

City Revitalization & Improvement Zone

Managed by LANCASTER CITY **ALLIANCE**

Marshall W. Snively, Acting Executive Director



BUILDING ON STRENGTH

THE COMMUNITY-OWNED
ECONOMIC DEVELOPMENT STRATEGIC
PLAN FOR THE CITY OF LANCASTER

Managed by LANCASTER CITY **ALLIANCE**

LANCASTER
DOWNTOWN
INVESTMENT
DISTRICT

Managed by **LANCASTER CITY ALLIANCE**

CRIZ Program

What is a “CRIZ”?

- The City Revitalization and Improvement Zone (CRIZ) Program was established by Pennsylvania law (Act 52 of 2013 and amended under Act 84 of 2016). Program horizon is 2045.
- Intended to spur new growth in cities that have struggled to attract development, helping to revive downtowns, and create jobs for the residents in the regions.
- A CRIZ is an area comprised of properties designated by an authority to capture state and local taxes for the purpose of improvement and development within the designated CRIZ District.

CRIZ Program

Lancaster CRIZ Authority

- Established in 2013 to oversee Lancaster's CRIZ Program, and approves financial assistance made possible by the annual capture of state and local taxes to support development projects and other capital improvements, small business expansion, and job creation in the City of Lancaster.
- A municipal entity with a bipartisan Board of Directors appointed by the mayor and Lancaster's state senator.
- Board of Directors includes residents, business owners, property owners, nonprofit and local government leaders.



CITY REVITALIZATION &
IMPROVEMENT ZONE (CRIZ)



CITY REVITALIZATION & IMPROVEMENT ZONE (CRIZ)

BUILDING ON STRENGTH
COMMERCIAL HUBS

BUILDING ON STRENGTH
INVESTMENT OPPORTUNITY SITES

DOWNTOWN INVESTMENT DISTRICT

An aerial map of Lancaster, Pennsylvania, with various urban planning zones overlaid. A large red area in the northwest is labeled 'HARRISBURG AVENUE/ NORTHWEST GATEWAY'. A blue-hatched area in the center is labeled 'DOWNTOWN CORE'. Several yellow areas are labeled 'NEW HOLLAND AVENUE/ EAST WALNUT STREET', 'COLUMBIA AVENUE/WEST KING STREET', 'MANOR STREET', 'SOUTH PRINCE STREET/ SOUTH QUEEN STREET', and 'SOUTH DUKE STREET'. Dashed lines outline other areas. A 'TRAIN STATION AREA' is labeled at the top. The Susquehanna River is visible on the right side.

LANCASTER CITY ALLIANCE

CRIZ Program



> 500 Businesses

- Businesses, property owners, and contractors constructing CRIZ-approved projects located in the CRIZ district are required by State law to file annual, confidential reports between April 1 and June 15 to the PA Department of Revenue and the City of Lancaster on the amount of qualified taxes generated by their business during the previous tax year.
- The CRIZ Program's success and the amount of funding generated for the program is dependent on businesses fulfilling this reporting responsibility annually.

CRIZ Program



Key CRIZ-Eligible Taxes

- ✓ Corporate Net Income tax
- ✓ Capital Stock and Franchise Tax
- ✓ Bank Shares Tax
- ✓ Sales and Use Tax
- ✓ State Hotel Tax
- ✓ Personal Income Tax
- ✓ Malt or Brewed Beverage Tax and Liquor Taxes
- ✓ Local Services and Local Earned Income Tax

CRIZ Program



Certified “Increment”

- The Commonwealth of Pennsylvania and City of Lancaster certify the qualified taxes reported by businesses and property owners in the CRIZ districts and returns those tax dollars (“increment”) to the Lancaster CRIZ Authority in October or November each year.

