



Opportunity Zones Investment Prospectus

*Prepared by:
Clarion County Economic Development*

Table of Contents

<u>Topic</u>	<u>Slide #s</u>
• Clarion County 2030	2
• Welcome to Clarion County	3
– Quality of Life	
• Clarion County Stats and Information .	4 to 14
• Recent Investments in Clarion County . .	15
• Qualified Opportunity Zone Information (QOZ)	16 to 23
• New Market Tax Credits Opportunities . .	24
• Closing	25

Clarion County 2030

Clarion County 2030 is a joint effort of stakeholders within our county to work together strategically for the best interests of our residents. Economic Development with a focus on grants, initiatives to encourage investment, and improving the quality of life for our residents. These initiatives are:

- Joint grant applications with a cooperative effort lead by Delta Development Corp.
- Qualified Opportunity Zones are designed to spur economic development and job creation in distressed communities.
- New Market Tax Credits are a creative community building financing solution. Credits are awarded to Community Development Entities for encouraging investments in distressed areas.
- Connectivity within our county and region on broadband, trails, communication/social media.

Dear Partner:

Nestled in the heart of Northwestern Pennsylvania, Clarion County is an ideal place to live and work. Located directly off of Interstate-80, midway between New York City and Chicago, Clarion County offers businesses and residents the perfect coupling of small-town living with access to urban amenities.

Clarion has long been known for its excellence in business, education, and healthcare. With thriving companies in manufactured housing, energy, wood products, and recreation, just to name a few, Clarion's diverse economic landscape is solid and postured for continued growth. Positioned in the heart of downtown Clarion, Clarion University of Pennsylvania (CUP) is a vital part of the cultural fabric of our community. Offering exemplary undergraduate and graduate programs across many disciplines, CUP not only gives us access to a highly motivated and educated local workforce, it provides cultural, educational, and recreational opportunities for local residents, as well. Clarion Hospital is part of the acclaimed Butler Health System and provides state of the art medical facilities and care right here in our neighborhood.

A fantastic location within a day's drive of half of American consumers, a strong local economy, and award-winning healthcare and education are not the only benefits to being in Clarion County, local residents and visitors enjoy the immense beauty of our many natural resources, with four very distinct seasons. Eco-tourism opportunities abound at Cook Forest State Park, and Clarion County offers a full-service indoor recreational facility at our newly constructed YMCA. Additionally, Clarion boasts the oldest continuously run golf course in the nation, and the Clarion River was named Pennsylvania's 2019 River of the Year.

Here in Clarion, we celebrate our heritage with a vision toward the future. Our thriving downtown with picturesque streets, immensely low cost of living, affordable real estate, low crime rates, great school systems, and remarkably low taxes set Clarion apart from other communities. We are a small-town, with a big heart, and even bigger opportunities for continued growth and advancement. With the capital gains tax incentives offered through the Federal Qualified Opportunity Zone tracts, we believe that Clarion is uniquely poised as an excellent locale for investment and entrepreneurial endeavors, and the Clarion County Economic Development Corporation invites you to take a closer look. We are here to assist you with every aspect of your process, and we look forward to welcoming you and your business into our community.



CLARION COUNTY, PA
ECONOMIC DEVELOPMENT

A note from Executive Director
Shannon Barrios of the Clarion
County Economic
Development Corporation.



Visit our website for up to date
stats and information.

