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Lehigh County Commissioners reject tax incentives for proposed Costco, Whole Foods complex

By COLIN McEVoy

The Express-Times

A fatal blow was dealt tonight to a tax incentive plan for a proposed Lower Macungie Township complex that would have included a Whole Foods, Costco and Target.

Lehigh County Commissioners voted 6-3 to reject a tax-increment-financing plan for the 590,324 square-foot Hamilton Crossings, a \$140 million proposed shopping center.

The plan would have diverted a portion of new tax revenue generated by the shopping center over 20 years to offset the construction costs. The complex was expected to create 920 jobs.

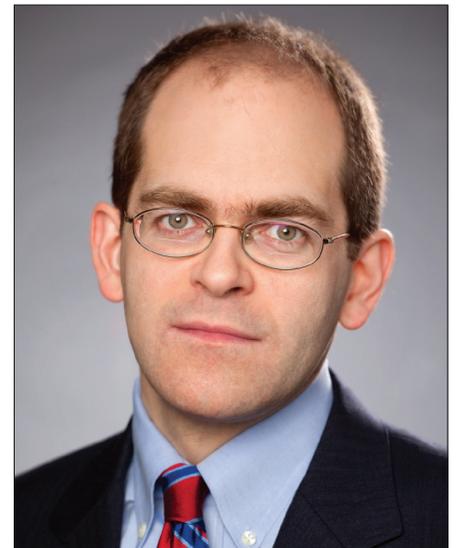
The proposal required approval from all three taxing bodies. The East Penn School Board approved

it last month, and Lower Macungie Township Commissioners indicated they would likely have supported it.

Commissioner Daniel McCarthy, one of two Democrats on the board, voted against it because he believes the property will ultimately be developed even without the tax plan.

“Based on the project location, demographics and financing, I think this project has significant potential for occurring without Lehigh County’s part in the TIF,” he said.

David Jones Sr., the second Democrat on the board, voted for the plan, along with Republicans Tom Creighton and Percy Dougherty. Creighton said he supported it because the township favored it and he felt officials there were the best judge of their own interests, not the county.



Clark Hill attorney Jonathan W. Hugg

“This is going to happen, TIF or no TIF,” Hugg said. “The TIF makes a difference of less than 1 percent the money the developer is going to make. They’re not going to walk away from that.”

“It disturbs me how federal and state government try to mandate things on the county, so why should we feel any different when the county is trying to mandate things on Lower Macungie Township?” Creighton asked.

Commissioner Mike Schware said the county should not have been involved in this project, and expressed concerns that details of the proposal are not set in stone and could change later.

“We’re being thrust into this situation because county taxpayers are being asked to pay for what is a township problem,” Schware said.

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As with previous meetings, dozens of people spoke both for and against the proposal.

Representatives of Goldenberg Development, the company behind the proposal, left tonight's meeting without commenting on the commissioners' decision.

Representatives from a competing mall company, Cedar Realty Trust, which owns Trexler Mall and Trexlertown Plaza in Lower Macungie Township, repeated their previous claims that if the tax plan is rejected, Goldenberg would build the same project without it.

Jonathan Hugg, an attorney representing Cedar Realty Trust, called approving the plan tantamount to "corporate welfare" and said it gives an unfair advantage to their business competition.

"This is going to happen, TIF or no TIF," Hugg said. "The TIF makes a difference of less than 1 percent the money the developer is going to make. They're not going to walk away from that."

McCarthy said Cedar Realty Trust's statements did not influence his decision to vote against the plan.



The Hamilton Crossings development proposed by Goldenberg Development would include a Costco, Whole Foods and Target.

Kevin Lott, of the United Brotherhood Of Carpenters And Joiners Of America, argued for the project, saying it would create desperately needed construction jobs for union workers.

"If you work construction, you know that we don't have a couple of years to wait for a job," Lott said. "Our families need jobs now."

Dougherty said the project would have brought \$2.6 million into the county over 20 years, and resulted in highway and drainage improvements that would not be done otherwise.

"This is a blighted site that hasn't been developed and will not be developed unless it gets an even playing field" with this financing plan, Dougherty said.

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