ECONOMY

The health of the Region's economy has an obvious, major impact on the overall welfare of the community. A healthy economy provides not only needed goods and services, but employment opportunities and tax revenues, which pay for public facilities and services. There are a number of measures of the health of a community's economy, among them the employment rate, the tax base, and the diversity of the local economy.

The Berks County Economy

The four municipalities in the planning area are part of the over $16 billion dollar Berks County economy which, by output in dollars, ranks ninth out of the 18 metropolitan areas in Pennsylvania. The county's manufacturing and professional business services are the largest sector contributors to GDP. Overall, service producing industries account for 60.4% of the total County GDP, goods producing industries, 39.8%, trade 12.4%, government 9.9%.

An active working-age population is a critical component to support economic growth, and the labor force participation rate – calculated as the percentage of the civilian population 16 years or older who have a job or are actively looking for one – provides a helpful measure of this activity and the health of the region's economy.

According to the U. S. Department of Labor, Bureau of Labor Statistics in July of 2018 Berks County had a labor force of 215,757 people, of which 206,382 (or 95.6%) were currently employed and 9,375 (or 4.3%) were unemployed. The County has a labor participation rate of 65.8%, higher than the state level of 62.4%. (This means that out of those who are 16-64 years of age in the County, nearly 66% are actively working or seeking employment and 34% are not employed nor seeking employment.

Change in Real GDP by PA Metro Area Between 2001 and 2017 (millions of chained 2009 dollars)				
Ranked by GDP Output in 2017				
Metropolitan Area	2001 $	2017 $	# Change	% Change
Philadelphia	303,035	387,746	84,711	28.0%
Pittsburgh	109,442	131,222	21,780	19.9%
Allentown/Bethlehem/Easton	29,496	38,613	9,117	30.9%
Harrisburg/Carlisle	27,001	32,491	5,490	20.3%
Lancaster	19,061	25,170	6,109	32.0%
Scranton/Wilkes-Barre/Hazleton	19,136	20,782	1,646	8.6%
York/Hanover	13,445	16,900	3,455	25.7%
Reading	**13,920**	**16,375**	**2,455**	**17.6%**
Erie	9,660	9,678	18	0.2%
State College	5,287	8,091	2,804	53.0%
East Stroudsburg	4,536	5,311	775	17.1%
Chambersburg/Waynesboro	3,416	4,805	1,389	40.7%
Altoona	4,116	4,690	574	13.9%
Lebanon	3,390	4,474	1,084	32.0%
Williamsport	3,798	4,386	588	15.5%
Johnstown	4,009	3,690	-319	-8.0%
Bloomsburg/Berwick	2,877	3,566	689	23.9%
Gettysburg	2,328	2,999	671	28.8%
Pennsylvania	522,191	767,580	245,389	47.0%
Source: U.S. Chamber of Commerce, Bureau of Economic Analysis				
Note: The use of unchained dollars adjusts real dollar amounts for inflation over time so that numbers from different years can be compared				

Incomes

The median household incomes in the planning area differ between the municipalities. The borough of Birdsboro has the lowest median household income in the region but still surpasses the county and state averages. All of the municipalities in the planning region saw median household incomes grow between 2010 and 2016.

Median Household Incomes (Inflation Adjusted)			
Municipality	2010	2016	% Change
Birdsboro	$61,679	$62,083	0.7%
Caernarvon	$71,715	$84,537	17.9%
Robeson	$75,763	$85,606	13.0%
Union	$64,655	$77,083	19.2%
Berks County	$53,470	$57,068	6.7%
Pennsylvania	$50,398	$54,895	8.9%
Source: U.S. Census, 2006-2010 and 2012-2016 American Community Survey (DP03)			

Household Income Distribution

In all four municipalities, the majority of households have a household income from $50,000 to $99,999, which is on par with county and state levels. Of note, however, is that the four municipalities do have larger concentrations of higher household incomes than the state and county in several of the "upper" income bands and Caernarvon has a noteworthy number of households that make between $150,000 to $199,999 a year.

