

THE POTENTIAL ECONOMIC AND FISCAL IMPACT OF THE PROPOSED POTTSTOWN SCHOOL DISTRICT RECONFIGURATION



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Pottstown School District
230 Beech Street
Pottstown, PA 19464

Econsult Corporation was hired by Pottstown School District to execute a feasibility study of the proposed reconfiguration of the school district. The central purpose of the study was to examine what effect the reconfiguration of the district would have on the township's tax base.

The PSD was considering several consolidation scenarios, all of which shared the common theme of consolidating (at least some of) the elementary schools into a more central location, and redeveloping the former sites into residential housing. The PSD has asked to Econsult to forecast and assess the economic and fiscal impact of these consolidation scenarios.

The consolidation plan is likely to have a significant impact on the township's tax base, in several important ways. These impacts can be decomposed into direct v. indirect effects, for both the current and future sites.

This report quantified and forecast these effects, and then net them against each other to determine the ultimate bottom-line implications for Pottstown's tax base. We did this by first examining how the current configuration of the PSD is capitalized into the value of Pottstown's housing stock, and then applying these results to forecast how the future configuration will be capitalized.

Econsult found that, controlling for size, age, quality, and all else, house prices (per sf) in Pottstown increase by with each mile away from the downtown core. A similar result holds when the "partial" variable is replaced with the "full" variable.