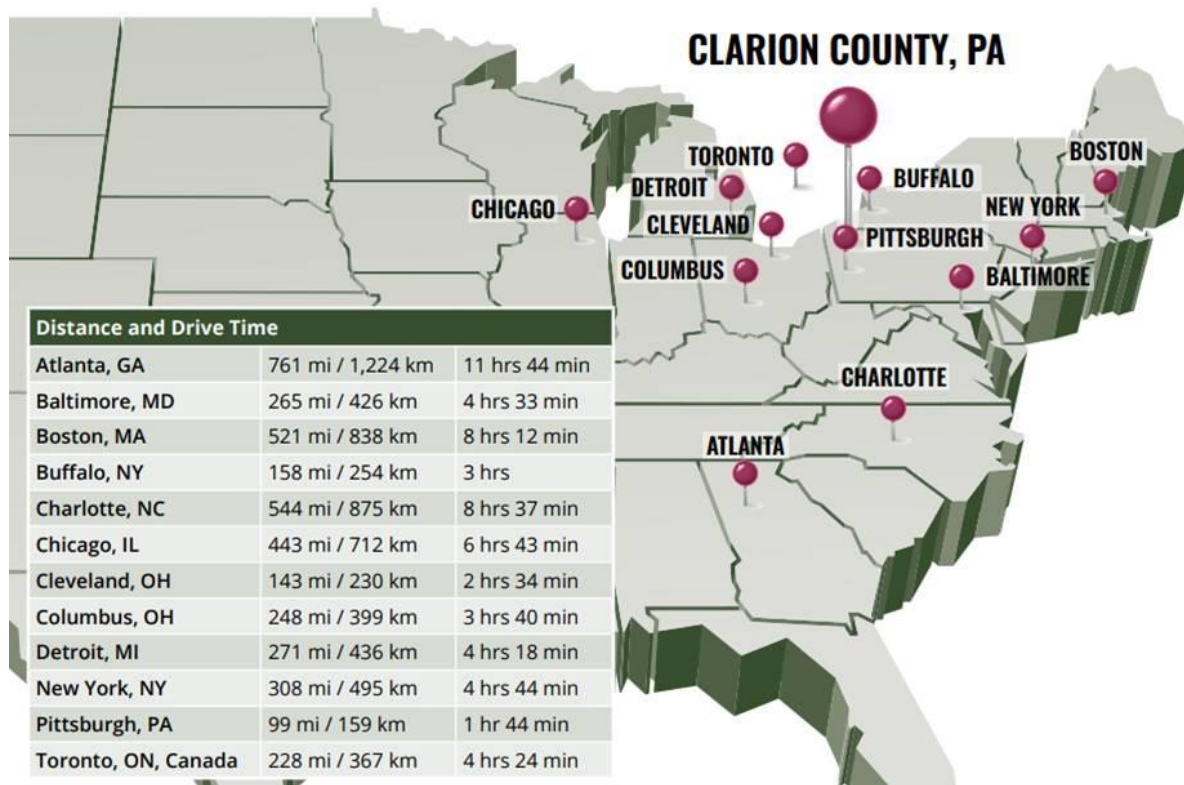
www.ClarionCountyEDC.com

Key Takeaways about Clarion

- Excellent location in the heart of almost $\frac{1}{2}$ of the population of the United States ~ outstanding transportation infrastructure.
- The workforce in the area expect and respect a strong work ethic. They are technological savvy with the old time, small town work culture.
- The institutions in Clarion County are strong and keep getting better.
- Affordable living for today's diverse, well educated workforce.
- Scenic outdoor recreation activities.
- Cooperation and collaboration between the private sector and the public sector in Clarion County.
- Almost \$410 Million in new Infrastructure during the past 5 years. .
- Our Qualified Opportunity Zones are located along or close to Interstate 80.



Excellent location



Clarion County is within a day's drive of many large cities.

Transportation Infrastructure

- Located close to many major airports, including Cleveland, OH.
- Within a one-day truck drive of more than 153 million consumers.



Distance and Drive Time		
Allentown, PA	250 mi / 402 km	3 hrs 56 min
State College, PA	96 mi / 155 km	1 hr 45 min
Dubois, PA	35 mi / 56 km	40 min
Erie, PA	94 mi / 151 km	1 hr 30 min
Harrisburg, PA	173 mi / 278 km	2 hrs 55 min
Philadelphia, PA	282 mi / 453 km	4 hrs 47 min
Pittsburgh, PA	99 mi / 159 km	1 hr 44 min



The People

- For generations, our residents have been the people who made manufacturing facilities productive, operated farms, harvested our natural resources and supported our local economy.
- We have a significant Amish workforce, widely recognized throughout the area for their construction know how and flair for woodworking.
- We are home to a large number of military veterans, who bring technical skills along with their patriotism.
- Since 1867, Clarion University of Pennsylvania has been equipping our young people and working adults with the skills needed for the world, our nation and our community.



