Lehigh County
Pennsylvania

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April 30th, 2020

Dear Residents of Lehigh County,

Covid-19 has shuttered our main streets, put tremendous strain on our local municipalities and put thousands of our neighbors out of work. It has deprived each of us of the security and stability that we deserve. It has undermined and threatened the existence of local assets and institutions critical to our future success. Above all else, it has shaken our confidence and certainty about what comes next for all of us.

What is certain, is that when we emerge from this crisis, we cannot return to the world that existed before. Covid-19 has exposed too many vulnerabilities, weakness, and shortcomings in society to return to normal. There is no time for piecemeal reforms or minor alterations in policy or practices. The crisis is too severe and the challenges too enormous for that to be effective. We must be prepared to embrace. and plan for the new normal.

That requires us to think and act locally, while pursuing bold and innovative policies designed to address the immediate short-term crisis in employment and inevitable hardship in municipal finances. In the long-term, we redouble our efforts to rebuild the economy for the future, ensuring broad based prosperity for all through better economic opportunities, higher wages and equity for all communities.

In order to achieve this, we recommend the creation of a Regional Prosperity District with three strategic objectives:

1. Immediate short-term economic relief resulting from the COVID-19 pandemic and long-term economic development centered around the creative economy which includes industries that revolve around the interconnection and use of intellectual property, knowledge, human creativity and technology.
2. Stabilize and improve municipal finances by providing necessary budgetary relief enabling local municipalities to make further investments in economic development, infrastructure, and other local assets that improve growth.
3. Foster a greater sense of regional collaboration and encourage a broader consensus on matters of growth, investment, and development.

While we welcome both federal and state assistance, we cannot anticipate the amount of aid we'll receive. Lehigh County, cannot and should not rely solely on this assistance. The moment is now to harness the full potential and power of Lehigh County to power our revitalization shaped for and led by our communities.

The following paper presents a detailed-plan for the path forward, that fully defines the scope of the crisis and the necessity of creating this district. Together, we can chart our own course, led by and for our communities towards a future defined by stability, security and success for our families and our county.

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The opinions expressed are our own and the comments are not a result of an audit performed by the office of the controller generally accepted Government Auditing Standards (GAGAS)

Lehigh County Regional Prosperity District:
Mitigating the COVID-19 economic fallout while investing in our future security, stability, and success

Local Action, Local Solutions

The COVID-19 pandemic has impacted the entire nation – not only overwhelming healthcare facilities but also eviscerating resources at all levels of government. While President Trump and Congress are doing their best to keep up with ever-growing demand and provide aide to state and local governments in the form of the Coronavirus Aid, Relief, and Economic Security Act (CARES), the latest installment of the CARES Act understandably prioritized aide for individuals and small businesses. It has been said by government officials of both parties that Congress will address the needs of state and local governments in a future installment of the bill. However, we do not know when these needs will be addressed or what – and how much – financial relief will be provided to state governments, especially local counties and municipalities.

Lehigh County cannot and should not rely solely on aid from the federal government. The moment is now to harness the full potential and power of Lehigh County to power our revitalization shaped for and led by our communities.

Over the last 15 years, we've seen tremendous innovation and ingenuity at the local level in the aptly-named Keystone State. Cities and counties here have been leading the charge to ensure future economic security and stability in bold and creative ways – and it is now time for Lehigh County to continue to be a leader in local policymaking and take care of its residents.

Together, we can innovate locally and craft programs that help us charter our course for recovery, create broad-based economic prosperity, ensure long-term stability for families and businesses, and uplift all of our communities through new economic opportunities. We cannot do it alone – this will take the combined effort of our leaders across government, philanthropic, academic, business, and cultural communities to drive lasting change. If we work together, Lehigh County will create its path to prosperity that not only allows us to mitigate the economic fallout from the Coronavirus pandemic but also steer us towards a future as a leader in renewed growth and revitalized communities.

