate and protect cybernetic intelligence and data systems worldwide.	Gannon	\$41,000,000	2021-23
Erie Hall	A 52,700-square-foot fitness and recreation center on Penn State Behrend's Campus	Penn State Behrend	\$28,200,000	2023
Warner	An expansive makeover to the Warner Theater. Includes: a new stage, 13,750 square feet of new space, and a new marquee.	Erie Events	\$26,700,000	2020-2022
Hampton Inn & Oliver's Rooftop Restaurant	Hotel and rooftop restaurant on the bayfront.	Scott Enterprises	\$25,000,000	2020
Former Erie Malleable Iron (EMI)	Renovation of office and manufacturing space. 85,000 sq. ft. Located on the West 12th Street industrial corridor.	Erie County Redevelopment Authority	\$20,000,000	2022-2024
Avalon Hotel Reconstruction (West 10th and State Streets)	NYC developer renovating former hotel into market rate workforce housing.	Mitchell Holdings	\$20,000,000	2023-2024
UPMC Park (AA Baseball Stadium)	Renovations to the field and stadium, a new party deck, super suites, and an indoor stadium club.	Erie Events	\$16,000,000	2021
Savocchio Park	Approximately 19 acres in the City adjacent to a public housing facility. Light manufacturing focused on co-packaging facility and solar farm. Plans still being finalized.	Erie County Redevelopment Authority & Minority Community Investment Coalition	\$15,000,000	2022-2024
Childrens Museum	A 19,000 square foot addition, adding three floors to the children's museum that will triple the amount of exhibits.	ExpERIEnce Children's Museum	\$15,000,000	2023-2024
Millionaires Row	A multi site restoration project, rennovating historic properties along 6th Street in Downtown Erie	Tom Hagen, Kidder Wachter, Erie Community Foundation	\$15,000,000	2018-2023
Cathedral Prep and Villa Maria tech center (West 10th and Sassafra Streets)	A 35,000 square foot addition to the schools that will serve as a tech lab. Includes HVAC improvements and a combined exercise and dance studio.	Cathedral Prep and Villa Maria	\$12,500,000	2022
Gannon South Hall (RCWE)	Gannon's newest apartment style dorm facility in Downtown Erie involving a renovation of a former office building.	Gannon	\$11,000,000	2022
Erie Airport	Five projects to the airport, including terminal improvements and a new jet bridge.	Erie Airport Authority	\$11,000,000	2021-22
Berry Plastic	A Fortune 500 global manufacturer and maker of plastic packaging products. A 90,000 square foot building.	Erie County Redevelopment Authority	\$8,500,000	2022-2023

CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at **137 W 2nd St, Erie, PA 16503** (“Property”). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services™. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services™ has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants’ plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Neither owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner.

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Owner and Matthews Real Estate Investment Services™ expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser’s sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Owner or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date of this Offering Memorandum.

OFFERING MEMORANDUM

ERIE COMMUNITY CORRECTIONS CENTER

137 W 2ND ST | ERIE, PA 16503



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