

ECONOMIC DEVELOPMENT PLAN

This chapter proposes specific goals and recommended actions to help maintain and grow the economies of municipalities in the Governor Mifflin Area. In particular, many of the goals and steps focus on improving the vitality of the Lancaster Avenue/Pike corridor and creating the conditions for productive investment in areas of the school district that have suffered from disinvestment or a lack of investment. While economic development and growth is primarily a private-sector activity, the policies and actions made by local government can influence private-sector decisions, particularly business location decisions.



Shillington Town Hall

Each of the municipalities in the Governor Mifflin Area has a predominately residential tax base. Brecknock is largely rural and agricultural in nature. Kenhorst and Mohnton are almost exclusively residential, while Cumru Township is predominately residential with retail and commercial space, most of which is located on Lancaster Pike, Route 724 and Route 10. Shillington contains a traditional downtown commercial center in addition to its residential neighborhoods.

What the Community Survey Said About Economic Development

In order to better understand and to solicit feedback on the economic development needs and priorities for the region, the Governor Mifflin Area Coordinating Council conducted a broad-based survey gauging opinions on economic development, quality of life and school operations. The survey generated a strong response, with almost 1,200 survey responses completed including 121 written comments. The broad-based input received from these surveys has yielded a wealth of information for the Plan. The economic issues raised by residents who participated in public meetings and the GMACC Joint Comprehensive Plan Community Survey reflect the fact that the residential property in the district is the largest component of the tax base. Residents note that the attractiveness of their communities and the quality of public schools is what attracts many people to move into this area. They acknowledge, however, that these qualities come with a cost – the lack of commercial and industrial development and in some cases redevelopment of older corridors - requires the residential tax base to support a higher than average percentage of public service and educational costs.

The majority of comments provided by residents focused on the need to attract new business to the area and redevelop and fill properties that have been vacant for some time to generate additional tax revenue to reduce the tax burden on residents. The majority of respondents also supported the use of incentives to attract business to the area.

Another concern that was highlighted by their input was the need for more enforcement of quality of life codes and ordinances to prevent neighborhoods and commercial properties from declining due to neglect or disinvestment.

Although not within the scope of the Comprehensive Plan, numerous comments were received regarding the need to assess school spending and management practices, and the need to identify alternative means of funding educational costs.

The Tax Base

From the perspective of municipal administration, the tax base drives your ability to invest in amenities and provide quality professional services that residents expect. From a resident’s perspective, tax burden influences where people buy homes, whether they reinvest in property and where they develop businesses. The existing and future real estate of the municipality provides opportunities and constraints for maintaining and attracting homeowners, businesses, and jobs. Overall, the key to economic stability or growth is to optimize the tax base by making every acre of land as productive as it can be without compromising community wants, needs, quality

Chapter 7 - Economic Development Plan

of life or the natural/environmental resources in the municipality.

Every community in the Governor Mifflin Area has different needs. Some will be satisfied with a minimum level of services and facilities, while others want amenities like recreational fields or parks or additional police. Each community is challenged to balance their needs with what residents can afford through property taxes.

The Pennsylvania State Tax Equalization Board (STEB) provides the information on the Berks County and the Governor Mifflin Area municipal tax bases that are shown below. STEB's primary role is to determine, on an annual basis, the total market value of taxable property in all 67 counties and 2,560 municipalities. This data is primarily used in the disbursement of school funds to the state's 501 school districts.

Berks County Planning Commission staff uses this STEB data to analyze tax base trends. Annually collected for every county, it allows planners to analyze multi-year trends at both the municipal and county levels. First, the municipal tax base was broken out into eight (8) categories based on land use. It was important to see if the Governor Mifflin Area municipal tax bases genuinely expanded between 2006 and 2014, so staff adjusted all dollar figures to constant dollars, accounting for inflation. This is done because over time, inflation gives a false picture of monetary growth.

The Tax Base in 2006 and in 2014

In 2006, the Governor Mifflin Area had a total tax base of \$1.8 billion dollars. Cumru Township had the largest tax base at nearly \$1 billion and Kenhorst the smallest at \$134 million. The overwhelming majority (77.6%) of the area's tax base was generated by residential development followed by commercial (15.3%), agriculture (3.2%), and industrial (2.7%) land.

2006

Municipality	RESIDENTIAL	% of TOTAL	LOTS	% of TOTAL	INDUSTRIAL	% of TOTAL	COMMERCIAL	% of TOTAL
GOVERNOR MIFFLIN	\$1,397,059,883	77.6%	\$18,208,388	1.1%	\$46,623,649	2.7%	\$283,403,130	15.3%
Brecknock Township	\$247,955,844	84.4%	\$5,213,851	2.0%	\$497,776	0.2%	\$13,804,596	4.5%
Cumru Township	\$702,174,918	71.1%	\$11,716,637	1.2%	\$35,149,795	3.7%	\$210,286,528	20.6%
Kenhorst Borough	\$107,819,456	80.2%	\$456,334	0.3%	\$296,552	0.2%	\$25,754,977	19.2%
Mohnton Borough	\$130,922,602	88.0%	\$563,285	0.5%	\$8,531,341	6.1%	\$6,078,972	5.4%
Shillington Borough	\$208,187,064	87.7%	\$258,280	0.1%	\$2,148,185	0.9%	\$27,478,057	11.2%

