

*EXHIBIT I*  
*NEPA REPORT*  
*ECONOMIC IMPACT OF PROJECT*



## **The Economic Impact of Smithfield Gateway: An Executive Summary**

Submitted to:

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### About the Northeastern Pennsylvania Alliance

#### The Northeastern Pennsylvania Alliance

- Is a regional multi-county economic development agency providing leadership, planning, expertise and services
- Was organized in 1964 by the private sector that saw the need for a regional approach to economic and community development issues
- Is now a public/private sector partnership with representation from government and non-governmental private sector organizations
- Has a goal of providing a quality menu of programs and valuable services that best match the needs of its partners and add value to its region, which consists of the counties of Carbon, Lackawanna, Luzerne, Monroe, Pike, Schuylkill and Wayne
- Is one of seven regional agencies called Local Development Districts (LDDs), which help coordinate community and economic development activities
- Serves as the coordinator for the Partnerships for Regional Economic Performance (PREP) initiative within the seven-county region
- Is guided by a forty-nine (49) member Board of Directors, who represent industries, labor, governments, general businesses, professionals and citizens. Forty-one (41) members have voting capabilities.
- Has Jeffrey K. Box, as its President & CEO and Noble C. Quandt as its Board Chairperson
- Has an economic impact analysis team that consists of its Community & Economic Services Division, which emphasizes community and economic development, nonprofit assistance, research, telecommunications and energy conservation and efficiency initiatives.
  - The Community & Economic Development Services Division includes the Nonprofit & Community Assistance Center and the Research & Information Center
  - The division is led by Kurt Bauman, Vice President Community & Economic Development Services and Executive Director of the Nonprofit & Community Assistance Center.
  - Steve Zaricki, Research & Information Manager since August 2002, is the lead researcher and technical service provider for economic impact modeling services.



- Kurt and Steve work as a team to assist clients in the scoping of economic impact analysis projects; Kurt, drawing on his expertise in grant writing, program development and project evaluation; and Steve, utilizing his years of experience in using IMPLAN<sup>®</sup> and other models to help determine the impact of economic engines and proposed development initiatives in the region and throughout the Commonwealth.
  
- Steve Zaricki
  - Has a bachelor's degree in agricultural and resource economics, with an emphasis in agribusiness management, from the University of Maryland, and a master's degree in agricultural economics, with a concentration in rural economic development, from West Virginia University.
  - His master's thesis topic was the economic impact of the, proposed at the time, Canaan Valley National Wildlife Refuge.
  - Has completed additional graduate study beyond the master's degree in agricultural economics at the University of Kentucky.
  - Has worked at the University of Virginia in its library system and in the Center for Economic and Policy Studies of the Weldon Cooper Center for Public Service.
  - Has received training from Business Retention & Expansion International in its Certified Master Consultant Training Program and is a graduate of the South Carolina Economic Development Institute and the Economic Development Course in Pennsylvania.

#### **Information Used in the Analysis**

Legend Properties, Inc. requested that the Northeastern Pennsylvania Alliance conduct an economic impact analysis of the Smithfield Gateway project, which will be located in Smithfield Township, Monroe County. The Northeastern Pennsylvania Alliance used IMPLAN<sup>®</sup>, or Impact Analysis for Planning, a well-known software and data package that is available from IMPLAN Group, LLC of Huntersville, North Carolina.

The information provided by Legend Properties, Inc. consisted of the following:

- Construction spending within Pennsylvania of \$31.3 million in 2016, \$45.0 million in 2017 and \$31.0 million in 2018.
  
- Operation during 2016 within Monroe County, which is based on 568 employees who will be employed in the retailing, dining, banking or lodging industries with an anticipated compensation of \$17.1 million and sales or deposits of \$187.5 million.

- Operation during 2017 within Monroe County, which is based on 304 employees who will be employed within the multi-family housing, office and medical, and automotive parts retail industries, with an anticipated total employee compensation of \$14.3 million.
- Operation in 2018 on the Monroe County economy, which is based on the 82 jobs that are distributed within the movie theatre, bowling center and dining industries. These jobs have an anticipated total employee compensation of \$1.8 million and an anticipated \$22.0 million in sales.

### Results

The result table on the next page consists of the following:

- Employee Compensation, which is the salaries and fringe benefits of workers.
- Proprietor Income, or small business income, which is earnings by self-employed workers and the working owners of small businesses.
- Labor Income, which is the sum of Employee Compensation and Proprietor Income.
- Other Property Type Income includes all other sources of income such as rents, royalties, dividends, interest and profits.
- Indirect Business Taxes are the excise and sales taxes paid by individuals to businesses. An example of an excise tax is the tax paid on gasoline.
- Total Value Added is the sum of Labor Income, Other Property Type Income and Indirect Business Taxes.
- Output, also referred to as sales or economic activity, relates to the gross receipts for goods and services generated by the company's or organization's operations.
- Employment is the number of jobs, which can be either full-time or part-time.

In regards to fiscal impact, taxes at the federal and state and local levels are estimated by IMPLAN<sup>®</sup>. Unfortunately, the state and local tax impacts are combined and cannot be dissected. Some of the federal taxes are employee and employer contribution to social security, excise taxes, corporate profits taxes and personal income taxes. Some of the state and local taxes are dividends, employee and employer contribution to social security, sales taxes, property taxes, motor vehicle license fees, personal income taxes and fishing and hunting license fees.



**Estimated Impact of the Smithfield Gateway Project Error! Bookmark not defined.**

	Construction Impact on the Pennsylvania Economy from 2016 to 2018 in 2018 Dollars	Phase I Operation Impact on the Monroe County Economy in 2016 Dollars	Phase II Operation Impact on the Monroe County Economy in 2017 Dollars	Phase III Operation Impact on the Monroe County Economy in 2018 Dollars
Employee Compensation	\$67.6 million	\$29.0 million	\$18.4 million	\$2.9 million
+Proprietor Income	\$16.1 million	\$6.7 million	\$2.7 million	\$300,000
=Labor Income	\$83.7 million	\$35.7 million	\$21.1 million	\$3.2 million
+Other Property Type Income	\$18.0 million	\$59.8 million	\$5.8 million	\$4.4 million
+Indirect Business Taxes	\$5.1 million	\$15.4 million	\$1.8 million	\$2.7 million
=Total Value Added	\$106.8 million	\$110.9 million	\$28.7 million	\$10.3 million
<b>Output</b>	<b>\$212.0 million</b>	<b>\$235.2 million</b>	<b>\$55.2 million</b>	<b>\$26.6 million</b>
<b>Employment, which can be either full-time or part-time</b>	<b>391 jobs in 2016, 511 jobs on 2017 and 377 jobs in 2018</b>	<b>977 jobs</b>	<b>434 jobs</b>	<b>120 jobs</b>
Federal Taxes	\$15.6 million	\$11.3 million	\$4.1 million	\$1.1 million
+State and Local Taxes	\$7.3 million	\$15.5 million	\$2.2 million	\$2.5 million
=Total Taxes	\$22.9 million	\$26.8 million	\$6.3 million	\$3.6 million

Source: IMPLAN®

Note: Due to the changing value of the dollar from year to year, the amounts for construction are presented in standardized dollars, which are set to Year 2018.

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# Circular Area Profiling System (CAPS)

ACS Version Using Data from 5-year Period Estimates **Vintage 2015**

Ground Zero Coordinates: Latitude = 41.003893, Longitude = -75.143536  
Smithfield Gateway

## 10-Mile Radius of Specified Point (Smithfield Gateway)

Subject	Number	Percent
<b>D1. AGE</b>		
Universe:		
Total population	105,832	
Under 5 years	4,646	4.4
5 to 9 years	6,419	6.1
10 to 14 years	6,746	6.4
15 to 19 years	8,171	7.7
20 to 24 years	8,062	7.6
25 to 34 years	10,863	10.3
35 to 44 years	12,092	11.4
45 to 54 years	17,162	16.2
55 to 59 years	8,168	7.7
60 to 64 years	7,424	7.0
65 to 74 years	9,574	9.0
75 to 84 years	4,435	4.2
85 years and over	2,070	1.9
Median age in years	41.4	
5 years and over	101,186	95.6
15 years and over	88,021	83.2
Under 18 years of age	22,386	21.1
18 years and over	83,446	78.9



Subject	Number	Percent
21 years and over	77,842	73.6
25 years and over	71,788	67.8
62 years and over	20,424	19.3
65 years and over	16,079	15.2
<b>D2. AGE AND SEX</b>		
Universe:		
<b>Total population</b>	<b>105,832</b>	
Male	53,025	50.1
18 years old and over	41,368	78.0
65 years old and over	7,253	13.7
Female	52,807	49.9
18 years old and over	42,078	79.7
65 years old and over	8,826	16.7
<b>D3. RACE</b>		
Universe:		
<b>Total population</b>	<b>105,832</b>	
One race	103,236	97.5
White alone	88,424	83.5
Black or African American	9,588	9.1
American Indian and Alaska Native	387	0.4
Asian	2,881	2.7
Native Hawaiian and Other Pacific Islander	72	0.1
Some other race	1,884	1.8
Two or more races	2,596	2.5
White (alone or in combination)	90,758	85.7
Black (alone or in combination)	10,791	10.2
American Indian (alone or in combination)	922	0.9
Asian (alone or in combination)	3,424	3.2
Native Hawaiian (alone or in combination)	337	0.3



Subject	Number	Percent
Some other race (alone or in combination)	2,341	2.2
<b>D4. HISPANIC OR LATINO (ANY RACE)</b>		
Universe:		
<b>Total population</b>	<b>105,832</b>	
Hispanic or Latino of any race	12,110	11.4
Not Hispanic or Latino	93,722	88.6
White alone	79,425	75.0
Black or African American alone	9,133	8.6
American Indian and Alaska Native alone	250	0.2
Asian alone	2,859	2.7
Native Hawaiian and Other Pacific Islander alone	35	0.0
<b>E1. HOUSEHOLD INCOME AND BENEFITS</b>		
Universe:		
<b>Total households</b>	<b>37,241</b>	
Less than \$10,000	1,953	5.2
\$10,000 to \$14,999	1,574	4.2
\$15,000 to \$24,999	3,433	9.2
\$25,000 to \$34,999	3,747	10.1
\$35,000 to \$49,999	5,002	13.4
\$50,000 to \$74,999	7,441	20.0
\$75,000 to \$99,999	4,744	12.7
\$100,000 to \$149,999	5,984	16.1
\$150,000 to \$199,999	1,857	5.0
\$200,000 or more	1,506	4.1
With earnings	29,424	79.0
With social security	13,499	36.2
With retirement income	8,335	22.4
With supplemental security income	1,732	4.7
With cash public assistance income	1,235	3.3

Subject	Number	Percent
With food stamp benefits in the past 12 months	4,163	11.2
<b>Median household income</b>	<b>\$59,905</b>	
<b>Mean household income</b>	<b>\$73,644</b>	
Mean household earnings	\$72,692	
Mean household social security income	\$19,420	
Mean household retirement income	\$21,837	
Mean household supplemental security income	\$9,510	
Mean household cash public assistance income	\$2,925	
<b>E2. FAMILY INCOME AND BENEFITS</b>		
Universe: Total households		
Family households	26,614	71.4
Less than \$10,000	796	3.0
\$10,000 to \$14,999	722	2.7
\$15,000 to \$24,999	1,448	5.5
\$25,000 to \$34,999	2,650	10.0
\$35,000 to \$49,999	3,223	12.1
\$50,000 to \$74,999	5,767	21.7
\$75,000 to \$99,999	3,744	14.1
\$100,000 to \$149,999	5,201	19.5
\$150,000 to \$199,999	1,777	6.7
\$200,000 or more	1,286	4.8
<b>Median family income</b>	<b>\$70,156</b>	
<b>Mean family income</b>	<b>\$83,433</b>	
<b>E3. OTHER INCOME MEASURES</b>		
Universe:		
Per capita income	\$26,979	
Non-family households	10,627	28.6
Median non-family income	\$32,990	
Mean non-family income	\$45,734	



