

Hanover Crossing Redevelopment



TIF Presentation

Who is ?

PREP is a fully integrated real estate company whose focus includes development and redevelopment projects from single-tenant retail to more complex properties including power centers, enclosed malls and mixed-use properties. The following are two recent redevelopments done that include approved TIF's.

The Kenwood Collection – Cincinnati, OH



The Shoppes at Parma – Parma, OH

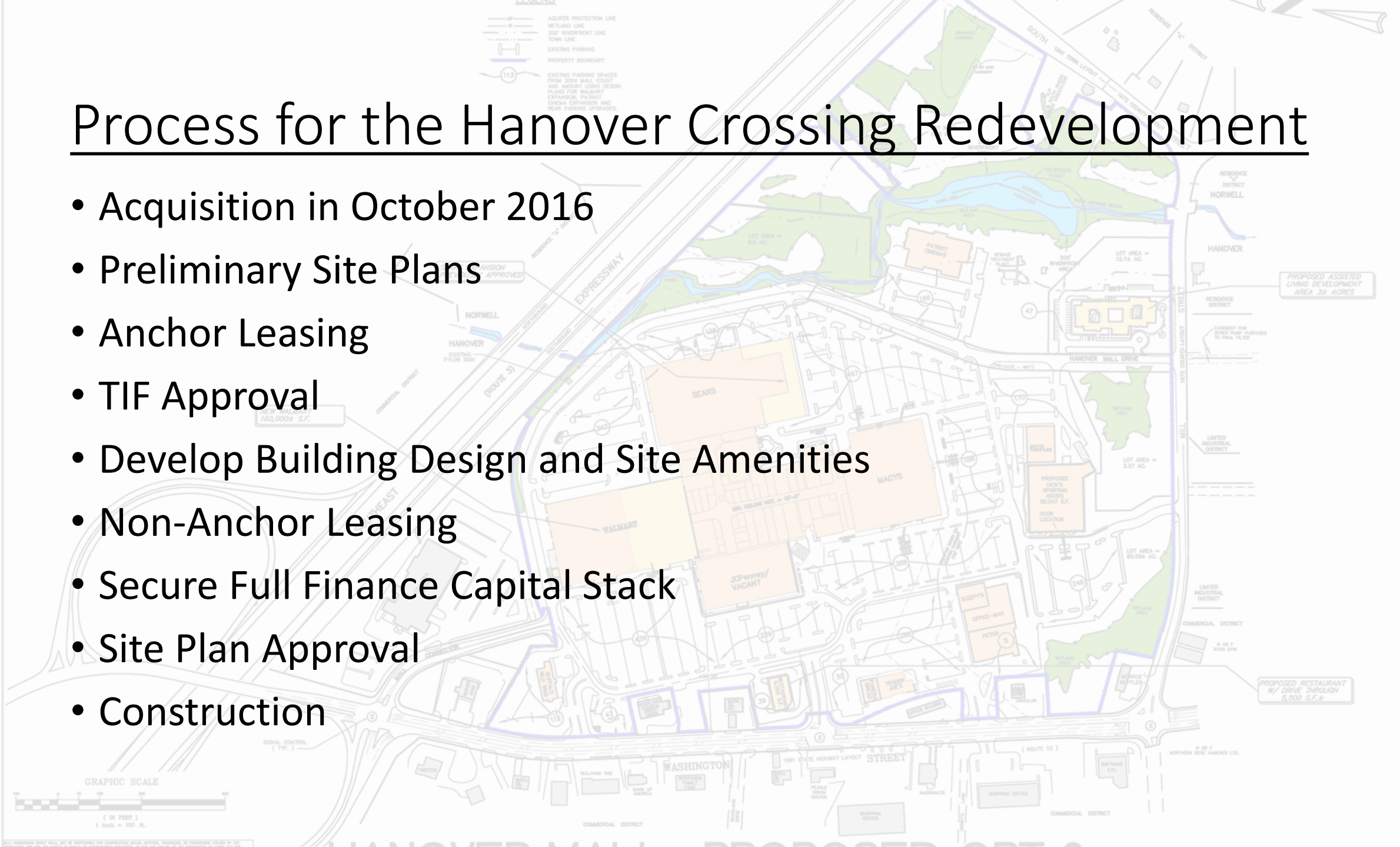


Why Did PREP Buy The Hanover Mall?

