



**FOR IMMEDIATE RELEASE**

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## **FAYETTE COUNTY RECEIVES FEDERAL LOAN FOR PRISON PROJECT**

**Uniontown, PA** – Fayette County Commissioners recently finalized the funding process for the ongoing Fayette County Prison Project.

The county was approved for a Community Facilities Direct Loan from the United States Department of Agriculture (USDA), in the amount of up to \$51 million.

Fayette County Chief Financial Consultant Sam Lynch said the county was initially “locked in” at a maximum interest rate of 2.25 percent over the USDA loan’s 30-year duration, but could see even lower interest rates as the project progresses.

The loan, which will be used to cover the total cost of construction for the new prison, will first be administered locally through First National Bank of Pennsylvania (FNB).

“It’s a big deal, because 2.25 percent is a fantastic rate that we’re locked into,” Lynch said. “We’re also locked into a short-term note for three years at 1.65 percent, which is another great rate.”

Lynch said First National Bank has a “guarantee” from the USDA that everything will be paid off, and the county will pay quarterly interest to FNB while the prison’s being built.

“We only pay interest on what we’ve actually borrowed at that time,” Lynch said. “Once we have occupancy of the prison, the USDA will pay off First National Bank, and our commitment then moves to repaying the USDA, which we’ll do following project completion.”

Lynch said all parties officially closed on the deal, and “the beauty of that” is that “all the bills for this project will be paid in a timely manner.” Additionally, he said, the USDA will be “heavily involved” in the entire loan process, approving all decisions made and money borrowed from FNB.

Fayette County bond solicitor Chris Brewer joined commissioners Dave Lohr, chairman; Vincent A. Vicites; and Scott Dunn for a closing-document signing event at the courthouse.

Commissioner Vicites said a banking industry professional taught him about USDA loans several years ago, inspiring the county to seek federal funding for the project.

“When I heard about this approach to using a USDA loan, I thought this project would qualify, so I’m really glad that once I conveyed this concept to our financial consultant, he looked into this and made it a reality,” Vicites said. “There was a lot of time and paperwork involved, and Sam deserves a lot of credit for getting us from point ‘A’ to point ‘Z’ on this.”

Vicites said the county will “benefit from a tremendous interest rate,” no matter what the project’s cost totals.

“This is better than floating a bond. There’s a lot of costs involved in floating a bond, and that would’ve been the only approach for something like this years ago,” he said. “With this loan, we can keep the cost down for our taxpayers. We can give the most cost-effective approach possible to the citizens of Fayette County, and that’s why this is such a big deal.”

Commissioner Dunn said securing the project’s financing is “the next step in building the new Fayette County Jail.”

“Much work has been done in the design, planning and financing phases,” Dunn said. “Now, we get to realize those plans, as we begin to bid and break ground on construction.”

Commissioner Chairman Dave Lohr said he’s “known of the need for a new county jail for a long time - at least three campaign cycles.”

“It’s exciting to know this commissioners’ board has stepped up to the plate to get this accomplished. We’ve had help from a lot of people, our municipalities, the USDA; and everything is finally falling together to get this accomplished for Fayette County,” Lohr said. “I’m looking forward to it being a big positive for the county to get a new jail, and I’d like to thank my fellow commissioners for being a team and working on this together.”

Lynch and Chief Community Development Specialist Art Cappella of the Fayette County Office of Planning, Zoning and Community Development worked tirelessly over the past year to bring the project’s funding to fruition.

“Art handled the logistics, while I did the financial stuff. We worked together as a team,” Lynch said. “To get the approval, we had to predict how things would be financially through 2024. The funding was based on the county’s financial status being well-off in a few years. It’s really satisfying to be able to help the county and its taxpayers; and to be able to save them money over the life of this loan.”

The Fayette County Prison Project is the ongoing planning and future construction of a new county jail on McClellandtown Road in Uniontown. The facility will be located on the site of the former U.S. Army Federal Reserve Center, across from Uniontown Hospital.

Bidding for construction of the new Fayette County Prison is slated to begin this month.

To learn more about Fayette County, visit [www.FayetteCountyPA.org](http://www.FayetteCountyPA.org).

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