**Lehigh County Industrial Development Authority**

**TIF Committee – Hamilton Crossings**

**Meeting Minutes – March 21, 2013**

1. Meeting began at 9:00am at the Lower Macungie Township Offices.
2. John Kingsley welcomed everyone.
3. Scott Shearer provided a synopsis of the last meeting which concluded with a request to County TIF members to go back and discuss the draft TIF plan with the other commissioners to determine level of support and their related questions and concerns.

The ensuing discussion centered around the reports of various members on their interactions with colleagues and constituents.

Vic Mazziotti and Percy Dougherty both said the County Commissioners want to see the final document and will need to be able get answers to a number of questions before a level of support could be established.

Vic Mazziotti indicated that he is concerned about the level of participation the County has been asked to consider related to the TIF. To that issue, he and others worked with Buddy Unger, the Lehigh County Assessor, to further tighten the assessment projections. Subsequently, Mr. Unger provided a new projected assessment calculation that yielded an increase of approximately $10,000,000 over the assessment used to calculate the participation rates in the draft TIF plan.

Jeremy Fogel was concerned that this assessment projection might be too high. He suggested that some of the lease prices that were being used to set the valuations on certain buildings were out of kilter with the market. He further stated that the assessments should be accurate to ensure there would be sufficient increment to service debt. If the assessment proved to be inaccurate there might be deficiencies in the available increment to pay debt service.

It was discussed that the TIF plan would set a maximum participation rate for the taxing bodies. Credit enhancement vehicles and other related variables might reduce the amount required, but the worst case would involve the increment allocations outlined in the plan.

It was restated that if there are excess tax proceeds yielded above the projected increment, they could be used to pay down the bonds or be returned to the taxing bodies. Furthermore, if reductions in the project costs were realized this could also result in a reduction in the tax increment financing issued.

There was lengthy discussion, raised by the developer, related to the potential to appeal the assessed values in the TIF district. It was again stated that the property owners in the district would not be able to appeal their assessment below a floor that would be set forth in the TIF plan (as the projected assessed value) and would be the basis for calculating the resulting tax increment.

Vic Mazziotti asked if the Township could work with the developer to further reduce the costs of the project. Bruce Fosselman, provided an overview of the Township’s commitment to the project. The Township is waiving a $2.8 million traffic impact fee and is providing $250,000 to improve traffic signalization in the area.

John Lushis raised the question as to how proceeds of the TIF should be used. There has been some concern posed as to the use of proceeds to remediate mine wash on the site.

While the majority of committee members were comfortable using TIF proceeds for the purposes of addressing the costs related to the mine wash, Vic Mazziotti was opposed to this use. In his opinion the developer is paying too much for the land and, as such, the TIF proceeds were being used to adjust for the elevated cost of acquisition. In his estimation the expense of remediating the mine wash should have resulted in a corresponding reduction in the price of the land.

Items for Follow-up

1. Various parties will continue to work with the County Assessor to continue to refine the estimated assessed value of the subject property at completion. PFM will provide new TIF financing models based on the revised assessment.

2. Ken Bacher asked that additional language be added to the draft TIF plan to specify how recognized cost savings in the project and excess increment could accrue to the benefit of the taxing bodies.

3. Finally, it was requested that a list of frequently asked questions (FAQ) related to TIFs be assembled to accompany the TIF plan, so that those new to the subject matter could better understand how the program works.

The next TIF Committee meeting was scheduled for 4:00PM on, Wednesday, March 27th to be held at the offices of Lower Macungie Township.

Respectfully submitted,

John Kingsley