
Middletown Township
Transit Revitalization Investment District
Planning Study
(Final – Revised 9/20/2018)



Prepared for Middletown Township,
Delaware County, PA

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1. INTRODUCTION

Transit Oriented Development (TOD) is a concept that has flourished in many metropolitan areas of the United States during the past two decades. TOD oriented to transit hubs, stations, or stops along rail, light rail, and/or bus lines ensures safe and convenient connections between development and transit through innovative design and pedestrian amenities such as sidewalks, lighting, and signage.

The Philadelphia region was at the forefront of developing walkable and transit-friendly neighborhoods and suburban communities in the late 19th and early 20th centuries with the construction of its subway, trolley, and regional rail lines. However, this type of sustainable growth began to wane as focus turned to the automobile and the accompanying sprawling development patterns. Despite these changes in growth patterns over the last half century, the Philadelphia region exemplifies some of the best transit-oriented communities in the country while many more recently-settled regions are now attempting to create them from scratch. This nation-wide recognition of the importance of TOD has returned full circle to Philadelphia region, sparking a renewed interest in revitalizing its transit system and the communities that are served by it.

In the spirit of facilitating transit oriented development throughout the Commonwealth of Pennsylvania, the Pennsylvania Legislature passed the Transit Revitalization Investment District Act on December 8, 2004. The Act empowers municipalities, counties, school districts, and public transportation agencies across the Commonwealth to work cooperatively to establish Transit Revitalization Investment Districts (TRID) and the appropriate mechanisms to capture the real estate taxation and other values added by development activities for reinvestment in the transit system and local communities. TRID also offers the prospect of state support for planning and implementation funding through the Department of Community and Economic Development. This support has been enhanced through the TRID Act Amendment of 2016 (Act No. 157, approved November 4, 2016) which established the TRID Fund in the State Treasury. Two qualified and approved applicants will be eligible to receive annual TRID Fund grants in the amount of \$350,000 for up to 20 years.

Consistent with these trends and TOD principles, the Southeastern Pennsylvania Transportation Authority (SEPTA) is extending the Media/Elwyn regional rail line to Wawa, PA (situated within Middletown Township, Delaware County), and constructing a large new station with a 600+ car parking garage at this location. Middletown Township proposes to establish near this new facility a TRID area to stimulate the desired TOD development. The TRID Planning Study detailed in this report *documents the likely investment of at least \$300 million and perhaps as much as \$500 million in this Middletown Township TRID Area over the next 15 years. This overall investment will include \$150.56 million in rail facilities investment by SEPTA and \$135 million to \$305 million in private development on adjacent parcels.*

2. BACKGROUND

SEPTA is implementing plans to extend the Media/Elwyn regional rail line three additional miles to Wawa, PA. SEPTA already owns the track to Wawa, but service on this line, which once extended all the way to West Chester, was cut back to Elwyn in 1986 due to deteriorating track conditions and low ridership (see Figure 1). In recent years, regional rail ridership has significantly increased, and the Media/Elwyn line is one of the more heavily traveled lines in the system, serving around 10,000 daily riders. SEPTA forecasts **that the extension to Wawa will serve an additional 500 commuters each weekday.** SEPTA's Fiscal Year 2018 Capital Budget (covering Years 2018-2029) allocates \$150.56 million for these improvements, including \$16.88 million expended to date, and targets completion by 2021.



Figure 1. Rail Extension to Wawa

This project will involve the construction of a second track along portions of the extension with new electric catenary wires to power the trains, as well as new bridges, structural improvements to the line, and a large new station with a 600+ car parking garage in Wawa. The rail station will have high-level platforms, which allow passengers to move on and off trains without going up or down steps and make travel easier for the disabled, as well as a sales office, new ticket vending machines and an indoor passenger waiting room. It will be located on Baltimore Pike (U.S. Route 1), near the headquarters of Wawa, Inc. A new traffic intersection will be created there with an access road to the new station and parking facilities.

Beginning with a proposal to redevelop the Franklin Mint properties in 2006, Middletown Township has been evaluating and encouraging the development of parcels in two ownerships immediately adjacent to this new station along Baltimore Pike. In 2007, the Delaware Valley Regional Planning Commission (DVRPC) completed a detailed report **“TRANSITIONing to TOD: A Transit-Oriented Development Plan for SEPTA’s Wawa Station on the R3 Regional Rail Line.”** This report described the potential for and constraints impacting TOD development at this location.

Plans for these parcels have both stagnated and evolved over the past 11 years. The larger **“Franklin Mint”** parcels about the proposed SEPTA station and anticipate reuse of the now vacant former Franklin Mint site. This development **includes three components: the “Franklin Mint Parcel”** --proposed to include 302 units of housing and 600,000 SF of office/commercial; **the “Granite Parcel”**—proposed to include a 120-room hotel

and approximately 10,000 SF of restaurants; and a third “Pennell Road Parcel” which is outside the TRID area. The proposed housing in the Franklin Mint development is primarily comprised of a compact townhome product within walking distance to the new Wawa Station. Despite the now eleven-year delay in the implementation of this development project, the near-arrival of the Wawa rail service, as well as the incentive of this TRID project infrastructure, appear to be accelerating those development plans (see Figure 2).

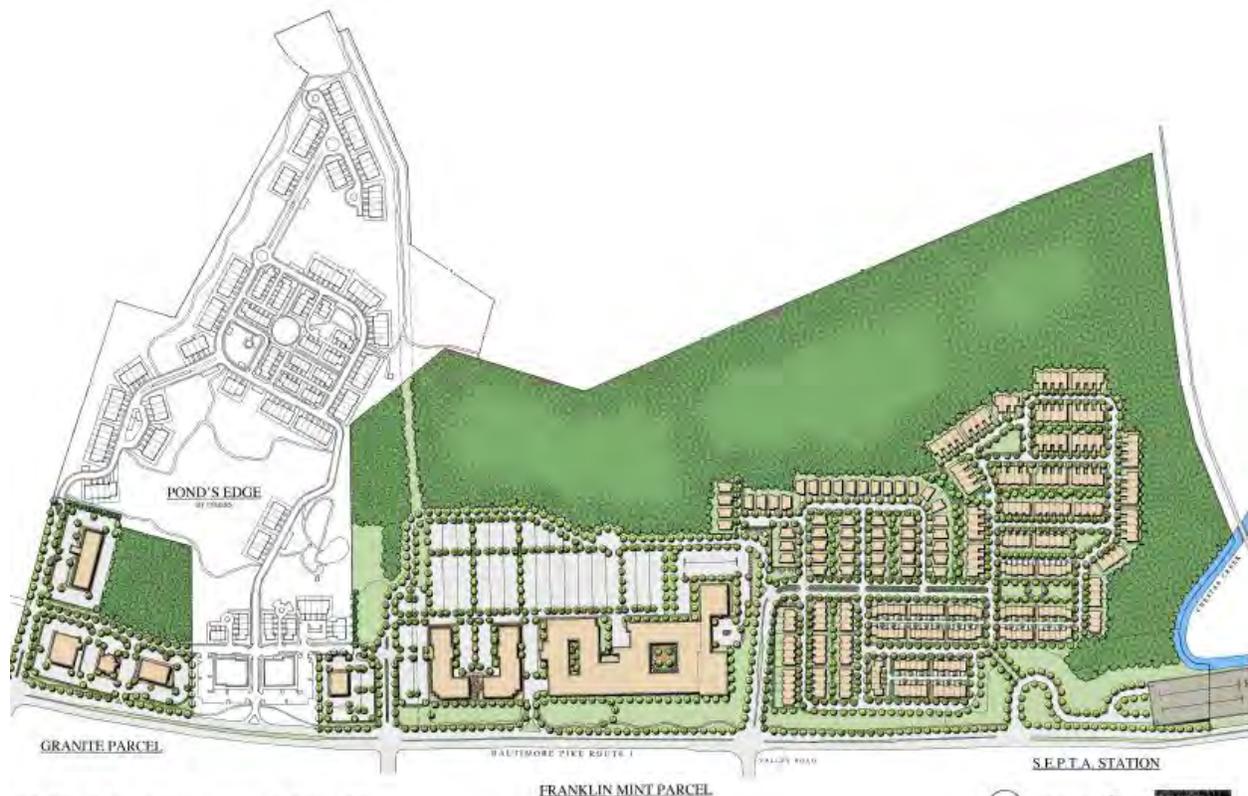


Figure 2. Private Development Plans

Adjacent to the “Franklin Mint” development is the “Pond’s Edge” parcel. Development plans for this parcel are less evolved than those for the “Franklin Mint” parcels, in part because construction of Sunoco’s Mariner East 2 pipeline project—which is now underway as of this report—will require redesign of portions of the previously approved preliminary development plan for the property. For general planning purposes, we estimate that development of this parcel will ultimately result in about 150 townhomes and one 5,000 SF restaurant along Baltimore Pike.

These two private developments are located within three-quarters of a mile of the Wawa Train Station parcel and constitute the anticipated value capture area for the TRID program.

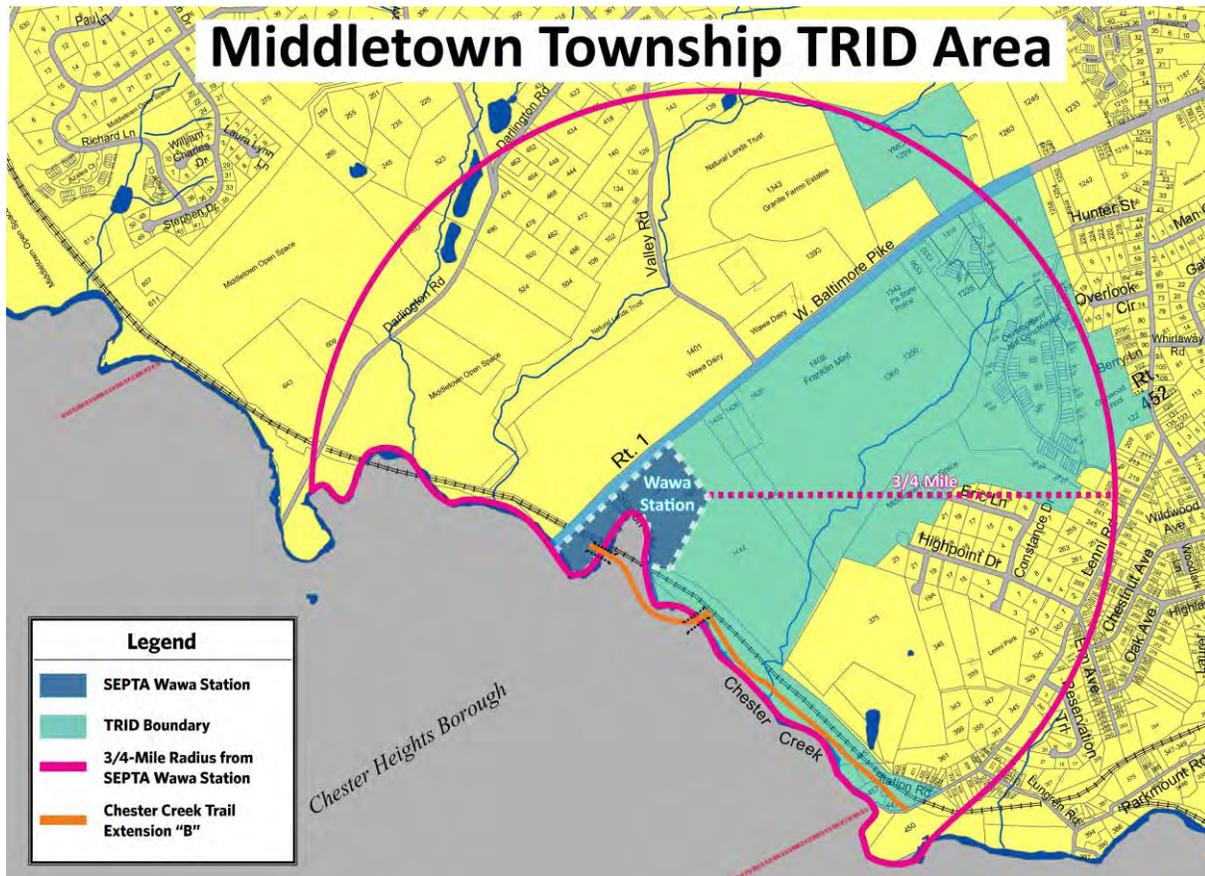
3. TRID PROCESS & PROCEDURES

Under the current circumstances, Middletown Township, in collaboration with SEPTA, Delaware County, and the Rose Tree Media School District (RTMSD) is well situated to advance the project. The TRID legislation outlines a process necessary to successfully complete a TRID project.

TRID Study Area Boundary

Establishing a TRID area boundary is a key first step in the TRID planning. Map 1 shows the endorsed TRID area and boundary. This Middletown Township TRID Area includes all parcels shown in green and blue on Map 1. These parcels include:

1. The SEPTA-owned Wawa Station parcel and SEPTA rail parcels south to Lenni Road.
2. The parcels included in the “Franklin Mint Parcel” and “Granite Parcel” of the overall Franklin Mint development.
3. The “Pond’s Edge” parcels.
4. Rose Tree Media School District’s Glenwood School parcels.
5. The full right-of-way of Baltimore Pike from the Middletown Township boundary with Chester Heights Borough to the eastern edge of the “Granite Parcel.”
6. The parcel owned by Delaware County and leased to Rocky Run YMCA at 1299 W. Baltimore Pike.



p 1. Middletown Township TRID Area Boundary

Management Entity

The TRID process requires the participants to determine the entity that will manage the TRID development process and administer implementation of the project. The entity can take on a variety of forms, including authorities, agencies, or jurisdictions. As the primary implementer of infrastructure improvements within the TRID area, Middletown Township has agreed to be the management entity for the Middletown Township TRID project. In this capacity, the Township will oversee the remainder of the program development and manage the implementation. This will involve, among other responsibilities, receiving and maintaining tax increments allocated to the TRID by participating governments; receiving and maintaining TRID Fund grants from the Commonwealth of Pennsylvania; providing necessary documentation and reports to the Commonwealth; issuing bonds for infrastructure development; constructing Township-owned infrastructure; transferring funds to other governments (Delaware County; RTMSD) for construction of infrastructure and/or facilities owned by those governments; and providing funds to other entities (YMCA, for instance) for their construction of TRID-supporting facilities.

Infrastructure Costs

The TRID process requires identifying public infrastructure improvements and costs associated with the TRID development. Such public improvements associated with the TRID include transit station infrastructure, traffic and pedestrian infrastructure (including curbs, sidewalks, lighting, etc.), utility infrastructure (including water and sewer), any environmental remediation, land acquisition, and park development. The specific public infrastructure improvements and costs associated with the Middletown Township TRID are outlined in detail below in Section 5 – TRID Infrastructure Costs.

Value Capture

A key component of the TRID Program is determining value capture of the Middletown Township TRID area. TRID financing involves the approval of the three parties impacted financially by the development: Middletown Township, Delaware County, and the Rose Tree Media School District. SEPTA, the transit agency, must also approve. The degree of TRID financing received for the project depends on the agreed-upon increment of value captured from the development.

According to the TRID legislation, value capture is defined as incremental tax revenue resulting from increased property values within the designated TRID area as a result of new public and private investments. Upon formation of a TRID and establishment of its boundary, the portion of that tax increment revenue determined by the three impacted governing bodies can only finance public improvements and development projects within the TRID boundary. The assumption is that future development, investment, and assessments will translate into additional tax revenue, which can be leveraged for additional improvements to the TRID. Thus TRID, and its associated value capture, has the potential to be a powerful tool for financing transit oriented developments. The potential value capture of the Middletown Township TRID is described in detail in Section 7 as part of the TRID fiscal feasibility analysis.

4. TRID DEVELOPMENT PROGRAM

Value Capture within the Middletown Township TRID Area will come from the incremental development in the Franklin Mint and Pond's Edge developments. These multi-component development projects will be constructed over many years. Therefore, value capture analysis must be based on reasonable assumptions about the pace of development and, hence, growth in the tax increment.

As noted above and detailed on Table 1 below, the proposed Franklin Mint development includes some components for which the developer has identified market opportunities and has undertaken reasonably specific analysis. These components include 302 units of sales housing in six transit-oriented market niches as well as the potential for a hotel and 10,000 SF of restaurants. Measured in 2017 dollars, the overall market value of these specific components totals more than \$135 million.

Table 1
Middletown Township TRID
Private Development

Development/ Component	Total Program	Total Value (2017 Dollars)
<i>Franklin Mint Development Program As Detailed By Developer</i>		
Residential (302 Units)		
	38 Single Family Homes A (2,660 SF)	\$19,000,000
	10 Single Family Homes A (2,432 SF)	\$4,900,000
	71 Carriage Houses/Townhomes (2,120 SF)	\$31,240,000
	69 Townhomes (1,960 SF)	\$27,600,000
	24 Stacked Townhomes (1,200 SF)	\$7,680,000
	90 TND Townhomes (960 SF)	\$27,000,000
Commercial		
	120 Room Hotel	\$15,350,000
	10,000 SF Restaurant(s)	\$2,500,000
Total Program Detailed By Developer		\$135,270,000

There is, however, additional development potential for up to 600,000 SF of office/commercial on the **Franklin Mint Parcel and 150 townhomes and 5,000 SF of restaurants on the Pond's Edge parcel.** Measured in 2017 dollars, the overall market value of these non-specific components totals another \$170 million. *Taken together, the overall development potential of these Middletown Township TRID Area parcels is \$305 million, measured in 2017 dollars.*

However, for purposes of analysis of the financial feasibility of the proposed TRID program, we will only consider the \$135 million in development specifically detailed by the Franklin Mint developer.

5. TRID CAPITAL IMPROVEMENT INFRASTRUCTURE COSTS

Infrastructure investments related to the Middletown Township TRID Area include:

- Investment by SEPTA in rail transit facilities \$150.56 million
- Private sector investment in necessary infrastructure \$ 5.32 million
- Public/civic sector investment (through TRID) in infrastructure and support facilities \$ 5.37 million.

The SEPTA investment of \$150.56 million is described above. As Table 2 shows, typical developer investment in site-supportive infrastructure is anticipated and will be documented through a developer agreement with the Township. The total estimated cost of the developer-financed infrastructure is \$5.32 million.