The Crisis

COVID-19 has devastated the international community and wreaked havoc on the global economy. In the U.S, the unemployment rate is estimated to have surpassed 15% as of April 23, 2020 – the highest since the Great Depression (1). In the Keystone State, one in six Pennsylvanians has filed for unemployment benefits, which represents roughly 16.3% of the state's workforce as of April 6 (2). Locally, 21,000 Lehigh Valley have filed for unemployment (3) – 11% of the county's total civilian workforce (4).

The Lehigh Valley, particularly Lehigh County, will feel significant impacts related to the statewide economic shutdown. According to the Brookings Institute Metro Monitor, 16% of Lehigh Valley's jobs are in at-risk industries. Furthermore, Allentown urban center will face enormous financial headwinds, according to Michael Pagano, dean of the College of Urban Planning at the University of Illinois, and Christina McFarland, a researcher for the National League of Cities.

Pagano and McFarland estimate that roughly 30% of Allentown revenues come from elastic sources and 16% of its workforce are employed in high-risk industries (5). This will exert tremendous financial pressure on a city already grappling with significant financial challenges.

Tourism and Culture

Lehigh County is also home to significant cultural industries or regional assets which revolve largely around arts and entertainment including but not limited to: The Lehigh Valley Zoo, Miller Symphony Hall, Allentown Art Museum, DaVinci Center, Civic Theater, Lehigh Valley Velodrome, and the Lehigh Valley Heritage Museum. The prolonged shutdown and reduction in economic activity will weigh heavily on their enterprises – significantly reducing attendance and all earned revenue.

These cultural assets are integral to the success of the county and region both short and long-term. In the most immediate economic sense, they support and sustain jobs and concordantly wages and revenue. These industries constitute an enormous yearly draw to consumers eager to spend their disposable income on entertainment. Consequently, they are critical factors in economic development initiatives as they serve as anchors and incentives for growth or relocation and are considered local amenities, all of which are crucial to attracting and retaining workforce talent.

Locally, tourism generates roughly $2 billion per year in revenue for the region while creating about $395 million in tax revenue for federal, state, and local governments. Collectively, the tourism industry employs over 22,000 people earning $881 million in wages a year (6).

This all comes at a time when there was already an emerging concentration of growth and opportunity nationwide. The geographic divide between prospering and struggling metropolises has never been wider with job creation and growth increasingly centralized in a few select regions. Half of the jobs created in the 2010s were in just 2% of all U.S. counties or 73 counties in total (7).

The competition for workforce attraction and retention, investment, and growth has grown increasingly intense. In this highly complex and nation-wide struggle, local assets and resources are often at the crux of decision-making for businesses and families. They were highly instrumental in Amazon's decision for locating its second corporate headquarters. Workforces want to reside in communities that provide a robust array of cultural, entertainment, and leisure amenities.

Pensions

Equally alarming and devastating, our local municipalities will experience substantive revenue declines and reductions in the value of their pensions. This will force difficult decisions regarding the maintenance of local services and investments in benefits which represent the biggest incentive for municipal employment.

Given the scale and severity of this crisis, we should expect something similar to the Great Recession in terms of impact. The National Institute for Retirement Security found that between 2007 and 2008, public pensions lost $889 billion in value (8). This significantly reduced their funding ratio, one of the best indicators of a pension's stability, which is defined by total assets currently held against the expected current and future payouts. Between 2007 and 2012, public pensions saw their funding ratios decline from 86.7% to 73.5%.

In these situations, municipalities are forced to decide whether they want to invest more to make up for their respective losses or tolerate existing losses in asset values. The decision between tapping a limited tax base or accepting the increased risk of insolvency is the inevitable outcome.

Local Revenue and Impact

Nationwide, local services will be impacted. The National League of Cities and U.S. Conference of Mayors survey of 2,400 municipalities found that a significant majority anticipate severe consequences stemming from lost revenue. Of all the cities surveyed, 88% expect shortfalls in revenue, and 52% anticipate budget cuts impacting local police forces and public safety (9).

