

Bill No. 4895-09

No. 16-09-RE

## A RESOLUTION

A Resolution of the Council of the County of Allegheny extending the duration of time for the exemption of certain taxes within a specified geographic area designated as a Keystone Opportunity Zone within the City of McKeesport, Allegheny County.

**Whereas**, the County of Allegheny (the "County") recognizes the need to encourage investment in a defined geographic area described as set forth in Exhibit A, hereinafter the "Keystone Opportunity Zone," that is experiencing economic distress; and

**Whereas**, the Keystone Opportunity Zone and Keystone Opportunity Expansion Zone Act, as amended by Act 79 of 2008 (the "Act") authorizes political subdivisions to apply to the Pennsylvania Department of Community and Economic Development ("DCED") for extension of time that an area may be designated as a Keystone Opportunity Zone ("KOZ") within the respective political subdivision and, as a precondition of such application, to enact a binding resolution that provides, within the designated and approved geographic area, exemptions, deductions, abatements or credits from all local taxes identified in the Act, which resolutions will be contingent upon DCED's approval of the application; and

**Whereas**, extension of the duration of the KOZ will support further development of the RIDC Industrial Center of McKeesport and redevelopment of the Former Firth Sterling and McKeesport Foundry sites.

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

**SECTION 1.      Incorporation of Preamble.**

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

**SECTION 2.      Proposed KOZ Boundary.**

The County does hereby find that the specific geographic area situated in the City of McKeesport bounded and described in Exhibit A attached hereto, which area is referred to herein as the proposed Keystone Opportunity Zone, constitutes an unoccupied property under the Act.

**SECTION 3.        KOZ Application.**

The County will participate with the City of McKeesport and McKeesport Area School District in an application to DCED seeking approval of an extension of time so the area set forth in Exhibit A may continue to be designated as a KOZ.

**SECTION 4.        Exemption.**

1.        Real Property in the KOZ is exempt from County property taxes in accordance with the provisions and limitations hereinafter set forth within the boundaries of the KOZ in accordance with the Act. The exemption shall be 100% of the real property taxation on the assessed valuation of property within the KOZ.

2.        Sales at retail of services or tangible personal property, other than motor vehicles, to a qualified business or a construction contractor pursuant to a construction contract with a qualified business, landowner or lessee for the exclusive use, consumption and utilization of the tangible personal property or service by the qualified business at the qualified business's, landowner's or lessee's facility located within the KOZ are exempt from the one percent (1%) Sales and Use Tax levied by the County under Article II of the Tax Reform Code of 1971, except for such limitations set forth in the Act.

3.        Such exemptions granted in accordance with the Act shall be extended beyond the original December 31, 2010 expiration date of the KOZ for a period of ten years from the date of occupancy, provided that the parcel(s) is/are occupied on or before December 31, 2015, but no longer than December 31, 2025.

**SECTION 5.        Incorporation of Provisions of the Act.**

The provisions of the Act not herein enumerated shall, nevertheless, be incorporated as part of this resolution by reference.

**SECTION 6.        Effective Date.**

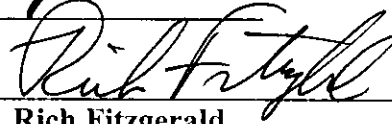
This resolution shall become effective January 1, 2011, contingent and conditioned on the approval of DCED of the application with respect to an extension of the duration of time of the KOZ set forth in Exhibit A.

**SECTION 7.        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 8.        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 16<sup>th</sup> day of June, 2009.

Council Agenda No. 4895-09

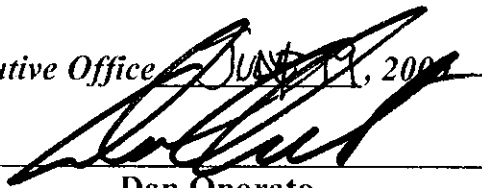


Rich Fitzgerald  
President of Council

Attest: 

Allegheny County Council

Chief Executive Office JUN 19, 2009

Approved: 

Dan Onorato  
Chief Executive

Attest: 

Donna Beltz  
Executive Secretary

## EXHIBIT A

### DESCRIPTION OF KEYSTONE OPPORTUNITY ZONE (KOZ)

The Upper Mon-Valley KOZ Sub-Zone consists of the parcels at the Industrial Center of McKeesport, former Firth Sterling Site and former McKeesport Foundry illustrated below. Unoccupied and undeveloped parcels will be eligible for application to DCED to grant an extension of the duration of time that the KOZ will be eligible for benefits identified in the Act. These parcels are recorded with the Office of Property Assessments by the following tax identification numbers (lot & block):

307-D-90  
380-A-70-00  
380-A-70-01  
379-P-51  
379-P-49  
379-R-152  
379-S-20  
379-M-396  
379-H-115  
465-H-55

### McKeesport KOZ



SUMMARY OF LEGISLATION  
McKEESPORT KOZ RESOLUTION  
SUBMITTED FOR COUNCIL MEETING JUNE 2, 2009

The Keystone Opportunity Zone (“KOZ”) Program provides for State and local tax benefits for businesses and residents located within areas designated by local communities and approved by the State. The Keystone Opportunity Zone and Keystone Opportunity Expansion Zone Act, as amended by Act 79 of 2008 (the “Act”) authorizes political subdivisions to apply to the Pennsylvania Department of Community and Economic Development (“DCED”) for extension of the duration of time that an area may continue to be designated as a Keystone Opportunity Zone (“KOZ”) within the respective political subdivision. The City of McKeesport (the “City”) and McKeesport Area School District (the “School District”) have enacted binding resolutions that provide within the designated and approved geographic area, exemptions, deductions, abatements or credits from all local taxes identified in the Act, contingent upon DCED’s approval of the application.

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

(a) participate with the City and School District in an application to DCED seeking DCED’s approval of an extension of the duration of time of the KOZ for the area set forth in Exhibit A;

(b) consider a resolution authorizing the exemption of County real property taxes and one percent Sales and Use Tax within the boundaries of the KOZ set forth in Exhibit A in accordance with the Act, contingent on DCED’s approval of the KOZ application; and

(c) direct the appropriate public officials of the County to take such additional actions in cooperation with the City and the School District to implement the KOZ.

Extension of the duration of time of the KOZ will support further development of the RIDC Industrial Center of McKeesport and redevelopment of the Former Firth Sterling and McKeesport Foundry sites.

**MEMORANDUM**

**OFFICE OF THE COUNTY MANAGER**

TO: John Mascio  
Chief Clerk

FROM: James M. Flynn, Jr.  
County Manager

DATE: May 28, 2009

RE: Proposed Resolution



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Attached is a Resolution extending the duration of time for the exemption of certain taxes within a specified geographic area designated as a Keystone Opportunity Zone within the City of McKeesport, Allegheny County.

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.

ALLEGHENY COUNTY COUNCIL

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