

Northfield Site Phase I Tax Increment Financing Plan

Findlay Township, Pennsylvania

Prepared By:
Redevelopment Authority of
Allegheny County
25 April 2007



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Executive Summary

1. TIF District

The Northfield Site Phase I Tax Increment Financing District (TIF District) is approximately 160 acres adjacent to the Pittsburgh International Airport bordered by Halverson Drive to the east and PA Business Route 60 to the north. The TIF District is located in the Township of Findlay and is wholly within the West Allegheny School District and Allegheny County. Further, the TIF District is entirely within the Amended Findlay/Airport Study Area, certified in need of redevelopment by the Redevelopment Authority of Allegheny County in February 2007 as a result of the Amended Findlay/Airport Basic Conditions Report as illustrated in Exhibit A.

2. Proposed Improvements Financed with TIF Proceeds

TIF proceeds are expected to be utilized to finance a portion of a new access road to intersect with Halverson Drive. In addition, public sewer and other utilities will be extended to the development site. The Project includes compensatory mitigation of on-site wetlands and streams. Grading will also be completed for a future taxilane that will connect the site to the existing runway and provide direct access to the cargo buildings. The public improvements are illustrated in Exhibit B. Project costs to be funded with TIF proceeds include portions of administrative, engineering, construction and financing costs, including interest expense.

3. Estimated Costs of Public Improvements

The Allegheny County Airport Authority (ACAA) proposes to construct approximately \$22 million of public infrastructure.

Northfield Site Phase I Project	
Land	\$7,055,000
Administration & Engineering	1,350,000
Construction	10,327,424
Financing Costs	1,799,576
Grading (Future Taxilane)	1,500,000
Total	\$22,032,000

4. Proposed Development

The Project will facilitate the development of approximately 900,000 square feet of warehouse/distribution and air cargo space on eight sites. Buildings to be constructed will generally range in size from 80,000 to 150,000 square feet. The proposed development within the TIF District will make immediate use of both the Project and the International Drive cargo interchange of PA Business Route 60 opened in 2003.

5. Estimated Costs of Proposed Development

The proposed development of the land serviced by the Project will attract private financing and equity sources for land leases and the construction of private sector buildings. The anticipated private investment within the TIF District is estimated at over \$88 million.

Northfield Site Phase I TIF Project Private Development Costs	
Land (lease)	\$5,028,000
Building Construction	68,542,400
Soft Costs	15,029,000
Total	\$88,600,000

6. Current Assessed Value of TIF District

The property within the TIF District is owned by the ACAA and currently tax exempt.

7. Anticipated Assessed Value of TIF District

The anticipated assessed value of property within the TIF District is approximately \$34.7 million. This estimate is based on a Fair Market Value of the cumulative land and hard construction costs of buildings within the TIF District. [See Exhibit C]. The amount is further adjusted for purposes of this TIF Plan to be in line with comparable properties within the market.

8. Proposed Term of TIF District

Twenty (20) years.

9. Proposed Taxing Body Rate of Participation

The percentage of the incremental real property taxes pledged to the TIF Debt is equal to the following: County – 75%, Township – 75%, School District – 75%.

10. Net TIF Proceeds to be Made Available to the Project

Approximately \$3,270,424 will be available for construction of the Project.

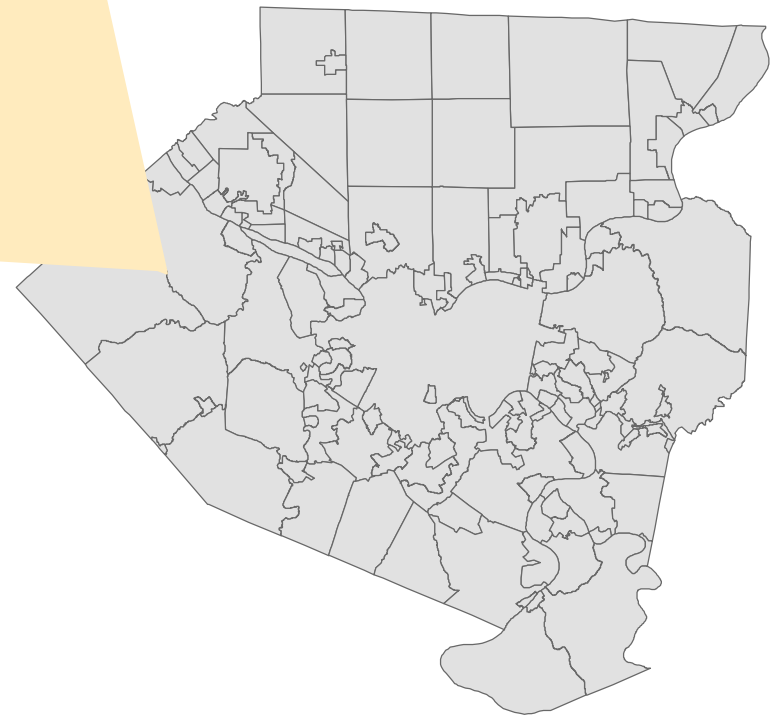
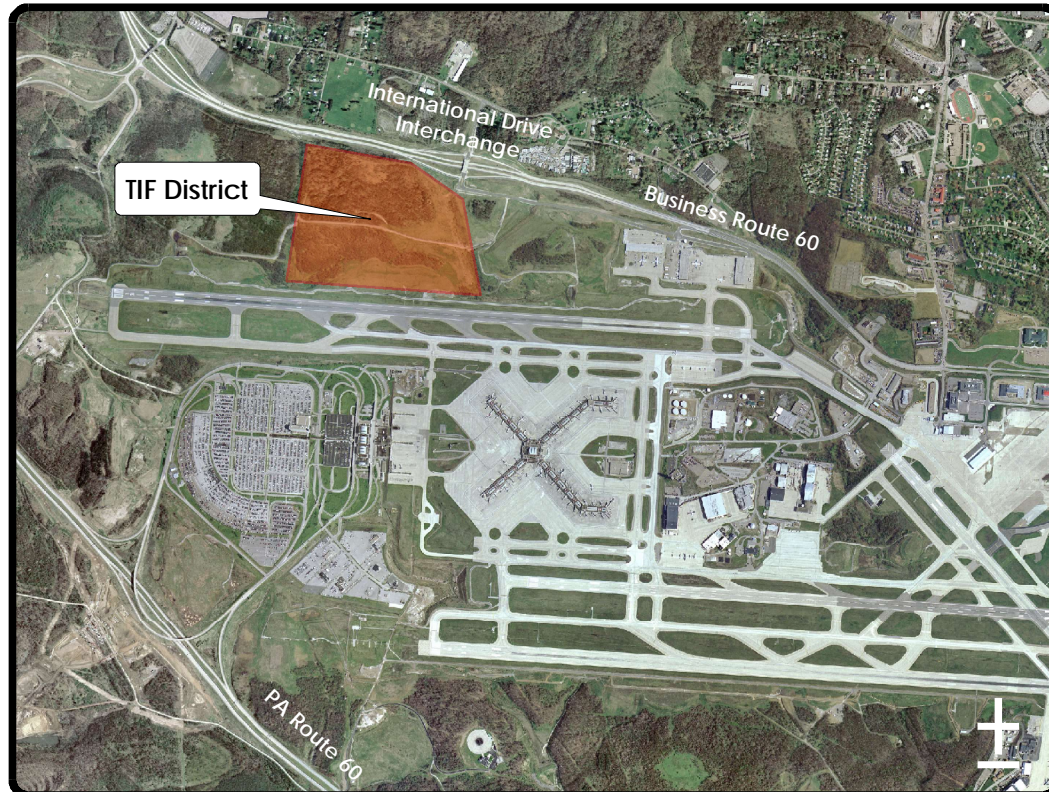
11. Estimated TIF District Creation Date

The TIF District will be created on the date of the approval and adoption of this Plan in accordance with the TIF Act, with an effective beginning date of approximately July 3, 2007.

