

*No. 06-23-RE*

**A RESOLUTION**

A Resolution providing for a program of temporary exemption from County real property taxes for improvements, including repairs, construction, or reconstruction, made on industrial, commercial or business property in a deteriorated area in the City of Pittsburgh, County of Allegheny (“County”), Commonwealth of Pennsylvania, pursuant to the Local Economic Revitalization Tax Assistance Act, Pa. Stat. Ann. tit. 72 §4722 et seq.

**Whereas**, The Local Economic Revitalization Tax Assistance Act (“LERTA”), Pa. Stat. Ann. tit. 72 §4722 et seq., authorizes local taxing authorities to exempt from real estate taxation, for specific periods, the assessed valuation of improvements to deteriorated industrial, commercial and other business property; and

**Whereas**, after conducting a public hearing, the Council of the County of Allegheny (“Council”) has determined and designated that a certain geographic area within the City of Pittsburgh, the boundaries of which are more specifically set forth in Attachment “A” hereto, constitutes a deteriorated area under LERTA (hereinafter the “Deteriorated Area”); and

**Whereas**, the Deteriorated Area is otherwise identified by Lot and Block No. 9-N-1 in the County’s Department of Real Estate; and

**Whereas**, Hullet Development Triangle LP (“Property Owner”) has proposed a \$3 million redevelopment of the Triangle Building located at 701-705 Smithfield, Pittsburgh, Pennsylvania 15222 into an income-restricted, mixed-use multifamily housing project, which includes approximately 16,000 SF of residential space comprising 18 rental residential units, and approximately 5,200 square feet of commercial retail space within the Deteriorated Area (the “Project”); and

**Whereas**, Property Owner is expected to utilize the exemption provided by LERTA for the Deteriorated Area as a mechanism to finance certain infrastructure improvements to facilitate construction of the Project; and

**Whereas**, Council finds that the implementation of a LERTA program to temporarily exempt increases in assessed valuation resulting from improvements made to industrial, commercial, and other business property within the Deteriorated Area in the City of Pittsburgh specifically described in Attachment “A” from County real property taxation would contribute to the general welfare of the citizens of the County by spurring economic activity and development; and

**Whereas,** the Board of Directors of the School District of the City of Pittsburgh (“School District”) has approved a temporary exemption of School District property taxes under LERTA for this Project; and

**Whereas,** the Property Owner’s continued participation in the temporary exemption program shall be contingent upon the Property Owner constructing and making available the minimum number of affordable housing units for lease by income-qualified tenants, as more specifically set forth in Attachment “B” hereto.

***The Council of the County of Allegheny hereby resolves as follows:***

***Section 1. Incorporation of the Preamble.***

The provisions set forth in the Preamble to this Resolution are incorporated by reference in their entirety herein.

***Section 2. Terms Defined.***

As used in this Resolution, the following words and phrases shall have the meanings set forth below:

- (a) Assessed Valuation – The value of a parcel of real property as established by the Office of Property Assessment or the Court of Common Pleas of Allegheny County pursuant to the provisions of Article 209 and 210 of the Allegheny County Administrative Code and the Second Class County Assessment Law, 72 P.S. §5452.1 or such other applicable law or ordinance, for the purpose of the assessment and levy of real property upon which a building is located.
- (b) City – The City of Pittsburgh
- (c) Construction – The construction of any of the following improvements for industrial, commercial or other business purpose:
  - 1. The erection of a building or buildings on previously unoccupied land.
  - 2. The new construction of a building, or addition to said building upon land on which a building currently exists.
  - 3. The new construction of buildings upon land where existing buildings have been demolished or razed.
  - 4. Significant rehabilitation of an existing building.
- (d) County – The County of Allegheny
- (e) Deteriorated Area – The specific geographic area within the City of Pittsburgh described in Attachment “A” hereto, which has been

determined to be physically impaired on the basis of one or more standards, including, but not limited to, the following:

1. The buildings, by reason of age, obsolescence, inadequate or outmoded design or physical deterioration, have become economic or social liabilities.
  2. The buildings are substandard, unsanitary, unhealthy or unsafe.
  3. The buildings are overcrowded, poorly spaced or so lacking in light, space and air as to be unwholesome.
  4. The buildings are faultily arranged, cover the land to an excessive extent, show a deleterious use of land or exhibit any combination of the above which is detrimental to health, safety or welfare.
  5. A significant percentage of buildings are more than forty (40) years of age.
  6. A substantial amount of unimproved, overgrown and unsightly vacant land exists which has remained so for a period of five (5) years or more indicating a growing or total lack of utilization of land for economically desirable purposes.
  7. The area is an "impoverished area" as certified by the Department of Community Affairs under criteria set forth in the Act of November 29, 1967, P.L. 636, No. 282, known as the "Neighborhood Assistance Act" or is a "blighted area" under criteria set forth in the Act of May 24, 1945, P.L. 991, No. 385 known as the "Urban Redevelopment Law."
- (f) Deteriorated Property – Any industrial, commercial or other business property owned by the Property Owner and located in the Deteriorated Area, as herein provided, or any such property which has been the subject of any order by a government agency requiring the unit to be vacated, condemned or demolished by reason of noncompliance with laws, ordinances or regulations. For purposes of this Resolution, Deteriorated Property shall be the same as the Deteriorated Area in Attachment "A".
- (g) Exemption – The non-liability for the payment of additional real property taxes to the County resulting from increased Assessed Valuation attributable to the actual cost of Improvement(s), as defined herein, made to Deteriorated Property within a Deteriorated Area for the period of time as set forth in Section 5(a) herein.

- (h) Improvement(s) – Repair, Construction or Reconstruction, including alterations and additions, having the effect of rehabilitating a Deteriorated Property so that it becomes habitable or attains higher standards of safety, health, economic use or amenity, or is brought into compliance with laws, ordinances or regulations governing such standards. Ordinary upkeep and maintenance shall not be deemed an Improvement.
- (i) Local Taxing Authority – The County or the City or the School District.
- (j) Office – The Office of Property Assessment of the County of Allegheny, Pennsylvania or such successor entity responsible by law or by ordinance for determining the validity of a valuation of real estate for the assessment and levy of real estate taxes in the County of Allegheny.
- (k) Property Owner – Any natural person, partnership, unincorporated association, limited liability company or corporation, nonprofit or otherwise. Whenever used in any provision of this Resolution, the term Property Owner as applied to partnerships shall mean and include all members thereof or as applied to corporations shall mean and include all officials or officers thereof. In this Resolution, the terms “Property Owner” and “Taxpayer” shall be synonymous with each other.
- (l) Reconstruction – The rebuilding or renovation of a building or buildings previously erected for the purpose of changing the economic use or amenity of such structure or to obtain higher standards of safety or health.
- (m) School District – Pittsburgh Public Schools
- (n) Tax Delinquency – All County taxes, charges, fees, rents or claims due and unpaid by the Property Owner of the Deteriorated Property or with respect to the Deteriorated Property as of the time of the application for an Exemption or at any time thereafter during the term of the Exemption. The term includes all penalties, additions, interest, attorney fees and costs due on such delinquent taxes, charges, rents or claims.
- (o) Tax Year – The twelve (12) month period from January 1 to December 31 annually. In this Resolution, the terms “Tax Year” and “Calendar Year” shall be synonymous with each other.
- (q) Treasurer – The Treasurer of the County of Allegheny.

***Section 3. Deteriorated Area.***

The area designated and described in Attachment “A” located within the City constitutes the Deteriorated Area. Time period and exemption schedule apply only to the

boundary of the original parcel in the Deteriorated Area. Subdivision of the Deteriorated Area does not entitle the newly created parcel(s) to an additional period of abatement.

