

Pennsylvania Horse Race & Gaming Development Act

**Act 71 of 2005 (enacted July 5, 2004)
(amended November 1, 2006 by Act 135 of 2006 and
January 7, 2010 by Act 1 of 2010)**

Distribution of Montgomery County Local Share Assessment

Facility: Valley Forge Casino Resort

- 2% of gross terminal slots revenue
- 1% of gross terminal table games revenue

Grants and Guarantees

Grants are available for:

- **redevelopment, reuse, or revitalization of previously developed land**
- **development of undeveloped land**
- **projects which construct, expand or improve water and wastewater infrastructure related to business development**
- **planning/predevelopment activities and feasibility studies for the above projects.**

Guarantees are available in accordance with the Tax Increment Financing Act.

Grants – Key Site Development

- Projects to include:
 - **Previously Utilized Sites**
 - Redevelopment, reuse, or revitalization of previously developed land, including previously mined areas.
 - **Undeveloped Sites**
 - Development of undeveloped land which may be the subject of future land development for occupation by businesses pursuant to any existing comprehensive municipal plan.

Grants – Key Site Development

- **Applicants** (located in and/or serve Montgomery County):
 - County
 - Municipalities
 - Municipal Authorities
 - Redevelopment Authorities
 - Industrial Development Agencies
- **Use of funds:**
 - Planning grants
 - Environmental assessment and remediation
 - Demolition
 - Site preparation
 - Installation or rehabilitation of infrastructure
 - Signage, landscaping, street lighting
 - Engineering/Design
 - Administrative costs

Grants – Water Supply and Wastewater Infrastructure

- Projects must involve the investment of capital in PA enterprises and communities or result in the creation or preservation of jobs.
- Projects to include:
 - **Acquisition of land, easements, or rights-of-way and the construction, improvement, expansion, extension, repair, or rehabilitation of either:**
 - A system for the supply, treatment, storage, or distribution of water not used solely for residential purposes; or
 - A system for the collection, treatment, or disposal of wastewater (including industrial waste and the separation of sanitary sewers and storm sewers) not used solely for residential purposes.

Grants – Water Supply and Wastewater Infrastructure (continued)

- **Applicants** (located in and/or serve Montgomery County):
 - County
 - Municipalities
 - Municipal Authorities
- **Use of funds:**
 - Planning grants
 - Acquisition of interests in tangible property
 - Demolition, removal, or relocation of buildings/structures
 - Preparation of land for development
 - Engineering/Design
 - Construction, reconstruction, erection, equipping, expansion, improvement, installation, rehabilitation, renovation, or repair of on-site or off-site infrastructure, buildings, structures, equipment, and fixtures
 - Administrative costs

Restrictions and Limitations

- Projects may not commence prior to approval of LSA assistance.
- Budget caps:
 - Grants may not exceed \$200,000.
 - Grants may not exceed 75% of the total eligible project cost.
 - Must demonstrate funding commitment for matching funds.
 - Administration - 3% of total grant request and award.
 - Audit – max of \$1,000 may be included in grant request.
 - Engineering - 10% of total grant request and award.

Evaluation Criteria

- Economic impact.
- Economic conditions of the project's region.
- Level of private sector investment leverage.
- Reuse of Brownfields/underutilized sites.
- Local financial support.
- Project readiness.
- Strategic importance.
- Financial need.
- Feasibility.
- Marketability and location of the developed site, as applicable.
- Projected timeline for project commencement and completion.

Single Application and supplemental items

1. A description of the project to include:
 - Specific location of the project area including site characteristics and the impact of the specific economic development activity that will occur as a result.
 - Characteristics of the area that demonstrate a need for economic development.
 - Where the project is consistent with existing county and municipal comprehensive plans, identified as a priority investment in a local or regional economic development plan or strategy, and if the area is planned for development.
 - Historical and proposed use of the land.
 - Specific activities proposed to be funded; experience of the developer, if applicable.
 - Estimated start and end dates of construction.
 - Potential employment opportunities and investment to be realized as a result of the project.

