



Franklin County OKs 10-year tax incentive for KOZ

By JIM HOOK Senior writer

Tax incentives have been extended for businesses moving to the Cumberland Valley Business Park north of Chambersburg.

Franklin County Commissioners on Thursday agreed to a 10-year tax incentive for businesses locating in the park's Keystone Opportunity Zone before Dec. 31, 2015. Businesses would not pay local real estate taxes or state corporate income tax for 10 years.

The other taxing authorities -- Chambersburg Area school board and supervisors from Greene and Letterkenny townships -- previously agreed to the extension.

The incentive package prolongs an initial 280-acre KOZ established at the park in 1999. The Letterkenny Industrial Development Authority has developed 78 acres of the KOZ. Businesses have invested \$4.2 million in building and created 182 jobs.

In 2008, the peak year for local KOZ incentives, the program cost the school district \$98,000 in lost real estate tax revenue and the county \$26,500. Greene Township does not have real estate tax and the tiny bit of KOZ in Letterkenny Township has not been developed.

The KOZ designation has been a key to getting

businesses to look at the business park and Franklin County, according to LIDA Executive Director John Van Horn. National companies looking for a location check with the state on where the Governor's Action Team gives KOZ priority.

"We call it the power bait for economic development," he said. "It gives us good global exposure."

Ingram Books had initially considered the park's KOZ before building its distribution warehouse off Wayne Road near Chambersburg, Van Horn said.

Vacant land in the business park would not have sold without the KOZ benefits, he said.

Franklin County Area Development Corp. has been developing the KOZ land. The nonprofit built three buildings for potential buyers.

A roofing paper manufacturer from Alabama built the fourth, but only after the local community agreed to concessions. Municipalities had set a rule about awarding KOZ incentives to companies that paid high wages.

"It was a deal killer for Warrior Roofing," LIDA real estate manager Kip Feldman said.

If the communities hadn't agreed to change the wage rule, the owners were prepared to build on a site in Martinsburg, W. Va., Feldman said.

As a result, the municipalities in 2002 lowered

Advertisement



**UNIVERSITY of
SAN FRANCISCO**

End-to-End Training as It Should Be: 100% ONLINE!

Earn Your Master Certificate in Internet Marketing

- SEO & Paid Search
- Online Branding
- Web Analytics
- Internet Law
- Media Buying
- Social Media

➔

1-800-268-9943
USanFranOnline.com/FD

Print Powered By  FormatDynamics™



the labor-rate requirement to fall in line with statewide KOZ criteria.

Other regions and states have similar incentives to attract business and industry, Franklin County Administrator John Hart said.

The extension of KOZ benefits will apply to two businesses already located in the park. Meyer Distributing Inc. and 5K Logistics got their occupancy permits after the legislated start date (Sept. 8).

The business park is being developed on former land of Letterkenny Army Depot. The base realignment and closure commission of 1995 ordered the return of some Army real estate to the community.

Environmental cleanup has delayed transfer of the land to LIDA. Industries, such as food processors and pharmaceuticals, have steered clear of the park because some land was once contaminated, Van Horn said.

"It's difficult to emphasize enough the difficulty in attracting businesses," he said.

Legislation (Senate Bill 1412) authorized communities to extend and expand KOZ benefits. The law also requires a business moving within the state to a KOZ to demonstrate that the relocation will have a "significant impact" on employment and job creation to qualify for the incentive.

Unsold land in the park is not currently taxed.

LIDA is an independent authority, whose members are appointed by Franklin County Commissioners.

Jim Hook can be reached at 262-4759 or jhook@publicopinionnews.com.

Advertisement

**UNIVERSITY of
SAN FRANCISCO**

End-to-End Training as It Should Be: 100% ONLINE!

Earn Your Master Certificate in Internet Marketing

→ SEO & Paid Search	→ Internet Law	➔	1-800-268-9943 USanFranOnline.com/FD
→ Online Branding	→ Media Buying		
→ Web Analytics	→ Social Media		

Print Powered By FormatDynamics™