***Section 4. Exemption.***

- (a) If the Property Owner does not have a Tax Delinquency on any property located within the County and undertakes the Project within the Deteriorated Area, which is qualified as a Construction or Reconstruction or Improvement(s), then the Property Owner may apply for and receive from the County an Exemption from County real property taxes due to the increased or additional Assessed Valuation attributable to Construction or Reconstruction or Improvement(s), in the amounts and in accordance with the provisions and limitations set forth in this Resolution. The Exemption from County real estate taxes shall be specifically limited to the additional Assessed Valuation attributable to the actual costs of the Construction or Reconstruction or Improvement(s) to the Property within the Deteriorated Area. Appeals from the amount of increased Assessed Valuation attributable to the actual costs of Construction, Reconstruction or Improvement(s) of the property within the Deteriorated Areas may be taken by the Taxpayer or any local taxing authority as provided by Article 207 and 209 of the Allegheny County Administrative Code, the County's Assessment Standards and Practice Ordinance or other applicable law or ordinance.
- (b) No Exemption from taxation is being granted other than as set forth in Section 5 below.
- (c) As set forth in Section 5 (e) below, if Property Owner owns any property within the County that is tax delinquent, the Property Owner shall not be eligible for the relief set forth in this Resolution.
- (d) No Exemption shall be granted on the Assessed Valuation of the Deteriorated Property that is attributable to land.

***Section 5. Exemption Schedule.***

The Property Owner, whose property is located within the Deteriorated Area set forth in Attachment "A" and who makes Construction, Reconstruction or Improvement(s) to such property, may apply for and receive from the County an Exemption from County real property taxes due to the increased or additional tax assessment attributable to the Construction, Reconstruction or Improvement(s) made, in the amounts and in accordance with the provisions and limitations set forth in this Resolution.

The Exemption from County real estate taxes granted for Construction, Reconstruction or Improvement(s) to the Deteriorated Property within the Deteriorated Area described in Attachment “A” shall be in accordance with the following conditions and schedule:

- (a) The Exemption shall be limited to a maximum period of 10 years from the beginning of the Calendar Year as determined by the Office pursuant to Section 6(f)4 herein and shall apply to any building permitted for Construction, Reconstruction or Improvement(s) at any time during the 10-year period. Benefits will begin in the first tax year after construction completion.
- (b) Exemption Term. The Exemption from increases in County real estate taxes granted to Property Owner for undertaking the Project shall be for an Exemption Term of ten (10) years in accordance with the following conditions and schedule:

<b>Exemption Year</b>	<b>Percentage of Assessed Valuation of Improvement Exempted from Taxation</b>
<i>1<sup>st</sup></i>	<i>100%</i>
<i>2<sup>nd</sup></i>	<i>100%</i>
<i>3<sup>rd</sup></i>	<i>90%</i>
<i>4<sup>th</sup></i>	<i>90%</i>
<i>5<sup>th</sup></i>	<i>80%</i>
<i>6<sup>th</sup></i>	<i>80%</i>
<i>7<sup>th</sup></i>	<i>70%</i>
<i>8<sup>th</sup></i>	<i>70%</i>
<i>9<sup>th</sup></i>	<i>60%</i>
<i>10<sup>th</sup></i>	<i>60%</i>

- (c) The Exemption also shall be contingent upon the Property Owner constructing and making available the number of affordable housing units for lease by income-qualified tenants as described in Attachment “B,” which is incorporated by reference in its entirety herein.
- (d) The affordable housing requirements provided in Attachment “B” shall be mandatory for a period of ten (10) years, commencing when the Project has been issued a certificate of occupancy, pursuant to Section 6 below which is entitled *Procedure for Obtaining Exemption*.
- (e) No Exemption shall be granted, and any existing Exemption shall be permanently revoked, if there exists any Tax Delinquency with respect to the Deteriorated Property or any other real property owned in the County by the Property Owner. The Exemption shall be immediately revoked when Property Owner’s Tax Delinquency is reported to Allegheny County Department of Economic Development by the Treasurer.

- (f) The Property Owner shall be disqualified from receiving an Exemption from County real property taxes due to the increased or additional tax assessment attributable to the Construction, Reconstruction or Improvement(s) made to the Deteriorated Property within the Deteriorated Area if the Property Owner fails to comply at any time with the Affordable Housing requirements in Attachment “B”.