Subject	Number	Percent
<b>All full-time workers</b>	<b>32,408</b>	
All male full-time workers	18,916	58.4
All female full-time workers	13,492	41.6
<b>Median earnings for workers</b>	<b>\$29,080</b>	
Median earnings for male full-time, year-round workers	\$49,929	
Median earnings for female full-time, year-round workers	\$38,497	
<b>E4. POVERTY STATUS OVER THE LAST 12 MONTHS</b>		
Universe:		
Persons for whom poverty status is determined	103,425	
Persons below poverty	11,993	11.6
Persons under 18 for whom poverty status is determined	22,074	
Persons under 18 in poverty	3,158	14.3
Persons aged 18 to 64 for whom poverty status is determined	65,610	
Persons aged 18 to 64 in poverty	7,808	11.9
Persons over 65 for whom poverty status is determined	15,741	
Persons over 65 in poverty	1,027	6.5
Persons in families for whom poverty status is determined	86,431	N
Unrelated individuals for whom poverty status is determined	16,994	
Persons in families in poverty	7,304	8.5
Family households in poverty	2,219	8.3
Unrelated persons in poverty 15 years and over	4,689	27.6
Poverty ratio under 0.5	4,978	4.8
Poverty ratio in 0.5 to 0.99	7,015	6.8
Poverty ratio in 1 to 2	18,107	17.5
Poverty ratio in 2 and over	73,325	70.9
<b>E5. EMPLOYMENT STATUS</b>		
Universe:		
Population 16 years and over	86,725	
In labor force	55,415	63.9

Subject	Number	Percent
Civilian labor force	55,396	63.9
Employed civilians	49,232	88.9
Unemployed civilians	6,164	11.1
In military	19	0.0
Not in labor force	31,310	36.1
Females 16 years and over	43,641	50.3
Females in labor force	25,465	29.4
Females in civilian labor force	25,465	29.4
Employed females	22,654	89.0
<b>E6. CHILDREN WITH ALL PARENTS WORKING</b>		
Universe:		
(Own) children under 6	5,522	
All parents working	3,517	63.7
(Own) children aged 6 to 17	15,756	
All parents working	10,660	67.7
<b>E7. COMMUTING TO WORK</b>		
Universe:		
Workers 16 years and over	47,708	
Workers 16+ who commute to work	45,573	95.5
Car, truck, or van; drove alone	37,581	78.8
Car, truck, or van; carpoled	4,586	9.6
Public transportation (excluding taxicab)	1,789	3.8
Walked to work	1,306	2.7
Other means of commuting	311	0.7
Worked at home	2,135	4.5
Mean travel time to work in minutes	38.0	
<b>E8. WORKERS BY OCCUPATION</b>		
Universe:		
Civilian employed population 16 years and over	49,232	



Subject	Number	Percent
Management, business, science, and arts occupations	16,061	32.6
Service occupations	10,900	22.2
Sales and office occupations	11,975	24.3
Farming, fishing, and forestry occupations	54	0.1
Construction, extraction, installation, maintenance, and repair occupations	4,106	8.3
Production, transportation, and material moving occupations	6,136	12.5
<b>E9. WORKERS BY INDUSTRY</b>		
Universe:		
Civilian employed population 16 years and over	49,232	
Agriculture, forestry, fishing and hunting, and mining	550	1.1
Construction	2,607	5.3
Manufacturing	4,831	9.8
Wholesale trade	1,498	3.0
Retail trade	5,793	11.8
Transportation and warehousing, and utilities	2,518	5.1
Information	1,103	2.2
Finance and insurance, and real estate and rental and leasing	2,996	6.1
Professional, scientific, management, and administrative	5,137	10.4
Educational services, and health care and social assistance	11,847	24.1
Arts, entertainment, and recreation, and accommodation and food se	6,094	12.4
Other services, except public administration	2,020	4.1
Public administration	2,238	4.5
<b>E10. CLASS OF WORKER</b>		
Universe:		
Civilian employed population 16 years and over	49,232	
Private wage and salary workers	39,672	80.6
Government workers	6,771	13.8
Self-employed workers in own not incorporated business	2,738	5.6

Subject	Number	Percent
Unpaid family workers	51	0.1
<b>E11. INSURANCE COVERAGE</b>		
Universe:		
Civilian non-institutionalized persons	105,097	
Under 65 years of age	89,356	85.0
Without insurance coverage	11,685	13.1
With public insurance	15,808	17.7
With private insurance	65,791	73.6
Under 18 years of age	22,368	21.3
Without insurance coverage	1,437	6.4
<b>S1. HOUSEHOLDS BY TYPE</b>		
Universe:		
Total households	37,241	
Family households	26,614	71.4
With own children under 18 years	10,540	28.3
Married-couple families	20,582	55.3
With own children under 18 years	7,515	20.2
Male householder, no wife present	1,871	5.0
With own children under 18 years	828	2.2
Female householder, no husband present	4,161	11.2
With own children under 18 years	2,197	5.9
Nonfamily households	10,627	28.6
Householder living alone	8,185	78.0
65 years and over living alone	3,549	33.4
Households with one or more people under 18 years	12,049	32.4
Households with one or more people 65 years and over	11,114	29.9
Average household size	2.78	
Average family size	3.25	
<b>S2. PERSONS BY HOUSEHOLD TYPE / GROUP QUARTERS</b>		



Subject	Number	Percent
<b>Universe:</b>		
<b>Total population</b>	<b>105,832</b>	
Household population	103,428	98.2
Living in family households	88,523	85.6
Living in nonfamily households	14,905	14.4
Living alone	8,185	78.0
Living in group quarters	2,404	2.3
<b>S3. RELATIONSHIP</b>		
<b>Universe: Household population</b>		
<b>Household population</b>	<b>103,428</b>	<b>98.2</b>
Householder	37,241	36.0
Spouse	20,606	19.9
Child	31,641	30.6
Other relatives	7,570	7.3
Nonrelatives	6,370	6.2
Unmarried partner	2,263	2.2
Unmarried partner households per 1000	61	
<b>S4. MARITAL STATUS</b>		
<b>Universe:</b>		
<b>Persons 15 years and over</b>	<b>88,021</b>	
Never married	28,113	31.9
Now married, except separated	44,381	50.4
Separated	2,383	2.7
Widowed	5,299	6.0
Divorced, and not currently married	7,845	8.9
<b>S5. FERTILITY</b>		
<b>Universe:</b>		
<b>Women 15 to 50 years old</b>	<b>23,989</b>	
<b>Unmarried women 15 to 50 years old</b>	<b>13,114</b>	<b>54.7</b>

Subject	Number	Percent
<b>Women 15 to 50 years old who had a birth in the past 12 months</b>	<b>997</b>	<b>4.2</b>
Unmarried women who gave birth	409	41.0
Women 15 to 19 years of age	69	6.9
Women 20 to 34 years of age	719	72.1
Women 35 to 50 years of age	209	21.0
Per 1,000 unmarried women	31	
Per 1,000 women 15 to 50 years old	42	
Per 1,000 women 15 to 19 years old	216	
Per 1,000 women 20 to 34 years old	140	
Per 1,000 women 35 to 50 years old	54	
<b>S6. GRANDPARENTS AS CAREGIVERS</b>		
Universe:		
<b>Grandparents living with own grandchildren under 18 years</b>	<b>2,903</b>	
Grandparents responsible for grandchildren	1,168	40.2
Less than 1 year	301	25.8
1 or 2 years	464	39.7
3 or 4 years	153	13.1
5 or more years	250	21.4
<b>S7. SCHOOL ENROLLMENT</b>		
Universe:		
<b>Population 3 years and over</b>	<b>103,479</b>	
<b>Population 3 years and over enrolled in school</b>	<b>27,898</b>	<b>27.0</b>
In nursery school, preschool	1,169	4.2
In kindergarten	1,099	3.9
In elementary school, grades 1-8	10,641	38.1
In high school, grades 9-12	6,174	22.1
In college or graduate school	8,815	31.6
<b>S8. EDUCATIONAL ATTAINMENT</b>		
Universe:		



Subject	Number	Percent
<b>Population 25 years and over</b>	<b>71,788</b>	
Less than 9th grade	2,425	3.4
9th to 12th grade, no diploma	4,869	6.8
High school graduate (includes equivalency)	25,317	35.3
Some college, no degree	15,412	21.5
Associates degree	5,693	7.9
Bachelors degree	11,692	16.3
Graduate or professional degree	6,380	8.9
<b>High school graduate or higher</b>	<b>64,494</b>	<b>89.8</b>
<b>Bachelor degree or higher</b>	<b>18,072</b>	<b>25.2</b>
<b>S9. VETERAN STATUS</b>		
Universe: 18 years and over		
<b>Civilian population 18 years and over</b>	<b>83,427</b>	<b>100.0</b>
Civilian veterans	6,870	8.2
<b>S10a. DISABLED BY AGE</b>		
Universe:		
<b>Civilian non-institutionalized persons</b>	<b>105,097</b>	
With a disability	15,272	14.5
Persons under 18	22,368	21.3
With a disability	944	4.2
Persons 18 to 64 years	66,988	63.7
With a disability	8,247	12.3
Persons 65 years and over	15,741	15.0
With a disability	6,081	38.6
<b>S11. RESIDENCE 1 YEAR AGO</b>		
Universe:		
<b>Population 1 year and over</b>	<b>105,080</b>	
Same house	93,741	89.2
Different house in the U.S.	11,022	10.5

Subject	Number	Percent
Same county	5,712	51.8
Different county (any)	5,310	48.2
Different county (same state)	2,543	23.1
Different state	2,767	25.1
Lived abroad 1 year ago	317	0.3
<b>S12. PLACE OF BIRTH AND CITIZENSHIP STATUS</b>		
Universe:		
Total population	105,832	
U.S. native	95,117	89.9
Born in United States	93,721	98.5
Born in state of current residence	47,071	50.2
Born in different state than current residence	46,650	49.8
Born in Puerto Rico, U.S. Island areas, or born abroad to Americans	1,396	1.5
Foreign born	10,715	13.1
Naturalized U.S. citizen	7,436	69.4
Not a U.S. citizen	3,279	30.6
<b>S13. YEAR OF ENTRY</b>		
Universe: Total population		
Population born outside the United States	12,111	11.5
Native, born outside U.S.	1,396	11.5
Entered U.S. 2000 or later	508	35.7
Entered U.S. before 2000	1,135	81.3
Foreign-born	10,715	13.1
Entered U.S. 2000 or later	2,866	26.7
Entered U.S. before 2000	7,849	73.3
<b>S14. WORLD REGION OF BIRTH OF FOREIGN BORN</b>		
Universe: Total population		
Foreign-born population, excluding population born at sea	10,715	10.1
Europe	2,878	26.9



Subject	Number	Percent
Asia	2,007	18.7
Africa	1,042	9.7
Oceania	0	0.0
South and Central America (includes Mexico)	4,652	43.4
Northern America	136	1.3
<b>S15. LANGUAGE SPOKEN AT HOME</b>		
Universe: Total population		
Population 5 years and over	101,186	95.6
English only	86,742	85.7
Language other than English	14,444	14.3
Speaks English less than very well	4,505	31.2
Speak Spanish	7,581	7.5
Speaks English less than very well	2,166	28.6
<b>H1. HOUSING OCCUPANCY AND TENURE</b>		
Universe: Total households		
Total housing units	45,552	N
Occupied housing units	37,241	81.8
Owner-occupied	27,831	74.7
Renter-occupied	9,410	25.3
Average household size of owner-occupied unit	2.85	
Average household size of renter-occupied unit	2.56	
Vacant housing units	8,311	18.2
For sale	822	9.9
For rent	933	11.2
For seasonal, recreational, or occasional use	4,515	54.3
Total owner units	28,653	
Homeowner vacancy rate	2.9	
Total rental units	10,343	
Rental vacancy rate	9.0	