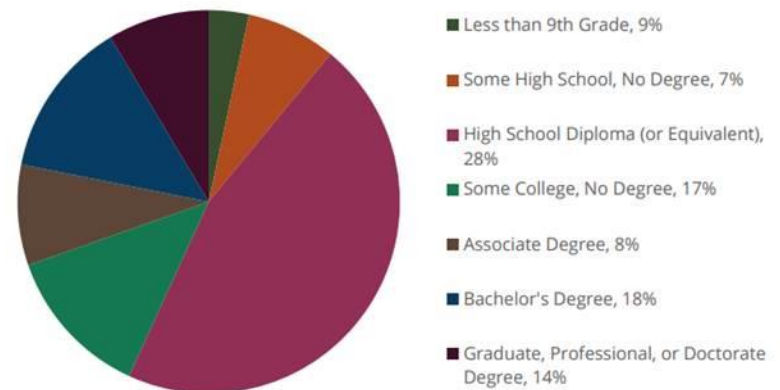
Workforce

- Within a 50 mile radius of Clarion County, you will find more than 429,000 highly skilled, well-educated, technology savvy and hardworking individuals.
- Extend to 75 miles, and the workforce numbers grow to almost 1.9 million.
- The majority of our population, 85% have at a minimum attained a high school degree and Clarion outpaces the nation at 32% attaining a bachelor's degree or higher. *This area has a well educated workforce.*



County Population by Education Level

Maximum level of education for residents ages 25+ via US Census Bureau



Clarion University

Home of the Golden Eagles

- Clarion University is ranked as a top regional university with many programs in the best of the national rankings. Clarion University offers work force development, certificates, associate, bachelor, masters and doctorate degrees.
- Clarion University is home to three unique colleges and two schools.
 - The College of Arts and Science
 - The College of Business Administration and Information Sciences
 - The College of Health and Human Services
 - The School of Information Sciences
 - The School of Education
- The Golden Eagles are members of the Pennsylvania State Athletic Conference (PSAC) for 13 of 14 varsity sports; the wrestling team competes in the Mid-American Conference (MAC) as a member of the NCAA's Division I.



Clarion County Career Center

- **Mission Statement**

"The mission of the Clarion County Career Center is to provide a superior hands-on, technical education that promotes core academic skills, teamwork and professionalism which empowers our students to become productive members of an ever-changing global economy. Through the expertise and commitment of our staff, the students will be equipped with the tools necessary to develop a strong work ethic fostering leadership and a commitment to personal growth."

Programs

- Allied Health
- Automotive Technology
- Computer Networking
- Construction Technology
- Cooperative Education
- Cosmetology
- Culinary Arts
- Diesel Technology
- Police Science
- Welding and Fabrication



[Read More: https://www.clarioncte.org/home.html](https://www.clarioncte.org/home.html)

Clarion County's Institutions

Areas are defined by the success of their institutions:

- Clarion County Hospital is part of the Butler Health System – one of the 100 Top Hospitals and among the nation's top performing hospitals for treatment of heart attacks.
- Clarion County YMCA is a new 40,000 square foot state of the art facility with a warm water pool, wellness center, gymnasium with childcare and after-school care.
- Clarion University Small Business Development Center helps all businesses grow and thrive in our area.

