

Amity Township Board of Supervisors

Workshop Meeting Minutes

November 1, 2023

Call to Order

The November 1, 2023, workshop meeting of the Board of Supervisors held at the Township Municipal Building, 2004 Weavertown Road, Douglassville, Berks County, Pennsylvania, was called to order at 7:00PM, by Chairperson Kim McGrath. The following were in attendance:

SUPERVISORS

Kim McGrath, Chairperson

Dave Hackett, Vice Chair

Paul Weller

Terry Jones

Kevin Keifrider

STAFF

Troy Bingaman, Manager

Brian F. Boland, Kozloff/Stoudt Attorneys

Pamela Kisch, Township Secretary

Mrs. McGrath turned the meeting over to Mr. Boland at 7:00PM for the purpose of conducting the *TIF District Public Hearing*.

A stenographer was present for the Public Hearing. The stenographer's transcript shall be the official record of this hearing.

Mr. Boland stated the Public Hearing was properly advertised and being held for the purposes of public comment on the concept of Tax Increment Financing (TIF) and the creation of the proposed boundaries of a TIF District known as the Amity Park Road Redevelopment Area comprised of two properties, the adoption of the project plan for the TIF District and the benefits the TIF District will bring to the Township and other taxing authorities.

Mr. Boland introduced Township Exhibits 1A through 1K and 2 into the record.

Tom Flatley, VP of American Land Development, was sworn in. Mr. Flatley testified he is the developer for the proposed development of the two contiguous parcels, which total approximately 113 acres. The proposed development would be a 55+ age-targeted community and would consist of 338 units, comprised of 190 singles and 148 twins. Mr. Flatley testified to pictures of the map, construction of the single and twin exhibits and amenities of the community as shown for the applicant exhibits. Mr. Boland asked if members of the public had any questions for Mr. Flatley. Shane Kochel asked who would take over dedication of the utilities. Mr. Flatley testified utilities and streets would not be dedicated to the Township. The Community Center, pool and pickleball courts, streets and utilities would all be dedicated to and maintained by the HOA.

Hearing no further questions, Jeremy Zaborowski, Berks Industrial Development Authority (IDA) was sworn in. Mr. Zaborowski testified he is the Executive Director of Berks IDA. Mr. Zaborowski explained Berks IDA provides guidance and facilitates financing for Berks municipalities who seek to

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spur development in large areas that developers have shown no interest in and have been designated blighted by their respective Planning Commissions. In accordance with Act 113 of 1990, as amended by Act 164 of 1992 (TIF Act) the project seeks consideration and approval by the three local taxing bodies with jurisdiction of the project: Amity Township, County of Berks and the Daniel Boone Area School District. TIF funds must be used for the benefit of the general public and not solely for specific properties. The proposed project would bring water and sewer utilities to nearly 600 acres in the Planned Business Office Industrial (PBOI), an area that has been marketed over the past decade to new and existing businesses, without success, largely due to the lack of infrastructure. The Township rezoned the area to allow medium density residential development; however, developers faced the same hurdles. American Land Development has proposed an age targeted 55+ community to consist of 190 singles and 148 twin units on the almost 113 acres over the course of six years, with a goal of 50-65 homes sold per year, the units would have an expected value of \$329,990-\$349,990 and single homes between \$364,990-\$384,990. Each home would have an average assessed value of \$131,000-\$153,000, equaling roughly \$6,000-\$6,400 in additional property taxes each year. The County Assessor's Office estimated the assessed value at project completion to be \$47M to \$49.7M. At completion of all building phases there's an expected tax generation of \$2.06M to \$2.17M. Over the 10 years of the project, \$13.1M to \$13.9M in additional property taxes are expected to be generated versus if the project were to never occur. Mr. Zaborowski stated the \$47M-\$49M estimated tax assessment was comparable to that of the large warehouse park on I78. The TIF District Boundary is entirely within the Township of Amity and includes two properties with a street address of Amity Park Road, with a combined 112.85 acres.

Mr. Zaborowski stated if approved, the TIF would be a maximum of 10 years but could be paid off as early as 3 years. Landowners would pay their full tax amount, allowing a portion of taxes to be used to pay off the \$5M TIF. Berks County has agreed to pay 70% of their tax for these properties above and beyond what they receive now after clean and green; and Daniel Boone School District has agreed to pay 80% of their tax for these properties to retire the TIF debt. The School District had no interest in being the guarantor to the project. In lieu of contributing to the TIF, all three taxing bodies agreed to having Amity Township act as the guarantor. Should the TIF Project fail to generate sufficient increment to service the loan, the Township will be held fully responsible for the balance owed at the time. Once the debt is retired, taxing bodies will keep the full amount of taxes generated by this project. Berks IDA will act as the administrator of the TIF.

Prior to this Public Hearing, on October 19, 2023, the County of Berks provided by resolution their intent to participate in the TIF District; and, on October 23, 2023, Daniel Boone Area School District provided by resolution their intention to participate in the TIF District in accordance with the draft Cooperation Agreement provided to all taxing bodies by email October 3, 2023. Mr. Zaborowski stated the TIF would be smaller than usual, allowing Berks IDA to work with 4 to 5 banks instead of taking out the typical bond. M&T Bank was engaged and provided a draft commitment letter. With the highest millage, the School District will be the largest tax beneficiary. The PBOI has not had any development and no families will be displaced by the development. Mr. Zaborowski stated this is a sound plan for the Township and the developer.