Subject	Number	Percent
People living in owned homes	79,333	75.0
People living in rental homes	24,095	22.8
<b>H2. UNITS IN STRUCTURE</b>		
Universe:		
Total housing units	45,552	
Single-family units	37,919	83.2
Single unit, detached	34,092	89.9
Single unit, attached	3,827	10.1
Duplexes	1,611	3.5
3 or 4 units	1,641	3.6
5 to 9 units	1,169	2.6
10 to 19 units	464	1.0
20 or more units	796	1.7
Mobile home	1,952	4.3
Boat, RV, van, etc.	0	0.0
Mobile homes per 1000 housing units	43	
<b>H3. YEAR STRUCTURE BUILT</b>		
Universe:		
Total housing units	45,552	
Built 2010 or later	418	0.9
Built 2000 to 2009	7,907	17.4
Built 1990 to 1999	6,466	14.2
Built 1980 to 1989	7,207	15.8
Built 1970 to 1979	6,716	14.7
Built 1960 to 1969	3,523	7.7
Built 1950 to 1959	3,433	7.5
Built 1940 to 1949	1,947	4.3
Built 1939 or earlier	7,935	17.4
<b>H4. YEAR HOUSEHOLDER MOVED INTO UNIT</b>		



Subject	Number	Percent
<b>Universe:</b>		
<b>Occupied housing units</b>	<b>37,241</b>	
Moved in 2010 or later	8,789	23.6
Moved in 2000 to 2009	14,198	38.1
Moved in 1990 to 1999	7,128	19.1
Moved in 1980 to 1989	3,858	10.4
Moved in 1979 or earlier	3,268	8.8
<b>H5. VEHICLES AVAILABLE</b>		
<b>Universe:</b>		
<b>Occupied housing units</b>	<b>37,241</b>	
No vehicles available	2,114	5.7
1 vehicle available	10,781	28.9
2 vehicles available	14,978	40.2
3 or more vehicles available	9,368	25.2
<b>H6. HOUSE HEATING FUEL</b>		
<b>Universe:</b>		
<b>Occupied housing units</b>	<b>37,241</b>	
Utility gas	4,377	11.7
Bottled, tank, or LP gas	4,061	10.9
Electricity	12,540	33.7
Fuel oil, kerosene, etc.	13,277	35.6
Coal or coke	469	1.3
Wood	1,931	5.2
Solar energy	0	0.0
Other fuel	546	1.5
No fuel used	40	0.1
<b>H7. SELECTED CHARACTERISTICS</b>		
<b>Universe:</b>		
<b>Occupied housing units</b>	<b>37,241</b>	

Subject	Number	Percent
Lacking complete plumbing facilities	67	0.2
Lacking complete kitchen facilities	196	0.5
No telephone service available	560	1.5
<b>H8. OCCUPANTS PER ROOM</b>		
Universe:		
Occupied housing units	37,241	
1.00 or less	36,710	98.6
1.01 to 1.50	410	1.1
1.51 or more	121	0.3
<b>H9. HOME VALUES</b>		
Universe:		
Owner-occupied units	27,831	
Less than \$50,000	1,461	5.2
\$50,000 to \$99,999	2,234	8.0
\$100,000 to \$149,999	4,842	17.4
\$150,000 to \$199,999	5,873	21.1
\$200,000 to \$299,999	7,681	27.6
\$300,000 to \$499,999	4,887	17.6
\$500,000 to \$999,999	731	2.6
\$1,000,000 or more	53	0.2
\$2,000,000 or more	69	0.2
Median home value	\$200,628	
Average home value	\$216,272	
<b>H10. SELECTED MONTHLY OWNER COSTS</b>		
Universe:		
Owner-occupied units	27,831	
Housing units with a mortgage	19,421	69.8
Owner costs 30% or more of household income	8,667	44.6
Median owner costs	\$1,885	



Subject	Number	Percent
Housing units without a mortgage	8,410	30.2
Nonmortgage owner costs 30% or more of household income	1,987	23.6
Median owner costs	\$709	
<b>H11. GROSS RENT</b>		
Universe:		
Renter-occupied units	9,410	
Paying cash rent	8,792	93.4
Paying no cash rent	618	6.6
Median rent	\$1,033	
Average gross rent	\$1,041	
Gross rent 30% or more of household income	5,269	56.0
Gross rent of \$750 or more	6,454	68.6

Summary of True Areas of Circles vs. That of Areas Selected to Estimate Them  
 (This Report Indicates How Well We Were Able to Approximate the Circular Area)

Radius	Estimated	True Area	Ratio of Estimate to True Area
10	350.95	314.16	1.117

Auxiliary Report: Counties Contributing to Circular Areas, By Concentric Ring Areas  
 Coordinates: (41.003893, -75.143536)

Outer Radius of Ring (or Circle) = 10 Miles

County Cd	Total Population
Warren NJ	13,607
Monroe PA	76,890
Northampton PA	15,335
<b>Radius</b>	<b>105,832</b>
	<b>105,832</b>

Data Used In Aggregating Circular Areas - Selected Variables

Radius = 10 Miles

County	Tract	Block Group	Area Name	Total Population
Warren NJ	0311.01		Census Tract 311.01, Warren County, New Jersey	5,850
Warren NJ	0312.00		Census Tract 312, Warren County, New Jersey	7,757
Monroe PA	3001.01		Census Tract 3001.01, Monroe County, Pennsylvania	3,547
Monroe PA	3001.02		Census Tract 3001.02, Monroe County, Pennsylvania	6,904
Monroe PA	3004.02		Census Tract 3004.02, Monroe County, Pennsylvania	6,185
Monroe PA	3005.01		Census Tract 3005.01, Monroe County, Pennsylvania	2,764
Monroe PA	3005.02		Census Tract 3005.02, Monroe County, Pennsylvania	5,238
Monroe PA	3006.00		Census Tract 3006, Monroe County, Pennsylvania	4,686
Monroe PA	3007.00		Census Tract 3007, Monroe County, Pennsylvania	5,281
Monroe PA	3008.00		Census Tract 3008, Monroe County, Pennsylvania	5,516
Monroe PA	3009.00		Census Tract 3009, Monroe County, Pennsylvania	5,274
Monroe PA	3010.01		Census Tract 3010.01, Monroe County, Pennsylvania	11,650
Monroe PA	3010.02		Census Tract 3010.02, Monroe County, Pennsylvania	1,997
Monroe PA	3011.01		Census Tract 3011.01, Monroe County, Pennsylvania	5,659
Monroe PA	3011.02		Census Tract 3011.02, Monroe County, Pennsylvania	3,256
Monroe PA	3014.01		Census Tract 3014.01, Monroe County, Pennsylvania	4,275
Monroe PA	3014.02		Census Tract 3014.02, Monroe County, Pennsylvania	4,658
Northampton PA	0152.01		Census Tract 152.01, Northampton County, Pennsylvania	6,908



<b>County</b>	<b>Tract</b>	<b>Block Group</b>	<b>Area Name</b>	<b>Total Population</b>
Northampton PA	0182.00		Census Tract 182, Northampton County, Pennsylvania	3,491
Northampton PA	0183.00		Census Tract 183, Northampton County, Pennsylvania	4,936
<b>Radius</b>				<b>105,832</b>
				<b>105,832</b>

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Data used in this report is from the American Community Survey 5-year Period Estimates Data for 2011 - 2015.



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# The Economic Impact of Smithfield Commons

February 2015





## **The Economic Impact of Smithfield Commons**

By

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February 2015

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### **About the Northeastern Pennsylvania Alliance**

The Northeastern Pennsylvania Alliance (NEPA Alliance) is a regional multi-county economic development agency providing leadership, planning, expertise and services to regional and local governments, businesses, institutions and individuals through innovative and beneficial collaborations and partnerships to enhance the economic development and quality of life of the area.

The NEPA Alliance was organized in 1964 by the private sector that saw the need for a regional approach to economic and community development issues within the region. The NEPA Alliance is now a public / private sector partnership with representation from government and non-governmental private sector organizations. The goal of the NEPA Alliance is to provide a quality menu of programs and valuable services that best match the needs of our partners and add value to our region.

The NEPA Alliance carries out its mission within the counties of Carbon, Lackawanna, Luzerne, Monroe, Pike, Schuylkill and Wayne, which have a total population of 1,021,027 people (according to estimates provided by the U.S. Census Bureau, July 1, 2013) and covers 4,476 square miles.

The NEPA Alliance is one of seven regional agencies called Local Development Districts (LDDs). LDDs help coordinate community and economic development activities in the Commonwealth of Pennsylvania.

The NEPA Alliance is guided by a fifty (50) member Board of Directors, headed by Board Chairperson, Mary Beth Wood, of which forty-five (45) members have voting capabilities. Members of the Board of Directors represent industries, labor, governments, general businesses, professionals and citizens in each of the seven counties that the NEPA Alliance serves.

Jeffrey K. Box, President & CEO of the NEPA Alliance, provides executive leadership working with state and federal legislators to expand and explore opportunities that will be beneficial for northeastern Pennsylvania.

Since August 2002, Steven N. Zaricki has been the Research & Information Manager at the NEPA Alliance. He has a bachelor's degree in agricultural and resource economics, with an emphasis in agribusiness management, from the University of Maryland, and a master's degree in agricultural economics, with a concentration in rural economic development, from West Virginia University. His master's thesis topic was the economic impact of the, proposed at the time, Canaan Valley National Wildlife Refuge. He has completed additional graduate study beyond the master's degree in agricultural economics at the University of Kentucky. He has worked at the University of Virginia in its library system and in the Center for Economic and Policy Studies of the Weldon Cooper Center for Public Service. He has received training from Business Retention & Expansion International in its Certified Master Consultant Training Program and is a graduate of the South Carolina Economic Development Institute and the Economic Development Course in Pennsylvania.

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## Economic Impact Modeling

NEPA Alliance uses IMPLAN<sup>®</sup> for economic impact modeling services.<sup>1</sup> IMPLAN<sup>®</sup>, or Impact Analysis for Planning, is a software package that was developed by the Department of Applied Economics at the University of Minnesota and the U.S. Forest Service Land Management Planning Unit in Fort Collins, Colorado. Estimated direct, indirect (supplier) and induced (household spending) impacts in terms of the number of jobs, personal income and output, or economic activity, are determined by the model.

The software that was used is Version 3, which is available from IMPLAN Group, LLC of Huntersville, North Carolina and is well-known in both the economic development professional and academic communities. Data are available at the national, state, county and zip code levels. IMPLAN<sup>®</sup> has a feature where information can be used for current and future years.

The results include estimates of the direct, indirect and induced impacts from construction, operation and visitation. **Direct impacts** consist of permanent jobs, wages and output of the project company itself, construction or tourism. **Indirect impacts** are the jobs, wages and output created by businesses, which provide goods and services essential to the construction of the project or to the operation of the company. They are also referred to as “supplier” impacts. These businesses range from manufacturers (who make goods) to wholesalers (who deliver goods) to janitorial firms that clean buildings. **Induced impacts** are spending of wages and salaries by the direct and indirect employees on items such as food, housing, transportation and medical services. This spending creates induced employment in various sectors of the economy. Induced impacts are also commonly referred to as “consumer” impacts. The **total impact** is the sum of the **direct, indirect and induced impacts**.

