

## Panel OKs \$8 million for project

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LAFAYETTE — The Lafayette Parish Industrial Development Board on Thursday gave its approval to \$8 million in bonds to fund infrastructure improvements designed to draw development to the intersection of Louisiana Avenue and Interstate 10.

The \$8 million bond issue would be funded by a special taxing district created around the intersection — any future retail located there would charge customers an extra penny of sales tax.

The state has given its preliminary approval to dedicate 1 of the 4 cents in state sales tax to go toward backing the bonds — though those proceeds would be capped at \$10 million.

The state Bond Commission is scheduled to consider giving final approval on the sales tax financing on Oct. 19.



Advocate staff photo by Bryan Tuck  
Land along the Interstate 10 interchange at Louisiana Avenue is the site of a proposed shopping center development. Officials say the site's lack of public infrastructure improvements — such as sewer, water and drainage — will make it difficult to develop without bonds backed by a special tax district. The state Bond Commission is scheduled later this month to give its final approval to the plan.

The Industrial Development Board has sought permission to borrow as much as \$50 million based on future sales tax collections in the area — though this first round of \$8 million would be used for improvements that serve the first developer in the area, Stirling Properties.

Stirling has commitments from Target and J.C. Penney to move into the 375,000-square-foot shopping center — and several other retailers and restaurants have expressed interest.

Gregg Gothreaux, CEO and president of the Lafayette Economic Development Authority — which has brokered the deal between Stirling and the government — said Thursday that without bond commission approval for the infrastructure improvements, the deal is likely dead.

The location itself is well-placed in a section of north Lafayette Parish in need of economic development, next to a retail-friendly, well-traveled interstate and subject to special zoning and land use rules designed to make development more attractive, Gothreaux said.

But the entire area is also undeveloped, with drainage problems, no sewer, no water, inadequate electrical lines and no service roads. It would be cost-prohibitive for one single developer to come in and build all the necessary infrastructure, Gothreaux said.

At least \$2 million would have to be spent to fill in a large water-filled hole originally dug to provide dirt used in construction on I-10, Gothreaux said.

The money would also be leveraged to build a service road that would connect Louisiana Avenue west to Moss Street, and possibly in the future, Evangeline Thruway and other areas, depending on the recommendations of a traffic study, Gothreaux said.

The sales tax bonds could be used to fund improvements throughout the special district, which is larger than just the Stirling site, encompassing all four corners of the Louisiana Avenue interchange, all of which are also undeveloped.

Stirling is also pursuing special federal-backed financing put in place after the hurricanes to spur economic development, so-called Go Zone bonds.

That financing would allow the developer to get a lower interest rate on the \$35 million it's borrowing to build the project.

Gothreaux took the opportunity of Thursday's meeting to address some of the criticism the proposal garnered during the last bond commission meeting — that sales tax financing should only be used to help "destination" retail stores and that the new development would just take away business from elsewhere in the area.

Two of the special tax districts set up in other areas of the state for retail stores were for the Cabella's in Gonzales and Bass Pro Shop in Livingston — both faced court challenges.

At last month's meeting, state Treasurer John Kennedy expressed concern that a Target-anchored shopping center wouldn't be the regional draw like the popular outdoor stores, saying people in the area already had comparable places they could shop.

"There's only so much shampoo that the people of Lafayette are going to buy," Kennedy said.

The Super Target in Lafayette is in the top 5 percent of all of Target's stores in the country, with sales numbers comparable to stores in Dallas, Gothreaux said.

J.C. Penney officials have said they expect their new location to decrease sales only 10 percent at their location in the Mall of Acadiana, Gothreaux said.

The north Lafayette area and nearby St. Martin Parish are also in need of jobs — combined, both parishes have about 20,000 residents over age 16 who work, but earn below-poverty-level wages of \$10,000 a year, Gothreaux said.

The project's GO Zone application lists an average salary of \$12,500 per job in the development.

And with the recent increase in residential development in north Lafayette, a retail center is needed and able to be supported, Gothreaux said.

Another difference in this project is that while sales tax proceeds from those two hunting stores are being used to build the entire development — including the buildings the stores will occupy — the Lafayette proposal only builds public infrastructure, Gothreaux said.

“We’re doing this the right way for the right reasons,” Gothreaux said.

Earlier this week, LEDA provided answers to a series of questions the commission's staff asked after last month's meeting.

Gothreaux said the commission has been provided answers to each of its questions.