Though budget shortfalls aren't solely the product of Coronavirus, the pandemic has served to amplify many of the difficulties associated with these problems. These inequities, which are pronounced particularly in large urban areas and smaller boroughs and townships, cannot raise revenue to deal with mounting liabilities.

Individually, many do not have the capacity to finance pension obligations, maintain infrastructure or invest in local economic development initiatives. Without significant intervention, many communities will further stress their tax base, lay-off staff, or be forced to cut local services. These concerns were validated in the Pennsylvania Economy League's 2017 Communities in Crisis report which examined the fiscal stress and status of municipalities throughout the commonwealth (10).

This problem is particularly highlighted by municipalities that take advantage of Pennsylvania's Act 47 program, the state's special intervention program for fiscally-distressed municipalities.

The Pennsylvania Economy League concluded that "Act 47 gives municipalities revenue enhancements, expenditure controls, technical assistance and similar measures that keep communities afloat but does little to fix the underlying causes of distress — a lack of available tax base that forces municipalities to dig so deep into those resources in the form of a tax burden that it can become confiscatory."

Additionally, the league observed that although less than half of municipalities have emerged from Act 47, the ones that have seen success can attribute that progress to their ability to temporarily diverge from guidelines of state law controlling revenue collection (11).

In the strongest critique of current revenue-raising models, one Act 47 coordinator recently said that a three-year extension of the program for a particular municipality was a "bridge to nowhere" as a result of limited options inherent in the current Commonwealth local government system that confines revenue collection to municipal borders (11). The coordinator went on to say the following:

"Why should we care? Because quality of life is one of the most important factors in decisions ranging from where to locate a business to whether our children choose to remain in Pennsylvania as adults. Quality of life is based on what people see in their communities — whether the streets are well-maintained and not full of potholes, whether neighboring homes are well kept or victims of blight, whether people feel safe in their towns or are wary of burgeoning crime, whether public services are sufficient and reasonably priced."

Lehigh County must embrace a bold local solution designed to address these short-term and long-term systemic challenges. We cannot afford to utilize past or archaic solutions unfit for the unique severity of the COVID-19 crisis. This moment calls for embracing an innovative strategy designed to address key strategic areas; we can afford nothing less than the full-unified effort of the county.

Our Recommendation

In order to keep our community from further economic devastation, we recommend Lehigh County implement a regional-tax base sharing initiative. A regional revenue sharing initiative allows a regional entity, such as a county or special district, to collect revenue within a defined border such as an entire county.

Therefore, we recommend and propose the creation of a Regional Prosperity District, to include all of Lehigh County and its municipalities, funded with two new revenue streams. The district would have three objectives:

1. Immediate short-term economic relief resulting from the COVID-19 pandemic and long-term economic development centered around the creative economy which includes the advertising, architecture, arts and crafts, design, fashion, film, video, photography, music, performing arts, publishing, research & development, software, computer games, electronic publishing, and TV/radio industries. These industries revolve around the interconnection and use of intellectual property, knowledge, human creativity and technology (12.)

2. Stabilize and improve municipal finances by providing necessary budgetary relief enabling local municipalities to make further investments in economic development, infrastructure, and other local assets that improve growth.
3. Foster a greater sense of regional collaboration and encourage a broader consensus on matters of growth, investment, and development.

We are recommending the following new revenue sources:

1. **A county-wide sales tax at 1%.**
   The sales tax represents one of the fairest and broadest ways to raise revenue. It's consumption-based, meaning that people have substantial control over their daily impact and can choose when and how to make purchases. Additionally, Pennsylvania's sales tax exemptions are fairly extensive. For example, food – one of the largest expenses for working-class people – is exempt. A county-wide state tax is also a much less stagnant source of revenue – and therefore grows – as the county and region continue to expand and develop. This makes it more advantageous than property tax in terms of growth prospects.

2. **A .5% earned income tax**.
   This tax has several advantages that make it ideal for the objectives of regional tax-sharing. Its minor rate is minuscule when applied to income, meaning its financial impact is marginal in comparison to the benefits it will provide. It also insulates seniors from the further tax burden. Furthermore, it encourages broad-based growth because the concentration of higher-income households and development doesn't only benefit one community.

