

POTTSTOWN CITIZENS FOR Enlightened LEADERSHIP

LERTA to be adopted next month

Tonight, the Pottstown School Board will pass a resolution supporting the new LERTA ordinance to be adopted next month by Pottstown Borough Council.

LERTA — which stands for Local Economic Revitalization Tax Assistance — is touted as a way to encourage economic development by giving property owners a temporary tax break if they improve the value of their properties.

Miracle cure?

Some of my fellow public officials have high hopes a LERTA will open the floodgates to new development.

It may be helpful in the long run, but in the short run — seven years, to be exact — it simply means new building improvements won't be fully taxed.

But owners of existing properties will continue to pay full taxes as usual, thereby subsidizing new LERTA development.

Cost-containment

That's why it's more important than ever for both the school district and borough to keep costs down, because our declining tax base isn't likely to turn around in the next few years.

Commercial, industrial

The LERTA tax breaks will apply to commercial and industrial properties anywhere in Pottstown and residences on the upper floors of commercial properties in Pottstown's downtown business district.

Not new

LERTAs are not new. The Pennsylvania legislature authorized LERTAs nearly 40 years ago. Cities like Easton, Bethlehem, Lancaster and York have had them for years. There are different ways of doing them.

Pottstown's 2008 Economic Development Plan recommended creating a LERTA in Pottstown, but it was not until seven years later, in April 2015, that a presentation on LERTA was made to Pottstown Council and the

School Board by Pottstown Economic Development director Steve Bamford.

Nothing in writing

The presentation consisted of four Power Point slides explaining the mechanics of the proposed LERTA. That was it. It took nearly a year to get even a brief written report describing six Pennsylvania towns using LERTAs.

Committee formed

In February, a joint committee of Council and the School Board was formed to discuss specifics.

Now, we're finally ready to go. A key element, suggested by Council member Sheryl Miller, requires monthly reports on Pottstown assessment data plus updated information on businesses located in Pottstown and the number of workers they employ. Property owners who apply for a LERTA tax break will be identified.

If you want to measure progress, you need data on what already exists and what's changing.

Borough Council and the School Board need regular updates on our tax base and our employers.

We hope the new LERTA ordinance will be the catalyst to do that.



Commentary by
Tom Hylton

