

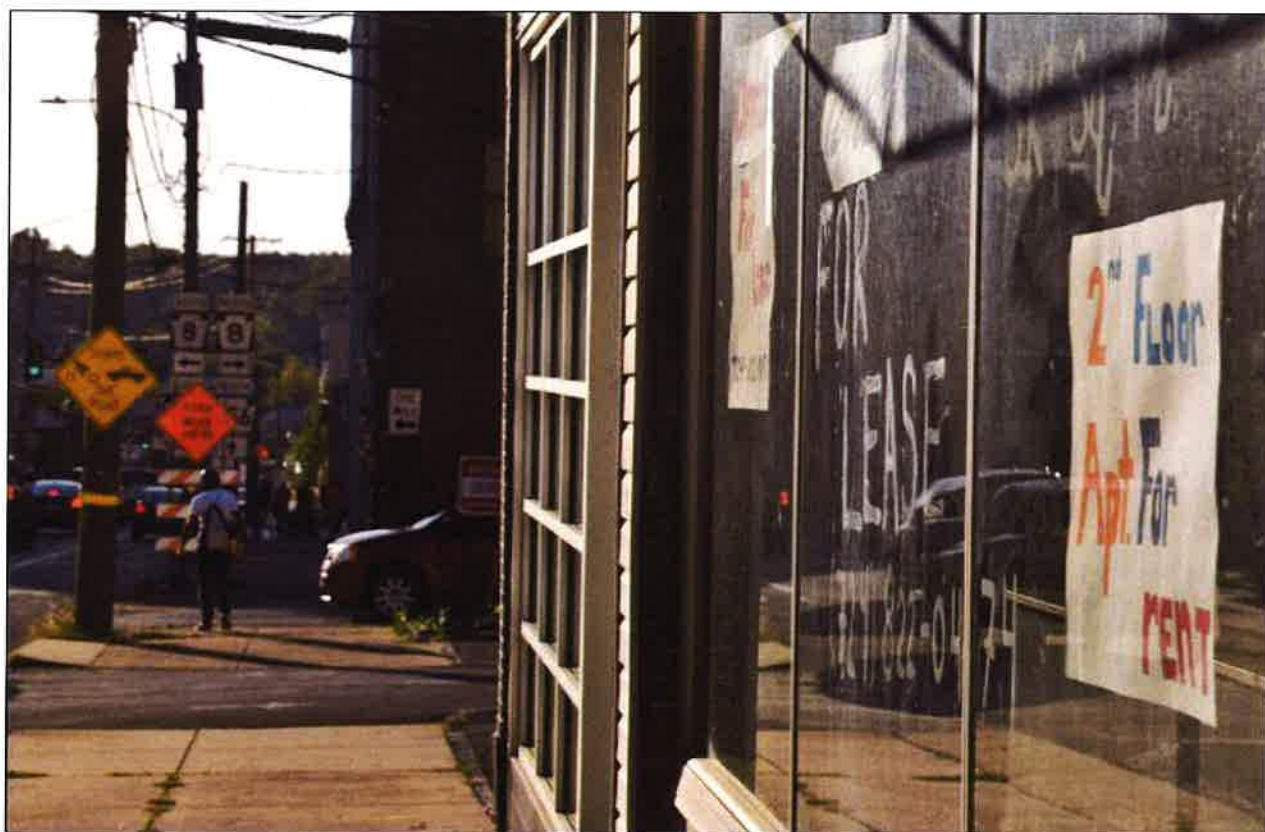


Growth opportunity

Butler zone offers incentives to investors

Paula Grubbs Eagle Staff Writer

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An empty storefront is for lease on East Jefferson Street in Butler. It is in an area that has been accepted as an “opportunity zone” by the administration of Gov. Tom Wolf. The zone stretches from Washington Street east to the area of Butler Memorial Hospital, and roughly from East Brady Street south to Connoquenessing Creek. “The purpose is so large investors will invest in the city of Butler,” said Joe Saeler, director of the county Community Development Corporation.

SEB FOLTZ/BUTLER EAGLE

Investors will have the chance to defer capital gains taxes for a decade if they build or renovate in the new “opportunity zone” in the city.

The state's Department of Community and Economic Development announced earlier this year that communities could submit potential opportunity zones to Gov. Tom Wolf. The areas submitted were required to meet certain low-income benchmarks.

Joe Saeler, director of the county Community Development Corporation, explained that he – in collaboration with county commissioners, the economic development department and Butler City Council – submitted eight to 10 potential opportunity zones throughout the county to the governor one year ago.

The zone that was accepted stretches from Washington Street east to the area of Butler Memorial Hospital, and roughly from East Brady Street south to Connoquenessing Creek.

Saeler said while a Nov. 13 meeting between all involved parties will produce more details, investors can renovate buildings, buy and demolish buildings for new construction, renovate existing buildings or use other methods to improve the opportunity zone, either commercially or residentially.

“The project could be almost anything,” Saeler said.

He said he hopes to attract significant manufacturing ventures and new multifamily housing, and that all city building code requirements must be met by those who invest in the opportunity zone.

“The purpose is so large investors will invest in the city of Butler,” Saeler said.

Upgrades in the zone could increase the value of existing homes, and new manufacturers would mean jobs for city residents, he said.

“If you can get some manufacturing with affordable housing, it really creates a good opportunity for people,” Saeler said. “It's a long time coming.”

City Councilman Kenny Bonus, who is the director of streets and public improvement, said he has always hoped a project like the opportunity zone would come to Butler.

"There is the opportunity for a lot of businesses to locate within the city and get tax credits," Bonus said, "and it's something we in the city should promote to businesses to make it more attractive to come here than in the past."

He said he wants to see industries that attract young, innovative minds to the downtown area.

"I would like to see informational technology companies, specifically artificial intelligence," Bonus said. "There's a lot of activity in that area. It would be great to attract those businesses to Butler."

He appreciates Butler being chosen for an opportunity zone.

"It shows that the state of Pennsylvania is supporting us in our endeavors," Bonus said. "I'm definitely looking forward, and I'm happy Joe worked so hard in obtaining it."

The federal Tax Cuts and Jobs Act of December 2017 created the opportunity zones to promote long-term investment in low-income communities, according to the DCED website.

Wolf designated 300 census tracts as opportunity zones out of 734 that were sent in for consideration. According to census figures, 1,200 tracts have poverty rates of 20 percent or median family incomes of no more than 80 percent of statewide or metropolitan family income, the site states.

Wolf chose the tracts based on economic data, recommendations from local partners and the likelihood of private investments in those tracts.

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Paula Grubbs is a Butler County native who has been with the Butler and Cranberry Eagle newspapers since June 2000. Grubbs has covered the Mars School District and Middlesex Township for over 20 years with the Eagle and her former employer, the