

CLARION COUNTY, PENNSYLVANIA

RESOLUTION NO. 9 OF 2016

A RESOLUTION OF CLARION COUNTY, PENNSYLVANIA AGREEING TO PARTICIPATE IN A  
TAX INCREMENT FINANCING PLAN FOR THE  
GLASS WORKS INDUSTRIAL DEVELOPMENT PROJECT

**WHEREAS**, the Tax Increment Financing Act, 53 PA. CONS. STAT. ANN. §6930.1 *et. seq.* (“*Act*”), provides local taxing bodies with the authority to cooperate in providing financing for development of blighted areas, as defined in the Act, within their respective jurisdictions to increase the tax base and improve the general economy of their communities; and

**WHEREAS**, pursuant to the Act, the Clarion County Industrial Development Authority (“*Authority*”) is legally empowered to prepare a tax increment financing (“*TIF*”) plan (“*TIF Plan*”), to provide financing for the elimination and prevention of the development or spread of blight within specified tax increment districts located in Clarion Borough (the “*Borough*”) and to present a TIF Plan to the Borough, the Clarion Area School District (“*School District*”), and Clarion County (“*County*”) for consideration; and

**WHEREAS**, the Authority has worked with Miles Brothers LLC (“*Developer*”) and representatives of the County, Borough and School District to form a TIF Plan for the development of certain real property generally encompassing the site of the former Clarion Owens-Illinois Glass Plant in Clarion Borough, Clarion County, Commonwealth of Pennsylvania, and being identified in the Clarion County Assessment Records as Tax Parcel Nos. 05-020-064-001-00, 05-020-004-005-00, 05-020-004-006-00 and 05-020-004-007-00 (hereinafter such properties being collectively referred to as the “*TIF District*”); and

**WHEREAS**, development of the property will be known as the “*Glass Works Industrial Development Project*”; and

**WHEREAS**, the Authority recommends the creation of the TIF District and adoption of the TIF Plan; and

**WHEREAS**, the Authority submitted the TIF Plan to the Borough, School District and County for review and consideration; and

**WHEREAS**, on August 2, 2016, the Borough’s Council adopted a Resolution to participate in the TIF Plan;

**WHEREAS**, on August 16, 2016, the School District’s Board adopted a Resolution to participate in the TIF Plan;

**WHEREAS**, the Borough’s Council will hold a public hearing on the creation of the TIF District as required by the Act; and

**WHEREAS**, the Act directs the governing bodies of all taxing jurisdictions that levy property taxes within the boundaries of a proposed TIF District to determine whether they will participate in the proposed TIF District and TIF Plan; and

**WHEREAS**, the Commissioners of Clarion County ("**Commissioners**") expect the County will benefit from the implementation of the TIF Plan by stimulation of private investment, increases in property values, creation of employment opportunities and improvement of surrounding properties; and

**WHEREAS**, the implementation of any TIF Plan is fully dependent on the cooperation and participation of all local taxing bodies, namely the Borough, the School District and the County.

**NOW, THEREFORE** BE IT RESOLVED BY THE COMMISSIONERS OF CLARION COUNTY AS FOLLOWS:

**SECTION 1.** The County hereby agrees to participate in the TIF District in accordance with the TIF Plan attached hereto as Exhibit A and based upon the tax increments set forth in the TIF Plan for a period of twenty (20) years, commencing on the date of TIF District creation, and will allocate one hundred percent (100%) of the tax increment to the Authority for the purpose of financing certain improvements in the TIF District.

**SECTION 2.** The appropriate public officials of the County are hereby directed to take such additional actions in cooperation with the Authority, Borough and School District as they deem necessary or desirable in furtherance of the implementation of the TIF Plan.

**SECTION 3.** The tax revenues due or owed to, or received by the County from the TIF District, subject to the percentage limitation and time requirement set forth in Section 1 of this Resolution, and as set forth in the TIF Plan, are hereby pledged, and a security interest is hereby granted, to the extent of those specific revenues to secure the repayment of any debt incurred by the Authority for the purpose of financing certain improvements to the TIF District.

**SECTION 4.** All acts and actions taken by the County prior to the date hereof with respect to the Glass Works Industrial Development Project are hereby in all respects confirmed, approved, and ratified.

**SECTION 5.** Any resolution or ordinance or part thereof conflicting with the provisions of this Resolution is hereby repealed so far as the same affects this Resolution.

[SIGNATURE PAGE FOLLOWS]

**RESOLVED** this 23<sup>rd</sup> day of August, 2016 by the Commissioners of Clarion County, Pennsylvania.

**CLARION COUNTY, PENNSYLVANIA**

Attest: Carol Clinger  
Carol Clinger, Chief Clerk

Ted Tharan  
Ted Tharan, Chairman

Wayne R. Brosius  
Wayne R. Brosius

C. Edward Heasley  
C. Edward Heasley

EXHIBIT A

**TAX INCREMENT FINANCING (TIF) PLAN**  
**FOR THE**  
**GLASS WORKS INDUSTRIAL DEVELOPMENT PROJECT**  
**IN**  
**CLARION BOROUGH**  
**CLARION COUNTY**  
**PENNSYLVANIA**

**PREPARED BY THE**  
**CLARION COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY**

**July 29, 2016**

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## I. INTRODUCTION

This Tax Increment Financing Plan ("TIF Plan") for the Glass Works Industrial Development Project (sometimes hereinafter referred to as the "Project") is prepared in accordance with 53 P.S. § 6930.1, *et. seq.* (the "TIF Act"). The Project is located within the jurisdiction of the following three local taxing authorities:

- Clarion Borough (the "Borough")
- Clarion Area School District (the "School District")
- Clarion County (the "County")

Clarion Borough is the municipality that will create the TIF District (as defined below). The Clarion County Industrial Development Authority (the "Authority") worked with the taxing authorities to prepare the TIF Plan. The Authority will carry out the organizational and administrative aspects of the TIF Plan.