Household Income Distribution						
Income Group	Birdsboro	Caernarvon	Robeson	Union	Berks	PA
Less than $10,000	6.4	5.3	0.8	1.7	6.1	6.7
$10,000 to $14,999	4.5	0.6	0.0	2.9	4.8	5.1
$15,000 to $24,999	9.9	3.4	4.7	11.0	10.1	10.5
$25,000 to $34,999	9.4	4.9	6.8	6.7	9.5	10.0
$35,000 to $49,999	12.3	10.3	10.0	15.0	13.2	13.4
$50,000 to $74,999	16.5	18.8	19.2	9.4	19.3	18.3
$75,000 to $99,999	19.0	15.8	21.1	25.0	13.9	12.6
$100,000 to $149,999	13.6	23.2	22.3	16.5	14.3	13.5
$150,000 to $199,999	5.7	11.5	9.0	6.8	5.0	5.0
$200,000 or more	2.5	6.3	6.1	4.9	3.8	4.9
Median Income	$62,083	$84,537	$85,606	$77,083	$57,068	$54,895
Source: U.S. Census, 2012-2016 American Community Survey (DP03)						

Sources of Household Income

The majority of households in the planning area generate income by wage and salary earnings from employment. However, there are some noteworthy differences between the municipalities. In Union Township, the higher number of households reporting income from social security and retirement shows an older, retiring population as regular payments from social security, pensions and retirement savings are an important income source for older individuals.

Households in Birdsboro report income from transfer payments such as cash/public assistance and food stamps.

While the borough is below county and state levels in regards to total income generated by transfer payments, it suggests that there are households in the borough that may be having difficulty making ends meet.

Household Income Sources by Percentage						
Income Group	**Birdsboro**	**Caernarvon**	**Robeson**	**Union**	**Berks**	**PA**
Earnings	83.8	89.3	83.2	77.5	77.4	75.4
Social Security	26.3	21.0	31.6	40.8	34.0	34.2
Retirement	16.5	15.5	22.1	25.2	20.5	20.6
Supplemental Security	4.9	1.8	4.2	4.9	5.9	5.9
Cash/Public Assistance	4.1	0.7	0.0	2.1	2.7	3.4
Food Stamps/SNAP	10.1	3.3	4.1	4.9	13.8	13.0

Source: U.S. Census, 2012-2016 American Community Survey (DP03)

Employment

In each of the municipalities, the unemployment level for teenage workers (ages 16-19) and college age workers (20-24) is relatively high and can skew numbers. If we remove those age groups from the analysis, the age bands with the highest unemployment in each municipality are shown below:

Municipality	Age Band	Unemployment Rate %
Birdsboro	25-29	13.8
Caernarvon	65-74	16.4
Robeson	25-29	15.8
Union	55-59	6.5

Source: U.S. Census, 2012-2016 American Community Survey (S2301)

Resident Employment Profile

Shown below is data on the age of the workforce in each municipality and the types of industries that residents, 16 and older, are employed in. Most residents in the planning area are employed in the healthcare and social assistance industry. The manufacturing industry employs the second largest amount of residents in the planning area.

