

CUMBERLAND COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

CARLISLE AUTO INDUSTRIES, INC. PROJECT

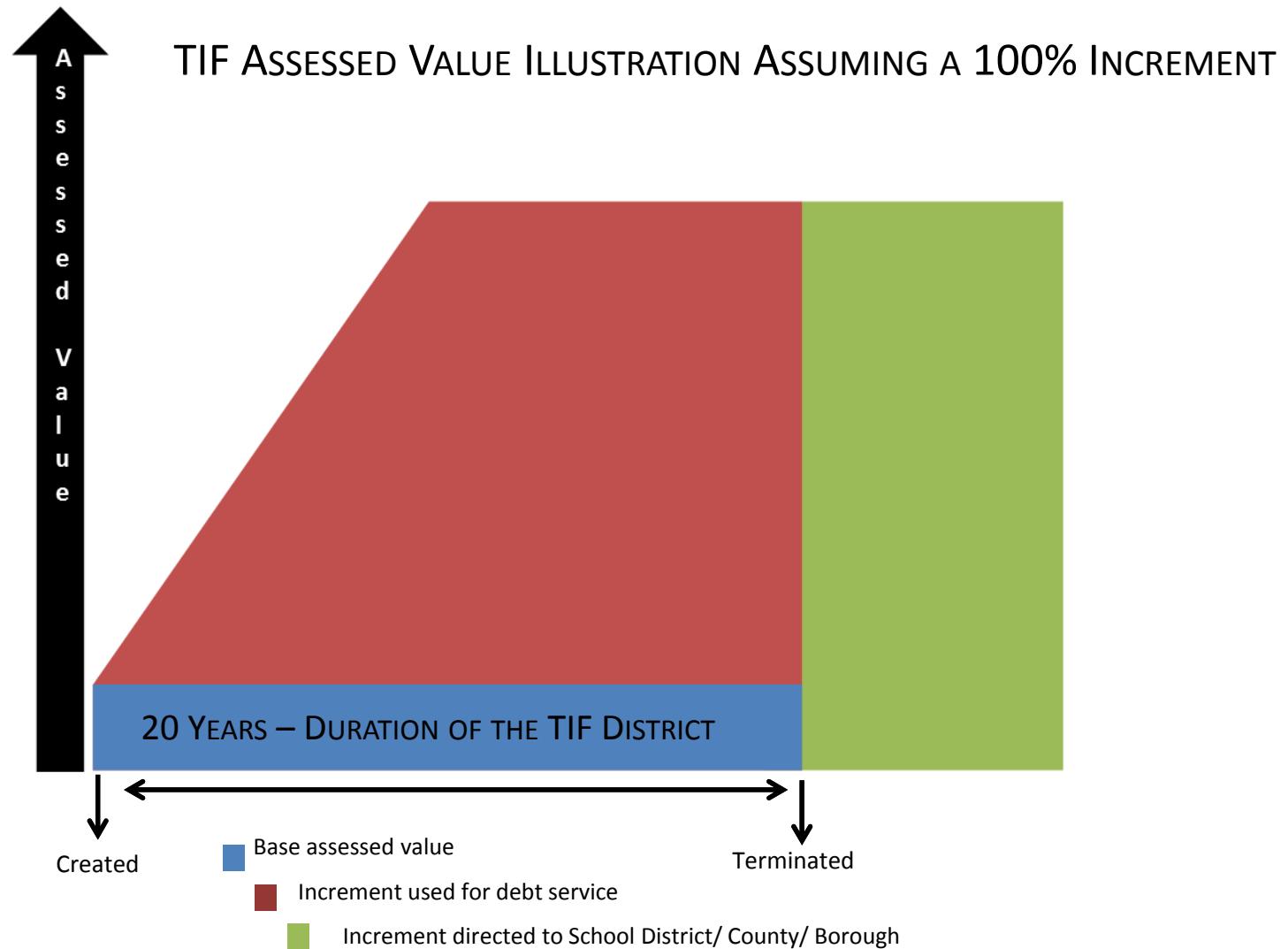
Presentation to Cumberland County
July 27, 2016