12. Estimated TIF Financing Date

Fourth Quarter, 2007.

Northfield Site Phase I TIF Project



Northfield Site Phase I

Tax Increment Financing Legislative Process

	Acting Body	Date
Resolution of Intent	WASD	1.17.2007
	Findlay Township	2.22.2007
	County – 1 st Reading	2.20.2007
	Committee	3.13.2007
	2 nd Reading	3.20.2008
Inducement Resolution	RAAC	12.20.2006
Certification of TIF District as Area in Need of Redevelopment		
Endorsement of Basic Conditions Report	Local Planning	1.23.2007
Approval of Basic Conditions Report	Findlay Township	2.22.2007
Resolution Certifying Area in Need of Redevelopment	RAAC	2.28.2007
Adoption of TIF Plan	RAAC	4.25.2007
Resolution to Participate	WASD	5.16.2007
	Findlay Township	5.9.2007
Notice of Public Hearing <i>30 Days must pass before hearing can be held</i>	County Council	5.1.2007
Public Hearing <i>Minimum of 3 weeks must pass before creation of TIF District</i>	County Council	6.6.2007
Resolution Creating and Naming TIF District, Approving the TIF Plan and Agreeing to Participate	County – 1 st Reading	6.19.2007
	Committee	6.21.2007
	Committee	6.26.2007
	2 nd Reading	7.3.2007
Bond Issuance Resolution	RAAC	6.27.2007

Tax Increment Financing Plan

Introduction

The Redevelopment Authority of Allegheny County (RAAC) has prepared the following Tax Increment Financing Plan (TIF Plan) that proposes to support a portion of the cost of the Allegheny County Airport Authority (ACAA) Northfield Site Phase I Project (the Project). The Northfield Site Phase I TIF District (TIF District) is approximately 160 acres adjacent to the Pittsburgh International Airport (PIT) bordered by Halverson Drive to the east and PA Business Route 60 to the north. The TIF District is located in the Township of Findlay and is wholly within the West Allegheny School District and Allegheny County as illustrated in Exhibit A. Further, the TIF District is entirely within the Amended Findlay/Airport Study Area, certified in need of redevelopment by the RAAC in February 2007 as a result of the Amended Findlay/Airport Basic Conditions Report as illustrated in Exhibit A.

PIT is a world class facility located roughly sixteen miles west of downtown Pittsburgh. A strategic asset for southwestern Pennsylvania, PIT is surrounded by thousands of acres of vacant land. The PIT Corridor represents a key development opportunity for Allegheny County. Unfortunately, the region has not been able to capitalize on this potential due in part to poor access and the limited availability of public infrastructure. The ability to prepare accessible development-ready sites will provide an opportunity for the region to compete nationally for private investment. Public improvements provided via this Project will be utilized to develop such capacity.

Background on Development Corporation

The ACAA was formed in 1999 pursuant to the Municipal Authorities Act as a Special Purpose Municipal Authority and assumed all responsibilities of the former Allegheny County Department of Aviation. Under this new management arrangement, Allegheny County leased all of the Aviation and Non-Aviation properties under the former Department of Aviation to the new ACAA. Pursuant to its charter and subject to the terms of this ground lease, the ACAA oversees all aspects of airport operations including new development, environmental issues, and airline and tenant management as well as airfield operations. As part of these overall responsibilities, ACAA is responsible for all master planning, site planning, and development planning on all of its properties and compliance with all Federal Aviation Administration (FAA) regulations related to the ownership and management of a FAA-regulated airport.

In addition, the ACAA's engineering department has experience in a broad spectrum of heavy construction including roadways, utilities, runways, storm water facilities and navigational aides. The department has managed over \$1 billion of projects within the last ten years. The Senior Director of Development is directly responsible for the development and implementation of the Project for the ACAA. He has been involved in the development of over 10 million square feet in three major industrial parks. The ACAA will lease sites created as part of this project to private developers and/or users who will then construct buildings on a build to suit or prospective basis.

Description of Proposed Development

The ACAA is planning to construct approximately \$22 million of public infrastructure to facilitate the development of 160 acres immediately adjacent to PIT. The Northfield Site Phase I Project involves the construction of public improvements including a new access road to intersect with Halverson Drive. In addition, public sewer and other utilities will be extended to the development site. The Project includes compensatory mitigation of on-site wetlands and streams. Grading will also be completed for a future taxilane that will connect the site to the existing runway and provide direct access to the cargo buildings.

The Project will facilitate the development of approximately 900,000 square feet of warehouse/distribution and air cargo space that will generate over \$88 million in private investment. Eight sites will be prepared for buildings that will generally range in size from 80,000 to 150,000 square feet. The proposed development within the TIF District will make immediate use of both the Project and the International Drive cargo interchange of PA Business Route 60 opened in 2003.

Estimated Costs of Proposed Development

The proposed development of the land serviced by the Project will attract private financing and equity sources for land leases and construction of private sector buildings. The anticipated private investment within the TIF District is estimated at over \$88 million as illustrated in the table below. A full summary of the planned private commercial development over the life of the TIF District is attached as Exhibit C.

Figure 1

Northfield Site Phase I TIF Project Private Development Costs	
	Total
Land	\$5,028,000
Building Construction	68,542,400
Soft Costs	15,029,000
Total	\$88,600,000

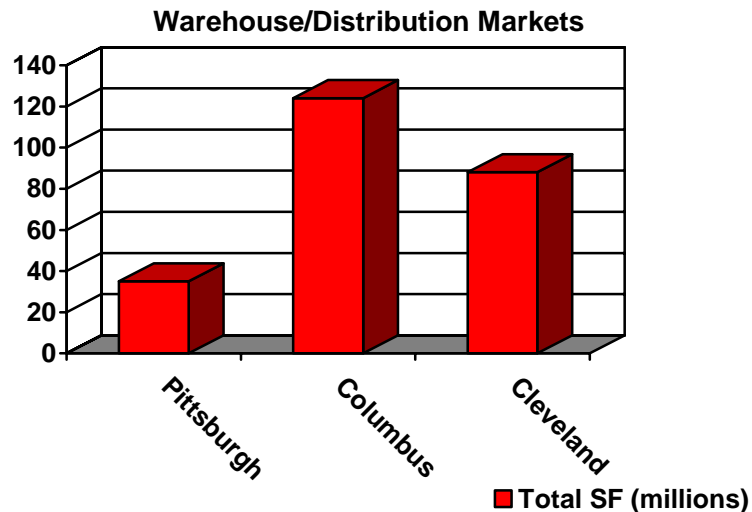
Market Analysis of Proposed Developmentⁱ

The Project will facilitate the development of warehouse/distribution and air cargo space in a region with a limited inventory of large scale, Class A space. As illustrated in Figure 2, the warehouse/distribution segment of the Pittsburgh industrial market is less than half the size of Cleveland and about one third the size of Columbus. However, the PIT corridor industrial submarket continues to generate high demand for space as evidenced by positive net absorption trends, above average asking rents and volume of construction activity. Development at the

ⁱ Contains excerpts from *Northfield Site Project Market Impact and Development Impact Analysis* prepared for the Redevelopment Authority of Allegheny County by Basile Baumann Prost & Associates, Inc (February 2007).