- Excellent trade area demographics with high barriers of entry for large new development
- Excellent accessibility and visibility to the site
- Opportunity for immediate tenant upgrades on the perimeter of the site
- High demand for entertainment/restaurant uses
- Location, Location, Location - Good Real Estate!!

Process for the Hanover Crossing Redevelopment

- Acquisition in October 2016
- Preliminary Site Plans
- Anchor Leasing
- TIF Approval
- Develop Building Design and Site Amenities
- Non-Anchor Leasing
- Secure Full Finance Capital Stack
- Site Plan Approval
- Construction



What is the TIF and Why Approve the TIF

What is the TIF?

- An agreement between the Town and the developer to rebate a portion of the real estate taxes based on the value created for a given term.
- The agreement dictates we invest an additional \$40MM into the redevelopment in addition to our purchase of the property.
- The agreement dictates a floor that PREP will pay in real estate taxes during the term of the TIF. This is not normal within TIF agreements in Massachusetts.
- The term of the agreement is 16 years.
- There have been over 2,000 TIF's done in Massachusetts and many more across the country.

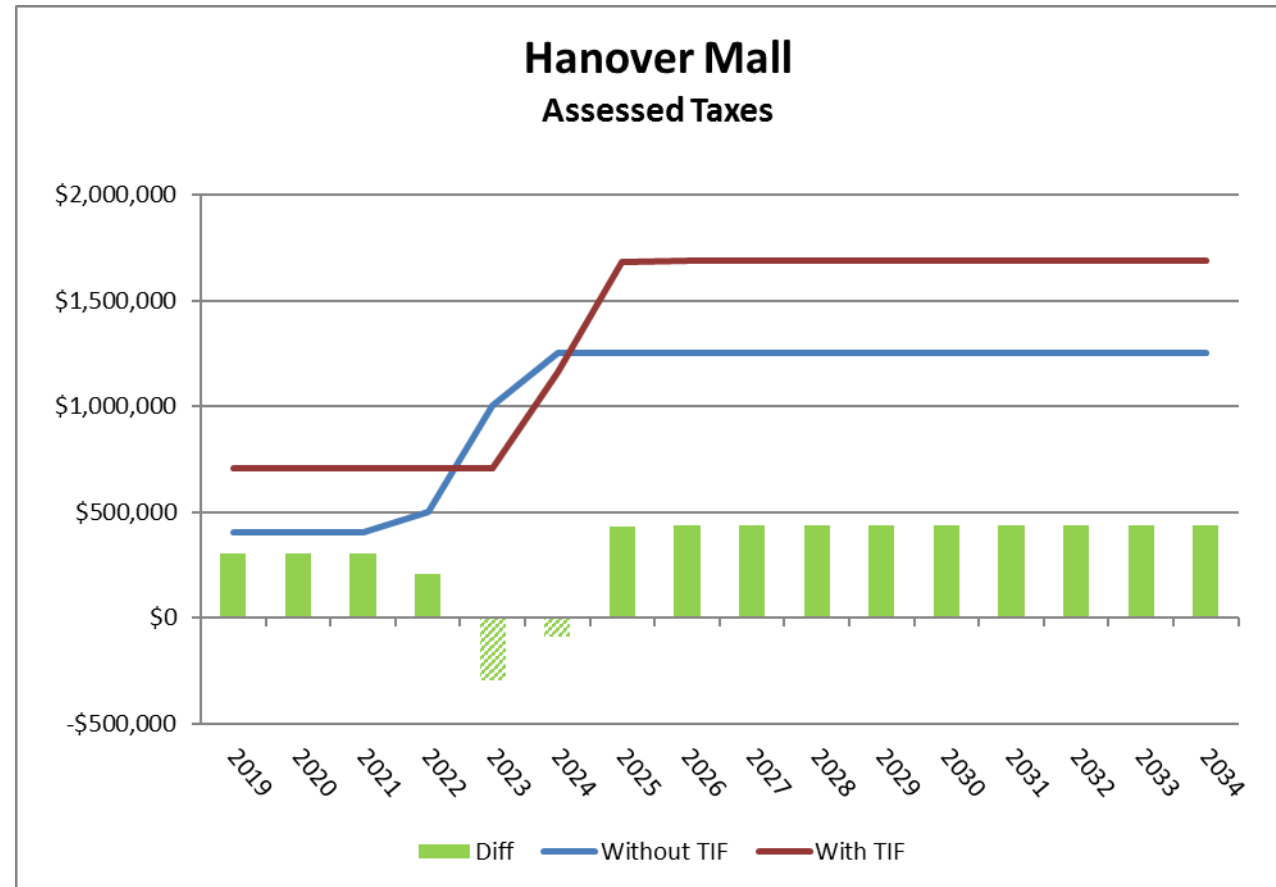
Why Approve the TIF?