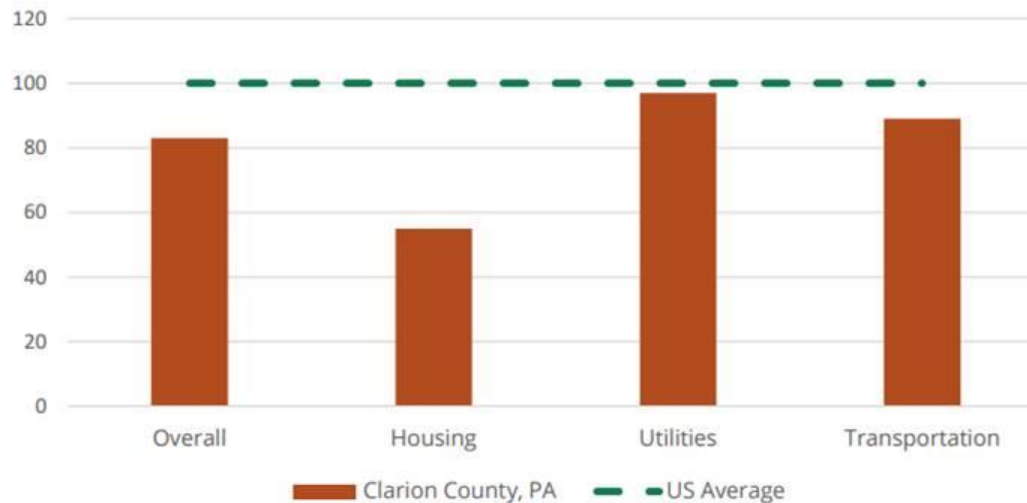


Proven Affordable Living

Affordability is key for today's workforce. They want all the amenities of urban areas but the low stress, less travel, and beautiful scenery of a place like Clarion County. All four seasons are experienced.

Cost of Living

Cost of living (via Sperling's) is based on a US average of 100.
An amount below 100 means Clarion County, PA is less expensive than the US average.



Livable Area for Today's Workforce

- Experts say that today's workers pick where they want to live - then find a job or they have tried out urban living and decided to come back to a rural area. The Gen X and Millennial's believe in "work to live" or "work, then don't forget to live".
- A 2017 survey covered a range of categories highlighting the preferences of rural millennials versus that of urban millennials, including social media, living environment, jobs, and networking. The key takeaways from that survey are:
 - It found that being located near a college is a good way to get young people to move to the area, especially if there are larger employment opportunities nearby that prove to be a great incentive.
 - Millennials are looking for a slower paced lifestyle and want to live in communities with art, cultural events, outdoor and indoor recreation activities along with affordable housing.
 - They want to be coached, mentored and trained. They want to be part of a work community that is aligned with their values and priorities.
 - Local Farm to Table attractions and Weekly Farmer's Market from May to October.

SAVEYOUR.TOWN/2017 Survey of Rural Challenges



Outdoor Scenic Recreation

- Studies demonstrate that, in addition to economic prosperity, outdoor recreation delivers personal and social benefits on which healthy, happy communities thrive.
- Outdoor Recreation creates higher well being, resulting in active individuals who enjoy their life.
- Investing in outdoor recreation is part of the economy for the future. Outdoor recreation is the 4th largest economic sector in the nation.
- Outdoor Recreation improves education outcomes, lowers healthcare costs, and creates an overall higher well being.
- Visit www.clariontrails.com to see all our local hiking, biking and walking trails.
- Clarion River named 2019 River of the Year by the people of PA!
- People want to live where they can play!



Outdoor Recreation in Clarion County

- Clarion River is part of the US designated Wild & Scenic Rivers.
- Clarion is the gateway to the Allegheny National Forest. The 2nd favorite camping spot in the United States.
- Enjoy the scenic beauty of the Clarion and surrounding area.
- Clarion County is part of the PA Wilds.



