

**Poseidon KOZ Extension**  
**Luzerne County Council Briefing Sheet**

**The Greater Wilkes-Barre Industrial Fund, Inc. (GWBIF) requests approval of a ten (10) year extension of the Keystone Opportunity Zone (KOZ) designation for the former Poseidon property located at 280 Crestwood Drive in the Crestwood Industrial Park in Wright Township.**

**Background**

1. Poseidon Pools' 1998 bankruptcy created an abandoned, environmentally impaired 27-acre site with unpaid back-taxes and unpaid debt, occupied by a vacant and obsolete 300,000 SF industrial building, at the entrance to the Crestwood Industrial Park.
2. Pennsylvania created the KOZ program to facilitate the return of impaired and non-productive properties, such as the Poseidon site, to productive use and make it competitive to attract new businesses.
3. The Poseidon site has long had KOZ designation, and while it's been on the market for years, it was always known that the site must be remediated and reclaimed before it can be returned to productive use. That process is extremely complex, time-consuming, and expensive.
  - a. To date, the Poseidon brownfield site reclamation project has required more than \$2 million in environmental mitigation work to clean up and redevelop the property.
4. The Poseidon property's current KOZ designation will expire on December 31, 2019.
5. The requested 10-year KOZ extension would run from January 1, 2020 to December 31, 2029.

**Status**

1. The Chamber - through its GWBIF affiliate - assumed the Poseidon property's financial obligations with the goal of returning the site to productive use so that it can again be a positive asset for Wright Township, the Crestwood School District, and Luzerne County.
2. The Chamber has systematically undertaken the site's clean-up and redevelopment, including the demolition of the vacant building, completion of environmental remediation, and excavation and grading to prepare new building pads for development.
3. While most of the work has been accomplished, we must still resolve some final regulatory issues and finalize Act 2 clearance through the PA Department of Environmental Protection (DEP).

**Action Plan**

1. Upon approval of Act 2 clearance, the Chamber will proceed with the sale of the property to Mericle Commercial Real Estate Services (Mericle).
2. Mericle plans to invest \$6 million into the construction of a speculative 200,000 SF industrial building, which will result in new business attraction, the creation of approximately 170 jobs, and positive economic benefit for the Crestwood Industrial Park and the community.
3. Approval of the KOZ extension is a vital part of the property's redevelopment strategy, allowing the redeveloped site to be competitive in attracting a beneficial tenant.
4. The Chamber will use the proceeds of the sale to Mericle to pay the final \$925k County/HUD BDLP loan in full, as well as more than \$400k in principle in remaining back taxes from the Poseidon bankruptcy.
5. The sale of the Poseidon site will result in the following benefits to Luzerne County:
  - a. Concluding the Chamber's commitment to satisfy all of our County/HUD BDLP Loans - totaling more than \$7 million repaid to LCOCD.
  - b. Resolving the Poseidon site's open tax obligations, with more than \$400k paid back to Luzerne County, Wright Township, and the Crestwood School District.
  - c. Expansion of the local economic benefit provided by the five business parks developed by the Chamber: more than 200 businesses, 12,000 jobs, and close to \$10 million in taxes paid annually to Luzerne County and host townships and school districts.
6. This resolution requires approval from all three local taxing bodies: Wright Township, Crestwood School District, and Luzerne County.
7. We have obtained unanimous approval resolutions from Wright Township and the Crestwood School District, and we are now asking for Luzerne County Council's approval - which will allow us to request extension of KOZ status for the Poseidon property from the Commonwealth of Pennsylvania.



Crestwood Industrial Park

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309

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