Tax-exempt campus expands

Yesterday, we pointed out that Pottstown’s tax base is continuing to decline. In fact, it’s lower than it was 20 years ago, the last time Montgomery County reassessed its properties.

The most valuable real estate in Pottstown is The Hill School. Most of its property is tax exempt. Otherwise, its annual tax bill from the borough, school district and county would top $2.3 million.

In recent years, the Hill School has expanded its tax-exempt campus. In 2015, it purchased the last privately-owned home on its campus, at 718 King Street, and last year successfully petitioned the county to remove it from the tax rolls.

In 2008, it reached an agreement with Borough Council to close off and realign Green Street in order to expand its campus eastward toward Edgewood Street.

A portion of Green Street became campus property, and the rest of Green Street was redirected to Edgewood Street.

The Hill School proposed to build up to 28 faculty homes on the expanded campus.

As part of the deal, The Hill School upgraded Edgewood Street, at a cost of $325,000, and donated $25,000 annually for four years to support economic development in the borough.

In addition, The Hill agreed to make payments in lieu of taxes to the borough for 20 years covering the new faculty housing.

No payments will be made to the school district or county, which levy about 80 percent of the real estate taxes in Pottstown.

This is a disappointing example of silo thinking. One entity thinks only of its own needs and not the others’, even though they all collect taxes from the same property owners.

Since completing the deal, the Hill School raised $5.7 million to build 11 new homes on its expanded campus east of what was Green Street.

The school also transformed its largely undeveloped “far fields,” between Beech and Jackson streets, with new artificial turf fields, a new track, and a new soccer pitch at a cost of $5.52 million. These improvements are tax-exempt.

Tomorrow: Philadelphia challenges some tax exemptions.

Commentary by Tom Hylton

FACULTY VILLAGE — Eleven new homes have been built on the Hill School’s expanded campus east of what had been Green Street. The tract is now tax exempt, although the school is making payments to the borough — not the school district — for 20 years in lieu of taxes.

In 2015, The Hill School purchased the last privately owned (and thus taxable) home on its campus for $200,000. It is now tax exempt.