CRIZ Program



Financial Assistance

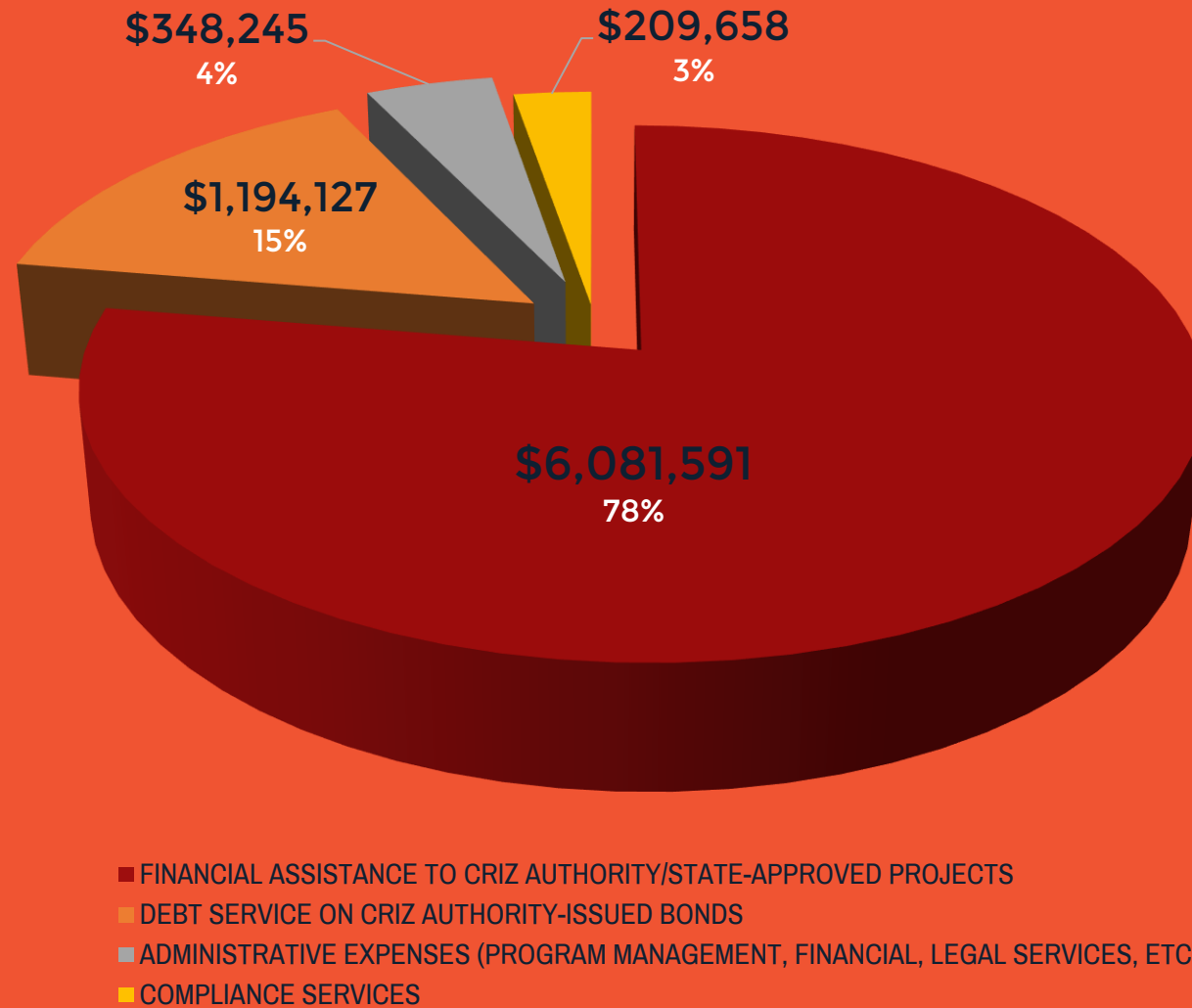
- Qualified state and local tax revenues (“increment”) returned to the Lancaster CRIZ Authority may be used for payment of debt service on loans issued for the acquisition of real estate and/or qualified capital improvements within the CRIZ district in support of development projects and other capital improvements, and business growth.
- Funds are distributed by the Authority to CRIZ-approved projects in December or in the following year, or used to issue bonds to fund special programs.