OVERVIEW OF THE TIF ACT

SUMMARY

- Base Assessed Value is set at the TIF creation date.
- Property development increases the assessed value.
- Higher assessed value results in additional real property tax revenues (These revenues represent the “Tax Increment”).
- Taxing bodies commit to invest all or a portion of their tax increment to pay debt service on a loan used to fund the necessary improvements in the district or outside the district as long as the proceeds are spent on public improvements that directly benefit the development within the district.
- Taxing bodies always retain the base tax revenues from the project site, as well as the retained incremental revenue created by the development of the project site.
- No full faith and credit guarantee is required by the County, School District or Borough.

TIF ASSESSED VALUE ILLUSTRATION



PROJECT OVERVIEW

Carlisle Events

Proposed TIF District



Site Plan



Projected Property Assessment

PROJECTED ASSESSED VALUES AND ASSOCIATED ASSESSED VALUES

USE	AREA	EST. ASSESSED
		VALUE (1)
RETAIL	14,000	\$2,100,000
HOTEL	100	\$10,000,000
2 STORY TOWNHOUSE UNITS(AUTO CONDOS)	45	\$5,625,000
2 STORY TOWNHOUSE UNITS	86	\$13,330,000
MID RISE APTS	92	\$9,200,000
OFFICE	120,000	\$12,000,000
RESTAURANTS	18,000	\$4,050,000
PARKING GARAGE	650	\$5,200,000
RESIDENTIAL GARAGES	30	\$300,000
TOTAL		\$61,805,000

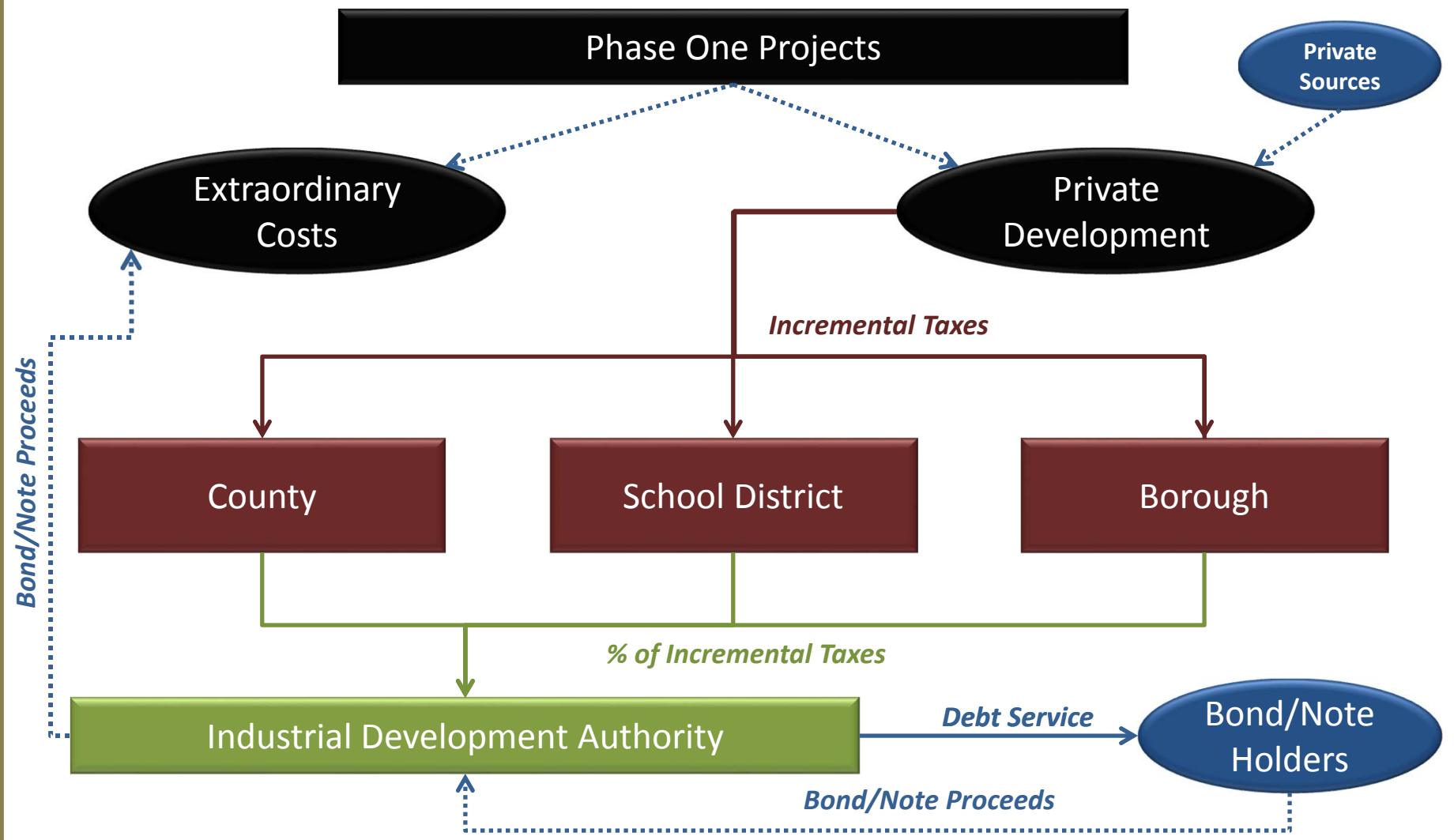
(1) All final assessed values at the discretion of the Cumberland County Assessor's Office

