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## **Bridgeport Borough Adopts LERTA; Seeks to Encourage Downtown Commercial Growth**

Bridgeport, PA January 30, 2019 – The Montgomery County Commissioners unanimously approved a tax abatement plan on January 17 for Bridgeport Borough; becoming the third and final signature needed to allow the Montgomery County Borough of about 4,500 to implement their plan that aims to spark further commercial redevelopment within their downtown corridor.

The abatement plan, commonly referred to as a LERTA, is tax abatement legislation available to municipalities through the Pennsylvania Local Economic Revitalization Tax Assistance Act of 1977. The LERTA Act of 1977 enables municipal authorities to create ordinances temporarily exempting the payment of certain real estate taxes. The purpose of this tax exemption structure is to encourage economic development in designated areas by allowing eligible property owners to continue paying the property's current taxes for a set amount of time, rather than the increased tax that would result from new construction and improvements.

In addition to Montgomery County, Upper Merion Area School District also unanimously adopted Bridgeport's tax abatement plan at their January 7 meeting. This joint effort, with all three taxing agencies endorsing Bridgeport's plan, was needed in order to fully maximize the initiative's potential. "In order for a municipality to have a LERTA that fully captures the intent of the program, the other taxing agencies involved – the county and the school district – must be on board with the plan," noted Keith S. Truman, Bridgeport Borough Manager. "Without all three taxing agencies adopting the plan, a prospective developer would not receive tax abatement on the portion of real estate taxes due to the agency that does support the LERTA, which really diminishes the overall power of the legislation." To that point, Truman says, Bridgeport is grateful to its neighboring taxing agencies. "Upper Merion School District and Montgomery County were both great partners throughout this process – they provided opinions and insight that we might not have received otherwise and helped us create an ordinance that is mutually acceptable to all parties involved."

Bridgeport's LERTA encompasses 233 parcels, all of which are located directly on or adjacent to Routes 202 (DeKalb Street) and 23 (Fourth Street), commonly regarded as Bridgeport's downtown commercial district. Potential applicants must demonstrate that their projects will meet certain criteria; the primary piece being that the project must be non-residential in nature. If a project gains LERTA approval, the property owners will be eligible to receive a five-year abatement schedule on the real estate taxes associated with the improvements performed. The abatement amount will diminish by twenty percent over the subsequent five years, with the owner paying the full real estate tax bill upon the sixth year.

The hope is that this initiative shines a regional spotlight onto Bridgeport's efforts to attract and incentivize current owners and new developers to invest in and reshape the town's commercial corridor. "This strategy doesn't just encourage business owners and developers to invest in an updated, walkable, downtown Bridgeport," said Council President Kyle Shenk, "It also signals to all of southeastern Pennsylvania that Bridgeport is moving forward with comprehensive redevelopment plans to better serve our residents and build our tax base. This project demonstrates our commitment to the long-term progress of our borough and is proof that Bridgeport is a prime location to live, start a business, and raise a family."

Anyone interested in learning more about Bridgeport Borough, and their LERTA program, are encouraged to visit [boroughofbridgeport.com](http://boroughofbridgeport.com) or contact Keith S. Truman directly at 610-272-1811.