AGRICULTURE	% of TOTAL	LAND	% of TOTAL	MOBILE HOMES	% of TOTAL	SEASONAL	% of TOTAL	TOTAL
\$60,956,428	3.2%	\$2,346,826	0.1%	\$7,401,131	0.0%	\$320,150	0.0%	\$1,816,319,584
\$29,123,653	8.5%	\$1,446,955	0.5%	\$5,786,646	0.0%	\$320,150	0.1%	\$304,149,471
\$31,790,746	3.3%	\$895,292	0.1%	\$1,537,940	0.0%	\$0	0.0%	\$993,551,856
\$42,029	0.0%	\$4,579	0.0%	\$76,545	0.0%	\$0	0.0%	\$134,450,472
\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$146,096,199
\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$238,071,586

Source: Pennsylvania State Tax Equalization Board (STEB)

By 2014, the Governor Mifflin Area had a tax base of 1.6 billion dollars. Cumru Township and Kenhorst Borough remained the largest and smallest tax bases in the region. Again, residential development accounted for the majority (77.4%) of the tax base, slightly down from 2006 levels. Of note are the industrial and commercial categories. In 2006, commercial properties accounted for 15.3% of the base. In 2014 that rose to 16.2%. Industrial properties accounted for 2.7% of the tax base in 2006. That declined to 2.0% in 2014.

2014

Municipality	RESIDENTIAL	% of TOTAL	LOTS	% of TOTAL	INDUSTRIAL	% of TOTAL	COMMERCIAL	% of TOTAL
GOVERNOR MIFFLIN	\$1,238,904,100	77.4%	\$10,060,900	0.6%	\$31,314,100	2.0%	\$259,737,200	16.2%
Brecknock Township	\$221,334,600	82.5%	\$3,367,200	1.3%	\$318,200	0.1%	\$12,088,100	4.5%
Cumru Township	\$633,086,800	71.4%	\$5,800,200	0.7%	\$21,181,700	2.4%	\$196,532,400	22.2%
Kenhorst Borough	\$92,076,300	80.3%	\$399,000	0.3%	\$252,600	0.2%	\$21,841,500	19.1%
Mohnton Borough	\$112,570,000	89.7%	\$212,700	0.2%	\$7,342,600	5.8%	\$5,421,400	4.3%
Shillington Borough	\$179,836,400	87.2%	\$281,800	0.1%	\$2,219,000	1.1%	\$23,853,800	11.6%

AGRICULTURE	% of TOTAL	LAND	% of TOTAL	MOBILE HOMES	% of TOTAL	SEASONAL	% of TOTAL	TOTAL
\$54,845,700	3.4%	\$2,379,300	0.1%	\$4,401,800	0.3%	\$0	0.0%	\$1,601,643,100
\$26,400,700	9.8%	\$1,063,600	0.4%	3,601,600	1.3%	\$0	0.0%	\$268,174,000
\$28,409,200	3.2%	\$1,312,000	0.1%	800,200	0.1%	\$0	0.0%	\$887,122,500
\$35,800	0.0%	\$3,700	0.0%	0	0.0%	\$0	0.0%	\$114,608,900
\$0	0.0%	\$0	0.0%	0	0.0%	\$0	0.0%	\$125,546,700
\$0	0.0%	\$0	0.0%	0	0.0%	\$0	0.0%	\$206,191,000

Source: Pennsylvania State Tax Equalization Board (STEB)

Tax Base Change between 2006 and 2014

The Governor Mifflin Area tax base decreased \$215 million or 12% between 2006 and 2014. Kenhorst saw the largest decline (-14.8%) while Cumru saw the smallest (-10.7%). The biggest declines in terms of dollars were in the residential category, followed by commercial and industrial. The 2007-2009 recession had substantial adverse impacts on the tax base. It could be argued the region has not recovered from the recession as of 2014. While the tax base comprises more than just residential development, the residential sector makes up the largest component of it. Therefore, what happens to housing prices and values drives the Governor Mifflin Area tax base regardless of gains in other sectors.

Change between 2006 and 2014

Municipality	RESIDENTIAL	% CHANGE	LOTS	% CHANGE	INDUSTRIAL	% CHANGE	COMMERCIAL	% CHANGE
GOVERNOR MIFFLIN	(158,155,783)	-11.3%	(8,147,488)	-44.7%	(15,309,549)	-32.8%	(23,665,930)	-8.4%
Brecknock Township	(26,621,244)	-10.7%	(1,846,651)	-35.4%	(179,576)	-36.1%	(1,716,496)	-12.4%
Cumru Township	(89,088,118)	-9.8%	(5,916,437)	-50.5%	(13,968,095)	-39.7%	(13,754,128)	-6.5%
Kenhorst Borough	(15,743,156)	-14.6%	(57,334)	-12.6%	(43,952)	-14.8%	(3,913,477)	-15.2%
Mohnton Borough	(18,352,602)	-14.0%	(350,585)	-62.2%	(1,188,741)	-13.9%	(657,572)	-10.8%
Shillington Borough	(28,330,664)	-13.6%	23,520	9.1%	70,815	3.3%	(3,624,257)	-13.2%

