

South Union backing TIF project

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(Editor's note: This column was written by South Union Township supervisors, Robert Schiffbauer, Rick Vernon and Jason Scott).

The South Union Township Board of Supervisors has a well-established reputation for its success in helping attract and accommodate new economic development from which we have all benefited from.

Unfortunately, in recent years we have seen our national economy devastated. Unemployment in Fayette County still remains one of the highest in Pennsylvania and our economic recovery is sluggish at best.

To further illustrate our concern about the current state of our local economy, South Union Township's economic growth rate (assessed valuation) for the past four years has averaged a moderate growth rate of only \$3.8 million a year. Where in the previous five years before 2010 we were growing at a yearly average rate of \$15.2 million a year.

Because of the poor state of the economy and in order to meet our current and future needs, we must turn to new and innovated approaches to help stimulate new economic growth.

One way to achieve and spur on new growth in our community is the utilization of the Tax Increment Financing Program, more commonly referred to as a TIF. This financial tool has been used throughout 48 states in the United States since 1952. Even though this is the first TIF to be considered in Fayette County, more than 60,000 TIFs have been put to use throughout the United States.

Looking close to home, the use of TIFs have made possible such projects as Tanger Outlets, the Waterfront, Robinson Town Center and Station Square. Without getting into the complicated nuts and bolts of how a TIF works, it is more important to focus on the benefits a TIF can generate.

If the TIF is ultimately approved, over 600 new jobs will be created in a county that has one of the highest unemployment rates in our state. As a direct result of these new jobs, \$16 million in employee wages will be pumped into our local economy on a yearly basis.

In addition to the newly created jobs, new additional tax dollars will be generated thereby allowing the township and county governments to provide new and improved services and, in turn, these new tax dollars would help the school district educate our children.

Fortunately because of our past economic growth and wise management of the township, our board of supervisors of South Union Township has not raised township taxes in over 40 years. The current township tax is less than one mill at 0.6 mills. Even with our growth and because of the financial burden with the Laurel Highlands School District, taxes have constantly been increasing. Just within the past three years, you have seen your school taxes increase half a mill for each of the past three years. At present the school tax stands at 15.8 mills, which is 26 times greater than the township's tax rate of 0.6 mills.

Also, the taxpayers of the Laurel Highlands School District can assuredly expect to see additional tax increases in light of the recent debt incurred by the school district to the tune of \$40 million for the high school renovation project.

For the mentioned reasons, the South Union Township supervisors and Fayette County commissioners are doing their part to help stimulate economic growth by supporting the TIF. Hopefully, the Laurel Highlands School Board members will also see the wisdom in supporting the TIF where new and additional tax dollars will be generated to help provide much needed funding for the district.

It has been said by the Laurel Highlands School District Administration that the school district is not in the economic development business. One might concur with this statement, but of the three taxing bodies (township, county and school district) it is quite obvious the school district is much more dependent on the benefits derived from the economic developments.

Based on the TIF plan, the school district will receive an upfront payment of \$200,000 and over \$122,000 per year of additional taxes which will dramatically help alleviate the school district's budget constraints. It is inconceivable that the school board would pass up this potential source of additional funding.

With the near future, the Laurel Highlands School Board will have the opportunity to join with South Union Township and the Fayette County commissioners in a joint partnership to create new jobs and grow our tax base by supporting the TIF.

With this support, this opportunity to grow and prosper can be made possible.