Type	Birdsboro		Caernarvon		Robeson		Union		Berks County	
Resident Employer Profile - Workers 16 and Older - 2016										
	#	%	#	%	#	%	#	%	#	%
Total Resident Workers	**2,839**		**2,237**		**3,996**		**1,907**		**199,047**	
Age 29 or younger	528	18.6%	423	18.9%	713	17.8%	286	15.0%	46,004	23.1%
Age 30 to 54	1,728	60.9%	1,417	63.3%	1,923	48.1%	993	52.1%	105,851	53.2%
Age 55 or older	583	20.5%	397	17.7%	1359	34.0%	628	32.9%	47,195	23.7%
Agriculture, Forestry, Fishing and Hunting	27	1.0%	33	1.5%	50	1.3%	10	0.5%	3,434	1.7%
Mining, Quarrying, and Oil and Gas Extraction	17	0.6%	0	0.0%	34	0.9%	10	0.5%	303	0.2%
Utilities	38	1.3%	8	0.4%	17	0.4%	19	1.0%	2,367	1.2%
Construction	112	3.9%	216	9.7%	282	7.1%	209	11.0%	10,676	5.4%
Manufacturing	486	17.1%	309	13.8%	734	18.4%	277	14.5%	37,362	18.8%
Wholesale Trade	96	3.4%	38	1.7%	125	3.1%	20	1.0%	6,272	3.2%
Retail Trade	287	10.1%	235	10.5%	512	12.8%	200	10.5%	24,349	12.2%
Transportation and Warehousing	80	2.8%	44	2.0%	95	2.4%	121	6.3%	7,896	4.0%
Information	61	2.1%	14	0.6%	39	1.0%	80	4.2%	2,625	1.3%
Finance and Insurance	74	2.6%	197	8.8%	151	3.8%	86	4.5%	7,976	4.0%
Real Estate and Rental and Leasing	94	3.3%	9	0.4%	53	1.3%	71	3.7%	3,011	1.5%
Professional, Scientific, and Technical Services	103	3.6%	197	8.8%	360	9.0%	88	4.6%	9,799	4.9%
Management of Companies and Enterprises	0	0.0%	0	0.0%	15	0.4%	0	0.0%	132	0.1%
Administration & Support, Waste Management	169	6.0%	78	3.5%	88	2.2%	12	0.6%	7,250	3.6%
Educational Services	246	8.7%	161	7.2%	378	9.5%	82	4.3%	16,333	8.2%
Health Care and Social Assistance	564	19.9%	410	18.3%	500	12.5%	303	15.9%	29,181	14.7%
Arts, Entertainment, and Recreation	78	2.7%	31	1.4%	89	2.2%	76	4.0%	3,454	1.7%
Accommodation and Food Services	199	7.0%	140	6.3%	148	3.7%	32	1.7%	13,055	6.6%
Other Services (excluding Public Administration)	73	2.6%	37	1.7%	249	6.2%	177	9.3%	8,885	4.5%
Public Administration	35	1.2%	80	3.6%	77	1.9%	34	1.8%	4,687	2.4%
Source: U.S. Census Bureau, 2012-2016 American Community Survey										

Mean Hours Worked at a Job

Residents in the planning area work a nearly 40-hour week on average. Declines in hours worked could be due to retirements, underemployment or unemployment. Full time employment is defined as working 35 hours or more per week. Residents in Caernarvon Township saw a decline in the hours worked at their jobs between 2010 and 2016 while residents in the rest of the municipalities saw small increases.

Mean Usual Worked				
Municipality	2010	2016	Difference	% Change
Birdsboro	39.4	39.5	0.1	0.3%
Caernarvon	40.7	37.8	-2.9	-7.1%
Robeson	37.6	39.9	2.3	6.1%
Union	38.6	39.2	0.6	1.6%
Berks County	**38.6**	**38.2**	**-0.4**	**-1.0%**
Pennsylvania	**38.4**	**38.3**	**-0.1**	**-0.3%**
Source: U.S. Census , 2006-2010 and 2012-2016 American Community Survey (B23020)				

Commute Times

More than half of the residents in both Birdsboro and Robeson work close to home, with commutes less than 10 miles to their place of employment. Caernarvon Township has the highest percentage of residents who travel 10 to 24 miles to work and Union has nearly 25% of their residents traveling 25 to 50 miles to their jobs.

Percent of Resident Workers Who Commute to Work (in miles) in 2015				
Municipality	**Less than 10**	**10 to 24**	**25 to 50**	**50 +**
Birdsboro	61.3	24.0	10.8	4.0
Caernarvon	28.9	54.8	10.3	5.9
Robeson	51.7	25.1	14.9	8.3
Union	36.5	26.3	24.3	12.9
Berks County	55.0	21.2	14.2	9.6
Source: U.S. Census LEHD, 2015				

Employment Inflow and Outflow

According to the U.S. Census Bureau's 2015 Longitudinal Employer-Household Dynamics (LEHD) data nearly 6,000 people come into the planning area per day to work while almost 9,000 daily leave the planning area for employment, making the area a net exporter of labor. A little more than 550 people both live and work in the planning area.

This is consistent with Berks County as a whole, which has more residents leave to work than those from surrounding counties who come into Berks County for employment.

Worker Flow in 2015				
Municipality	**In to Work**	**Staying to Work**	**Out to Work**	**Difference**
Birdsboro	710	116	2,622	-1,912
Caernarvon	3,581	177	1,304	2,277
Robeson	833	209	3,017	-2,184
Union	531	50	1,844	-1,313
Southern Berks Planning Area	**5,655**	**552**	**8,787**	**-3,132**
Berks County	62,629	113,739	82,587	-19,958
Source: U.S. Census LEHD, 2015				

Top Industries in the Planning Area

Birdsboro has over 800 jobs inside the borough with just over 30% of those jobs in manufacturing businesses.