Table 2
Middletown Township TRID
Developer's Infrastructure Investment Program

	Estimated Cost
Baltimore Pike Streetscape	\$735,000
Traffic Signal Adjustments	
Valley Road	\$50,000
Granite Farms	\$50,000
Baltimore Pike Sewer	\$800,000
Baltimore Pike Third Lane Turnoffs/Expansion	\$3,684,000
Total	\$5,319,000

In addition, another \$5.37 million in Infrastructure investments have been identified to be supported by TRID funding. These TRID-supported investments are of two types: first, pedestrian circulation enhancements and trail facilities that will significantly improve access to the new SEPTA Wawa Station and **encourage expanded ridership and connectivity; second, investments in educational and children's services** facilities that will both encourage the TOD style residential development desired adjacent to the new rail station and further encourage more distant potential rail users to use the Wawa Station because they can also obtain convenient quality child care services within the TRID area.

As Table 3 shows, these TRID-supported infrastructure and facilities investments total a minimum of \$5.37 million in investment. The key initial investments are significant elements of two long-desired trail systems: **Delaware County's Chester Creek Trail Extension and Middletown Township's Baltimore Pike Trail.**

Table 3: Middletown Township TRID
Capital Infrastructure Investment Program

Component	Cost	Timing	Implementer
<i>Capital Investment Through TRID Bond Proceeds</i>			
Chester Creek Trail Extension			
Design	\$143,500	2020	County
Construction:			
B1--Trail on SEPTA	\$390,000	2021	County
B2--Bridge over Chester Creek	\$305,000	2021	County
B4--Bridge to Wawa Station	\$280,000	2021	County
Contingency	\$100,000	2021	County
Baltimore Pike Trail Enhancements			
Construction	\$2,035,000	2019	Township
Design	\$275,000	2018	Township
Contingency	\$210,000	2019	Township
Pedestrian Connection: Franklin Mint to Station			
Construction	\$175,000	2021	Township
Design	\$25,000	2020	Township
Contingency	\$20,000	2021	Township
School Facilities: Phase 1			
Design (Both Phases)	\$80,000	2023	RTMSD
Construction	\$250,000	2024	RTMSD
Cost of Issuance	\$111,500	2019	Township
Total Bond	\$4,400,000		
<i>Additional TRID Capital Investments From Accumulated TRID Tax Increment Funds</i>			
School Facilities: Phase 2	\$320,000	2025	RTMSD
YMCA	\$650,000	2030	YMCA

After years of planning and advocacy, the initial 2.8-mile portion of the Chester Creek Trail opened in 2017. This trail, a significant element in the overall Delaware Valley trail system, currently runs from Creek Road in the southeast to its current terminus at Lenni Road—less than a mile from the planned Wawa Station (see Figure 3).



Figure 3. Chester Creek Trail

Extending this trail to the Wawa Station is the next priority segment. Alternative routes have been recently studied by DVRPC, with a conclusion that the most effective approach would traverse five parcels—three owned by SEPTA in Middletown Township (and within the TRID Area) and two privately owned parcels in Chester Heights Borough (see Figure 4).



Parcel Number	Owner
1	27-34-001:000 SEPTA
2	06-05-018:000 SEPTA
3	06-05-020:000 Private owner
4	06-05-021:000 Private owner
5	N/A* SEPTA

* Most transportation rights-of-way in Delaware County do not have parcel numbers, including Parcel 5 and the linear parcel between parcels 3 and 4.

Figure 4. Chester Creek Trail Extension to Wawa Station

As part of the key Middletown Township TRID Area infrastructure, the portion of this trail extension in Middletown Township—utilizing parcels owned by SEPTA—will be constructed, including the two bridges crossing Chester Creek. The cost of this trail infrastructure is \$1.2 Million and the project will be implemented by Delaware County.

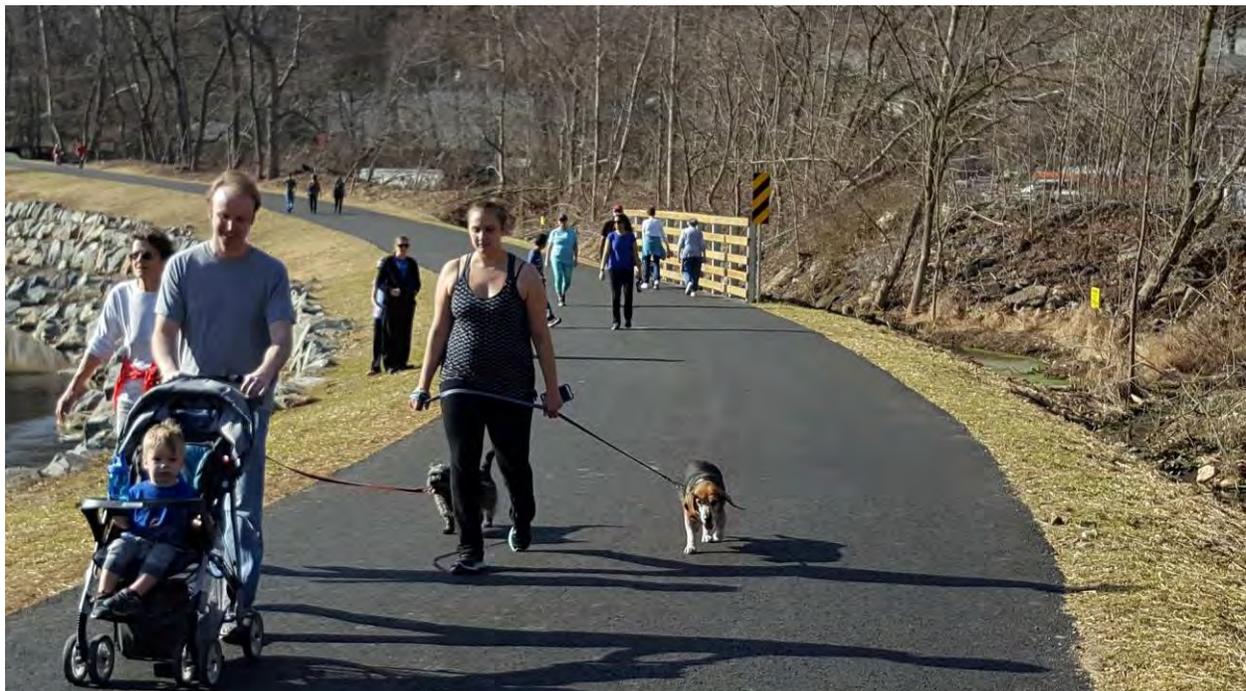


Figure 5. Recently-Opened Chester Creek Trail

Similarly, Middletown Township has long planned for a scenic recreational trail network wrapping around the proposed Franklin Mint Development and connecting to the proposed Wawa Station (see concept sketch in Figure 6). Completion of this trail network will help make a strong connection between the commercial node at the Promenade at Granite Run/Riddle Hospital area to the new transit-oriented development near the proposed Wawa Station, and thereby magnifying the community and economic impact for the Township and the County. The Middletown Township TRID infrastructure investment plan includes \$2.52 million to construct the segment of Baltimore Pike Trail Network within the TRID boundary.

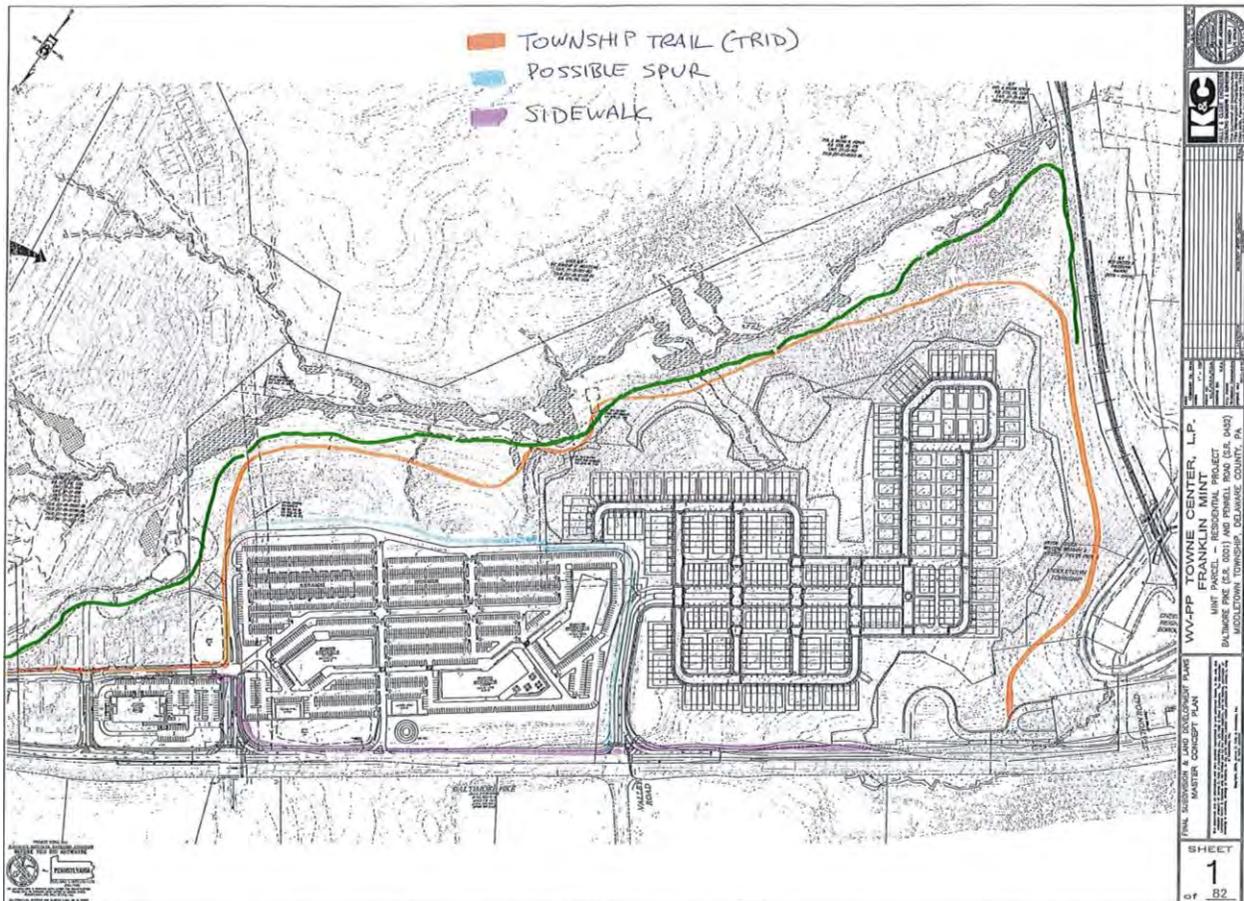


Figure 6. Conceptual Sketch of the Baltimore Pike Trail Network

Finally, \$220,000 has been allocated to construct a direct pedestrian connection from the SEPTA Station to the residential portion of the Franklin Mint development to encourage rail ridership and to reduce demand for parking at the station.

In addition, as later infrastructure investments, the plan anticipates \$1.3 million in capital facilities for **educational and children's services facilities** within the TRID area.

As part of their routine annual operations and associated budgets, the following maintenance responsibilities are assumed: Chester Creek Trail by Delaware County; Baltimore Pike Trail by Middletown Township; and the supportive facilities by RTMSD and the YMCA.

6. ENVIRONMENTAL, PLANNING & MARKET CONSIDERATIONS

Existing Environmental Conditions

SEPTA has completed all necessary environmental analyses to advance its Wawa Station project. A full environmental assessment has been conducted for the Franklin Mint parcels and has been submitted to Middletown Township. No conditions have been found that would prohibit the implementation of the portions of the private development being relied upon for the Value Capture increment for the TRID program. The locations for the Baltimore Pike trail infrastructure are included in the areas assessed for the SEPTA and Franklin Mint developments. There are no known environmental constraints impacting the Chester Creek Trail and the RTMSD and YMCA facilities; the locations for these investments are along rail rights of way and on parcels currently in compatible uses.

Existing & Proposed Land Use & Zoning

The proposed TRID Area development and infrastructure is consistent with the Middletown Township Comprehensive Plan and Zoning.

Property Availability

All property anticipated for private development within the Middletown Township TRID Area is owned by the appropriate developers. All property designated for trail facilities under the TRID investment program is either in public ownership or will be dedicated by the participating developers. Collaboration will be necessary between SEPTA and Delaware County regarding construction of the Chester Creek Trail and between SEPTA and Middletown Township concerning portions of the Baltimore Pike Trail and the pedestrian connection between the Wawa Station and the Franklin Mint development. Locations for supportive educational and YMCA facilities are owned by RTMSD and the YMCA.

Real Estate Markets & Development Potential

Detailed market assessments have been undertaken for all private development being relied upon for the Value Capture increment for the TRID program (Franklin Mint residential, hotel, and restaurant development). Markets for the office/commercial component of the Franklin Mint development and for the **Pond's Edge parcel are less documented and the TRID program does not rely on those market conditions** for viability—though there would be benefit when and if those markets emerge.

7. TRID ECONOMIC/FISCAL ANALYSIS

This financial analysis is based on the following assumptions:

- The TRID value capture period will operate for 15 years from 2018 to 2032.
- To be conservative, the assumed increment of value in the Middletown TRID Area will be limited to the \$135 million of development (measured in 2017 dollars) on the Franklin Mint parcels detailed on Table 1 above. It is recognized that the developers within the TRID Area anticipate substantially more development—up to \$305 million in 2017 dollars—but for this analysis of financial viability we are limiting the anticipated development to \$135 million.
- Private development construction will begin in March, 2018, and the first occupancy of properties will occur in April, 2019.
- Property values will escalate at a conservative rate of 1% annually during this TRID period.
- Infrastructure investments will begin in 2018 and proceed on the schedule detailed on Table 3 above.
- The first \$4.4 million in TRID infrastructure investments (see Table 3) will be financed through a bond issued in 2018. Repayment of this bond will be structured on the basis of equal payments of principal and interest from 2018 to 2032.
- Grant funds will be received by the Middletown Township TRID from the Commonwealth of Pennsylvania TRID Fund in the amount of \$350,000 per year for 15 years from 2018 to 2032.

Value Capture, Tax Increment & Investment Match

On Table 4, we detail the growth in market value and assessed value from the \$135 million in private development. This development is anticipated to occur during the 2019 to 2027 period. Based on current assessment ratios (64.9%) and utilizing the assumptions above, the cumulative assessed value of this development will grow to about \$90 million by 2027. The current assessed value of these properties is estimated at \$4.1 million. Note that the parcels necessary for the residential, hotel, and restaurant development analyzed here are only a portion of the Franklin Mint property; in particular, the existing Mint building is not included in the parcels used for this increment of development as it is programmed for office/commercial use.

At current tax rates, the increment of tax revenue derived from this development will grow to about \$2.74 million by 2027 (see Table 4). Under the Middletown Township TRID arrangements, 15% of the incremental revenue derived by the Township and Delaware County and 1.5% of the incremental revenue derived by RTMSD will be allocated to the TRID Investment Fund. This TRID allocation will grow to about \$124,000 in 2027.

On Table 5, we illustrate the anticipated schedule for private investment in the TRID project as well as **SEPTA's schedule of investments. These investments total more than \$285 million, significantly above the 2/1 match requirement of the State TRID Grant program.**

Table 4
Middletown Township TRID
Value Capture Analysis

		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Incremental Tax Base																
Annual Private Development--Conservative Assumptions			\$15,910,000	\$22,220,000	\$40,151,135	\$13,435,100	\$13,569,500	\$13,705,200	\$11,549,300	\$8,105,300	\$476,500					
Assessed Value			\$10,325,590	\$14,420,780	\$26,058,087	\$8,719,380	\$8,806,606	\$8,894,675	\$7,495,496	\$5,260,340	\$309,248					
Assessed Value of Cumulative Development			\$10,325,590	\$24,746,370	\$50,804,457	\$59,523,837	\$68,330,442	\$77,225,117	\$84,720,613	\$89,980,952	\$90,290,201	\$91,193,103	\$92,105,034	\$93,026,084	\$93,956,345	\$94,895,909
Less: Current Assessed Value			(\$4,100,000)	(\$4,100,000)	(\$4,100,000)	(\$4,100,000)	(\$4,100,000)	(\$4,100,000)	(\$4,100,000)	(\$4,100,000)	(\$4,100,000)	(\$4,100,000)	(\$4,100,000)	(\$4,100,000)	(\$4,100,000)	(\$4,100,000)
Incremental Assessment			\$6,225,590	\$20,646,370	\$46,704,457	\$55,423,837	\$64,230,442	\$73,125,117	\$80,620,613	\$85,880,952	\$86,190,201	\$87,093,103	\$88,005,034	\$88,926,084	\$89,856,345	\$90,795,909
Incremental Taxes @ Current Tax Rates																
Middletown Township	1.500 Mils		\$9,338	\$30,970	\$70,057	\$83,136	\$96,346	\$109,688	\$120,931	\$128,821	\$129,285	\$130,640	\$132,008	\$133,389	\$134,785	\$136,194
Delaware County	5.600 Mils		\$34,863	\$115,620	\$261,545	\$310,373	\$359,690	\$409,501	\$451,475	\$480,933	\$482,665	\$487,721	\$492,828	\$497,986	\$503,196	\$508,457
Rose Tree Media School District	24.684 Mils		\$153,669	\$509,625	\$1,152,829	\$1,368,054	\$1,585,432	\$1,804,984	\$1,989,999	\$2,119,842	\$2,127,476	\$2,149,763	\$2,172,272	\$2,195,007	\$2,217,969	\$2,241,161
Total Incremental Taxes			\$197,871	\$656,214	\$1,484,431	\$1,761,564	\$2,041,468	\$2,324,172	\$2,562,405	\$2,729,597	\$2,739,426	\$2,768,124	\$2,797,108	\$2,826,382	\$2,855,949	\$2,885,812
Allocation of Tax Increment to TRID																
Middletown Township	15.0%		\$1,401	\$4,645	\$10,509	\$12,470	\$14,452	\$16,453	\$18,140	\$19,323	\$19,393	\$19,596	\$19,801	\$20,008	\$20,218	\$20,429
Delaware County	15.0%		\$5,229	\$17,343	\$39,232	\$46,556	\$53,954	\$61,425	\$67,721	\$72,140	\$72,400	\$73,158	\$73,924	\$74,698	\$75,479	\$76,269
Rose Tree Media School District	1.5%		\$2,305	\$7,644	\$17,292	\$20,521	\$23,781	\$27,075	\$29,850	\$31,798	\$31,912	\$32,246	\$32,584	\$32,925	\$33,270	\$33,617
Total Allocation To TRID			\$8,935	\$29,633	\$67,033	\$79,547	\$92,187	\$104,953	\$115,711	\$123,261	\$123,705	\$125,001	\$126,309	\$127,631	\$128,967	\$130,315