- The TIF will stabilize your tax base. Real estate taxes for Hanover Crossing will be based at a minimum of \$39.5MM throughout the term of the agreement.
- Promotes private investment of a minimum of an additional \$40MM into the redevelopment in addition to our purchase of the property.
- The redevelopment will provide new full-time, part-time and construction jobs. Those jobs will have a preference to Hanover residences.
- The redevelopment of Hanover Crossing will stimulate further economic growth in the Town.
- The cashflow from the rebates will be monetized and invested back into the redevelopment.
- **When PREP creates the additional value for Hanover Crossing we will benefit based on the agreement as will the Town. If we do not create the additional value we get nothing and the Town is protected with the \$39.5MM floor.**

TIF Numbers (published by the Town of Hanover)

| | | Assessed Value | Total Taxes Paid | Base Value Taxes to Town | Increment Taxes | % TIF Rebate Per Year on Increment | Increment Paid to Town | Increment Paid to Project Owner | Total Paid to Town |
|----|------|----------------|------------------|--------------------------|-----------------|------------------------------------|------------------------|---------------------------------|--------------------|
| | | | | 100.00% | | | | | |
| 1 | 2019 | 39,500,000 | 706,260 | 706,260 | - | 0% | - | - | 706,260 |
| 2 | 2020 | 39,500,000 | 706,260 | 709,791 | (3,531) | 0% | (3,531) | - | 706,260 |
| 3 | 2021 | 39,500,000 | 706,260 | 713,340 | (7,080) | 0% | (7,080) | - | 706,260 |
| 4 | 2022 | 39,500,000 | 706,260 | 716,907 | (10,647) | 100% | - | (10,647) | 716,907 |
| 5 | 2023 | 65,000,000 | 1,162,200 | 720,491 | 441,709 | 100% | - | 441,709 | 720,491 |
| 6 | 2024 | 94,000,000 | 1,680,720 | 724,094 | 956,626 | 100% | - | 956,626 | 724,094 |
| 7 | 2025 | 94,000,000 | 1,680,720 | 727,714 | 953,006 | 100% | - | 953,006 | 727,714 |
| 8 | 2026 | 94,000,000 | 1,680,720 | 731,353 | 949,367 | 100% | - | 949,367 | 731,353 |
| 9 | 2027 | 94,000,000 | 1,680,720 | 735,010 | 945,710 | 75% | 236,428 | 709,283 | 971,437 |
| 10 | 2028 | 94,000,000 | 1,680,720 | 738,685 | 942,035 | 75% | 235,509 | 706,526 | 974,194 |
| 11 | 2029 | 94,000,000 | 1,680,720 | 742,378 | 938,342 | 75% | 234,585 | 703,756 | 976,964 |
| 12 | 2030 | 94,000,000 | 1,680,720 | 746,090 | 934,630 | 75% | 233,657 | 700,972 | 979,748 |
| 13 | 2031 | 94,000,000 | 1,680,720 | 749,821 | 930,899 | 75% | 232,725 | 698,175 | 982,545 |
| 14 | 2032 | 94,000,000 | 1,680,720 | 753,570 | 927,150 | 50% | 463,575 | 463,575 | 1,217,145 |
| 15 | 2033 | 94,000,000 | 1,680,720 | 757,338 | 923,382 | 50% | 461,691 | 461,691 | 1,219,029 |
| 16 | 2034 | 94,000,000 | 1,680,720 | 761,124 | 919,596 | 50% | 459,798 | 459,798 | 1,220,922 |
| | | | | | | | | | |
| | | | | | | | | 8,193,837 | 14,281,323 |