1 Calendar Year Ending	ASSESSED VALUE		
	2 PROJECT Base Assessed Value	3 Projected Assessed Value	4 Incremental Assessed Value
12/31/2015	1,200,000		
12/31/2016	1,200,000		
12/31/2017	1,200,000		
12/31/2018	1,200,000	10,000,000	8,800,000
12/31/2019	1,200,000	20,000,000	18,800,000
12/31/2020	1,200,000	20,000,000	18,800,000
12/31/2021	1,200,000	20,000,000	18,800,000
12/31/2022	1,200,000	40,000,000	38,800,000
12/31/2023	1,200,000	40,000,000	38,800,000
12/31/2024	1,200,000	40,000,000	38,800,000
12/31/2025	1,200,000	61,800,000	60,600,000
12/31/2026	1,200,000	61,800,000	60,600,000
12/31/2027	1,200,000	61,800,000	60,600,000
12/31/2028	1,200,000	61,800,000	60,600,000
12/31/2029	1,200,000	61,800,000	60,600,000
12/31/2030	1,200,000	61,800,000	60,600,000
12/31/2031	1,200,000	61,800,000	60,600,000
12/31/2032	1,200,000	61,800,000	60,600,000
12/31/2033	1,200,000	61,800,000	60,600,000
12/31/2034	1,200,000	61,800,000	60,600,000
12/31/2035	1,200,000	61,800,000	60,600,000
12/31/2036	1,200,000	61,800,000	60,600,000