Table 5
Middletown Township TRID
Private Investment (Match)/SEPTA Investment Schedule

Expenditure Item	2018 & Prior	2019	2020	2021	2022	2023	2024	2025	2026	2027
Developer Off-Site Infrastructure--Construction	\$2,450,000	\$2,450,000								
Developer Off-Site Infrastructure--Professional Fees	\$420,000									
Private Development--Construction	\$1,800,000	\$7,190,000	\$15,150,000	\$16,630,000	\$5,900,000	\$5,900,000	\$5,900,000	\$4,930,000	\$3,430,000	\$200,000
Private Development--Professional Fees (Including Sales Commissions)	\$350,000	\$1,750,000	\$2,570,000	\$2,090,000	\$1,130,000	\$1,130,000	\$1,130,000	\$1,010,000	\$810,000	\$30,000
Private Development--Interim Taxes, Insurance, Maintenance, Interest, and Other Costs of Carry	\$650,000	\$2,930,000	\$2,610,000	\$1,930,000	\$1,180,000	\$920,000	\$650,000	\$390,000	\$160,000	\$10,000
Private Development--Contingency		\$70,000	\$900,000	\$1,700,000	\$520,000	\$520,000	\$520,000	\$440,000	\$300,000	\$20,000
Private Development--Real Estate Transfer Taxes & Sales Transaction Costs		\$636,000	\$880,000	\$860,000	\$522,000	\$522,000	\$522,000	\$436,000	\$304,000	\$18,000
Private Development--Residential Developer Profit		\$3,180,000	\$4,400,000	\$4,300,000	\$2,610,000	\$2,610,000	\$2,610,000	\$2,180,000	\$1,520,000	\$90,000
Private Development--Existing Land/Property Value	\$6,300,000									
SEPTA Capital Investment	\$18,980,000	\$20,000,000	\$48,000,000	\$33,900,000	\$29,680,000					
Total Private Investment/SEPTA Expenditures	\$30,950,000	\$38,206,000	\$74,510,000	\$61,410,000	\$41,542,000	\$11,602,000	\$11,332,000	\$9,386,000	\$6,524,000	\$368,000

TRID Investment Fund Utilization & Viability

Table 6 illustrates the annual expenditures from the TRID Fund and documents expenditures on an annual basis exceeding the \$350,000 State TRID Grant payment.

This table also assesses the viability of the Middletown TRID Investment Fund based on these annual inflows of tax increment, the release of \$350,000 annually by the state from the TRID Fund, the anticipated bond debt service, and the intent to provide funding for Phase 2 of school facilities in 2025 and for YMCA facilities in 2030.

The TRID bonds will be retired by the end of 2032 and the allocation of tax increment to the TRID would cease.

Based on the assumptions above, this analysis indicates that the TRID financing approach is financially viable.

Table 6
 Middletown Township TRID
 TRID Annual Expenditure/TRID Grant Expenditure Schedule

Expenditure Item	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Total
Annual Bond Debt Service Payment**	\$355,372	\$355,372	\$355,372	\$355,372	\$355,372	\$355,372	\$355,372	\$355,372	\$355,372	\$355,372	\$355,372	\$355,372	\$355,372	\$355,372	\$355,372	
School Facilities: Phase 2								\$320,000								
YMCA													\$650,000			
Total TRID Annual Expenditures	\$355,372	\$355,372	\$355,372	\$355,372	\$355,372	\$355,372	\$355,372	\$675,372	\$355,372	\$355,372	\$355,372	\$355,372	\$1,005,372	\$355,372	\$355,372	\$6,300,580
State TRID Grant Funds Release	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$5,250,000

** \$4.4 Million total bond at 2.5% Interest for 15 Years

Appendix A:

Adopted Middletown Township TRID Resolution

**TOWNSHIP RESOLUTION OF MIDDLETOWN COUNCIL
WITH RESPECT TO THE PROPOSED
TRANSIT REVITALIZATION INVESTMENT DISTRICT (TRID)
IN MIDDLETOWN TOWNSHIP**

RESOLUTION 2017-65

WHEREAS, the Transit Revitalization Investment District Act – Omnibus Amendments (P.L. 1160, No. 151) (“TRID Act”) empowers municipalities, counties, and public transportation agencies to work cooperatively to establish Transit Revitalization Investment Districts (TRID) and the appropriate mechanisms to capture the real estate taxation and other values added by the development activities within these districts; and

WHEREAS, the TRID Act allows local governments to dedicate a portion of the tax increment deriving from the defined TRID area to the retirement of bonds utilized to support specified public improvements within the TRID area; and

WHEREAS, the Delaware County Council and the Rose Tree Media School District have approved in principle the use of tax increment financing for the proposed TRID project in Middletown Township; and

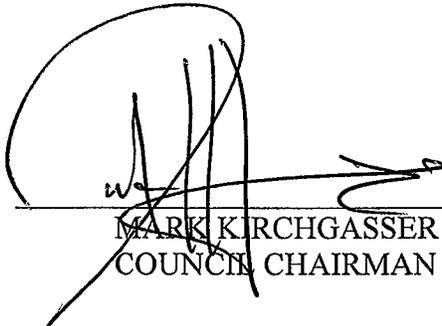
WHEREAS, Middletown Township wishes to go on record in support of this project.

NOW, THEREFORE, BE IT RESOLVED by Middletown Township Council:

1. That Township Council agrees to participate with Delaware County and the Rose Tree Media School District in development of the Middletown TRID project.
2. That the TRID area boundaries will be substantially as shown on Attachment 1.
3. That the TRID development activities will be substantially as shown on Attachment 2.
4. That TRID funding to support public improvements will be similar to the schedule shown on Attachment 3.
5. That 15% of Middletown Township’s tax increment generated in the TRID will be captured to finance the public improvements identified in Attachment 3, to be supplemented by state and federal grants.
6. That Middletown Township agrees to be designated as the TRID management entity.
7. That the Township Manager is authorized to submit an application for the TRID Fund Grant by July 1, 2017.

Resolved this *26th* day of *JUNE*, 2017.

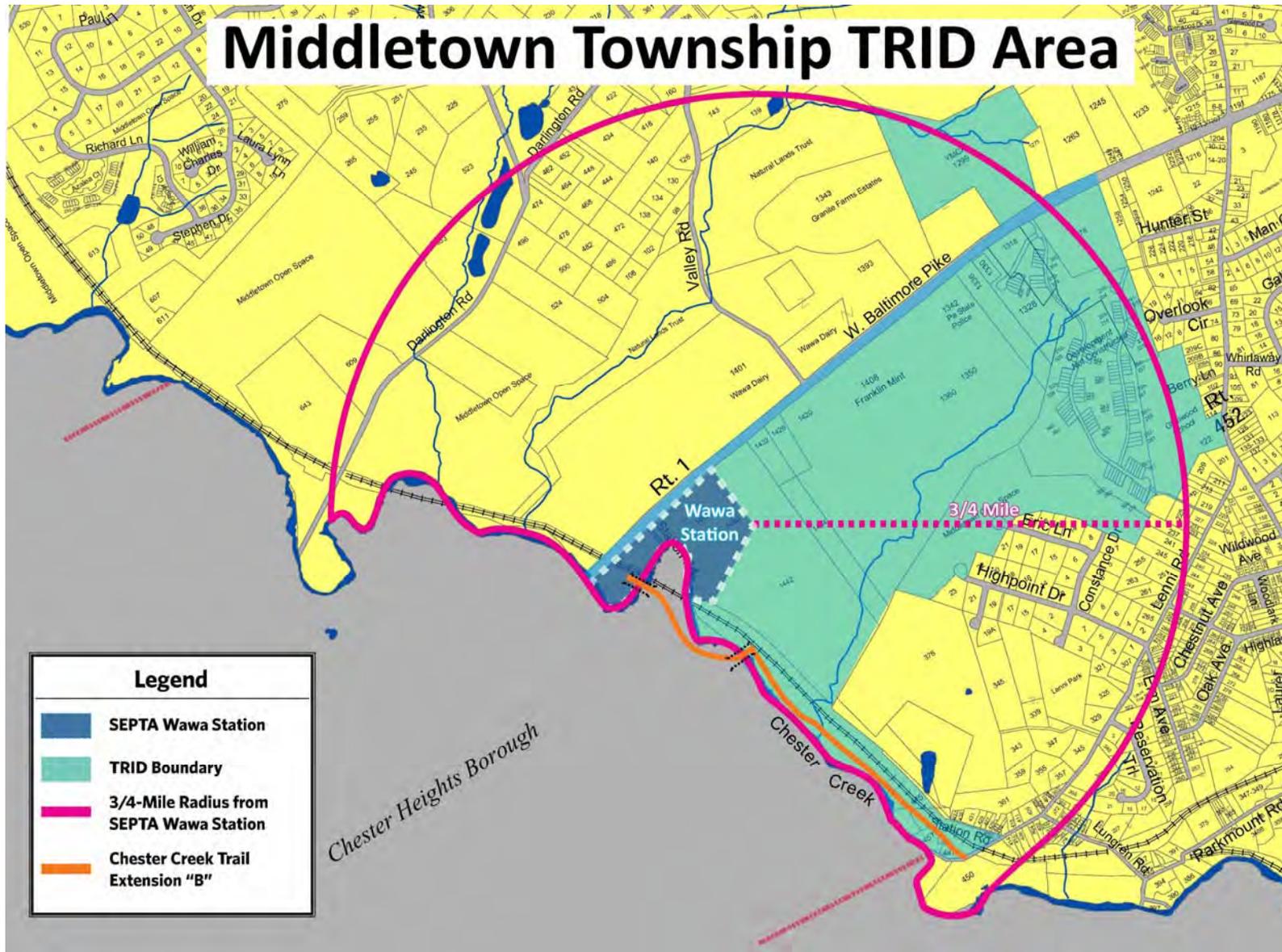
SIGNED: _____


MARK KIRCHGASSER
COUNCIL CHAIRMAN

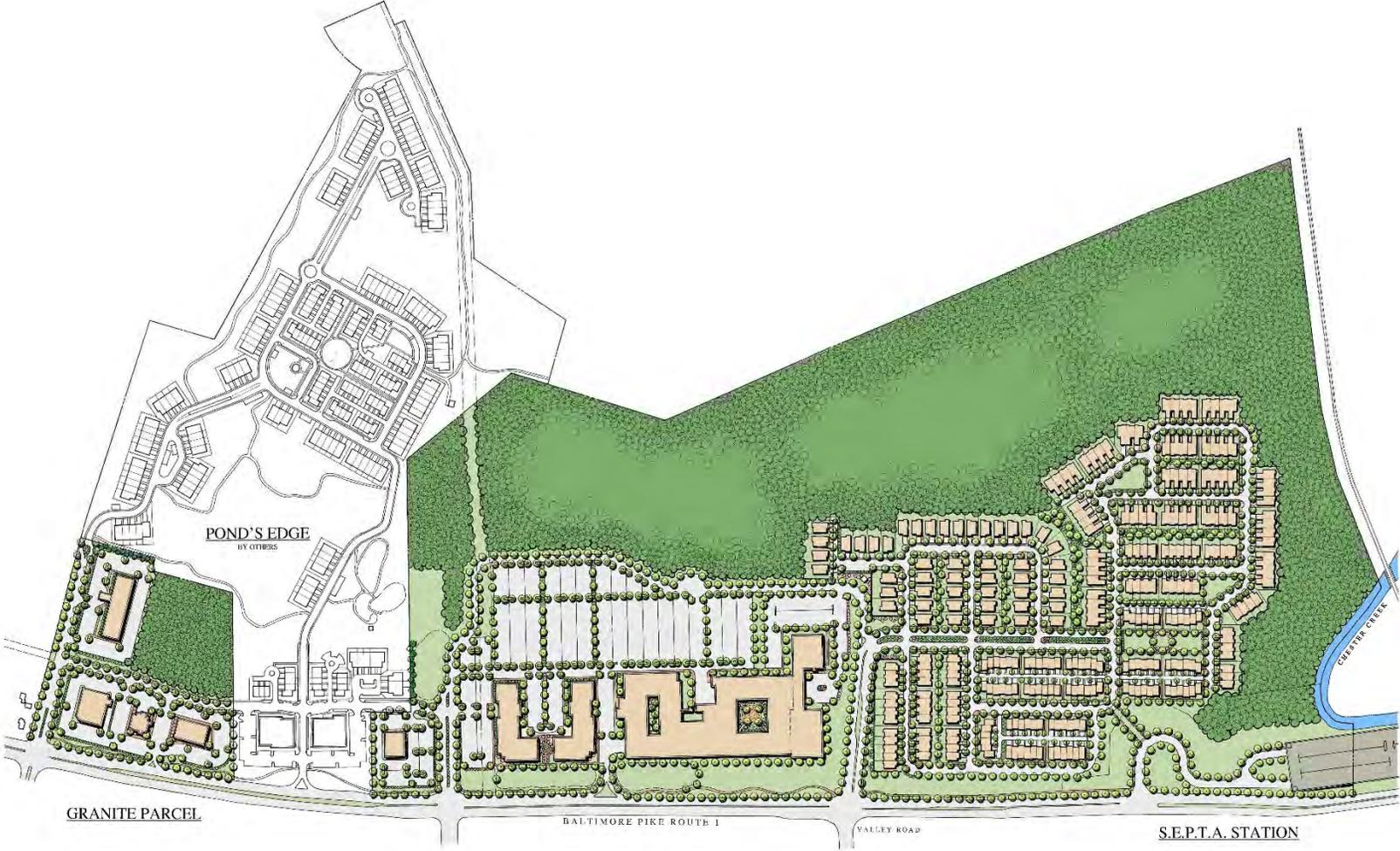
ATTEST: _____


W. BRUCE CLARK
TOWNSHIP MANAGER

Attachment 1: Middletown TRID Study Area



Attachment 2: Conceptual Site Plan for Franklin Mint Development within the TRID



Attachment 3: Schedule of Potential TRID Tax Increment Financed Improvements

Component	Cost	Source	Timing	Implementer
Chester Creek Trail Extension				
B1 – Trail on SEPTA	\$444,000	TRID	2020	Delaware County
B2 – Bridge over Chester Creek	\$350,000	TRID	2020	Delaware County
B3 – Bridge to Wawa Station	\$320,000	TRID	2020	Delaware County
Contingency	\$84,500	TRID	2020	Delaware County
Baltimore Pike Trail Enhancements	\$2,310,000	TRID	2018	Middletown Township
Pedestrian Connection: Franklin Mint to Wawa Station	\$200,000	TRID	2018	Middletown Township
Cost of Bond Issuance	\$91,500	TRID	2018	Middletown Township
Total Bond	\$3,800,000			
Additional TRID Capital Investments				
School Facilities	\$650,000	TRID	2025	RTMSD
YMCA	\$650,000	TRID	2030	YMCA

Appendix B:

Adopted Delaware County TRID Resolution

COUNTY OF DELAWARE RESOLUTION NO. 2017-6

RESOLUTION OF DELAWARE COUNTY COUNCIL WITH RESPECT TO THE PROPOSED TRANSIT REVITALIZATION INVESTMENT DISTRICT (TRID) IN MIDDLETOWN TOWNSHIP

WHEREAS, the Transit Revitalization Investment District Act – Omnibus Amendments (P.L. 1160, No. 151) (“TRID Act”) empowers municipalities, counties, and public transportation agencies to work cooperatively to establish Transit Revitalization Investment Districts (“TRIDs”) and the appropriate mechanisms to capture the real estate taxation and other values added by the development activities within these districts; and

WHEREAS, the TRID Act allows local governments to dedicate a portion of the tax increment deriving from the defined TRID area to the retirement of bonds utilized to support specified public improvements within the TRID area; and

WHEREAS, Middletown Township Council and the Rose Tree Media School District have approved in principle the use of tax increment financing for the proposed TRID project in Middletown Township; and

WHEREAS, Delaware County wishes to go on record in support of this project.

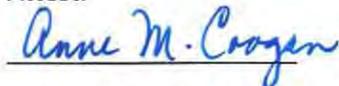
NOW, THEREFORE, BE IT RESOLVED by Delaware County Council:

1. That County Council supports in principle participating with Middletown Township and the Rose Tree Media School District in development of the Middletown TRID project.
2. That the TRID area boundaries will be substantially as shown on attachment 1.
3. That the TRID development activities will be substantially as shown on Attachment 2.
4. That TRID funding to support public improvements will be similar to the schedule shown on Attachment 3.
5. That approximately 15% of Delaware County’s tax increment within the TRID boundaries will be captured to finance the public improvements identified in Attachment 3, to be supplemented by state and federal grants. The phrase “tax increment” in this paragraph shall be determined by the increase in taxes to the County based on any increase in the fair market value of the property, such that the TRID Fund shall receive no windfall from county-wide reassessment affecting any property within the TRID boundaries for real property tax purposes.
6. That Middletown Township will be designated as the TRID management entity.
7. That Delaware County will utilize up to \$1,198,500 supplied by the Middletown Township TRID Investment Fund to construct Chester Creek Trail – Phase III segments within Middletown Township, including two bridges that span the Chester Creek.

Adopted by Delaware County Council on June 21, 2017.