These two regional revenue streams would raise over $105 million annually under normal economic conditions according to the County Commissioners Association of Pennsylvania (13). Further, these solutions will not cause any municipality to forfeit revenue or growth; it merely diversifies revenue streams.

We recommend the new revenue be divided as such:

- $50.50 million to a municipal stabilization fund that will award municipalities money based on an equation to determine local fiscal distress. This awards communities with greater fiscal demands more money to aid communities with stressed tax bases and limited local resources. It also eliminates the potential for communities to be excluded and ensures fairness and equality.
- $25.25 million will be allocated to the Regional Investment Fund which will invest in regional assets and cultural industries. This includes parks, libraries, museums, and larger assets like theaters and symphonies.
- $25.25 million will be provided to Lehigh County in the form of fiscal stabilization and revenue diversification to invest in critical services or expand existing grant programs.

These funds could be used to support critical county services like corrections, the public defender's office, and volunteer fire departments.

We believe this solution alone is needed immediately to adequately address the aforementioned problems. It is clear that minor or piecemeal reform will not only be insufficient but will likely worsen the current and impending crisis. Fortunately, counties in the state of Pennsylvania have already proven that this model can be successful.

Successful Case Study: Pennsylvania's Allegheny County

In the 1990s, Allegheny County was experiencing a similar existential crisis as the region was undergoing a devastating economic transformation when mills and steel plants closed. Municipalities struggled to fund basic services with limited tax bases, and the community's vital assets were in danger of closing or privatization.

Pittsburgh, Allegheny County's central city, was experiencing enormous financial hardship and dealing with the consequences of being the region's primary economic, cultural, and entertainment hub without the resources to maintain many of their critical services.

To resolve this crisis, the local business community, regional cultural industries, and government leadership created the Regional Asset District (RAD). It gave Allegheny County the ability to implement a 1% county-wide sales tax: It allocated 50% of the funds towards a Regional Asset Board, which invested in things like the Aviary and Pittsburgh Zoo along with vital community projects such as libraries and parks. The remaining 50% was awarded to Allegheny County (25%) and its municipalities (25%) (14).

The financial impact has been enormous. As of 2019, the RAD has invested over $3.9 billion locally. The RAD financial breakdown looks like the following:

- 31% of all funding has gone to regional libraries ($619 million).
- 29% of all funding has gone to parks ($579 million).
- 10% of all funding has gone to arts and culture ($199 million).
- 9% has gone to regional facilities ($179 million)
- Less than 1% has gone to regional transit ($15 million).

These investments are credited with significantly improving Allegheny County's regional competitiveness. In terms of the arts and culture economy, a 2017 study by the Greater Pittsburgh Arts Council (GPAC) found that Allegheny County punched above its weight: Out of 194 areas surveyed, the report determined that although Pittsburgh was 70th in population, it ranked 28th in jobs related to the arts and 30th in total industry spending. Among comparable cities and regions, Allegheny County was at or near the top (15).

When asked about Allegheny County's success, Mark Swain, the CEO of GPAC, said, "The Regional Asset District is the envy of many of these kinds of communities." Swain further explained that while the RAD invested less than 15% of its total funds into the arts, their contribution accounts for 71% of all public support for the arts.

This reflects an extraordinarily high investment that has jump-started Pittsburgh's and Allegheny County's economy (16). Pittsburgh ranks No. 2 in per capita foundation funding – the RAD has enabled Allegheny County to out-compete other counties by investing in its key assets.

As noted above, 50% of the funds were split evenly between Allegheny County and its municipalities. This infusion of revenue has resulted in a reduction and stabilization of property taxes.

Additionally, Allegheny County reduced its total millage rate by seven mills, and 115 municipalities reduced their millage rate. The county also invested its money into critical public services like police and fire departments, infrastructure and parks. Collectively, the district has provided its county and cities with a new source of recurring revenue – helping to reverse the region's fiscal struggles.

