



**PENN**  
INDUSTRIAL DEVELOPMENT  
AUTHORITY



# PENN INDUSTRIAL DEVELOPMENT AUTHORITY

## BACKGROUND

Created by the Penn Township Board of Supervisors on December 9, 2013 (Ordinance No. 2013-06).

Organized under the Economic Development Financing Law to promote economic development in and around Penn Township.

Can finance any type of project that promotes economic development.

Acts as a conduit for **tax-exempt financing** for qualified industrial projects or not-for-profit entities' construction projects. Two types of tax-exempt financing exist:

- ▶ Bank-qualified
- ▶ Non-Bank qualified

### Next Generation Farm Loans

**(NGFL)** bring first time beginning or first-time farm owner projects to obtain a low tax-exempt interest rate from their bank. Interest earned by the bank is exempt from Federal and State Income taxes.

Penn IDA has entered into a strategic alliance with **EDC Finance Corporation** to deliver taxable and tax exempt financing opportunities to small manufacturers, non-profit entities, and other qualifying facilities.



## TAX EXEMPT FINANCING

- ▶ No designated minimum
- ▶ No maximum loan amount except for manufacturers (\$10 million per project)
- ▶ 100% financing is permitted

## NEXT GENERATION FARM LOANS

- ▶ \$520,000 maximum loan amount per person/couple/partnership for land and related assets
- ▶ \$62,500 maximum loan amount for used equipment
- ▶ Borrowers can combine other loans with the Next Generation Farmer Loan to complete the project financing package



## AMOUNTS FINANCED

## TAX EXEMPT LOANS



### KEY BENEFITS

Below market interest rates for qualified bank loans—interest earned by the bank is exempt from federal and state income taxes

### FUNDING USES & PURPOSES

- ▶ Land acquisition
- ▶ Building construction \ expansion \ renovation
- ▶ Designated infrastructure
- ▶ Long-term machinery & equipment (new only)
- ▶ Bond refunding
- ▶ Soft costs related to above items

### ELIGIBILITY

- ▶ Manufacturing
- ▶ Nonprofit 501(c)(3) entities
- ▶ Assisted living / multi-family housing
- ▶ Energy related organizations
- ▶ Solid waste disposal
- ▶ Transportation facilities
- ▶ Wastewater treatment
- ▶ Other exempt facilities

## NEXT GENERATION FARM LOANS



### KEY BENEFITS

Below market interest rates for first time farm owners

### FUNDING USES & PURPOSES

- ▶ Agricultural land
- ▶ Agricultural improvements
- ▶ Depreciable agricultural property, such as farm machinery

### ELIGIBILITY

- ▶ No prior direct or indirect ownership interest in a substantial amount of farmland. A substantial amount of land is a parcel, which exceeds 30% of the median farm size in the county in which the land is located.
- ▶ Must be the sole owner and user of the project
- ▶ Must be a permanent resident of Pennsylvania and at least 18 years of age
- ▶ Sole proprietor net worth of < \$544,000
- ▶ Partnership net worth < \$1.089 million.
- ▶ Must meet bank's credit standards

**Penn Township**  
97 N Penryn Road  
Manheim, PA 17545  
[www.penntwplanco.org](http://www.penntwplanco.org)  
97 N Penryn Road  
Manheim, PA 17545

**EDC Finance Corporation**  
97 N Penryn Road  
Manheim, PA 17545  
[www.edcfinancecorp.com](http://www.edcfinancecorp.com)  
100 Queen Street  
Lancaster, PA 17608

# ▶ PENN IDA SUCCESSES

## TAX EXEMPT LOANS

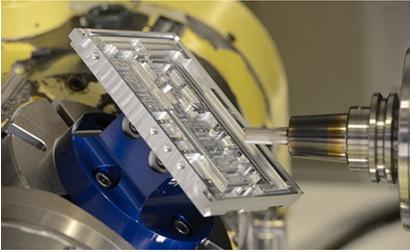
PROJECT	CLOSING DATE	AMOUNT FINANCED	PENN IDA FEES*
Jewish Community Center of York	11/04/2014	\$4,250,000	\$6,062
Homestead Village	01/13/2016	\$6,500,000	\$7,250

\*Fees shown are retained by Penn Township, EDC financing has additional fees.

## NEXT GENERATION FARMER LOANS

PROJECT	CLOSING DATE	AMOUNT FINANCED	PENN IDA FEES
Abner & Suvilla King	12/3/2014	\$350,000	\$500
Cody & Dustin Musser	12/16/2014	\$500,000	\$500
Rustin & Heather Herr	1/8/2015	\$509,000	\$500
Sylvan & Fannie Fisher	1/13/2015	\$325,000	\$500
Christian. & Rebecca Esh	2/27/2015	\$506,000	\$500
Conowingo Farm	2/19/2015	\$250,000	\$500
Jacob & Sylvia Stoltzfus	3/20/2015	\$517,000	\$500
Daniel K. & Ruth Lapp	5/13/2015	\$517,000	\$500
Emanuel & Rebecca Beiler	7/28/2015	\$417,000	\$500
Aaron & Rachel Stoltzfus	8/20/2015	\$517,000	\$500
John & Rebecca Stoltzfus	11/23/2015	\$517,000	\$500
Henry & Katie Fisher	12/14/2015	\$517,000	\$500

TAX EXEMPT LOANS



NEXT GENERATION FARM LOANS



**\$10,750,000**

TOTAL FINANCED FOR NONPROFITS

SINCE  
2014

**\$5,422,000**

TOTAL FINANCED FOR NGFLS



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*Penn IDA's goal is to utilize funds from fees to provide economic development opportunities to Penn Township and the Manheim Region businesses.*

**EDC FINANCE**  
corporation™



**Contacts for more information on financing:**

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