Investments in Clarion County

- Approximately \$410 Million in the past 5 years:

	Million
– Roads & Bridges _____	\$124
– Kronospan _____	\$105
– Clarion University _____	\$85
– State Spending DCED & Pennvest —	\$77
– Clarion YMCA _____	\$12
– Clarion County _____	\$5

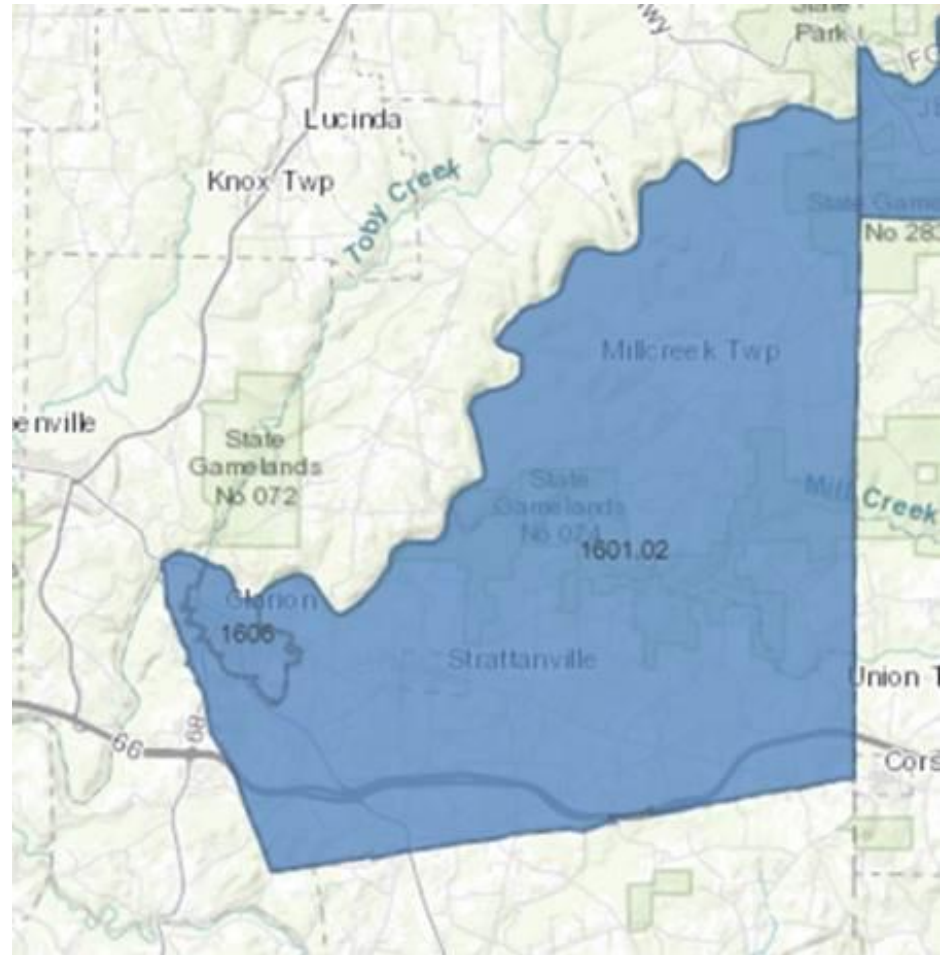
Investing in Opportunity Act

This program was created by the 2017 Tax Cuts & Jobs Act. According to the IRS, the purpose is to spur economic development and job creation in identified communities. This program had received bipartisan effort and support lead by Jared Bernstein, a progressive chief economist to former vice president Joe Biden, and Kevin Hassett, a conservative economist and currently President Trump's chairman of the Council of Economic Advisers, a bipartisan congressional coalition led in the Senate by Republican Tim Scott and Democrat Cory Booker, and in the House by Republican Pat Tiberi and Democrat Ron Kind, quickly introduced the program in legislation that eventually became part of the final tax bill in 2017.