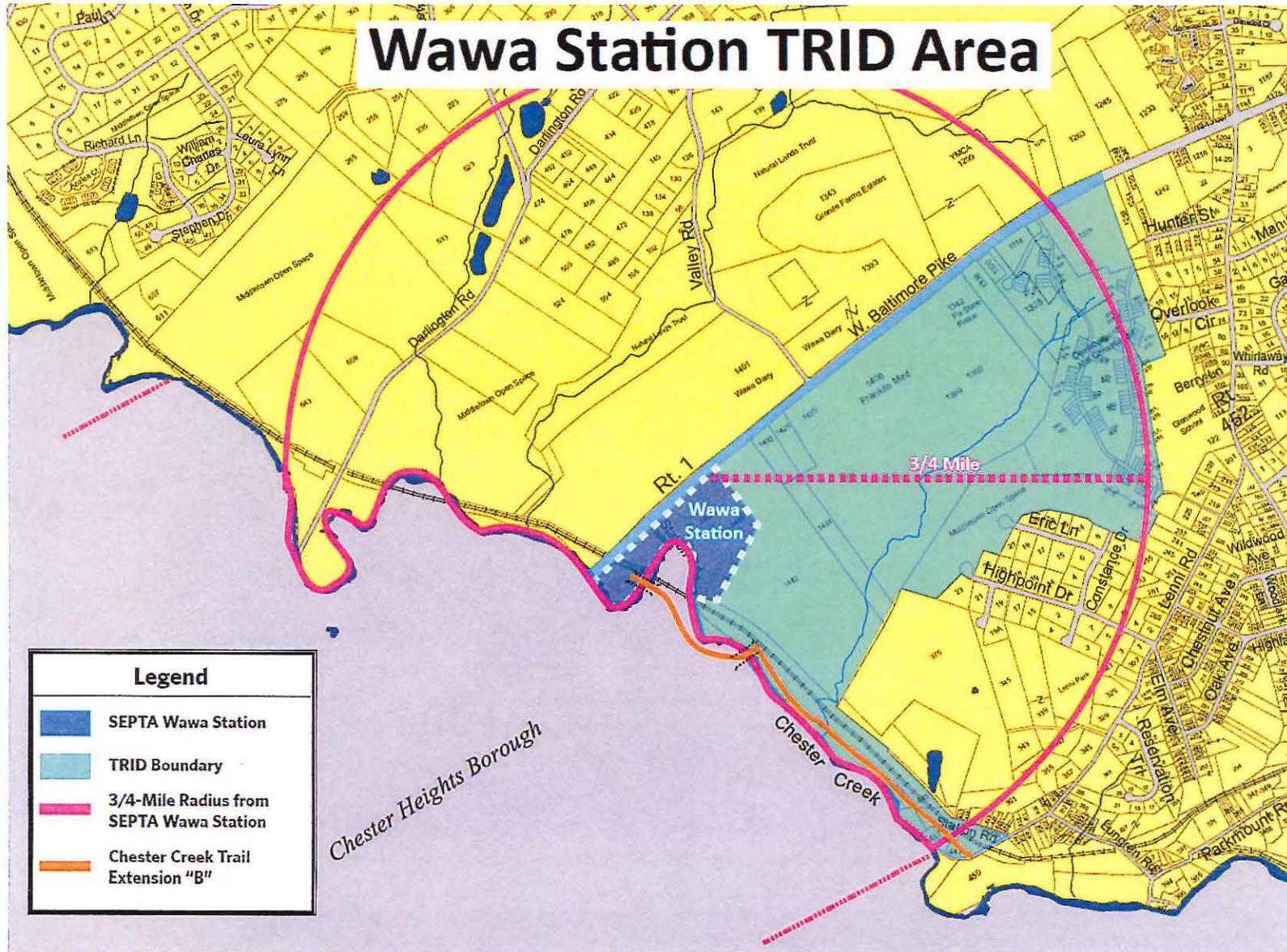

Mario J. Civera, Jr., Chairman

Attest:

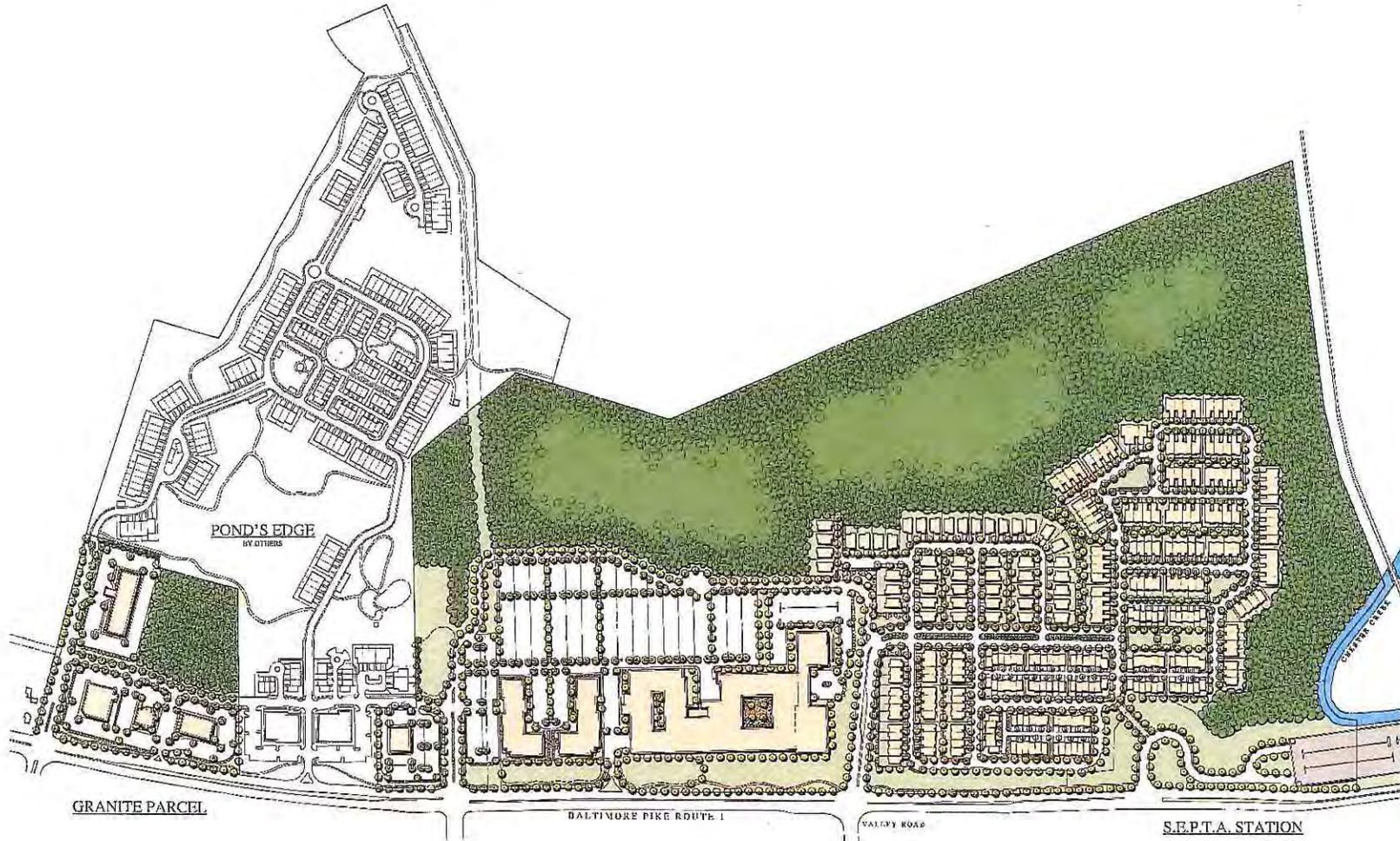


Anne M. Coogan, County Clerk

Attachment 1: Middletown TRID Study Area



Attachment 2: Conceptual Site Plan for Franklin Mint Development within the TRID



Attachment 3: Schedule of Potential TRID Tax Increment Financed Improvements

Component	Cost	Source	Timing	Implementer
Chester Creek Trail Extension				
B1 – Trail on SEPTA	\$444,000	TRID	2020	Delaware County
B2 – Bridge over Chester Creek	\$350,000	TRID	2020	Delaware County
B3 – Bridge to Wawa Station	\$320,000	TRID	2020	Delaware County
Contingency	\$84,500	TRID	2020	Delaware County
Baltimore Pike Trail Enhancements	\$2,310,000	TRID	2018	Middletown Township
Pedestrian Connection: Franklin Mint to Wawa Station	\$200,000	TRID	2018	Middletown Township
Cost of Bond Issuance	\$91,500	TRID	2018	Middletown Township
Total Bond	\$3,800,000			
Additional TRID Capital Investments				
School Facilities	\$650,000	TRID	2025	RTMSD
YMCA	\$650,000	TRID	2030	YMCA

Appendix C:

Adopted Rose Tree Media School District TRID Resolution

**RESOLUTION OF THE ROSE TREE MEDIA SCHOOL DISTRICT
WITH RESPECT TO THE PROPOSED
TRANSIT REVITALIZATION INVESTMENT DISTRICT (TRID)
IN MIDDLETOWN TOWNSHIP**

WHEREAS, the Transit Revitalization Investment District Act – Omnibus Amendments (P.L. 1160, No. 151) (“TRID Act”) empowers municipalities, counties, and public transportation agencies to work cooperatively to establish Transit Revitalization Investment Districts (TRID) and the appropriate mechanisms to capture the real estate taxation and other values added by the development activities within these districts; and

WHEREAS, the TRID Act allows local governments to dedicate a portion of the tax increment deriving from the defined TRID area to the retirement of bonds utilized to support specified public improvements within the TRID area; and

WHEREAS, Middletown Township Council and Delaware County have approved in principle the use of tax increment financing for the proposed TRID project in Middletown Township; and

WHEREAS, the Rose Tree Media School District wishes to go on record in support of this project.

NOW, THEREFORE, BE IT RESOLVED by the Rose Tree Media Board of School Directors:

1. That the Rose Tree Media Board of School Directors support in principle participating with Middletown Township and Delaware County in development of the Middletown TRID project.
2. That the TRID area boundaries will be substantially as shown on Exhibit A.
3. That TRID funding to support public improvements will be similar to the schedule shown on Exhibit B.
4. That the TRID shall exist for a term of fifteen years commencing January 1, 2018, and terminating December 31, 2032.
5. That the Rose Tree Media School District’s portion of the tax increment to be captured to finance the public improvements identified in Exhibit B will be capped at 1.5% of the tax increment within the TRID area with an annual contribution not to exceed \$65,000.
6. That Middletown Township will be designated as the TRID management entity.

Adopted by the Rose Tree Media Board of School Directors on June 22, 2017.



Nancy R. Mackrides Grace A. Eves
School Board President School Board Secretary

EXHIBIT A

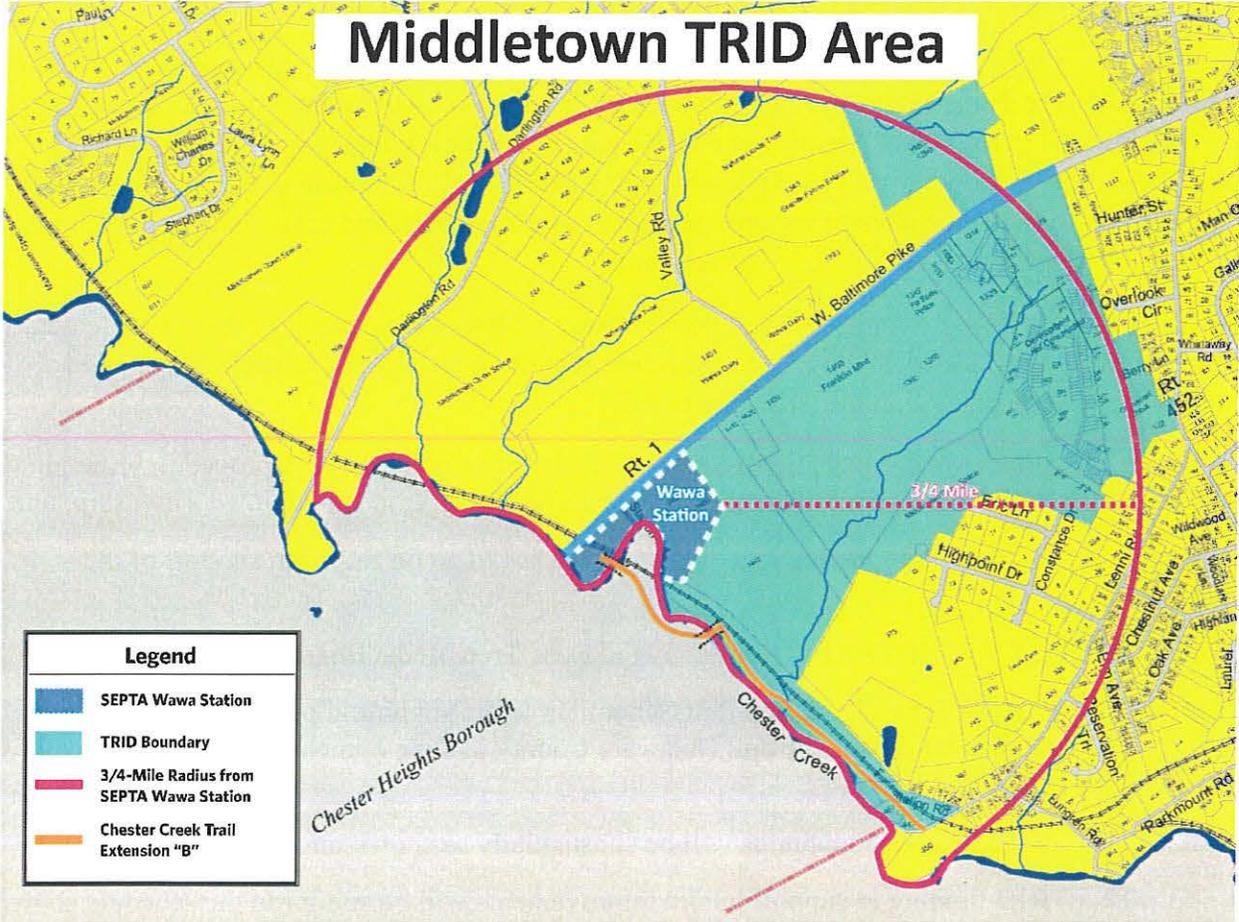


EXHIBIT B

Project Costs

Component	Cost	Source	Timing	Implementer
Chester Creek Trail Extension				
B1 – Trail on SEPTA	\$444,000	TRID	2020	Delaware County
B2 – Bridge over Chester Creek	\$350,000	TRID	2020	Delaware County
B3 – Bridge to Wawa Station	\$320,000	TRID	2020	Delaware County
Contingency	\$84,500	TRID	2020	Delaware County
Baltimore Pike Trail Enhancements	\$2,310,000	TRID	2018	Middletown Township
Pedestrian Connection: Franklin Mint to Wawa Station	\$200,000	TRID	2018	Middletown Township
Cost of Bond Issuance	\$91,500	TRID	2018	Middletown Township
Total Bond	\$3,800,000			
Additional TRID Capital Investments				
School Facilities	\$650,000	TRID	2025	RTMSD
YMCA	\$650,000	TRID	2030	YMCA

Appendix D:

SEPTA Letter of Support for Middletown TRID



Chairman

Pasquale T. Deon, Sr.

Vice Chairman

Thomas E. Babcock

Beverly Coleman
Robert D. Fox
Stewart J. Greenleaf
Kevin L. Johnson
John I. Kane
Obra S. Kernodle, IV
Daniel J. Kubik
Kenneth Lawrence
William J. Leonard
Charles H. Martin
William M. McSwain
Clarena I.W. Tolson
Michael A. Vereb

General Manager

Jeffrey D. Knuettel, P.E.

June 28, 2017

Mr. Bruce Clark, Manager
Middletown Township
P.O. Box 157
Lima, PA 19037

Dear Mr. Clark:

I write in response to Middletown Township's request for SEPTA's support for the Township's proposed Transit Revitalization Investment District (TRID) in the vicinity of the planned SEPTA Wawa Regional Rail station. The Township informs SEPTA that this TRID would enable the local taxing authorities to dedicate a portion of the tax increment deriving from the defined TRID area to the retirement of bonds utilized to support specified public improvements within the TRID area, including improved accessibility to the new Wawa Regional Rail Station. The station is being constructed as part of SEPTA's restoration of service from Elwyn to Wawa on the Media/Elwyn Regional Rail Line. Construction on this \$150 million project is expected to start within the next year. SEPTA is further informed that the local taxing authorities, Delaware County, Middletown Township, and the Rose Tree Media School District support this TRID.

SEPTA supports the TRID in principle, as well as the designation of Middletown Township as the TRID Management Entity. SEPTA expressed this support during a recent joint public hearing during a regular meeting of the Middletown Township Council on Monday, June 26, 2017 to receive public comment on the TRID. However, final approval and commitment on SEPTA's part is subject to the approval of SEPTA's Board and execution of a mutually acceptable appropriate agreement that complies with Pennsylvania's TRID statute.

SEPTA is aware that the Township intends to file a TRID Fund Grant application with the Pennsylvania Department of Community and Economic Development by July 1, 2017. SEPTA staff will continue to work with Middletown Township toward a formal TRID agreement. We anticipate bringing this to the SEPTA Board in the first quarter of FY 2018, which begins on July 1, 2017.

Please contact me if you wish to discuss this further.

Sincerely,


Jeffrey D. Knuettel
General Manager

Appendix E:

Letter of Support from McKee Group (Master Developer for Franklin Mint Development)
for Middletown TRID



Builders | Developers | Managers

June 28, 2017

Mr. Bruce Clark
Manager
Middletown Township
P.O. Box 157
Lima, PA 19037

Dear Mr. Clark:

I write in response to Middletown Township's request for the support of WV-PP Towne Center, LP ("FM Partnership") for the Township's proposed Transit Revitalization Investment District (TRID) in the vicinity of the planned SEPTA Wawa Regional Rail station. As you know, the FM Partnership is the owner and master developer for the former Franklin Mint property located on Baltimore Pike and Valley Road in Middletown Township. Since 2006, we have been working with Middletown Township to advance the development plans for the Franklin Mint property.

