



## Neighborhood Improvement Districts

The Neighborhood Improvement District (NID) Program is a new, creative financing tool that can be used for projects with significant infrastructure requirements. The Chester County Industrial Development Authority has already implemented two successful NID projects in Chester County, Woodlands at Greystone in West Chester and Steelpointe in Phoenixville.

NIDs are empowered to collect “special assessments to finance a variety of improvements in local neighborhoods.” Under Pennsylvania’s Neighborhood Improvement District Act (73 PS Sec 831 et seq.), a NID is defined as:

*“A limited geographic area within a municipality, in which a special assessment is levied on all designated property, other than tax-exempt property, for the purpose of promoting the economic and general welfare of the district and the municipality.”*

Neighborhood Improvement Districts work by adding (“assessing”) an additional fee that is akin to a tax on top of the existing property or sales taxes for property owners and/or businesses within the district. This additional pool of assessment revenue is then used to finance whatever improvement(s) the district was designed to do, typically by paying the debt on bonds that were issued to fund improvements within the NID. The special assessments are collected in the same manner and at roughly the same time as local real estate taxes.



*The Chester County Industrial Development Authority (CCIDA) provides capital financing for non-profit organizations, manufacturing companies and first time farmers through its Industrial Revenue Bond and Mortgage Program. Three types of tax-free vehicles are available through this program.*

**To learn more, contact:**

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