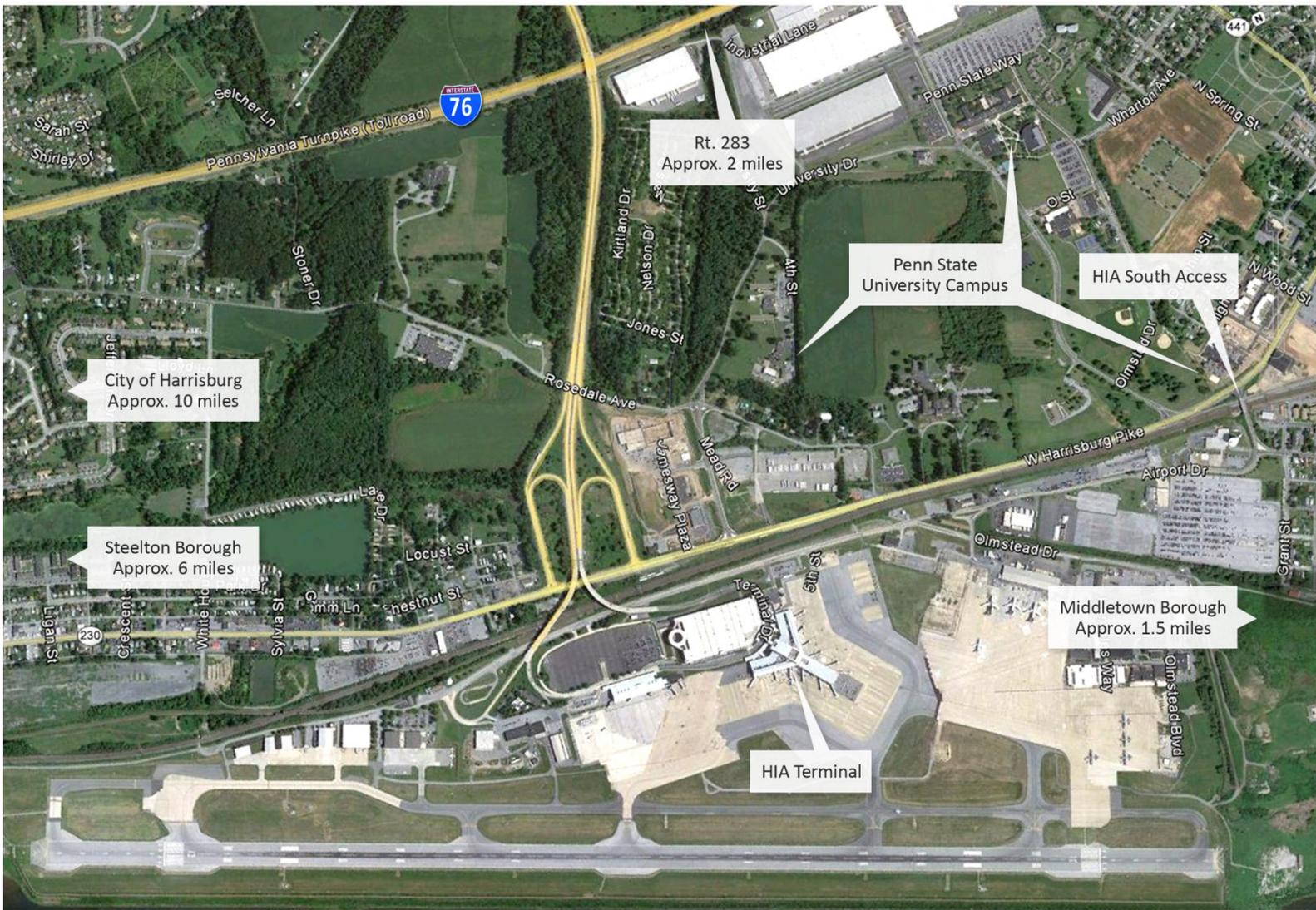




# SUSQUEHANNA AREA REGIONAL AIRPORT AUTHORITY (SARAA)

## Harrisburg International Airport





Map 2 – Harrisburg International Airport



## KEYSTONE OPPORTUNITY ZONE (KOZ)

### Available properties:

- Old Terminal Location (21.6 acres)
- Old Bethlehem Steel Site (38.7 acres)
- Crawford Station Site (64.0 acres)