The FM Partnership supports the TRID in principle, and is aware that the Township intends to file a TRID Fund Grant application with the Pennsylvania Department of Community and Economic Development on July 1. The FM Partnership will continue to work with Middletown Township in executing a formal Development Agreement on the basis of the following:

- The Development Agreement concerns a portion of the "Franklin Mint" development proposed by the FM Partnership. The portion of the development considered here includes two components: (1) the "Franklin Mint Parcel" --proposed to include up to 302 units of housing and 600,000 SF of office/commercial and (2) the "Granite Parcel"—proposed to include a 120-room hotel and approximately 10,000 SF of restaurants.
- The FM Partnership recognizes that Middletown Township, in collaboration with SEPTA, Delaware County, and Rose Tree Media School District, proposes to establish in the vicinity of these two components of development a Transportation Revitalization Investment District (TRID) which will provide for the allocation of a portion of the real estate tax increment produced by this development to support the construction of certain infrastructure improvements.
- Among the improvements to be financed with these TRID funds is a trail extending along the entire length of Baltimore Pike within the TRID boundary and a direct pedestrian connection from the new Wawa SEPTA Station to the residential portion of the Franklin Mint development to encourage rail ridership and to reduce demand for parking at the station.

www.mckeegroup.net

940 W. Sproul Road • Suite 301 • Springfield, PA 19064 • 610-604-9800

- Middletown Township and the FM Partnership recognize that Middletown Township will assume the role of Management Entity for these TRID improvements consistent with the TRID legislation.
- The FM Partnership recognizes that it will enter into a typical developer agreement for investment in site-supportive infrastructure for roadway, traffic signal, streetscape, and sewer improvements. The form of this agreement will be similar to that shown in "Appendix A."
- The FM Partnership further recognizes that the opportunity to utilize TRID financing is contingent upon the generation of tax increment from the proposed development and that Middletown Township's commitment to the TRID program is tied directly to the additional assessed value of property due to some, but not all, of its proposed development. In particular, Middletown Township is relying on the increased taxes from up to 302 units of housing, 600,000 SF of office/commercial development, a 120-room hotel and approximately 10,000 SF of restaurants. The FM Partnership will exercise its best efforts to complete these development components by 2027. This commitment of best efforts is contingent on timely zoning, development, and construction approvals by Middletown Township.
- Middletown Township and the FM Partnership further recognize that these commitments are contingent upon the award of grants from the Commonwealth of Pennsylvania through the "TRID Fund" to supplement the local governments' TRID investments.

Please contact me if you wish to discuss this further.

Sincerely,



Kevin E. McLaughlin
The McKee Group
On Behalf of WV-PP Towne Center, LP



Appendix A: Typical Developer Agreement for Infrastructure Investment

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT is made as of this ____ day of _____, by and between the TOWNSHIP OF MIDDLETOWN, Delaware County, Pennsylvania, 27 North Pennell Road, P.O. Box 157, Lima, Pennsylvania 19037-0157 (the "Township") and ("Developer").

BACKGROUND

1. Developer is the owner of a certain tract of land situate at _____ in Middletown Township, Delaware County, Pennsylvania, and containing approximately _____ gross acres, more or less, which land is more fully described and shown on the Development Plan described below and part of which is described in the legal description which is attached hereto, made a part hereof and marked Exhibit "A" (the "Property" or the "Development").

2. The Property is located in the _____ Zoning District under the Township's Zoning Ordinance and Zoning Map. The Property is currently improved v _____

_____ accordance with any required municipal or other governmental approvals, are referred to herein as the "Development Plan" or the "Plan".

3. The Township has granted the approvals listed on and attached as Exhibit "C" hereto and made part hereof. All approvals and applicable resolutions are referred to herein as the "Resolution".

4. Developer hereby accepts and/or confirms acceptance of the conditions of final approval as set forth on the Plan and/or in the Resolution. Developer intends to file applications under the provisions of the Township Subdivision and Land Development Ordinance and/or under other applicable codes or ordinances of the Township and statutes of this Commonwealth in order to develop the residential portion of the Property in the future.

5. Developer has agreed to enter into a development agreement with the Township whereby Developer will be legally bound to, among other things, complete certain improvements and to reimburse the Township for the Township's costs of preparing this Development Agreement and the Improvement Security Agreement, as

defined herein, of inspecting the construction of the Improvements, as defined herein, and of implementing the Development Plan.

6. Developer shall deposit with the Township adequate financial security to cover certain costs of the Township as described in Article V of this Agreement. Developer shall also provide adequate financial security in an amount necessary to cover the cost of completing the Improvements, to guarantee performance of Developer's obligations hereunder and under the Improvement Security Agreement defined herein and to guarantee the structural integrity and proper functioning of any Improvements in accordance with the design and specifications depicted on the Development Plan for eighteen (18) months after the date the Township accepts dedication of the dedicated public improvements as described in Article VII hereof. All such financial security to cover the cost of completing the Improvements and to guarantee performance of Developer's obligations hereunder and under the Improvement Security Agreement shall be in a form which complies with Section 509 of the Pennsylvania Municipalities Planning Code (the "MPC"), 53 P.S. §10509 ("Section 509"), and shall be acceptable to the Township in both form and amount.

7. The Improvements for which security must be provided, together with the estimated cost of completing such Improvements, are listed on Exhibit "D", which is attached hereto and made a part hereof.

TERMS

NOW, THEREFORE, in consideration of the mutual promises stated herein and intending to be legally bound hereby, the Township and Developer hereby covenant and agree as follows:

I. INCORPORATION BY REFERENCE

1. The "Background" section set forth above is hereby incorporated herein as though fully set forth.

2. The Development Plan, the Resolution and the Specifications, as defined below, are hereby incorporated herein by reference thereto as though fully set forth.

II. IMPROVEMENTS, INSPECTIONS AND OTHER REQUIREMENTS

1. The term "Improvements", as used in this Agreement, shall mean all site improvements shown on or contemplated by the Development Plan, including but not limited to roads, streets, sidewalks and other walkways, curbs, gutters, bicycle paths, pedestrian paths, emergency accessways, driveways, bridges and culverts, drainage facilities, fire hydrants, water distribution systems, sanitary sewer systems, storm sewers, storm water management facilities, roadway underdrains, street lights, street and traffic

signs, traffic control devices, recreational facilities, open space improvements, buffer or screen plantings, shielding and protective fencing, guardrails, refuse collection stations, public parking areas, monuments, grading and clearing, landscaping, tree planting, erosion sedimentation and stormwater control facilities, park areas and community facilities, all as shown on the Development Plan or described in the Resolution. The term "Improvements" shall also include the relocation, renovation, removal and/or demolition of any buildings, tanks, signs, inlets, lights, driveways, streets, roads, barns, houses, ruins, landscaping or other foliage, and other structures or improvements required to be removed, relocated, renovated and/or demolished by the Development Plan or Resolution. Whenever the Development Plan requires any such relocations, removals, renovations or demolitions, Developer shall be required not only to relocate, renovate, remove and/or demolish the foliage, structure or improvement but also to clear the site of debris afterwards and to finish grade and stabilize the site. The term "Improvements" shall also include all items set forth on Exhibit "D".

2. Developer will install, construct and complete the Improvements, or cause the Improvements to be installed, constructed and completed, all at its own cost and expense and without any cost or expense whatsoever to the Township.

3. Developer will install, construct and complete all Improvements in a good and workmanlike manner and in strict conformity with this Agreement, the Development Plan, the Resolution, the Specifications, as defined herein, and all applicable approvals, permits, plans, laws, ordinances, resolutions and regulations, including but not limited to the Township Zoning and Subdivision and Land Development Ordinances as the requirements of those Ordinances may have been modified or varied by final plan approval, including the express conditions of final plan approval.

4. All fire hydrants and all gas, water, sewage, drainage, storm water management, electric, telephone, cable television and fire protection systems and facilities, or any part thereof, including all service connections thereto and to the lots on the Property and/or the Improvements (all of the foregoing being referred to herein as "public utility systems"), which are to be located under areas on the Property which are to be paved pursuant to the Development Plan, shall be installed by Developer and inspected and approved by the Township Engineer before such paving occurs. All electric and telephone utilities shall be installed underground in accordance with applicable laws, regulations and Pennsylvania Public Utility Commission orders. Whenever practical, public sanitary sewers shall be installed in the cartway of the road or street or common driveway.

5. Developer shall install or cause to be installed all street lights, street signs and traffic control devices, if any, and all other Improvements required by the Development Plan.

6. All existing roads, streets or driveways disturbed by Developer pursuant to implementation of the Development Plan shall be repaved to their full width by Developer, at Developer's sole cost and expense.

7. Before connecting any new sanitary or storm sewers to existing sewer or drainage systems, Developer shall obtain all necessary approvals and permits from the Township and the Pennsylvania Department of Environmental Protection, or its successor, and Developer shall provide satisfactory proof of all such necessary State approvals and permits to the Township Engineer. Before commencing any work in the Development or on the Improvements which requires a permit or other approval from any governmental body or agency with jurisdiction, Developer shall obtain all such necessary permits or approvals and shall provide satisfactory proof of such necessary permits or approvals to the Township Engineer.

8. Developer shall mark or stake the Property in accordance with the provisions of the Township's Subdivision and Land Development Ordinance.

9. There shall be no revision to or change to the Development Plan or to any construction detail or requirement, specification or standard therein or required by any Township ordinance or resolution (collectively the "Specifications"), unless Township Council first approves such change, except as otherwise provided herein.

a. Developer shall submit any proposed changes to the approved final Development Plan or any Specification to the Township Engineer with any and all drawings, plans and written explanations as shall be required by the Township Engineer for adequate review of the proposed change. All such proposed changes shall be reviewed by and bear the stamp of Developer's engineer.

b. The Township Engineer may, without Township Council approval, authorize Developer to change construction details, including but not limited to the as-built location of storm sewer easements, which do not alter a standard required by Township ordinance or a condition of final plan approval or make a substantial change in the Development Plan. The Township Engineer shall review any change proposed by Developer and shall provide Township Council with an analysis of the change and a recommendation for action, except that any change of construction detail which the Township Engineer is permitted to authorize hereunder need not be submitted to Township Council for approval. Developer shall not cause any work to be done pursuant to a change in the Development Plan or any Specification, except a change in a construction detail which the Township Engineer authorizes hereunder, until Township Council has approved the change.

c. If Township Council approves a change in the Development Plan and/or Specifications, Developer agrees to enter into additional formal agreements with the Township if necessary in order to bring such changes within the scope of this Agreement. No construction or other work shall be done, pursuant to any change in the Development Plan or Specifications, until such changes are incorporated into this Agreement and until Developer provides adequate financial security, if necessary, which complies with MPC Section 509 or any successor thereto and is acceptable to the Township, to guarantee any additional construction costs for the Improvements.

d. Anything herein to the contrary notwithstanding, no change made to the Development Plan shall be considered to be approved by the Township unless such change has been highlighted on plans presented to the Township prior to the Township's review and approval of such plans.

10. In constructing and installing the Improvements, Developer agrees to use materials and plantings which meet all of the requirements hereof, the Specifications and all applicable standards.

11. All of the Improvements and the work thereon and the materials thereof shall be subject to inspection by and approval of the Township Engineer at such reasonable times as the Township Engineer shall determine. The Township Engineer's approval shall not be unreasonably withheld.

a. At least five (5) days prior to the commencement of each Improvement, including but not limited to the construction and/or installation of all culverts, storm sewers, curbing, underdrains and manholes, the setting of monuments, and the laying of the stone base course for any road or street or any section thereof and each separate paving operation, Developer shall notify the Township Engineer of the planned commencement.

b. Within five (5) days after each Improvement is completed, Developer, by written notice in accordance with the provisions hereof, shall ask the Township Engineer to conduct a final inspection of the Improvement. The Township Engineer will determine if the Improvement complies with the requirements hereof and with all applicable standards.

12. Developer agrees that if any materials used or any work done in the construction of the Improvements or in otherwise implementing the Development Plan shall be rejected or disapproved by the Township Engineer as defective or as not in compliance with the provisions hereof or with any applicable standards, or if work is done and/or covered without prior inspection when prior inspection is required hereunder or is necessary to determine compliance with the Development Plan, Specifications or this Agreement, then, if such action is requested by the Township or Township Engineer, said materials and/or work shall be uncovered, removed and/or replaced with other approved materials and/or the work shall be done anew, at the sole cost and expense of Developer and subject to inspection by the Township Engineer to determine compliance. Developer agrees that the Township and/or the Township Engineer are authorized to require the uncovering, removal and replacement of any work and/or materials which are not completed in accordance with this Agreement and all applicable standards.

13. In the event the Township Engineer shall find that the provisions for drainage of the site, as designed by Developer, are inadequate and require changes, or in the event the drainage facilities and storm water runoff facilities otherwise prove to be

inadequate to protect existing highways, streets and roads or adjoining private or public areas from excess drainage, flooding or silting, Developer shall install such additional drainage work or make such corrections as are necessary. The Township Engineer is also hereby authorized to require removal and/or relocation of any storm sewer and underdrains or other Improvements which do not function as required by all applicable statutes, Specifications and regulations. If there is a dispute regarding the need for or the scope of needed corrections, then Developer and the Township shall jointly, by mutual agreement, appoint another professional engineer licensed as such in the Commonwealth of Pennsylvania to review the need for the corrections and to make a determination to resolve the dispute. Said professional engineer so appointed shall hear evidence and review such documentation as the professional engineer in his or her sole judgment deems necessary and shall render a fair and reasonable decision as promptly as possible. In the event the Township and Developer cannot agree upon a professional engineer, either party may apply to the President Judge of the Court of Common Pleas of Delaware County to appoint an engineer who shall be neither the Township Engineer nor Developer's engineer, and who shall not have performed work for the Township or Developer within the preceding three (3) years. The fee for the independent engineer shall be paid for by the non-prevailing party and if a compromise decision is issued, the fee shall be split one-half (1/2) each.

14. The date scheduled for completion of the Improvements is October 31, 2018. The foregoing date may be extended at any time upon written approval of the Township. The foregoing date, or any rescheduled date of completion, is referred to herein as the "Estimated Completion Date". Anything herein to the contrary notwithstanding, the Township shall have the right but not the obligation to exercise any rights and remedies it may have in the event of a breach hereunder, and nothing herein shall obligate the Township to declare Developer in default hereunder in the event the Improvements are not completed by the Estimated Completion Date or otherwise. The Township shall be entitled to exercise its rights hereunder without the consent of Developer or any other party.

III. CONDITIONS TO BE MET PRIOR TO COMMENCING CONSTRUCTION OF IMPROVEMENTS

1. Before commencing any work on the Improvements, Developer shall submit the specifications for all materials to be used and all design specifications to the Township Engineer. Developer shall not proceed with any work on the Property or Improvements without first giving notice to the Township Engineer and, when inspection is required by the Township Engineer, arranging with the Township Engineer for such inspection.

2. No building permit for any portion of the Property or Improvements shall be issued, and no Improvements shall be commenced, until:

- a. A Record Plan, as finally approved, or such portion thereof which is agreed upon by the parties hereto, is signed by the Township and recorded according to law; and
- b. This Agreement is duly signed and delivered; and
- c. Developer pays \$5,000.00 to the Township to be held in escrow by the Township (pursuant to this paragraph and Article V hereof) and to be drawn on by the Township to pay for the Township's costs, including costs of reviewing and approving plans and Specifications, inspecting construction of the Improvements and removing snow and/or debris and/or waste material (pursuant to Article IV, paragraphs 3 and/or 4 hereof) and including any legal or other expense incurred by the Township in connection with the implementation or enforcement of the Development Plan and/or this Agreement and/or the Improvement Security Agreement; and
- d. All fees required by any ordinance or resolution of the Township or this Agreement and/or the Improvement Security Agreement are paid and all outstanding expenses of the type described in Article III, paragraph 2c hereof are paid; and
- e. If applicable, Developer has entered into a Sanitary Sewer Agreement with the Middletown Township, Delaware County, Sewer Authority for public sewer service as shown on the Development Plan, including the installation of sewer lines and all necessary sewer facilities, any escrows required thereunder have been posted by Developer, and the Township has been provided copies of the executed agreement and satisfactory proof that the required security has been posted; and
- f. If applicable, Developer has entered into an agreement with the local water company for the installation of water mains and water service as shown on the Development Plan, any escrows required thereunder have been posted by Developer, and the Township has been provided copies of the executed agreement and satisfactory proof that the required security has been posted; and
- g. Developer has executed an Improvement Security Agreement and provided the Township with the financial security for the Improvements as required by Article VI hereof or otherwise (including any increases in the amount thereof required hereunder or under the Improvement Security Agreement), which security meets the requirements of the MPC and this Agreement; and
- h. Developer furnishes the Township with certificates showing that Developer and its general contractor have adequate general liability insurance coverage in an amount not less than Two Million Dollars (\$2,000,000) per occurrence, that the Township is named as an additional insured on such liability policies and that the policies cannot be terminated or not renewed without 30 days prior written notice to the Township; and

i. All necessary or required documents, declarations, declaration amendments, easements, extinguishment of easements, covenants and restrictions have been approved by the Township, adopted and executed and, if appropriate, recorded in the Delaware County Recorder of Deeds Office and satisfactory proof of the same has been provided to the Township; and

j. All required third party certificates, licenses, permits or approvals have been obtained and are still in effect and satisfactory proof thereof has been provided to the Township; and

k. All other applicable requirements of the Resolution and other Middletown Township ordinances and resolutions have been met.

3. Additionally, no building permit shall be issued until a grading plan is approved by the Township.

IV. OBLIGATIONS OF DEVELOPER DURING CONSTRUCTION AND OTHERWISE

1. It shall be the obligation of Developer to arrange in advance with the Township Engineer for inspection of work as the work progresses. Developer shall bear the cost of and shall reimburse the Township for the cost of all inspections by the Township Engineer.

2. During the course of construction of the Improvements, Developer shall be responsible for proper and adequate removal and disposal of all site clearing debris, construction debris and waste materials, such as tree stumps, discarded foliage, unused construction materials, paper, cartons and the like, from the Property and surrounding areas, whether discarded by Developer, others employed by Developer, or others engaged in the delivery of materials to and/or construction within the Property and/or construction of the Improvements. Developer agrees to prevent such debris and waste materials from being buried or burned on the Property or deposited, by being thrown or blown, upon any property adjacent to or within the vicinity of the Property. If Developer fails to adequately remove any site clearing debris, construction debris or waste materials, including rubbish, cartons and discarded materials, generated by or because of Developer's activities, from the Property or from surrounding areas within 72 hours after Developer receives written notice from the Township to do so, or immediately if such debris or materials are causing a traffic hazard or other danger to the public health, safety and welfare, then the Township shall have the right but not the obligation to remove said debris and waste materials and to draw, from the escrow account created under Article V hereof, the sums necessary to pay for or to reimburse the Township for the costs of cleaning up the Property and surrounding areas. The Township's exercise of its right to remove debris and waste materials pursuant to this paragraph shall not obligate the Township to do so in the future.