The Regional Asset District has proved enormously successful. It has achieved its objectives of saving key regional assets, stabilizing municipal finances, and spurring new growth in the region. Lehigh County would be wise to create a similar district with similar goals.

A Vision for Security, Stability, and Success in Lehigh County

The Regional Prosperity District in Lehigh County will enable us to replicate the success of other regions in our state and, as a result, revitalize our economy and communities.

1. The investment in our arts and the creative economy will produce an immense return on investment. The Lehigh Valley currently supports 19,000 creative jobs representing about 2.4% of the $22 billion in earnings in the Lehigh Valley, an aggregate value of $538.7 million in wages. As a sector, it represents one of the least-invested counties in the county-wide. It currently falls behind transportation, warehousing, and retail in terms of total economic contribution. This represents an enormous opportunity for growth and prosperity in Lehigh County.

The arts represent one of the most effective ways to stimulate local spending and generate additional economic activity. They provide a draw and incentive for people to travel and visit the county. This is apparent from the most recent survey conducted by Americans for the Arts.

The American for the Arts concluded that for every $100,000 spent by non-profit art organizations, 3.5 jobs were created. Patrons of the arts will spend on average $28.33 per visit, not including the price of admission. These expenditures drive additional job creation including spending at restaurants, department stores, and even local babysitters. All of which boosts tax revenue and stimulates greater demand for additional goods and services (17).

The survey also found that strong majorities of residents believe the arts enrich their lives, help them better understand other cultures, and unifies the community around common causes.

One of the most important characteristics of the arts is their ability to attract outside visitors: One-third of Lehigh Valley arts patrons come from outside the region and they spend over 140% more per person than residents. Over 80% of non-residents indicated their primary reason for visiting the Lehigh Valley was specifically to attend a particular event.

Our local arts economy also ensures that residents spend their money here. Over 50% of residents attending local art shows indicated they would have traveled to another county for a similar show or event. On balance, investing in the arts is one of the best ways to create additional demand and stimulate consumer spending. Seventy percent of the American economy is based on consumer spending. Therefore, we must invest in job-creating activities and initiatives that stimulate additional spending locally.

2. The arts are integral to achieving broader goals of equity and inclusion in our county while advancing key educational initiatives like STEAM.

Ninety-one percent of Americans routinely state that art is an important part of a well-rounded public education. The Greater Pittsburgh Arts Council found in their surveys that African Americans were more likely than whites to label arts education as extremely important, 42.6% vs. 37.1% respectively. In addition, those with only high school diplomas rated arts education important at rates significantly higher than those with master's degrees, 46.1% vs. 28% (18).

Tragically, despite widespread support, arts education has been dramatically cut nationally and many schools have limited programs for their students. The National Endowment of the Arts Survey of Public Participation in the Arts conducted in 2008 found some troubling trends in arts education.

The number of 18-year-olds who reported taking at least one art class between 1982 and 2008 declined from two-thirds to below 50%, a total decline of 23%. These declines acutely impacted the African American and Hispanic population, who saw their exposure to arts education decline by 49% and 40% respectively (19).

An arts education has shown to boost grades, reduce disciplinary infractions, and increase SAT performance. Rice University evaluated Houston's Arts Access Initiative which sought to increase exposure to the arts in schools throughout Houston.

They determined that students who experienced increased arts exposure reduced disciplinary instances by 3.6%, a 13% increase in standardized writing scores, and an 8% increase in compassion for others (20). Americans for the Arts concluded that students who took four years of art classes in high school scored an average of 92 points better on their SATs than their counterparts who took only one year (21).

In addition, arts education builds life-long habits and arts education is critical to success in the emerging science, technology, engineering, and mathematics (STEM) fields. Recently, there has been a widespread movement to add arts into STEM education to create STEAM.