Incremental Levy

1 Calendar Year Ending	INCREMENTAL TAX LEVY										
	2 DISTRICT			5 COUNTY			8 BOROUGH				
	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	
	Total Inc.	Contributed Inc.	Retained Inc.	Total Inc.	Contributed Inc.	Retained Inc.	Total Inc.	Contributed Inc.	Retained Inc.	Total Inc.	
	Tax Levy	Tax Levy	Tax Levy	Tax Levy	Tax Levy	Tax Levy	Tax Levy	Tax Levy	Tax Levy	Tax Levy	
	100.00%	0.00%		100.00%	0.00%		100.00%	0.00%		100.00%	0.00%
12/31/2015											
12/31/2016											
12/31/2017											
12/31/2018	114,216	114,216		20,163	20,163		28,244	28,244			
12/31/2019	244,007	244,007		43,075	43,075		60,339	60,339			
12/31/2020	244,007	244,007		43,075	43,075		60,339	60,339			
12/31/2021	244,007	244,007		43,075	43,075		60,339	60,339			
12/31/2022	503,590	503,590		88,900	88,900		124,529	124,529			
12/31/2023	503,590	503,590		88,900	88,900		124,529	124,529			
12/31/2024	503,590	503,590		88,900	88,900		124,529	124,529			
12/31/2025	786,535	786,535		138,849	138,849		194,496	194,496			
12/31/2026	786,535	786,535		138,849	138,849		194,496	194,496			
12/31/2027	786,535	786,535		138,849	138,849		194,496	194,496			
12/31/2028	786,535	786,535		138,849	138,849		194,496	194,496			
12/31/2029	786,535	786,535		138,849	138,849		194,496	194,496			
12/31/2030	786,535	786,535		138,849	138,849		194,496	194,496			
12/31/2031	786,535	786,535		138,849	138,849		194,496	194,496			
12/31/2032	786,535	786,535		138,849	138,849		194,496	194,496			
12/31/2033	786,535	786,535		138,849	138,849		194,496	194,496			
12/31/2034	786,535	786,535		138,849	138,849		194,496	194,496			
12/31/2035	786,535	786,535		138,849	138,849		194,496	194,496			
12/31/2036	786,535	786,535		138,849	138,849		194,496	194,496			
	11,795,424	11,795,424		2,082,279	2,082,279		2,916,794	2,916,794			

TIF STRUCTURE



Structure

- Twenty-year Bonds/Notes are proposed to be issued to finance a portion of the costs of the public improvements necessary for the construction of the Project.
- The Bonds/Notes will be secured by the tax increment revenues generated by the project and pledged by the Borough of Carlisle, Carlisle Area School District, and Cumberland County.
- It is proposed that each of the taxing bodies will pledge **100 percent of the tax increment revenue** generated on the project for the purpose of paying the debt service on the Bonds/Notes.
- It is anticipated that the Bonds/Notes **will not be** secured by a full faith and credit pledge by Cumberland County.
- Financing will likely be sought through local banking institutions, though the final terms and conditions will be determined upon the issuance of the debt. Interim financing by the Borough and/or Carlisle Auto Industries, Inc. through the Pennsylvania Infrastructure Bank (“PIB”) may be utilized. The PIB note, or other interim financing incurred to pay the cost of infrastructure improvements for the Project may be repaid with the proceeds of the TIF Bonds/Notes.
- The maximum construction fund for public improvements to be generated through the Tax Increment Financing will not exceed the total public improvement costs associated with the projects outlined in Table B.
- In addition to tax increment financing, it is anticipated that the remaining portion of the public infrastructure improvements for the Project may be funded through a combination of private equity investment, traditional commercial lending, grants, or Borough funds including cash and debt as appropriate.

Timing

- Bonds/Notes will be issued when:
 - The proposed development at the Project requires the construction of necessary improvements to facilitate development, or
 - The required public improvements have been constructed to facilitate the development at the Project, or
 - The Project is constructed and generating sufficient tax increment revenues to pay debt service on the Bonds/Notes.
- The Bonds/Notes may need to be issued prior to the completion of the Project and final assessment by the County Assessor's office.
- TIF Plan assumes the Bonds/Notes will be issued in 3 series over an 8 year period.
- It is anticipated that the Bonds/Notes will be issued when there has been binding agreements for site development and the development which will benefit from the TIF funds have been specifically identified and have detailed cost estimates. These proceeds also could be used to reimburse the Borough and/or Carlisle Auto Industries, Inc. for costs associated with public improvements set forth in Table B which were expended prior to the completion of the TIF financing.