Distribution of All Jobs in the Municipality - Birdsboro	
Total Jobs	**826**
Industry	**% of Total Jobs**
Manufacturing	32.9%
Educational Services	18.0%
Retail Trade	5.9%
Health Care and Social Assistance	5.9%
All Others	36.8%
Source: U.S. Census LEHD, 2015	

Similar to Birdsboro, Caernarvon Township has the largest percentage of their 3,758 jobs in manufacturing. Both municipalities rely heavily on the manufacturing sector for employment opportunities within their jurisdictions. Caernarvon also has the largest number of jobs out of the four municipalities in the planning area.

Distribution of All Jobs in the Municipality - Caernarvon	
Total Jobs	**3,758**
Industry	**% of Total Jobs**
Manufacturing	43.7%
Wholesale Trade	13.2%
Retail Trade	11.5%
Educational Services	7.6%
Management of Companies and Enterprises	6.3%
All Others	17.7%
Source: U.S. Census LEHD, 2015	

In Robeson Township, the 1,042 jobs are more diversified with administration and support, waste management and remediation accounting for 22.5% of employment, construction 15.7%, transportation and warehousing with 14.4%, and nearly 48% of all the other jobs in various industries.

Distribution of All Jobs in the Municipality - Robeson	
Total Jobs	**1,042**
Industry	**% of Total Jobs**
Administration & Support, Waste Management & Remediation	22.5%
Construction	15.7%
Transportation and Warehousing	14.4%
Manufacturing	7.8%
Retail Trade	7.3%
All Others	32.4%
Source: U.S. Census LEHD, 2015	

In Union Township, like Robeson, the administration and support, waste management and remediation industry sector provides the most jobs within the township. Both municipalities have high percentages in the construction sector.

Distribution of All Jobs in the Municipality - Union	
Total Jobs	**581**
Industry	**% of Total Jobs**
Administration & Support, Waste Management & Remediation	46.1%
Construction	20.1%
Other Services (excluding Public Administration)	8.1%
All Others	25.6%
Source: U.S. Census LEHD, 2015	

Top Employers in Berks County

Listed below are the top 25 employers in Berks County as of 2018. None of these employers are located within the planning area.

Top 25 Employers in Berks County - 2009 to 2018 and Net Change in Employment				
Ranked by Number of Employees in 2018				
Company	Industry Type	2009 Employees	2018 Employees	Change
East Penn Manufacturing Company	Manufacturing	5,348	7,807	2,459
Tower Health (formerly Reading Hospital)	Health Care and Social Assistance	6,839	7,219	380
Pennsylvania government	Government	1,775	3,223	1,448
Berks County government	Government	2,500	2,330	-170
Carpenter Technology Corporation	Manufacturing	1,917	2,305	388
Reading School District	Education	2,637	1,967	-670
Penske Truck Company, LP	Rental and Leasing	1,200	1,893	693
Wal-Mart Stores	Retail	1,783	NR - 1,818 (2016)	35
Boscov's Inc.	Retail	1,400	1,750	350
Inperium Management Services Inc.	Health Care and Social Assistance	*	1,470	*
Wilson School District	Education	1,195	1,404	209
Redner's Markets Inc.	Retail	1,415	1,383	-32
Berks County Intermediate Unit	Education	1,241	1,260	19
Ashley Furniture Industries, Inc.	Manufacturing	726	1,246	520
Penn State Health St. Joseph Medical Center	Health Care and Social Assistance	1,514	1,236	-278
Bear Creek Management	Accommodation and Food Services	*	1,200	*
First Energy Corp. (Met-Ed)	Utilities	986	1,083	97
Giant Food Stores	Retail	914	1,041	127
Kutztown University	Education	1,146	1,002	-144
Gage Personnel Services	Professional Services	*	974	*
U.S. Government	Government	1,150	936	-214
Santander Bank	Finance	1,000	900	-100
Alcon Research, Ltd.	Manufacturing	*	875	*
Elwood Staffing	Professional Services	*	810	*
Boyertown School District	Education	1,066	NR - 778 (2017)	-288
Source: Reading Eagle, Berks County Planning Commission The * denotes a company that was not ranked in the top 25 in 2009; the NR denotes Not Reported				

Tax Bases

From the perspective of municipal administration, the tax base drives the ability to invest in amenities and provide quality professional services that your 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 ability to raise revenue to provide infrastructure and services is affected by the tax base. 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 and needs or the natural/environmental resources in the community.