### Taxes eligible to be waived

#### State:

- Corporate Net Income Tax
- Capital Stock and Foreign Franchise Tax
- Personal Income Tax
- Sales and Use Tax (purchases used and consumed by business in the KOZ)
- Mutual Thrift Institution Tax
- Bank and Trust Company Shares Tax
- Insurance Premiums Tax

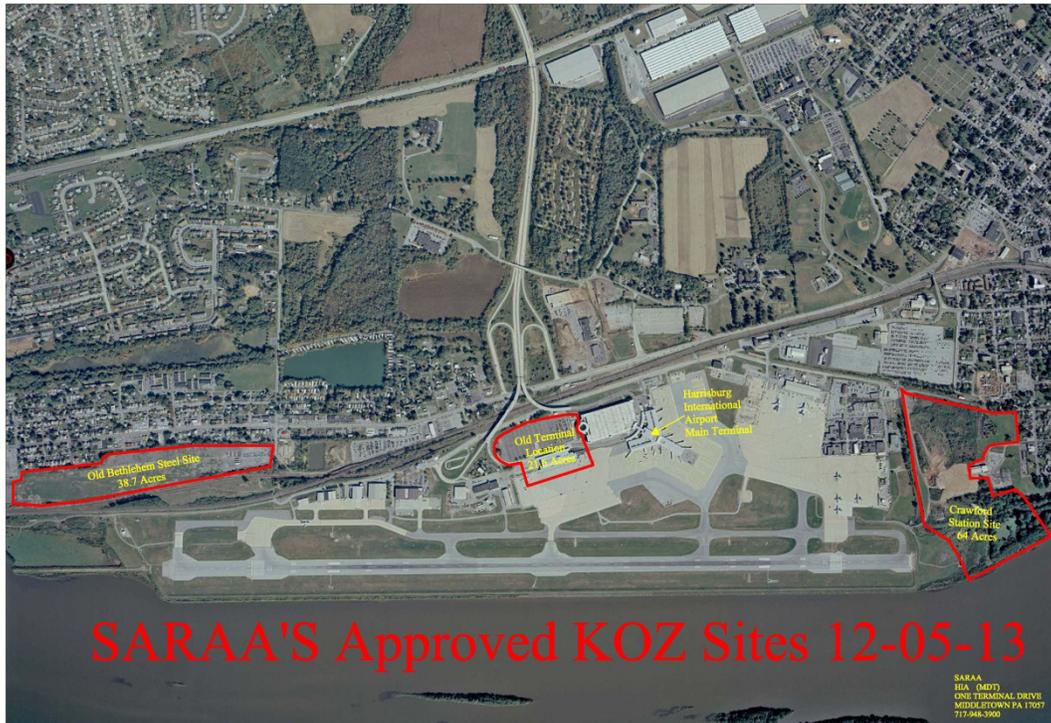
**Local:**

- Earned Income/Net Profits Tax
- Business Gross Receipts, Business Occupancy, Business Privilege and Mercantile Tax
- Sales and Uses Tax (county/city; purchases used and consumed by business in the KOZ)
- Property Tax

**Eligible Businesses:**

- New businesses
- Businesses moving to the site not currently located in Pennsylvania
- Any business that moves from a PA location into the KOZ is not eligible to receive the exemptions, deductions, abatements, or credits unless the business meets at least one of the following:
  1. Increases employment by at least 2-% in the first full year of operation within the KOZ
  2. Makes a capital investment in the property located within the KOZ equivalent to 10% of the gross revenues of the business in the immediately preceding calendar or fiscal year attributable to the business location or locations that are being relocated to a subzone
  3. Enters into a lease agreement for property located within the subzone, improvement subzone, or expansion zone for a term at least equivalent to the duration of the subzone and with the aggregate payment under the lease agreement at least equivalent to 5% of the gross revenues of the business in the immediately preceding calendar or fiscal year.