3. Until such time as any street or road within the Development has been dedicated to and accepted by the Township as part of the public road system of the Township, or earlier at the Township's sole discretion, Developer shall be responsible for removing snow and ice promptly from all such streets or roads. In the event that Developer fails to promptly remove snow and ice from any such street or road, the Township shall be authorized, but not obligated, to remove the snow and ice therefrom upon notice to Developer and Developer hereby agrees that the Township may reimburse itself for the costs of such snow and ice removal from the escrow posted to cover Township expenses and costs under Article V, paragraph 2 hereof. The Township's exercise of its right to remove snow and ice pursuant to this paragraph shall not obligate the Township to do so in the future.

4. Developer agrees that in the event the Township or the Township's agent provides for the removal of waste material, debris, snow and/or ice upon Developer's failure to do so, the Township shall not be responsible for any damage or injury caused by the Township or the Township's agents in completing such removal, unless such damage or injury is caused by the sole negligence, recklessness or willful misconduct of any Township officials and/or employees and/or agents. Developer shall, at all times, release, indemnify and hold the Township, its officials, servants, workmen, agents and employees, harmless from and against any and all losses, costs, expenses (including but not limited to reasonable attorneys' fees), liabilities, claims, demands, actions, suits or proceedings at law or in equity whatsoever which it or them or any of them may incur or with which it or them or any of them may be threatened as a result of any damage or injury to persons, real property or personal property, including but not limited to the Township's equipment and any streets, roads or other improvements, caused by or arising out of such waste material, debris, snow and/or ice removal by the Township or the Township's agent(s), unless such damage or injury is caused by the sole negligence, recklessness or willful misconduct of the Township or the Township's officials and/or employees and/or agents.

5. During the construction period, and until dedication of such streets and roads is accepted by the Township, Developer agrees to maintain all streets and roads constructed or improved pursuant to the Development Plan in a clean and safe condition and free of mud, snow, ice and construction debris. During the construction period, Developer shall keep all streets and roads adjoining the Property free of mud and construction debris.

6. During the construction period, Developer agrees to maintain such barricades, warning lights, flares, fences and/ or other safety devices as are necessary to protect the safety of the public.

7. Developer shall obtain a certificate of occupancy properly issued by the Township before conveying title or permitting title to be conveyed and before permitting any use or occupancy.

8. If Developer fails to comply with all Township ordinances, approvals and resolutions relating to the development of the Property and with the provisions of the Resolution, the Improvement Security Agreement and this Agreement, including but not limited to requirements regarding the inspection of any building during the period of construction, use and occupancy permit regulations, and the maintenance of adequate security pursuant to Article V and Article VI hereof, or if any of the conditions described in Article III, Paragraph 2 hereof do not continue to be or are not satisfied (e.g., if a third party permit is revoked), then:

a. Developer agrees that the Township, acting through the Township Manager or otherwise, may, in addition to any other rights and remedies it has hereunder, under the Improvement Security Agreement, or at law or in equity, upon notice to Developer of the failure to comply (and, in the event the Township in its sole discretion provides Developer with a reasonable opportunity to cure, after the termination of any such cure period), suspend or revoke all building permits issued for the Property and may refuse to issue or release any additional permits, certificates of occupancy, record plans or Release Certificates, as defined herein, until Township officials are satisfied that all permit and regulatory requirements and the provisions of the Resolution, the Improvement Security Agreement and this Agreement have been met and all violations corrected; and

b. Upon notice to Developer of the failure to comply and expiration of the applicable cure period, if any, Developer will, unless the Township otherwise agrees, cease all construction within the Property until Township officials are satisfied that all permit and regulatory requirements and the provisions of the Resolution, the Improvement Security Agreement and this Agreement have been met and all violations corrected.

9. If Developer ceases work upon the Improvements for a continuous period of ninety (90) days or more, and the Improvements are incomplete, then, barring strikes, shortages of material, or unfavorable weather or other conditions beyond Developer's control, such a cessation of work shall, at the Township's option, be deemed a breach of this Agreement. Additionally, if Developer becomes insolvent or makes an assignment for the benefit of creditors, or if a petition in bankruptcy is filed by or against Developer, or if the real or personal property of Developer shall be levied upon or sold, or if for any other reason the Township shall, reasonably and in good faith, believe that Developer's ability to comply with the provisions hereof or of the Improvement Security Agreement described herein is or may in the near future become impaired, then the Township shall have the option of declaring Developer to have breached this Agreement. In either such event, the Township may pursue any remedies available to it as a result of such breach and in neither event shall Developer be entitled to notice or to an opportunity to cure, anything herein to the contrary notwithstanding.

10. Barring strikes, shortages of material, unfavorable weather or other conditions beyond Developer's control, all work on the Improvements shall be completed by Developer not later than the Estimated Completion Date.

11. Anything herein to the contrary notwithstanding, the Township shall be under no obligation to provide Developer with a reasonable opportunity to cure in the event Developer fails to comply with all Township ordinances, approvals and resolutions relating to the development of the Property and with the provisions of the Resolution, the Improvement Security Agreement and this Agreement.

12. Developer agrees that in the event the PennDOT highway occupancy permit plans accompanying any required PennDOT highway occupancy permit (the "Highway Occupancy Plans") are different than or are inconsistent with the Development Plan, the Township shall have the right to revoke any and all permits issued for the Property and/or may withhold or refuse to issue any permits until such time as:

a. The Development Plan is amended to be consistent with the PennDOT Highway Occupancy Plans; and

b. The amended Development Plan is approved by Township Council; and

c. Developer increases the amount of the Improvement Security Fund as described in the Improvement Security Agreement if required by the Township as a result of the foregoing amendments to the Development Plan; and

d. This Agreement and the Improvement Security Agreement are amended to reflect the amended Development Plan and increased financial security, if any. All such amendments to the Agreements must be approved by the Township Solicitor.

V. ESCROW FUND FOR PAYMENT OF FEES

1. Developer shall reimburse the Township for any and all costs, expenses, charges and fees incurred by the Township in connection with or on account of this Agreement or the Development Plan, including but not limited to engineering fees, inspection fees, design and plan review costs, legal fees, all costs of enforcing the Township's ordinances, resolutions and Specifications relating to and other requirements of final plan approval, the cost of recording any instruments related thereto and all other costs, expenses, charges and fees incurred by the Township in connection with the review and approval of the Development Plan and related plans and Specifications, and the preparation of this Agreement, the Improvement Security Agreement described herein, the Resolution and related agreements, easements, ordinances, declarations, resolutions and other papers reviewed or prepared in connection with the development of the Property or the adoption and execution of this Agreement by the Township.

2. Developer agrees to deposit with the Township the sum of \$5,000.00 as security for and to fund the payment of Township costs, expenses, charges and fees, including but not limited to engineering and legal fees, which may be incurred by the Township under this Agreement or in connection with the Development Plan. Developer agrees that this escrow may also be used to reimburse the Township for any costs incurred by the Township in removing site clearing debris, construction debris, trash, waste material, snow and/or ice pursuant to Article IV, paragraphs 2 and/or 3 hereof. It is understood and agreed by the parties that neither the Township, the Township Solicitor, nor the Township Engineer shall commence processing any permit applications or release any final plan for recording until said security deposit has been received by the Township and all outstanding costs, expenses, charges and fees have been paid. A minimum of \$1,000.00 shall be on deposit with the Township at all times in order to cover the aforesaid costs, expenses, charges and fees. Developer shall deposit with the Township additional funds for said security if necessary so that the minimum balance is maintained.

3. When all Township costs, expenses, charges and fees for which Developer is hereby responsible have been paid, including but not limited to any costs, expenses and fees incurred by the Township in connection with this Agreement and/or the Improvement Security Agreement, and after the issuance by the Township of a Certificate of Total Completion and the completion of all dedications, the Township Manager shall direct that the balance in said fund, if any, be returned to Developer.

VI. SECURITY FOR CONSTRUCTION OF IMPROVEMENTS

1. The cost estimates set forth in Exhibit "D" are subject to the right of the Township to require an increase in the estimates set forth therein in the manner and under the circumstances set forth in this Agreement or the Improvement Security Agreement.

2. In accordance with Article III, Paragraph 2(g) hereof, Developer shall deliver to the Township fully executed security for the completion of the Improvements which, at Developer's option, may be in the form of an irrevocable letter of credit guaranteeing the completion of the Improvements, a restrictive or escrow account or such other financial security which the Township approves, together with a fully executed agreement governing such security ("Improvement Security Agreement"). The purpose of the Improvement Security Agreement is, among other things, to guarantee that all Improvements will be completed on or before the Estimated Completion Date and that funds will be available through the Improvement Security Agreement for the construction of said Improvements if Developer fails to construct or complete or to properly construct or complete the same by the Estimated Completion Date or otherwise fails to comply with this Agreement or the Improvement Security Agreement.

3. Developer agrees to, contemporaneously with the execution hereof, provide financial security through a third-party financial institution to guarantee the completion of the Improvements as set forth on Exhibit "D" and the obligations of

Developer hereunder and under the Improvement Security Agreement in the amount set forth on Exhibit "D", which amount represents security for the Improvements as set forth on Exhibit "D" (the foregoing sum, as the same may be increased or decreased in accordance with the Improvement Security Agreement or this Development Agreement, plus any interest accruing thereon, is referred to herein as the "Improvement Security Fund").

4. The terms of the Improvement Security Agreement are subject to the approval of the Township Solicitor. The financial security shall be posted with, at Developer's discretion, a bonding company or a federal or state chartered financial institution authorized to conduct such business in Pennsylvania and chosen by Developer.

5. a. As construction of the Improvements progresses, the Township shall, from time to time, at the written request of Developer and in accordance with the provisions of the Improvement Security Agreement and of Section 509(j) of the MPC, 53 P.S. §10509(j), or any successor provision, approve, issue and accept either: (i) work progress certificates or draw requests ("Certificates for Release of Improvement Security Funds") which certify that the specified Improvements are complete and which authorize a payment to Developer to cover the cost of the completed Improvements as set forth on Exhibit "D" (minus a 10% retainage) and a corresponding reduction in the amount of funds available for draw under the Improvement Security Agreement; or, in the event the security provided hereunder is a Letter of Credit or other security which is being used by Developer not to fund the cost of the Improvements but only to provide security to the Township in the event of a default by Developer hereunder, (ii) work progress certificates or requests for reduction in the amount of the Letter of Credit or other security ("Certificates of Completion and Reduction Authorization") which certify that the specified Improvements are complete and which authorize a reduction in the amount of security by the estimated cost of the completed Improvements as set forth in Exhibit "D" (minus a 10% retainage) (the Certificates for Release of Improvement Security Funds and Certificates of Completion and Reduction Authorization shall be referred to individually and collectively herein as the "Release Certificates").

b. The Release Certificates shall be substantially similar to the forms attached to the Improvement Security Agreement. No Release Certificate shall be considered to be signed by the Township unless it contains the original and genuine signatures of the Township Engineer and Township Manager and the Township Seal.

c. The amount of each payment to Developer and/or corresponding reduction in the funds available for draw under the Improvement Security Agreement shall be equal to ninety percent (90%) of the cost, as set forth on Exhibit "D", of the Improvements which have been satisfactorily completed as set forth in the Release Certificate and certified as such by the Township Engineer. The parties hereby agree that 10% of the amount set forth on each Release Certificate as the cost of the completed Improvements covered by the Release Certificate (the "10% Holdback") shall be retained by the third-party financial institution holding the Improvement Security Fund

(the "Escrow Agent") until Township Council authorizes or demands release of the accumulated retainage and any other amount remaining in the Improvement Security Fund, including but not limited to any interest thereon.

d. Anything herein to the contrary notwithstanding, the amount released for the cost of completion of any of the Improvements pursuant to a Release Certificate shall not exceed the amount set forth on Exhibit "D," as the same may be amended pursuant to the terms hereof, as the estimated cost of completion of such Improvements, minus the 10% Holdback or retainage.

e. Anything herein to the contrary notwithstanding, the Township shall not be obligated to approve, issue and/or accept a Release Certificate if Developer has not satisfactorily completed all of the Improvements with respect to which a release is being requested, if Developer has not submitted a complete release request to the Township or if Developer at the time the Township is acting on the request is not in compliance with any provision of this Agreement or the Improvement Security Agreement or is otherwise in default hereunder or under the Improvement Security Agreement.

6. In support of a request for a Release Certificate, Developer shall submit to the Township Engineer invoices for labor, materials and other Improvement work performed or supplied by Developer or Developer's contractors, subcontractors, material men or suppliers. Requests for Release Certificates shall not be made more frequently than once each month.

7. Release Certificates shall be signed by Developer, Developer's Engineer, the Township Engineer and the Township, acting through the Township Manager, as shown on the Exhibits to the Improvement Security Agreement. The Township, acting through the Township Manager or otherwise, and the Township Engineer shall act upon each request for the issuance and acceptance of a Release Certificate submitted by Developer in accordance with Section 509(j) of the MPC, or any successor provision. If the Township, acting through the Township Manager or otherwise, fails to act upon a proper, complete, written request of Developer for the issuance and acceptance of such a Certificate within forty-five (45) days of the date the Township receives such proper, complete, written request from Developer, then the Township shall be deemed to have approved the release or reduction of funds or security as requested, except as otherwise provided in the Improvement Security Agreement.

8. a. The Township Engineer may, either (i) on or within thirty (30) days of each anniversary date of this Agreement, or (ii) any time which is at least 360 days after the most recent required increase in the Improvement Security Fund pursuant to this Paragraph, review the progress of construction of the Improvements, the remaining amount available under the Improvement Security Agreement, the actual cost of any completed Improvements and the estimated cost, as of the expiration of the ninetieth day after the Estimated Completion Date (or, if the Estimated Completion Date has passed, then as of the expiration of the 360th day after the date of the Township

Engineer's review), to complete the remaining Improvements to determine if the remaining available security is adequate to cover the cost of completing the Improvements and Developer's obligations hereunder.

b. If the Township Engineer determines that the remaining amount available under the Improvement Security Agreement does not equal 110% of the estimated cost, as of the expiration of the ninetieth day after the Estimated Completion Date (or, if the Estimated Completion Date has passed, then as of the expiration of the 360th day after the date of the Township Engineer's review), of completing the remaining Improvements, plus the accumulated 10% retainage which has or should have been accumulated for completed Improvements which have been the subject of prior release or security reduction requests, then the Township or the Township Engineer may require, by written notice to Developer, that Developer increase the amount of the security available under the Improvement Security Agreement by an additional amount specified by the Township Engineer to cover the cost of completing the Improvements and the accumulated retainage or the amount of retainage which should have been accumulated under the provisions hereof, whichever is greater (the "Accumulated Retainage").

c. If Developer fails to provide such additional security within thirty (30) days of the date of the Township's notice, then the Township may declare Developer to be in default under this Agreement. In no event shall Developer be required to post additional financial security in an amount greater than 110% of the cost of completion of the remaining Improvements, which cost shall be estimated as of the ninetieth day following the Estimated Completion Date (or, if the Estimated Completion Date has passed, then as of the expiration of the 360th day after the date of the Township Engineer's review), plus the amount of the Accumulated Retainage.

d. If there is a dispute regarding the need for an increase in the amount of the security or regarding the amount of the increase, then the procedures set forth in Section 509(g) of the MPC, 53 P.S. §10509(g), or any successor provision, shall be followed.

9. If, pursuant to the review described in Article VI, Paragraph 8 hereof, the Township Engineer determines that the costs shown on Exhibit "D" are inadequate to cover the cost of completing the Improvements and the amount of the Accumulated Retainage, and when Developer increases the security accordingly, then the Township Engineer shall revise Exhibit "D" to show such amended costs and, after Developer has posted the required additional security, shall base the amount of security reduction authorized under subsequent Release Certificates upon the revised cost estimates.

