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Lackawanna City Council Approves \$26.7 Million Budget for 2020-21

Council Backs Mayor Iafallo's Unified Tax Plan, Which Cuts Business Tax Rate

LACKAWANNA, N.Y. (Tuesday, June 30, 2020) – The Lackawanna City Council, by a 3-1 vote, has approved Mayor Annette Iafallo's nearly \$26.7 million budget for the 2020-21 fiscal year which begins on August 1.

Seeking to attract more long-term business and development investment to Lackawanna - and reverse an economic decline plaguing the City since the closure of Bethlehem Steel in the early 1980's - the Lackawanna City Council backed Mayor Iafallo's first budget since taking office in January, which included a bold revamping of the City's long-standing homestead and non-homestead tax structure in favor of a significantly lower unified tax rate.

Under the new unified tax structure, Lackawanna residents and businesses will pay a City tax rate of \$17.15 per thousand compared to \$18.58 and \$42.10 under the former homestead and non-homestead rates, respectively - a per thousand rate decrease of \$24.95 for businesses and \$1.43 for homeowners.

'Restoring Lackawanna's image as a community 'open for business' is our main priority,' said Mayor Iafallo. 'For nearly 40 years we've struggled to re-gain an economic identity after Bethlehem Steel, due largely to our high tax rate. This change will help Lackawanna finally move forward. We're a diamond in the rough within the development renaissance happening across Erie County. It's the dawn of a new day here and we're excited for the future.'

Lackawanna's near term development priorities include advancing its ongoing partnership with New York State, Erie County and the Erie County Industrial Development Agency (ECIDA) to return the former Bethlehem Steel site to productive re-use, further development of the Gateway Trade Zone property and initiating development along main thoroughfares including Route 5 and Ridge Road.

'I thank the City Council for supporting this plan for restoring economic prosperity to Lackawanna,' said Mayor Iafallo. 'From here we go to work on growing the number of businesses that call Lackawanna home.'

The City of Lackawanna's \$26.7 million spending plan for the 2020-21 fiscal year is nearly \$795,000 less than the prior year's budget. It includes approximately \$9.7 million for public safety, which covers police, fire and animal control, \$3 million for public works services including street/building services and snow removal, and nearly \$500 thousand for all parks and recreation services. The new budget also reflects a property revaluation initiative undertaken last year under the prior mayoral administration, the first property revaluation in Lackawanna in over a decade.

About the City of Lackawanna:

Lackawanna is a culturally diverse city of nearly 18,000 located on the shores of Lake Erie, just south of the City of Buffalo. Our Lady of Victory Basilica, a national shrine, is in the center of Lackawanna's downtown business district and the Buffalo Botanical Gardens, a Frederick Olmstead Park, is just walking distance from the Basilica. www.lackawannany.gov.