

Commissioners OK tax financing agreement for Cedarwood development

By Patty Yauger pyauger@heraldstandard.com | Posted: Wednesday, March 19, 2014 5:15 pm

A majority of Fayette County commissioners have joined with South Union Township supervisors in supporting a \$2.67 million financing deal to help an Ohio-based developer make infrastructural improvements for a new strip mall.

In a 2-1 vote on Tuesday, the commissioners agreed to the terms of a tax incremental financing (TIF) program, that, if additionally approved by Laurel Highlands School Board, would aid Cedarwood Development Inc. in defraying costs tied to the grouting of an underground mine, paving, rock excavation, storm water and drainage improvements and guardrail and embankment improvements, among other infrastructural needs of the project.

The now-dormant, 27-acre parcel owned by Cedarwood is adjacent to the Walmart and within the Fayette Business Park.

Laurel Highlands School Board is expected to vote on the matter at tonight's meeting.

While the deal received support from Commissioners Al Ambrosini and Vincent Zapotosky on Tuesday, it drew criticism from several residents that attended the commission business meeting.

"If this is such a great opportunity, I would suggest (Cedarwood) look for private investors," said Jerrie Mazza of Franklin Township. "Why should the taxpayers have to pay for them to conduct a business?"

"Why should the taxpayers finance somebody's private business? It doesn't make sense."

Representatives of the three taxing bodies have met several times over the past few months to structure a plan that would defer future real estate tax dollars to the repayment of a \$2.67 million bond issue secured by the county redevelopment authority on behalf of Cedarwood.

According to the plan, a total of \$223,281 collected from the three taxing bodies would be set aside each year for a 20-year period to pay off the total \$4.464 million bond.

Currently, the tract is assessed at \$672,250, with the county receiving about \$3,000 in real estate revenue; the township, \$400 and the school district, \$13,755.

When the retail stores are operational, the property value is expected to rise to \$15 million, with

the county to potentially recoup \$67,000 annually; the township, \$8,970 and the school district, \$229,470.

However, during the two-decade repayment period, each taxing body would pledge a percentage of the income for the loan payoff.

According to the plan, the county will earmark 95 percent of the anticipated revenue, or \$61,242; the township, 100 percent and Laurel Highlands, 70 percent, or \$153,400 of the new tax income.

The agreement additionally earmarks \$200,000 to the school district.

Cedarwood representatives have indicated that without the \$2.6 million investment, the \$26 million project can not go forward, and the property will remain idle.

Commissioner Angela M. Zimmerlink, who voted against the measure, said that development has continued in the area without local tax support.

“Voting yes (to the measure) is a tax subsidy to one private developer,” she said. “It is unfair competition.”

Ambrosini said that he was in support of the initiative because it will create needed jobs and added revenue streams to the taxing bodies.

“A lot of these are first-time stores in our area,” he said. “Any type of growth, development and private sector job creation is very welcome in Fayette County.”



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TIF explained

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Andrew French, executive director of the Fayette County Redevelopment Authority, responds to questions about a tax incremental financing proposal during the Fayette County commissioners meeting on Tuesday.