***Section 6. Procedure for Obtaining Exemption.***

- (a) At the time that the Property Owner secures a building permit for Construction, Reconstruction or Improvement, the Property Owner desiring the temporary real estate tax Exemption pursuant to this Resolution shall file a request in writing for Exemption on a form (hereinafter the “Exemption Request”) proscribed by the City. The Property Owner shall file the form with the City, and a copy shall be delivered to the Allegheny County Office of Property Assessment (“Office”).
- (b) The Property Owner must provide and certify on the Exemption Request the following information:
  - 1. Name and address of Property Owner.
  - 2. Lot and block number of the Deteriorated Property.
  - 3. The initial Assessed Valuation of the Deteriorated Property.
  - 4. The current year County taxes on the Deteriorated Property.
  - 5. The date the building permit was issued for the Construction, Reconstruction or Improvement(s).
  - 6. The summary of the plan of Construction, Reconstruction or Improvement(s).
  - 7. The anticipated date of completion.
  - 8. The actual costs of Construction, Reconstruction or Improvement(s).
  - 9. A statement indicating that there is not a Tax Delinquency on the Deteriorated Property, or any other property owned by the Property Owner, or any property owned by a partnership in which Property Owner is a partner, or on any property owned by any individual partner or investor with 10% or greater ownership interest in Property Owner.
  - 10. Such other information as may be necessary to process such application for Exemption.
  - 11. Planned use of the Deteriorated Property and certification that said use will be in compliance with the provisions and limitations set forth in this Resolution, including but not limited to the affordable housing requirements outlined in Attachment “B.”

- (c) The Exemption Request shall be filed by the Property Owner with the Office no later than ninety (90) days after the date the building permit is issued. The ninety (90) day time period for filing the Exemption Request shall commence with Day 1 being the first full twenty-four-hour day after the building permit is issued. Failure to submit such Exemption Request within this time period shall give the County the right to deny any Exemption claimed pursuant to this Resolution for the initial tax year after completion of the Construction, Reconstruction or Improvement(s), thereby limiting the length of the schedule of taxes exempted to less than the 10 year maximum period established under this Resolution.
- (d) When the Construction, Reconstruction or Improvement(s) has been completed, the Property Owner shall notify the Office in writing. Such notice must occur within ninety (90) days of completion. Failure to submit such Exemption Request within this time period shall give the County the right to deny any or all of the Exemption claimed pursuant to this Resolution for the initial tax year after completion of the Construction, Reconstruction or Improvement(s), thereby limiting the length of the schedule of taxes exempted to less than the 10 year period established under this Resolution. The notice of completion shall include the following information:
  - 1. Name and address of the Property Owner.
  - 2. Lot and block number of the Deteriorated Property for which the Exemption is sought.
  - 3. The date that the Construction, Reconstruction or Improvement(s) was completed.
  - 4. Any modification to the plan of Construction or Reconstruction or Improvement(s) as previously submitted.
  - 5. The final, adjusted actual costs of Construction, Reconstruction or Improvement(s).
  - 6. Certification that the use of the property or properties is or will be in compliance with the provisions and limitations set forth in this Resolution.
- (e) The Office shall, after notice in writing and with prior physical inspection, assess the Deteriorated Property to determine the valuation attributable to the Construction, Reconstruction or Improvement(s) eligible for Exemption under this Resolution.
- (f) The Office shall provide to the County and the Property Owner the following information in writing:
  - 1. The Assessed Valuation of the Deteriorated Property prior to Construction, Reconstruction or Improvement(s).



2. The increase in Assessed Valuation attributed to the Construction, Reconstruction or Improvement(s).
3. The amount of increased Assessed Valuation eligible for Exemption.
4. The Calendar Year in which the Exemption shall commence.

The Treasurer or collector of real estate taxes for the County shall then exonerate that Assessed Valuation increase and refund the amount of taxes attributable to the Exemption in accordance with the Exemption Schedule. The Treasurer, however, shall not exonerate taxes if there exists any Tax Delinquency with respect to the Deteriorated Property for which the Exemption is sought or any property in the County owned by the Property Owner.