Some measures of economic impact are output, employee compensation, proprietor income, indirect business taxes, total value added and employment. Employment can be either full-time or part-time jobs.

**Labor Income** is the sum of **Employee Compensation** and **Proprietor Income**. According to IMPLAN Group, LLC, “**Proprietor Income** consists of payments received by self-employed individuals and unincorporated business owners.” **Total Value Added** is the sum of **Labor Income, Other Property Type Income** and **Indirect Business Taxes**. According to IMPLAN Group, LLC, “**Other Property Type Income** represents Property Income minus Proprietor Income. It includes corporate profits, capital consumption allowance, payments for rent, dividends, royalties and interest income.” **Output**, also referred to as sales or economic activity, relates to the gross receipts for goods and services generated by the company’s operations.

In regards to fiscal impact, taxes at the federal and state and local levels are presented. Unfortunately, the state and local tax impacts are combined and therefore, cannot be dissected. Some of the federal taxes are employee and employer contribution to social security, excise taxes, corporate profits taxes and personal income taxes. Some of the state and local taxes are dividends, employee and employer contribution to social security, sales taxes, property taxes, motor vehicle license fees, personal income taxes and fishing and hunting license fees.

**The impacts indicated in this report are estimates and the actual numbers can be higher or lower than estimated.**

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<sup>1</sup> IMPLAN<sup>®</sup> is a registered trademark of IMPLAN Group, LLC.



**Construction during 2016, 2017 and 2018**

The impact region for Construction during 2016, 2017 and 2018 is Pennsylvania. The following data from Legend Properties, Inc. were used in the analysis.

**Table 1. Data Used in Estimating the Impact on the Pennsylvania Economy from Construction during 2016, 2017 and 2018**

	2016 Cost	2017 Cost	2018 Cost
Buildings	\$20,300,000	\$38,000,000	\$24,000,000
Roads and Parking Areas	\$10,900,000	\$7,000,000	\$7,000,000
Demolition	\$100,000		
<b>Total</b>	<b>\$31,300,000</b>	<b>\$45,000,000</b>	<b>\$31,000,000</b>

Source: Legend Properties, Inc.

Due to the changing value of the dollar from year to year, the amounts in Tables 2 and 3 are presented in standardized dollars, which are set to Year 2018.

**Table 2. Estimated Impact on the Pennsylvania Economy from Construction during 2016, 2017 and 2018 (Standardized Dollars)**

	Direct	+Indirect	+Induced	=Total
Employee Compensation	\$34,988,076	\$16,227,074	\$16,425,475	\$67,640,625
+Proprietor Income	\$10,882,873	\$2,802,964	\$2,387,040	\$16,072,877
=Labor Income	\$45,870,949	\$19,030,038	\$18,812,515	\$83,713,502
+Other Property Type Income	(\$433,575)	\$6,678,101	\$11,696,396	\$17,940,922
+Indirect Business Taxes	\$724,778	\$1,731,962	\$2,688,140	\$5,144,880
<b>=Total Value Added</b>	<b>\$46,162,152</b>	<b>\$27,440,101</b>	<b>\$33,197,051</b>	<b>\$106,799,304</b>
<b>Output</b>	<b>\$108,697,243</b>	<b>\$50,225,253</b>	<b>\$53,061,678</b>	<b>\$211,984,174</b>
Employment - 2016	197.6	81.5	112.1	391.2
Employment - 2017	243.1	124.1	143.8	511.0
Employment - 2018	191.6	77.3	108.1	377.1

Source: IMPLAN<sup>®</sup>





**Table 3. Estimated Tax Impact from Construction during 2016, 2017 and 2018 (Standardized Dollars)**

	Employee Compensation	Proprietor Income	Indirect Business Tax	Households	Corporations	Total
<b>Federal Tax Impact</b>						
Social Ins Tax – Employee Contribution	\$3,222,889	\$588,166				\$3,811,055
Social Ins Tax – Employer Contribution	\$4,200,535					\$4,200,535
Indirect Bus Tax: Excise Taxes			\$359,221			\$359,221
Indirect Bus Tax: Custom Duty			\$142,413			\$142,413
Indirect Bus Tax: Fed Non-Taxes			\$40,811			\$40,811
Corporate Profits Tax				\$5,869,289	\$1,180,561	\$1,180,561
Personal Tax: Income Tax					\$5,869,289	\$5,869,289
<b>Total Federal Tax</b>	<b>\$7,423,424</b>	<b>\$588,166</b>	<b>\$542,445</b>	<b>\$5,869,289</b>	<b>\$1,180,561</b>	<b>\$15,603,885</b>
<b>State and Local Tax Impact</b>						
Dividends					\$6,617	\$6,617
Social Ins Tax – Employee Contribution	\$32,889	\$0				\$32,889
Social Ins Tax – Employer Contribution	\$64,663					\$64,663
Indirect Bus Tax: Sales Tax			\$2,218,388			\$2,218,388
Indirect Bus Tax: Property Tax			\$1,964,609			\$1,964,609
Indirect Bus Tax: Motor Vehicle License			\$40,295			\$40,295
Indirect Bus Tax: Severance Tax			\$0			\$0
Indirect Bus Tax: Other Taxes			\$359,043			\$359,043
Indirect Bus Tax: S/L Non-Taxes			\$20,101			\$20,101
Corporate Profits Tax				\$1,882,213	\$225,325	\$225,325
Personal Tax: Income Tax				\$304,973		\$304,973
Personal Tax: Non-Taxes (Fines – Fees)				\$75,738		\$75,738
Personal Tax: Motor Vehicle License				\$34,600		\$34,600
Personal Tax: Property Taxes				\$42,016		\$42,016
Personal Tax: Other Tax (Fish/Hunt)						
<b>Total State and Local Tax</b>	<b>\$97,552</b>	<b>\$0</b>	<b>\$4,602,436</b>	<b>\$2,339,540</b>	<b>\$231,942</b>	<b>\$7,271,470</b>
<b>Grand Total</b>	<b>\$7,520,976</b>	<b>\$588,166</b>	<b>\$5,144,881</b>	<b>\$8,208,829</b>	<b>\$1,412,503</b>	<b>\$22,875,355</b>

Source: IMPLAN®

**Operation of Phase I during 2016**

Based on information provided by Legend Properties, Inc. that is in Table 4, Tables 5 and 6 provide the estimated impact on the Monroe County economy from the operation of Phase I during 2016.

**Table 4. Data Used in Estimating the Impact on the Monroe County Economy from the Operation of Phase I during 2016**

	Number of Employees	Employee Compensation	Sales or Deposits
Supermarket	300	\$10,078,200	\$50,000,000
Retail – 77,000 SF	82	\$2,162,000	\$19,250,000
Retail – 17,000 SF	47	\$1,066,880	\$4,250,000
Pharmacy	22	\$663,000	\$7,000,000
Convenience Store with Gasoline	13	\$455,000	\$7,000,000
Dinner House	22	\$581,000	\$5,000,000
Family Restaurant	28	\$652,000	\$5,000,000
Fast Food Restaurant	27	\$733,000	\$3,000,000
Bank	10	\$345,000	\$75,000,000
Hotel	17	\$352,248	\$12,000,000
<b>Total</b>	<b>568</b>	<b>\$17,088,328</b>	<b>\$187,500,000</b>

Source: Legend Properties, Inc.

**Table 5. Estimated Impact on the Monroe County Economy from the Operation of Phase I during 2016 (2016 Dollars)**

	Direct	+Indirect	+Induced	=Total
Employee Compensation	\$17,088,328	\$7,504,533	\$4,459,750	\$29,052,611
+Proprietor Income	\$4,644,561	\$1,508,096	\$549,710	\$6,702,367
=Labor Income	\$21,732,889	\$9,012,629	\$5,009,460	\$35,754,978
+Other Property Type Income	\$47,126,556	\$8,533,127	\$4,130,016	\$59,789,699
+Indirect Business Taxes	\$12,983,906	\$1,425,310	\$947,000	\$15,356,216
=Total Value Added	\$81,843,351	\$18,971,066	\$10,086,476	\$110,900,893
Output	\$187,499,997	\$32,040,632	\$15,704,770	\$235,245,399
Employment	568.0	269.0	140.4	977.4

Source: IMPLAN®

**Table 6. Estimated Tax Impact from the Operation of Phase I during 2016 (2016 Dollars)**

	Employee Compensation	Proprietor Income	Indirect Business Tax	Households	Corporations	Total
<b>Federal Tax Impact</b>						
Social Ins Tax – Employee Contribution	\$1,424,633	\$245,265				\$1,669,898
Social Ins Tax – Employer Contribution	\$1,856,787					\$1,856,787
Indirect Bus Tax: Excise Taxes			\$1,039,063			\$1,039,063
Indirect Bus Tax: Custom Duty			\$411,936			\$411,936
Indirect Bus Tax: Fed Non-Taxes			\$118,047			\$118,047
Corporate Profits Tax				\$3,934,322		\$3,934,322
Personal Tax: Income Tax				\$2,247,439		\$2,247,439
<b>Total Federal Tax</b>	<b>\$3,281,420</b>	<b>\$245,265</b>	<b>\$1,569,046</b>	<b>\$2,247,439</b>	<b>\$3,934,322</b>	<b>\$11,277,492</b>
<b>State and Local Tax Impact</b>						
<b>Dividends</b>					\$22,052	\$22,052
Social Ins Tax – Employee Contribution	\$20,857	\$0				\$20,857
Social Ins Tax – Employer Contribution	\$41,006					\$41,006
Indirect Bus Tax: Sales Tax			\$6,645,457			\$6,645,457
Indirect Bus Tax: Property Tax			\$5,885,231			\$5,885,231
Indirect Bus Tax: Motor Vehicle License			\$120,710			\$120,710
Indirect Bus Tax: Severance Tax			\$0			\$0
Indirect Bus Tax: Other Taxes			\$1,075,558			\$1,075,558
Indirect Bus Tax: S/L Non-Taxes			\$60,216			\$60,216
Corporate Profits Tax				\$750,917		\$750,917
Personal Tax: Income Tax				\$720,728		\$720,728
Personal Tax: Non-Taxes (Fines – Fees)				\$116,779		\$116,779
Personal Tax: Motor Vehicle License				\$29,001		\$29,001
Personal Tax: Property Taxes				\$13,249		\$13,249
Personal Tax: Other Tax (Fish/Hunt)				\$16,088		\$16,088
<b>Total State and Local Tax</b>	<b>\$61,863</b>	<b>\$0</b>	<b>\$13,787,172</b>	<b>\$895,845</b>	<b>\$772,969</b>	<b>\$15,517,849</b>
<b>Grand Total</b>	<b>\$3,343,283</b>	<b>\$245,265</b>	<b>\$15,356,218</b>	<b>\$3,143,284</b>	<b>\$4,707,291</b>	<b>\$26,795,341</b>

Source: IMPLAN®



**Operation of Phase II during 2017**

Based on information provided by Legend Properties, Inc. that is in Table 7, Tables 8 and 9 provide the estimated impact on the Monroe County economy from the operation of Phase II during 2017.

**Table 7. Data Used in Estimating the Impact on the Monroe County Economy from the Operation of Phase II during 2017**

	Number of Employees	Employee Compensation	Sales
Multi-Family Housing	14	\$297,360	IMPLAN <sup>®</sup> Generated
Office & Medical	240	\$12,000,000	IMPLAN <sup>®</sup> Generated
Automotive Parts Store	50	\$2,000,000	IMPLAN <sup>®</sup> Generated
<b>Total</b>	<b>304</b>	<b>\$14,297,360</b>	<b>--</b>

Source: Legend Properties, Inc.