AGRICULTURE	% CHANGE	LAND	% CHANGE	MOBILE HOMES	% CHANGE	SEASONAL	% CHANGE	TOTAL	% CHANGE
(6,110,728)	-10.0%	32,474	1.4%	(2,999,331)	-40.5%	(320,150)	-100.0%	(214,356,335)	-11.8%
(2,722,953)	-9.3%	(383,355)	-26.5%	(2,185,046)	-37.8%	(320,150)	-100.0%	(35,655,322)	-11.8%
(3,381,546)	-10.6%	416,708	46.5%	(737,740)	-48.0%	0	0.0%	(106,429,356)	-10.7%
(6,229)	-14.8%	(879)	-19.2%	(76,545)	-100.0%	0	0.0%	(19,841,572)	-14.8%
0	0.0%	0	0.0%	0	0.0%	0	0.0%	(20,549,499)	-14.1%
0	0.0%	0	0.0%	0	0.0%	0	0.0%	(31,880,586)	-13.4%

Tax-Exempt Properties

147 properties in the Governor Mifflin Area are entirely or partially exempt from paying school, municipal and county property taxes, according to Berks County assessment data. The majority of these properties are religious and government buildings and state-owned parkland. The assessed value of these properties is \$93.4 million or 5.8% of the total assessed property value in the district. The most valuable, exempt privately owned property is the LaSalle Academy property in Shillington with a value of \$3.2 million. The most valuable publicly owned property is the Cumru Elementary School property on Route 724 in Cumru Township at \$15.2 million. The largest exempt property is the 629-acre Nolde Forest State Park. Cumru Township has the most tax-exempt properties at 73.

Chapter 7 - Economic Development Plan

Exempt Properties in the GMSD with the Most Value			
Owner	Value	Address	Municipality
Gov Mifflin Joint School Auth.	\$15,102,900	601 Philadelphia Av	Cumru
Gov Mifflin Joint School Auth.	\$12,939,100	101 S Waverly St	Shillington
Gov Mifflin Joint School Auth.	\$9,658,100	130 E Lancaster Av	Shillington
Governor Mifflin School Auth.	\$4,658,200	Alleghenyville Rd	Brecknock
Barres Most Rev John O Std Jcl	\$3,198,000	42 Kerrick Rd	Shillington
Cumru Township	\$2,931,100	Philadelphia Av	Cumru
Commonwealth Of Pennsylvania	\$2,898,300	New Holland Rd	Cumru
Immanuel United Church/Christ	\$2,678,900	S Waverly St	Shillington
Usa Corps Of Engineers	\$2,654,800	651 Philadelphia Av	Cumru
Missionary Sisters Of The Most	\$2,197,300	Welsh Rd	Cumru

Source: Berks County Assessment Data, 2016

Exempt Properties in the GMSD with the Most Acreage				
Owner	Acreage	Value	Address	Municipality
Commonwealth of Pennsylvania	630	\$2,168,600	New Holland Rd	Cumru
Pennsylvania Game Commission	139	\$487,400	Maple Grove Rd	Brecknock
Camp Fire Girls Council of Reading/Berks	105	\$546,300	Hartz Store Rd	Brecknock
Missionary Sisters Of The Most Precious Blood	98	\$487,300	Welsh Rd	Cumru
Borough of Shillington	67	\$414,100	Philadelphia Av	Cumru
Berks County	52	\$154,600	Loeper Rd	Cumru
Commonwealth of Pennsylvania	43	\$150,200	Maple Grove Rd	Brecknock
Gov Mifflin Joint School Auth.	38	\$3,991,500	601 Philadelphia Av	Cumru
Cumru Township	26	\$114,900	S Wyomissing Av	Cumru
Gov Mifflin Joint School Auth.	22	\$4,433,300	101 S Waverly St	Shillington

Source: Berks County Assessment Data, 2016

Taxes

While Brecknock has the lowest municipal tax rate in terms of millage, it has had the highest increase in the municipal tax of the five municipalities. Shillington Borough assesses the highest amount of municipal tax millage at 7.14 mills in 2016. The school district tax increased 31% and ranks 11th out of the 18 school districts in the county for millage assessed in the 2015-2016 school year. The county tax increased 6% between 2006 and 2016.

Components of Real Estate Tax Mills - Comparison				
Unit	2006	2016	# Change	% Change
BERKS COUNTY Tax	6.94	7.37	0.44	6%
GOVERNOR MIFFLIN SD Tax	20.30	26.60	6.30	31%
Brecknock Township - Municipal Only	1.00	2.33	1.33	133%
Cumru Township - Municipal Only	3.00	6.18	3.18	106%
Kenhorst Borough - Municipal Only	3.10	5.60	2.50	81%
Mohnton Borough - Municipal Only	2.77	4.55	1.78	64%
Shillington Borough - Municipal Only	3.55	7.14	3.59	101%

Berks County Planning Commission staff combined county, municipal and school district millage to create a "Total Tax Rate." We consider this rate as the primary real estate tax. It excludes all other taxes as some municipalities have unique taxes (e.g. hydrant taxes, 911 systems, debt repayment) that the majority of municipalities do not collect. The tax rate in each municipality roughly rose 30% since 2006.