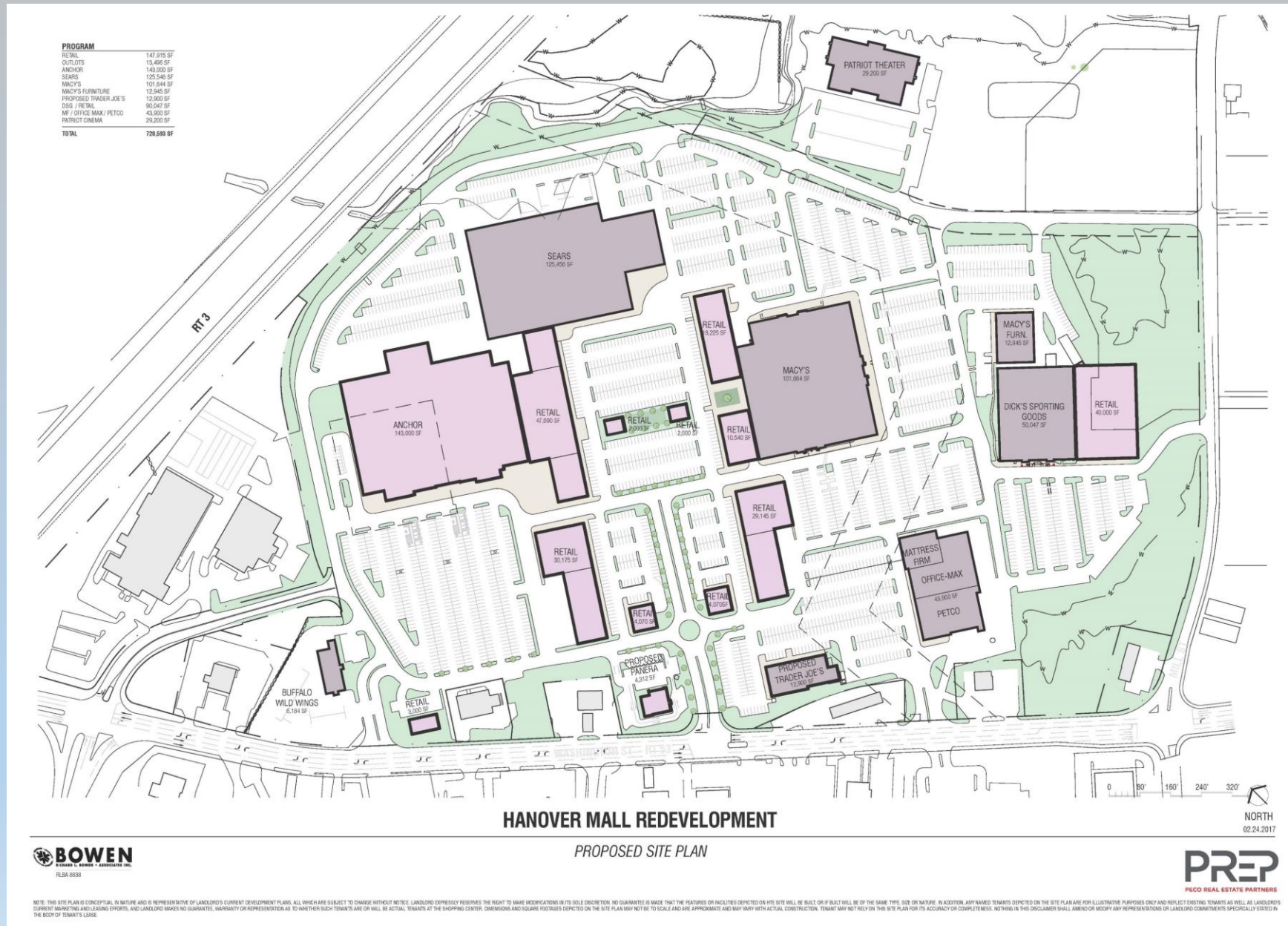
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