**Table 8. Estimated Impact on the Monroe County Economy from the Operation of Phase II during 2017 (2017 Dollars)**

	Direct	+Indirect	+Induced	=Total
Employee Compensation	\$14,297,360	\$1,499,734	\$2,632,433	\$18,429,527
+Proprietor Income	\$2,111,885	\$281,454	\$324,377	\$2,717,716
=Labor Income	\$16,409,245	\$1,781,188	\$2,956,810	\$21,147,243
+Other Property Type Income	\$1,786,529	\$1,516,703	\$2,437,927	\$5,741,159
+Indirect Business Taxes	\$969,827	\$253,343	\$558,968	\$1,782,138
=Total Value Added	\$19,165,601	\$3,551,234	\$5,953,705	\$28,760,540
Output	\$40,467,389	\$5,473,639	\$9,297,629	\$55,238,657
Employment	304.0	48.5	81.2	433.7

Source: IMPLAN<sup>®</sup>

**Table 9. Estimated Tax Impact from the Operation of Phase II during 2017 (2017 Dollars)**

	Employee Compensation	Proprietor Income	Indirect Business Tax	Households	Corporations	Total
<b>Federal Tax Impact</b>						
Social Ins Tax – Employee Contribution	\$903,716	\$99,451				\$1,003,167
Social Ins Tax – Employer Contribution	\$1,177,853					\$1,177,853
Indirect Bus Tax: Excise Taxes			\$120,586			\$120,586
Indirect Bus Tax: Custom Duty			\$47,806			\$47,806
Indirect Bus Tax: Fed Non-Taxes			\$13,700			\$13,700
Corporate Profits Tax				\$377,784		\$377,784
Personal Tax: Income Tax				\$1,322,411		\$1,322,411
<b>Total Federal Tax</b>	<b>\$2,081,569</b>	<b>\$99,451</b>	<b>\$182,092</b>	<b>\$1,322,411</b>	<b>\$377,784</b>	<b>\$4,063,307</b>
<b>State and Local Tax Impact</b>						
Dividends					\$2,117	\$2,117
Social Ins Tax – Employee Contribution	\$13,230	\$0				\$13,230
Social Ins Tax – Employer Contribution	\$26,012					\$26,012
Indirect Bus Tax: Sales Tax			\$771,226			\$771,226
Indirect Bus Tax: Property Tax			\$683,000			\$683,000
Indirect Bus Tax: Motor Vehicle License			\$14,009			\$14,009
Indirect Bus Tax: Severance Tax			\$0			\$0
Indirect Bus Tax: Other Taxes			\$124,822			\$124,822
Indirect Bus Tax: S/L Non-Taxes			\$6,988			\$6,988
Corporate Profits Tax				\$72,105		\$72,105
Personal Tax: Income Tax				\$424,082		\$424,082
Personal Tax: Non-Taxes (Fines – Fees)				\$68,714		\$68,714
Personal Tax: Motor Vehicle License				\$17,065		\$17,065
Personal Tax: Property Taxes				\$7,796		\$7,796
Personal Tax: Other Tax (Fish/Hunt)				\$9,467		\$9,467
<b>Total State and Local Tax</b>	<b>\$39,242</b>	<b>\$0</b>	<b>\$1,600,045</b>	<b>\$527,124</b>	<b>\$74,222</b>	<b>\$2,240,633</b>
<b>Grand Total</b>	<b>\$2,120,811</b>	<b>\$99,451</b>	<b>\$1,782,137</b>	<b>\$1,849,535</b>	<b>\$452,006</b>	<b>\$6,303,940</b>

Source: IMPLAN®

**Operation of Phase III during 2018**

Based on information provided by Legend Properties, Inc. that is in Table 10, Tables 11 and 12 provide the estimated impact on the Monroe County economy from the operation of Phase III during 2018.

**Table 10. Data Used in Estimating the Impact on the Monroe County Economy from the Operation of Phase III during 2018**

	Number of Employees	Employee Compensation	Sales
Movie Theatre	21	\$483,000	\$9,000,000
Bowling Center	33	\$714,600	\$9,000,000
Family Restaurant	28	\$652,000	\$4,000,000
<b>Total</b>	<b>82</b>	<b>\$1,849,600</b>	<b>\$22,000,000</b>

Source: Legend Properties, Inc.

**Table 11. Estimated Impact on the Monroe County Economy from the Operation of Phase III during 2018 (2018 Dollars)**

	Direct	+Indirect	+Induced	=Total
Employee Compensation	\$1,849,600	\$633,706	\$399,331	\$2,882,637
+Proprietor Income	\$95,731	\$178,393	\$49,199	\$323,323
=Labor Income	\$1,945,331	\$812,099	\$448,530	\$3,205,960
+Other Property Type Income	\$3,214,018	\$804,659	\$369,837	\$4,388,514
+Indirect Business Taxes	\$2,366,790	\$217,231	\$84,793	\$2,668,814
=Total Value Added	\$7,526,139	\$1,833,989	\$903,160	\$10,263,288
Output	\$22,000,000	\$3,204,929	\$1,414,739	\$26,619,668
Employment	82.0	26.4	12.1	120.5

Source: IMPLAN®



**Table 12. Estimated Tax Impact from the Operation of Phase III during 2018 (2018 Dollars)**

	Employee Compensation	Proprietor Income	Indirect Business Tax	Households	Corporations	Total
<b>Federal Tax Impact</b>						
Social Ins Tax – Employee Contribution	\$141,354	\$11,832				\$153,186
Social Ins Tax – Employer Contribution	\$184,233					\$184,233
Indirect Bus Tax: Excise Taxes			\$180,583			\$180,583
Indirect Bus Tax: Custom Duty			\$71,592			\$71,592
Indirect Bus Tax: Fed Non-Taxes			\$20,516			\$20,516
Corporate Profits Tax				\$288,776		\$288,776
Personal Tax: Income Tax				\$199,994		\$199,994
<b>Total Federal Tax</b>	<b>\$325,587</b>	<b>\$11,832</b>	<b>\$272,691</b>	<b>\$199,994</b>	<b>\$288,776</b>	<b>\$1,098,880</b>
<b>State and Local Tax Impact</b>						
Dividends		\$0			\$1,619	\$1,619
Social Ins Tax – Employee Contribution	\$2,069					\$2,069
Social Ins Tax – Employer Contribution	\$4,069					\$4,069
Indirect Bus Tax: Sales Tax			\$1,154,939			\$1,154,939
Indirect Bus Tax: Property Tax			\$1,022,816			\$1,022,816
Indirect Bus Tax: Motor Vehicle License			\$20,979			\$20,979
Indirect Bus Tax: Severance Tax			\$0			\$0
Indirect Bus Tax: Other Taxes			\$186,925			\$186,925
Indirect Bus Tax: S/L Non-Taxes			\$10,465			\$10,465
Corporate Profits Tax					\$55,117	\$55,117
Personal Tax: Income Tax				\$64,136		\$64,136
Personal Tax: Non-Taxes (Fines – Fees)				\$10,392		\$10,392
Personal Tax: Motor Vehicle License				\$2,581		\$2,581
Personal Tax: Property Taxes				\$1,179		\$1,179
Personal Tax: Other Tax (Fish/Hunt)				\$1,432		\$1,432
<b>Total State and Local Tax</b>	<b>\$6,138</b>	<b>\$0</b>	<b>\$2,396,124</b>	<b>\$79,720</b>	<b>\$56,736</b>	<b>\$2,538,718</b>
<b>Grand Total</b>	<b>\$331,725</b>	<b>\$11,832</b>	<b>\$2,668,815</b>	<b>\$279,714</b>	<b>\$345,512</b>	<b>\$3,637,598</b>

Source: IMPLAN®

### Conclusion

From 2016 to 2018, the estimated impact on the Pennsylvania economy from construction will be the following:

- Total estimated output or economic activity of \$212.0 million
- Total estimated employment of 391 jobs in 2016, 511 jobs in 2017 and 377 jobs in 2018, which can be either full-time or part-time
- Total estimated labor income of \$83.7 million, which consists of \$67.6 million in estimated employee compensation and \$16.1 million in estimated proprietor income
- Total estimated value added of \$106.8 million
- Total estimated taxes of \$22.9 million, which consists of an estimated \$15.6 million in federal taxes and an estimated \$7.3 million in state and local taxes

Note: Due to the changing value of the dollar from year to year, the amounts are presented in standardized dollars, which are set to Year 2018.

During 2016, the estimated impact on the Monroe County economy from the operation of Phase I is the following:

- Total estimated output or economic activity of \$235.2 million
- Total estimated employment of 977 jobs, which can be either full-time or part-time
- Total estimated labor income of \$35.8 million, which consists of \$29.1 million in estimated employee compensation and \$6.7 million in estimated proprietor income
- Total estimated value added of \$110.9 million
- Total estimated taxes of \$26.8 million, which consists of an estimated \$11.3 million in federal taxes and an estimated \$15.5 million in state and local taxes

During 2017, the estimated impact on the Monroe County economy from the operation of Phase II is the following:

- Total estimated output or economic activity of \$55.2 million
- Total estimated employment of 434 jobs, which can be either full-time or part-time
- Total estimated labor income of \$21.1 million, which consists of \$18.4 million in estimated employee compensation and \$2.7 million in estimated proprietor income
- Total estimated value added of \$28.8 million
- Total estimated taxes of \$6.3 million, which consists of an estimated \$4.1 million in federal taxes and an estimated \$2.2 million in state and local taxes

During 2018, the estimated impact on the Monroe County economy from the operation of Phase III is the following:

- Total estimated output or economic activity of \$26.6 million
- Total estimated employment of 120 jobs, which can be either full-time or part-time
- Total estimated labor income of \$3.2 million, which consists of \$2.9 million in estimated employee compensation and \$300,000 in estimated proprietor income
- Total estimated value added of \$10.3 million
- Total estimated taxes of \$3.6 million, which consists of an estimated \$1.1 million in federal taxes and an estimated \$2.5 million in state and local taxes