Mr. Boland asked for any public questions for Mr. Zaborowski. Shane Kochel stated he understood there needed to be proof the property owner couldn't afford the improvements in order to qualify for a TIF and asked what matrix was used for this proof. Mr. Zaborowski stated it is not a requirement to prove whether a developer can afford the improvements, but rather prove the site can't be economically developed. Mr. Kochel questioned why the revenue generated by the EDU's purchased by a previous owner weren't being used for the infrastructure of this project. Mr. Zaborowski stated EDU is not pipe, it's not getting the

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service to the site. Kevin Stroble, 318 Pleasant View Drive, stated he understands the EDU gives the right to connect to public sewer. Mr. Zaborowski stated the TIF is intended to move forward when on-site and off-site improvements are in place. Chris Grech asked if the \$5M is being paid primarily by the School District. Mr. Zaborowski agreed they will, adding they have no liability toward the guarantee should the TIF loan not be fully paid. Mr. Kochel stated only 3 members of the school board were present when the agreement was drafted and asked if anyone had figured out the final cost to the school. Mr. Zaborowski stated he did not. Mr. Stroble stated he calculated it to be between \$3.7M and \$3.8M. Mr. Zaborowski stated that sounds like it would be within the ballpark. Mr. Stroble stated the meeting with only 3 school board members was a conversation re-stating where the school and township were. This concluded Mr. Zaborowski's testimony.

Troy Bingaman was sworn in and testified. Mr. Bingaman testified the agenda had been posted and he was familiar with the draft of the TIF District Ordinance. The proposed area has not been subject to development or development opportunities since the PBOI designation because there was no infrastructure such as water and sewer utilities. Mr. Boland asked if there were any other TIF Districts in Amity. Mr. Bingaman stated there were not. Mr. Bingaman testified the area represented less than 10% of the total tax assessment value as of 10/23/2023, at just under 7%. Gretchen Markle, 707 Pearl St, Birdsboro, asked whether the Waste Water Treatment Plant has capacity or would need an upgrade to provide sewer to the 600 acres. Mr. Bingaman stated plant improvements are already underway. Mr. Boland stated the EDU's for these two properties were already factored in before the upgrades. Mr. Kochel asked how many years the properties were up for sale and not purchased due to lack of infrastructure. Mr. Bingaman stated he wasn't certain. This concluded Mr. Bingaman's testimony.

Mr. Boland asked the Board if they had any questions. Mrs. McGrath questioned who monitors the age restriction for a 55+ community. Mr. Flatley stated he imagined the sale team would initially, followed by State and Federal guidelines, then by the HOA. Mr. Boland stated the deed will be restricted and noted of the age 55+ requirement. Mrs. McGrath asked how taxing worked with Berks IDA as the administrator. Mr. Zaborowski stated taxpayers pay the taxing bodies as normal. Berks IDA reaches out to the Berks County Assessment Officer and provides the amount due for the tax debt. The Tax Collector will verify correctness and remit directly or submit to the Berks IDA. Mrs. McGrath stated she'd like to see the debt paid down as quickly as possible and would be open to discussion regarding contributing a portion of the taxes from these two properties. Mrs. McGrath questioned the \$5.1M. Mr. Zaborowski stated it could go lower and be ok.

At 8:04PM Mr. Boland moved to enter Exhibits 1A through 1K and Exhibit #2 into the record and closed the hearing. Mr. Boland turned the meeting over to Mrs. McGrath.

MANAGER'S REPORT

Mr. Bingaman had nothing to report.

SUPERVISORS

Mr. Jones stated the Township had invested well over \$1M in the PBOI and it was still rendered invaluable. Mr. Jones stated this project will dramatically improve the School District's finances.

PUBLIC COMMENT

Mr. Grech asked who would be responsible for electric, cell phone towers and roads. Mr. Boland stated those items would all be dealt with through the normal planning process. Mr. Kochel stated he thinks the project is a great idea and appreciates Mrs. McGrath's comments about being open to discussion of contributing to pay toward the debt. Mr. Bingaman reiterated the Township has taken full burden of the

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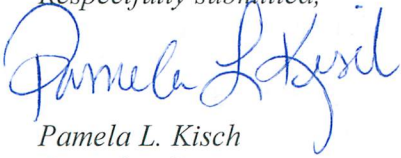
liability, where the school would not. Mr. Boland stated the Township has been actively encouraging development of the PBOI. Mr. Keifrider stated Supervisors previously asked the School Board and Dr. Cooper what types of development they'd like to see and were told development without kids and those age-targeted were preferred. Mr. Keifrider stated that's what the Township has been gearing towards the past 6+ years he's served on the Board. Mr. Keifrider asked for a brief Executive Session to discuss Real Estate matters.

EXECUTIVE SESSION AND ADJOURNMENT

At 8:16PM, with no further business, Mr. Jones moved, seconded by Mr. Weller to adjourn to *Executive Session* to discuss matters of real estate, with no intent to return.

Meeting adjourned at 8:16PM.

Respectfully submitted,



Pamela L. Kisch
Township Secretary