



## Mayors against state-provided dollars for Nor-du-Lac center

By Leslie Ackel

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A request for bond monies to fund the infrastructure of a major shopping center south of Covington was tabled by the Louisiana State Bond Commission Thursday when time to hear all sides of the issue ran out.

However, before the meeting ended, Mandeville Mayor Eddie Price and Covington Mayor Candace Watkins had their say in opposition to a request by the developers of the Nor-du-Lac Lifestyle Center who have requested a \$20 million Tax Incentive Financing bond.

"TIF bonds were created to advance economic development," Price said Friday. "To entice new businesses to come into your community, not for the purpose of taking new businesses from one shopping center to place them into another shopping center."

The Nor-du-Lac center will be located on the north side of Interstate 12 at the Louisiana Highway 22 exit, approximately seven miles from Mandeville's premiere retail shopping area.

Price said the request for the TIF bond is unfair because it would enable Nor-du-Lac Center developers to use unfair taxpayer-subsidized incentives to coax retailers from their current locations.

The two mayors also warned that by recruiting retailers from existing shopping centers that Nor-du-Lac would merely be shifting sales tax collections from one area to another, instead of creating new tax revenue as required by TIF criteria.

The mayors' involvement was sparked by a letter from James Maurin of Sterling properties, owner of the Premiere Shopping Center in Mandeville and the Sterling Covington Center south of I-12, alerting them that developers of the yet-to-be-built Colonial Pinnacle Nor-du-Lac center were courting his tenants with incentives in an effort to persuade them to move.

Price said he is not opposed to the center being built, but he said the project does not fit the criteria for the taxpayer-based funding bond, which usually is offered to projects in economically depressed areas.

In order for the equation to work, the parish designated the 169-acre area surrounding the Colonial Pinnacle Nor du Lac a special economic development district earlier this month, Parish Councilman Henry Billiot, who represents District 10, said.

A three-quarter-cent sales tax was levied in the district in order to raise \$10 million of the \$20 million being requested by Colonial Pinnacle developers in the form of a TIF bond. The state would levee another three-quarter-cent tax to assist in paying off their \$10 million portion of the bond.

"That's not economic development, that's free money (for the developers)," Price said. "Taxpayers would be paying that money back at a rate of 1.5 percent - three-quarter-percent on the parish side, three-quarter-percent on the state side to pay off the debt for building their infrastructure."

As a result, Price said Colonial Pinnacle would have an unfair advantage.

Billiot said Watkins and Price have a good argument but that he still feels the TIF would be appropriately applied.

Billiot said he is confident that the tenants that leave their current locations to relocate in the new center

would be replaced by other nationally based retail stores.

"In this economy, there's not a space out there that won't be replaced with something," Billiot said. "It's market driven. This happens every day in shopping centers."

But for Colonial Pinnacle to clearly be awarded the TIF, Billiot said developers should be required to calculate the amount of additional revenue that would be generated to the state and parish through retailers on their tenant list.

"I'm not for the TIF, for spending state or parish money if they are going to steal retailers from Mandeville or other centers just to get into a location close to I-12," Price said.

He said the developers have offered retailers Barnes & Noble, The Gap, Victoria's Secret, Belk and Bed Bath & Beyond free parking lots and land and operational financing in exchange for relocating to the new center.

"It's not economic development when you start emptying out other properties," Watkins said. "They would be using state general fund money to facilitate the development of a shopping center for profit."

The Bond Commission is expected to take up the request again sometime in July.