*EXHIBIT J*

*LOAN AMORTIZATION SCHEDULES*

Semi-Annual

<b>Mortgage amount</b>	<b>\$4,000,000</b>		<b>PIB</b>		
<b>Number of Mortgages</b>	<b>1</b>				
<b>Principal</b>	<b>\$4,000,000</b>				
<b>Interest rate</b>	<b>2.25%</b>				
<b>Term</b>	<b>8.5</b>				
<b>Periods (per yr)</b>	<b>2</b>				
<b>payment</b>	<b>\$259,827.93</b>	<b>\$519,655.87</b>			
<b>No. of Payments</b>	<b>17</b>		<b>2 PER YEAR</b>		
<b>Payment no.</b>	<b>Beginning balance</b>	<b>Interest</b>	<b>Principal</b>	<b>Ending balance</b>	<b>Cumulative interest</b>
1	4,000,000.00	45,000.00	214,827.93	3,785,172.07	45,000.00
2	3,785,172.07	42,583.19	217,244.75	3,567,927.32	87,583.19
3	3,567,927.32	40,139.18	219,688.75	3,348,238.57	127,722.37
4	3,348,238.57	37,667.68	222,160.25	3,126,078.32	165,390.05
5	3,126,078.32	35,168.38	224,659.55	2,901,418.77	200,558.43
6	2,901,418.77	32,640.96	227,186.97	2,674,231.80	233,199.39
7	2,674,231.80	30,085.11	229,742.83	2,444,488.97	263,284.50
8	2,444,488.97	27,500.50	232,327.43	2,212,161.54	290,785.00
9	2,212,161.54	24,886.82	234,941.12	1,977,220.42	315,671.82
10	1,977,220.42	22,243.73	237,584.20	1,739,636.22	337,915.55
11	1,739,636.22	19,570.91	240,257.03	1,499,379.19	357,486.46
12	1,499,379.19	16,868.02	242,959.92	1,256,419.28	374,354.47
13	1,256,419.28	14,134.72	245,693.22	1,010,726.06	388,489.19
14	1,010,726.06	11,370.67	248,457.26	762,268.80	399,859.86
15	762,268.80	8,575.52	251,252.41	511,016.39	408,435.38
16	511,016.39	5,748.93	254,079.00	256,937.39	414,184.32
17	256,937.39	2,890.55	256,937.39	0.00	417,074.86
18	0.00	0.00	259,827.93	-259,827.93	417,074.86
19	0.00	0.00	259,827.93	-259,827.93	417,074.86
20	0.00	0.00	259,827.93	-259,827.93	417,074.86
21	0.00	0.00	259,827.93	-259,827.93	417,074.86
22	0.00	0.00	259,827.93	-259,827.93	417,074.86
23	0.00	0.00	259,827.93	-259,827.93	417,074.86
24	0.00	0.00	259,827.93	-259,827.93	417,074.86
25	0.00	0.00	259,827.93	-259,827.93	417,074.86
26	0.00	0.00	259,827.93	-259,827.93	417,074.86
27	0.00	0.00	259,827.93	-259,827.93	417,074.86
28	0.00	0.00	259,827.93	-259,827.93	417,074.86
29	0.00	0.00	259,827.93	-259,827.93	417,074.86
30	0.00	0.00	259,827.93	-259,827.93	417,074.86
31	0.00	0.00	259,827.93	-259,827.93	417,074.86
32	0.00	0.00	259,827.93	-259,827.93	417,074.86
33	0.00	0.00	259,827.93	-259,827.93	417,074.86
34	0.00	0.00	259,827.93	-259,827.93	417,074.86
35	0.00	0.00	259,827.93	-259,827.93	417,074.86
36	0.00	0.00	259,827.93	-259,827.93	417,074.86

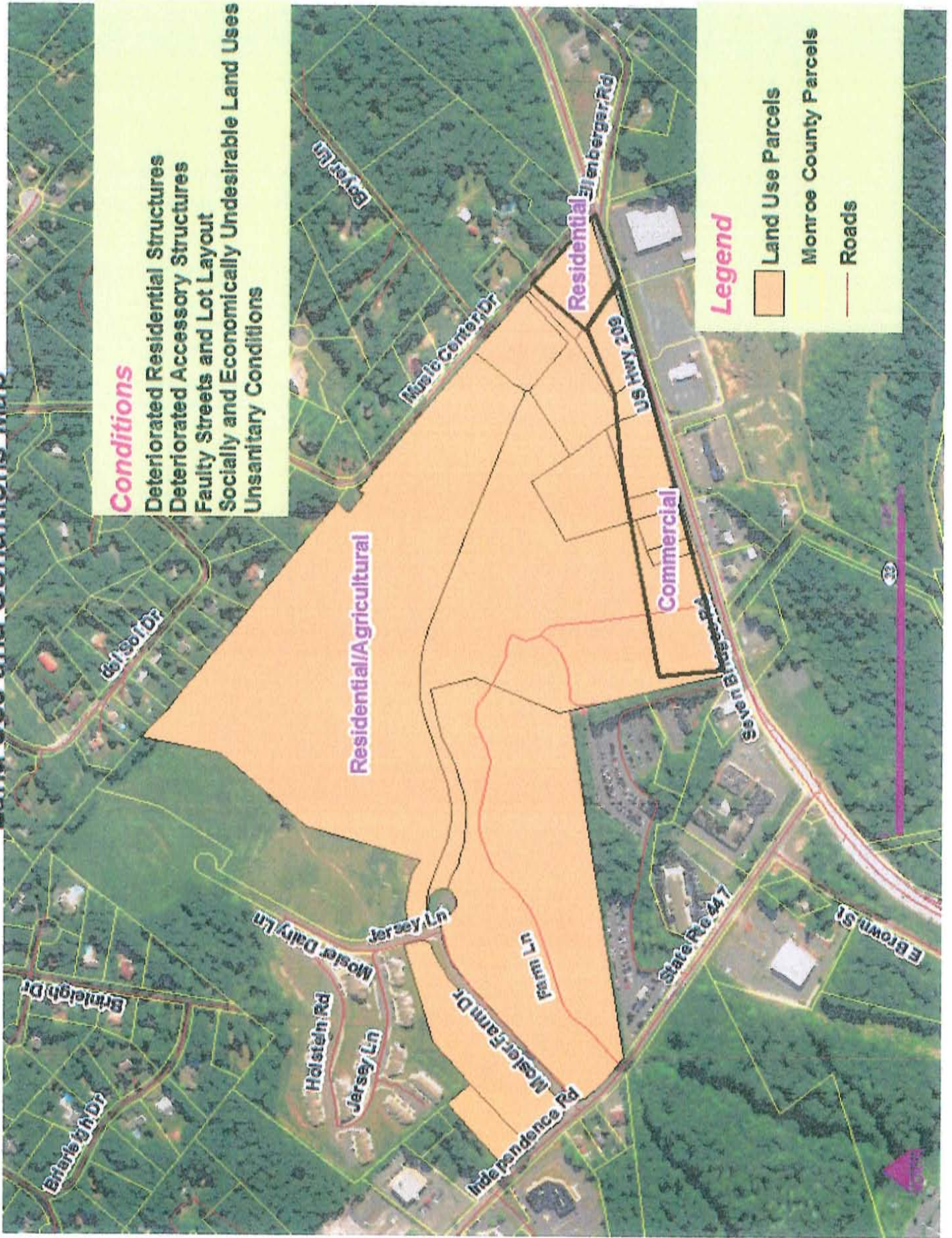
## Semi-Annual

<b>Mortgage amount</b>	<b>\$2,000,000</b>		<b>BANK LOAN</b>		
<b>Number of Mortgages</b>	<b>1</b>				
<b>Principal</b>	<b>\$2,000,000</b>				
<b>Interest rate</b>	<b>7.50%</b>				
<b>Term</b>	<b>18.5</b>				
<b>Periods (per yr)</b>	<b>2</b>				
<b>payment</b>	<b>\$100,822.44</b>	<b>\$201,644.88</b>			
<b>No. of Payments</b>	<b>37</b>		<b>2 PER YEAR</b>		
<b>Payment no.</b>	<b>Beginning balance</b>	<b>Interest</b>	<b>Principal</b>	<b>Ending balance</b>	<b>Cumulative interest</b>
1	2,000,000.00	75,000.00	25,822.44	1,974,177.56	75,000.00
2	1,974,177.56	74,031.66	26,790.78	1,947,386.77	149,031.66
3	1,947,386.77	73,027.00	27,795.44	1,919,591.34	222,058.66
4	1,919,591.34	71,984.68	28,837.77	1,890,753.57	294,043.34
5	1,890,753.57	70,903.26	29,919.18	1,860,834.39	364,946.60
6	1,860,834.39	69,781.29	31,041.15	1,829,793.23	434,727.89
7	1,829,793.23	68,617.25	32,205.20	1,797,588.04	503,345.13
8	1,797,588.04	67,409.55	33,412.89	1,764,175.15	570,754.68
9	1,764,175.15	66,156.57	34,665.87	1,729,509.27	636,911.25
10	1,729,509.27	64,856.60	35,965.84	1,693,543.43	701,767.85
11	1,693,543.43	63,507.88	37,314.56	1,656,228.86	765,275.73
12	1,656,228.86	62,108.58	38,713.86	1,617,515.00	827,384.31
13	1,617,515.00	60,656.81	40,165.63	1,577,349.37	888,041.12
14	1,577,349.37	59,150.60	41,671.84	1,535,677.53	947,191.72
15	1,535,677.53	57,587.91	43,234.53	1,492,443.00	1,004,779.63
16	1,492,443.00	55,966.61	44,855.83	1,447,587.17	1,060,746.24
17	1,447,587.17	54,284.52	46,537.92	1,401,049.25	1,115,030.76
18	1,401,049.25	52,539.35	48,283.10	1,352,766.15	1,167,570.11
19	1,352,766.15	50,728.73	50,093.71	1,302,672.44	1,218,298.84
20	1,302,672.44	48,850.22	51,972.23	1,250,700.21	1,267,149.06
21	1,250,700.21	46,901.26	53,921.18	1,196,779.03	1,314,050.31
22	1,196,779.03	44,879.21	55,943.23	1,140,835.80	1,358,929.53
23	1,140,835.80	42,781.34	58,041.10	1,082,794.70	1,401,710.87
24	1,082,794.70	40,604.80	60,217.64	1,022,577.06	1,442,315.67
25	1,022,577.06	38,346.64	62,475.80	960,101.26	1,480,662.31
26	960,101.26	36,003.80	64,818.65	895,282.61	1,516,666.11
27	895,282.61	33,573.10	67,249.34	828,033.27	1,550,239.21
28	828,033.27	31,051.25	69,771.19	758,262.07	1,581,290.45
29	758,262.07	28,434.83	72,387.61	685,874.46	1,609,725.28
30	685,874.46	25,720.29	75,102.15	610,772.31	1,635,445.57
31	610,772.31	22,903.96	77,918.48	532,853.83	1,658,349.54
32	532,853.83	19,982.02	80,840.42	452,013.40	1,678,331.55
33	452,013.40	16,950.50	83,871.94	368,141.47	1,695,282.06
34	368,141.47	13,805.30	87,017.14	281,124.33	1,709,087.36
35	281,124.33	10,542.16	90,280.28	190,844.05	1,719,629.52
36	190,844.05	7,156.65	93,665.79	97,178.26	1,726,786.18



*EXHIBIT K*  
*EXISTING LAND USE*  
*AND CONDITIONS MAP*

# Land Use and Conditions Map



## Conditions

- Deteriorated Residential Structures
- Deteriorated Accessory Structures
- Faulty Streets and Lot Layout
- Socially and Economically Undesirable Land Uses
- Unsanitary Conditions