Northfield Site will help address the lack of Class A warehouse/distribution and air cargo alternatives in the industrial market that has hindered the Pittsburgh region's competitiveness in attracting businesses.

Figure 2



With tug freight access to air cargo planes, the location of the Northfield Site adjacent to PIT uniquely supports the creation of the warehouse/distribution facilities. Likewise, access to the regional highway network (with improved access via the newly constructed Findlay Connector and the International Drive cargo interchange opened in 2003) and PIT will provide these facilities with direct and easy access to both regional and national markets. Further, the Northfield Site is located within Foreign Trade Zone (FTZ) #33 offering significant advantages to users through the reduction, deferment or elimination of tariff payments.

The PIT corridor industrial submarket has been very active recently, with several industrial developments in various stages of planning and construction. However, other development sites lack the access necessary for an air-to-truck warehouse/distribution facilities, constraining these opportunities in the submarket. Immediately adjacent to PIT, the Northfield Site allows direct air freight access (via a tug system) from the runway. Development at the Northfield Site would have few directly competitive sites and would fill a specific gap in the PIT corridor industrial submarket.

Impact of Proposed Developmentⁱⁱ

Public funding of necessary infrastructure at the Northfield Site will facilitate the development of this underutilized property will produce many direct and indirect benefits to the local communities within the PIT Corridor and the entire Southwestern Pennsylvania region. Currently, this vacant property does not generate economic or fiscal benefits to the Commonwealth, County, Township, School District or other jurisdictions. The improvement of

ⁱⁱ Contains excerpts from *Northfield Site Project Market Impact and Development Impact Analysis* prepared for the Redevelopment Authority of Allegheny County by Basile Baumann Prost & Associates, Inc (February 2007).

this site for development of approximately 900,000 square feet of buildings will generate new jobs and increased tax revenues. The addition of new high quality warehouse/distribution and office space will enhance the area's vitality and competitiveness to attract new businesses. In addition, the development of this site with air-to-truck facilities will support PIT by increased air freight traffic and capacity.

Construction Period Impact

During the construction period of the planned development, a variety of new economic opportunities will be created. The construction will create 239 direct on-site jobs with an aggregate payroll of \$9.9 million. Furthermore, these direct jobs will create 211 additional indirect, or spin-off, jobs off-site with an aggregate payroll of \$7 million. Direct consumer expenditures will total \$8.4 million and an estimated \$18 million in material purchases will be made in the Pittsburgh region.

Figure 3

Northfield Site Phase I TIF Project Economic Impacts Construction Period (2006\$)	Direct	Indirect	Total
Jobs (FTE)	239	211	450
Payroll	\$9,877,777	\$7,049,769	\$16,927,546
Material Purchases (regional)	\$18,019,781		\$18,019,781
Consumer Expenditures	\$8,384,692		\$8,384,692

The related fiscal impact of construction will be \$2.2 million in tax revenue to the Commonwealth, Allegheny County, Findlay Township, West Allegheny School District and other local jurisdictions. This includes \$537,700 in income tax from construction workers, \$1.1 million in sales tax of materials purchases made in the Commonwealth, \$406,600 in spin-off sales tax revenue, \$140,400 in building permit fees and \$3,300 in emergency and municipal tax (EMT) revenue. The Commonwealth will receive \$1.8 million in tax revenue, Allegheny County will receive \$125,000, Findlay Township will receive \$143,300 and the West Allegheny School District will receive \$2,900. Other jurisdictions in the Pittsburgh region will receive \$132,100 in tax revenue (in earned income "EIS" and emergency and municipal services "EMS" taxes paid by construction period employees in their Municipality and School District of residence).

Figure 4

Northfield Site Phase I TIF Project Fiscal Impacts Construction Period (2006\$)	Common- wealth	Allegheny County	Findlay Township	West Allegheny School District	Other Local Jurisdictions	TOTAL
Income Tax	\$402,959		\$1,727	\$1,727	\$131,257	\$537,670
Emergency and Municipal Tax			\$1,206	\$1,206	\$855	\$3,268
Direct Sales Tax	\$1,027,128	\$90,099				\$1,117,226
Indirect Sales Tax	\$371,709	\$34,869				\$406,578
Building Permit Fees			\$140,400			\$140,400
TOTAL	\$1,801,796	\$124,968	\$143,333	\$2,933	\$132,112	\$2,205,142

Impact at Build Out

Once construction is complete and market absorbed, development within the TIF District will create 1,900 direct on-site jobs including 695 warehouse/distribution jobs and 1,205 office jobs with an aggregate annual payroll of \$88.7 million. Furthermore, the proposed development will create an additional 2,320 indirect, or spin-off, jobs off-site as a result of expenditures made by the development's employees. These indirect jobs will have an aggregate annual payroll of \$88.2 million. The wages and salaries of development employees will annually generate \$75.3 million in consumer expenditures.

Figure 5

Northfield Site Phase I TIF Project Economic Impact At Build Out (2006\$)	Direct	Indirect	Total
Jobs (FTE)	1,900	2,320	4,219
Payroll	\$88,667,625	\$88,193,510	\$176,861,135
Consumer Expenditures	\$75,264,982		\$75,264,982

The related fiscal impact during annual operations at build out will be \$9.9 million in tax revenue to the Commonwealth, Allegheny County, Findlay Township, West Allegheny School District and other local jurisdictions. This includes \$3.5 million in income tax from on-site employees, \$2.5 million in real property tax, \$3.6 million in indirect (or spin-off) sales tax revenue (made by on-site employees in the Commonwealth), \$265,700 in corporate franchise taxes and \$18,500 in emergency and municipal tax revenue.

At build out, the Commonwealth will receive \$6.2 million in tax revenue, Allegheny County will receive \$727,600, Findlay Township will receive \$184,100 and the West Allegheny School District will receive \$1.9 million. Other jurisdictions in the region will receive \$860,400 in tax revenue during annual operations at build out (in earned income "EIS" and emergency and municipal services "EMS" taxes paid by project employees in their respective Municipality and School District of residence).

Figure 6

Northfield Site Phase I TIF Project Fiscal Impacts At Build Out (2006\$)	Common- wealth	Allegheny County	Findlay Township	West Allegheny School District	Other Local Jurisdictions	TOTAL
Income Tax	\$2,585,991		\$11,083	\$11,083	\$842,342	\$3,450,501
Emergency and Municipal Tax			\$237	\$237	\$18,049	\$18,524
Real Property Tax		\$415,637	\$172,813	\$1,905,370		\$2,493,820
Indirect Sales Tax (off- site)	\$3,330,377	\$311,957				\$3,642,334
Corporate Franchise Tax	\$265,737					\$265,737
TOTAL	\$6,182,105	\$727,594	\$184,134	\$1,916,691	\$860,391	\$9,870,915

Project Costs

Following is an itemized list of all project costs for the construction of the Project. These costs will be funded through the TIF Debt, a Redevelopment Assistance Capital Program (RACP) grant from the Commonwealth of Pennsylvania Office of the Budget, a Federal Earmark and an in-kind contribution of land from the ACAA.