10. When Developer has completed all of the Improvements, the parties shall proceed as follows:

a. Developer shall notify the Township in writing, by certified or registered mail, of the completion of the Improvements and shall send a copy of the

notice to the Township Engineer using a notice form substantially similar to the one set forth in Exhibit "E", which is attached hereto and made a part hereof (the "Certificate of Total Completion"). The Certificate of Total Completion shall not be considered to be signed by the Township unless it contains the original and genuine signatures of the Township Engineer, the Township Council Chairperson or acting Chairperson, the Township Manager and the Township Seal.

b. The Township, acting through the Township Manager, shall, within ten (10) days after receipt of such notice, direct and authorize the Township Engineer to inspect the Improvements. If the Township, acting through the Township Manager or otherwise, fails to direct and authorize the Township Engineer to inspect the Improvements within said ten (10) day period, the Township Engineer shall be deemed to have been directed and authorized to inspect the Improvements and the thirty (30) day period referred to in Paragraph 10(c) hereof shall be deemed to have begun ten (10) days after the date of Developer's notice referred to in Paragraph 10(a) hereof.

c. The Township Engineer shall then inspect the Improvements and shall prepare a written report or statement indicating approval or rejection of the Improvements, either in whole or in part. If the Township Engineer rejects or fails to approve any of the Improvements, then the report or statement shall contain a statement of the reasons for such non-approval or rejection. If the Township Engineer accepts all of the Improvements, he shall so notify the Township using a notice form substantially similar to the one set forth in the form Certificate of Total Completion attached hereto as Exhibit "E". The Township Engineer shall file the report or statement and/or notice with the Township and shall mail a copy of the report or statement and/or notice to Developer within thirty (30) days after receipt by the Township Engineer of the authorization from Township Council, acting through the Township Manager, to inspect the Improvements.

d. Within fifteen (15) days of the Township's receipt of the Township Engineer's report or statement and/or notice, Township Council shall either accept or reject the same in whole or in part and shall notify Developer in writing, by certified or registered mail, of the action of Township Council with respect to the Township Engineer's report or statement and/or notice, except that in the event that Township Council does not meet during said fifteen (15) day time period or meets on the fifteenth day thereof, Township Council shall provide the aforesaid notification to Developer within four (4) business days after the first regularly scheduled meeting of Township Council held after the Township's receipt of the Township Engineer's report or statement and/or notice.

e. If either the Township or the Township Engineer fails to comply with the time limitations set forth above, then unless such time limitations are waived by the party entitled to the notice, all of the Improvements shall be deemed to have been approved.

f. If any portion(s) of the Improvements are either rejected or not approved by the Township, then Developer shall proceed to complete the same and, upon completion, the same notification procedure outlined above shall be followed.

g. Upon completion of all Improvements and their inspection and approval by the Township Engineer, the Township shall, if it accepts the Township Engineer report or statement and/or notice, by Resolution substantially similar to the one set forth in Exhibit "E", accept the Certificate of Total Completion and shall authorize the release of any funds or the cancellation of any security remaining subject to the Improvement Security Agreement provided, however, that:

(i) when "as-built" plans are required by the Township for the Property or for any Improvement, the remaining security balance will not be released before the "as-built" plans, satisfactory to the Township Engineer, have been filed with the Township by Developer; and

(ii) unless and until a maintenance bond or other financial security is posted in accordance with VII(3)(d), the Township shall be entitled to retain from the Improvement Security Fund an amount equal to fifteen (15%) percent of the actual cost of any and all Improvements in any portion of the Property dedicated to and accepted by the Township for eighteen (18) months after the Township accepts dedication thereof, at which point any such amounts not expended or planned to be expended by the Township within sixty (60) days thereof in connection with said Improvements shall be returned to Developer; and

(iii) the Township shall not be obligated to accept a Certificate of Total Completion or to release, pay or distribute or to authorize the release, payment or distribution to Developer of any funds remaining in the Improvement Security Fund until such time as all of the Improvements have been satisfactorily completed;

(iv) the Township shall not be obligated to accept a Certificate of Total Completion or to release, pay or distribute or to authorize the release, payment or distribution to Developer of any funds remaining in the Improvement Security Fund until such time as all amounts owed to the Township hereunder or under the Improvement Security Agreement are paid to the Township.

h. Anything herein to the contrary notwithstanding, the Township shall be permitted to obtain from the Improvement Security Fund any amounts owed to it hereunder or under the Improvement Security Agreement and/or any amounts needed to obtain as-built plans before releasing, paying or distributing or authorizing the release, payment or distribution of any funds remaining in the Improvement Security Fund.

11. If Developer fails to complete the Improvements in the manner and within the time period set forth herein, or otherwise breaches this Agreement or the Improvement Security Agreement, then the Township, acting through the Township

Manager or otherwise, may give Developer written notice of such default. The Township, acting through the Township Manager or otherwise, may give Developer written notice of such default and, if applicable, an opportunity to cure, prior to exercising its right to complete the Improvements and/or draw upon the Improvement Security Fund. Anything herein to the contrary notwithstanding, however, Developer shall have no right to a notice of default in the event of a default as described in Article IV, Paragraph 9 hereof or of a default which has created an emergency or a dangerous condition.

12. In the event that (a) Developer defaults hereunder by failing to complete the Improvements in the manner and/or within the time period set forth herein or otherwise breaches or is in default hereunder or under the Improvement Security Agreement; and (b) the Township notifies Developer of the default in writing if required herein; and (c) if the Township provides Developer with an opportunity to cure, Developer fails to cure the same in the manner required by the Township within the provided cure period (the occurrence of all of the circumstances set forth in subparagraphs (a), (b) and (c) of this paragraph shall be referred to herein as a "Failure to Cure"), the Township shall have the right but not the obligation, in addition to any other rights and remedies it has hereunder, under the Improvement Security Agreement, or at law or in equity, to complete all or any portion of the Improvements by issuing an Election to Complete Notice in accordance with the procedures set forth herein and/or in the Improvement Security Agreement and/or to draw upon the Improvement Security Fund, either all at once or in stages, in accordance with the procedures set forth herein and/or in the Improvement Security Agreement. The issuance of an Election to Complete Notice must be authorized by Council Resolution. Developer shall, upon demand, pay the Township the amounts expended by the Township or to be expended by the Township based on received bids or executed contracts to complete the Improvements that the Township has elected to complete and pay all of the expenses incurred by the Township in connection therewith or otherwise pay the Township the amounts necessary to cure the default if such amounts are not available under the Improvement Security Agreement. The parties acknowledge that, anything herein to the contrary notwithstanding, the Township may exercise its right to complete the other Improvements or any portions thereof and/or to draw upon the funds in the Improvement Security Fund without exercising its right to complete the remaining or other Improvements.

13. If, after a Failure to Cure, the Township engages workmen, mechanics and/or equipment to complete all or any portion of the Improvements, then the Township shall have the right to take possession of all materials, tools, appliances and equipment located on the Property and intended for use in the performance of this Agreement for the purpose of including them or using them to complete all or any portion of the Improvements and, in such event, Developer hereby assigns to the Township all of Developer's rights, title and interest in and to such materials, tools, appliances and equipment.

14. The Improvement Security Agreement shall not be construed as a limitation upon Developer's obligation to properly construct the Improvements. The amount available under the Improvement Security Agreement is only an estimate of the cost of completing the Improvements. Developer is liable for the actual cost of properly completing all of the Improvements, together with any and all costs expended by the Township in connection with the implementation of the Development Agreement and Improvement Security Agreement or any breach thereof by Developer.

15. In the event the Township elects to complete only a portion of the incomplete Improvements, Developer shall continue to complete the remaining incomplete Improvements until such time as the Township exercises an Election to Complete Notice with respect to the remainder.

VII. RESPONSIBILITY FOR IMPROVEMENTS AND EASEMENTS/DEDICATIONS

1. It is expressly understood and agreed that the Township does not hereby accept any responsibility or liability for the completion, maintenance, repair or replacement or otherwise of the Property or any portion thereof or for any Improvements, that the Township does not hereby accept any streets or roads as part of the public road system of the Township, that the Township does not hereby accept dedication of any portion of the Property or any Improvements shown on the Development Plan or any other improvements relating to the Property, that the Township in no manner assumes any liability in connection with the Improvements or any other improvements relating to the Property or with the Property or any portion thereof and does not render itself liable for any of the costs for work done or to be done in connection therewith or with the inspection thereof, and that the Township shall exercise no control of any kind over said proposed Improvements or any other improvements relating to the Property or over the Property or any portion thereof. Developer assumes full responsibility for the completion of said Improvements, and any other improvements relating to the Property, including but not limited to financial responsibility. The Township's sole interest in said Improvements and any other improvements relating to the Property is the enforcement of the terms of this Agreement and of applicable laws, ordinances, resolutions, rules and regulations which the Township has the power to enforce and the compliance by Developer with this Agreement, the Improvement Security Agreement, the Development Plan, and all applicable laws, ordinances, resolutions and regulations.

2. Developer is responsible for acquiring all easements or rights-of-way for access, emergency access, stormwater retention, drainage, public water and sewer facilities and utility purposes as may be necessary in order to comply with the Development Plan and Specifications and applicable law. The foregoing easements or rights-of-way shall include all rights and privileges necessary to construct, install, maintain, restore, operate, repair, replace, reconstruct and alter such easements or rights-of-way and the utility, drainage and other facilities therein. It is understood and agreed by the parties that the cost and expense of acquiring all such easements and rights-of-way shall be borne by and paid for by Developer.

3. Developer has offered to dedicate all streets and roads, the storm sewers therein and the appurtenances thereto within the street right-of-way, to the extent shown on the Development Plan (the "Dedicated Improvements") to the Township. Such offer of dedication shall remain in effect until such time as the Township accepts the offer or expressly rejects the offer in writing. Such dedication(s) shall be in accordance with the applicable requirements of the Township Subdivision and Land Development Ordinance, the Township Zoning Ordinance and all other applicable Township ordinances. Developer agrees that Developer shall not mortgage or subject the Dedicated Improvements to any easement, restriction or other encumbrance without the Township's prior written approval. As part of its offer(s) of dedication of the Dedicated Improvements, Developer shall tender the following to the Township within thirty (30) days of the date of the Township's request:

a. Deed(s) of easement, in customary form satisfactory to the Township Solicitor; and

b. A certificate of title insurance from a Reputable Title Insurer or other proof of clear title satisfactory to Township Council and the Township Solicitor, the cost of which shall be paid by Developer; and

c. As-built drawings which comply with the provisions of the Township Subdivision and Land Development Ordinance and all other applicable ordinances of the Township; and

d. A maintenance bond or other financial security acceptable to the Township and in a form acceptable to the Township Solicitor to guarantee the structural integrity and proper functioning of the Improvements in accordance with the design and specifications depicted on the Development Plan for eighteen (18) months after the date the Township accepts dedication of the Dedicated Improvements. Such financial security shall be in accordance with the requirements of the Pennsylvania Municipalities Planning Code and shall be equal to fifteen (15%) percent of the actual cost of installation of the Improvements; and

4. The Township may, in its sole discretion, choose not to accept dedication of the Dedicated Improvements, if ever, until at least the following have occurred:

a. The Township has received from Developer all sums due and owing the Township under the provisions of this Agreement; and

b. The Township has received from Developer reimbursement for all engineering, recording, administrative and legal services and other costs which the Township incurred pursuant to this Agreement; and

c. The Township has received all documents and security required under this paragraph and Paragraph 3 of this Article VII and such documents must have

been prepared, fully executed and delivered in a form approved by the Township Solicitor. If the certificate of title insurance or other proof of title discloses that any of the Property on which the Dedicated Improvements are located is subject to any mortgage, judgment, easement, lien, contract or agreement or other encumbrance, restriction or other matter of record, or if such Property is otherwise subject to any mortgage, judgment, easement, lien, contract or agreement or other encumbrance, restriction or other matter, then Township Council shall have the option of requiring the holder or owner of such mortgage, judgment, easement, lien, contract, agreement or other encumbrance, restriction or other matter to join in and approve said offer of dedication before said offer shall be acted upon by Township Council or, alternatively, to agree to release the area to be dedicated to the Township from the lien or application of said mortgage, judgment, easement, lien, contract, agreement or other encumbrance, restriction or other matter; and

d. The Township has received satisfactory proof of payment of all taxes relating to the Property on which the Dedicated Improvements are located and payment of all amounts owed for completion of the Dedicated Improvements.

5. It is expressly understood and agreed by Developer that the Township does not hereby and shall not accept any responsibility or liability for the maintenance, repair or replacement of any Improvement or any part of the Property, any improvements thereon or accept any other responsibility for such property until such time as the Township shall officially and legally accept such Dedicated Improvements and/or other property. Developer shall continue to be responsible for making any necessary repairs to all Improvements, including the cost thereof, for a period of eighteen (18) months after the Township accepts dedication thereof. It is expressly understood that nothing in this Agreement shall be construed to require the Township to accept dedication of any improvement or property offered for dedication to the Township.

6. In the event the Township rejects in writing any of Developer's offers of dedication before all of the Improvements in the Property have been completed, then upon such completion, or at any time prior thereto upon the Township's request, Developer shall again make such offer(s) of dedication to the Township.

7. Developer hereby authorizes the Township, its officials, servants, workmen, agents, employees and independent contractors, to enter the Property for the purpose of conducting inspections hereunder, for the purpose of completing the Improvements in the event of a Failure to Cure and for any other purpose related to the implementation of this Agreement.

8. All sewer lines and appurtenances proposed for dedication, if any, shall be approved and accepted by the Middletown Township, Delaware County, Sewer Authority before being offered for dedication.

9. When drainage facilities are designed to be permanently installed in the Development, Developer shall include or cause to be included, as necessary, appropriate drainage easements within the conveyances of the property in the Development to a party other than Developer.

10. All costs associated with the dedications described herein shall be the responsibility of Developer.

VIII. RELEASE AND INDEMNIFICATION

1. Developer does hereby and shall, at all times, release, indemnify and hold harmless the Township, its officials, servants, workmen, agents and employees, from and against any and all losses, costs, expenses (including but not limited to reasonable attorneys' fees), liabilities, claims, demands, actions, suits and/or proceedings at law or in equity whatsoever:

a. which it or them or any of them may incur or with which it or them or any of them may be threatened for any and all loss of life or property or injury or damage to the person or property of any associations, persons, corporations or other entities, including but not limited to the parties hereto, or for any other loss, injury or damage whatsoever caused by or in any manner arising out of or from, resulting from or connected with this Agreement or the Improvement Security Agreement or the execution of or the performance or nonperformance hereunder or thereunder by the Township, its officials, servants, workmen, agents or employees, or by Developer, its partners, officers, directors, servants, workmen, agents or employees, successors or assigns, except for any and all loss, injury or damage to any person or property caused by the sole negligence, recklessness or wilful misconduct of the Township or any Township official and/or employee and/or agent; and

b. which it or them or any of them may incur or with which it or them or any of them may be threatened by any adjoining property owner, any user or any other person or entity for any and all loss of life or property or injury or damage whatsoever caused by or in any manner arising out of or from, resulting from or connected with Developer's or any other person's or entity's activities in implementing the Development Plan or of the implementation of the Development Plan, except for any loss, injury or damage to any person or property caused by the sole negligence, recklessness or wilful misconduct of the Township or any Township official and/or employee and/or agent; and

c. which Developer or Developer's officers, directors, partners, agents, servants, workmen, employees, successors and/or assigns or the Township, its officials, servants, workmen, agents and/or employees, or any of them may incur or with which it or them or any of them may be threatened by any adjoining property owner, any user or any other person or entity for any and all loss of life or property or injury or damage whatsoever caused by or in any manner arising out of or from, resulting from or connected with any conditions occurring or alleged to be occurring on adjacent property or elsewhere caused or alleged to be caused by the development of the Property or

conditions arising in or from the development of the Property, including, but not limited to, storm or water drainage, mud, trash, dirt, dust, noise or any nuisance, public or private, or for death or damage or injury to person or property caused by or arising out of or from, resulting from or connected with any such conditions, unless such condition, death, damage and/or injury are caused by the sole negligence, recklessness or wilful misconduct of the Township or any Township official and/or employee and/or agent.

2. Developer agrees that Developer will reimburse the Township, its officials, servants, workmen, agents and employees, for any expenses which the Township, its officials, servants, workmen, agents and/or employees incur, including but not limited to legal fees, engineering fees, expert witness fees, settlement amounts and any judgment rendered against the Township, its officials, servants, workmen, agents and/or employees, as a result of claims filed or suits brought against the Township and/or Developer and/or the Township's and/or Developer's officials, partners, officers, directors, agents, servants, workmen, employees, heirs or assigns, by adjacent property owners or users or any other person alleging conditions caused by or arising out of or from or connected with construction activities on or related to the development of the Property, unless such conditions are caused by the sole negligence, recklessness or wilful misconduct of the Township or any Township official and/or employee and/or agent.

3. The Township's approval of the Development Plan does not and shall not be deemed to constitute a warranty, representation, approval or any other acquiescence in or agreement with respect to the location of the boundaries of the property shown on the Plan, the accuracy of any survey of the Property, the location of any easements shown on the Plan or the ownership of any property shown on the Plan. The Township shall not be responsible for any discrepancies or disputes with regard to the boundary of the Property, the accuracy of any survey of the Property, the location of any easements shown on the Plan or the ownership of any property shown on the Plan.

4. Developer hereby warrants and represents that Developer is the record titleholder of the property which is shown on the Plan and described in Developer's deeds. Developer does hereby and shall, at all times, release, indemnify and hold harmless the Township, its officials, servants, workmen, agents and employees, from and against any and all losses, costs, expenses (including but not limited to reasonable attorneys' fees), liabilities, claims, demands, actions, suits and/or proceedings at law or in equity whatsoever which any of them may incur or with which any of them may be threatened for any and all loss of life or property, injury or damage whatsoever caused by or in any manner arising out of, resulting from or connected with the location of the boundaries of the property shown on the Plan, the accuracy or inaccuracy of any survey of the Property, the location of any easements shown on the Plan and/or the ownership of any property shown on the Plan.

5. Developer shall maintain adequate liability insurance which complies with Article III, Paragraph 2(h) hereof until the expiration of the maintenance bond period. Developer agrees to furnish to the Township a certificate showing that Developer

continues to have adequate liability insurance which complies with the requirements of Article III, Paragraph 2(h) hereof.

6. All provisions for release and indemnification set forth in this Agreement, all conditions of approval of the Plan, and all conditions set forth in the Resolution shall survive the termination or assignment of this Agreement and the issuance of a Certificate of Total Completion.

IX. GENERAL PROVISIONS

1. The Township, acting through the Township Manager or otherwise, shall have the right to withhold a certificate of occupancy for any building or buildings until the streets or roads providing access to and from existing public roads to such building or buildings are improved to a mud-free or otherwise permanently passable condition and until all other Improvements which are necessary for the reasonable use or occupancy of the building or buildings, including but not limited to those located off the lot or lots in question, have been completed.

2. This Developer's Agreement shall be governed by and construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania and the parties hereby consent to the exclusive jurisdiction of the Court of Common Pleas, Delaware County, Pennsylvania, Pennsylvania appellate courts and the courts within the eastern district of the Commonwealth of Pennsylvania with respect to any dispute arising in connection with this agreement or the enforcement thereof.

3. Except as otherwise provided herein, it is expressly understood and agreed that nothing contained herein shall be construed to waive or affect or alter any requirements of the Zoning Ordinance, Building Code or other ordinances or resolutions of the Township and nothing contained herein empowers the zoning officer, building inspector, Township Engineer or any other Township officer or employee to waive any requirements of the Zoning Ordinance, Building Code or any Township ordinance or resolution.

4. Developer covenants to execute, acknowledge and deliver any documents necessary or appropriate, in the opinion of the Township Solicitor, to carry out the terms of this Agreement and to record any covenants, easements or rights-of-way which were agreed to as conditions of final plan approval or which are necessary to carry out the terms of this Agreement.

5. Developer shall record, with the appropriate offices and in the appropriate manner, all documents, plans, deeds and declarations required by law or this Agreement to be recorded and shall provide the Township with certified copies of such filings.

6. Developer's present address is as set forth on page 1 of this Agreement. Developer promises to notify the Township, in writing, by certified mail, of any change in

the foregoing address. Developer agrees that notice of any kind or nature relating to this Agreement or Township ordinances applicable to the Property and mailed (by certified mail) to Developer at the above address, or to any new address that Developer has given the Township notice of pursuant to this paragraph, shall be valid and effective for all purposes.

