

NESHAMINY SCHOOLS

Pennswood Village granted tax exemption

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Pennswood Village is now tax free — well, sort of.

The Neshaminy school board Tuesday night approved 8-0 a PILOT, or payment in lieu of taxes, agreement with the Middletown retirement center. Board member Susan Cummings was not present at the meeting.

In July, the 82-acre nonprofit continuing care facility on Route 413 applied for exemption from real estate taxes as a purely public charity, administrators said. The county board of assessment in October approved that request, officials said.

Pennswood officials and its attorney Don Marshall previously said the exemption is warranted because of a recent state Supreme Court decision that granted a continuing care facility in Carlisle an exemption from all property taxes.

The school board had a choice to either appeal that decision, or agree to a deal that would allow the district to collect money, just not direct property taxes, according to solicitor Thomas J. Profy III.

So, even though the property has been granted a tax exemption, the contract allows the district to collect \$600,000 in 2008-09, \$500,000 the following year and \$400,000 the subsequent 10 years until 2020, said business administrator Joseph Paradise.

Pennswood Village's taxes usually generate about \$650,000 annually, Paradise said. But the exemption is not applicable to other residential areas that are not registered as non-profit living facilities, he added.

However, Marvin Dickler of the Flowers Mill age-restricted housing development, criticized the school board's choice.

"I can't see how you can go home tonight and face yourselves," he said, referring to Pennswood Village as one of the top richest in the country. "Giving to the wealthy just doesn't make any sense. People that are really struggling like hell are getting screwed."

Fellow Middletown resident Steve Rodos said the school board should have forced the facility to prove it was a purely public charity.

But Profy said if the school board appealed the assessment board's decision, he believes they would have lost and then gotten zero.

"It's unfortunate that we're being put in this situation," said board President Richard Eccles. "But if it went to litigation it could have cost hundreds of thousands of dollars and we may have ended up with nothing. I know it doesn't ease the pain, but it was a business decision."

Paradise added that the school board is not giving Pennswood Village tax relief, the district is responding to the law.

Although as part of the PILOT agreement the school board is stating it won't contest the tax exemption, if the law changes, the contract won't be valid, Profy said.