Figure 7

Northfield Site Phase I TIF Project Costs					
		Sources of Funds			
Administration and Engineering	Total	TIF	RACP	Federal Earmark	ACAA
Land Value	7,055,000				7,055,000
Survey	50,000	50,000			
Engineering	555,000	555,000			
Environmental	710,000				710,000
Legal & Administrative	35,000	35,000			
Sub Total	8,405,000	640,000			7,765,000
Construction					
Roadway Construction	1,500,000	497,424	527,576	475,000	
Site Preparation	5,072,424		5,072,424		
Utility Extension	1,400,000		1,400,000		
Utility Installation (Electric)	200,000	200,000			
Utility Relocation	100,000	100,000			
Sewer Extension	250,000	28,000		222,000	
Wetlands Mitigation	205,000	205,000			
Other Hard Costs	600,000	600,000			
Contingency	1,000,000	1,000,000			
Sub Total	10,327,424	2,630,424	7,000,000	222,000	
Financing Costs					
Capitalized Interest	1,040,876	1,040,876			
Debt Service Reserve	500,000	500,000			
RAAC Fees	202,600	132,600			70,000
Other Financing Costs	56,100	56,100			
Sub Total	1,799,576	1,729,576			70,000
Total	20,532,000	5,000,000	\$7,000,000	\$697,000	\$7,835,000
Grading (Future Taxilane)	1,500,000	1,500,000			
GRAND TOTAL	22,032,000	6,500,000	\$7,000,000	\$697,000	\$7,835,000

Improvements to be Financed with TIF Proceeds

Of the cost shown above, approximately \$6.5 million of infrastructure construction, engineering and financing costs are to be repaid using proceeds from pledged tax increments pursuant to this TIF Plan.

The following is an explanation of each of the estimated costs:

Administration & Engineering – services for the proposed infrastructure to be constructed

Roadway Construction – including a portion of construction the 3,000 foot public access road servicing the site that will intersect with Halverson Drive

Taxilane Grading – including the grading to connect the site to the existing PIT runway. ACAA plans to construct a future taxilane to provide access to the cargo buildings

Utility Installation/Relocation – including installation of electric service and relocation of the existing water line that cuts through the site and is a major feed for the terminal area

Sewer Extension – including extension of approximately 3,200 feet of sewer line to provide service to and through the development site

Wetlands Mitigation – including compensatory mitigation for on-site wetlands and streams

Other Hard Costs – including Construction Management services, ACAA Project Management and the construction contingency associated with the public improvements

Capitalized Interest – the estimated amount of interest to be funded to pay for interim loan payments until pledged tax increments and committed lease revenues begin to flow into the Project to pay interest expense

Debt Service Reserve – the amount placed into reserve to be used to pay debt service if pledged revenues are insufficient to satisfy the debt service requirements during the term of the loan

RAAC Fees – including RAAC fees (one time & annual), legal costs and TIF Plan preparation fee

Other Financing Costs – including cost of Market Analysis & Development Impact Study, Trustee administrative fees and one time initiation fee, and legal and accounting costs associated with setting up the TIF District and executing the necessary financings for the project

Tax Increment Financing Components

(i) TIF Amount

TIF proceeds to be used to fund the public improvements and issuance costs necessary for the Project are estimated to be \$5,000,000. Financing assumptions can be referenced in Exhibit E.

(ii) Pledged Parcel(s)

The pledged parcels include the property within the boundary identified on the Site Plan included in Exhibit A. These parcels, including any publicly dedicated rights-of-way, are not subdivided, but will be demarcated in accordance with applicable tenant leases as taxable real estate (or tax exempt public rights-of-way) with Allegheny County Property Assessment, Appeals and Review. A tax bill will be generated by each taxing authority on the basis of these leases. The total TIF District consists of approximately 160 acres.

(iii) Current Assessed Value

The property within the TIF District is owned by the ACAA and currently tax exempt.

(iv) Tax Base for Purpose of Increment Calculation

Subject to the provision of the Tax Increment Financing Act (53 P.S. 6930.1 et. seq.), the taxable market value of the Pledged Parcels as of the date of the creation of the TIF District will be used as the “base” for calculating the real estate tax increment. Since the parcels are currently in public ownership, the current tax base for the three taxing bodies is \$0.

This base is calculated using the following millage rates:

West Allegheny School District – 21.5
Findlay Township – 1.95
Allegheny County – 4.69

The tax base, total tax increment and estimate of pledged taxes are illustrated in Exhibit D.

(v) Projected Assessed Value

Upon completion, the future assessed value of the TIF District is anticipated to exceed \$34.7 million. The estimated aggregate assessed value of the TIF District through the year 2027 is attached as Exhibit D. The chart also illustrates the projected real estate tax revenues to be generated by the development through year 2027.

(vi) Pledged Revenue

A percentage of real property taxes collected in the TIF District in excess of the base real property taxes are pledged to repayment of the TIF Debt.

The percentage of the incremental real property taxes pledged to the TIF is equal to the following: County – 75%, Township – 75%, School District – 75%.

Figure 8
Estimated Real Estate Taxes After Development (based on current millage)

	Base	Increment	Total
West Allegheny School District	0	747,362	747,362
Findlay Township	0	67,784	67,784
Allegheny County	0	163,029	163,029
Total	0	978,175	978,175

Figure 9
Pledged Incremental Tax Revenue

	TIF (75%)	Taxing Bodies (25%)	Base	Total
West Allegheny School District	560,838	186,840	0	747,362
Findlay Township	50,544	16,946	0	67,784
Allegheny County	122,272	40,757	0	163,029
Total	733,631	244,544	0	978,175

In addition to the above, the ACAA proposes to contribute 75% of the net lease revenues derived from the sites located within the TIF District to repayment of the TIF Debt. These revenues are anticipated to generate \$2,936,189 towards debt reduction over the term of the TIF District.

(vii) Provisions for TIF Proceeds and Project Savings

Pledged increment will be utilized to retire the TIF Debt and cover administrative fees. If pledged increment is in excess of the amount necessary to pay TIF Debt and administrative fees, the excess will be held in escrow until sufficient funds are available for grading necessary for the future taxilane. Any remaining pledge increment available after the grading has been funded, or if the grading does not occur, will be used to prepay the principal of the TIF Debt. All project costs will be monitored to ensure that any project savings will be applied in this manner.

(viii) Provisions for Insufficient TIF Revenues

In order to ensure repayment of the TIF Debt associated with the TIF financing, the RAAC and ACAA are proposing to secure a guarantee via the Commonwealth Financing Authority (CFA) Tax Increment Financing Guarantee Program. The program is designed to provide credit enhancement for TIF projects to improve market access and lower capital costs. Guarantees are available for projects that meet the program eligibility criteria as detailed by the CFA. The maximum amount that the CFA will pay under its guarantee is \$5 million inclusive of principal and interest. For approved projects, the CFA will execute a guarantee agreement in favor of the holder(s) of TIF obligations, and will negotiate the terms of the security and circumstances under which the guarantee may be called.

If at any time during the term of the TIF District real estate taxes are replaced, in whole or in part, by other taxes imposed by any Taxing Body or other sources of funding, all of the TIF Parties agree to use their best efforts to amend the TIF Plan and the Cooperation Agreement with respect to taxes and amounts pledged as TIF Revenues in order to continue to provide sufficient amounts to pay debt service on the TIF Debt.

(ix) Actual Tax Increment in Excess of Assumed Increment

Any increase in tax revenues from any parcels in the District, attributable solely to an increase in assessed value over and above that determined necessary to pay debt service on the TIF Debt will be used for the Project as outline in (vii) above. Any increases in tax revenue from any parcels in the TIF District, attributable to increased millage above the current millage by any of the taxing bodies, will be considered part of the pledged increment and therefore available to pay Project costs.

(x) Interest Earnings

Any interest earnings will be utilized to pay debt service, including payment of capitalized interest and prepayment of the TIF Debt as permitted Project costs.