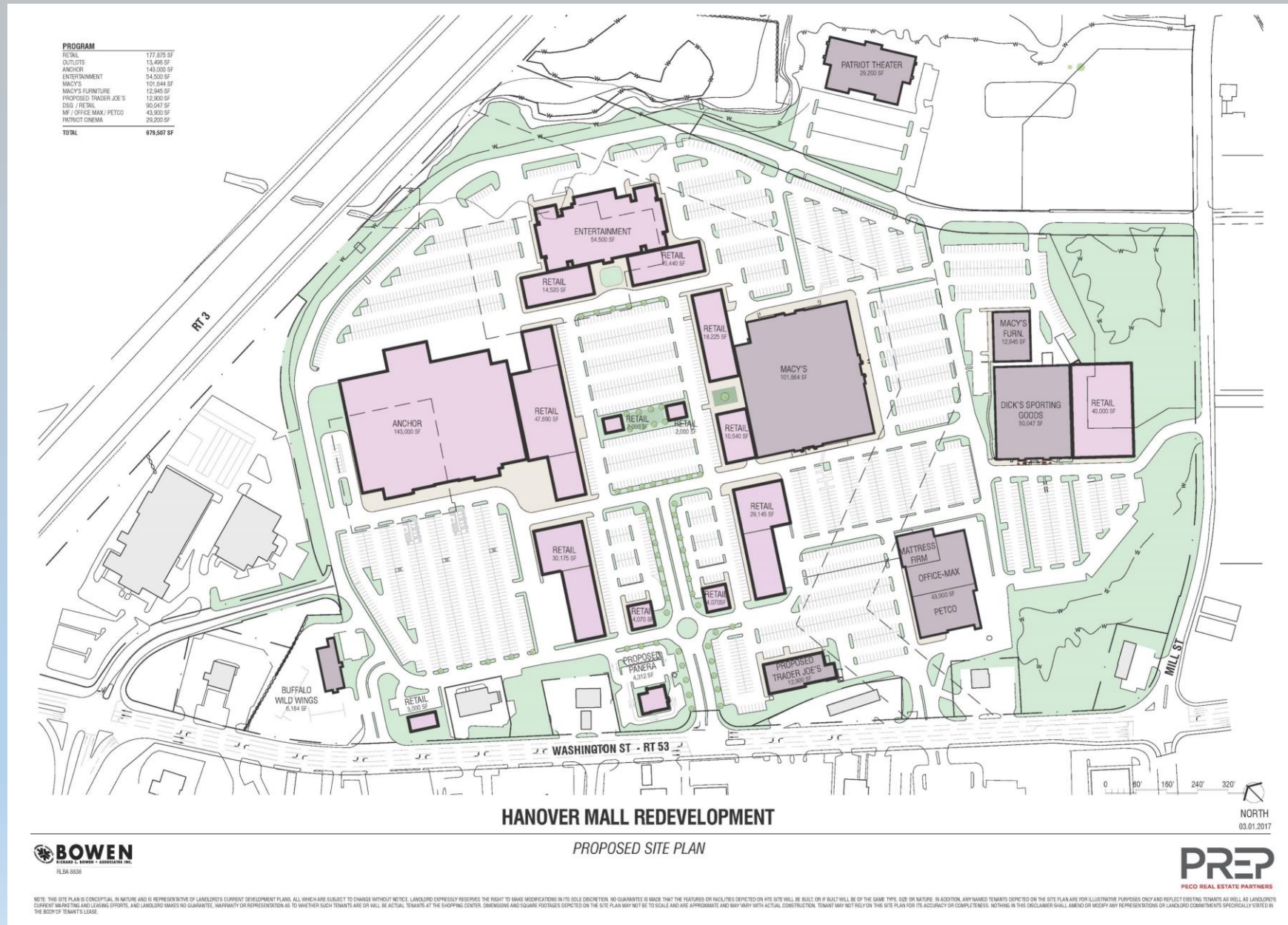
Hanover Mall Existing Site Plan



