

GCIDA OKs Meadow Ridge property sale

By Bob Niedbala, Staff writer, niedbala@observer-reporter.com

WAYNESBURG - Greene County Industrial Development Authority approved an agreement Monday to divide proceeds of the sale of 62 acres of land at Meadow Ridge Business Park with the park owner, Regional Industrial Development Corp.

Royal Crown Development of Morgantown, W.Va., has agreed to buy the property at the 108-acre park in Mt. Morris for \$875,000.

A Royal Crown affiliate, Shaft Drillers International, a company involved in mine construction, plans to move its headquarters to a proposed 44,500-square-foot building at the park, creating 98 new jobs.

Meadow Ridge was developed in the late 1980s by RIDC and GCIDA. At the time, GCIDA issued \$850,000 in bonds to pay for infrastructure development at the site.

Under the agreement approved Monday, GCIDA will receive about \$200,000 from the sale of the property to Royal Crown and RIDC will get the remaining amount, said Robbie Matesic, GCIDA acting director.

The exact amount each will receive will not be determined until the closing, once closing costs are determined, Matesic said.

Money received from the deal by GCIDA will be transferred to the county, which had guaranteed the GCIDA bonds, and depending on bond requirements could be used to help repay the remaining amount owed on the bonds, Matesic said.

About \$450,000 in principal is still owed on the bonds, which will mean the county will have to come up with the difference to retire the debt, she said.

Though the county will take a loss and be obligated to pay the remaining bond amount, the sale of the property and plans being developed for the site

were viewed as "too important because of the opportunity for new jobs and growth," Matesic said.

"We have never had an opportunity like this," she added.

The GCIDA bonds were expected to be repaid with money from the sale of park properties. With the sale of the 62 acres to Royal, however, no properties remain to generate money to repay the debt.

RIDC also will use its share of the sale to repay debt it has on the park and to cover costs associated with the park's operations since the park's inception. RIDC also will suffer a loss on the deal, Matesic said.

An RIDC spokesman could not be reached Monday to comment on the amount of money it has tied up in the project in the form of debt or development and operation costs.

Matesic said the county commissioners have been working with RIDC during the last five years to spur development at the park.

The county agreed to contribute \$616,000 for the extension of a water line to Mt. Morris to upgrade the park's water supply and negotiated with Allegheny Power to increase electrical power to the park through the proposed new 138-kilovolt line project, Matesic said.

The county also is conducting a traffic study to help prepare the park for further development, she said.

In other business, Matesic said she will prepare a report on the use of the remaining grant money earmarked for the Mather reclamation project. Part of the money - about \$500,000 - could possibly be used to do something with the railroad ties at the site, Matesic said.