

POTTSTOWN CITIZENS FOR Enlightened LEADERSHIP

Cluster: big revenues, no taxes

At long last, nine months after buying outright the Wainman mansion at 61 N. Franklin Street, the Pottstown Cluster of Religious Communities will seek a zoning variance Thursday to actually use it.

The 1887 landmark is next to the former American Legion building, which the Cluster uses to provide free food, clothing, and counseling to the needy. Both buildings are located in a neighborhood where "client-based social service providers" are specifically excluded by zoning.

In 2010, when the Cluster bought the American Legion building, it sought and received a waiver for its operation from the Pottstown Zoning Hearing Board. The \$481,000 building is exempt from all real estate taxes.

Outright purchase

This time, however, the Cluster simply purchased the Wainman house outright for \$105,000 last July without first seeking a waiver from the zoning hearing board.

The Cluster then successfully petitioned to have the property declared tax-exempt.

Meanwhile, the Cluster has spent \$27,000 on repairs to the building.

Pottstown Council and the school board have voted to oppose the variance request, saying the borough already has too many tax-exempt properties.

The Cluster is doing a booming business, as shown in the chart, below. In just six years, its revenues

have grown five-fold, changing from what its president called "a candy store operation to a major contributor of quality service to the community."

Tax base falls

As the Cluster has been expanding, Pottstown's tax base has been shrinking. Unless it raises taxes, the Pottstown School District will receive about \$400,000 less in tax revenue this year than it did last year because of our declining tax base.

Going back at least 10 years, taxes in the Pottstown School District have been higher than 95 percent of the districts in Pennsylvania.

Schools overwhelmed

The Cluster says it's helping poor people. But not nearly as much as the school district

In 1970, less than 20 percent of Pottstown school children came from low income families. Today the vast majority our children are "economically disadvantaged."

The school district provides free breakfast and lunch to all Pottstown students, which is a temporary help.

Long term, our schools provide an education that is the permanent bridge out of poverty for our children.

If the Cluster paid its full taxes to the borough and school district for the Wainman house, the annual bill would be about \$5,000 a year. How is it the Cluster can't pay its fair share like every other property owner in town?



Commentary by
Tom Hylton

Cluster Annual Revenue	
2008	\$341,897
2009	\$350,928
2010	\$548,908
2011	\$764,177
2012	\$1,005,116
2013	\$1,188,440
2014	\$1,836,465

Pottstown Assessed Valuation	
1998	\$816,841,351
2016	\$805,577,279



The Wainman house on North Franklin Street