7. If Developer shall breach this Agreement or the Improvement Security Agreement in any way, the Township may immediately declare Developer to be in default and the Township may exercise any remedies that it has against Developer.

8. The remedies given to the Township under this Agreement and/or the Improvement Security Agreement are cumulative, and the Township shall have, in addition thereto, all other remedies allowed at law and in equity.

9. No party may assign this Agreement without the prior written consent of the other parties, which consent shall not be unreasonably withheld. Developer may not assign this Agreement unless: (a) the assignee assumes Developer's obligations hereunder; and unless (b) there is simultaneous assignment of the Improvement Security Agreement and Improvement Security Fund and assumption of Developer's obligations under the Improvement Security Agreement by the assignee. No assignment shall relieve Developer of its obligations hereunder.

10. All rights and obligations given herein to or imposed upon the respective parties hereto shall extend to and bind the several and respective successors and assigns, heirs, executors and administrators of the said parties. No transfer of ownership of the Property or any portion thereof shall in any way relieve Developer of its obligations hereunder or under the Improvement Security Agreement or affect in any way the rights of the Township under this Agreement or the Improvement Security Agreement. If a part of or the entire Property is conveyed prior to completion of the Improvements on the property being conveyed in accordance with the Development Plan and this Agreement, then the terms of this Agreement shall bind all subsequent grantees of the conveyed property. Developer hereby agrees to cause all of the terms of this Agreement and the Improvement Security Agreement to be incorporated as a condition of any such conveyance.

11. Developer agrees that if suit is brought by Township against Developer to enforce this Agreement, Township shall be entitled to collect from the Developer, provided that Township shall prevail in its suit, all reasonable costs and expenses of the suit, including, but not limited to, reasonable attorneys' fees.

12. The parties acknowledge that the Township is neither an agent nor an employee of Developer and that Developer is neither an agent nor an employee of the Township.

13. Developer hereby acknowledges that the following individuals are authorized to act on its behalf hereunder:

14. The parties signing below each warrant and represent that they have the authority to execute this Agreement in the capacities set forth below.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have executed this Agreement the day and year first above written.

TOWNSHIP:
TOWNSHIP OF MIDDLETOWN, DELAWARE
COUNTY, PENNSYLVANIA

BY: _____
TOWNSHIP MANAGER

ATTEST:

(Township Seal)

Township Secretary

DEVELOPER:

ATTEST:

BY:

LEGAL DESCRIPTION OF PROPERTY

EXHIBIT "A"

DESCRIPTION OF DEVELOPMENT PLANS

Eighteen Sheets prepared by : _____ dated : _____
last revised (unless otherwise noted) _____, 2017, and captioned as
follows:

1. Cover Sheet.
2. Overall Existing Conditions Plan.
3. Existing Conditions and Demolition Plan.
4. Grading, Utility and Landscaping Plan.
5. Grading, Utility and Landscaping Plan.
6. Grading, Utility and Landscaping Plan.
7. Construction Details and Notes.
8. Construction Details and Notes.

EXHIBIT "B"

LIST OF APPROVALS

1. Resolution [redacted] attached hereto and made part hereof.

EXHIBIT "C"

ESTIMATED COST OF IMPROVEMENTS

EXHIBIT "D"

CERTIFICATE OF TOTAL COMPLETION

RE: Development Name:
TO: Middletown Township (with copy to Township Engineer)
FROM: Developer - Request for Issuance and Acceptance of a Certificate of Total
 Completion

The parties signing below hereby certify that all of the Improvements have been constructed, completed and installed in a satisfactory manner which complies with all applicable laws, regulations, ordinances, resolutions, Township requirements, the requirements of the Development Agreement, as the same has been amended, and the latest revised Development Plan.

Date: _____ Developer's Signature: _____

Date: _____ Developer Engineer's Signature: _____

TO BE SENT CERTIFIED OR REGISTERED MAIL
DATE RECEIVED BY TOWNSHIP: _____

TO: Middletown Township
FROM: Township Engineer

I hereby certify that I have inspected the Improvements required for the above-named project, and that I am satisfied that they have been completed, constructed and installed in a satisfactory manner and in accordance and compliance with the requirements of the Development Agreement, as the same has been amended, and the latest revised Development Plan, so far as can be determined from my site inspections.

Date: _____ Township Engineer's Signature: _____

EXHIBIT "E"

SAMPLE TOWNSHIP RESOLUTION
ACCEPTING THE CERTIFICATE OF TOTAL COMPLETION

NOW, _____, 20____, upon consideration of the attached, it is RESOLVED that the attached Certificate of Total Completion of the Improvements for the project referenced in the Certificate of Total Completion is hereby accepted by Middletown Township [and the Escrow Agent is hereby authorized and directed to release any amounts remaining in the Improvement Security Fund to Developer.] [and the Township Manager is hereby authorized and directed to send a letter to the issuing bank authorizing and directing the issuing bank to cancel Letter of Credit No. ____.]

[CHOOSE APPLICABLE CLAUSE]

Township of Middletown

Date: _____ By: _____
Council Chairperson

(Township Seal) Attest: _____
Township Manager

[COPY TO BE SENT BY CERTIFIED OR REGISTERED MAIL TO DEVELOPER]

[Attachments: Completed p. 1 of Exhibit "E"]

Appendix F:

Middletown TRID Economic Impact Analysis

Economic and Fiscal Impact of Planned Private Development within the Middletown Transit Revitalization Investment District (TRID)

FINAL

Submitted to:
**Township of Middletown
Delaware County**

Prepared by
Urban Partners
325 Chestnut Street, Suite 506
Philadelphia, PA 19106

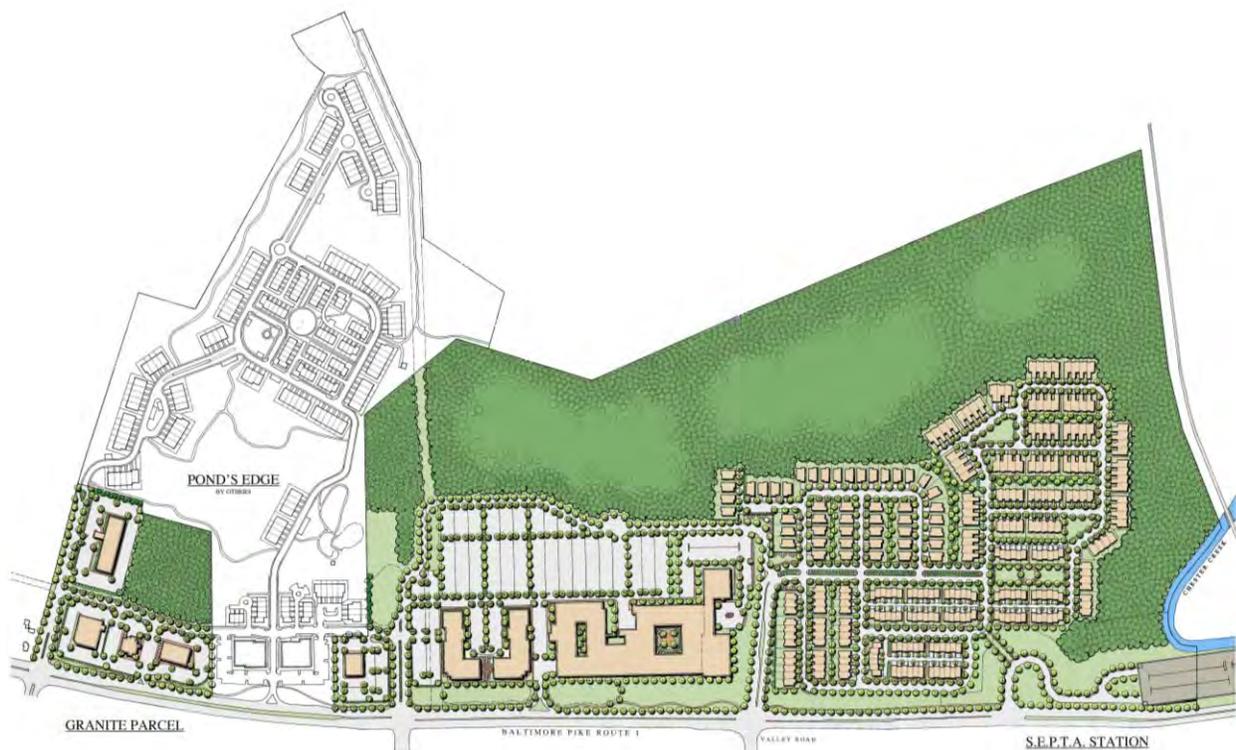
June 26, 2017

1. BACKGROUND

Urban Partners was retained by the Township of Middletown, Delaware County, to independently assess the economic impact of the planned private development within the proposed Middletown Transit Revitalization Investment District (TRID). There are two private developments currently anticipated within the three-quarters of a mile of the Wawa Train Station parcel and constitute the anticipated value capture area for the TRID program:

1. The “Franklin Mint” development is anticipated at the former Franklin Mint site. This development includes three components:
 - The “Franklin Mint Parcel” – proposed to include 302 units of housing and 600,000 SF of office/commercial;
 - The “Granite Parcel” – proposed to include a 120-room hotel and approximately 10,000 SF of restaurants; and
 - The “Pennell Road Parcel” which is outside the TRID area (and thus not included in this analysis).
2. The “Pond’s Edge” development is in initial stages of planning. Pond’s Edge is partly impacted by the Sunoco’s Mariner East 2 pipeline project – which is now underway as of this report – and will require redesign of portions of the previously approved preliminary development plan. For this analysis, we assume the Pond’s Edge development will be comprised of 150 townhomes and one 5,000 SF restaurant along Baltimore Pike (see **Figure 1**).

Figure 1: Preliminary Site Plans of Franklin Mint and Pond’s Edge Developments within the Middletown TRID area



2. METHODOLOGY

In order to calculate the potential economic and fiscal impact of the planned private developments within the Middletown TRID on the Commonwealth of Pennsylvania, Urban Partners employed the IMPLAN (IMpact analysis for PLANning) model. Developed by the U.S. Forest Service's Land Management Planning Unit and the University of Minnesota, IMPLAN utilizes the quantitative economic technique called the input-output model to track the way a dollar injected into one sector is spent and re-spent in other sectors of the economy. Through the use of IMPLAN, the economic impact of the economic activity associated with the operation of the private facilities within the Middletown TRID (henceforth, the "Middletown TRID private facilities") can be traced over multiple rounds of spending in the economy.

The initial round of spending is referred to as the direct impact. This figure is limited to the portion of economic activity that occurs within the local economy. In other words, the expenditures that leave the local economy (e.g. purchases from an out-of-state vendor) are excluded from the figure.

By inputting the initial round of spending into the IMPLAN model, additional effects can be measured in a local economy in two forms: indirect and induced. First, the changes in inter-industry purchases as a result of the direct effect are referred to as the indirect impact. For example, the Middletown TRID private facilities will purchase goods and services from suppliers and vendors, who in turn make purchases of goods and services. Second, the induced effect refers to the impact generated by increased wages as a result of direct and indirect impacts. These wages in turn will pay for local goods and services, creating another round of economic impact. This process continues until leakages eventually stop the cycle.

The magnitude or degree in which the direct impact triggers indirect and induced impacts is referred to as the "multiplier." IMPLAN calculates different multipliers depending on the types of spending that comprises the direct impact, as well as the geographic region that's being studied. For the purposes of this analysis, the study area is the Commonwealth of Pennsylvania.

3. PERMANENT IMPACT

In addition to the one-time benefits associated with the development/construction activities (which is not calculated in this report), the planned private development activities will result in sustained increases in economic activity associated with the operation of the Middletown TRID private facilities (i.e., the hotel, the office complex, the restaurants, and the commonly maintained portions of the residential development). The benefit of the increased level of activity on the region's economy is multiplied by the fact that vendors and service providers will supply a significant portion of the goods and services consumed in the operation of these facilities. The incremental income generated by these businesses as a result of the operation of the facilities will further extend the economic impact on the local economy by inducing these businesses and their employees to increase their overall level of consumption.

The following is an estimate of the annual economic activity generated by the commercial components of the two planned developments:

Franklin Mint

- Hotel: \$10.16 million/year
- Restaurants: \$3.5 million/year
- Office complexes: \$400 million/year

Pond’s Edge

- Restaurant: \$1.75 million/year

It is anticipated that in addition to the commercial developments, both the Franklin Mint and the Pond’s Edge residential components will establish homeowners’ associations that will manage the maintenance of common spaces, among other things. For this analysis, the annual economic activity generated by the two homeowners’ associations total \$678,000.

In total, the estimated increase in economic activity generated by the operation of the Middletown TRID private facilities is \$416.09 million annually.

Total Outputs

Inputting the incremental increase in economic activity generated by the operations of the Middletown TRID private facilities as the initial round of spending results in the following outputs for the annual operating period:

Table 9: Industry Impact by Sector - Annual Operations

Sector	Description	Direct	Indirect	Induced	Total
0	Total	\$416,087,991	\$139,564,889	\$212,806,700	\$768,459,580
1	Agriculture	\$0	\$87,717	\$750,786	\$838,503
2	Mining	\$0	\$370,973	\$908,697	\$1,279,670
3	Construction	\$0	\$3,659,248	\$3,001,910	\$6,661,159
4	Manufacturing	\$0	\$4,311,744	\$12,056,015	\$16,367,760
5	TIPU	\$0	\$19,029,727	\$21,625,122	\$40,654,849
6	Trade	\$0	\$3,888,619	\$26,616,355	\$30,504,974
7	Service	\$416,087,991	\$105,572,913	\$144,310,144	\$665,971,049
8	Government	\$0	\$2,643,947	\$3,537,670	\$6,181,617

Source: IMPLAN, Urban Partners

- Direct investment in operating activities, estimated at \$416.09 million will generate additional outputs from other regional sectors in the range of \$139.56 million.
- Induced output includes increases in sales or production of goods and services at area businesses as a result of purchases made by the employees at the facilities with their wages. The total annual induced output impact resulting from the incremental increase in economic activity is estimated at \$212.81 million.
- The total annual output impact, which includes indirect and induced impacts, is estimated to be \$768.46 million.

Wages

The impact of the operations of the Middletown TRID private facilities on wages appears in the table shown below:

Table 10: Wage Impact by Sector - Annual Operations

Sector	Description	Direct	Indirect	Induced	Total
0	Total	\$192,047,072	\$51,989,584	\$73,461,604	\$317,498,260
1	Agriculture	\$0	\$27,331	\$200,793	\$228,123
2	Mining	\$0	\$111,266	\$303,139	\$414,405
3	Construction	\$0	\$1,434,729	\$1,145,877	\$2,580,606
4	Manufacturing	\$0	\$761,994	\$1,399,003	\$2,160,997
5	TIPU	\$0	\$5,862,004	\$5,439,662	\$11,301,666
6	Trade	\$0	\$1,470,184	\$11,173,804	\$12,643,988
7	Service	\$192,047,072	\$40,786,590	\$52,293,346	\$285,127,008
8	Government	\$0	\$1,535,486	\$1,505,980	\$3,041,466

Source: IMPLAN, Urban Partners

- Direct investment in operations will generate initial wages of \$192.05 million per year.
- The resulting indirect output is estimated at \$51.99 million of additional wages for those who would otherwise be unemployed.
- The total annual induced impact of the Middletown TRID private facilities on employee earnings is projected to equal \$73.46 million in the Philadelphia region.
- The total annual employee earnings impact, which includes indirect and induced impacts, is estimated to be \$317.50 million.

Employment

The impact of the operations of the Middletown TRID private facilities on job creation is detailed in the table shown below:

Table 11: Employment Impact by Sector - Annual Operations

Sector	Description	Direct	Indirect	Induced	Total
0	Total	2,462.7	852.8	1,469.0	4,784.6
1	Agriculture	0.0	1.0	8.1	9.0
2	Mining	0.0	0.9	2.2	3.1
3	Construction	0.0	18.8	15.0	33.8
4	Manufacturing	0.0	11.1	19.4	30.6
5	TIPU	0.0	63.0	64.3	127.2
6	Trade	0.0	28.6	272.2	300.8
7	Service	2,462.7	711.7	1070.2	4,244.7
8	Government	0.0	17.8	17.6	35.4

Source: IMPLAN, Urban Partners

- Direct operations will generate 2,462.7 fulltime equivalent jobs.
- The total indirect employment impact resulting from the operations of the Middletown TRID private facilities is 852.8 fulltime equivalent jobs.
- The total induced employment impact resulting from the operations of the Middletown TRID private facilities is 1,469 fulltime equivalent jobs.
- The total employment impact, which includes indirect and induced impacts, is estimated to be 4,784.6 fulltime equivalent jobs.

Jobs that Pay

Jobs that Pay is part of Governor Wolf's initiative to improve Pennsylvania's overall job climate and job growth through partnering with the private sector to encourage the creation and retention of jobs that pay at least 80% of the annual average wage in the county where the jobs are located. According to the Bureau of Labor Statistics, the average wage for Delaware County in 2016 is \$58,084 per year; and therefore, the minimum threshold to qualify in the Jobs that Pay program are jobs that pay at least \$46,468 per year.

The following are jobs created by direct operations of the Middletown TRID private facilities that meet the Jobs that Pay criterion:

Sector	Jobs	Average Wage
• Insurance agencies, brokerages, and related activities	410.5	\$74,257.75
• Real estate	356.6	\$20,737.71
• Legal services	398.4	\$88,836.18
• Management consulting services	523.4	\$94,900.51
• Offices of physicians	554.4	\$113,131.27
Total	2243.3	

Tax Impact

The impact of the operations of the Middletown TRID private facilities on taxes is detailed in the following table:

Table 12: Tax Impact - Annual Operations

Description	Amount
Taxes on Wages & Salaries	\$9,747,197
Sales Taxes	\$1,583,748
State Corporate & Other Business Taxes	\$1,990,353
Total Development Period Tax Benefits	\$13,321,298

Source: IMPLAN, Urban Partners

- Operations of the Middletown TRID private facilities will generate \$13.32 million in tax revenues to the Commonwealth of Pennsylvania, of which \$9.75 million is from wage taxes.