Bailey, J. (2018, May 9). The Investing in Opportunity Act: Hidden in the New Tax Bill, a Program to Help Charter Schools Secure Funds to Expand in High-Needs Areas. Retrieved from <https://www.the74million.org/article/the-investing-in-opportunity-act-hidden-in-the-tax-bill-a-new-program-that-could-help-charter-schools-secure-the-funds-they-need-to-expand-in-high-needs-areas/>.

Qualified Opportunity Zones

- Clarion Township and Clarion Borough are both designated Qualified Opportunity Zones “QOZ”.
- QOZ are designed to spur economic development by providing tax benefits to investors.



3 Tax Benefits to Investors

- Tax Benefit 1 - Temporary Tax Deferral of existing Capital Gain Taxes until 12/31/26.
- Tax Benefit 2 - Step up in basis of 10% at 5 years and additional 5% at 7 years.
- Tax Benefit 3 - Gain on investment in to a Qualified Opportunity Zone Fund is tax free after 10 year holding period.
- Check out the latest information of the Opportunity Zone at www.irs.org

Qualified Opportunity Zone ("QOZ") Property

Investments in the following:

- A partnership interest in businesses that operate in a QOZ.
- Stock ownership in businesses that conduct most (over 50%) of their operations within a QOZ.
- Property such as real estate located within a QOZ.
- 49 grants and specialized programs across 14 federal agencies added preference points, acknowledgement or tie-breaker consideration for projects and applicants in QOZ.

Pollard, J. (2019, April 18). Opportunity Zones Are Open For Business: 5 Key Features Of The New Guidance. Retrieved from <https://www.forbes.com/sites/joshuapollard/2019/04/18/opportunity-zones-are-open-for-business-5-key-features-of-the-new-guidance/#756a04084e43>.

Highlight of Rules

Business Investors:

- Must meet 1 of these 4 tests:
 - at least 50% of the total hours the employees or contractors work are spent within the QOZ,
 - half of the company's services are within the QOZ,
 - Both management/operational staff and tangible property of the business in the QOZ generates 50% of the company's gross income, or
 - facts and circumstances to make a case for the business investment.

Real Estate Rules:

- Real estate investments with a limitation that communities are improved with each investment. Essentially, this is construction of new buildings and substantial improvement of existing unused buildings.
- Development of building must be completed within 30 months of purchase.
- No triple net leases.

Read more at: <https://www.forbes.com/sites/joshuapollard/2019/04/18/opportunity-zones-are-open-for-business-5-key-features-of-the-new-guidance/#1ed02f934e43>
<https://www.bisnow.com/national/news/opportunity-zones/heres-what-you-need-to-know-about-the-second-set-of-regulations-for-opportunity-zones-98540>

Parcels Available in Opportunity Zones

Developed Sites:

- Former Comet Grocery Store
- Former Trader Horn Building
- Former CVS located on Main Street
- Former Route 76 Truck Stop – just off I-80.
- Toby Hill Bar
- Former NextTier Bank Building
- 610-612 Main Street
- The Captain Loomis Building

Parcels Available in Opportunity Zones

Undeveloped Sites:

- Glassworks
- Acreage from the former Route 76 Truck Stop – just off I-80.
- Former Chrysler Lot on Main Street.
- Former Main Event Sports Bar/Restaurant

Vacant Land

- 0 Bauer Rd.
- 0 Holiday Inn Rd.
- 15800 Rt. 322
- 0 Strattanville-Fisher Rd.
- 153 Main Street
- 0 Greenville Pike
- Aspen Ln (off of Stone House Rd.)

