



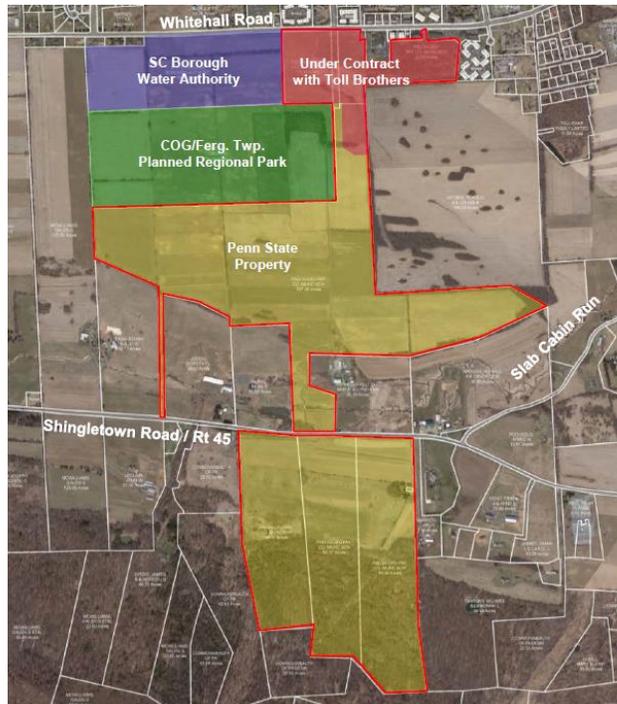
WHITEHALL ROAD PROPERTY FACT SHEET

HISTORY OF THE MELLON PROPERTIES PURCHASE

The Whitehall Road property development began in 1999 with Penn State's acquisition, by purchase and gift from the Mellon Family's trust and foundation, of several parcels of land across multiple Centre County municipalities. About 920 acres are tillable and are used for agricultural purposes within the College of Agricultural Sciences or leased to local farm operations. A large portion of this acreage was sold at below market price to local municipalities for much needed recreation space. The largest Mellon Properties parcel is almost 565 acres, located in Ferguson Township, consisting of approximately 400 acres along Whitehall Road, and 165 acres south of Route 45, about five miles from the University Park campus.

THE SUBDIVISION PLAN

The subdivision plan for the 400-acre parcel between Whitehall Road and Route 45 has been in place since 2008 and the sale of selected portions of that Mellon property was always a consideration. At that time, Centre Region leadership expressed a desire to obtain a parcel of land for a regional park and for the State College Borough Water Authority. Recognizing the value of these requests, Penn State sold, at a discount, parcels of the Mellon property to Ferguson Township, the Centre Region COG and the Water Authority – as part of this process, the subdivision plan included approximately 41 acres zoned for residential development.



Working with local government partners, it was agreed that the selected developer for the residential project would build the infrastructure necessary to facilitate the creation of the regional parkland, including a traffic signal, entrance drive, and water and sewer service laterals, at no cost to taxpayers. There is a binding agreement of sale in place with a Toll Brothers subsidiary for this residentially zoned property, which includes the obligation to construct this infrastructure.

Former Mellon Property Transactions

PROPERTY SIZE:

Almost 1,100 acres, comprised of 16 separately deeded parcels

TRANSACTION TIME LINE:

2002

PSU sold nearly 41 acres on Bernel Rd. in Patton Township to a local charity for \$168,500.

2005

Sold 75 acres in Oak Hall, College and Harris Townships, to Centre Region COG for playing fields for \$448,500.

2007

Sold 165.34 acres to Centre Hall Borough and Gregg and Potter Townships for \$750,000.

2008

Centre Region COG and Ferguson Township purchased 75 acres to develop regional park. Appraised at \$15,000/acre, University sold it for \$3,077 per acre (\$230,775).

Sold 59 acres to State College Borough Water Authority for restricted conservation purposes (\$383,500) -- buffer and recharge area for community well fields.

2011

Ferguson Township accepted University option to purchase an additional 25 acres adjoining the 75-acre parcel (\$382,987). Both parcels restricted to community use.

2012

46 acres of the 400 acres along Whitehall Rd. in Ferguson Township, under Agreement of Sale to Toll Brothers, a housing development firm (\$13.5 million)

2014

Worked with the community and built the Musser Gap Greenway & Trail bike path and bridge.

ALLOWABLE USES OF THE PROPERTY

The 41 acres under contract to Toll Brothers, which includes approximately 2 acres for the proposed right of way for Blue Course Drive Extension, had been zoned R-4 (approved by Ferguson Township in 2004), allowing for multi-family residential development at a density greater than what is now proposed by Toll Brothers in its planned residential development (PRD) plan that has been approved by the township. To facilitate this PRD with a lesser impact on the area, Penn State agreed to re-subdivide the 41 acres to add 5.5 acres of adjoining agricultural land. The proposed use of this property meets all applicable zoning regulations and is in the hands of Ferguson Township officials, the local authorities and regulatory agencies (whose primary goal is to serve its residents and protect the interests of those residents) and the courts. Ferguson Township's approval of the project was upheld by the Commonwealth Court of Pennsylvania. A petition for allowance of appeal was recently filed with the Supreme Court of Pennsylvania. It is unknown at this time whether the Court will elect to accept this discretionary appeal.

WHAT IS THE ISSUE?

Some residents have expressed concerns about the potential impact on drinking water in the area. Penn State is always concerned about the safety and security of our region's drinking water – since we also live here. This proposed development has been subjected by the township and the water authority to stringent requirements to mitigate potential risks associated with water quality.

WATER TESTING AND REQUIREMENTS

This development has met all necessary state and local water resource regulations and requirements.

- The State College Borough Water Authority has conducted multiple reviews of the project plans; furthermore, geotechnical resistivity testing was conducted on the parcel at the request of the Authority.
- A monitoring well will be installed as part of the project.
- Ferguson Township has ordinances that meet or exceed current state laws requiring control of storm water runoff.

PENN STATE'S ROLE

Penn State has no role in the use of the property and is not involved in the housing development. Penn State entered into a binding agreement of sale based on the permitted use of the property as set forth in the Ordinances of Ferguson Township. The University cannot extract itself from the sales agreement without the full cooperation of Toll Brothers. We have been advised by legal counsel that standard equitable remedies for breach of a real estate sales transaction exist, meaning that a court could order Penn State to transfer the property to Toll Brothers if Penn State attempted to unilaterally terminate the agreement. Moreover, the University could be exposed to substantial costs and penalties associated with litigation when the outcome is determined. The municipalities and other governing bodies that oversee the environmental protection of resources approved the development and the proposed use by Toll Brothers. As appropriate, the township and the courts will make the final determination.

Contact Us: Zack Moore, VP, Government and Community Relations zmoore@psu.edu
Charima Young, Director of Local Government and Community Relations ccyoung@psu.edu