The objective of the Project is to stimulate development of an area within the Borough. The specific area to be designated as the "TIF District" is identified in the attached Exhibit "A" and described further in Section II below. The Project will include development of the former Clarion Glass Plant site, comprised of approximately 310,475 square feet of usable building area, by Miles Brothers LLC and/or its affiliates ("Developer"). At completion, the Project is expected to include office/warehouse space and manufacturing facilities.

In order to develop the TIF District, numerous on-site and off-site improvements are essential to promote development, including site work remediation, engineering and site design, site utilities, and roadway improvements. A list of TIF related improvements is provided in Section IV below.

## II. TIF DISTRICT PROJECT BOUNDARY

The Glass Works Industrial Development Project consists of approximately 43.449 acres. The boundaries of the TIF District are shown on the attached Exhibit "A", and incorporates all of those certain tracts of land owned by Developer and identified in the Clarion County tax assessment records as tax parcel numbers 05-020-064-001-00, 05-020-004-005-00, 05-020-004-006-00 and 05-020-004-007-00 (the "Developer Tracts"). The Developer Tracts are collectively referred to herein as the "Property".

## III. BACKGROUND

The Glass Works Industrial Development Project will be developed by Miles Brothers LLC (or any of its affiliates), a Clarion, Pennsylvania based development company. Given its strong ties to the community, Miles Brothers LLC is committed to developing the Property in order to restore the Property from its current blighted state and, more importantly, to create employment opportunities for the people of Clarion.

The Development will be situated on the site of the former Clarion Owens-Illinois Glass Plant (the "Glass Plant") which closed in June of 2010. At its peak, the Glass Plant employed in

excess of 1,500 people; however, subsequent to the Glass Plant's closing, the site has stagnated as an underutilized brownfield, requiring remediation of potential soil contamination.

The condition of the site adds significant cost to any development and, as a result, a significant portion of the Property remains vacant land. Among the conditions adding to the cost of development is the need for significant site work, including remediation of potential contaminated soils, and road and infrastructure improvements. By utilizing a TIF, the Developer is able to overcome the site challenges and develop the Property in a way that fits in with surrounding commercial and industrial development.

This TIF Plan is intended to provide approximately \$2.49 million from tax increment financing (the "TIF Debt"). Proceeds of the TIF Debt will be used to fund required on-site and off-site improvements. In the event the Developer is able to finance the TIF Debt at a lower interest rate or through additional subordinate TIF financing, the additional funds produced through such financing shall be used by the Developer for the on-site and off-site inspections. The costs of the required improvements not financed by the TIF Debt will be paid by the Developer.

The TIF District is expected to provide significant economic benefits to the taxing bodies during its twenty (20) year term. In connection with the Project, property values within the TIF District are expected to increase, and, when this occurs, the real estate taxes generated from the TIF District are also expected to increase. This TIF Plan allocates 100 percent (100%) of the increased property taxes (the increment) to pay debt service and costs related to the TIF Debt. When the TIF District expires and the TIF Debt is repaid, the taxing bodies will receive 100% of the increment.

#### IV. TIF PROJECT PLAN

The following information is provided pursuant to Section 6930.5(4) of the TIF Act:

- i. **Statement listing the kind, number and location of all proposed public works or improvements and/or all residential, commercial or industrial development and revitalization improvements**

Developer proposes to develop approximately 28.569 acres. Table 1 attached to this TIF Plan lists the proposed light industrial, warehouse and office facilities, the approximate square footage of each industrial, warehouse and office space, and the estimated post-construction fair market value of the proposed structures.

The total development costs (including Developer funded and TIF funded improvements) are expected to exceed \$39,000,000.

In order to develop the Property, the Authority proposes to provide approximately \$2,493,107 million<sup>1</sup> by issuing the TIF Debt to pay a portion of the costs of on-site and off-site

<sup>1</sup> The amount of \$2,493,107 is estimated to be made available to the Developer for the Project Costs. This amount is based on issuing \$3,095,000 in TIF Debt (which amount includes capitalized interest, debt service reserve and costs of issuance).

improvements. Section IV(iii) of the TIF Plan provides a detailed breakdown of the expected costs of the improvements that will be financed with proceeds of the TIF Debt (the "TIF Costs"), which include, without limitation:

• Site Work and Remediation	\$2,261,000
• Site Utilities	\$2,013,000
• Roads and Infrastructure	\$1,130,750
• Engineering and Site Design	\$ 550,000

To the extent that the costs listed above exceed the amount provided by the Authority, the balance of funding needed to complete such improvements (if any) will be the responsibility of the Developer.

ii. **Economic feasibility study of the Project and the fiscal effects on the municipal tax base**

The attached **Table 1** sets forth the post-development estimated assessed value<sup>2</sup> for the Property. As noted on Table 1, these assessed values are projected to generate a maximum annual real estate tax of \$1,051,923. **Table 2** shows the base year real estate taxes for the TIF District at \$18,440. **Table 3** shows the projected increment of \$1,033,483 (subtracting the base year real estate taxes from the projected total annual real estate tax). Pursuant to this TIF Plan, 100 percent (100%) of that increment (the "Pledged Increment") will be used to service the debt on the TIF bonds or notes. **Table 4** sets forth a summary of estimated Pledged Increment during the twenty (20) year TIF term.

