



OFFERING MEMORANDUM

SALES PRICE: \$4.9M

Sugar Grove Station

133 Hedrick Dr, Sugar Grove, WV 26815

COTTONWOOD
COMMERCIAL
A COMMERCIAL REAL ESTATE BROKERAGE
www.cottonwood.com

KEITH MAY *Broker, Commercial Realtor*

☎ (540) 437-3560

☎ (540) 820-7008

✉ keith.may@cottonwood.com

COTTONWOOD COMMERCIAL

A COMMERCIAL REAL ESTATE BROKERAGE

www.cottonwood.com

1958 Evelyn Byrd Avenue
Harrisonburg, VA 22801

88 Walnut Street
Franklin, West Virginia



KEITH MAY
Broker, Commercial Realtor

☎ (540) 437-3560

☎ (540) 820-7008

✉ keith.may@cottonwood.com

TABLE OF

Contents

Executive Summary	3
Investment Highlights	4
Location and Setting	6
Sale Parcel Description	11
Development Opportunities	20
Strategic Considerations	22
Appendices	24

We obtained the information above from sources we believe to be reliable. However, we have not verified its accuracy and make no guarantee, warranty, or representation about it. It is submitted subject to the possibility of errors, omissions, change of price, rental or other conditions, prior sale, lease or financing, or withdrawal without notice. We include projections, opinions, assumptions, or estimates for example only, and they may not represent current or future performance of the property. You and your tax and legal advisors should conduct your own investigation of the property and transaction.

Executive Summary

Cottonwood Commercial is proud to present a rare investment opportunity: Sugar Grove Station, located in the picturesque Potomac Highlands of Pendleton County, West Virginia. This exceptional property spans approximately 122.85 acres, combining serene rural beauty with strategic accessibility. Approximately 30 miles West of Harrisonburg, VA and 170 miles southwest of Washington, D.C., it lies within easy reach of major East Coast cities such as Winchester, Richmond, Arlington, and Baltimore.

Located in an area enriched with natural landscapes and offering a wealth of recreational possibilities, the property is perfectly situated to capitalize on its proximity to such populated urban centers.

As you consider the vast potential of this property, envision the numerous opportunities that Sugar Grove Station offers for a visionary investor or developer ready to leverage its location and unique characteristics.

The Offering

± 445,135 SF
GLA

122.85 AC
Lot Size

Property Type	Special Purpose
Year Built	1950 - 2014
No. of Buildings	± 117 (89 dwellings or homes)
County	Pendleton
APN / Parcel ID	36-06-0002-0006-0000, 36-06-0002-0008-0000, 36-06-0002-0012-0002, 36-06-0002-0013-0000



Introduction to Investment Highlights

Sugar Grove Station represents a unique investment opportunity that combines a low acquisition cost with high potential value, set in a location rich with strategic advantages. This section highlights the key factors that make this property an attractive investment, including its competitive pricing, exceptional location, unique site features, and versatile redevelopment options. These highlights underscore the substantial returns and diverse possibilities awaiting investors.

Low Acquisition Cost vs. High Potential Value	Strategic Benefits Due to Location	Unique Features	Redevelopment Flexibility
<p>Cost Efficiency: The property's acquisition cost is markedly lower than its estimated replacement value, presenting a significant opportunity for value appreciation.</p> <p>Investment Upscale Potential: With strategic investments in refurbishing and repurposing the existing infrastructure, the potential value of the property can be greatly enhanced, providing a robust return on investment.</p>	<p>Accessibility and Visibility: Located within a reasonable distance from Washington, D.C., and other major cities, the property offers excellent accessibility and high visibility, making it attractive for both commercial and residential developments.</p> <p>Natural and Recreational Appeal: The proximity to the George Washington National Forest and other natural attractions enhances its appeal for developments focused on tourism, leisure, and residential living.</p>	<p>National Radio Quiet Zone: The property's inclusion in the National Radio Quiet Zone presents a rare advantage for specific types of technological and scientific research, adding a unique selling point that can attract tech companies and research institutions.</p> <p>Historical Significance: As a former naval base, the site boasts historical significance that could be leveraged in marketing residential units, hotels, or visitor centers, enhancing its cultural value.</p>	<p>Mixed-Use Potential: The extensive acreage and diverse buildings offer the flexibility to develop a mixed-use site that combines residential, commercial, and recreational uses, adapting to market demands and investor vision.</p> <p>Zoning Advantages: The lack of strict zoning regulations within the area provides investors with the flexibility to propose and implement a wide range of development projects without extensive bureaucratic hurdles.</p>

Segmentation Strategy

A strategic approach to selling off individual assets within Sugar Grove Station could significantly enhance its appeal to a broader spectrum of investors and developers.



Residential Units Sale: Individual residential units, such as renovated homes or newly developed properties, could be sold separately to attract private buyers looking for unique homes or investors interested in the rental market.



Commercial Parcels: Segmenting the land into commercial parcels can offer businesses the opportunity to own or lease property tailored to their specific needs. This strategy would attract a diverse group of business owners, from startups needing small office spaces to larger enterprises looking for expansive commercial grounds.



Specialty Facility Lots: Specific plots could be designated for specialty uses like educational facilities or research centers. Selling or leasing these plots separately to institutions or companies that align with the planned use can maximize the site's potential and ensure a cohesive development theme.