Map 3 – HIA Keystone Opportunity Zone (KOZ) Sites



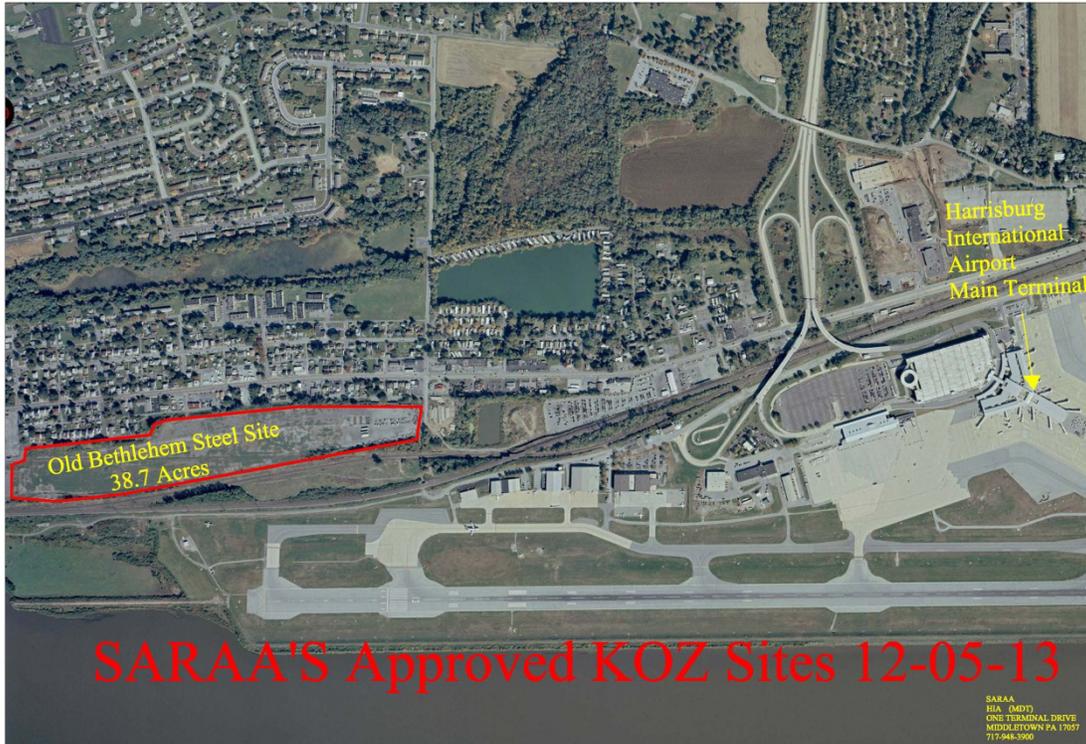
Map 4 – HIA Crawford Station KOZ Site



Map 5 – HIA Old Terminal KOZ Site



Map 6 – HIA Old Bethlehem Steel KOZ Site



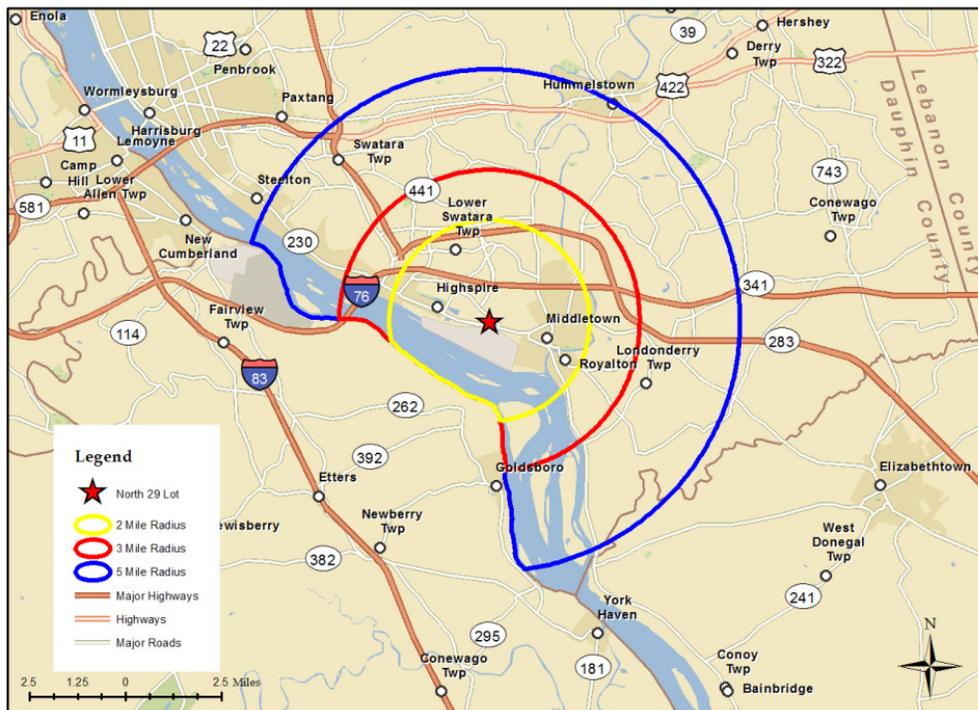
## MARKET PROFILE

The following areas were identified for study:

1. Primary Market Area – 2-mile radius of the North 29 Lot
2. Secondary Market Area – 3-mile radius of the North 29 Lot
3. Tertiary Market Area – 5-mile radius of the North 29 Lot

For comparative purposes, data was included for the Commonwealth of Pennsylvania and the United States, where available, in addition to the primary, secondary, and tertiary market areas. Map 3 illustrates the various defined market areas and their relation to HIA and the surrounding properties.

Map 7- Market Area



Source: ESRI Business Information Systems

## Regional, Community, and Economic Impact

Within three miles of HIA, there is an Amtrak commuter rail station. The Middletown stop is part of Amtrak's Keystone Service rail line, with direct access to Harrisburg, Philadelphia, and New York City.

The HIA campus is within one mile of the Harrisburg area branch campus of Penn State University, which has a current enrollment of approximately 4,200 students that is predominantly composed of commuters, although on-campus living is expanding annually as enrollment increases. Penn State Harrisburg has grown to be the third-largest Penn State branch campus and has recently experienced an increase in out-of-state student enrollment. In October 2009, 23 percent of undergraduate, first-time freshmen were nonresidents, and 12 percent of graduate students were relocating to the Harrisburg area.

The airport and its tenants employ more than 1,500 people from the surrounding region including over 500 Dauphin County residents. Visitors to Dauphin County arriving at HIA spend more than \$6.6 million per year and generate more than \$103,000 in hotel taxes annually.

HIA serves approximately 1.3 million aviation travelers on an annual basis. As the only multi-airline commercial service airport within a 75-mile radius of the Dauphin County region, SARAA is continually pursuing new carriers and service offerings at HIA. These efforts have proven beneficial in recent months, as SARAA was able to recruit two new airlines offering direct destination flights to and from HIA.

## DEMOGRAPHIC CHARACTERISTICS

### Population

A key factor in measuring the depth of a retail or commercial market is assessing the trends in population – a population that represents the consumers of goods and services that could be offered at the Airport and the surrounding properties, as well as a local workforce that could potentially be tapped. The primary market area is projected to experience a 5.86 percent increase in population between 2010 and 2016 while the secondary market area is projected to increase by 6.52 percent and the tertiary market area by 6.29 percent. The total population in Pennsylvania is projected to increase by only 1.68 percent during the same time period (see Table 1 – Population Trends).

