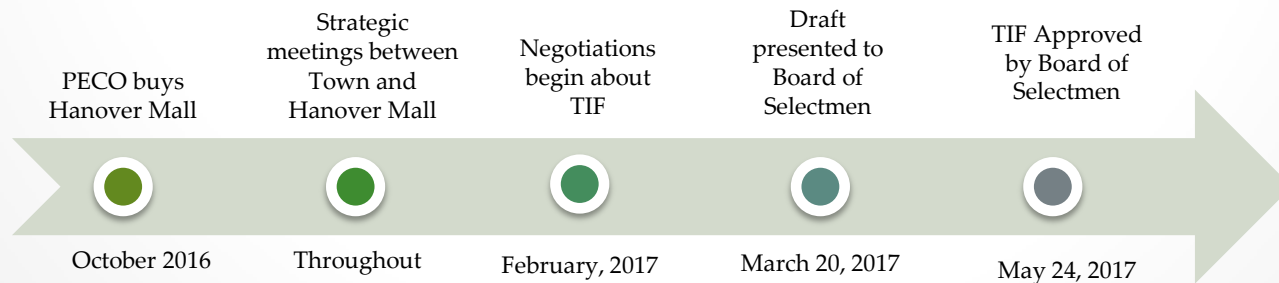


Hanover Crossing TIF Public Meeting June 19, 2017



TIF History

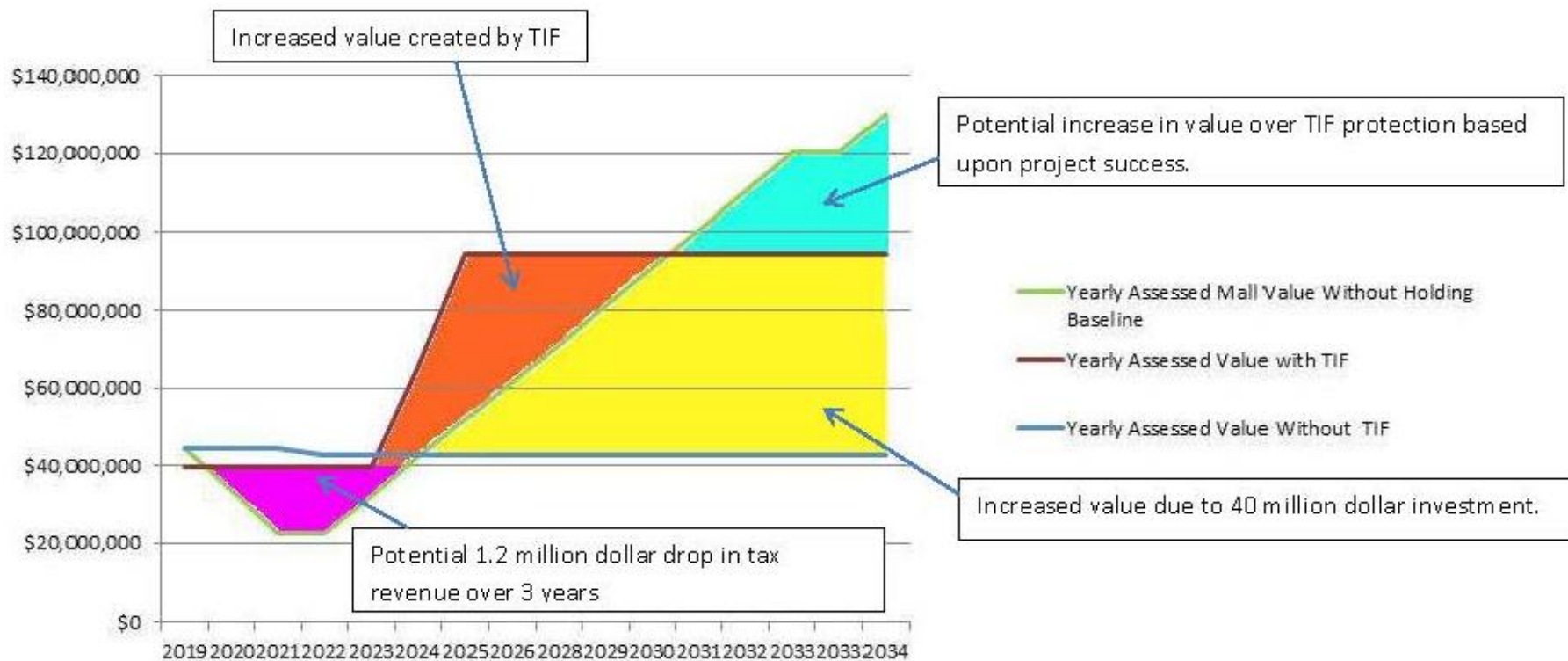
- PECO Real Estate Partners (PREP) purchases Hanover Mall Property – October, 2016
- Meetings with Hanover Officials – Throughout
- Negotiations begin on TIF – February
- Draft Presented to Board of Selectmen – March 20
- TIF Approved by Board of Selectmen – May 24



