

TAX INCREMENT FINANCING FACT SHEET

KALAHARI RESORTS PROJECT IN TOBYHANNA TOWNSHIP

What is Tax Increment Financing (TIF)?

- A method of project funding where borrowed funds are collateralized (guaranteed) by future tax revenues generated by new development.
- The Monroe County Industrial Development Authority (MCIDA) will issue bonds and the property tax revenue generated by Phase I of the development will be used to pay debt service on the bonds.

Why create a TIF?

- Creates new jobs
- Attracts new investment to the community
- Taxing bodies continue to receive the current tax revenue
- Generates new Earned Income Tax revenue
- Only Phase I of Kalahari Resorts is included in the TIF. If they proceed with Phase II and Phase III, ALL of the property taxes generated will stay with the taxing bodies.

What can TIF fund?

- Infrastructure improvements required for a project , such as sewer expansion & repair, storm drainage, road construction and water supply
- For Kalahari, these costs are detailed in the TIF Plan.

What is the role of the TIF Planning Committee?

- They review and provide input on the TIF Plan.
- Keep their respective boards informed of the process and bring questions back to the committee
- Decide which entity (the township or county) will actually create the TIF – In this case, it was determined that the Township will create the TIF.

What TIF is NOT:

- A tax break or incentive for the developer or company who locates in the TIF district
- The property owner pays ALL of its property taxes.

Are there other existing TIF's in Monroe County?

- Yes, there is one in Pocono Township and the TIF proceeds were used for the Pocono Township Sewer Project.
- It is expected that this TIF will be paid off early based Kalahari's historical revenues received on other similar projects.