Total Tax Millage Comparison (SD, Municipal and County Together)				
Unit	2006	2016	# Change	% Change
Brecknock Township	28.24	36.30	8.06	29%
Cumru Township	30.24	40.15	9.91	33%
Kenhorst Borough	30.34	39.57	9.23	30%
Mohnton Borough	30.01	38.52	8.51	28%
Shillington Borough	30.79	41.11	10.32	34%

For the purpose of our analysis below, we assume each municipality has a house with a 2016 fair market value of \$100,000. A fixed value allows us to look solely at taxes without the influence of the housing market. We strictly want to compare the level of property taxes from one municipality to the next between 2006 and 2016. Median home values vary greatly from one municipality to another and that can confuse the reader. You will note that on average, a homeowner in the district is paying \$700 more in real estate taxes today than they did in 2006.

Tax Bill on a \$100,000 Market Value House in 2006 and 2016									
Brecknock	Municipal	School	County	Total	In Decimal	Assessed Value	Tax Bill		
2006	1.00	20.30	6.94	28.24	0.0282400	\$68,100	\$2,135	\$ Change	% Change
2016	2.33	26.60	7.37	36.30	0.0363000	\$75,600	\$2,744	\$609	28.5%
Cumru	Municipal	School	County	Total	In Decimal	Assessed Value	Tax Bill		
2006	3.00	20.30	6.94	30.24	0.0302400	\$68,100	\$2,286	\$ Change	% Change
2016	6.18	26.60	7.37	40.15	0.0401500	\$75,600	\$3,035	\$749	32.8%
Kenhorst	Municipal	School	County	Total	In Decimal	Assessed Value	Tax Bill		
2006	3.10	20.30	6.94	30.34	0.0303400	\$68,100	\$2,294	\$ Change	% Change
2016	5.60	26.60	7.37	39.57	0.0395700	\$75,600	\$2,991	\$698	30.4%
Mohnton	Municipal	School	County	Total	In Decimal	Assessed Value	Tax Bill		
2006	2.77	20.30	6.94	30.01	0.0300100	\$68,100	\$2,269	\$ Change	% Change
2016	4.55	26.60	7.37	38.52	0.0385200	\$75,600	\$2,912	\$643	28.4%
Shillington	Municipal	School	County	Total	In Decimal	Assessed Value	Tax Bill		
2006	3.55	20.30	6.94	30.79	0.0307900	\$68,100	\$2,328	\$ Change	% Change
2016	7.14	26.60	7.37	41.11	0.0411100	\$75,600	\$3,108	\$780	33.5%

When compared to the other 68 Berks County municipalities, the municipal taxes of the Governor Mifflin Area are in the middle regardless if, they are compared to the same \$100,000 house being constructed in each municipality or factoring in the median house values. Remember that using the fixed value (the \$100,000) lets you see the true tax burden (what is being levied). Since houses in Brecknock and Cumru have more value than houses in the boroughs, homeowners in the townships will accordingly pay more taxes.

Ranking of Tax Bill in GMSD Versus All Other County Municipalities		
Unit	Same \$100,000 House	Median House Value
Brecknock	48th	10th
Cumru	20th	30th
Kenhorst	27th	68th
Mohnton	31st	56th
Shillington	14th	58th

Chapter 7 - Economic Development Plan

Revenues from Taxes

This section looks at the trends of revenue generated by the real estate tax (RE), real estate transfer tax (RET) and the earned income tax (EIT) in each municipality between 2009 and 2014, the most recent years of data available.

Overall, all municipalities with the exception of Brecknock have seen an increase in the total revenue generated by these three types of taxes.

Most municipalities have seen an increase in revenues from the real estate tax. However, three municipalities (Cumru, Kenhorst and Shillington) have seen declines in revenues from the real estate transfer tax since transaction volume and prices have fluctuated in the housing market. All have seen increases in the earned income tax.

Percent Increase in Revenue from Each Tax Between 2009 and 2014				
Unit	RE	RET	EIT	Total
Brecknock	-42.6%	90.1%	18.3%	-3.2%
Cumru	79.3%	-47.5%	10.0%	36.7%
Kenhorst	64.4%	-27.6%	10.5%	38.7%
Mohnton	1.8%	5.8%	10.9%	5.8%
Shillington	38.6%	-19.4%	17.8%	25.3%

RE: Real Estate Taxes

RET: Real Estate Transfer Tax

EIT: Earned Income Tax

Source: PADCED Municipal Annual Audit and Financial Reports 2009-2014

In Brecknock Township, real estate tax revenue is down 43% between 2009 and 2014. However, the Township saw gains in the transfer tax and earned income tax. Overall revenues from these three taxes are down 3.2%.

Brecknock				
Year	RE	RET	EIT	Total
2009	462,293	56,976	602,105	1,121,374
2010	463,867	39,113	628,876	1,131,856
2011	254,840	39,381	615,398	909,619
2012	273,176	48,839	623,861	945,876
2013	265,284	55,891	643,620	964,795
2014	265,299	108,330	712,009	1,085,638
Percent Change	-42.6%	90.1%	18.3%	-3.2%

RE: Real Estate Taxes

RET: Real Estate Transfer Tax

EIT: Earned Income Tax

Source: PADCED Municipal Annual Audit and Financial Reports 2009-2014

In Cumru Township, real estate tax revenue is up 79% and the earned income tax revenue is up 10% between 2009 and 2014. However, the Township saw a substantial decline in the transfer tax. Overall revenues from these three taxes are up 36.7%.