(g) Appeals from the valuation and the amount eligible for Exemption may be taken by the Property Owner or any local taxing authority as provided by Article 207 and 209 of the Allegheny County Administrative Code, the County's Assessment Standards and Practice Ordinance or other applicable law or ordinance.

***Section 7. Transferability.***

The Exemption from taxes authorized by this Resolution shall be upon the Deteriorated Property exempted and shall not terminate upon the sale, exchange or other alienation of such property unless otherwise provided.

***Section 8. Intergovernmental Cooperation Agreement.***

If required, the proper officials of the County are hereby authorized to enter into an intergovernmental cooperation agreement pursuant to the Intergovernmental Cooperation Act, Pa. Cons. Stat. Ann. tit. 53, §2301, et seq., with the City and the School District to implement the Exemption from County real property taxation established under this Resolution. The intergovernmental cooperation agreement shall be subject to review and approval as to form by the County Solicitor.

***Section 9. Rules and Regulations.***

The County Manager, Office and/ or Department of Economic Development are, jointly and severally, authorized to adopt rules and regulations, if necessary, to implement this Resolution.

***Section 10. Effective Date; Term.***

This Resolution shall enter into effect immediately following its adoption. The provisions of this Resolution shall apply to the Exemption Request for a period of ten (10) years

from the effective date of this Resolution, unless otherwise terminated by the County in accordance with applicable law.

***Section 11. Severability.***

***If any provision of this Resolution shall be determined to be unlawful, invalid, void or unenforceable, then that provision shall be considered severable from the remaining provisions of this Resolution which shall be in full force and effect.***

***Section 12. Repealer.***

***Any resolution or ordinance or part thereof conflicting with the provisions of this Resolution is hereby repealed so far as the same affects this Resolution.***

Enacted in Council, this 26<sup>th</sup> day of September, 2023.

Council Agenda No. 12792-23

  
\_\_\_\_\_  
Patrick Catena  
President of Council

Attest:   
\_\_\_\_\_  
Chief Clerk of Council

Chief Executive Office October 2<sup>nd</sup>, 2023.

Approved:   
\_\_\_\_\_  
Rich Fitzgerald  
County Executive

Attest:   
\_\_\_\_\_  
Jennifer M. Liptak  
County Manager/Chief of Staff

**Attachment "A"**

**DESCRIPTION OF DETERIORATED AREA**

The Deteriorated Area is comprised of ALL THAT CERTAIN tract or parcel of land situate in the City of Pittsburgh, County of Allegheny and Commonwealth of Pennsylvania, as illustrated below with boundaries marked in red:



BEING designated at Block 9-N Lot No. 1 in the Department of Real Estate of Allegheny County, Pennsylvania.

## Attachment “B”

### Affordable Housing Requirements Triangle Building LERTA Hullet Development Triangle LP

#### Definitions:

- Affordable units: The Project will have no less than 10% of units available to households that fall at or below 50% AMI levels.
- Area Median Income (“AMI”): The most recently published or updated Median Family Income reported by the United States Department of Housing and Urban Development (HUD) for the “Pittsburgh, PA HUD Metro Fair Market Rent (FMR) Area” adjusted for the household sizes identified by unit type above. HUD publishes this information online, approximately annually.
- Qualified Affordable Tenants: Tenants who fulfill the affordable housing requirement as further defined above.
- Initial lease-up: The time any household first applies to live in an affordable unit at the subject property.

#### 3 Affordable Units:

As part of the Project, the Property Owner intends to construct and maintain 3 units, or 17% of the total number of units (but is only required to construct and maintain 10% or more of the total number of units), of Affordable Housing within the Deteriorated Area in accordance with the following requirements:

- At least 10% of the total number of units shall be available to households at or below 50% AMI.
- A 1-bedroom’s rental rate shall be based upon household size of two (2) persons.
- Rental rates as reflected in each tenant’s lease will be calculated based upon the most current HUD publication of AMI and will remain in effect for the term of the lease (1 year) regardless of if the HUD AMI rates change. At the annual lease renewal, if HUD AMI rates have changed, the lease will be revised to reflect the new rental rate.
- The affordable housing requirements shall be mandatory for ten (10) years, commencing when the project has been issued a certificate of occupancy (not temporary) in accordance with Section 6 of the Resolution.