**Table 5** is a loan amortization schedule and shows the total debt payments for \$3,095,000 of TIF Debt at an estimated five percent (5%) annual interest rate. As set forth on **Table 5**, the total estimated net debt service is calculated at \$4,996,958. A comparison of **Table 4** and **Table 5** demonstrates that the required net debt service will be satisfied by the Pledged Increment totaling approximately \$20,669,660.<sup>3</sup>

Current Assessed Valuation Within the TIF District:

By law, only the *new* taxes generated by the Project can be applied to the TIF Debt. Therefore, the initial step in determining what amounts may be used to pay the TIF debt is to identify existing real estate taxes for the proposed TIF District. The current assessed valuation of the land to be developed is referred to as the baseline assessed valuation. Using the current assessed valuation of land and improvements for the Property the baseline is \$18,440, as set forth on **Table 2**. The 2016 tax rates being used for this TIF District are:

- Clarion Area School District .06573 mills

<sup>2</sup> The fair market value on Table 1 is also the projected assessed value.

<sup>3</sup> The total 20-year Pledged Increment is calculated by taking the annual projected Pledged Increment of \$1,033,483 X 20.

- Clarion Borough .022 mills
- Clarion County .022 mills

Applying the total tax rate of .10973 mills to the current assessed value produces tax revenue in the total amount of \$18,440. This amount is designated as the tax increment base and will continue to be paid to the three taxing bodies before any incremental real estate taxes are allocated to the Authority for repayment of the TIF Debt. Any incremental real estate taxes generated as a result of increases in millage rates from the rates in effect on the date the TIF District is created (as opposed to incremental real estate taxes generated as a result of increased assessed value) will not be pledged toward payment of debt service on the TIF Debt.

Anticipated Increase in Assessed Valuation:

**Table 1** is a projection of the assessments for each new, proposed use for the TIF District by the Developer. This table is based on the 2016 property tax rates for each taxing body and reflects total assessments at full build-out. Full building out of the Project is expected to occur sometime in August, 2018.

Forecast of Incremental Taxes Within the TIF District:

Based on the projected increased assessed valuation shown on **Table 1**, the total new real estate taxes (increment or Pledged Increment) generated from all properties within the TIF District will be approximately \$20.7 million<sup>4</sup> over the twenty (20) year TIF District term.

Portion of Incremental Tax Revenues to be Applied to TIF Debt:

This TIF Plan requests that the Borough, the School District and the County agree to pledge 100 percent (100%) of the incremental real estate tax revenues to be generated by the Glass Works Industrial Development Project to service the TIF Debt.

TIF Debt Service Calculation:

The TIF debt service calculation, based on current market rates, is shown on **Table 5**.

Other Economic Impacts:

In addition to increasing real estate tax revenues, numerous other positive economic impacts are anticipated to result from development of the Project. Attached as **Exhibit "C"** is a summary of local and state tax and job benefits, including job creation, and additional tax benefits to the local taxing bodies which are expected to occur in connection with TIF District creation.

**iii. Detailed list of estimated project costs**

The current estimate of the total costs to complete the Project is \$39,737,857 (inclusive of all

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<sup>4</sup> The total increment over the 20-year term is calculated by taking the annual increment \$1,033,483 X 20.

public and private structures and improvements to be located in the TIF District). A detailed breakdown of the estimated Project costs to be paid using TIF proceeds is attached to this document as **Table 6** (the "TIF Costs"). The TIF Costs on **Table 6** are estimated as of the date of this TIF Plan, and, as a result, in the event any itemized TIF Cost falls below its estimated amount, the difference may be applied to another itemized TIF Cost (if such cost exceeds its projected estimated amount) or other Project costs, provided such costs qualify for the use of TIF proceeds under the TIF Act. In the event the Developer is able to finance the TIF Debt at a lower interest rate or through additional subordinate TIF financing, the additional funds produced through such financing shall be used by the Developer for the on-site and off-site inspections.

The TIF Debt will include funding for capitalized interest in the estimated amount of \$282,893 and a debt reserve fund in the estimated amount of \$259,000. These amounts are subject to change as the terms of the financing are negotiated with any holder of the TIF Debt. To the extent lesser amounts are required for the debt service reserve fund and/or for capitalized interest, additional funds may be made available to the Developer for TIF Costs and/or other Project costs eligible to be paid with the use of TIF proceeds.

The proceeds of the TIF Debt will be applied to the estimated TIF Costs listed in **Table 6**. Developer's funds will fund any costs of the Project not funded by the TIF Debt. The total \$39.7 million in Project costs are expected to have the following sources of funds:

- TIF bond funding: \$2,493,107
- Developer funds: \$37,244,750<sup>5</sup>

**iv. A description of the methods of financing all estimated project costs and the time when related costs or monetary obligations are to be incurred**

Upon creation of the TIF District by the Borough, the Authority will seek TIF financing. When financing is obtained, the Authority will have incurred a financial obligation to retire the TIF Debt (subject to the limitations described above) and the three taxing bodies will have pledged the use of incremental revenues within the TIF District to retire the debt. The TIF bond closing is expected to occur during October of 2016, but could occur at any time after the TIF District is created. At this time, the Developer anticipates that TIF funds will be needed in 2016 to build the Project.

**v. Map showing existing uses and conditions of real property in the TIF District**

An Existing Conditions Plan for the TIF District is attached to this document as **Exhibit "A"**.

**vi. Map showing proposed improvements and uses therein**

A site plan showing the proposed improvements is attached to this document as **Exhibit "B"**.