(xi) Financial Details

The TIF Analysis, intended to describe the expected financing, is attached as Exhibit E. It is expected that the TIF District will be created in the third quarter of 2007 to be effective approximately July 3, 2007. The TIF Debt is projected to be issued no sooner than the fourth quarter of 2007 with the specific terms and structure determined at the time of financing. Construction of the Project is anticipated to commence in July 2007. However, it is contemplated that the TIF Debt will have a maturity of 20 years with principal and interest payments deferred until 2014. Construction period interest will be funded as capitalized interest as part of the TIF Debt.

Exhibit E illustrates the financing assumptions and cash flow. The various assumptions associated with the financing are the best that are currently available. Some of these assumptions may change, including the terms of repayment on the TIF Debt, the timing of credit, and/or other financial structures.

Estimated Non Project Costs

Financing costs associated with the Project may include the following:

- Basic Conditions Report
- Market Analysis & Development Impact Study
- TIF Plan preparation fee
- RAAC fee – One time & annual fee
- Trustee fee – One time fee, annual fee & expenses
- Counsel fees & expenses

Maps of the TIF District, Existing Conditions, & Plans

The maps in Exhibit A illustrate the boundaries of the TIF District as well as the existing uses and conditions illustrated in the Basic Conditions Report of the Amended Airport Study Area (February 2007). Preliminary plans for the public infrastructure and proposed private development program within the TIF District are included in Exhibit B.

Zoning and Planning Issues

The underlying zoning classification for the project is Heavy Industrial. The project has received development approval from Findlay Township. The Planning Division of Allegheny County Economic Development has also reviewed all site plans.

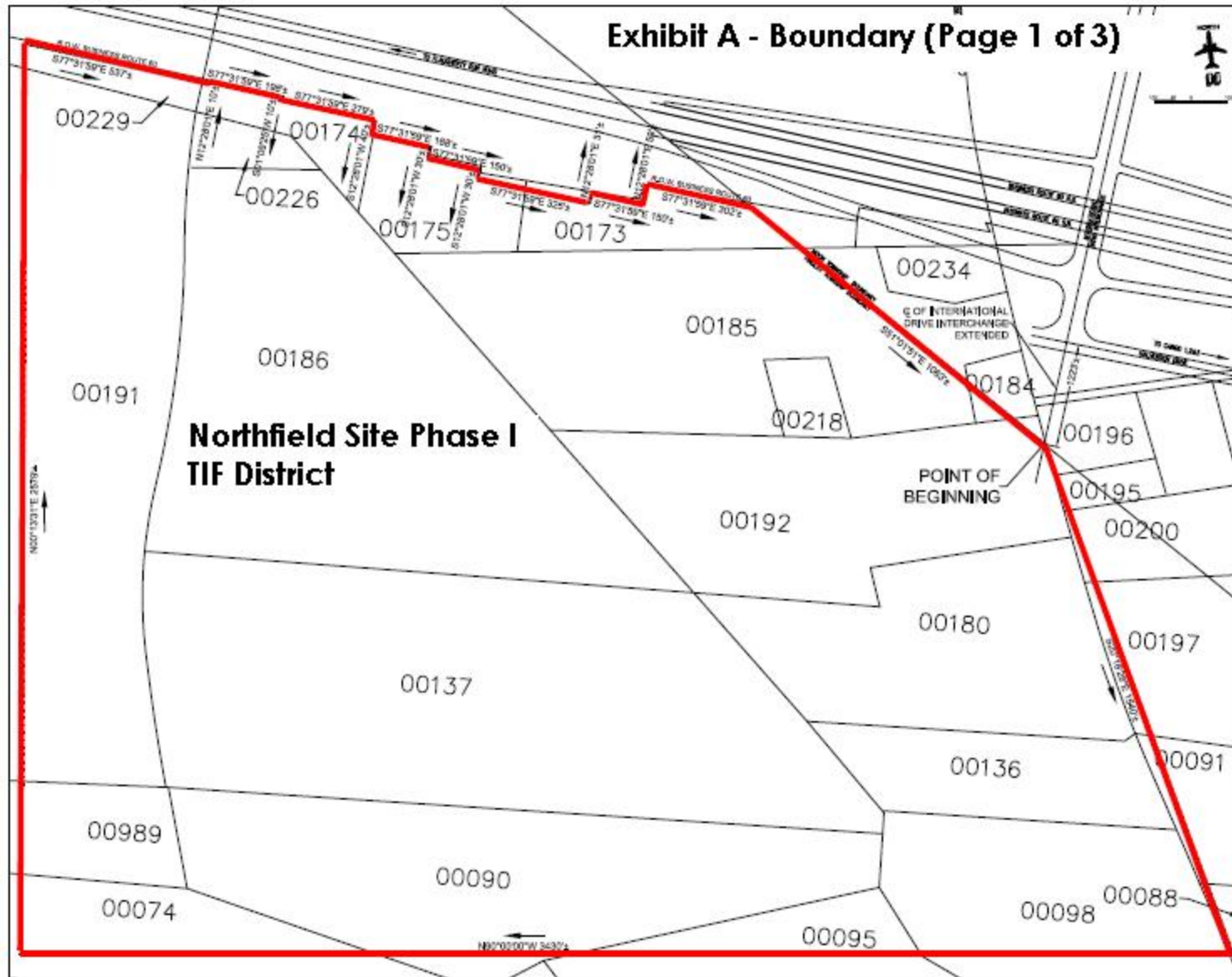
Relocation Statement

The TIF Plan will not include any relocation of residents or businesses.

Date of TIF District Establishment

The TIF District will be created on the date of the approval and adoption of this TIF Plan in accordance with the TIF Act, with an effective beginning date of approximately July 3, 2007.

Exhibit A - Boundary (Page 1 of 3)



PROFESSIONAL SEAL

GENERAL NOTES / KEY PLAN

NO.	DESCRIPTION	DATE	BY	CHECKED
001	001	001	001	001
002	002	002	002	002
003	003	003	003	003
004	004	004	004	004
005	005	005	005	005
006	006	006	006	006
007	007	007	007	007
008	008	008	008	008
009	009	009	009	009
010	010	010	010	010
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10. PROVIDED BY ASAC
11. CALCULATED BY PDSJ WITH
12. ASAC

DATE: 00/00/00

PROJECT NAME / PROJECT NUMBER

NORTH FIELD CARGO FACILITY

ASAC CONTRACT NUMBER 000

SHEET 001

TIF BOUNDARY MAP

SHEET INFORMATION

NO.	DESCRIPTION	DATE	BY	CHECKED
001	001	001	001	001
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Exhibit A (Page 2 of 3)
Northfield Site Phase I TIF
TIF District Legal Boundary

Commencing at a point on the boundary between Moon and Findlay Townships near the International Drive Interchange. Said point being 1,223'± southeast, along extended centerline of International Drive, from the intersection of the centerlines of said International Drive with the centerline of Halverson Drive.

Thence S 20° 18' 28" E; 1,540' more or less to a point.

Thence N 90° 00' 00" W; 3,430' more or less to a point.

Thence N 00° 13' 31" E; 2,579' more or less to a point on the ROW for Business Route 60.