Cumru				
Year	RE	RET	EIT	Total
2009	2,026,975	332,396	2,194,700	4,554,071
2010	2,892,746	188,249	2,073,044	5,154,039
2011	2,902,928	189,249	2,246,584	5,338,761
2012	3,431,055	209,387	2,034,538	5,674,980
2013	3,425,284	182,657	2,173,142	5,781,083
2014	3,635,001	174,444	2,414,745	6,224,190
Percent Change	79.3%	-47.5%	10.0%	36.7%

RE: Real Estate Taxes
 RET: Real Estate Transfer Tax
 EIT: Earned Income Tax
 Source: PADCED Municipal Annual Audit and Financial Reports 2009-2014

Kenhorst Borough saw real estate tax revenue rise 64% and the earned income tax revenue is up 10% between 2009 and 2014. However, the Borough saw a significant decline in the transfer tax. Overall revenues from these three taxes are up 38.7%.

Kenhorst				
Year	RE	RET	EIT	Total
2009	369,075	33,940	258,121	661,136
2010	375,621	33,228	245,752	654,601
2011	374,844	26,349	264,345	665,538
2012	395,417	34,993	214,973	645,383
2013	491,248	27,622	251,339	770,209
2014	606,819	24,565	285,342	916,726
Percent Change	64.4%	-27.6%	10.5%	38.7%

RE: Real Estate Taxes
 RET: Real Estate Transfer Tax
 EIT: Earned Income Tax
 Source: PADCED Municipal Annual Audit and Financial Reports 2009-2014

Mohnton Borough had stable real estate tax revenues and a small gain in the transfer tax. Earned income tax revenues rose 11%. Overall revenues from these three taxes are up 6%.



Kenhorst Borough

Mohnton				
Year	RE	RET	EIT	Total
2009	448,253	28,428	366,699	843,380
2010	450,733	30,558	351,091	832,382
2011	394,620	21,357	372,706	788,683
2012	388,770	26,796	334,311	749,877
2013	388,113	33,174	361,841	783,128
2014	456,151	30,065	406,499	892,715
Percent Change	1.8%	5.8%	10.9%	5.8%

RE: Real Estate Taxes
 RET: Real Estate Transfer Tax
 EIT: Earned Income Tax
 Source: PADCED Municipal Annual Audit and Financial Reports 2009-2014

In Shillington, real estate tax revenue rose 39% but saw a 20% decline in the transfer tax. Earned income tax revenues rose 20%. Overall revenues from these three taxes are up 25%.

Shillington				
Year	RE	RET	EIT	Total
2009	557,829	74,580	542,276	1,174,685
2010	554,937	60,846	531,542	1,147,325
2011	555,367	42,882	584,331	1,182,580
2012	552,681	58,465	532,945	1,144,091
2013	562,764	53,089	576,364	1,192,217
2014	773,204	60,079	638,874	1,472,157
Percent Change	38.6%	-19.4%	17.8%	25.3%

RE: Real Estate Taxes
 RET: Real Estate Transfer Tax
 EIT: Earned Income Tax
 Source: PADCED Municipal Annual Audit and Financial Reports 2009-2014

Developing Suitable Sites

In 2015, the Berks County Planning Commission collaborated with the Sites and Infrastructure committee (a sub-committee of the Ride To Prosperity Group) to develop an interactive web map tool called the Berks County Commercial and Industrial Land Suitability Tool. The Ride to Prosperity Group consists of multiple agencies such as The Greater Reading Chamber and Economic Development Corporation, Greater Berks Development Fund, Berks County Industrial Development Authority, Berks County Workforce Investment Board, Greater Reading Economic Partnership, and the City of Reading.

The Land Suitability Tool is intended to be used as a first step to guide users to the most suitable areas in Berks County for commercial and industrial uses. Land with suitability ranges 3 through 6 are the most desirable, with a range of 6 being the most suitable.

This tool was used to determine the most suitable sites for commercial and industrial development for the Governor Mifflin Region. Figure 19 accompanying this chapter identifies those sites.

The land suitability was developed by prioritizing factors related to commercial and industrial uses determined by the Sites and Infrastructure Committee of the Ride to Prosperity group. The factors included in the land suitability analysis are:

- 1. Land without Environmental / Land Use Constraints-** Land not suited for development was removed (this includes areas in Berks County where development is restricted due to a variety of factors including, but not limited to: hydrology, historical importance, agricultural/conservation easements/easements restricting land development, sensitive plant and animal species habitats, topography.)
- 2. Interchanges with a half-mile radius**
- 3. Major Roads with a quarter-mile radius (Interstates, U.S. Routes, numbered State Routes)**
- 4. Public Sewer Service Areas**
- 5. Public Water Service Areas**

The general public as well as agencies wishing to assess the available locations in the County for suitable site development can use this tool by accessing the following site: <http://www.arcgis.com/home/webmap/viewer.html?webmap=cf8b696cc27345869bb1559cf03235f4>

What Does This All Mean for the Governor Mifflin Area?