Mixed-Use Development Sections: Dividing the property into sections that combine residential, commercial, and recreational uses can create a self-sustaining community. This mixed-use approach appeals to developers looking to offer a comprehensive living and working environment.

Geographic Positioning

- ✓ **Accessibility to Major Cities:** Approximately 170 miles southwest of Washington, D.C., with other major cities like Winchester, Richmond, Arlington, and Baltimore all within about 200 miles.
- ✓ **Appeal to Urban Dwellers:** Ideal for city residents looking for quick escapes to a serene environment, enhancing its potential as a retreat for both personal and corporate use.
- ✓ **Potential for Rural and Eco-Tourism:** Located in a region known for its beautiful landscapes and outdoor recreational activities, attracting tourists and adventure seekers.
- ✓ **Versatile Development Potential:** Suitable for a variety of uses including eco-tourism, resorts, corporate training center, academic campus, treatment facility, or a practically self-sustaining live/work/play community.



Health and Wellness Potential



Proximity to Brandywine Dam Recreation Area

This picturesque area is favored for fishing, swimming, and picnicking, with ongoing investments enhancing its appeal as a destination for both relaxation & active recreation.



Access to George Washington National Forest

Spanning over 1.8 million acres with more than 2,000 miles of trails, the forest offers extensive recreational activities and draws millions of visitors annually, benefiting potential businesses at Sugar Grove Station.



Tourism Data & Regional Investments

Tourism in the Potomac Highlands significantly contributes to the local economy, particularly through outdoor activities. State and local investments aim to increase tourism by improving facilities & accessibility.



Conservation & Sustainability Efforts

Supported by government and non-profit organizations, local conservation efforts strengthen the area's attractiveness to eco-conscious visitors and investors, ensuring the sustainability of tourism and enhancing development opportunities.



Health & Wellness Potential

The area's clean air, tranquility & natural beauty make it an excellent location for health and wellness retreats, tapping into the booming global market for wellness tourism.

Market Overview



Employment and Industry Dynamics

The largest industries in Pendleton County, WV are Health Care & Social Assistance (450 people), Manufacturing (447 people), and Construction (333 people), and the highest paying industries are Information (\$78,047), Transportation & Warehousing, & Utilities (\$58,000), and Finance & Insurance (\$57,222).

