

POTTSTOWN CITIZENS FOR Enlightened LEADERSHIP

Record keeping needed for LERTA

It's now been more than a year since a presentation was made to Pottstown Council and the School Board about LERTA — the Local Economic Revitalization Tax Assistance law.

At present, when a property is improved, its assessment — and its real estate tax bill — go up. A LERTA ordinance allows local governments and school districts to defer those higher taxes for up to 10 years.

The idea is to attract new development by giving property owners a temporary tax break to improve their properties.

Nothing in writing

The April 2015 presentation, made by Pottstown economic development director Steve Bamford, consisted of four Power Point slides explaining the mechanics of the proposed LERTA. That was it.

History of LERTAs

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.

But no written analysis of LERTAs in Pennsylvania was offered to Council or the School Board.

Written report

Nearly a year later, after several requests, Bamford provided a short report explaining the LERTA rules used by six Pennsylvania municipalities.

A council-school board committee was then formed to suggest ideas for a Pottstown LERTA. Earlier this month, Council approved the suggested criteria.

At last week's school board meeting, we also approved the LERTA in concept. We included a requirement, suggested by Council member Sheryl Miller, for written information regarding the businesses located in Pottstown and the number of workers they employ.

Facts needed

Why? In January, council members listed their goals for 2016. Council President Dan Weand's goal was to

attract 100 jobs that pay a "family-sustaining wage."

But first, we need to know how many jobs we already have in Pottstown before we can tell whether we've added 100 more.

Business inventory

Five years ago, the newly-reorganized board of Pottstown Industrial Development Authority, Inc. (PAID), which is funded partially by the borough and the school district, adopted by-laws requiring PAID's economic development director to submit an annual progress report and to conduct an inventory of all borough businesses.

Resolution

It didn't happen. That's why Council member Miller proposed the following as part of a LERTA ordinance:

1. Monthly reports on the assessment data for all properties in the borough in an Excel format. Property owners who apply for a LERTA tax break should be identified.
2. Monthly reports of all businesses in the borough, what they do, and how many people they employ, in an Excel format.

This should not be difficult, because the county already provides monthly assessment updates to the borough and school district. The borough's tax collector, Berkheimer Associates, collects data on Pottstown employers and the number of people they employ.

But we don't know what these employers do, and that's vitally important.

If you want economic development, your best bet is to work with the employers you already have.

If you want to measure progress, you need data on what already exists.

It's time the borough and school district require information and accountability from PAID.

The new LERTA effort may be the catalyst to do that.



Commentary by
Tom Hylton