#### Post lease-up, annual re-certification flexibility:

Existing tenants will be allowed limited flexibility to go above their initial lease-up limits. Qualified Affordable Tenants will be allowed to increase their income up to the following re-certification limits:

- Initial lease-up: 50% AMI
- Re-certification cap: 70% AMI

Tenants will be allowed to lease their units while earning above their initial income qualification cap for a period of not more than one additional year.

Unit Limitations:

- 83% of the Project's units (currently estimated at 15 of the 18 units) in the Development will not be available to the affordable tenants.
- 10% or more of the Project's units (currently estimated at 3 of the 18 units, or 17%) will be available to the affordable tenants. The units available to tenants fulfilling the affordable housing requirement will be no different with respect to quality of finishes or access to building amenities from the market-rate units and post-construction the Property Owner is allowed to designate certain units as affordable units. The Property Owner will always have 10% or more of the total number of units available as affordable unless written approval from the Allegheny County Department of Economic Development ("ACED") Director is provided. To request written authorization to have below 10% of the total number of units as affordable units, the Property Owner must have documented a good-faith effort to attract affordable tenants, up to and including working with the Housing Authority City of Pittsburgh's Tenant Based Rental Assistance Program, and/or an extenuating circumstance with documentation provided.

Income Qualification:

- The Property Owner or Property Owner's designee is responsible for undertaking a full and thorough income review process. Income will be calculated using the methodologies as described in the Pennsylvania Housing Finance Agency's Low Income Housing Tax Credit Manual, Chapter 3, which relies substantially on HUD 4350.3 REV 1, chapter 5. The elements that will be used from these documents during the income review process shall include:
  - Income inclusions and exclusions
  - Acceptable income documentation and the verification thereof
  - Tenant income certification
  - The calculation and projection of tenant income for the purposes of determining whether a tenant is a Qualified Affordable Tenant.
  - Tenants will be determined to be income eligible prior to signing their lease.
  - The Property Owner or Property Owner's designee will undertake a full income review process with each tenant household annually upon the anniversary of their lease.

Record Retention: Property Owner will maintain affordable housing records for the term of the LERTA plus 2 years. Digital records are acceptable.

Owner reporting of Affordability to ACED & ACED Monitoring

- Annually, due November 1<sup>st</sup>, for the 12-month period ending on the preceding September 30<sup>th</sup>, the Property Owner will submit a summary spreadsheet to ACED with data pertaining to the project's Qualified Affordable Tenants including but not limited to tenant name, unit number, household size, gross household income, source of income,

rental rate, utility credit & overage, etc. The Property Owner will also provide a report to document and justify the utility charges and rates. Lastly the Property Owner will provide a report to document that there were 3 affordable units during the reporting time period.

- ACED will conduct on-site monitoring to verify the information contained in the summary spreadsheet and other items as necessary at its discretion but not more than on an annual basis assuming there are no concerns or previous compliance issues. If there are compliance problems, then the monitoring could be more frequent and more rigorous. ACED will provide advance notice of the on-site monitoring engagements and will provide a list in advance of documents to be made available during the on-site monitoring visit. A report will be written to document the outcomes of the on-site monitoring, and the Property Owner will be given the opportunity to cure any deficiencies that are curable.
- Such reports should be submitted to:

LERTA Officer  
Allegheny County Economic Department  
436 7<sup>th</sup> Ave Suite 500  
Pittsburgh PA 15219

Default:

If ACED determines that Property Owner is in default of the terms of this Attachment, Section 5(f) of the Resolution shall apply.