The Pennsylvania State Tax Equalization Board (STEB) provides the information on the Berks County and

municipal tax bases that will be discussed in this section of the economy chapter. STEB's primary role is to determine, on an annual basis, the total market value of taxable property in all 67 counties and 2,562 municipalities in the state. This data is primarily used in the disbursement of school funds to the state's 501 school districts.

Berks County Planning Commission staff uses the STEB data to analyze tax base trends. Annually collected for every county, it allows us to analyze multi-year trends at both the municipal and county levels. We wanted to see if the municipal tax bases genuinely expanded between 2006 and 2017, so we adjusted all dollar figures to constant dollars, accounting for inflation. We do this because over time, inflation gives a false picture of monetary growth. We also have broken out the municipal tax base into several categories. The 2006 year is a good year for this analysis, as it is pre-recession.

In three of the four municipalities, the market value and the assessed value of the tax base has increased. The only exception is Birdsboro, who saw a slight decrease in the assessed value of their tax base. There are three primary factors, combined, that drive this incongruence. One, Berks County has not done a reassessment since 1994. The longer the period between reassessments generally means less of the "market" value of the base will be collected over time. Secondly, any number of successful reassessment appeals further decreases that assessed tax base. Thirdly, when property values decline, the tax base upon which the tax is levied shrinks. Property values declined substantially in Berks County due to the 2007-2009 recession and have been slow to rebound to the 2006 levels.

Birdsboro Borough

In 2006, the borough was collecting taxes on a little over 96% of the market value of its tax base. However, by 2017, this has declined to 78%.

Market Value of Tax Base - 2006 and 2017				
Municipality	2006	2017	$ Change	% Change
Birdsboro	180,820,800	221,414,850	40,594,050	22.4%
Assessed Value of Tax Base - 2006 and 2017				
Municipality	2006	2017	$ Change	% Change
Birdsboro	173,700,600	172,965,000	-735,600	-0.4%
Tax Collection on Market Value of Tax Base				
Municipality	2006	2017	% Change	
Birdsboro	96.1%	78.1%	-18.7%	
Source: Pennsylvania State Tax Equalization Board Land Use and Market Value Reports: 2006 and 2017				

The borough saw very little growth in any of the tax base sectors. The 2006 and 2017 borough tax bases are nearly identical. Residential units make up more than ¾ of the borough's tax base.

Percentage Breakdown of County Tax Base by Category						
2006	Residential	Lots	Industrial	Commercial	Agriculture	Land
Birdsboro	86.6	0.2	4.9	7.8	0.0	0.0
2017	Residential	Lots	Industrial	Commercial	Agriculture	Land
Birdsboro	87.0	0.0	5.0	8.0	0.0	0.0
Change	Residential	Lots	Industrial	Commercial	Agriculture	Land
Birdsboro	0.4	-0.2	0.1	0.2	0.0	0.0
Source: Pennsylvania State Tax Equalization Board Land Use and Market Value Reports: 2006 and 20						

Caernarvon Township

The township was collecting taxes on 88% of the market value of its tax base in 2006. However, by 2017, this has declined to just under 74%.

Market Value of Tax Base - 2006 and 2017				
Municipality	**2006**	**2017**	**$ Change**	**% Change**
Caernarvon	332,445,100	454,123,332	121,678,232	36.6%
Assessed Value of Tax Base - 2006 and 2017				
Municipality	**2006**	**2017**	**$ Change**	**% Change**
Caernarvon	292,506,000	335,578,400	43,072,400	14.7%
Tax Collection on Market Value of Tax Base				
Municipality	**2006**	**2017**	**% Change**	
Caernarvon	88.0%	73.9%	-16.0%	
Source: Pennsylvania State Tax Equalization Board Land Use and Market Value Reports: 2006 and 2017				

The Township saw a small decrease in the commercial and agricultural sectors of the base and slight increases in the residential and industrial sectors.