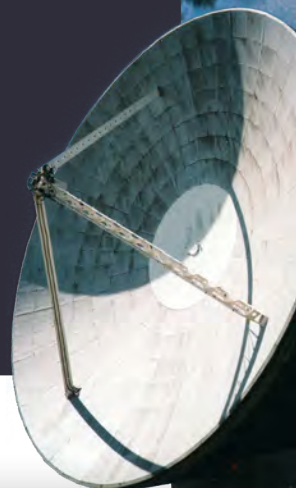
↑ **3.5%**

Annual Economic Growth Rate

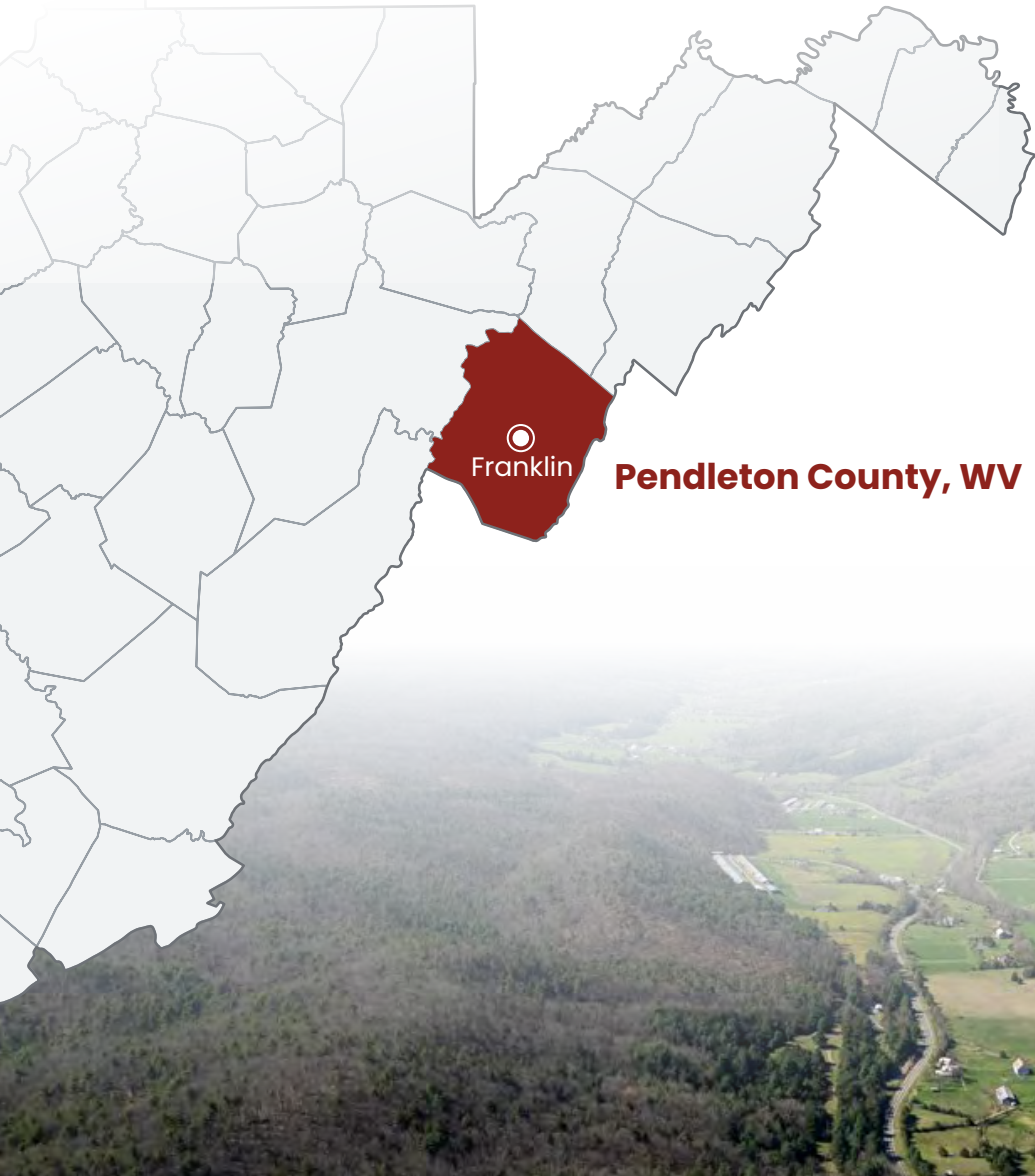
Economic Growth

The region has experienced steady economic growth outpacing the national average.

The presence of the **National Radio Quiet Zone** has also spurred growth in research and development facilities, particularly in **telecommunications and data security.**



Market Overview



Demographic Trends: Population & Income



10% Population Growth Over the Last Decade

The population in Pendleton County is projected to have continued growth.



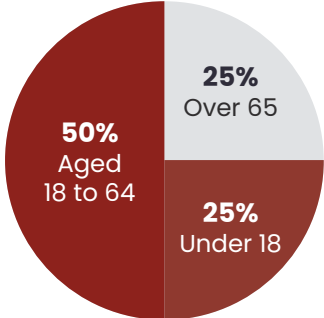
\$46.5k Median Household Income

In 2021, Pendleton County, WV had a population of 6.25k people with a median age of 51 and a median household income of \$46,506.



Age Distribution

The area has a balanced demographic making it versatile for different types of real estate developments, from family housing to retirement communities.



Market Overview

Real Estate Market Sector Analysis

Residential Real Estate

The residential market has seen an annual price appreciation over the past five years. Current median listing prices in Pendleton County stand at \$242,300, with 1-year home values up 7.6%. -Zillow, April 2024

7.6%

1-year Average Annual Price Appreciation



Overview of Facilities

Residential

- 1 Duplex/Semi-detached units
(Carports in select units)
- 2 Cabins
- 3 Trailers

Administrative

- 4 Admin Building
- 5 Housing Welcome Center

Recreational

- 6 Commissary / Pool
- 7 Gym & Bowling Center
- 8 Youth Activity Center
- 9 Playground
- 10 Raquet Ball Court
- 11 Picnic Pavillion
- 12 Community Center
- 13 Tennis & Basketball Courts
- 14 Hobby Shop
- 15 Ballfield
- 16 Track & Football Field

Support Structures

- 17 Security Post
- 18 Police Station
- 19 Fire Station
- 20 Plumbing Maintenance Shop
- 21 Water Treatment Plant
- 22 Car Wash
- 23 Recycling Building
- 24 Equipment & Storage Sheds
- 25 Sewage Plant

