Bethlehem backs LERTA expansion, renewal for South Side

By Nicole Radzievich
Of The Morning Call

Bethlehem City Council on Tuesday backed expanding a tax abatement district to include two underused properties in the South Side.

The Local Economic Revitalization Tax Assistance, or LERTA, program would include the Weldship Corp. building, the workplace of 70 people at 225 W. Second St., and the former Pennsylvania Metallurgical building, 315 Columbia St.

The tax abatement program targets hard-to-develop properties on the South Side.
The Columbia Street property has been vacant since a 2014 companywide consolidation. And city officials wanted to prime the Second Street property in the event Weldship wants to expand or redevelop the building.

The LERTA program gives property owners a break on real estate taxes associated with improvements or new construction on a site. The taxes on the new assessments are phased in 10 percent a year over a decade.

The new properties would be added to properties already in the district and are up for a five-year renewal to be in the LERTA district. Those properties include stretches of Third and and Fourth Streets, portions of Lehigh Valley Industrial Park and the Majestic Bethlehem Center and an area near the Five Points intersection.

What is not included in the LERTA is the site proposed for a Wal-Mart store on the South Side and frontage along Route 412 near the industrial parks.

Council spent no time debating the merits of the program Tuesday. Council President J. William Reynolds said the statistics and stories Mayor Robert Donchez’s administration relayed at previous meetings shows the program is working and should be renewed.

City officials credited the LERTA incentive for the growth on the South Side, particularly the parts of the former Bethlehem Steel plant that now features Lehigh Valley Industrial Park VII and Majestic Bethlehem Center. Among the companies landed were Brandenburg Industrial Services Co., Primark and Cigars International.

LERTA properties employ 4,092 full-time workers and have attracted $193 million of investment. The total assessment is $114.6 million, which under current tax rates will generate $9.4 million annually in school, municipal and county property taxes.

Council, which voted 7-0 to back the district on first reading, is scheduled to take its second on June 20.

The LERTA district renewal must be approved by the city, Lower Saucon Township, Bethlehem Area School District, Saucon Valley School District and Northampton County by Dec. 31.

This is the second LERTA district the city has considered this year. The city is planning a North Side LERTA district to cover, primarily, neighborhoods north of historic downtown.

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