Hanover Mall Redevelopment Preliminary Site Plan (with Sears)



Hanover Mall Redevelopment Preliminary Site Plan (without Sears)









Local Endorsements

Tom Burke – Hanover Resident and Member of the Hanover Chamber of Commerce

“I encourage my Hanover residents to support the proposed Tax Increment Financing(TIF) proposal to assist in the redevelopment of the Hanover Mall. It is my belief that a revitalization of the Hanover Mall property is necessary to restore it as a cornerstone of the economic base of our town. Based on the proposed project and investment on the part of the new owners/developers, this is a great example of how public/private partnerships can benefit our community.” *Thomas M. Burke, Jr. 110 Bates Way Hanover, MA 02339*

Joshua Katzen – Owner/Developer Target Plaza “As the owner of a large shopping center close to the Hanover Mall, we are delighted that the Town of Hanover is considering supporting the re-development with TIF funding. The Hanover Mall anchors the entire Route 53 retail community, and its re-development and continued health is essential to the successful operation of all of the commercial operations along that corridor. We applaud the Town for taking this fore-sighted and important step.” *Joshua Katzen - Hanover Washington LP - Owner of the Target shopping center, Route 53, Hanover*

Stephen Avitabile – Owner - Avitabile Fine Jewelers

I encourage Hanover residents to support the proposed Tax Increment Financing proposal to assist in the redevelopment of the Hanover Mall. As a community, we have been waiting for change at the Hanover Mall, now is our chance to capitalize on this great opportunity. There is always some give and take in any re-building, and this is a very fair proposal in moving forward. The long terms gains are in our favor, please step up and vote yes. *Stephen Avitabile – Hanover Resident and Business Owner - Avitabile Fine Jewelers - 1774 Washington St, Hanover, MA*

Local Endorsements

HANOVER CHAMBER OF COMMERCE

“As the President of the Hanover Chamber of Commerce our board supports the Tax Increment Financing (TIF) proposal and encourage the people of Hanover to do the same because we feel this will lead to employment opportunities and help stabilize real estate property tax rates for Hanover residents. We are also very excited about the economic boost the new mall will give to our community so the people of Hanover can enjoy a modern state of the art shopping venue that we can all be proud of!”

Patrick J. Kelleher, President, Hanover Chamber of Commerce

South Shore Chamber of Commerce

“The South Shore Chamber of Commerce commends the town officials and Hanover Chamber of Commerce for working to save the Hanover Mall. We support the proposed tax incentive to allow the mall to compete in a changing retail environment. Hanover residents now have the chance to support new growth and see a vibrant mall. “

Peter Forman President & CEO South Shore Chamber of Commerce
1050 Hingham St. Rockland, MA 02370
781-421-3913 or 617-479-1111

PR First - President Jim Farrell – Member Hanover Chamber of Commerce

“We support the efforts underway to revitalize the Hanover Mall. We urge residents to support the Tax Increment Financing (TIF) article coming up at the Special Town Meeting in June. The investment will strengthen Hanover’s largest taxpayer and the town’s appeal as a residential and business community.”

Local Endorsements

Prime Motors – Owner Dave Rosenberg

As the owner of Prime Motor Group and business partner with the Hanover Mall, I am very supportive of the redevelopment plans by the new Mall owners (PREP). The Hanover Mall is the key anchor on the Route 53 corridor. I support the Tax Incentive Financing proposed (TIF).

When cities and towns partner with business to revitalize a key business, it is a win-win. The TIF agreement will stabilize the tax base for the Town and allow PREP to recoup some tax savings on the incremental value added because of the development. My understanding that PREP is committed to a minimum of \$40 million dollars and the two other projects they have developed successfully had TIF agreements with those cities. The revitalization of Hanover Mall into an outdoor lifestyle like center is a major commitment to the new Mall owners. The project will create jobs and increase the development opportunities for the businesses near and around the Mall property.