GLASSWORKS



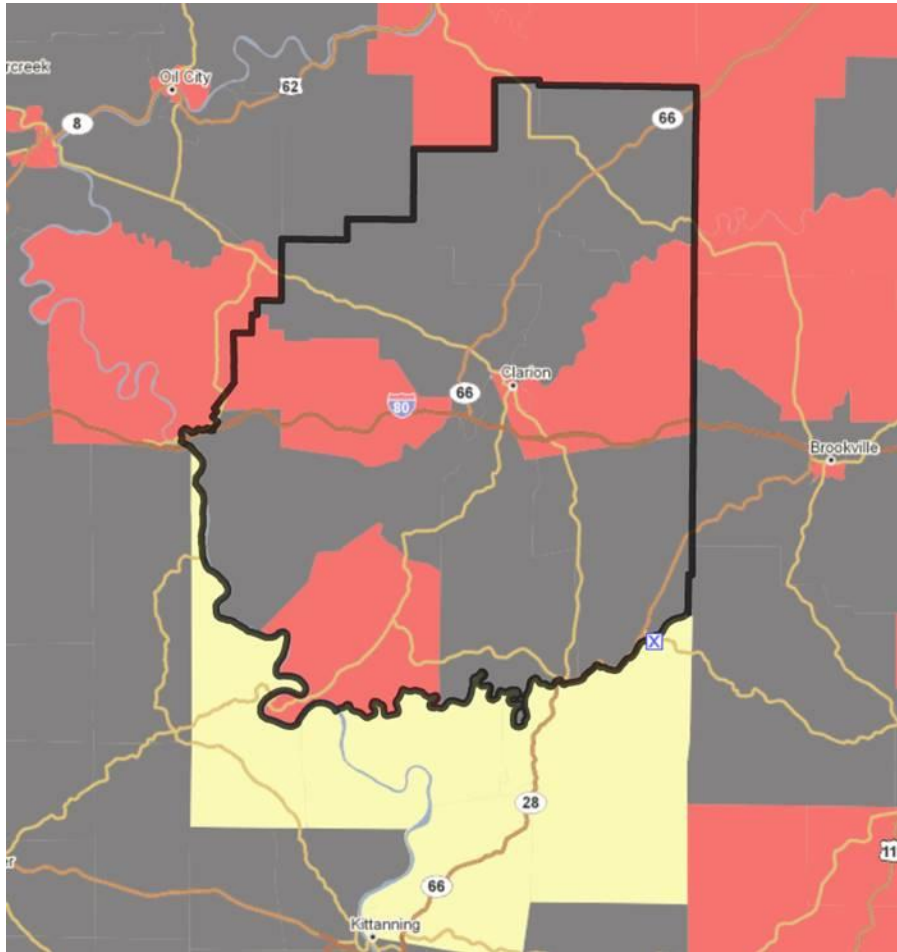
- Contact a local real estate agent to see the many locations available in these areas.
- Glassworks Business Park:
 - Adjacent to Clarion University
 - Ready to Build Pads on 24 acres.
 - Quick access to Interstate 80.
 - High speed internet & low cost access to utilities including natural gas, electric, water and sewer.
 - Leasing options are available to qualified businesses and ventures moving in to the Glasswork Business Park.
 - <http://milesbrothersllc.com/> or info@milesbrothersllc.com or 814-226-0755
 - Former site of Owens Illinois glass plant



Projects

- Natural Gas Power Generation in Glassworks to serve CUP reducing their energy costs 50% without disrupting services.
- Locate the County 911 Center in Glassworks to create the first Opportunity Zone Fund in Clarion County.
- Start a 5G Business in opportunity zone to get fast reliable internet throughout county and up/down river valley.
- Focus on high quality livability in Clarion County through Adventure/Outdoor Recreation including Arts, Culture and Food. Getting people off interstate to beautiful downtown Clarion.

New Market Tax Credits



- Investors receive a 39% tax credit over 7 years to reduce their federal tax liability.
- Example invest \$100,000 in a new business using a CDE and get \$39,000 in tax credits.
- Both areas shown in red and yellow qualify.
- www.cdfifund.gov

Next Steps

- Contact Clarion County Economic Development to get all the latest news about our area. Shannon Barrios, Executive Director: 814-226-9045 or Jarred Heuer, Specialist: 814-229-9831.
- Visit our website for up to date stats and information.
www.ClarionCountyEDC.com
- Visit our area to meet with our local and government leaders.