## Reporting Documents

1. Cover Page
2. Narrative
3. Spreadsheet



SUMMARY OF LEGISLATION  
HULLETT DEVELOPMENT TRIANGLE LP  
SUBMITTED FOR COUNCIL MEETING AUGUST 29, 2023

Hullett Development Triangle LP, as the applicant and agent operating the Triangle Building, located at 701-705 Smithfield St. in the City's Central Business District, has requested that the County provide a temporary exemption of real estate taxes based on assessment attributable to new construction, reconstruction or improvement(s) to property within a deteriorated area of the City. This deteriorated area is described in Attachment "A" to the Resolution. Hullett Development Triangle LP is proposing a complete restoration of the Triangle Building with retail, office, and residential units. The residential units will be mixed-income residences with 3 units that are affordable at 50% AMI and 15 market rate units. The development space is broken down as follows: 5,200 SF of commercial retail space and 16,000 SF of Residential space.

The Department of Economic Development requests that the Council of the County of Allegheny:

- (a) determine and designate that a certain geographic area within the City of Pittsburgh, the boundaries of which are more specifically set forth in Attachment "A" hereto, constitutes a deteriorated area under LERTA; and
- (b) approve a resolution to participate in the implementation of the LERTA for the deteriorated area located within the City of Pittsburgh; and
- (c) direct the appropriate public officials of the County to take such additional actions in cooperation with the City of Pittsburgh and the School District to implement the LERTA, including without limitation, the execution and delivery of a Cooperation Agreement by and among the participants.

The Exemption shall be contingent upon the number of affordable housing units available to, and the number of units leased by, income-qualified tenants. The Project is committed to lease at least 10% of the 18 units at 50% of the Area Median Income ("AMI"). (AMI is set by HUD and updated approximately annually).

If it is discovered, through mandated annual reporting and periodic audits, that, in any given year, the affordability guidelines are not being met, the County may provide notice to Owner via certified mail of Owner's failure to comply (an "Initial Default Notice"). Owner will have an opportunity to provide detail to substantiate Owner's position and either cure or dispute the default. If default process outlined in Exhibit A does not result in a cure or agreement, and Owner is ultimately found to be in default, Owner shall forgo the next County LERTA tax abatement benefit that it would have received.

In the eleventh (11<sup>th</sup>) year and all succeeding years, the exemption shall end and the entire property (land and building) shall be fully taxable.

<b>Exemption Year</b>	<b>Percentage of Assessed Valuation of Improvement Exempted from Taxation</b>
<i>1<sup>st</sup></i>	<i>100%</i>
<i>2<sup>nd</sup></i>	<i>100%</i>
<i>3<sup>rd</sup></i>	<i>90%</i>
<i>4<sup>th</sup></i>	<i>90%</i>
<i>5<sup>th</sup></i>	<i>80%</i>
<i>6<sup>th</sup></i>	<i>80%</i>
<i>7<sup>th</sup></i>	<i>70%</i>
<i>8<sup>th</sup></i>	<i>70%</i>
<i>9<sup>th</sup></i>	<i>60%</i>
<i>10<sup>th</sup></i>	<i>60%</i>

Upon the completion of the Exemption Term set forth above, the Exemption shall end and the entire property (land and building) shall be fully subject to County property taxes.

**MEMORANDUM**  
**OFFICE OF THE COUNTY MANAGER**

TO: Jared E. Barker  
Allegheny County Council

FROM: Jennifer M. Liptak  
County Manager

DATE: August 24, 2023

RE: Proposed Resolution

---

Attached is a Resolution providing for a program of temporary exemption from County real property taxes for improvements, including repairs, construction, or reconstruction, made on industrial, commercial or business property in a deteriorated area in the City of Pittsburgh, County of Allegheny (“County”), Commonwealth of Pennsylvania, pursuant to the Local Economic Revitalization Tax Assistance Act, Pa. Stat. Ann. tit. 72 §4722 et seq.

The Allegheny County Law Department has reviewed this legislation prior to submitting it to Council.

I am requesting that this item be placed on the agenda at the next Regular Meeting of Council.