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<sup>5</sup> Combination of Developer capital and financing.

**vii. Proposed changes of zoning ordinance, master plan, map, building code or ordinance.**

Pursuant to the Clarion Borough Zoning Ordinance, the Property comprising the TIF District is located entirely within the CI district which permits the proposed commercial and warehousing uses by right. Accordingly, no changes to existing ordinances, master plans, maps or building codes are required in connection with this TIF Plan.

**viii. List of estimated non-project costs**

Non-project costs under the TIF Act are costs incurred beyond the TIF District boundaries which are essential to the objectives of the Glass Works Industrial Development Project. This TIF Plan does not propose funding for any non-project costs.

**ix. Statement of the proposed method for the relocation of families, persons and businesses to be temporarily or permanently displaced by implementation of the plan**

Miles Brothers LLC is the record owner of the Property. Accordingly, development of the Project within the TIF District will not involve the displacement and/or relocation of families, persons or businesses.

**TABLE 1**

**POST DEVELOPMENT PROJECTED ASSESSED VALUE**

**PROJECTED ASSESSMENTS AND TAX CALCULATIONS:**

Description	Assessment	FMV (At 37.7%)	Acreage/ Estimated Bldg SF	FMV Per Acre/ Bldg SF	Projected County Tax	Projected Borough Tax	Projected School Tax	Projected Total Tax
Proposed Building 1	B \$975,488	\$2,587,500	34,500	\$75	\$21,461	\$21,461	\$64,119	\$107,040
Proposed Building 2	B \$1,017,900	\$2,700,000	36,000	\$75	\$22,394	\$22,394	\$66,907	\$111,694
Proposed Building 3	B \$974,781	\$2,585,625	34,475	\$75	\$21,445	\$21,445	\$64,072	\$106,963
Proposed Building 4	B \$1,837,875	\$4,875,000	65,000	\$75	\$40,433	\$40,433	\$120,804	\$201,670
Proposed Building 5	B \$1,371,338	\$3,637,500	48,500	\$75	\$30,169	\$30,169	\$90,138	\$150,477
Proposed Building 6	B \$1,823,738	\$4,837,500	64,500	\$75	\$40,122	\$40,122	\$119,874	\$200,119
Proposed Building 7	B \$777,563	\$2,062,500	27,500	\$75	\$17,106	\$17,106	\$51,109	\$85,322
LAND	L \$807,788	\$2,142,675	28.569	\$75,000	\$17,771	\$17,771	\$53,096	\$88,639
<b>TOTAL</b>	L \$807,788	\$2,142,675	28.569					
	B \$8,778,681	\$23,285,625	310,475		\$210,902	\$210,902	\$630,119	\$1,051,923
	T \$9,586,469	\$25,428,300						

Millages	2016
County	0.02200
Borough	0.02200
School	0.06573
<b>Total</b>	<b>0.10973</b>

**TABLE 2**

**BASE YEAR REAL ESTATE TAXES**

**BASE YEAR TAX CALCULATIONS:**

Parcel Number	Assessment	FMV (At 37.7%)	Land Acreage	Land FMV Per Acre	County Tax	Borough Tax	School Tax	Total Tax
05-020-064-001-00	L \$47,827	\$126,862	8.109	\$15,645	\$1,052	\$1,052	\$3,144	\$5,248
(Bldg asst of	B \$0	\$0						
\$16,100 removed)	T \$47,827	\$126,862						
05-020-004-005-00	L \$79,561	\$211,037	13.540	\$15,586	\$1,750	\$1,750	\$5,230	\$8,730
(Bldg asst of	B \$0	\$0						
\$8,100 removed)	T \$79,561	\$211,037						
05-020-004-006-00	L \$13,456	\$35,692	2.290	\$15,586	\$296	\$296	\$884	\$1,477
	B \$0	\$0						
	T \$13,456	\$35,692						
05-020-004-007-00	L \$27,206	\$72,164	4.630	\$15,586	\$599	\$599	\$1,788	\$2,985
	B \$0	\$0						
	T \$27,206	\$72,164						
<b>TOTAL BASE:</b>	L \$168,050	\$445,756	28.569	\$15,603	\$3,697	\$3,697	\$11,046	\$18,440
	B \$0	\$0						
	T \$168,050	\$445,756						

**TABLE 3**

**PROJECTED TAX INCREMENT**

**CALCULATION OF TAX INCREMENT:**

	County	Township	School	Total
Base Year Tax	\$3,697	\$3,697	\$11,046	\$18,440
Projected Total Tax	\$210,902	\$210,902	\$630,119	\$1,051,923
Tax Increment	\$207,205	\$207,205	\$619,073	\$1,033,483
100%	\$207,205	\$207,205	\$619,073	\$1,033,483