Percentage Breakdown of County Tax Base by Category						
2006	**Residential**	**Lots**	**Industrial**	**Commercial**	**Agriculture**	**Land**
Caernarvon	57.1	0.3	10.0	28.3	2.8	1.0
2017	**Residential**	**Lots**	**Industrial**	**Commercial**	**Agriculture**	**Land**
Caernarvon	58.0	0.0	12.0	26.0	2.0	0.0
Change	**Residential**	**Lots**	**Industrial**	**Commercial**	**Agriculture**	**Land**
Caernarvon	0.9	-0.3	2.0	-2.3	-0.8	-1.0
Source: Pennsylvania State Tax Equalization Board Land Use and Market Value Reports: 2006 and 2017						

Robeson Township

Robeson was collecting taxes on 87.6% of the tax base in 2006. Much like their neighboring municipalities, it declined to 72.2% by 2017.

Market Value of Tax Base - 2006 and 2017				
Municipality	**2006**	**2017**	**$ Change**	**% Change**
Robeson	412,484,000	556,018,951	143,534,951	34.8%
Assessed Value of Tax Base - 2006 and 2017				
Municipality	**2006**	**2017**	**$ Change**	**% Change**
Robeson	361,346,600	401,360,500	40,013,900	11.1%
Tax Collection on Market Value of Tax Base				
Municipality	**2006**	**2017**	**% Change**	
Robeson	87.6%	72.2%	-17.6%	
Source: Pennsylvania State Tax Equalization Board Land Use and Market Value Reports: 2006 and 2017				

The Township saw an increase in the residential sector of the base but declines in the industrial, commercial and agricultural sectors.

Percentage Breakdown of County Tax Base by Category						
2006	**Residential**	**Lots**	**Industrial**	**Commercial**	**Agriculture**	**Land**
Robeson	74.6	1.7	1.6	8.8	10.6	1.3
2017	**Residential**	**Lots**	**Industrial**	**Commercial**	**Agriculture**	**Land**
Robeson	79.0	2.0	1.0	7.0	9.0	1.0
Change	**Residential**	**Lots**	**Industrial**	**Commercial**	**Agriculture**	**Land**
Robeson	4.4	0.3	-0.6	-1.8	-1.6	-0.3
Source: Pennsylvania State Tax Equalization Board Land Use and Market Value Reports: 2006 and 2017						

Union Township

In 2006, the township was collecting taxes on over 87% of the market value of the base. By 2017, this declined to 71.2%.

Market Value of Tax Base - 2006 and 2017				
Municipality	**2006**	**2017**	**$ Change**	**% Change**
Union	199,567,300	271,653,188	72,085,888	36.1%
Assessed Value of Tax Base - 2006 and 2017				
Municipality	**2006**	**2017**	**$ Change**	**% Change**
Union	175,272,800	193,364,800	18,092,000	10.3%
Tax Collection on Market Value of Tax Base				
Municipality	**2006**	**2017**	**% Change**	
Union	87.8%	71.2%	-19.0%	
Source: Pennsylvania State Tax Equalization Board Land Use and Market Value Reports: 2006 and 2017				

The tax base overall has been steady. There was very minimal decline in the industrial, commercial and agricultural sectors of the tax base.

Percentage Breakdown of County Tax Base by Category						
2006	**Residential**	**Lots**	**Industrial**	**Commercial**	**Agriculture**	**Land**
Union	81.0	1.3	0.3	4.4	9.6	1.6
2017	**Residential**	**Lots**	**Industrial**	**Commercial**	**Agriculture**	**Land**
Union	82.0	2.0	0.0	4.0	9.0	1.0
Change	**Residential**	**Lots**	**Industrial**	**Commercial**	**Agriculture**	**Land**
Union	1.0	0.7	-0.3	-0.4	-0.6	-0.6
Source: Pennsylvania State Tax Equalization Board Land Use and Market Value Reports: 2006 and 2017						

Taxes
Components of Real Estate Taxes

The chart below illustrates the change in taxes by components from 2004 to current tax rates. The Twin Valley School District saw the most change in number of mills. The Union Township municipal real estate tax saw the largest percent increase. Caernarvon has the lowest municipal real estate tax in the planning region; Birdsboro the highest.

Components of Real Estate Tax Mills - Comparison				
Unit	2004	2017-2018	# Change	% Change
Berks County Tax	5.18	7.65	2.47	47.7%
Daniel Boone School District Tax	22.00	30.20	8.20	37.3%
Twin Valley School District Tax	17.70	27.55	9.85	55.6%
Birdsboro	2.53	6.86	4.33	171.1%
Caernarvon	1.88	2.48	0.60	31.9%
Robeson	0.97	2.75	1.78	183.5%
Union	0.90	3.65	2.75	305.6%
Source: Berks County Planning Commission, Berks County Assessment Office				

The chart below shows the entire millage (municipal, school district, county) combined. Between 2004 and present, Birdsboro has seen the most change for millage. Presently, Caernarvon Township has the lowest amount of millage. Birdsboro has the highest amount.

