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Millions going to project

By Amy Zalar, Herald-Standard
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The Fayette County Redevelopment Authority recently learned it would receive \$8.1 million in state grant money to assist the developer building the Wal-Mart Super Center project at the Fayette County Business Park.

The state cash, which will be paid in the form of approximately \$813,000 per year for 10 years, is from the Infrastructure Facilities Improvement Program (IFIP) through the state Department of Community and Economic Development. The money will be used to offset debt for infrastructure work - such as roads, water and sewerage - the private developer has incurred for the project.

The redevelopment authority applied for the money last November, and Gov. Ed Rendell initially made the announcement of the award of the funding at Thursday evening's annual Fay-Penn Economic Development Council banquet.

As the applicant, the redevelopment authority will act as a "pass through" agency for the money, which will ultimately be paid to Cedarwood Development Inc. for the "Fayette Crossings" project at the South Union Township site.

Cedarwood is developing 58 acres at the business park. The development, which is estimated to cost \$51.5 million, includes a 200,000-square-foot Wal-Mart Super Center, two strip shopping centers and an Applebee's Restaurant, for a total amount of approximately 430,000 square feet of retail space.

The development also includes infrastructure upgrades such

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as roads, water and sewer lines. Plans are to open the Wal-Mart Super Center before the end of the year. It will replace a Wal-Mart store at Cherry Tree Plaza.

Andrew French, executive director of the Fayette County Redevelopment Authority, said the grant amount is based on a percentage of the new state tax revenues that would be generated by the development.

The IFIP request is 18.25 percent of the estimated annual state tax benefit, estimated to be \$4.45 million a year.

French said the road, sewerage and water work is being done now by Cedarwood and the grant money will "come in 10 increments to pay them back."

For the FCHA's portion of the debt to develop the business park, French said the authority has acquired a revolving line of credit, which has been paid off through land sales, and also by using the \$2 million acquired via state and federal funds.

French said the state money is essentially being used to help pay the debt for the infrastructure that is being used to support the development.

"It is mutually beneficial," Franch said. "The sewer lines and water lines will come into play when we develop the next section of the business park."

Cedarwood is investing more than \$50 million, he said, and this only pays a portion of it.

At the groundbreaking ceremony for the project last year, Frank A. Licata, director of site acquisitions/major tenant leasing for Cedarwood, said the new 203,622-square-foot Wal-Mart Super Center building will encompass five acres and include a tire lube express, grocery store, garden center and full-line department store.

The new Applebee's restaurant will front Route 40. An additional line of between 12 and 15 shops will also include 20,000 square feet of retail space. Licata said Phase II may include additional "junior anchors and potentially another (major) anchor" and will include between 175,000 and 200,000 square feet.

According to an executive summary regarding the IFIP proposal, off-site roadway improvements on Route 40, New Salem Road, Matthew Drive and engineering costs are \$1.27 million and other infrastructure improvements, including water lines, sewer lines, engineering work and mine remediation will total \$5.25 million. Additional debt service, insurance and interest costs bring the total up to \$8.1 million.

Fayette County Commissioner Vincent A. Vicites said the commissioners wrote a letter of support when the authority applied for the money. He said the money is a "nice shot in the arm" to help with development of the business park.

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