

Bill No. 4218-08

No. 35-08-RE

A RESOLUTION

A Resolution of the Council of the County of Allegheny exempting certain taxes within a specified geographic area designated as a Keystone Opportunity Expansion Zone within the Township of Harrison and the Borough of Brackenridge, 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 Expansion 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 designation of an area within the respective political subdivision as an additional Keystone Opportunity Expansion Zone (“KOEZ”) 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, enactment of the KOEZ will support development of the Allegheny Ludlum Corporation (“ALC”) Hot Strip Mill Project at the Brackenridge Plant and Technical & Commercial Center; and

Whereas, the County is participating in an application to DCED, via the Southwestern Pennsylvania Commission, seeking DCED’s approval of a KOEZ.

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 entity herein.

Section 2. Proposed KOEZ Boundary.

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

Section 3. KOEZ Application.

The County will participate with the Township of Harrison, Borough of Brackenridge and Highlands School District in an application to DCED, via the Southwestern Pennsylvania Commission, seeking approval of a KOEZ for the area set forth in Exhibit A no later than May 1, 2009.

Section 4. Exemption.

1. Real Property in the KOEZ is exempt from County property taxes in accordance with the provisions and limitations hereinafter set forth within the boundaries of the KOEZ in accordance with the Act, such exemption to run from January 1, 2010 until December 31, 2020. The exemption shall be 100% of the real property taxation on the assessed valuation of property within the KOEZ.

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 proposed KOEZ 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. Such exemption shall commence upon designation of the KOEZ by DCED and run until December 31, 2020.

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 September 11, 2008, contingent and conditioned on the approval of DCED of the application with respect to the KOEZ.

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 26th day of August, 2008

Council Agenda No. 4218-08

Rich Fitzgerald

Rich Fitzgerald

President of Council

Attest: John Mascio

John Mascio

Chief Clerk of Council

Chief Executive Office September 3, 2008

Approved: Dan Onorato

Dan Onorato

Chief Executive

Attest: Donna Beltz

Donna Beltz

Executive Secretary

SUMMARY OF LEGISLATION
HARRISON/BRACKENRIDGE KOEZ RESOLUTION
SUBMITTED FOR COUNCIL MEETING AUGUST 19, 2008

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 designation of an area within the respective political subdivision as an additional Keystone Opportunity Expansion Zone (“KOEZ”). The Township of Harrison (the “Township”), Borough of Brackenridge (the “Borough”) and Highlands 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 Township, Borough and School District in an application to DCED, via the Southwestern Pennsylvania Commission, seeking DCED’s approval of a KOEZ for the area set forth in Exhibit A.
- (b) consider a resolution authorizing the exemption of County real property taxes within the boundaries of the KOEZ set forth in Exhibit A in accordance with the Act, contingent on DCED’s approval of the KOEZ application; and
- (c) direct the appropriate public officials of the County to take such additional actions in cooperation with the Township, Borough and the School District to implement the KOEZ.

Enactment of the KOEZ will support development of the Allegheny Ludlum Corporation (“ALC”) Hot Strip Mill Project at the Brackenridge Plant and Technical & Commercial Center. It is anticipated ALC will make a capital investment in excess of \$750 million through renovations included in the Hot Strip Mill Project. ALC is expected to retain at least 1,400 full-time jobs at the Brackenridge Plant and Technical & Commercial Center within three years of the KOEZ designation.

Exhibit A

DESCRIPTION OF KEYSTONE OPPORTUNITY EXPANSION ZONE (KOEZ)

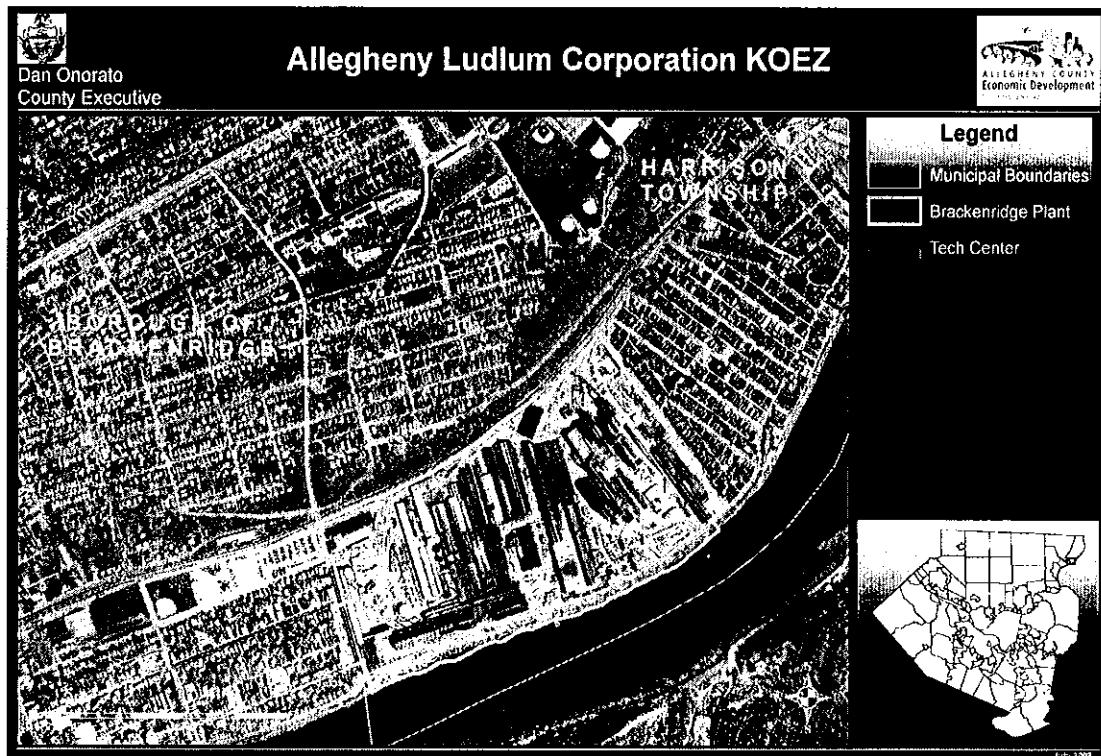
The property situated in the Borough of Brackenridge and Township of Harrison known as the Allegheny Ludlum Corporation Brackenridge Plant and Technical & Commercial Center as illustrated below. Recorded with the Office of Property Assessments by the following tax identification numbers (lot & block):

Borough of Brackenridge

1224-C-23
1224-C-48
1224-D-104
1224-D-115
1224-D-125
1224-D-265
1224-D-89
1224-H-105
1224-H-213
1224-H-215
1224-H-249
1224-H-99

Township of Harrison

1224-D-265-04
1225-A-175
1368-K-165
1368-P-125
1368-P-27
1368-P-28
1368-P-29
1368-P-42
1368-P-46
1368-R-40



Parcel contains approximately 129.99 acres.

M E M O R A N D U M

OFFICE OF THE COUNTY MANAGER

ALLEGHENY COUNTY COUNCIL

TO: John Mascio
Chief Clerk

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FROM: James M. Flynn, Jr.
County Manager



DATE: August 14, 2008

RE: Proposed Resolution

Attached is a Resolution exempting certain taxes within a specified geographic area designated as a Keystone Opportunity Expansion Zone within the Township of Harrison and the Borough of Brackenridge, Allegheny County.

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

Please place this on the next agenda for County Council approval.