The Journal of Microbiology and Biology Education found that "while often lacking in academia, STEAM strategies are a good complement to conventional pedagogy and training approaches in the sciences – allowing trainees to exercise creativity and innovative thinking (22). Art has the potential to transform great scientists into extraordinary ones, giving them a unique advantage over their counterparts.

The National Afterschool Association found that scientists who have won the Nobel Prize are 17 times more likely than the average scientist to be a painter, 12 times as likely to be a poet, and four times as likely to be a musician (23). Art is critical to ensuring that our children, who will become the next generation of bridge builders, physicists, mathematicians, and tech creators have every advantage at their disposal.

Beyond education, art improves equity in communities by improving public health and community well-being by generating enthusiasm and pride in the community and neighborhood. The School of Social Policy and Practice at the University of Pennsylvania examined low- and moderate-income residents in neighborhoods of New York with many cultural assets.

Communities with a high concentration of cultural assets and resources saw a 14% decrease in child abuse and neglect, a 5% decrease in obesity, an 18% increase in kids scoring in the top of English and math exams, and an 18% decrease in violent crime. Their findings suggested that increasing the spread or concentration of cultural assets and art, gradually improved the neighborhood, attracted additional investment, and improved the conditions of certain communities. These consequently produced the benefits they discovered. (24)

This all comes at a time when employers, universities, and business leaders are indicating they expect workers to possess creativity and innovative skills. The Education Policy and Leadership Center found that sixty percent of CEO's ranked creativity as the most important skill. Meanwhile, our European competitors are investing heavily in their cultural industries. "Creative Europe" is a $2.4 billion plan to stimulate growth through investments in the creative economy (25).

Fortunately, there's a way for us to compete and ensure that our community and children are provided with a rich, diverse and broad cultural experience.

For example, in Dallas, Texas, the arts community, philanthropists, business leaders, and the city's leadership worked to create the Dallas Arts Initiative. As a result, every child in elementary school in the Dallas Independent School District has access to forty-five minutes a week of arts and music education (26).

The Regional Prosperity District will enable Lehigh County to make similar investments, giving us another opportunity to compete, develop our workforce, and improve our education system.

3. It would also be wise for Lehigh County, with the assistance of existing economic development entities, to pursue aggressive incubators for business growth in key strategic sectors. The reasons for this are two-fold:

Most importantly, is the increasing influence of organic local growth. The Center for Budget Policy and Priorities found that over 86% of all job growth occurred with existing firms. Jobs relocating from one state to another account for between 1% and 4% of total job creation in any given state (27).

The evidence behind this growth strategy has been proven over time: Between 1995 and 2010, 90% of new jobs came from existing businesses, according to Pete Carlson of Regional Growth Strategies (28). Further evidence suggests this strategy not only generates revenue but also saves money by reducing wasteful subsidies which yield little in the way of tangible value. The Brookings Institute found that about 75% of subsidies have no impact on the business decision-making process, meaning money or office space is given regardless of its impact (29).

Besides investing in catalyzing growth in high-tech creative industries, especially those related to sectors with significant clout in the Lehigh Valley like health care and manufacturing, has potential for tremendous multiplier effects as these jobs are crucial for creating a culture of innovation amongst key sectors. Enrico Moretti, an Italian economist who studied America's creative economy extensively, has found that for every one job created in a high-tech field, five additional jobs are created. These jobs include everything from restaurateurs to preschool teachers to lawyers to doctors. These professions generate additional tax revenue in the local economy and also help lift the wage floor for all workers as they drive income demand higher (30). Moretti has found that wages can be lifted by as much as 45% for workers in U.S. cities. (31). These employees and firms generate considerable revenue which in turn allows cities to fund vital services.

There are notable examples nationally and internationally of successful development strategies that prioritize strategic growth, responsible economic policies, inclusivity, and opportunity in key sectors. In Austin, Texas, for example, their focus on advanced industries has resulted in a 239% return on investment (32).