**TABLE 4**

**TAX INCREMENT SUMMARY**

Year	Borough	County	School	Pledged Increment
1	\$207,205	\$207,205	\$619,073	\$1,033,483
2	\$207,205	\$207,205	\$619,073	\$1,033,483
3	\$207,205	\$207,205	\$619,073	\$1,033,483
4	\$207,205	\$207,205	\$619,073	\$1,033,483
5	\$207,205	\$207,205	\$619,073	\$1,033,483
6	\$207,205	\$207,205	\$619,073	\$1,033,483
7	\$207,205	\$207,205	\$619,073	\$1,033,483
8	\$207,205	\$207,205	\$619,073	\$1,033,483
9	\$207,205	\$207,205	\$619,073	\$1,033,483
10	\$207,205	\$207,205	\$619,073	\$1,033,483
11	\$207,205	\$207,205	\$619,073	\$1,033,483
12	\$207,205	\$207,205	\$619,073	\$1,033,483
13	\$207,205	\$207,205	\$619,073	\$1,033,483
14	\$207,205	\$207,205	\$619,073	\$1,033,483
15	\$207,205	\$207,205	\$619,073	\$1,033,483
16	\$207,205	\$207,205	\$619,073	\$1,033,483
17	\$207,205	\$207,205	\$619,073	\$1,033,483
18	\$207,205	\$207,205	\$619,073	\$1,033,483
19	\$207,205	\$207,205	\$619,073	\$1,033,483
20	\$207,205	\$207,205	\$619,073	\$1,033,483
Total	\$4,144,100	\$4,144,100	\$12,381,460	\$20,669,660

TABLE 5

LOAN AMORTIZATION SCHEDULE



## SOURCES AND USES OF FUNDS

Clarion County Industrial Development Authority  
Glass Works Industrial Development Park Tax-Increment Financing, Series of 2016Dated Date 10/01/2016  
Delivery Date 10/01/2016Sources:

<u>Bond Proceeds:</u>	
Par Amount	3,095,000.00
<u>Other Sources of Funds:</u>	
Developer Cash Contribution	240,000.00
	<u>3,335,000.00</u>

Uses:

<u>Project Fund Deposits:</u>	
Project Fund	2,493,106.52
<u>Other Fund Deposits:</u>	
Debt Service Reserve Fund	259,000.00
Capitalized Interest Fund	<u>282,893.48</u>
	541,893.48
<u>Cost of Issuance:</u>	
Other Cost of Issuance	300,000.00
	<u>3,335,000.00</u>



## BOND PRICING

Clarion County Industrial Development Authority  
Glass Works Industrial Development Park Tax-Increment Financing, Series of 2016

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Bond Component:					
	08/01/2017		5.000%	5.000%	100.000
	08/01/2018	100,000	5.000%	5.000%	100.000
	08/01/2019	105,000	5.000%	5.000%	100.000
	08/01/2020	110,000	5.000%	5.000%	100.000
	08/01/2021	115,000	5.000%	5.000%	100.000
	08/01/2022	125,000	5.000%	5.000%	100.000
	08/01/2023	130,000	5.000%	5.000%	100.000
	08/01/2024	135,000	5.000%	5.000%	100.000
	08/01/2025	145,000	5.000%	5.000%	100.000
	08/01/2026	150,000	5.000%	5.000%	100.000
	08/01/2027	160,000	5.000%	5.000%	100.000
	08/01/2028	165,000	5.000%	5.000%	100.000
	08/01/2029	175,000	5.000%	5.000%	100.000
	08/01/2030	180,000	5.000%	5.000%	100.000
	08/01/2031	190,000	5.000%	5.000%	100.000
	08/01/2032	200,000	5.000%	5.000%	100.000
	08/01/2033	210,000	5.000%	5.000%	100.000
	08/01/2034	220,000	5.000%	5.000%	100.000
	08/01/2035	235,000	5.000%	5.000%	100.000
	08/01/2036	245,000	5.000%	5.000%	100.000
		3,095,000			

Dated Date	10/01/2016	
Delivery Date	10/01/2016	
First Coupon	02/01/2017	
Par Amount	3,095,000.00	
Original Issue Discount		
Production Underwriter's Discount	3,095,000.00	100.000000%
Purchase Price	3,095,000.00	100.000000%
Accrued Interest		
Net Proceeds	3,095,000.00	



## BOND DEBT SERVICE

Clarion County Industrial Development Authority  
Glass Works Industrial Development Park Tax-Increment Financing, Series of 2016

Dated Date           10/01/2016  
Delivery Date       10/01/2016

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/01/2017			51,583.33	51,583.33	
08/01/2017			77,375.00	77,375.00	128,958.33
02/01/2018			77,375.00	77,375.00	
08/01/2018	100,000	5.000%	77,375.00	177,375.00	254,750.00
02/01/2019			74,875.00	74,875.00	
08/01/2019	105,000	5.000%	74,875.00	179,875.00	254,750.00
02/01/2020			72,250.00	72,250.00	
08/01/2020	110,000	5.000%	72,250.00	182,250.00	254,500.00
02/01/2021			69,500.00	69,500.00	
08/01/2021	115,000	5.000%	69,500.00	184,500.00	254,000.00
02/01/2022			66,625.00	66,625.00	
08/01/2022	125,000	5.000%	66,625.00	191,625.00	258,250.00
02/01/2023			63,500.00	63,500.00	
08/01/2023	130,000	5.000%	63,500.00	193,500.00	257,000.00
02/01/2024			60,250.00	60,250.00	
08/01/2024	135,000	5.000%	60,250.00	195,250.00	255,500.00
02/01/2025			56,875.00	56,875.00	
08/01/2025	145,000	5.000%	56,875.00	201,875.00	258,750.00
02/01/2026			53,250.00	53,250.00	
08/01/2026	150,000	5.000%	53,250.00	203,250.00	256,500.00
02/01/2027			49,500.00	49,500.00	
08/01/2027	160,000	5.000%	49,500.00	209,500.00	259,000.00
02/01/2028			45,500.00	45,500.00	
08/01/2028	165,000	5.000%	45,500.00	210,500.00	256,000.00
02/01/2029			41,375.00	41,375.00	
08/01/2029	175,000	5.000%	41,375.00	216,375.00	257,750.00
02/01/2030			37,000.00	37,000.00	
08/01/2030	180,000	5.000%	37,000.00	217,000.00	254,000.00
02/01/2031			32,500.00	32,500.00	
08/01/2031	190,000	5.000%	32,500.00	222,500.00	255,000.00
02/01/2032			27,750.00	27,750.00	
08/01/2032	200,000	5.000%	27,750.00	227,750.00	255,500.00
02/01/2033			22,750.00	22,750.00	
08/01/2033	210,000	5.000%	22,750.00	232,750.00	255,500.00
02/01/2034			17,500.00	17,500.00	
08/01/2034	220,000	5.000%	17,500.00	237,500.00	255,000.00
02/01/2035			12,000.00	12,000.00	
08/01/2035	235,000	5.000%	12,000.00	247,000.00	259,000.00
02/01/2036			6,125.00	6,125.00	
08/01/2036	245,000	5.000%	6,125.00	251,125.00	257,250.00
	3,095,000		1,901,958.33	4,996,958.33	4,996,958.33