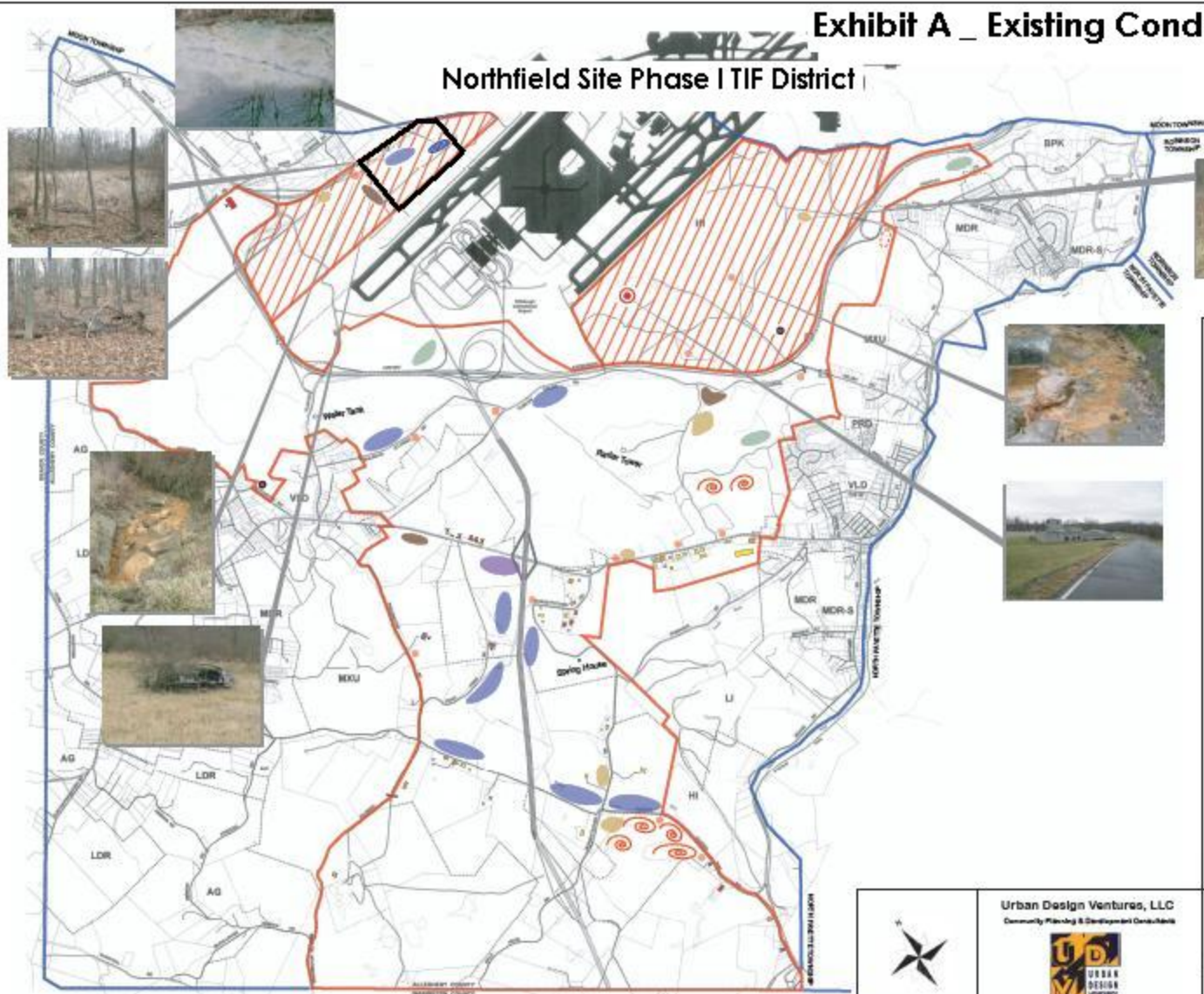
Along said ROW for Business Route 60 the following course and distances:

- S 77° 31' 59" E; 537' more or less
- N 12° 28' 01" E; 10' more or less
- S 77° 31' 59" E; 198' more or less
- S 01° 09' 25" W; 10' more or less
- S 77° 31' 59" E; 279' more or less
- S 12° 28' 01" W; 40' more or less
- S 77° 31' 59" E; 168' more or less
- S 12° 28' 01" W; 30' more or less
- S 77° 31' 59" E; 150' more or less
- S 12° 28' 01" W; 30' more or less
- S 77° 31' 59" E; 325' more or less
- N 12° 28' 01" E; 31' more or less
- S 77° 31' 59" E; 150' more or less
- N 12° 28' 01" E; 59' more or less
- S 77° 31' 59" E; 302' more or less to a point on the boundary between Moon and Findlay Townships.

Thence S 51° 01' 51" E; 1,063' more or less along said Township boundary to point of beginning.



Northfield Site Phase I TIF District



Urban Design Ventures, LLC
Community Planning & Development Consultants



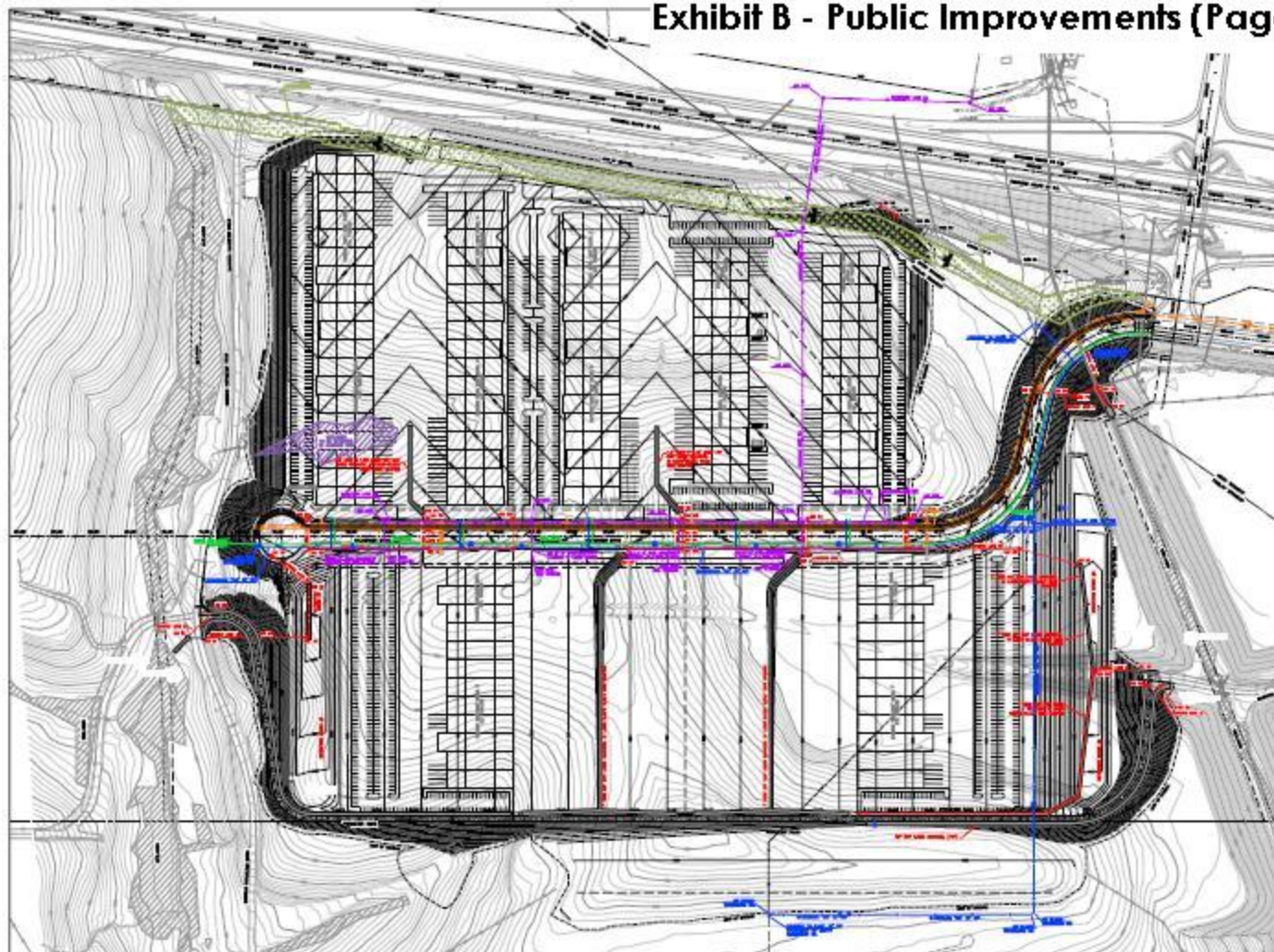
Urban Design Ventures, LLC, 3000 East 1st Ave., #100, Erie, PA 16590