Total Tax Millage Comparison (SD, Municipal and County Together)				
Unit	2004	2017-2018	# Change	% Change
Birdsboro	29.71	44.71	15.00	50.5%
Caernarvon	24.76	37.68	12.92	52.2%
Robeson	23.85	37.95	14.10	59.1%
Union	28.08	41.50	13.42	47.8%
Source: Berks County Planning Commission, Berks County Assessment Office				

Impact of Real Estate Taxes in the Planning Area

For the purpose of our analysis, we assume each municipality has a house with a 2017 fair market value of $100,000 with no homestead exemption applied. A fixed value allows us to look solely at the tax burden in the area. Union Township residents have seen the smallest increase in real estate taxes. Residents in Birdsboro have the highest tax burden (highest amount of millage) while residents in Caernarvon Township have the lowest burden.

Tax Bill on a $100,000 Market Value House in 2004 and 2017-2018					
Birdsboro	**Total**	**Assessed Value**	**Tax Bill**	**OVERALL**	
2004	**29.71**	$86,206	**$2,561**	$ Change	% Change
2017-2018	**44.71**	$72,463	**$3,239**	$678	26.5%
Caernarvon	**Total**	**Assessed Value**	**Tax Bill**	**OVERALL**	
2004	**24.76**	$86,206	**$2,134**	$ Change	% Change
2017-2018	**37.68**	$72,463	**$2,730**	$596	27.93%
Robeson	**Total**	**Assessed Value**	**Tax Bill**	**OVERALL**	
2004	**23.85**	$86,206	**$2,056**	$ Change	% Change
2017-2018	**37.95**	$72,463	**$2,749**	$693	33.7%
Union	**Total**	**Assessed Value**	**Tax Bill**	**OVERALL**	
2004	**28.08**	$86,206	**$2,420**	$ Change	% Change
2017-2018	**41.50**	$72,463	**$3,007**	$587	24.3%

Source: Berks County Planning Commission

Looking at tax burden, with all Berks County municipalities having the same exact $100,000 house, you can see in the first column that Birdsboro has the seventh highest amount of taxes in Berks County while Caernarvon has the lowest.

However, if the tax rate was applied to the assessed value based on real median housing values, the numbers change substantially. Birdsboro's tax bill is the 47th lowest. This is due to the low median housing values in the borough. Consequentially, due to the high median housing values in Caernarvon residents pay the 9th highest amount of taxes in the County.

In the case of Birdsboro, a high amount of millage is being applied to low median housing values (23rd lowest in the County).

In Caernarvon: A low amount of millage is being applied to high median housing values (6th highest in the County).

Ranking of the 2018 Tax Bill in the Planning Area Versus All Other Berks County Municipalities		
Municipality	**Same $100,000 House**	**Median House Value**
Birdsboro	7th	47th
Caernarvon	53rd	9th
Robeson	50th	15th
Union	19th	22nd

Source: Berks County Planning Commission

Tax Exempt Parcels

There are 277 parcels in the planning area that 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 government and state owned parkland. The most valuable exempt property is French Creek State Park in Union Township with a value over $20 million.

Top Ten Tax-Exempt Parcels by Value in the Planning Area - 2018			
Owner	Address	Municipality	Value in $
Commonwealth of PA	Park Road	Union	20,468,400
Twin Valley School District	N. Twin Valley Road	Caernarvon	17,266,200
Daniel Boone School District	Chestnut Street	Union	17,103,600
Birdsboro Municipal Authority	Hay Creek Road	Robeson	5,528,800
Daniel Boone School District	2nd Street	Birdsboro	5,375,900
Birdsboro Municipal Sewer Authority	Armorcast Road	Birdsboro	3,123,800
PA State Game Commission	Chestnut Street	Union	2,776,600
Hopewell Christian Fellowship	Hopewell Road	Caernarvon	2,436,600
Twin Valley Fire Department	Conestoga Road	Caernarvon	2,098,400
U.S. Government	Hopewell Furnace Trail	Union	1,803,500
Source: Berks County Planning Commission			

Not only is French Creek State Park the largest tax exempt parcel in the planning area in terms of value but it is also the largest in area - 4,945 acres. Robeson Township has the most tax exempt parcels in the planning area – 72.