Financing Scenarios

3.00% Scenario

1 Calendar Year Ending	DEBT SERVICE	
	2 Total Incremental Contribution	3 Debt Service on 12,900,000
12/31/2015		
12/31/2016		
12/31/2017	4,983	
12/31/2018	162,623	4,967
12/31/2019	347,421	267,542
12/31/2020	347,421	339,248
12/31/2021	347,421	343,229
12/31/2022	717,019	710,129
12/31/2023	717,019	711,609
12/31/2024	717,019	712,789
12/31/2025	1,119,880	1,117,189
12/31/2026	1,119,880	1,103,939
12/31/2027	1,119,880	1,110,389
12/31/2028	1,119,880	1,115,939
12/31/2029	1,119,880	1,115,589
12/31/2030	1,119,880	1,119,489
12/31/2031	1,119,880	1,112,489
12/31/2032	1,119,880	1,109,889
12/31/2033	1,119,880	1,111,539
12/31/2034	1,119,880	1,107,289
12/31/2035	1,119,880	1,102,289
12/31/2036	1,119,880	(3,961)
	16,794,497	15,316,570

Based on 3 financings over a 10 year phase in.

Generates approximately \$10,684,365.68 of available proceeds

Assumes an interest rate of 3.00%

5.00% Scenario

1 Calendar Year Ending	DEBT SERVICE	
	2 Total Incremental Contribution	3 Debt Service on 8,925,000
12/31/2015		
12/31/2016		
12/31/2017	4,987	
12/31/2018	162,623	4,974
12/31/2019	347,421	191,224
12/31/2020	347,421	271,959
12/31/2021	347,421	271,195
12/31/2022	717,019	555,945
12/31/2023	717,019	557,680
12/31/2024	717,019	553,915
12/31/2025	1,119,880	887,665
12/31/2026	1,119,880	888,415
12/31/2027	1,119,880	892,915
12/31/2028	1,119,880	885,915
12/31/2029	1,119,880	887,915
12/31/2030	1,119,880	888,415
12/31/2031	1,119,880	892,415
12/31/2032	1,119,880	889,665
12/31/2033	1,119,880	890,415
12/31/2034	1,119,880	889,415
12/31/2035	1,119,880	891,665
12/31/2036	1,119,880	50,665
	16,794,497	12,247,363

Based on 3 financings over a 10 year phase in.

Generates approximately \$6,914,175.31 of available proceeds

Assumes an interest rate of 5.00%

7.00% Scenario

1 Calendar Year Ending	DEBT SERVICE	
	2 Total Incremental Contribution	3 Debt Service on 7,920,000
12/31/2015		
12/31/2016		
12/31/2017	4,986	
12/31/2018	162,623	4,973
12/31/2019	347,421	259,998
12/31/2020	347,421	273,810
12/31/2021	347,421	272,848
12/31/2022	717,019	550,148
12/31/2023	717,019	556,134
12/31/2024	717,019	561,071
12/31/2025	1,119,880	895,371
12/31/2026	1,119,880	892,721
12/31/2027	1,119,880	893,321
12/31/2028	1,119,880	891,821
12/31/2029	1,119,880	893,221
12/31/2030	1,119,880	887,171
12/31/2031	1,119,880	884,021
12/31/2032	1,119,880	883,421
12/31/2033	1,119,880	885,021
12/31/2034	1,119,880	878,471
12/31/2035	1,119,880	884,121
12/31/2036	1,119,880	78,921
	16,794,497	12,331,569

Based on 3 financings over a 10 year phase in.

Generates approximately \$5,789,727.25 of available proceeds

Assumes an interest rate of 7.00%

Public Improvements TIF Can Finance

- This is intended to be a list of broad categories of potential public improvements needed for this site as identified in the *Carlisle Urban Redevelopment Plan* and related site plans of the Borough and Carlisle Auto Industries, Inc. and its successors. Please refer to the next page for more detail. Constructed public improvements may be modified from those described below.
 - *Intersection Improvements*
 - *Street Retrofitting*
 - *Street Construction*
 - *At-Grade Consolidation and Realignment*
 - *Sharrows (Bike Lane Markings), Multi-Use Trails, and Other Walk and Bikeability Enhancements*
 - *Streetscape Enhancements and Green Infrastructure Improvements*
 - *Public Parks*
 - *Stormwater Enhancements*
 - *Sewer System Upgrades*
 - *Water System Upgrades*
 - *Electric and Other Utility Site Access Upgrades*

