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## Council not interested in creating KOZ zone

By Steve Ferris, Herald-Standard 04/02/2003

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Uniontown City Council does not appear to be interested in an offer to create a tax-free Keystone Opportunity Zone in downtown using some of 109.5 acres that were decertified from a KOZ in the Fayette County Business Park.

"Right now, that's on hold," Uniontown Mayor Jim Sileo said.

He said city officials are focusing their efforts on a proposed \$6 million downtown economic improvement project for that would require the city and Fayette County to come up with \$1.5 million each to match \$3 million from the state capital budget.

"We can't do both," Sileo said.

The Revitalize Downtown Uniontown group, which consists of five city and county organizations, sent a letter on March 27, asking city council if it was interested in using as much as 10 acres from the business park KOZ for a downtown KOZ.

City Councilman Bob Cerjanec, the director of accounts and finance, echoed the mayor's opinion.

He said council would have to use its Community Development Block Grant program and tap the city budget to assemble a \$1.5 million match.

The city cannot afford to forgive real estate and income taxes in a downtown KOZ and scrape together \$1.5 million for the capital project, Cerjanec said.

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However, he would not rule out a downtown KOZ. "We had some ideas on it," said Cerjanec, noting that an isolated area near Marshall Park and the Uniontown Public Library has been mentioned as a possible KOZ.

City Councilman Joe Giachetti, who is running against Sileo for mayor in the Democratic Party's May 20 primary election, said he doubts a majority of council would support the offer, pointing out that council voted 3-2 against a request from Fayette Building owner Gary Gearing to include his building in a KOZ.

"If they can't afford to do it for one guy, how are they going to justify 10 acres," Giachetti said.

He said if council had approved Gearing's request it would have cost the city his \$3,000 a year in real estate taxes for 10 years through 2013 for a total of \$30,000 over that period.

Giachetti cast one of the two votes in favor of Gearing's request at council's May 1 meeting.

He said the Fayette Building would have been a good test case to see if a KOZ would be successful in attracting new businesses to downtown, and he would be willing discuss and consider the offer from the Revitalize group.

Fayette County Redevelopment Authority Executive Director Raymond Polaski is the contact person on the letter from the Revitalize group. The other members of the group are the National Road Heritage Corridor, Fayette Chamber of Commerce and the Uniontown Redevelopment Authority.

Polaski said the city could take as much or as little of the 109.5 decertified acres from the business park as it wants, but he has not yet received any formal response from council.

He said KOZ applications are due to the Southwest Planning Commission on May 7, the day after council's next regular meeting. The Fayette County Commissioners and Uniontown Area School Board would have to approve the KOZ before that deadline. he said.

"The opportunity to do this is going to come and go," Polaski said.

He said he believes a downtown KOZ would be a good tool to use along with the proposed capital budget project to stimulate the city economy.

Polaksi said a KOZ used in combination with aggressive building code enforcement in downtown would go a long way toward revitalization.

He said he believes if an aggressive door-to-door code inspection were conducted downtown, vacant downtown building most likely have many code violations and occupied buildings probably have some violations as well.

If they were given KOZ status, state regulations prohibit the buildings' owners from receiving the tax breaks until all the code violations are fixed.

"What better way to get code enforcement than by getting into a KOZ," Polaski said.

A building owner who is delinquent in paying taxes would not receive KOZ tax relief until the delinquencies are satisfied, he said.

"Is that a good tool? I think it is," Polaski said.

He said if the city is not interested in a KOZ, the 109.5 acres from the business park will be turned over to the Southwest Planning Commission, which will allocate it to other counties that want the acreage.

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