

Redevelopment authority, developer, continue to seek financial aid for commercial venture

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The Fayette County Redevelopment Authority has scheduled tentative meetings with the South Union Township supervisors and the Laurel Highlands School District to request their cooperation in financing the further development of Fayette Crossing.

The authority and Fayette Crossing developer, Cedarwood Development of Ohio, want to prepare a Tax Increment Financing (TIF) plan to defray costs associated with infrastructural improvements at the site that is also owned by the firm.

The TIF, if approved by the township, school district and county, would earmark the bulk of the future property tax revenue over a period of time to repay the debt incurred by the developer to construct parking facilities, utilities and other improvements on the now-undeveloped site along Walmart Drive.

While TIFs have been used by other counties in the state, this is the first time it has been considered for a Fayette County project.

Andrew French, authority executive director, said Friday that the first step in the process is to have each taxing body name a representative to a TIF planning committee. To date, French has been designated as the authority's representative and county Commission Chairman Al Ambrosini as the county's designee to the committee.

Randall J. Hake, Cedarwood vice-president of commercial development, and legal counsel for the firm, attorney Jeffrey A. Mills, will also be a part of the TIF committee.

“Like the purpose of presenting the plan to the commissioners last month, we are looking for a person from both the township and school board to sit on the planning committee,” said French. “The committee will be responsible for establishing an agreement that will then be taken back to their respective boards for approval.”

The agreement would include the length of the TIF agreement and the monetary split of the property tax revenues, said French.

The current property tax revenue generated by the unoccupied property is listed at

\$3,035 for the county; \$403 for the township and \$10,317 for the school district, or a total of \$13,755. It is expected that when the retail site is built, it will generate a total of \$305,005 in property tax revenues which include the current tax amount.

Cedarwood has recommended an 80 percent/20 percent split of the future revenue. If approved, the county would likely receive about \$16,000 in property taxes with the township garnering \$2,100. The estimated income for the school district would total about \$54,000.

The remaining \$233,000 received annually would be used to defray the expenses tied to the infrastructural improvements.

Cedarwood has requested the agreement be in place for 20 years.

The proposed development site lies north of the current Walmart Super Center, the first property developed by Cedarwood in 2005.

The new site is to include several major retailers, smaller shops, restaurants and a hotel. Planners have estimated about 600 jobs — 200 for the construction and 400 for the operation of the businesses — would be created.

Hake has declined to reveal the retailers, but said they include a major sporting goods and women's clothing merchant.

The 277-acre business park, including Fayette Crossing, has seen significant growth, said French. However, it was a speculative venture when the development of it began with the county investing \$15 million for road construction and other infrastructural needs when only a few businesses had indicated interest in the park.

“We had some interest from Super 8 and the car dealership that now is across the road,” he said, adding that McMillen Engineering was also preparing to locate its business in the park. “However, we went forward with developing other lots although there were no commitments.

“Luckily, there was interest.”

The new Cedarwood project is in place with tentative retailers ready to sign on the dotted line.

“The final piece of this puzzle is to help Cedarwood with the cost of the infrastructure for the site,” said French. “The TIF will fill the financing gap for this project.”

The presentation to township is tentatively scheduled for Dec. 13 and the school board on Jan. 16.

“I don’t look for this to be a long, drawn-out process,” said French, adding that he anticipates the committee will meet one or two times in order to reach an agreement that will benefit all the entities. “Once that planning committee comes up with the recommendation, the information will then go back to the taxing bodies for consideration. The ultimate goal is to have an agreement that can be approved by everyone.”

French said that it is imperative that the three taxing bodies sign off on a plan to allow the project to go forward.

“(Cedarwood) has been doing its due-diligence to put this project together with the different retail developers, and we are now at the point where everything is in place, with the exception of the final financing,” he said. “If this does not happen, the deal will fall through.”

Should the taxing bodies partner with the developer for the financing, the construction project will start in the spring.

“We are working very hard to meet that schedule,” said French.



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Developer wants TIF to defray costs

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Cedarwood Development of Ohio is preparing to construct several retail shops, restaurants and a hotel on this property located in the Fayette County Business Park along Walmart Drive in South Union Township.