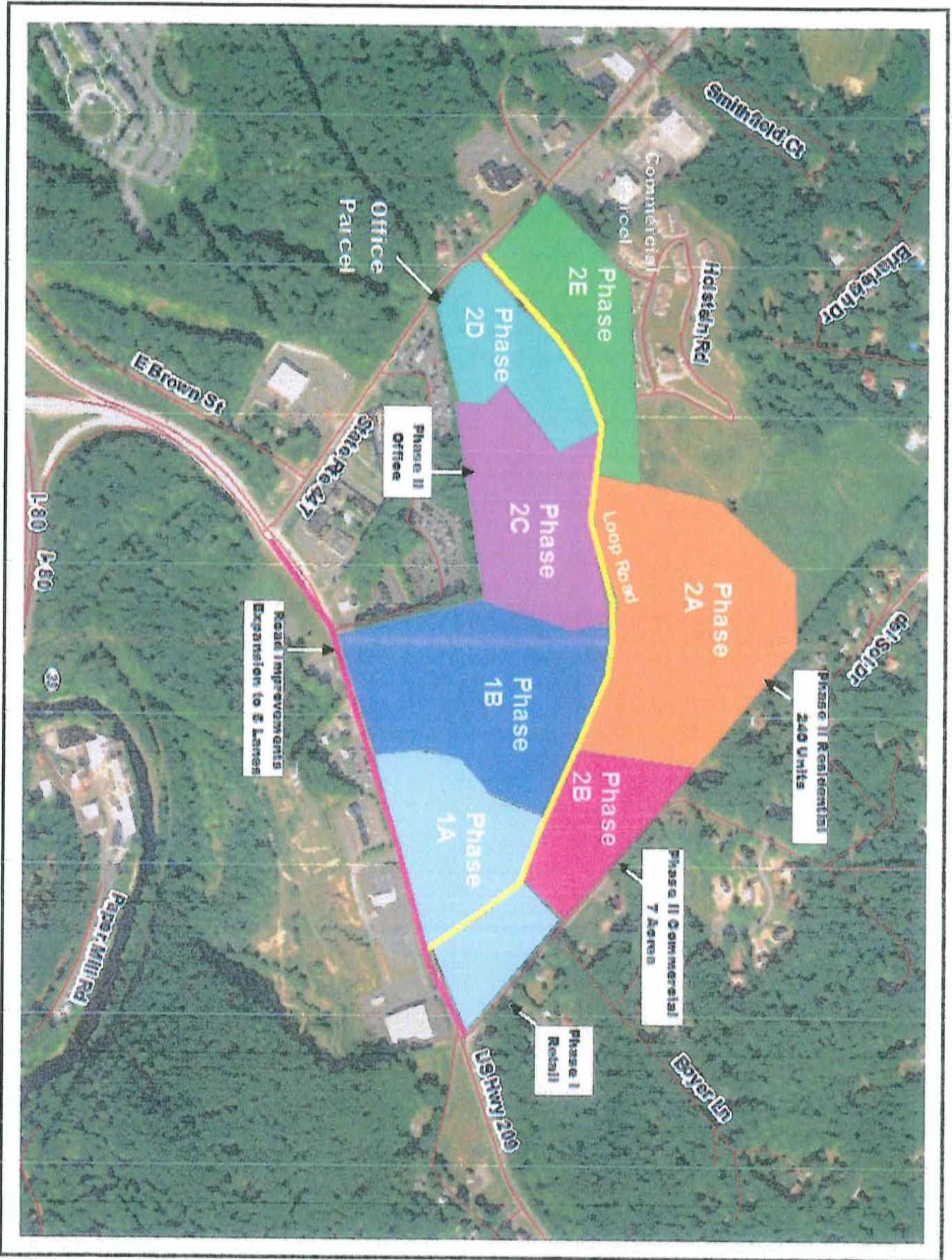
## Legend

- Land Use Parcels
- Monroe County Parcels
- Roads

*EXHIBIT L*  
*PROPOSED USES AND*  
*IMPROVEMENTS MAP 1*



# MAP 1: PROPOSED USES AND IMPROVEMENTS

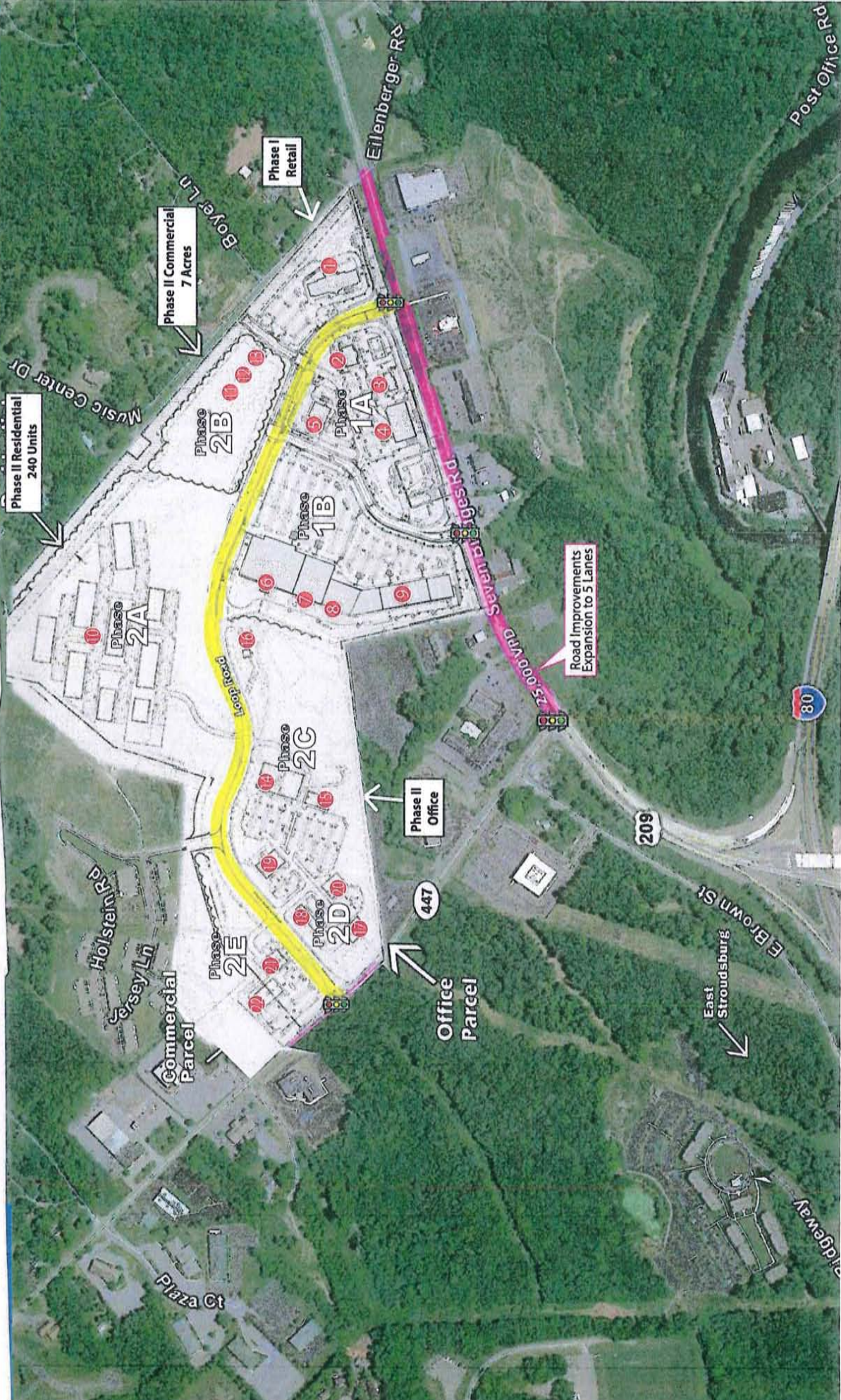


*EXHIBIT M*  
*PROPOSED USES AND*  
*IMPROVEMENTS MAP 2*



# MAP 2: PROPOSED USES AND IMPROVEMENTS

COMMERCIAL RESIDENTIAL





*EXHIBIT N*  
*FEASIBILITY STUDY*  
*SMITHFIELD GATEWAY*

**Feasibility Study on Retail Marketing Analysis**  
**Prepared by Legend Properties**  
**Maria Rita Aristone, President**

**Smithfield Gateway**

**1. Location**

Smithfield Gateway is located on Route 209 and Music Center Road, Smithfield Township (Monroe County), PA, approximately ¼ mile north of the Route 80 intersection with Route 209 at the Marshalls Creek interchange. This site has over 1,685 feet of frontage on Route 209 and also has significant frontage on Route 447.

As the development is strategically located at the entrance of Smithfield Township, off I-80, the project has been named Smithfield Gateway.

**2. Market**

Monroe County has experienced significant residential growth in the past 20 years. Most of this was due to the influence from the employment market of Manhattan, North and Center New Jersey, and the Lehigh Valley. The commute to Manhattan via Route 80 East is within ninety minutes.

Many families elected to make this commute and purchase homes in the eastern Pocono Mountain because lower home prices gave them a better quality of life. While the residential growth has slowed down since the recession, the commercial market is still “catching up” and many national retailers located in the Poconos.

Most of the retail growth has been concentrated on the Route 611 corridor, especially at the key intersection Route I-80, Route 33, and Route 611 in Bartonsville, PA.

DEPG became a visionary developer in this area and has built over \$50 million of commercial projects in the Bartonsville area. The reason for the success of Bartonsville was the key connection to Route I-80 where it allows a large trade area to have easy accessibility to retail stores along Route 611.

The Smithfield corridor of Route 209 has similar retail magnet potential due to its key connection to Route I-80. In the eastern Pocono region everyone uses I-80 to get to places to work, shop, eat, and play. The other key artery connection is Route 447 and Brown Street, which connects East Stroudsburg and Stroudsburg to the commercial project.

What has held up developers from developing along this corridor in Smithfield in the past was the high cost of improving Route 209. Fortunately PennDOT, in the last five (5) years, has made significant improvements to the regional traffic infrastructure by building the Route 209, I-80 Bridge and building the bypass on Route 209 just north of the site.

This bypass artery known as Seven Bridge Road allows a large population base in Marshalls Creek and Pike County to the north to travel to the subject site easily. While there are strong

demographics surrounding the Smithfield Gateway market very comparable to the Bartonsville, Stroudsburg area to the west, along with the regional access to Route I-80, the Smithfield – East Stroudsburg area is basically devoid of retail and services including a major supermarket.

We are most confident that the Smithfield area will become a regional shopping hub for the eastern Pocono Mountains with complimentary retail that has been built along Route 611 in Bartonsville and Stroud Township.

### **3. Trade Area**

The Smithfield Gateway project will be a very regional retail project supported by a large trade area population of 268, 123 people all within a 25 minute drive to the site. The average family income of the trade area population is \$71, 496.

Due to the proximity of the Delaware Water Gap entrance to NJ on I-80 the retail project is anticipated to draw customers from the counties in New Jersey.

The trade area population is also augmented by over 1,000 time share units that are located in Shawnee Resort area, east of Smithfield Gateway and Bushkill Falls to the north that add year round populations as potential customers.

### **4. The Impact of the Tourism Business in the Poconos.**

An entire second dimension of the potential customers to shop Smithfield Gateway is the 25,000,000 visitors that come to the Poconos every year. These people come for a host of reasons including skiing, kayaking, fishing, hiking, horseback riding, golf, and viewing nature.

The biggest tourism boom at this time is in waterpark recreation. Currently there are three major waterparks open, Camel Beach at Camelback, Great Wolf Lodge and Kalahari Resorts and Conventions, the largest in the county.

What is very impressive is that according to the Longwood Tourism Guide, over half of the 25,000,000 visitors stay overnight.

Smithfield Gateway is conveniently located to attract the visitors who will support the retail stores and restaurants of the project.

### **5. The Project**

Smithfield Gateway will be a mixed-use project that will include retail, restaurants, other commercial buildings, and entertainment along with a professional and office space component and a multi-family residential parcel. This project will straddle both sides of Route 209.

Phase I will be built on the west side of Route 209 on what is historically known as the Mosier Dairy Farm. The square footage of the Phase I retail project will total 186,613 square feet not including a seven acre Phase II option parcel.



Phase I will include a major retail wing which will be anchored by a supermarket and seven pad developments along Route 209. The supermarket will be a high elevation and will have excellent visibility from Route 209, along with the free standing pads.

Phase II will be developed as a mixed-use project which will include retail, multi-family, and office and professional buildings. It consists of 55,414 acres and extends from the outside perimeter of Phase I project to Route 447.

Phase III of the retail project will be built on the former Chelsea site, and will total 120,000 square feet of retail. These buildings will also have visibility from Route 209, along with prominent exposure from Route 80.

Phase IV will be the development of two prime pad sites at the intersection of the Loop Road and Route 447. There will be controlled traffic intersections at both the Route 209 and Route 447 connection to the Loop Road. This road must be purchased with Phase I and be developed with the first phase of the retail project.

Another controlled intersection with a traffic light is anticipated to be built on Route 209, just south of the Loop Road main traffic light intersection. This access road will provide direct access to the supermarket and retail section and will connect to the Loop Road west of Route 209.