Moe's Southwest Grill - Hanover Mall Location/ Brooks N. Henderson - Owner/Operator

"As the owner/operator of the Moe's Southwest Grill restaurant franchise located at the Hanover Mall, I support the Tax Increment Financing (TIF) proposal and I encourage our valued customers and residents of the Town of Hanover to do the same. This proposal will allow a much-needed revitalization and redevelopment of the Hanover Mall property, which will in turn attract new businesses and tenants, create more employment opportunities, an overall better dining/shopping experience for Hanover residents and a much-needed local economic boost. Let's make the Hanover Mall great again!"

Brian Murphy – Owner Unicorn Realty

Unicorn Realty owns multiple commercial properties around the route 3/ Route 53 interchange in Hanover and we strongly support the TIF for the Hanover Mall. The Hanover Mall's long-term success is critical for the all the surrounding businesses. We believe the plan to redevelop The Mall is the right decision and the TIF will help the new owners as they make the substantial investment to achieve that long-term success.

Local Endorsements

Tim Bulman – Burger King Owner

As the owner of the Burger King property, I do perceive the redevelopment as a benefit to the future value of all neighboring parcels. Not only will the town of Hanover and all of the residents of Hanover benefit, but so will the residents in neighboring towns. New development and redevelopment are critical for the continued economic health of communities and also for keeping communities "with the times". I think that the redevelopment will inject the area with new life and revive its past history as being a destination for South Shore business.

Judith Teetsell-Hanover Resident

As a resident of Hanover for 20 years, I hope my fellow residents will support the Tax Increment Financing (TIF). The current Hanover Mall is a "dead mall". It feels lifeless, with many vacant stores and it lacks the traffic to generate excitement and a positive sales environment.

Voting yes will create more jobs, and increase revenue for the town of Hanover. It will give the much-needed face lift to the Hanover shopping area, creating an inviting shopping experience for South Shore residents to enjoy!

Maria Wood, Owner Marias Fashion Focus

I have owned Fashion Focus Program for 17 years for the last 15 years, the Hanover Mall has been a supportive and safe place for my students to showcase their confidence and style on the runway with the retailers at the Hanover Mall. Thousands of my students as well as their family members have enjoyed and appreciated the community support that the Hanover Mall extends to South Shore small businesses. I completely support the proposed Tax Increment Financing(TIF) proposal to assist in the redevelopment of the Hanover Mall.

Local Endorsements

South Shore Children's Museum - 1775 Washington Street, Hanover MA 02339

On behalf of the South Shore Children's Museum, I would like to make several favorable statements about our partners, the Hanover Mall. It is our organization's understanding that you are considering providing the Hanover Mall and its associates several licenses and benefits to help them in creating a new and improved shopping area. We cannot stress enough how valuable our association with the mall has benefitted our organization. If the past 3 years were any indication of how committed they are to providing the community social benefits through their support of our mission and goals, we can assure you that they will continue to work towards being an asset to the local community.

With the new investments planned for the revitalization of the mall, we can only see how the town will continue to reap positive rewards not only from enterprise, but from the social economic impact it will have on all members of our community. The Hanover Mall continues to work with our growing museum in planning and sustaining our programs and services by providing its ideal facilities and central location to us at very low or at times, free cost.

We know that the mall will continue to honor their support of local families and community by keeping our relationship sustainable throughout the next few years of uncertainty during construction. There have been several other non-profit organizations that the mall has worked with and who we have become connected to through their efforts. We have seen thousands of families visit our facility in part to our positive local networks. Along with the mall's foot traffic, we bring in families from all over the South Shore and beyond.

Susan Setterland – Hanover Resident and previous Board of Selectman

Residents have steadily witnessed the decline of the Hanover Mall. With the purchase by PREP and their announcement that the new name will be Hanover Crossing we can look forward to a new “state of the art” shopping and entertainment complex. I encourage the voters of Hanover to attend the special town meeting on June 19th and support the Tax Increment Financing (TIF) agreement being presented.

As Ed Callahan, Hanover Mall General Manager, stated, this is a “win win” proposal.



THANK YOU for coming out this evening and
thank you in advance for supporting the TIF
and the redevelopment of Hanover Crossing