Hospitality

- 26 Dorm Style Barracks / Hotel



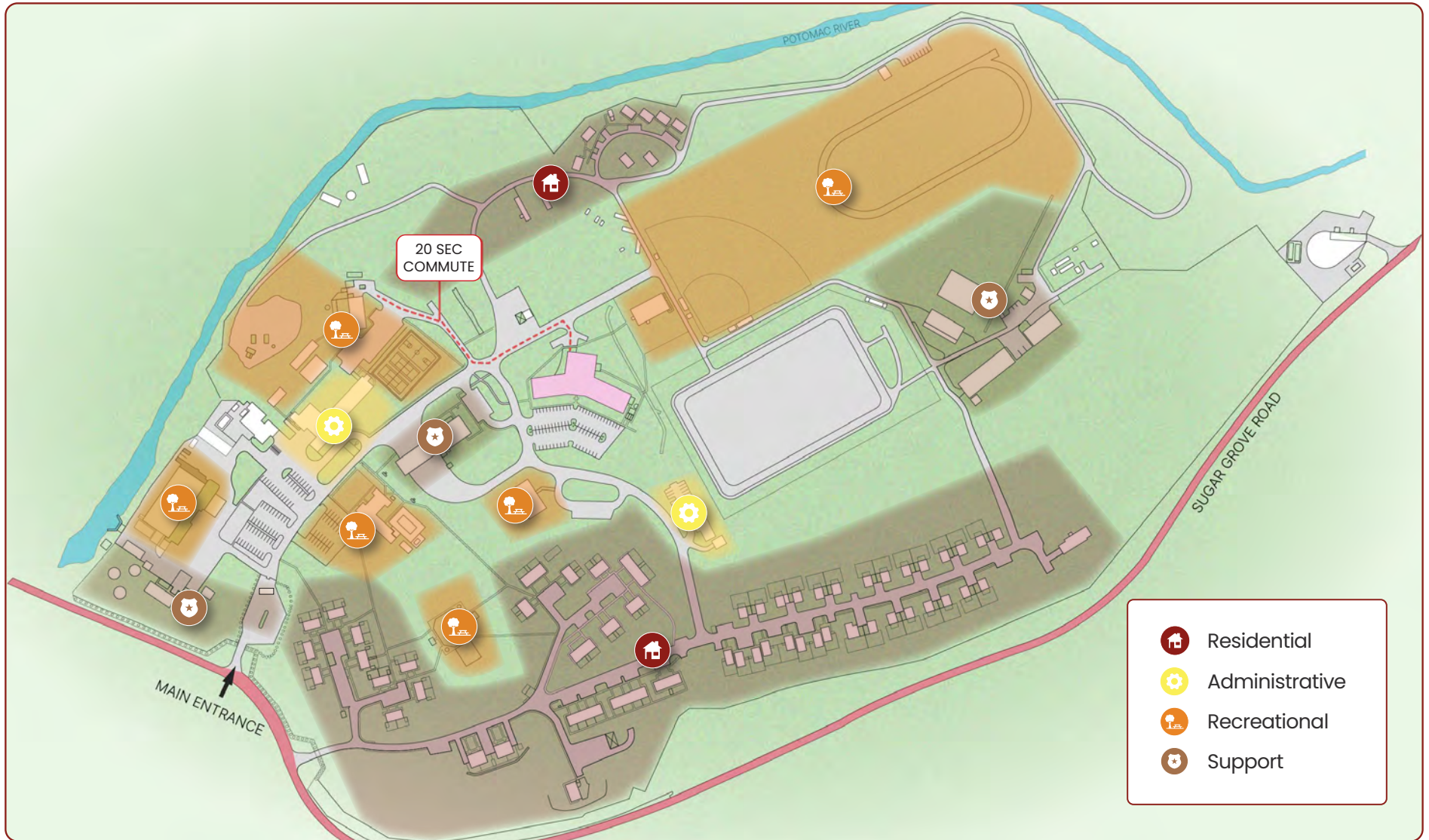
Buildings and Facilities

Sugar Grove Station spans approximately 122.85 acres in the heart of the Potomac Highlands, offering a rich blend of natural beauty and substantial infrastructure. This former naval base includes a diverse array of buildings and facilities that cater to a wide range of uses.

- Residential Units:** The property includes 80 single-family homes and additional housing options such as duplexes and semi-detached units, many of which have undergone renovations and feature modern amenities and carports.
- Administrative Buildings:** Key facilities include a large administrative building that formerly served as the base headquarters, equipped with office spaces and conference rooms.
- Educational and Recreational Facilities:** Includes a fully equipped gymnasium, sports fields (soccer, football, baseball), and a community center that can serve multiple community-oriented functions.
- Support Structures:** Maintenance buildings, a fire station, and a police station.



Site Plan



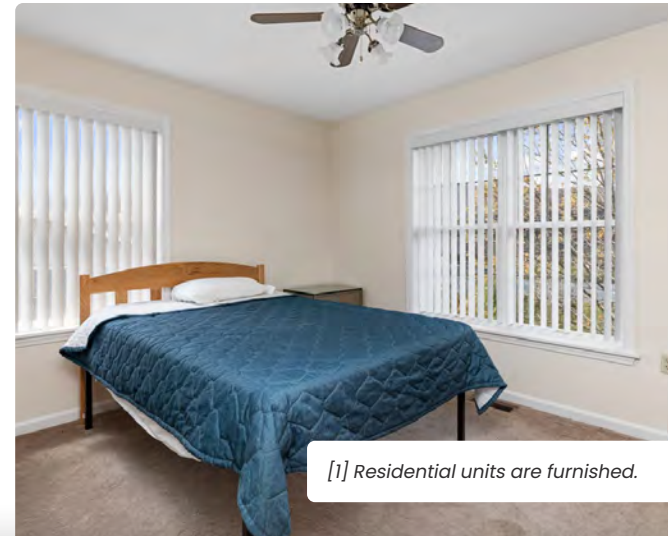
Gallery of Key Buildings & Facilities

Residential Units



Gallery of Key Buildings & Facilities

Residential Unit Interiors¹



[1] Residential units are furnished.

Gallery of Key Buildings & Facilities

Administrative Buildings



Gallery of Key Buildings & Facilities

Recreational Facilities



Gallery of Key Buildings & Facilities

Support Structures



Infrastructure and Utilities

Sugar Grove Station is equipped with comprehensive utility systems reflecting its history as a fully operational naval base. These systems include:



Electricity and Gas

Equipped with a robust electrical grid and a reliable natural gas supply, the facility is designed for high-demand use and includes potential redundancy systems such as a propane backup and a 1,100 KW generator.



Water and Sewage

The station features an industrial-grade water supply and sewage treatment system, designed to handle significant daily throughput consistent with military and residential use.