Single Application and supplemental items (continued)

2. A statement as to the estimated cost of the project. Must be prepared by an engineer or other qualified professional and accompanied as appropriate by copies of the signed bid/quotations/estimates, etc.
3. Funding commitment letters from all other project funding sources (including equity commitments).
4. A color-coded map or plot plan detailing the location of the infrastructure overlaid with the corresponding zoning of the project area.
5. The most recent financial statements of the Applicant and/or project-user and any proposed guarantors.

Single Application and supplemental items (continued)

6. A letter from the appropriate planning agency certifying that the proposed project is in compliance with the comprehensive land use plans and zoning and subdivision codes.
7. Copies of notifications provided to county and municipal governing bodies advising them of the proposed project.
8. A resolution duly adopted by the applicant's governing board formally requesting the grant, designating an official to execute all documents, describing briefly the project scope, and identifying the grant amount.

Single Application and supplemental items (continued)

9. For Water Supply and Wastewater Infrastructure Projects:
 - A letter from the project user demonstrating a firm commitment to use the water or sewer infrastructure when completed and the nature of their economic development activity.
 - Current annual user rates and number of users, both commercial and residential, for the municipality in which the project is located.
 - Current tap-in fees and a projection of future tap-in fees along the project area.

Guarantees

- Processed in accordance with the Tax Increment Financing Guarantee Program guidelines except:
 - A maximum guarantee amount per project under the LSA Montgomery County program is \$500,000.

Guarantees - continued

- At a minimum, eligible projects must:
 1. Be located within a TIF district and must meet all of the requirements imposed by the Tax Act. May include the cost of publicly-owned infrastructure located outside of the TIF district which directly benefits the project.
 2. Be for the:
 - Redevelopment, reuse, or revitalization of previously developed land, including previously mined areas; or
 - Development of undeveloped land which may be the subject of future development pursuant to any existing comprehensive municipal plan and is zoned for that development at the time of application.

Guarantees - continued

- At a minimum, eligible projects must (continued):
 3. Be the intended recipient of the proceeds of the TIF Debt Obligations.
 3. Demonstrate its ability to comply with all the requirements of the TIF Act prior to the issuance of the TIF Debt Obligations.
 4. All applicants must demonstrate that the tax increment to be realized as a result of the TIF project will be sufficient to offset the amount of debt service to be incurred.

Guarantees - continued

- Eligible Applicants:
 - Any issuer of TIF Debt Obligations for a project located within a municipality, other than a city of the first or second class, located within Montgomery County may apply to the LSA Montgomery County TIF Guarantee Program.
 - Eligible issuers under the TIF Act include all municipal authorities, industrial and commercial development authorities, and redevelopment authorities including boroughs, townships, towns, counties, and home rule municipalities.

Guarantees - continued

Please see TIF guidelines attached to the end of the LSA Montgomery County guidelines for additional information taking note that the maximum guarantee will be \$500,000.

Local Share Assessment Application Procedures

- A. Applications must be submitted through the DCED on-line Single Application for Assistance process. Supplemental items should also be attached, if possible (must be attached for guarantee requests).
- B. ***One copy*** of the submitted application, including supplemental information, must be sent via US Mail along with the application signature page.
- C. The CFA will review applications to ensure that proposed projects meet eligibility requirements.
- D. The CFA charges a **\$100 non-refundable application fee** due at the time of application submission.

Application Deadlines & Websites

- Applications will be accepted between April 1st and June 30th.
- DCED website: www.newpa.com
 - Access the guidelines, application, and presentation.
- Single Application: www.esa.dced.state.pa.us
- CFA: www.newpa.com/find-and-apply-for-funding/commonwealth-financing-authority

Anticipated Program Funding

- Anticipate approximately \$3,000,000 in funding to be available for this first round.
 - Note: This is all revenue generated from opening through June 30, 2014.
- Anticipate annual program funding availability between \$1,250,000 - \$1,500,000.

DCED Contacts:

Mandy Book

(717) 720-1419

mabook@pa.gov