CRIZ Program

>\$7.8 million

in 2020 State and local tax revenues returned to the CRIZ Authority in 2021 to support economic development, allocated and distributed by Lancaster City Alliance in its first year managing the CRIZ program

ALLOCATION/DISTRIBUTION OF 2020 CRIZ INCREMENT BY THE LANCASTER CRIZ AUTHORITY IN 2021

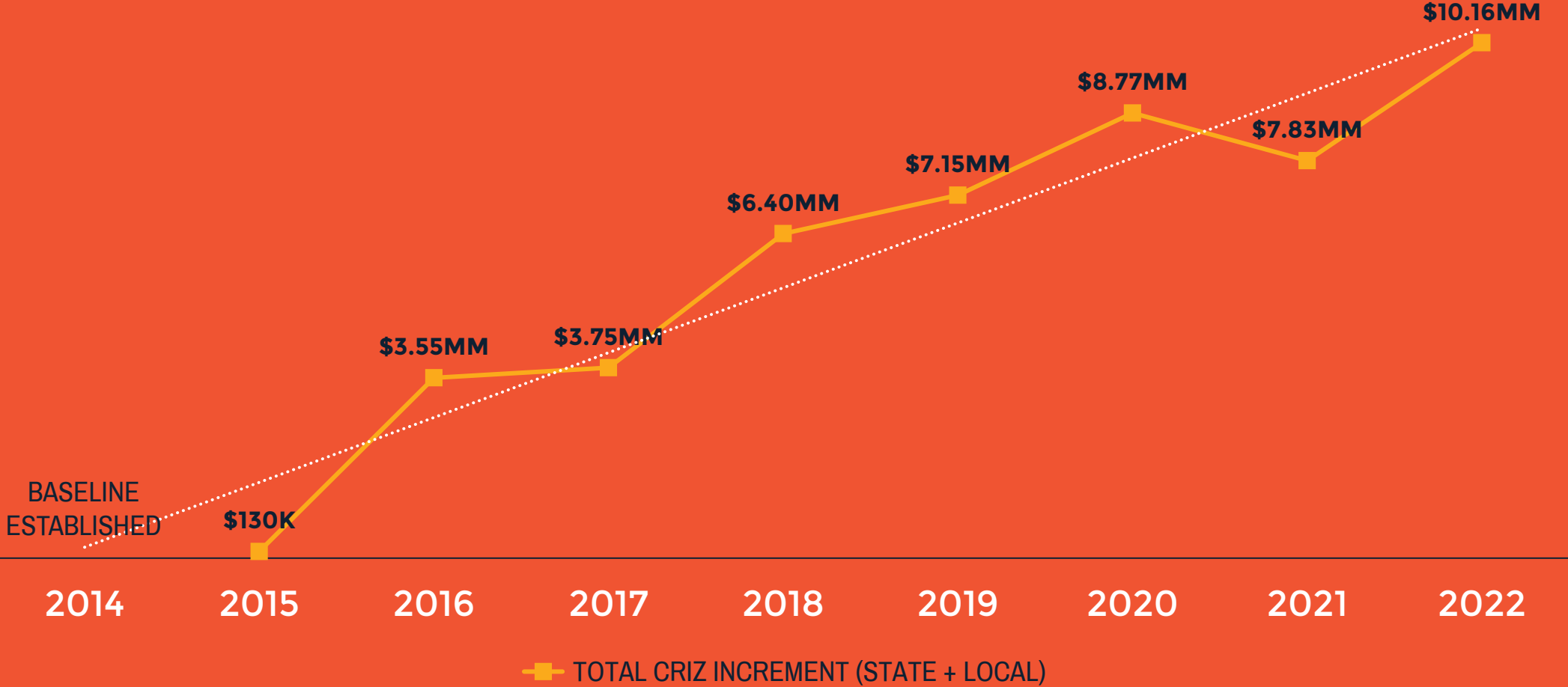


CRIZ Program

>\$10.1 million

in 2021 State and local tax revenues returned to the
CRIZ Authority in 2022 to support economic development