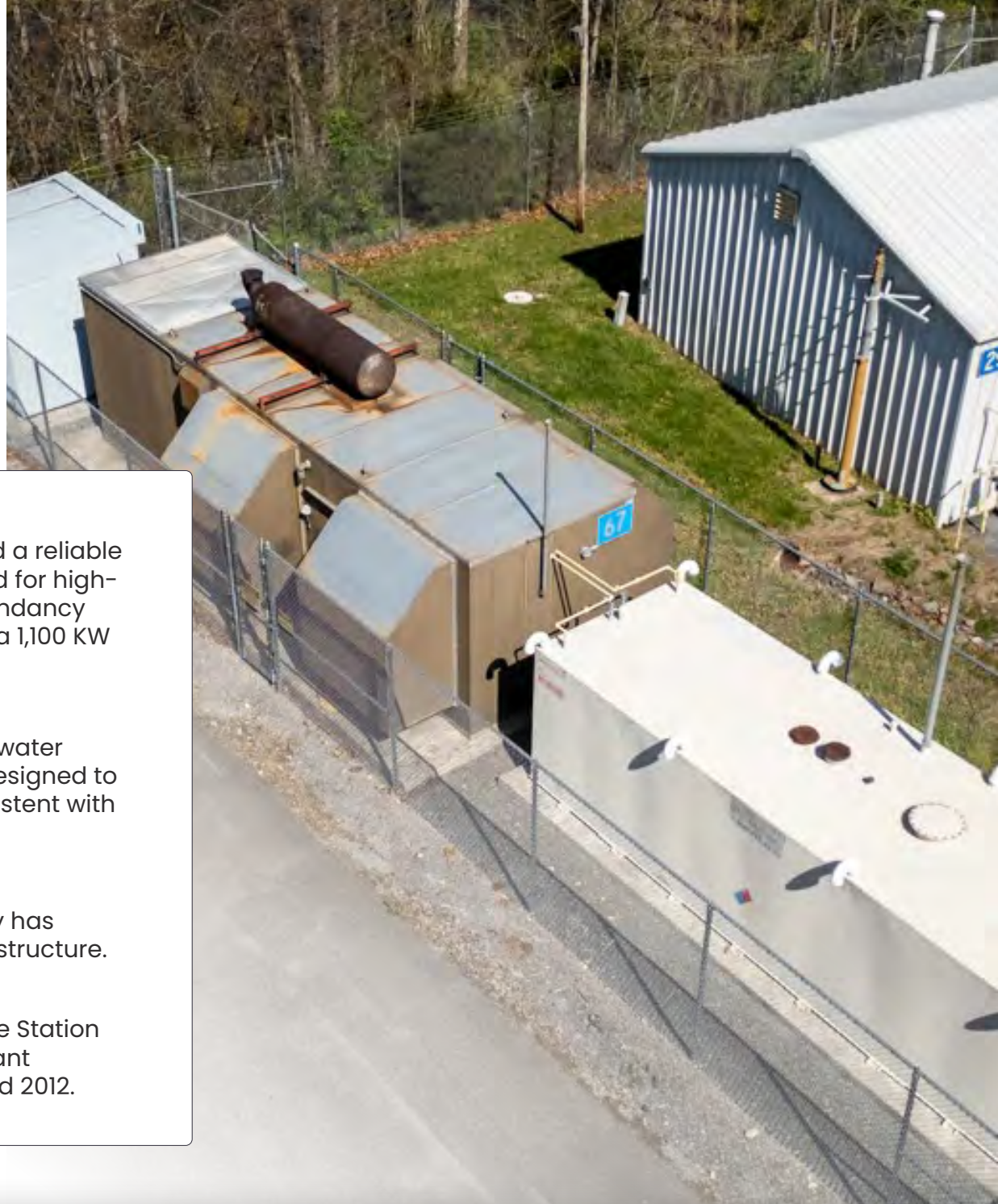
Internet Connectivity

Being a former military base, the property has robust communication and internet infrastructure.



Maintenance Records

The buildings and facilities at Sugar Grove Station have been well-maintained, with significant renovations conducted between 2007 and 2012.



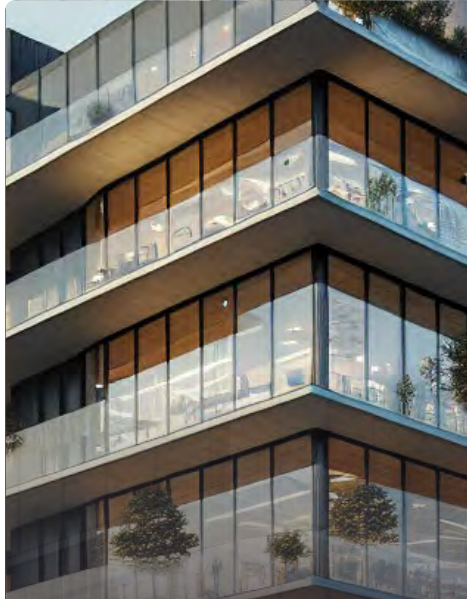
Potential Uses

Sugar Grove Station offers a wealth of development opportunities across its 122.85-acre expanse in the Potomac Highlands. The site is uniquely suited for a diverse range of projects—from residential and commercial developments to specialized educational and technology-focused facilities. This section details the potential uses and strategic segmentation of the property to attract varied investment interests, maximizing its development potential.



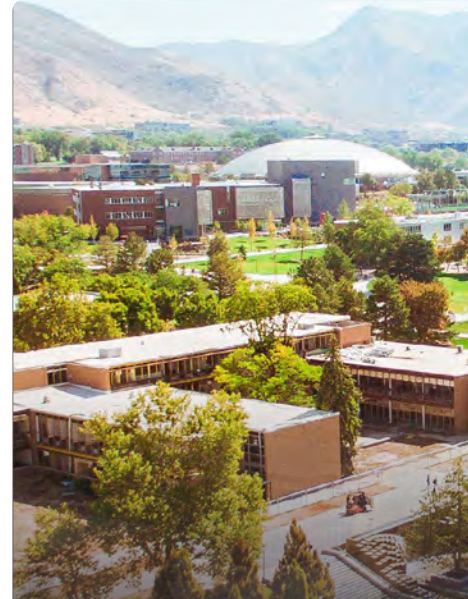
Residential Development

The existing structures and expansive land offer a unique opportunity for developing a mixed residential community. This could range from single-family homes to multifamily complexes, capitalizing on the scenic surroundings and quiet environment.