Table 1 – Population Trends

	2000	2010	2016	% Change 2010-2016
2 Miles	17,423	16,901	17,892	5.86%
3 Miles	22,389	21,813	23,235	6.52%
5 Miles	49,535	51,436	54,671	6.29%
PA	12,281,054	12,702,379	12,916,198	1.68%
US	281,421,906	308,745,538	321,315,318	4.07%

Source: ESRI Business Information Systems

## Income

Changes in median household income over time can provide insight into the potential spending power of consumers in the region. Initial analysis shows a significant estimated income growth across all areas between 2011 and 2016. An increase in income of 19.56 percent (\$8,735.00) is expected between 2011 and 2016 within the primary market area. This increase is greater than the increase in the Pennsylvania median household income during the same time period. The projected increase in median household income for the tertiary market between 2010 and 2015 is also greater than that of Pennsylvania, 20.59 percent and 17.70 percent, respectively (see Table 2 – Trends in Median Household Income).

Table 2 – Trends in Median Household Income

	2011	2016	% Change 2011-2016	Annual Rate
2 Miles	\$44,647	\$53,382	19.56%	3.91%
3 Miles	\$49,901	\$56,295	12.81%	2.56%
5 Miles	\$51,356	\$61,931	20.59%	4.12%
PA	\$49,405	\$58,149	17.70%	3.54%
US	\$50,227	\$57,536	14.55%	2.91%

Source: ESRI Business Information System

## Housing

The number of housing units in all three identified market areas is projected to increase between 2011 and 2016. The largest rate of growth is expected to occur within the secondary market area, where the number of housing units is projected to increase by 6.75 percent between 2011 and 2016. This projected growth in the secondary market area is significantly greater than the projected growth in Pennsylvania during the same time period (see Table 3 – Number of Owner-Occupied Housing Units).

Table 3 – Number of Owner-Occupied Housing Units

	2010 (Estimated)	2011 (Estimated)	2016 (Projected)	% Change 2010- 2011	% Change 2011- 2016	Annual Rate of Change 2011- 2016	Numerical Change 2011-2016
2 Miles	4,472	4,434	4,723	-0.85%	6.52%	1.30%	289
3 Miles	6,139	6,116	6,529	-0.37%	6.75%	1.35%	413
5 Miles	15,077	15,036	15,962	-0.27%	6.16%	1.23%	926
PA	3,491,722	3,444,368	3,541,831	-1.36%	2.83%	0.57%	97,463
US	75,986,074	75,460,316	78,940,105	-0.69%	4.61%	0.92%	3,479,789

Source: ESRI Business Information Systems

The number of households in all three identified market areas is projected to increase more between 2011 and 2016 than the number of households statewide. The secondary market area is projected to see the greatest increase, 5.92 percent, between 2011 and 2016 (see Table 4 – Number of Households).

Table 4 – Number of Households

	2010 (Estimated)	2011 (Estimated)	2016 (Projected)	% Change 2010- 2011	% Change 2011- 2016	Annual Rate of Change 2011- 2016
2 Miles	7,223	7,315	7,721	1.27%	5.55%	1.11%
3 Miles	9,251	9,388	9,944	1.48%	5.92%	1.18%
5 Miles	21,482	21,800	22,948	1.48%	5.27%	1.05%
PA	5,018,904	5,032,107	5,121,169	0.26%	1.77%	0.35%
US	116,716,292	117,457,661	121,712,803	0.64%	3.62%	0.72%

Source: ESRI Business Information Systems

The average household size is the largest in the tertiary market area when compared to the primary and secondary market areas. All market areas relevant to the airport and its surrounding properties are expected to decrease in household size between 2011 and 2016. All of the relative market area averages for household size are smaller than compared to Pennsylvania or national household averages.

Table 5 – Average Household Size

	2010 (Estimated)	2011 (Estimated)	2016 (Projected)
2 Miles	2.26	2.25	2.24
3 Miles	2.29	2.29	2.27
5 Miles	2.36	2.36	2.35
PA	2.45	2.45	2.44
US	2.58	2.58	2.57

Source: ESRI Business Information Systems