## NET DEBT SERVICE

Clarion County Industrial Development Authority  
Glass Works Industrial Development Park Tax-Increment Financing, Series of 2016

Date	Principal	Coupon	Interest	Debt Service	Total	Debt Service Reserve Fund	Capitalized Interest Fund	Debt Service	Net	Annual Net D/S
02/01/2017			51,583.33	51,583.33	51,583.33	4,317.34	51,583.33	-4,317.34		
08/01/2017			77,375.00	77,375.00	77,375.00	6,476.01	77,375.00	-6,476.01		-10,793.35
02/01/2018			77,375.00	77,375.00	77,375.00	6,476.01	77,375.00	-6,476.01		
08/01/2018	100,000	5.000%	77,375.00	177,375.00	177,375.00	6,476.01	77,375.00	93,523.99		87,047.98
02/01/2019			74,875.00	74,875.00	74,875.00	6,476.01		68,398.99		
08/01/2019	105,000	5.000%	74,875.00	179,875.00	179,875.00	6,476.01		173,398.99		241,797.98
02/01/2020			72,250.00	72,250.00	72,250.00	6,476.01		65,773.99		
08/01/2020	110,000	5.000%	72,250.00	182,250.00	182,250.00	6,476.01		175,773.99		241,547.98
02/01/2021			69,500.00	69,500.00	69,500.00	6,476.01		63,023.99		
08/01/2021	115,000	5.000%	69,500.00	184,500.00	184,500.00	6,476.01		178,023.99		241,047.98
02/01/2022			66,625.00	66,625.00	66,625.00	6,476.01		60,148.99		
08/01/2022	125,000	5.000%	66,625.00	191,625.00	191,625.00	6,476.01		185,148.99		245,297.98
02/01/2023			63,500.00	63,500.00	63,500.00	6,476.01		57,023.99		
08/01/2023	130,000	5.000%	63,500.00	193,500.00	193,500.00	6,476.01		187,023.99		244,047.98
02/01/2024			60,250.00	60,250.00	60,250.00	6,476.01		53,773.99		
08/01/2024	135,000	5.000%	60,250.00	195,250.00	195,250.00	6,476.01		188,773.99		242,547.98
02/01/2025			56,875.00	56,875.00	56,875.00	6,476.01		50,398.99		
08/01/2025	145,000	5.000%	56,875.00	201,875.00	201,875.00	6,476.01		195,398.99		245,797.98
02/01/2026			53,250.00	53,250.00	53,250.00	6,476.01		46,773.99		
08/01/2026	150,000	5.000%	53,250.00	203,250.00	203,250.00	6,476.01		196,773.99		243,547.98
02/01/2027			49,500.00	49,500.00	49,500.00	6,476.01		43,023.99		
08/01/2027	160,000	5.000%	49,500.00	209,500.00	209,500.00	6,476.01		203,023.99		246,047.98
02/01/2028			45,500.00	45,500.00	45,500.00	6,476.01		39,023.99		
08/01/2028	165,000	5.000%	45,500.00	210,500.00	210,500.00	6,476.01		204,023.99		243,047.98
02/01/2029			41,375.00	41,375.00	41,375.00	6,476.01		34,898.99		
08/01/2029	175,000	5.000%	41,375.00	216,375.00	216,375.00	6,476.01		209,898.99		244,797.98
02/01/2030			37,000.00	37,000.00	37,000.00	6,476.01		30,523.99		
08/01/2030	180,000	5.000%	37,000.00	217,000.00	217,000.00	6,476.01		210,523.99		241,047.98
02/01/2031			32,500.00	32,500.00	32,500.00	6,476.01		26,023.99		
08/01/2031	190,000	5.000%	32,500.00	222,500.00	222,500.00	6,476.01		216,023.99		242,047.98
02/01/2032			27,750.00	27,750.00	27,750.00	6,476.01		21,273.99		
08/01/2032	200,000	5.000%	27,750.00	227,750.00	227,750.00	6,476.01		221,273.99		242,547.98
02/01/2033			22,750.00	22,750.00	22,750.00	6,476.01		16,273.99		
08/01/2033	210,000	5.000%	22,750.00	232,750.00	232,750.00	6,476.01		226,273.99		242,547.98
02/01/2034			17,500.00	17,500.00	17,500.00	6,476.01		11,023.99		
08/01/2034	220,000	5.000%	17,500.00	237,500.00	237,500.00	6,476.01		231,023.99		242,047.98



NET DEBT SERVICE

Clarion County Industrial Development Authority  
Glass Works Industrial Development Park Tax-Increment Financing, Series of 2016

