

# Leaders explain how housing plan will bring in cash

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Conversion of a warehouse site on Memorial Avenue into apartments, townhouses and two single-family homes is envisioned to give the city an economic booster shot.

The possible transition of the Brodart warehouse, 1609 Memorial Ave., isn't costing the city a dime but could yield more than \$16 million for the local economy and \$900,000 annually in real estate taxes and permit fees, according to county and city officials.

"Assuming that the development is completed over a three-year period, the construction phase of the project will infuse over \$16.5 million annually into the local economy and will create or support as many as 90 construction jobs each year of the three-year period," wrote William Kelly, director of the Lycoming County Department of Planning and Development, in a letter he shared with City Council.

"I believe finding housing is one of the city's most pressing needs because of reasons that are very obvious with the Marcellus Shale push," Kelly said. "But also because every time a college or hospital expands, it takes properties off the tax rolls. This is a project that will infuse new revenue into the tax base."

He added that Delta Development Group calculated the economic forecast using industry standards and looked at local tax thresholds.

The building and 3 1/2-acre site is assessed by Lycoming County at \$401,530, said Thomas P. O'Connor, city tax collector and treasurer. Rick Dill, chief financial officer with Brodart, also provided similar assessments.

Cost to construct 48 apartments, nine townhouses and two single-family dwellings, the latter done by Habitat for Humanity, was estimated by the developer at \$3 million.

O'Connor said the amount of taxes to be collected will depend on whether the properties are owner-occupied or rentals. "Owners are responsible for paying the real estate taxes," O'Connor said. Should these be rentals, then the city collects business privilege taxes, he said.

The assessed value of the building and property can differ from when the construction is completed, he said. "The county would reassess the property after construction," he said.

Building permits for a \$3 million project would be \$10,554, according to the codes administration office.

"We view this as a win-win for all involved," said Dr. Vincent Matteo, president and CEO of the Williamsport/Lycoming Chamber of Commerce.

The site is a Brownfields redevelopment, an industrial site that has contamination in its soil and groundwater but not so much that it can't be developed into a viable property.

"I see this as a smart way to take advantage of beginning to fill a vast need to find quality housing as a result of the growth of Marcellus Shale businesses," Matteo said. "First of all, its developer P&L Investments will clean up the site from any contaminants that pose a health or safety risk," he said. "Secondly, housing is an important part of what we need to do to take full advantage of as the region becomes a capital of energy because of the Shale play."

The project also will benefit the new and existing property owners in the neighborhood, Matteo said. "It will certainly be an infusion of taxes but also the people moving here are going to shop at our stores."

Mayor Gabriel J. Campana said the residential tax abatement in place was an encouragement to the developer to select the city site.

The removal of the eyesore in a neighborhood with unlimited potential is encouraging, according to Kelly.

"Good things don't happen in vacant buildings," he said.