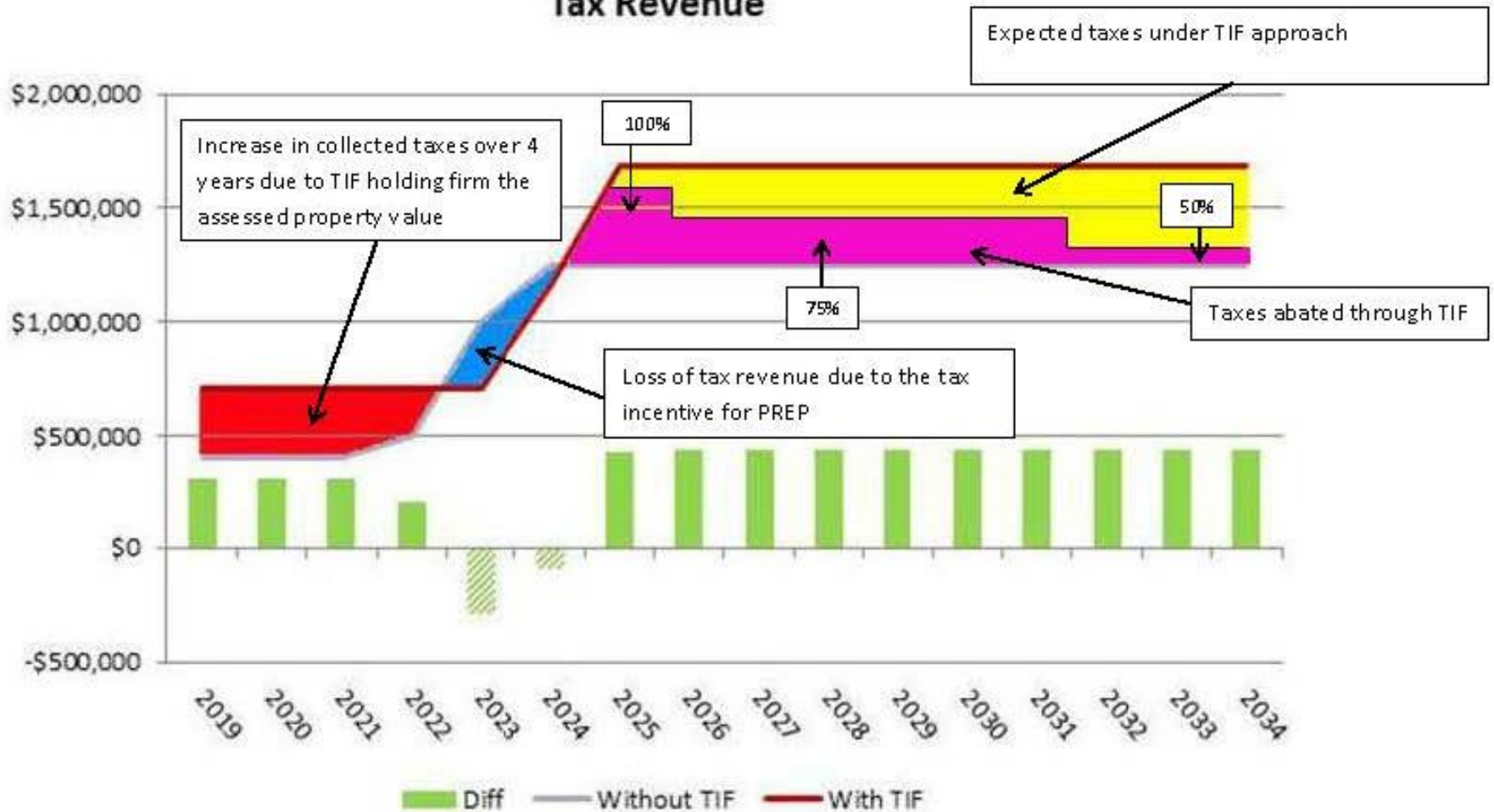
TIF Components

- PREP Guarantees investment of \$40M
- Job creation
 - Two by PREP
 - Hundreds by tenants
- Value held firm at \$39.5M
 - Protects against tax increases for residents
- Town provides graduated abatement of taxes
 - 100% for five years
 - 75% for five years
 - 50% for three years

