



# 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 NOT 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
  - 142 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 1A, 1B and 2A will allocate 79.5% of the increased real estate taxes to pay the TIF debt and for the first 10 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

**SMITHFIELD GATEWAY**  
Monroe County | Pennsylvania  
Route 209, Smithfield Township  
OVERALL PHASING PLAN