Commercial Enterprises

With ample space for redevelopment, the site is ideal for establishing a business park or commercial hub. Potential businesses could include retail stores, office spaces, and service-oriented enterprises that cater to both the local community and visitors.



Educational Institutions

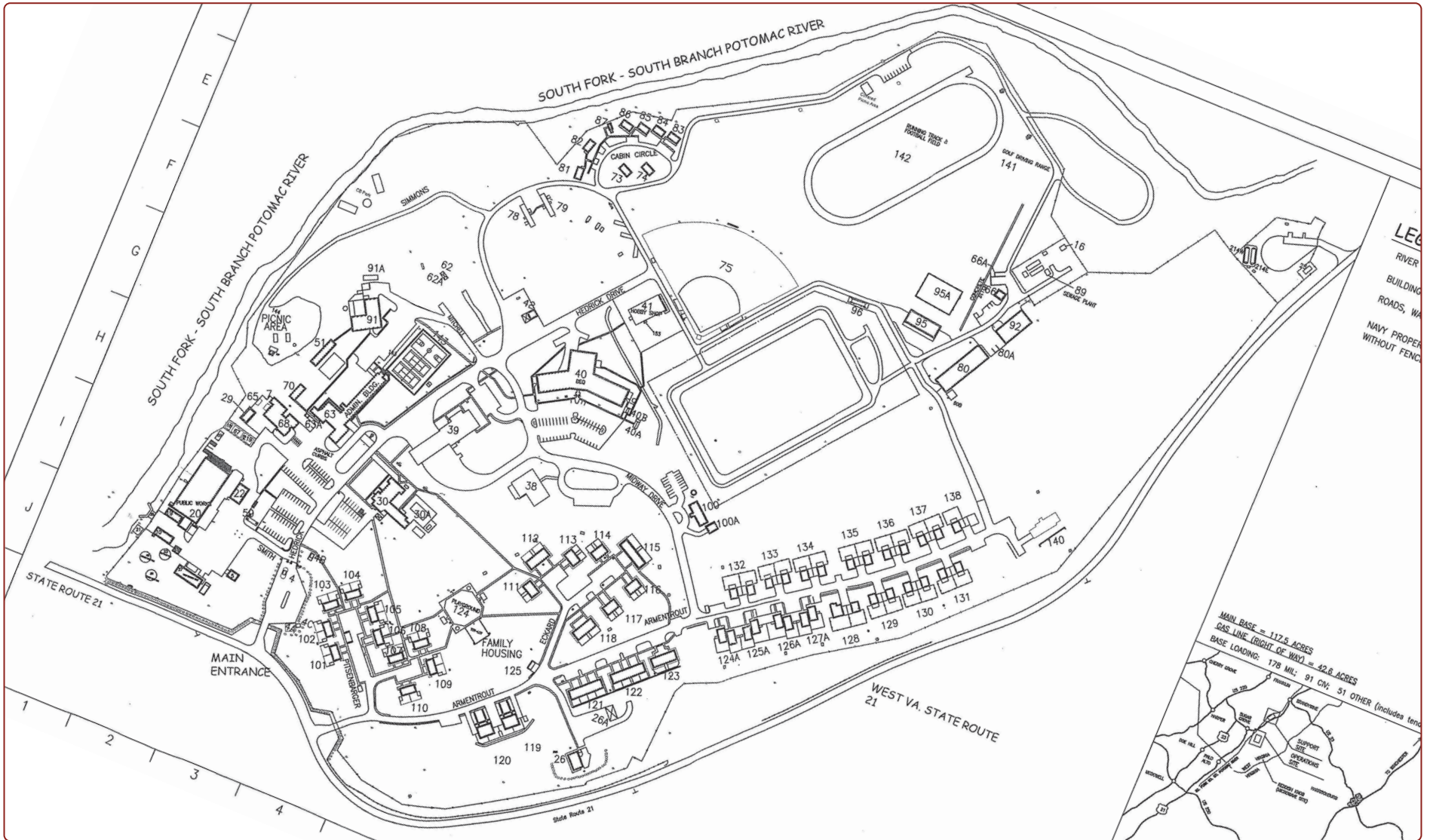
The comprehensive facilities and existing buildings could be converted into educational premises for a private school, specialized training center, or a small college, leveraging the existing administrative and recreational infrastructures.



Healthcare and Wellness Centers

The serene and secluded setting is perfect for health and wellness centers, including spas, retreats, or a specialty medical facility that benefits from the tranquil environment.

Site Development Plan



Introduction to Strategic Considerations

As investors consider the potential of Sugar Grove Station, it is essential to understand the regulatory framework and economic incentives that can significantly enhance the investment's attractiveness. This section delves into the regulatory benefits and potential economic incentives that support the development and operation of projects within this property, providing a strategic edge to prospective investors.

Regulatory Benefits

Flexible Zoning



Sugar Grove Station benefits from its location in an area with flexible zoning laws. This flexibility allows for a wide variety of uses including commercial, residential, and industrial projects, which can be crucial for multi-phase development plans.