Assessed Mall Value



Hanover Mall Tax Revenue



Hanover Mall

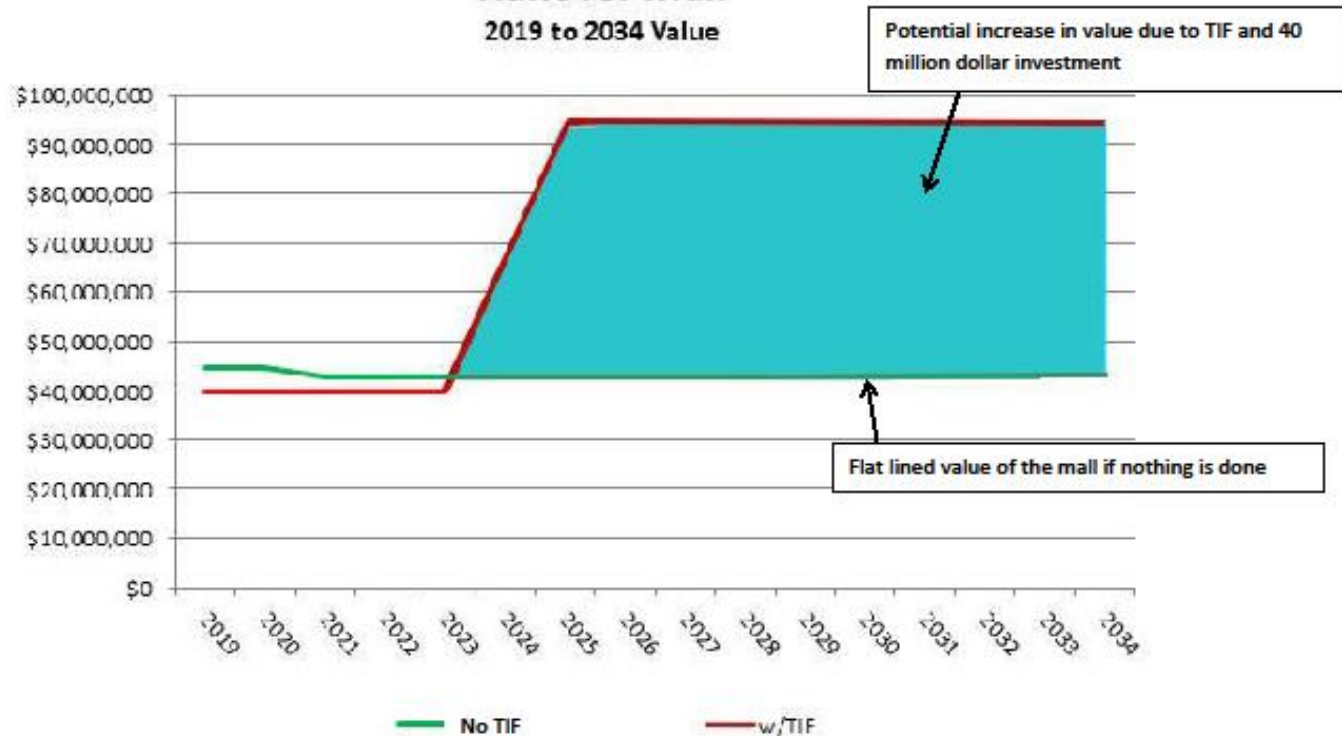
Value Worksheet

HANOVER MALL	SQFT	BASE RENT	RENT SQ FT	GROSS RENT	%VAC	VAC ALLOWANCE	EGI	EXP %	EXPENSES	NOI	TOTAL NOI	CAP RATE	EST VALUE
Hanover Mall - Existing Misc. Income	710552	10	10.41	\$7,403,951.84	0.05	\$370,197.59	\$7,033,754.25	0.73	\$5,134,640.60	\$1,899,113.65			
										\$2,182,591.00	\$4,081,704.65	0.092	\$44,366,354.86
Hanover Mall - During Construction Misc. Income	310552	10	10.41	\$3,235,951.84	0.05	\$161,797.59	\$3,074,154.25	0.73	\$2,244,132.60	\$830,021.65			
										\$1,244,077.00	\$2,074,098.65	0.092	\$22,544,550.51
Hanover Mall - After New Construction Misc. Income	700000	28	10.41	\$19,600,000.00	0.05	\$980,000.00	\$18,620,000.00	0.73	\$13,592,600.00	\$5,027,400.00			
										\$2,182,591.00	\$7,209,991.00	0.06	\$120,166,516.67

