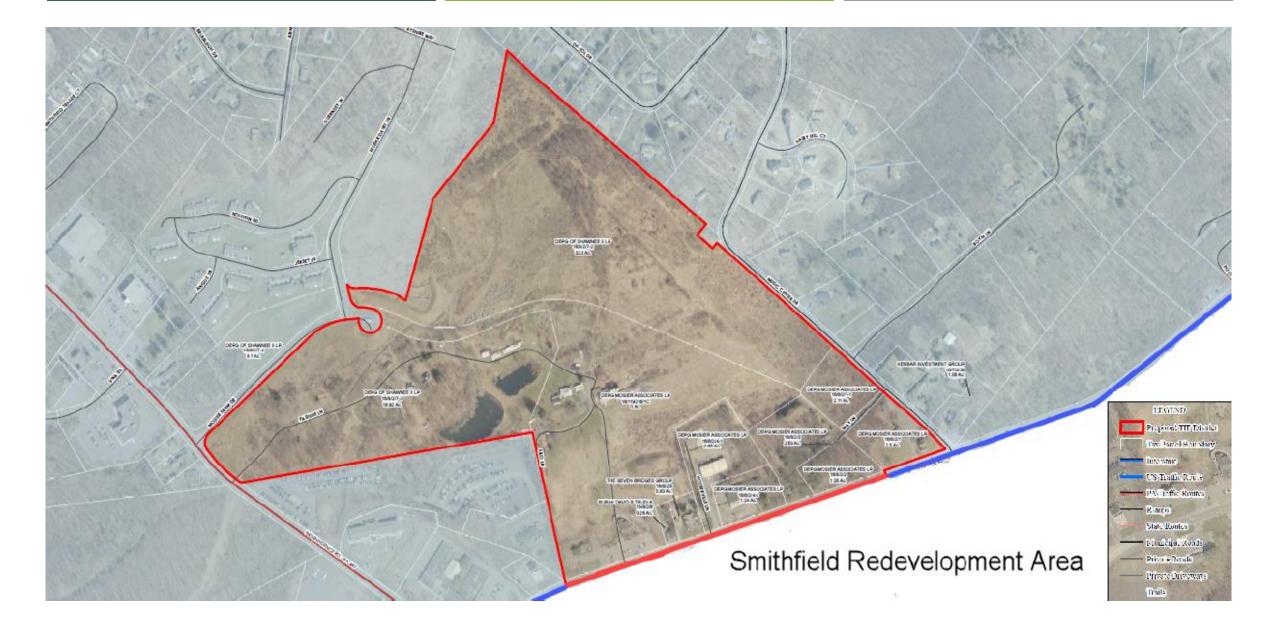
# SMITHFIELD TAX INCREMENT DISTRICT

TOWNSHIP OF SMITHFIELD

MONROE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

# TIF DISTRICT LOCATION

- Bounded generally by PA Route 447 and US Route 209 at Exit 309 of I-80
- Smithfield Township, Monroe County
- 91.4 acre multi-phase project



# HOW DOES TAX INCREMENT FINANCING WORK?

- TIF is <u>NOT</u> a tax abatement program.
- All new development pays full taxes.
- The existing real estate taxes, known as the tax increment base, are paid before there is any allocation of the taxes from new development are allocated to TIF.
- The current taxes to continued to be paid are:
  - Township: \$2,183
  - County: \$12,197
  - School District: \$97,060

## PROPOSED DEVELOPMENT

- Mixture of retail, multi-family residential, office and professional space.
- Centralized "town center" facility that serves as a gateway to the community.
- 323,000 SF of Commercial Buildings
- 236 Apartments
  - I42 one-bedroom units and 94 two-bedroom units

### TIF APPROVAL PROCESS

 County of Monroe approved participation in this TIF district by resolution dated May 16, 2018.

 East Stroudsburg Area School District approved participation in this TIF district by resolution dated May 21, 2018.

# NEED FOR TIF FUNDS

- TIF funds are needed to address significant public improvement costs, including US 209, PA 447 and a loop road connecting these two roads and signalization.
- The estimated costs for all public improvements are \$13,916,175, plus a major storm drainage project is required.
- The Authority applied for \$10,240,032 in grants to address this need.
  - \$5,199,563 in grants have been approved to date
- TIF loans of \$6,000,000 will be used to address the public improvement costs. Tax Increments allocated back to the Authority will be used to repay the Authority loans.
- The County, Township and School District will not be required to guarantee the Authority's TIF loans.

## SOURCE OF TIF FUNDS

- \$4,000,000 loan at 50% of prime rate has been applied to the Pennsylvania Infrastructure Bank (PIB). This loan has
  a 10 year term.
- \$2,000,000 20 year term bank loan is the second part of the \$6,000,000 TIF debt. The bank providing this source has not yet been determined.

## ALLOCATION OF TAXES TO FINANCE TIF DEBT

- Parcels IA, IB and 2A will allocate 79.5% of the increased rea estate taxes to pay the TIF debt and for the first I0 years. 20.5% of the added taxes will be retained by the taxing bodies.
- In years 11 through 20, the allocation of taxes to TIF will be reduced to 22.5% and 77.5% of such taxes will be retained by the taxing bodies.
- Development parcels 2B, 2C, 2D and 2E are within the TIF district but will not allocate any taxes to the TIF debt. These parcels are shown on the following map.

# OTHER ECONOMIC BENEFITS

- 900 new jobs are projected.
- Roll back of conservation restrictive taxes will provide a one time benefit:
  - Township: \$7,630
  - County: \$40,533
  - School District: \$341,784
- Transfer tax, local services tax, and earned income tax are not part of the TIF program.
- Over the 20 years of the TIF, the TIF district is projected to generate the following real estate taxes:
  - Township: \$375,986
  - County: \$2,100,690
  - School District: \$16,716,418