Est. Total Public Improvement Costs

Public Improvements	Total Public Improvements	Improvements Necessary for Project Completion	Other Public Improvements
Intersection Improvements at US Route 11/N. Hanover St./Fairground Ave./Penn Ave.	2,614,000	2,614,000 [1]	-
Intersection Improvements at US Route 11/N. Hanover St./Clay St.	850,000		850,000
PA Route 34/Carlisle Springs Rd. and US Route 11/N. Hanover St. At-grade Crossing Consolidation and Realignment	1,930,000	1,930,000	-
A Street from Fairground Ave. to Pitt St.	165,000	165,000	-
D Street Extension from PA Route 34/Carlisle Springs Rd. to Hamilton St.	495,000		495,000
A Street Extension from Fairground Ave. to PA Route 34/Carlisle Springs Rd.	770,000	770,000	-
B Street Extension from Pitt St. to PA Route 34/Carlisle Springs Rd.	1,045,000	1,045,000	-
C Street Extension from Pitt St. to PA Route 34/Carlisle Springs Rd.	825,000	825,000	-
D Street Extension from Pitt St. to PA Route 34/Carlisle Springs Rd.	825,000	825,000	-
Fairground Avenue from Penn St. to B Street	2,053,000	2,053,000 [1]	-
Carlisle Springs Rd. to Hamilton St. School Portion of Memorial Park to Hamilton St. School Multi-Use Trail/Greenway/Safe Route to School	55,000	55,000	-
Fairground Stormwater Park from Penn to B Street	2,000,000	2,000,000	-
Fairground Stormwater Park from B Street to D Street	1,650,000		1,650,000
Total Project Costs	15,277,000	12,282,000	2,995,000

The public improvement costs presented here are the best estimates at the time of completion of the TIF Plan. These estimates may change over time as project design is completed and bids are received.

Est. Total Public Improvement Costs

Total Public Improvements	Improvements Necessary for Project Completion
---------------------------	---

Estimated Funding Sources (3% Interest Rate Scenario)

Estimated Net TIF Proceeds After Capitalized Interest, DSRF, and COI	10,684,366	10,684,366
Borough Grants In Hand for Public Improvements	1,880,000	1,880,000
Other Public or Private Financing Sources	2,712,634	(282,366)
Total	15,277,000	12,282,000

Estimated Funding Sources (5% Interest Rate Scenario)

Estimated Net TIF Proceeds After Capitalized Interest, DSRF, and COI	6,910,000	6,910,000
Borough Grants In Hand for Public Improvements	1,880,000	1,880,000
Other Public or Private Financing Sources	6,487,000	3,492,000
Total	15,277,000	12,282,000

Estimated Funding Sources (7% Interest Rate Scenario)

Estimated Net TIF Proceeds After Capitalized Interest, DSRF, and COI	5,789,728	5,789,728
Borough Grants In Hand for Public Improvements	1,880,000	1,880,000
Other Public or Private Financing Sources	7,607,272	4,612,272
Total	15,277,000	12,282,000

Total Project and Non-Project Costs

Project Component	3% Interest Rate	5% Interest Rate	7% Interest Rate
	Scenario	Scenario	Scenario
Estimated Sources of Funds			
TIF Notes [1]	12,900,000	8,925,000	7,920,000
Borough Grants in Hand for Public Improvements	1,880,000	1,880,000	1,880,000
<u>Other Public or Private Financing Sources</u>	<u>2,712,634</u>	<u>6,487,000</u>	<u>7,607,272</u>
Total Sources	17,492,634	17,292,000	17,407,272
Estimated Uses of Funds			
Project Costs			
Construction Fund for Total Public Improvements	15,277,000	15,277,000	15,277,000
Non-Project Costs			
Capitalized Interest	648,075	745,625	926,625
Debt Service Reserve Fund	1,105,500	846,250	792,000
<u>Costs of Issuance</u>	<u>462,059</u>	<u>423,125</u>	<u>411,647</u>
Total Uses	17,492,634	17,292,000	17,407,272

[1] Assumes TIF Notes are issued in three series over an 8 year period.

Actual sources and uses will vary based on final timing, assessed value, and interest rate environment at the time of issuance.