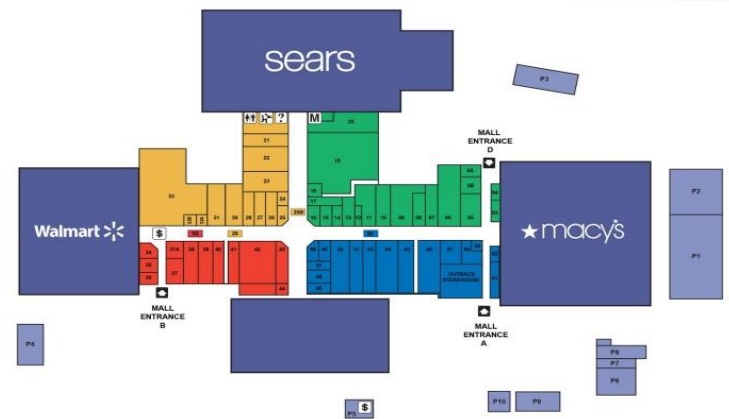
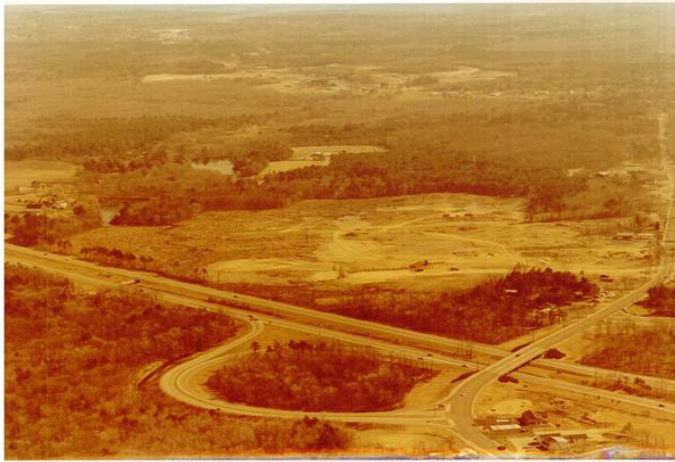


The New Hanover Crossing

Hanover Mall 2019 to 2034 Value



Hanover Mall



Hanover Crossing



HANOVER
CROSSING



The TIF allows PECO the ability to move forward incorporating high-end finishings such as landscaping and high-end building construction to attract tenants.

TIF Questions

- Will this cost me any money?
 - A: NO. The Town and PREP will share in the new value created.
 - If the TIF does not get approved and only small improvements are made to the property it is likely that property taxes would increase.
- Why do we need a TIF?
 - A: It protects the value (and the taxpayer) and ensures at least a \$40M investment
- What will happen without the agreement?
 - A likely scenario is a 'mothballed' interior and a less desirable anchor tenant – and a much lower value and related tax revenue

Questions?

