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Sent: Friday, June 14, 2019 2:09 PM
To: Huck, Ruth <huckr@wcsdpa.org>; Donna Zariczny <dlz@inscalepc.com>
Subject: City of Warren LERTA information

Warren City Council passed ordinances related to Commercial and Residential Tax Abatement programs at the May 20 council meeting.

The previously existing City of Warren Commercial LERTA was expanded to include the upper portion of Conewango Ave. in the vicinity of the Dies Dance Studio and was extended from a 3 year period of abatement to a 5 year period of abatement. This brings the City's Commercial LERTA timeframe in line with the County's existing Commercial LERTA.

A new residential tax abatement program similar to a LERTA and known as the Deteriorated Dwellings Improvement and Deteriorating Area improvement Tax Exemption Program applies to all residential properties in all areas of the City and is a 100% 5 year program.

Applicants apply for the tax abatement program at the same time they apply for building permits.

It is important to note that residential tax assessments are increased only when heated living spaces, garages and outbuildings over 300 sq ft. are constructed. This includes new homes built on empty lots. Other improvements such as siding or paint, new windows, new roofs, remodeled kitchens, closets made in to bathrooms, etc. do not increase tax assessments, so are not covered by this ordinance.

There is evidence that tax abatement programs do spur new construction projects (additions, new homes, garages) in municipalities that have adopted them. Bradford, PA is a local example of this. The City of Warren has lost a good deal of real estate tax base over the past several decades due to demolitions of blighted structures or to businesses and churches buying neighboring lots and tearing down the structures on them in order to expand their parking lots. The City's RDA continues to work with property owners to alleviate blight and expects that some of the worst structures that remain in the City will be torn down in the next few years. There are at least 20 buildable lots currently available in the City and we wish to make the prospect of building a new home in the City very attractive. The tax abatement programs adopted by council are added incentives toward that goal.

I will be happy to attend the committee meeting on June 24 to discuss. If you have questions before then, please feel free to contact me. I look forward to seeing you on June 24.

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