The Governor Mifflin Area is in the same position as Berks County and other Pennsylvania municipalities. Everybody wants economic development. However, economic development is expensive. Federal and state grants are harder to find and every municipality is looking to obtain that same grant. Municipal budgets are lean with little to no funding for economic development projects. The recommendations contained in this section concentrate on smaller, focused things the Governor Mifflin Area can do to foster redevelopment and encourage small business growth.

Currently, not every building and site is economically feasible to redevelop. In some cases, an inordinate amount of subsidizing, freezing the collection of development/inspection fees, or some other type or combination of “incentives” would be required to make a project succeed.

Economic development efforts in the region should initially focus on redevelopment of low-density, under-utilized and/or inefficiently developed commercial and industrial sites, particularly in the Borough of Shillington and along Lancaster Avenue in Shillington and Lancaster Pike in Cumru Township which have suffered decline since the Route 222 bypass opened in 2007.

The recommendations below do not recommend financing additional plans or studies because more often than not, those studies recommend millions of dollars of projects and improvements the municipalities will never be able to afford to do. The most efficient approach that the Governor Mifflin Area can do is “set the table” for economic development the best it can - and then let the market work.

New public and private investment will transform the area over time. In order to guide this change, however, economic development policies and incentives should be in place prior to specific proposals. Towards this end, listed below are five (5) key goals and implementation steps to work towards meeting those goals.

It is important for the region not to focus solely on one site or one industry. The tax base should expand across the board, through new businesses and jobs, expansion and maintenance of existing businesses, and new and maintained housing. The local Governor Mifflin economy should be managed much like an investment portfolio – focusing on a broad range of development in order to spread risk from economic downturns, changes in technology or consumer behavior and to provide the region as many potential opportunities for reward as possible.

Chapter 7 - Economic Development Plan

GOAL #1 Development Policies: Develop appropriate policies to guide the development of land suited for development and redevelopment.

*Cumru Township and Shillington Borough should re-examine existing zoning along the Lancaster Avenue and Pike corridor in conjunction with the Greater Reading Economic Partnership (GREP) and the Shillington Business Association (SBA) to ensure the zoning is compatible with current market demands.

*Cumru Township and Shillington Borough should consider a joint overlay Redevelopment Area Zoning District that provides flexible zoning to encourage interest and improved design/site layout for the Lancaster Avenue/Pike corridor.

*The region should use the Berks County Commercial/Industrial Land Suitability Tool to explore future development opportunities and guide decision-making relative to municipal easements and acquisitions, future municipal zoning and rezoning requests.

*Annually review and track commercial and industrial properties that have decreased in assessed value through data obtained from Berks County.

GOAL #2 Infrastructure Improvements: Prioritize public infrastructure investment that will attract businesses and development to commercial corridors.

*Prioritize the repair and construction of sidewalks throughout the Boroughs. The sidewalks that get the most use would be the highest priority than those that serve fewer residents.

*All GMA municipalities should meet quarterly to discuss transportation projects in the area that may be eligible for funding from the various PennDOT grant programs, discuss emerging transportation needs and share respective capital planning.

*The Governor Mifflin municipalities and school district should advocate and express, when feasible, through meeting attendance and letters of support, unified support for regionally significant roadway capacity projects, regardless of the municipality the project is located in.

GOAL #3 Marketing/Outreach/Business Retention: Promote the Lancaster Avenue and Pike corridors and recruit and retain appropriate businesses in these corridors.

*The region should consider publishing an online development guidebook, available on every municipal website that summarizes code, variance, and approval processes and provide specific contact information for zoning and codes personnel in each municipality.

*Working with the SBA, organize and support the Small Business Development Center (SBDC) and the Reading Chapter of SCORE to host workshops aimed at retaining existing small business and encouraging new ones, especially in the boroughs.

*The Governor Mifflin municipalities and school district should hold a regular, joint forum with the SBA and GREP to discuss issues important to the local business community.

*Working with the SBA, develop a "Buy Local Weekend Fair" that showcases local produce and products. The event would rotate between Kenhorst and Shillington on an annual basis.

*The Governor Mifflin municipalities and school district should meet quarterly to discuss redevelopment properties, meet with building owners and regional economic development officials, and host annual brokers meetings for the municipalities to meet and (see) brokers of available properties and brokers of interested buyers.

*The SBA website should be updated weekly with content.

GOAL #4 Public/Private Partnerships: Develop tools to reduce impediments to challenging sites.

*Consider a region wide LERTA for the Top 5 or Top 10 commercial/industrial underutilized properties and/or the Lancaster Avenue/Pike corridor and focus redevelopment efforts on these properties only to start.

*Establish relationships with and meet with private developers and owners of existing multitenant shopping areas to encourage redevelopment of these sites.

*The Governor Mifflin municipalities should consider pursuing Letters of Map Revision (LOMR) if present, local data suggests the 100-year floodplain is improperly designated on redevelopment sites.

GOAL #5 Remove existing and prevent future blight and neighborhood decline.

*Work with the Berks County Redevelopment Authority to use existing programs and identify strategies for blight removal and redevelopment in the region.