In Des Moines, Iowa, a collaboration with local insurance companies created the Global Insurance Accelerator, which mentors and grows companies looking to make innovations in the insurance industry (33). One could imagine similar partnerships in Lehigh County with our healthcare sector and logistics industry as a way to spur additional job growth beyond traditional efforts to attract new companies.

In Santiago, Chile an effort to provide upfront equity, local business support and office space resulted in over 1,200 start-ups; 1,500 new jobs; and $100 million in additional capital being raised. Also, 200,000 Chileans were given access to courses, training, and learning opportunities through these start-ups – ensuring community inclusion (34).

4. The Regional Prosperity District can empower communities to pursue policies that were previously limited by financial capacity.

In Allentown, in particular, the Regional Prosperity District could have a powerful impact on the goal of increasing equity and inclusivity into the education system. Allentown has long aspired to redress many of the conditions associated with poverty and prolonged disinvestment in education. The city has regularly discussed the notion of providing universal pre-k education to all children in Allentown.

The cost has always been the prevailing factor in the demise of this initiative. However, with the municipal allocation portion of the Regional Prosperity District, Allentown would have sufficient funds to cover the estimated cost of such a program.

Allentown, could provide free, universal pre-k education to its 3 and 4-year-olds and integrate arts and culture education. Arts in Pre-K education have been found to provide valuable benefits for small children from increased self-esteem, a quicker affinity for math, the development of motor skills, and decreases in stress which is often high for children in poverty (35).

In addition, Pre-K education helps students succeed well into their later years, reducing the held back rate by 48% and reducing the likelihood that students will require special education services by over 51% (36). In the long-run early childhood education represents one of the best investments that society can make. The average return on investment is between $4-$12 for every dollar invested (37).

These community investments represent just one element of the groundbreaking opportunities that communities stand to gain from the creation of this district. It could revitalize the arts community, achieve a long-term educational goal for the region's largest city, and advance equity for our children and the community.

The impacts don't end there, landlocked Fountain Hill could pursue critical infrastructure investment, Slatington could build its amphitheater without needing as much assistance from Lehigh County. Heidelberg could provide support to its volunteer fire department, or invest in land preservation. The possibilities are limitless and bound only by the creativity of the community receiving the funds.

5. Finally, as municipalities struggle to balance investing in maintaining their local services and attempting to mitigate the damage done to their pension funds, additional revenue will be needed.

The municipal stabilization fund is critical to ensuring that our communities recover quickly from the consequences of the Coronavirus pandemic and the much longer fiscal duress many have endured. The Pennsylvania Economy League evaluated the tax burden for municipalities in the Lehigh Valley between 1970 and 2014. They found that between 1990 and 2014, the tax burden increased by 42.7% for cities, 19.1% for boroughs, 39% for 1st Class Townships, and 41.6% for 2nd Class Townships (38). Over 50% of the Lehigh Valley resides in a municipality in the bottom 40% of fiscally-distressed communities, and the trend continues to move upward.

The time is now to embrace a strategy to ensure that our municipalities can withstand the current crisis and have a stable foundation to grow in the future.

The Regional Prosperity District is a bold and brave solution to our current and long-term financial problems. It will allow us to take our creative economy to a new level of growth and competition – creating jobs and boosting spending. It will help us to assist existing businesses and create new ones. It will ensure that every municipality has the resources it needs to give our residents the resources they deserve and invest in the services that are critical to the quality of life.

Imagine Lehigh County, where our art community flourishes and attracts hundreds of thousands of new visitors annually, driving millions of dollars in profit for our retailers and restaurants. Imagine Lehigh County, where all of our communities enjoy a quality of life enriched by entertainment, music, theater and art that improves our health and well-being. Imagine a Lehigh County where every municipality is capable of funding the services and projects its residents need and demand.

From Slatington to South Whitehall to Alburtis to Allentown, these investments will ensure that families across the Lehigh Valley have stability and security in their districts while ensuring that Lehigh County's economy is poised for success. Overall, it mobilizes the best of Lehigh County and unifies us around an effort to rebuild our communities – main street by main street, business by business, and neighborhood by neighborhood.

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