Date	Principal	Coupon	Interest	Total Debt Service	Debt Service Reserve Fund	Capitalized Interest Fund	Net Debt Service	Annual Net D/S
02/01/2035			12,000.00	12,000.00	6,476.01		5,523.99	
08/01/2035	235,000	5.000%	12,000.00	247,000.00	6,476.01		240,523.99	246,047.98
02/01/2036			6,125.00	6,125.00	6,476.01		-351.01	
08/01/2036	245,000	5.000%	6,125.00	251,125.00	265,476.01		-14,351.01	-14,702.02
	3,095,000		1,901,958.33	4,996,958.33	515,881.73	283,708.33	4,197,368.27	4,197,368.27



## BOND SUMMARY STATISTICS

**Clarion County Industrial Development Authority**  
**Glass Works Industrial Development Park Tax-Increment Financing, Series of 2016**

Dated Date	10/01/2016
Delivery Date	10/01/2016
Last Maturity	08/01/2036
Arbitrage Yield	5.000776%
True Interest Cost (TIC)	5.000776%
Net Interest Cost (NIC)	5.000000%
All-In TIC	6.199884%
Average Coupon	5.000000%
Average Life (years)	12.291
Duration of Issue (years)	8.919
Par Amount	3,095,000.00
Bond Proceeds	3,095,000.00
Total Interest	1,901,958.33
Net Interest	1,901,958.33
Total Debt Service	4,996,958.33
Maximum Annual Debt Service	259,000.00
Average Annual Debt Service	251,947.48

Underwriter's Fees (per \$1000)  
 Average Takedown  
 Other Fee

Total Underwriter's Discount

Bid Price 100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Bond Component	3,095,000.00	100.000	5.000%	12.291	2,700.60
	3,095,000.00			12.291	2,700.60

	TIC	All-In TIC	Arbitrage Yield
Par Value	3,095,000.00	3,095,000.00	3,095,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-300,000.00	
- Other Amounts			
Target Value	3,095,000.00	2,795,000.00	3,095,000.00
Target Date	10/01/2016	10/01/2016	10/01/2016
Yield	5.000776%	6.199884%	5.000776%

**TABLE 6**  
**ESTIMATED TIF COSTS \***

<u>Item</u>	<u>Amount</u>
Engineering and Site Design	\$550,000
Erosion and Sedimentation Controls	\$155,000
Site Demolition/Crushing of Buried Concrete/Contaminated Soil Remediation	\$875,000
Earth Moving (Unclassified Cut and Unclassified Fill)	\$923,000
Sanitary Sewer	\$302,000**
Water	\$448,000**
Storm Water	\$870,000**
Trenching/Conduit for Underground Utilities (Phone, Electric, etc.)	\$215,000
Structural Retention Wall System	\$273,000
Concrete Curbs and Walkway	\$237,000
Road Ways	\$870,000
Entrance Marquee	\$ 35,000
Site Lighting	\$178,000
Traffic Controls (Signs, Painting, Guiderail, etc.)	\$ 23,750
<b>Subtotal TIF Project Hard Costs</b>	<b>\$5,954,750</b>
Capitalized Interest	\$259,000
Debt Service Reserve	\$282,893
Cost of TIF Issuance	\$300,000
<b>TOTAL</b>	<b>\$6,796,643</b>

\* In the event that TIF costs are in excess of the amount provided for by the TIF, the Developer will contribute any shortfall.

\*\* Subject to increase based upon Provider Fees.

