



CITY REVITALIZATION AND IMPROVEMENT ZONE POSITION STATEMENT

BACKGROUND:

The Lancaster Chamber is actively involved in local and statewide initiatives aimed at ensuring sustainable communities in our County and throughout the Commonwealth. By supporting positions aimed at reducing costly state mandates, encouraging regional cooperation and incentivizing economic development, The Chamber is committed to address the real and immediate financial challenges our communities face.

In line with this commitment, the City Revitalization and Improvement Zone (CRIZ) concept, introduced by Senator Lloyd Smucker, seeks to reinvest new state tax revenue created in a city directly back into that city. The focus of the CRIZ is to redevelop vacant, blighted or underutilized properties, create jobs, increase business opportunities and investment in urban communities and, ultimately, increase both state and local revenues through increased economic activity.

The concept would allow Third-Class cities with a population of 40,000 to 70,000 to create a City Revitalization and Improvement Zone, or zones. The concept would redirect all new state taxes generated and collected from business growth, construction and redevelopment within the zone back to the host city for the purposes of payment of debt service for the improvement. Taxes that will likely be redirected include: corporate net income taxes, capital stock and franchise taxes, sales and use taxes, taxes related to the sale of liquor, wine or malt/brewed beverages and personal income taxes. It is the intent of the program to be revenue neutral to the State.

Zones such as this have proved to be economic engines in other areas of the Commonwealth. By raising the property value in particular areas in need of attention, Lancaster could continue to grow and thrive as a strong city – a necessity for a strong County. In addition, the development of properties in the City helps to preserve open space, benefiting farmland preservation and promoting urban renewal.

POLICY POSITION:

The Board of Directors of The Lancaster Chamber of Commerce & Industry supports the development of the City Revitalization and Improvement Zone Act, and encourages it's consideration and passage during budget negotiations.

Approved by the Board of Directors on 4.16.2013.