CERTIFIED CRIZ INCREMENTAL TAX REVENUES
RECEIVED BY CRIZ AUTHORITY ANNUALLY FROM PREVIOUS TAX YEAR



CRIZ Program

\$47.7 million

in State & local tax revenues returned and distributed since 2015,
leveraging **>\$129.1 million** in private matching funds invested
to support more than **>\$167 million** in economic development

CRIZ Program

Core Priorities

- ❑ **Redevelopment of underutilized and/or vacant properties**
- ❑ **Catalytic/high economic impact projects**
- ❑ **Supporting entrepreneurs/small business growth**
- ❑ **Sustaining key public facilities as vital economic drivers**

Lancaster County Convention Center



Clipper Magazine Stadium



CRIZ Program

Helping Projects Overcome Financial Hurdles

- **“But for”** – Projects that wouldn’t have happened but for some level of financial assistance
 - Commercial banks unwilling to finance the amount required after equity
- **Removing Impediments** – i.e., environmental hazards
- **Accelerating** – Development is able to proceed more quickly as a result of the financial assistance provided

Lancaster Square



Lancaster Square



Holiday Inn Lancaster



101NQ



Christian Street Garage Lancaster Public Library Ewell Plaza Retail



Ewell Plaza



CRIZ Program

Eligible Uses of CRIZ Funds

- ✓ Real Estate Acquisition
- ✓ Demolition, Site Preparation, Infrastructure
- ✓ Real Estate Development Soft Costs (ex: Architectural, Engineering, Surveys, Legal Fees)
- ✓ New Construction
- ✓ Façade Improvements
- ✓ Interior Renovations (including Leasehold Improvements)
- ✓ Furniture, Fixtures, Equipment

Marriott Hotel Expansion



29 East King



Southern Market



Thaddeus Stevens & Lydia Hamilton Smith Center for History and Democracy



The Exterior Company



Plaza Centro



Max's Eatery



551 West Expansion



Double C



CRIZ Program

\$3.1 million

in CRIZ COVID-19 Small Business Recovery Grants
awarded in 2021, keeping more than 100 City businesses afloat
during the pandemic and providing critical support for payroll,
rent, utilities, supplies, and working capital

CRIZ Program

\$300K

**in CRIZ Small Business Financial Assistance "Pilot" Grants
awarded 2018 through 2022, providing inclusive funding assistance**

CRIZ Program

\$5 million

New CRIZ Small Business Financial Assistance Program
launched in 2022 in partnership with EDC Finance Corporation;
will provide maximum \$25K grants and \$100K loans to catalyze
small business growth and commercial renovations





CRIZ Program

\$5 million

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CRIZ Program

Small Business Financial Assistance (SBFA) Grants

- Grant maximum: \$25,000
- Required match: 1:5
- May be used in combination with a SBFA Loan
- Prevailing Wage Act labor rates required for projects >\$25,000
- Eligible uses of funds:
 - Real estate acquisition
 - Construction: new facilities, façade improvements, interior renovations (including leasehold improvements)
 - Furniture, fixtures, equipment

CRIZ Program

Small Business Financial Assistance (SBFA) Loans

Underwritten in partnership with



CRIZ Program

Small Business Financial Assistance (SBFA) Loans

- Loan maximum: \$100,000
- Required match/equity: 1:5
- Interest rate: follows PIDA rate (currently 4.75%); fixed
- Repayment term: 7-10 years
- May be used in combination with a SBFA Grant
- May apply to use CRIZ increment to repay loan
- Eligible uses of funds:
 - Real estate acquisition
 - Construction: new facilities, façade improvements, interior renovations (including leasehold improvements)
 - Furniture, fixtures, equipment

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SPA

EDC FINANCE
corporation



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HIGH
ASSOCIATES
LTD.

An Affiliate of High Real Estate Group LLC

Lancaster
CRIZ Authority

LANCASTER CITY
ALLIANCE



COMMUNITY FIRST FUND



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CRIZ Program

Lancaster City
Flourishes and everyone
shares in its
success.

CRIZ Program

Questions?

Contact

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