Environmental Compliance Ease



Due to the property's established infrastructure and its former role as a military base, a significant number of environmental impact assessments have already been carried out. This background can potentially simplify and expedite the environmental compliance requirements for future developments.

Potential Economic Incentives

Tourism-Related Incentives

Projects that aim to capitalize on the property's proximity to natural and recreational areas may qualify for additional incentives aimed at boosting tourism. These could include marketing support, event sponsorship, or even direct financial incentives.



Infrastructure Grants

Given the site's potential as a multi-use development, there may be opportunities to secure federal or state grants aimed at improving infrastructure, especially for projects that promote public benefit like transportation, utilities, or community facilities.

West Virginia's highest priority is economic growth. Part of the service includes providing aggressive development assistance in the form of tax credits & financing programs.

Corporate Headquarters Credit

Companies that relocate their corporate headquarters to West Virginia are eligible for tax credits that can offset up to 100% of the tax liability for business and occupation tax, corporate net income tax, and personal income tax on certain pass-through income, for a period of up to 13 years.

Economic Opportunity Credit

For qualified companies that create at least 20 new jobs within specified time limits as a result of their business expansion projects, the State's Economic Opportunity Tax Credit can offset up to 80% of the corporate net income tax and personal income tax (on flow through income only) attributable to qualified investment.

Detailed Asset List

Bldg No	Description	Floor Area (SF)	No of Floors
4	Post Four	96	1
5	Security Annex / Stow	720	1
10	Public Works Shop	1,250	1
15	Commisary Warehouse	320	1
16	Wastewater Storage	168	1
18	15KV Auto Transfer Switch	96	1
19	PW/Supply Admin	960	1
20	PW Maint Shop/Gym/Bowling	26,999	3
21	15KV Switching Station (Pad)	460	1
22	Plumbing Maintenance Shop	2,760	1
25	Pump House/Filtr/Chlorin	330	1
26	Fleet & Family Services	2,460	2
27	Water Treatment Plant	2,720	1
28	Natural Gas Meter Bldg	30,000	1
29	Emergency Vehicle Garage	1,344	1
30	NEX/Commissary/Bathhouse	6,522	1
31	Mailbox Enclosure	200	1
35	Public Works Pavillion	270	1
36	Mailbox Enclosure	200	1
37	Bldg 91 Detached Freezer	144	1
38	Youth Activity Center	3,560	1
39	Emergency Service Center	13,939	1
40	BEQ	45,424	3
41	MWR Hobby Shop	4,866	1

Detailed Asset List

Bldg No	Description	Floor Area (SF)	No of Floors
42	MWR Car Wash	680	1
48	Hopper Shed	416	1
51	Picnic Pavillion	1,600	1
60	Baseball Field, Lighted	21,840	n/a
62	Babyland	336	1
63	Administrative Office	20,040	2
65	Hazmat Storage Bldg (Fire)	207	1
66	Equipment Shed	525	1
67	Gen Bldg for Main Base	451	1
68	Fire Station	6,996	1
69	MWR Storage	200	1
70	Racquet Ball Court	1,100	1
73	MWR Cabin (L)	864	1
74	MWR Cabin (M)	864	1
75	Ballfield	43,200	1
78	MWR Rental Trailer (I)	720	1
79	MWR Rental Trailer (H)	720	1
80	Grounds Maint/Equip/Shed & V	8,050	1
81	MWR Cabin (G)	900	1
82	MWR Cabin (F)	900	1
83	MWR Rental Cabin (A)	864	1
84	MWR Rental Cabin (B)	864	1
85	MWR Rental Cabin (C)	864	1
86	MWR Rental Cabin (D)	864	1

Detailed Asset List

Bldg No	Description	Floor Area (SF)	No of Floors
87	Housekeeping for Cabins	400	1
91	R.C. Byrd Community Center	5,600	2
92	General Storage Bldg	5,200	1
95	Recycling Building	4,000	1
96	Truck Scale	400	1
143	2 Tennis/Basketball Courts	17,696	n/a
154	Tennis Court Pavilion	120	1
100A	Housing Storage	750	1
26A	Youth Ctr Storage	504	1
28C	Propane Gas System	100	1
30A	Swimming/Wading Pools	6,300	1
30B	Swimming Pavilion	270	1
30C	Deca Storage	800	1
40A	BEQ Pavilion	168	1
40B	Mailbox Enclosure (BEQ)	200	1
4A	Badge and Pass Office	638	1
4C	Bus Shelter	120	1
4D	Post Four Canopy	4,000	1
60A	Softball Field Booth Fac 60	120	1
63A	Gazebo	138	1
66A	Cinder/Salt Storage Shed	800	1
75A	Softball Field Booth Fac 75	144	1
75B	Running Track Pavilion	120	1
80A	Mulch Storage Shed	256	1