Findlay / Airport Study Area
Revised
Environmental Conditions Map
Prepared For:
Allegheny County Airport Authority

Exhibit B (Page 1 of 2)
Northfield Site Phase I TIF Plan
Use of TIF Proceeds

Activity	Detail	Estimated Cost
Administration & Engineering	Survey, Engineering, Legal & Administrative	640,000
Construction	Roadway Construction	497,424
	Utility Installation/Relocation	300,000
	Sewer Extension	28,000
	Wetlands Mitigation	205,000
	Other Hard Costs	600,000
	Contingency	1,000,000
	Grading (Future Taxilane)	1,500,000
Financing Costs	Capitalized Interest	1,040,876
	Debt Service Reserve	500,000
	RAAC Fees	132,600
	Other Financing Costs	56,100
	Interest Payment on TIF Debt	<u>3,832,206</u>
Total TIF Proceeds to be Used		\$10,332,206

Exhibit B - Public Improvements (Page 2 of 2)



DATE	BY	REVISION
01/11/11	JM	ISSUED FOR PERMITTING
01/11/11	JM	ISSUED FOR PERMITTING
01/11/11	JM	ISSUED FOR PERMITTING
01/11/11	JM	ISSUED FOR PERMITTING



**PITTSBURGH
INTERNATIONAL AIRPORT**
ALLEGANY COUNTY, PENNSYLVANIA

NORTH FIELD CARGO FACILITY
OVERALL GRADING, UTILITY, AND DRAINAGE PLAN
PROJECT NO: 10000
DATE: APRIL 14, 2011

Sheet
C-351
of

Exhibit C
Northfield Site Phase I TIF Plan
Private Development Summary

Year	Acres	Square Footage	Assumed Land Value	Hard Investment	Adjusted Land Value & Hard Investment	Soft Cost	Total Private Development
1	-	-	-	-	-	-	-
2	6.0	102,750	480,000	6,165,000	6,645,000	1,233,000	7,878,000
3	-	-	-	-	-	-	-
4	6.0	96,000	480,000	5,760,000	6,240,000	1,152,000	7,392,000
5	7.0	118,500	560,000	7,110,000	7,670,000	1,422,000	9,092,000
6	-	-	-	-	-	-	-
7	8.0	127,500	672,000	7,650,000	8,322,000	1,530,000	9,852,000
8	-	-	-	-	-	-	-
9	9.0	142,500	756,000	8,550,000	9,306,000	1,710,000	11,016,000
10	-	-	-	-	-	-	-
11	-	-	-	-	-	-	-
12	-	-	-	-	-	-	-
13	-	-	-	-	-	-	-
14	-	-	-	-	-	-	-
15	8.0	114,750	1,280,000	6,885,000	8,165,000	1,377,000	9,542,000
16	-	-	-	-	-	-	-
17	-	-	-	-	-	-	-
18	-	-	-	-	-	-	-
19	-	-	-	-	-	-	-
20	-	-	-	-	-	-	-
	44.0	702,000	4,228,000	42,120,000	46,348,000	8,424,000	54,772,000

Exhibit D (Page 1 of 2)
Northfield Site Phase I TIF Plan
Tax Increments

Year	Estimated (1) Assessment of Land & Hard Investment <i>Millage</i> ⇒	Projected Real Estate Taxes				Base Real Estate Taxes (2)				Projected Tax Increments			
		Findlay Township	West Allegheny School District	Allegheny County	Total	Findlay Township	West Allegheny School District	Allegheny County	Total	Findlay Township	West Allegheny School District	Allegheny County	Total
		1.95	21.5	4.69	28.14								
1	-	-	-	-	-	-	-	-	-	-	-	-	-
2	4,983,750	9,718	107,151	23,374	140,243	-	-	-	-	9,718	107,151	23,374	140,243
3	4,983,750	9,718	107,151	23,374	140,243	-	-	-	-	9,718	107,151	23,374	140,243
4	9,663,750	18,844	207,771	45,323	271,938	-	-	-	-	18,844	207,771	45,323	271,938
5	15,416,250	30,062	331,449	72,302	433,813	-	-	-	-	30,062	331,449	72,302	433,813
6	15,416,250	30,062	331,449	72,302	433,813	-	-	-	-	30,062	331,449	72,302	433,813
7	21,657,750	42,233	465,642	101,575	609,449	-	-	-	-	42,233	465,642	101,575	609,449
8	21,657,750	42,233	465,642	101,575	609,449	-	-	-	-	42,233	465,642	101,575	609,449
9	28,637,250	55,843	615,701	134,309	805,852	-	-	-	-	55,843	615,701	134,309	805,852
10	28,637,250	55,843	615,701	134,309	805,852	-	-	-	-	55,843	615,701	134,309	805,852
11	28,637,250	55,843	615,701	134,309	805,852	-	-	-	-	55,843	615,701	134,309	805,852
12	28,637,250	55,843	615,701	134,309	805,852	-	-	-	-	55,843	615,701	134,309	805,852
13	28,637,250	55,843	615,701	134,309	805,852	-	-	-	-	55,843	615,701	134,309	805,852
14	28,637,250	55,843	615,701	134,309	805,852	-	-	-	-	55,843	615,701	134,309	805,852
15	34,761,000	67,784	747,362	163,029	978,175	-	-	-	-	67,784	747,362	163,029	978,175
16	34,761,000	67,784	747,362	163,029	978,175	-	-	-	-	67,784	747,362	163,029	978,175
17	34,761,000	67,784	747,362	163,029	978,175	-	-	-	-	67,784	747,362	163,029	978,175
18	34,761,000	67,784	747,362	163,029	978,175	-	-	-	-	67,784	747,362	163,029	978,175
19	34,761,000	67,784	747,362	163,029	978,175	-	-	-	-	67,784	747,362	163,029	978,175
20	34,761,000	67,784	747,362	163,029	978,175	-	-	-	-	67,784	747,362	163,029	978,175
		924,629	10,194,628	2,223,851	13,343,109					924,629	10,194,628	2,223,851	13,343,109
		7%	76%	17%	100%								

(1) Assessment is adjusted by market comparison factors

75%

(2) The property within the TIF District is owned by the ACAA and currently tax exempt.

Since the parcels are currently in public ownership, the current tax base for the three taxing bodies is \$0.