*Annually review and update the existing property maintenance code and enforcement policies to ensure they are meeting current community needs.

*Consider revising the property maintenance code to cite both tenants and property owners for certain types of infractions such as barking dogs, overgrown lawns, etc.

*The Governor Mifflin Area should consider regional code enforcement of one property maintenance code and pooling resources for code enforcement officers to make a major push towards dedicated, predictable enforcement of ordinances.

*Consider implementing a Homeowner Association or Neighborhood Forum or “Walk the Neighborhood” initiative to enable an exchange of information and/or concerns in Township/Borough neighborhoods.

*Consider implementing a performance-measuring program for code enforcement that measures the number of calls/complaints and the delivery of municipal services to address the issues.

Tools for Economic Development

There are various tools and programs available to municipalities who want to strengthen, promote, retain and/or incentivize economic development in their respective jurisdictions. The following is a list of common programs, some of which are administered through the Pennsylvania Department of Community and Economic Development (DCED) (www.newpa.com), for municipalities to use to implement economic development initiatives:

Keystone Innovation Zone Tax Credit Program (KIZ) – This program provides tax credits to early-stage technology-oriented businesses and entrepreneurs operating in a Keystone Innovation Zone (KIZ); companies without a tax liability may sell tax credits to companies with tax liabilities for cash. Funding provides tax credits for companies that have been in operation less than 8 (eight) years, whose gross revenues have increased over the previous year, are located in a KIZ Zone, and fall under the industry sector focus.

Keystone Opportunity Zone (KOZ) – The program provides state and local tax abatement to businesses and residents locating in one of the 12 designated zones. Businesses, property owners and residents located in a KOZ are eligible to receive significant state and local tax benefits. Projects in KOZs are given priority consideration for assistance under various community and economic building initiatives. Pennsylvania businesses relocating to a KOZ must either: increase their full-time employment by 20 percent within the first full year of operation, or make a 10 percent capital investment in the KOZ property based on their prior year’s gross revenues. Eligibility for benefits is based upon annual certification. In order to receive benefits, any entity applying must be compliant with all local and state taxes and building and zoning codes.

Chapter 7 - Economic Development Plan

Keystone Special Development Zone (KSDZ) – The KSDZ program was established for the purpose of providing incentives to for-profit businesses that locate and operate in designated geographic zones. Pennsylvania continues to have a surplus of abandoned, deteriorated commercial and industrial sites in need of revitalization. The KSDZ program is an incentive-based tax credit program to foster redevelopment of these former industrial and commercial sites. To be eligible, sites must be located within a Special Industrial Area as of July 11, 2011, for which the PA Department of Environmental Protection (DEP) has executed a Special Industrial Area Consent Order and Agreement. Businesses that provide job-creating economic development opportunities in these sites through the expansion of existing operations or the relocation of operations to the Commonwealth of Pennsylvania may be eligible for tax credits under this program.

Local Economic Revitalization Tax Assistance (LERTA) – LERTA allows local taxing authorities to exempt new construction and improvements to a commercial, industrial, and/or business property if such property is located in a deteriorated area. In order for a LERTA to apply to a property, each taxing authority (County, Municipal and School District) must, by ordinance or resolution, exempt from real estate property taxes, the assessed value of the improvements to deteriorated properties and the assessed value of new construction within the designated deteriorated areas.

Municipal Assistance Program (MAP) – The Municipal Assistance Program (MAP) is created to help local governments efficiently and effectively plan and implement a variety of services, improvements, and soundly manage development. The program provides funding for three groups of activities – shared service, community planning, and floodplain management. The program is administered by the Governor’s Center for Local Government Services (GCLGS) (www.newpa.com/local-government/) in the DCED.