#### **6. Concept of Overall Project**

The 122 acres that DEPG controls is one of the highest profile remaining land parcels in the Pocono region. Done correctly it will be a major economic stimulus for the entire region. Its strategic location off Route 80 and the tie-in to Route 209 and Route 447 gives the ability for the project to be accessible to the population of Monroe and Pike Counties as well as a large part of western New Jersey.

The concept of Smithfield Gateway is a development where residents, tourists, and travelers can live, work, shop, eat, stay, and play all in our major development.

**Shop** – in one of over 36 retail establishments that will make up Smithfield Gateway.

**Live** – in one of 236 high quality residential units that will make up the project.

**Work** – as managers, assistant manager, sales persons and clerks in one of 36 retail stores and restaurants and work in the premier office and professional campus in Monroe County.

**Eat** – in one of the many dinner houses, family restaurants, fast-casual and fast food restaurants that will make up the project.

**Play** – watch a first run movie in our theater or visit one of the other entertainment venues that will be part of the Smithfield Gateway tenant mix.

**Stay** – in a top flag hotel that will be part of the project.

This type of dynamic lifestyle center is being done in many areas around the county. It is truly a game changer for the Pocono region.

## **7. Description of Various Project Phases**

### **Phase I Retail**

This is the primary initial phase that DEPG is developing. It will consist of 30 acres including the Loop Road. Included in the main body of retail will be a full size supermarket that will be no less than 75,000 square feet. At the current time the supermarket that has indicated serious is evaluating what size the market needs to be.

The neighboring retail next to the supermarket is 60,000 square feet. DEPG and Legend Properties, Inc., exclusive agent for the project, feel that many of the fifteen stores in this wing of retail will be credit tenants in the 3,500-10,000 square foot range.

The end cap of this retail wing on Route 209 will be a restaurant. A heavy emphasis on apparel and sportswear will be in this section.

Another retail section will be built just north of the Loop Road on a parcel at Route 209 and will include 14,927 square feet of retail and a free standing bank.

The other key section of Phase I is the multi-pad area. It consists of free standing pads that are major drivers of the economics of the project. The projected pad users of this area is a pharmacy, convenience stores, a fast food restaurant and a dinner house.

Legend Properties is most confident of the leasing potential of the Phase I retail sections due to the following factors:

- There are no supermarkets serving this immediate area.
- There is a total lack of service and retail for the Smithfield, Shawnee, and Delaware Water Gap population.
- Route 80 accessibility creates a tremendous opportunity to bring a larger trade area population to the site.
- Proximity to tourism business – 25,000,000 visitors each year.
- Proximity to 1,000 time sharing units.
- Extremely strong traffic counts on Route 209.
- Closeness to population density of East Stroudsburg and Stroudsburg via the Route 447 and Brown Street connection to Route 447 and I-80.
- Closeness to western counties of New Jersey with no substantial shopping alternative.

### **Competing Retail Space for lease**

There is no immediate retail space for lease in the immediate vicinity.

There is no comparable retail space for lease in East Stroudsburg except in the downtown district

In downtown Stroudsburg due to the influence of the state University there are few vacancies.

The Stroud Mall is suffering as a secondary mall with weak anchors and poor accessibility to the trade area population.

The Bartonsville retail corridor has virtually no vacancies.

Only in the Marshalls Creek area four miles north of Smithfield Gateway are there substantial vacancies. This is primarily due to the following:

- Overbuilt retail for the trade area
- Poor access
- Low end demographics
- Non-functional and poorly built buildings
- Non-regional trade area population

Legend Properties has absolute certainty that the retail space of Smithfield Gateway will set the highest standards of availability in the market.

#### Timing of the Development of Phase I

Phase is anticipated to start construction by July 2017 with turnover to retailers August 2018.

#### Phase II

The Phase II section of the development consists of 55.414 acres. Land users of Phase II are in three main components:

- A seven acre parcel located just west of the Route 209 and the Loop Road connection. This is a prime property that will be retail and other commercial uses which sets it apart from the other parcels of Phase II. Ideal users would be a national health club, hotel, and restaurants. It could be developed simultaneously with Phase I in 2017 or it could be developed in 2018 or later.
- A 25 acres phase will be used for high end multi-family residential. This use is being approved in the overlay zoning amendment. This parcel is known as Phase IIB. It is being developed into 236 residential units.

Without question, Legend Properties believes there is a market for a high quality multi-family residential site for the following reasons:

- Currently there is no product of this type in the Poconos. Local economic development people report that employees are leaving Monroe County to find better quality multi-family housing outside the county.
- According to local realtors, the apartment rental business is very active and occupancy levels are high on existing apartments.



- The commute to very strong employment areas of north, central New Jersey and Manhattan is within 45-90 minutes. These professionals many of them young people, are valid prospects for the high end multi-family units planned.
- Currently there are many medical related facilities under construction or being planned for the Pocono region, including two new hospitals.
- Topography of the multi-family housing parcel is ideal for apartments. The parcel is at a higher elevations that gives the apartments tremendous view of the Delaware Water Gap.
- The Poconos offer so many amenities for people to live in with all the nature and recreation that comprise the area. Residents of our multi-family units would have much to take advantage of such as a supermarket and restaurants all within walking distance.
- The proximity to Route 80 gives Smithfield Gateway accessibility not only to Manhattan and north Jersey but also the Lehigh Valley and Wilkes-Barre-Scranton market areas.
- The other larger parcel for development of Smithfield Gateway is a 20 acre tract that has been designated for office and professional uses.

This site is impacted by high wires that will limit building coverage underneath the wires, however, it is permitted to park underneath them. There are two large ponds that are on this parcel that will be turned into very attractive aesthetic water features for the office development. Approximately ten of the twenty acres are buildable. It is estimated that the buildable square footage would be approximately 70,000 square feet.

- The last remaining parcel is four acres located on the western side of the end of the Loop Road and Route 447. Some of this site is also handicapped by high wires but this is an excellent pad location at the intersection of Route 447 and the Loop Road for a bank, car dealership, or retail.

Legend Properties feels that there is a vacuum of “A” quality office space in the Poconos. We envision free standing multi-level professional buildings that will overlook the ponds with water fountains. The other strong potential for this phase will be medical users, which are heavily located on Route 447.

Pocono Medical not only has their headquarter facility located one mile away, but they are also building a new 40,000 square foot office building just up Route 447 from Smithfield Gateway.

#### Timing

It is estimated that the Phase II acquisition loan will occur in 2017 and this phase will be built out over a five year period.

### **8. Improvement to Phase II**

What makes the full economic potential of the Phase II ground so valuable is that when Phase I is built all the infrastructure for the development of Phase II will have been completed as part of Phase I. This will include:

- Access to the Loop Road
- Sidewalk construction along the Loop Road
- Storm drainage connection
- Sewer and water connections
- Gas connections
- Off-site improvements completed that will handle Phase II parcels without further construction for access to state highways Route 209 and Route 447.

These improvements add greatly to the land value of Phase II.

### **9. Phase III – Chelsea Property**

The Chelsea property, owned by Simon Company, consists of 29 acres located on the east side of Route 209, directly behind Burger King. This property was secured for several important reasons:

- It preserves the quality of what gets developed
- It spreads out the infrastructures costs of DEPG investments.
- The value that Phase I creates will be rewarded to DEPG versus another developer who would develop Phase III

As noted later, there may be key savings in storm drainage by having the Simon property as part of the Phase I development.

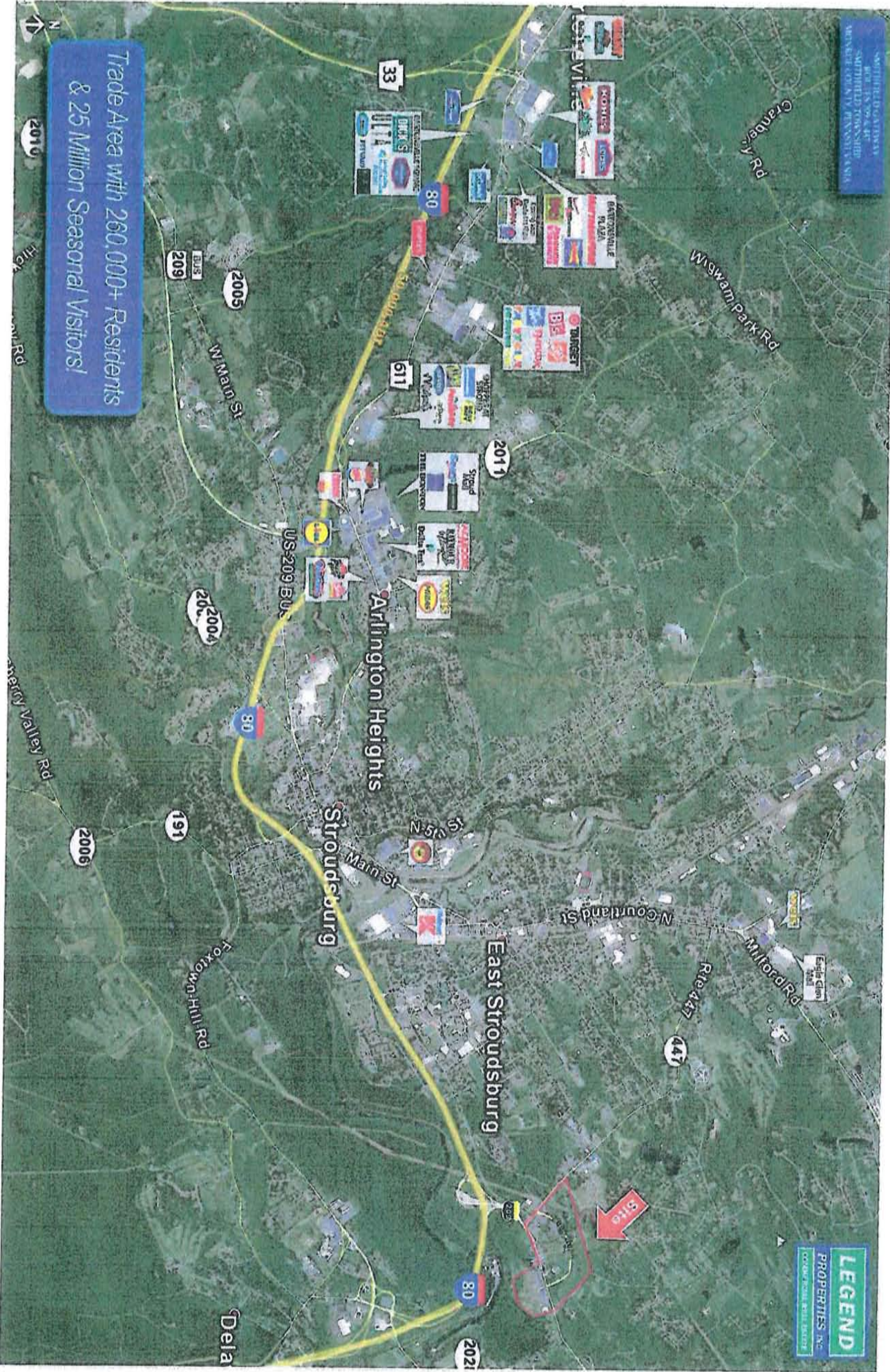
At present, DEPG is not certain of the main users for this property. One main area of focus is entertainment uses such as a movie theater. Other retail to be focused on would be a wholesale club or junior boxes. This property has been designed for 120,000 square feet of retail without doing major earth work changes. Phase I and Phase III will share a traffic signal. DEPG sees this tract as a valuable asset in the future.

It is projected that this site would be developed within one year from the start of construction of Phase I retail.



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