Exhibit D (Page 2 of 2)
Northfield Site Phase I TIF Plan
Pledged Tax Increments

Tax Increment					Tax Increment to Taxing Bodies				Pledged Tax Increment to Project				Discounted Pledged Tax Increment
Year	Findlay Township	West Allegheny	Allegheny County	Total	Findlay Township	West Allegheny	Allegheny County	Total	Findlay Township	West Allegheny	Allegheny County	Total	
		School District				School District				School District			
					25%	25%	25%		75%	75%	75%		
1	-	-	-	-	-	-	-	-	-	-	-	-	-
2	9,718	107,151	23,374	140,243	2,430	26,788	5,843	35,061	7,289	80,363	17,530	105,182	103,078
3	9,718	107,151	23,374	140,243	2,430	26,788	5,843	35,061	7,289	80,363	17,530	105,182	103,078
4	18,844	207,771	45,323	271,938	4,711	51,943	11,331	67,984	14,133	155,828	33,992	203,953	199,874
5	30,062	331,449	72,302	433,813	7,515	82,862	18,076	108,453	22,546	248,587	54,227	325,360	318,853
6	30,062	331,449	72,302	433,813	7,515	82,862	18,076	108,453	22,546	248,587	54,227	325,360	318,853
7	42,233	465,642	101,575	609,449	10,558	116,410	25,394	152,362	31,674	349,231	76,181	457,087	447,945
8	42,233	465,642	101,575	609,449	10,558	116,410	25,394	152,362	31,674	349,231	76,181	457,087	447,945
9	55,843	615,701	134,309	805,852	13,961	153,925	33,577	201,463	41,882	461,776	100,732	604,389	592,301
10	55,843	615,701	134,309	805,852	13,961	153,925	33,577	201,463	41,882	461,776	100,732	604,389	592,301
11	55,843	615,701	134,309	805,852	13,961	153,925	33,577	201,463	41,882	461,776	100,732	604,389	592,301
12	55,843	615,701	134,309	805,852	13,961	153,925	33,577	201,463	41,882	461,776	100,732	604,389	592,301
13	55,843	615,701	134,309	805,852	13,961	153,925	33,577	201,463	41,882	461,776	100,732	604,389	592,301
14	55,843	615,701	134,309	805,852	13,961	153,925	33,577	201,463	41,882	461,776	100,732	604,389	592,301
15	67,784	747,362	163,029	978,175	16,946	186,840	40,757	244,544	50,838	560,521	122,272	733,631	718,958
16	67,784	747,362	163,029	978,175	16,946	186,840	40,757	244,544	50,838	560,521	122,272	733,631	718,958
17	67,784	747,362	163,029	978,175	16,946	186,840	40,757	244,544	50,838	560,521	122,272	733,631	718,958
18	67,784	747,362	163,029	978,175	16,946	186,840	40,757	244,544	50,838	560,521	122,272	733,631	718,958
19	67,784	747,362	163,029	978,175	16,946	186,840	40,757	244,544	50,838	560,521	122,272	733,631	718,958
20	67,784	747,362	163,029	978,175	16,946	186,840	40,757	244,544	50,838	560,521	122,272	733,631	718,958
	924,629	10,194,628	2,223,851	13,343,109	231,157	2,548,657	555,963	3,335,777	693,472	7,645,971	1,667,889	10,007,331	9,807,185
Discount for full payment of tax bill on time				2%									

Exhibit E (Page 1 of 2)
Northfield Site Phase I TIF Plan
Financing Assumptions

1. Percentage of Tax Increment Pledged by each Taxing Body	75%
2. Discount for Payment of Taxes on Time	2%
3. Debt Coverage Ratio	1.10
4. Debt Service Reserve Fund	\$500,000
5. Interest Rate on TIF Debt	6%
6. Interest Only Payments	Years 1-5
7. Amortization	15 years
8. Principal Payment at the End of Term	Fully Amortizing Loan
9. Payments per Year	1
10. Basis for Assessment	Appraised Land Value and Development Costs
11. Guarantor	CFA TIF Gurarantee Program
12. Amount of Guarantee	\$5,000,000 *
13. Amount of Debt to be Repaid with TIF Proceeds	\$5,000,000
14. Estimated Issuance Costs	\$188,700

* Amount inclusive of principal and interest

Exhibit E (Page 2 of 2)
Northfield Site Phase I TIF Plan
TIF Debt

	Principal Borrowed	Debt Service	Pledged Tax Increment Available with Debt Coverage	Release of Prior Years Debt Coverage	ACAA Contribution	Debt Service Reserve	Capitalized Interest	Annual Fees	Total Available to Make Debt Service Payment	Total Payment Due	Interest	Principal Repayment	Outstanding Principal	Balance Available After Debt Service Payment	Grading (Future Taxilane)	Cumulative Available Cash AFTER Debt Service
1	3,000,000	100,000	-	-	-	-	100,000	-	100,000	100,000	10,000	-	3,000,000	-	-	-
2	5,000,000	200,000	-	-	-	-	217,500	17,500	200,000	200,000	200,000	-	5,000,000	-	-	-
3	5,000,000	300,000	93,708	-	27,000	-	196,792	17,500	300,000	300,000	300,000	-	5,000,000	-	-	-
4	5,000,000	300,000	93,708	9,371	27,000	-	187,421	17,500	300,000	300,000	300,000	-	5,000,000	-	-	-
5	5,000,000	300,000	181,704	9,371	54,000	-	72,425	17,500	300,000	300,000	300,000	-	5,000,000	-	-	-
6	5,000,000	514,814	289,866	18,170	85,500	-	138,777	17,500	514,814	514,814	300,000	214,814	4,785,186	-	-	-
7	4,785,186	514,814	289,866	28,987	85,500	-	127,961	17,500	514,814	514,814	287,111	227,703	4,557,483	-	-	-
8	4,557,483	514,814	407,223	28,987	122,850	-	-	17,500	541,559	514,814	273,449	241,365	4,316,118	26,745	-	26,745
9	4,316,118	514,814	407,223	40,722	124,200	-	-	17,500	554,645	514,814	258,967	255,847	4,060,271	39,831	-	66,576
10	4,060,271	514,814	538,456	40,722	168,409	-	-	17,500	730,087	514,814	243,616	271,198	3,789,074	215,273	-	281,850
11	3,789,074	514,814	538,456	53,846	168,409	-	-	17,500	743,211	514,814	227,344	287,470	3,501,604	228,397	-	510,247
12	3,501,604	514,814	538,456	53,846	170,209	-	-	17,500	745,011	514,814	210,096	304,718	3,196,886	230,197	-	740,443
13	3,196,886	514,814	538,456	53,846	171,981	-	-	17,500	746,783	514,814	191,813	323,001	2,873,885	231,969	-	972,412
14	2,873,885	514,814	538,456	53,846	175,885	-	-	17,500	750,686	514,814	172,433	342,381	2,531,504	235,872	-	1,208,284
15	2,531,504	514,814	538,456	53,846	253,746	-	-	17,500	828,548	514,814	151,890	362,924	2,168,581	313,734	1,500,000	22,018
16	2,168,581	514,814	653,598	53,846	253,746	-	-	17,500	943,690	514,814	130,115	384,699	1,783,882	428,876	-	450,894
17	1,783,882	514,814	653,598	65,360	256,109	-	-	17,500	957,567	514,814	107,033	407,781	1,376,100	442,753	-	893,648
18	1,376,100	514,814	653,598	65,360	258,368	-	-	17,500	959,826	514,814	82,566	432,248	943,852	445,012	-	1,338,660
19	943,852	514,814	653,598	65,360	263,425	-	-	17,500	964,883	514,814	56,631	458,183	485,670	450,069	-	1,788,729
20	485,670	514,814	653,598	65,360	269,850	500,000	-	17,500	1,471,309	514,814	29,140	485,670	-	956,495	-	2,745,224
Assumptions		8,922,210			2,936,189	500,000	1,040,876	262,500	13,167,433	8,922,210	3,832,206	5,000,000				
Principal	5,000,000															
Interest	6.00% per Year															
Term	15 Years															
Debt Service	-514,814															
DCR	1.10															