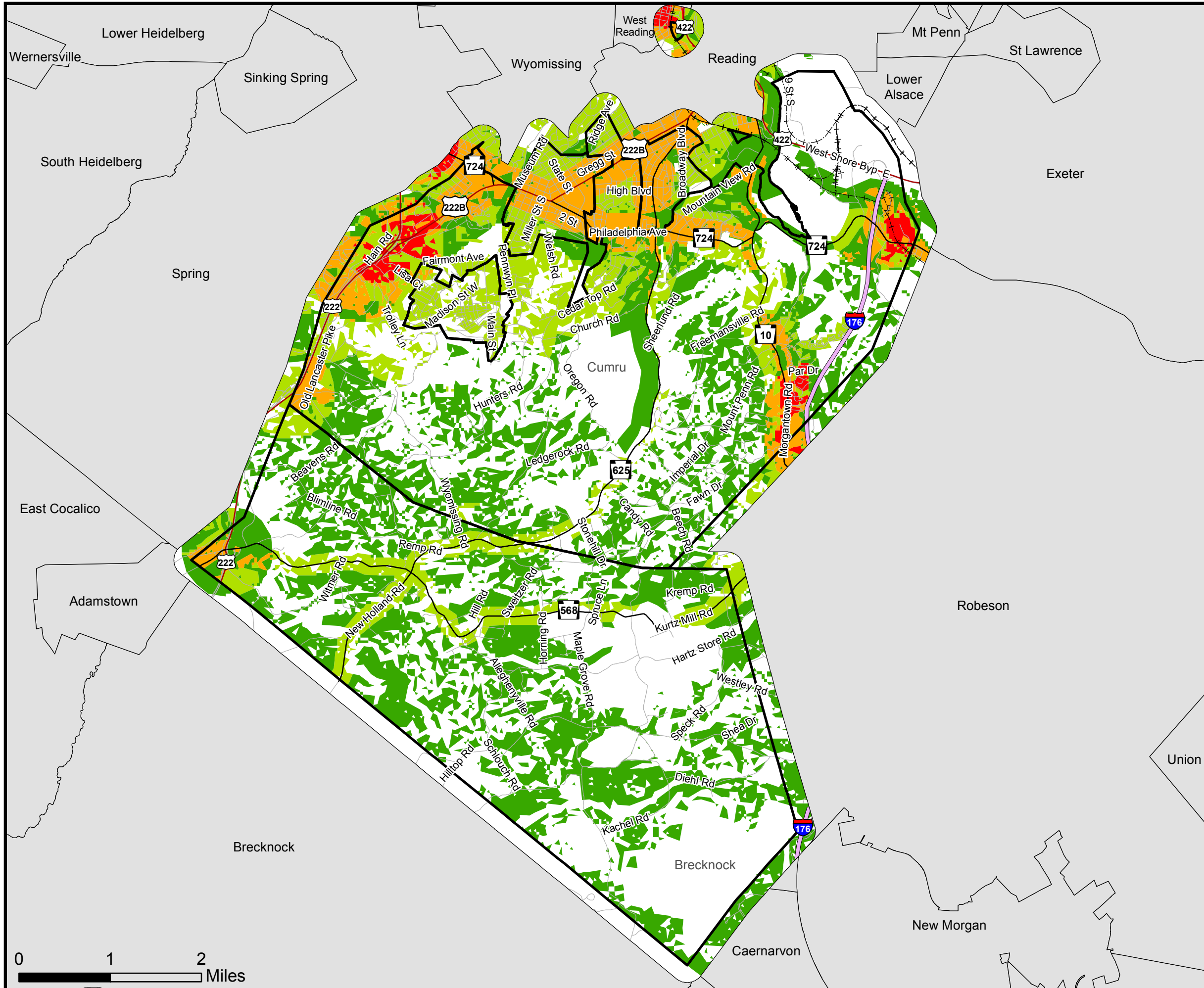
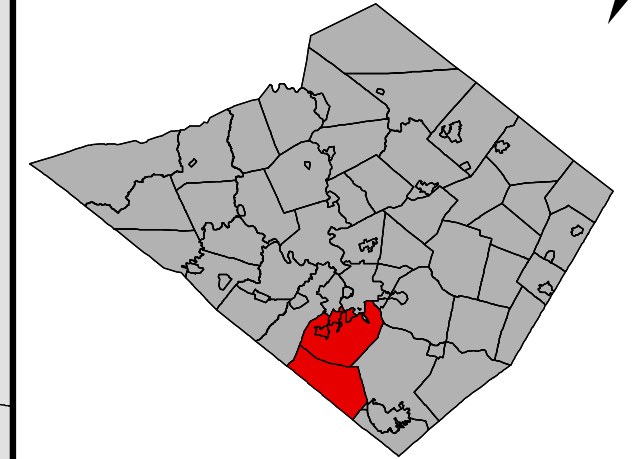
Pennsylvania Infrastructure Investment Authority (PennVEST) – The program provides low-interest loans for design, engineering and construction costs associated with publicly and privately owned drinking water distribution and treatment facilities, stormwater conveyance and wastewater collection, conveyance, treatment facilities and Brownfield site remediation.

Tax Increment Financing Guarantee Program (TIF) – This program promotes and stimulates the general economic welfare of various regions and communities in the commonwealth and assists in the development, redevelopment and revitalization of Brownfield and Greenfield sites in accordance with the TIF Act. The program provides credit enhancement for TIF projects to improve market access and lower capital costs through the use of guarantees to issuers of bonds or other debt. Funds are used for infrastructure and environmental projects for industrial enterprises and retail establishments, infrastructure, environmental and building projects for manufacturers, hospitals, or convention centers, utilization of abandoned or underutilized industrial, commercial, military, previously mined institutional sites or buildings; or undeveloped sites planned and zoned for development in accordance with an existing comprehensive municipal plan.

Berks County Economic Development Land Suitability Tool – Created by the Berks County Planning Commission in conjunction with the Ride to Prosperity Sites and Infrastructure Committee, this interactive web map tool is intended to guide users to the most suitable areas in Berks County for commercial and industrial uses. The heat map shows land with suitability ranges 3 through 6, with a range of 6 being the most suitable.

These are just a sample of some commonly used programs for facilitating economic development within communities. More information can be found on Pennsylvania grants and resources at PA DCED’s website at www.newpa.com.

Economic Development Land Suitability



Legend

- 6- Most Suitable
- 5
- 4
- 3- Least Suitable

- Roads
- Railroads
- Municipal Boundaries

Source data: Berks County Planning Commission GIS, Berks County GIS/IS, Berks County Mapping, Berks DES, Ride to Prosperity Sites and Infrastructure Committee

Published by the Berks County Planning Commission

BAB 12/17