**EXHIBIT "A"**

**Existing Conditions Plan**

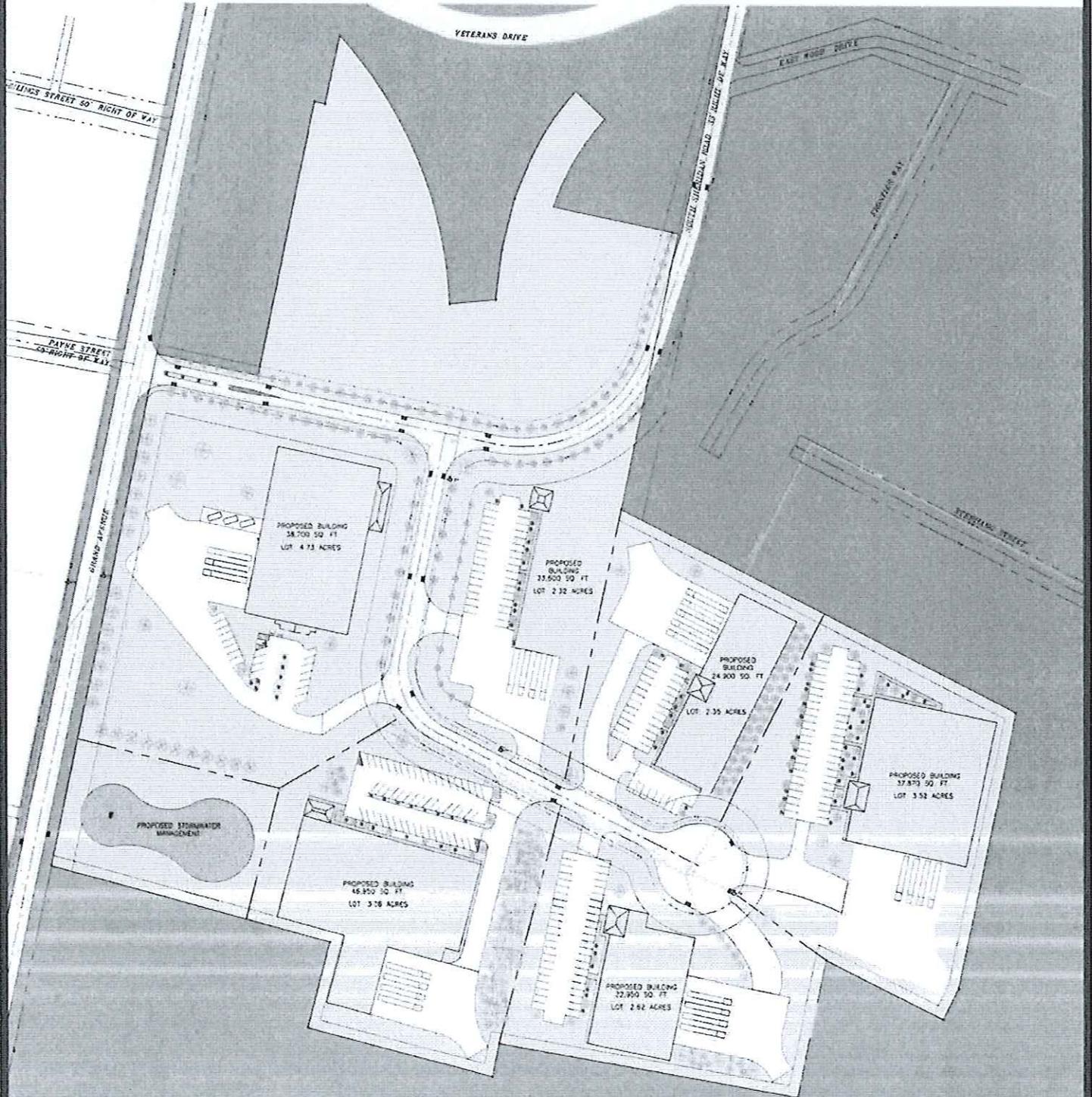


**EXHIBIT "B"**

**Site Plan of Proposed Improvements**

# MILES BROTHERS LLC

## GLASS WORKS INDUSTRIAL PARK



**OLSEN & ASSOCIATES, LLC**  
 ENGINEERS • COMMUNITY PLANNERS • SURVEYORS • LANDSCAPE ARCHITECTS • GRANTS WRITERS/ADMINISTRATORS  
 28 S. MAIN STREET • SUITE 200 • DENVER, COLORADO 80202 (773) 232-4788 FAX (773) 282-7673 www.OlsenAndAssociates.com

## EXHIBIT "C"

### Glass Works Business Park

#### Estimated Economic Impacts of Development <sup>(1) (2)</sup>

	Construction (one time)	Industrial Operations (annual on- going)
<b>Employment Impact <sup>(3) (4)</sup></b>		
Employment		
Direct	181	203
Indirect & Induced	126	256
<b>Total Job Creation</b>	<b>306</b>	<b>459</b>
<b>Employee Compensation</b>		
Direct	\$8,897,767	\$10,590,234
Indirect & Induced	\$6,092,079	\$12,498,375
<b>Total Employee Compensation</b>	<b>\$14,989,846</b>	<b>\$23,088,609</b>
<b>State/Local Tax Impact <sup>(5)</sup></b>		
Household Expenditures <sup>(6)</sup>		
Income Tax	\$227,954	\$253,679
Non-Taxes (Fines- Fees)	\$29,253	\$32,555
Motor Vehicle License	\$8,772	\$9,762
Property Taxes	\$4,274	\$4,757
Other Tax (Fish/Hunt)	\$5,453	\$6,069
Sub-Total	\$275,706	\$306,822
Business Expenditures <sup>(7)</sup>		
Sales Tax	\$97,260	\$120,512
Property Tax	\$83,759	\$103,784
Motor Vehicle License	\$1,648	\$2,042
Severance Tax	\$0	\$0
Other Taxes	\$16,950	\$21,002
S/L Non-Taxes	\$446	\$552
Sub-Total	\$200,063	\$247,892
Enterprises (Corporations)		
Corporate Profits Tax	\$11,425	\$54,002
Dividends	\$721	\$3,407
Sub-Total	\$12,146	\$57,409
<b>Total State/Local Tax Impact</b>	<b>\$487,915</b>	<b>\$612,123</b>

Sources: IMPLAN Group LLC, 2016

- <sup>(1)</sup> Inflated to reflect all model results in year 2016 dollar values.
- <sup>(2)</sup> A statewide model of Pennsylvania was the basis of analysis. Therefore, all results reflect state impacts.
- <sup>(3)</sup> Operational impacts reflect the benefits of a development when it is in operation. Employment impacts reflect the jobs created and/or supported by the project at full build-out. All compensation and tax impacts are assumed to occur on an annual basis.
- <sup>(4)</sup> Employment impacts reflect the total number of jobs created and/or supported by the project. Direct employment represents an estimate of the jobs that will be created by the project, as calculated from the gross leasable area (GLA) of the new facility. All other jobs represent "spin-off" jobs supported by the project as a result of increased inter-industry spending and new household expenditures.
- <sup>(5)</sup> Tax impacts primarily reflect the indirect and induced benefits associated with the project. Indirect benefits capture the inter-industry spending that results from a change in final demand, while induced benefits capture the industry activity generated by new household income. These "spin-off" tax impacts should not be confused with any new real estate tax rates, which are not estimated by the IMPLAN model.
- <sup>(6)</sup> Household expenditures reflect induced effects, i.e. the impacts on all local industries caused by the expenditure of new household income.
- <sup>(7)</sup> Business expenditures reflect indirect effects, i.e. the purchasing activity of other industries caused by a change in final demand.