Top Ten Tax-Exempt Parcels by Size in the Planning Area - 2017				
Owner	Address	Municipality	Size in Acres	Value in $
Commonwealth of PA	Park Road	Union	4,945	20,468,400
Birdsboro Municipal Authority	Hay Creek Road	Robeson	1,775	5,528,800
PA State Game Commission	Chestnut Street	Union	795	2,776,600
U.S. Government	Hopewell Furnace Trail	Union	515	1,803,500
Commonwealth of PA	Cold Run Road	Robeson	235	823,000
Commonwealth of PA - DCNR	Ridgeway Road	Robeson	232	66,500
Commonwealth of PA	Crusher Road	Union	170	592,800
Natural Lands Trust, Inc.	Gunhart Road	Robeson	166	613,900
Union Township	Route 724	Union	154	469,100
Twin Valley School District	N. Twin Valley Road	Caernarvon	113	17,266,200
Source: Berks County Planning Commission				

What Does This All Mean?

Like Berks County, a significant issue for the municipalities moving forward is addressing the stagnation of the tax base. So far, in response to slow tax base growth the municipalities and school districts have had to raise the tax rate to generate needed revenue to offset growing expenditures. As stated previously in this chapter, the key to economic stability or growth is the optimization of the tax base by making every acre of land as productive as it can be without compromising community wants and needs or the natural/environmental resources in the community. Moving forward, the municipalities should look at ways to boost the tax base. This could include, but is not limited to using the tools and resources available to attract new industries to the area that offer higher paying, sustainable jobs.

Economic Development Goals

Consider changing the goal from "development" to prosperity.

The planning area's prosperity is influenced by the quality of the area as a place to live, the public education system, availability of capital, and the condition of both the natural (parks, open space, environmentally sensitive areas) and built environments. The planning area should not evaluate success nor be satisfied solely on single metrics such as the number of jobs created or how "nice" a building or area looks. The municipalities should make investments and attract private investment and enterprise that improves the area's ability to weather economic changes (e.g. ecommerce and its effect on bricks and mortar retail, rise in healthcare demand) and downturns and improves prosperity for developers, business owners, and residents alike.

Focus on providing high quality, fundamental public services.

The area's infrastructure assets are valuable and represent generations of investment. They also require maintenance, repair, and attention. Sidewalks, streets, bridges, stormwater management systems, parks and open space, and water and sewer systems ensure that business and residents can move around the area, drink clean water, and have reliable sewer service. Having an intentional investment strategy to maintain and improve these systems will continue to make the planning area an attractive location to invest, reside, and reduce the expensive consequences of deferred maintenance.

Prioritize infrastructure improvements.

Identify the infrastructure improvements needed to attract and support the growth of industries and businesses the planning area wants to have, and prioritize the completion of these improvements. Consider joint capital improvements planning to increase awareness and visibility of infrastructure needs.

Encourage regulatory alignment in all municipalities.

The planning area should strive to keep their planning and permitting processes current and streamlined, eliminating excessive or obsolete requirements, with fee structures for planning services and permitting that recover no more than the actual costs to conduct such programs and reviews.

Municipalities should monitor county, state, and national trends and maintain timely and modern zoning regulations that foster investment and redevelopment of sites in the area.

Boost the diversification of the local economy.

Encourage the development, redevelopment, and reinvestment in an array of retail, service, office, and other employment uses in all mixed residential/commercial, commercial and industrial land use areas as shown on the Future Land Use Plan. Support small business such home occupations and limited, neighborhood-serving commercial and employment uses in the (residential land use categories).

Support the creation and growth of local businesses.

Support the creation of local businesses by promoting a positive business environment by reducing the municipal barriers to opening businesses, leveraging existing programs, providing information and business resources through coordinated websites, and exploring and advertising potential incentives financial tools and resources to assist in new business establishment.

Attract and cultivate a skilled workforce.

Cultivate and attract a skilled workforce by providing access to attainable and high quality housing options, supporting vibrant, well-maintained neighborhoods and amenities, and ensuring high quality schools for families. Support the growth of businesses that employ people with advanced skills and degrees.

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.

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.