Detailed Asset List

Bldg No	Description	Floor Area (SF)	No of Floors
91A	MWR Bldg 91 Storage	490	1
100	Housing Welcome Center/PSD	1,960	1
101	MEMQ, 3 Bedrooms/2 Qtrs	2,852	2
102	MEMQ, 3 Bedrooms/2 Qtrs	2,852	2
103	MEMQ, 3 Bedrooms/2 Qtrs	2,852	2
104	MEMQ, 3 Bedrooms/2 Qtrs	2,852	2
105	MEMQ, 3 Bedrooms/2 Qtrs	2,852	2
106	MEMQ, 3 Bedrooms/2 Qtrs	2,852	2
107	MEMQ, 3 Bedrooms/2 Qtrs	2,852	2
108	MEMQ, 3 Bedrooms/2 Qtrs	2,852	2
109	MEMQ, 3 Bedrooms/2 Qtrs	2,852	2
110	MEMQ, 3 Bedrooms/2 Qtrs	2,852	2
111	MEMQ, 3 Bedrooms/2 Qtrs	3,036	2
112	MEMQ, 3 Bedrooms/2 Qtrs	2,442	1
113	MEMQ, 3 Bedrooms/2 Qtrs	3,036	2
114	MEMQ, 3 Bedrooms/2 Qtrs	3,200	2
115	MEMQ, 4 Bedrooms/2 Qtrs	3,336	1
116	MEMQ, 4 Bedrooms/2 Qtrs	3,200	2
117	MEMQ, 4 Bedrooms/2 Qtrs	3,036	2
118	MEMQ, 4 Bedrooms/2 Qtrs	2,442	1
119	MEMQ, 4 Bedrooms/2 Qtrs	3,780	2
120	MEMQ, 4 Bedrooms/2 Qtrs	3,360	2
121	MEMQ/4 Bedroom/4 Qtrs/3000 G	7,400	2
122	MEMQ/4 Bedroom/4 Qtrs/3000 G	7,400	2

Detailed Asset List

Bldg No	Description	Floor Area (SF)	No of Floors
123	MEMQ/4 Bedroom/4 Qtrs/3000 G	2,368	2
124	MEMQ/4 Bedroom/4 Qtrs/3000 G	10,702	1
125	Bus Stop Shelter	676	1
128	MEMQ/2 Bedrrom/2 Qtr	3,036	2
129	MEMQ/2 Bedrrom/2 Qtr	3,168	2
130	MEMQ/2 Bedrrom/2 Qtr	3,168	2
131	MEMQ/2 Bedrrom/2 Qtr	3,168	2
132	MEMQ/2 Bedrrom/2 Qtr	3,168	2
133	MEMQ/2 Bedrrom/2 Qtr	3,168	2
134	MEMQ/2 Bedrrom/2 Qtr	3,168	2
135	MEMQ/2 Bedrrom/2 Qtr	3,168	2
136	MEMQ/2 Bedrrom/2 Qtr	3,168	2
137	MEMQ/2 Bedrrom/2 Qtr	3,168	2
138	MEMQ/2 Bedrrom/1 Qtr	1,584	2
140	MOQ/4 Bedroom	3,680	1
124A	MEMQ / 2 Bedroom / 2 Qtr	2,184	1
124B	HSG Pavillions	240	1
124C	HSG Gazebos	182	1
125A	MEMQ / 2 Bedroom / 2 Qtr	2,184	1
126A	MEMQ / 2 Bedroom / 2 Qtr	2,184	1
127A	MEMQ / 2 Bedroom / 2 Qtr	2,184	1
		445,071	

About Cottonwood



www.cottonwood.com

Contact Us



<https://www.cottonwood.com/contact.php>






Cottonwood | Commercial is a commercial real estate brokerage located in Harrisonburg, Virginia and was established in 1970. Cottonwood is the market leader and the largest commercial brokerage in Western Virginia and focuses exclusively on real estate services related to commercial and investment real estate transactions.

We know that we are not successful unless our clients are also successful. Our goal is to build value for our customers by approaching our work with integrity, knowledge and original ideas.

A dedication to this goal has permitted Cottonwood | Commercial to become the most respected commercial real estate brokerage in the Shenandoah Valley. The firm is involved in the majority of the commercial real estate transactions within the Harrisonburg and Rockingham County multiple listing service serving a wide range of clients from national brands to local small business. Cottonwood | Commercial is the largest commercial real estate firm between Roanoke and Winchester.

The firm is comprised of twenty-four agents and additional full-time staff providing marketing and administrative support

Representative Philosophy

 <p>Data</p>	 <p>Presentation</p>	 <p>Connections</p>	 <p>Communication</p>	 <p>Collaboration</p>
---	---	--	--	--

About Cottonwood

Keith May **Broker, Commercial Realtor**

☎ (540) 437-3560

☎ (540) 820-7008

✉ keith.may@cottonwood.com

Keith May is the owner and broker of Cottonwood Commercial.

Keith has served as Chair of the Harrisonburg–Rockingham County Chamber of Commerce and was honored with the group’s “Entrepreneur of the Year” award. He serves on the Board of the Executive Committee of Region 8, Go Virginia. Keith is also former Chair of the Shenandoah Valley Partnership, an entity devoted to strategic economic development in the region.

Keith was an honors graduate of Virginia Tech and served as a commercial lender at a local commercial bank. Keith served as Chair of a local Retirement Community Board and was President of a local mutual aid insurance company. Keith is a member of the Shenandoah Valley Home Builders and is a board member of Shenandoah University. Keith is also a founding member and Vice Chair of the Shenandoah Valley Innovation Coalition and a founding member of the Shenandoah Valley Angel Network.



Sugar Grove Station

133 Hedrick Dr, Sugar Grove, WV 26815

KEITH MAY *Broker, Commercial Realtor*

☎ (540) 437-3560

☰ (540) 820-7008

✉ keith.may@cottonwood.com

www.cottonwood.com