

Bill No. 3242-07

No. 25-07-RE

A RESOLUTION

Resolution of the County of Allegheny 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 Township of Stowe, 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, the Board of Commissioners ("Commissioners") of the Township of Stowe ("Township") conducted a public hearing to determine and designate the geographic boundaries of a deteriorated area located within the Township; and

Whereas, the Supervisors and the Board of School Directors ("School Directors") of the Sto-Rox School District ("School District") have established the boundaries of the deteriorated area as more specifically set forth in Attachment "A" hereto (hereinafter the "Deteriorated Area") and adopted the temporary exemption program; and

Whereas, the Township has requested the County of Allegheny to enact similar legislation; and

Whereas, the County Council finds that the implementation of a temporary tax exemption program in certain designated deteriorated areas would contribute to the general welfare of the community by spurring economic activity and promoting improvement in the area's business and commercial property.

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. Definitions.

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) 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.

- (c) County – The County of Allegheny

- (d) Deteriorated Area – Those specific geographic areas within the Township of Stowe described in Attachment “A” hereto, which have 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”.
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- (e) Deteriorated Property – Any industrial, commercial or other business property owned by a Property Owner and located in a 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.
 - (f) 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 Article 5(a) herein.
 - (g) 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.
 - (h) Local Taxing Authority – The County or the Township or the School District.
 - (i) Office – The Office of Property Assessment of Allegheny County, 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 Allegheny County.
 - (j) Project – The Improvement of a Deteriorated Property carried out during a single continuous period of time according to a common plan.
 - (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 word

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. The term "property owner" used in this Resolution is synonymous with "taxpayer".

- (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 – The Sto-Rox School District.
- (n) Tax Delinquency – All County taxes, charges, fees, rents or claims due and unpaid by the 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.
- (p) Township – Township of Stowe
- (s) Treasurer – The Treasurer of the County of Allegheny.

Section 3. Deteriorated Area.

The areas designated by the Township and School District set forth in Attachment "A" located within the Township constitute the Deteriorated Area.

Section 4. Exemption.

- (a) Any Property Owner, who does not have a Tax Delinquency on any property located within the County, undertaking a Project which is qualified as a Construction or Reconstruction or Improvement(s) project 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 granted other than as set forth in subsection (a) above.
- (c) Any property with a Tax Delinquency is not eligible for the relief set forth in this Resolution.

Section 5. Exemption Schedule.

Any 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 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 period of five (5) years and shall apply to any building permitted for Construction, Reconstruction or Improvement(s) at any time during the ten (10) year period.
- (b) The Exemption shall be one hundred percent (100%) of the County's real estate taxation upon the Assessed Valuation attributable to the Construction, Reconstruction or Improvement(s) in the first year. In each succeeding year, the Exemption shall decline by twenty percent (20%). In the sixth year and all succeeding years, the exemption shall end and the entire property (land and building) shall be fully taxable.
- (c) There is no Exemption granted on the Assessed Valuation attributable to land.
- (d) There is no Exemption granted if the Construction, Reconstruction or Improvement(s) are not completed by the end of the third calendar year following the year the initial building permit was issued.
- (e) There is no Exemption granted, and any existing Exemption shall be permanently revoked, if there exists any tax delinquency with respect to the property or any other property owned in the County by the Property Owner.

Section 6. Procedure for Obtaining Exemption.

- (a) At the time that a Property Owner secures a building permit for construction use, 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 proscribed by the Township (hereinafter the "Exemption Request"). The Property Owner shall file the form with the Township, 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 property.
 - 3. The initial Assessed Valuation of the property.
 - 4. The current year County taxes on the property.
 - 5. The date the building permit was issued for the Construction, Reconstruction or Improvement(s).
 - 6. The summary of the plan of construction, plan of improvement(s) or reconstruction.
 - 7. The anticipated date of completion.
 - 8. The actual costs of Construction, Reconstruction or the actual costs of Improvement(s).
 - 9. A statement indicating that there is not a Tax Delinquency on the property.
 - 10. Such other information as may be necessary to process such application for Exemption.
 - 11. Planned use of the property or properties and certification that said use will be in compliance with the provisions and limitations set forth in this Resolution.

- (c) The Exemption Request shall be filed by the Property Owner with the Office no later than ninety (90) days of the date after when 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 five (5) year 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 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 five (5) year period established under this Resolution. The notice of completion shall include the following information:

1. Name and address of Property Owner.
2. Lot and block number of the 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 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 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 Assessed Valuation increase eligible for Exemption.

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 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 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 Township 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 and the Office are authorized to adopt rules and regulations, if necessary, to implement this Resolution.

Section 10. Term.

This Resolution shall enter into effect immediately following its adoption. The provisions of this Resolution shall apply to all applications filed from and after the effective date hereof and shall remain in effect for a period of ten (10) years or unless otherwise terminated by the County in accordance with applicable law. The cost of Improvement(s) to be exempted and the schedule of taxes exempted existing at the time of the initial request for tax exemption shall be applicable to that Exemption request, and subsequent amendment of this Resolution, if any, shall not apply to requests initiated prior to its adoption.

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.

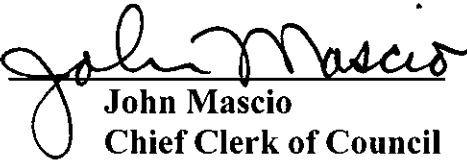
Section 12. Repealer. Any resolution or ordinance or part thereof conflicting with the provisions of this Resolution is hereby repealed so far as the same affects this Resolution.

Enacted in Council, this 19th day of June, 2007


Council Agenda No. 3242-07

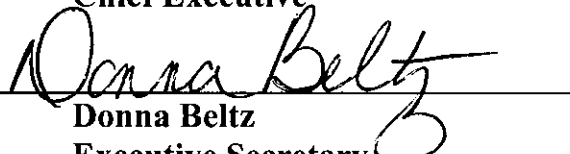


Rich Fitzgerald
President of Council

Attest: 
John Mascio
Chief Clerk of Council

Chief Executive Office June 25, 2007

Approved: 
Dan Onorato
Chief Executive

Attest: 
Donna Beltz
Executive Secretary

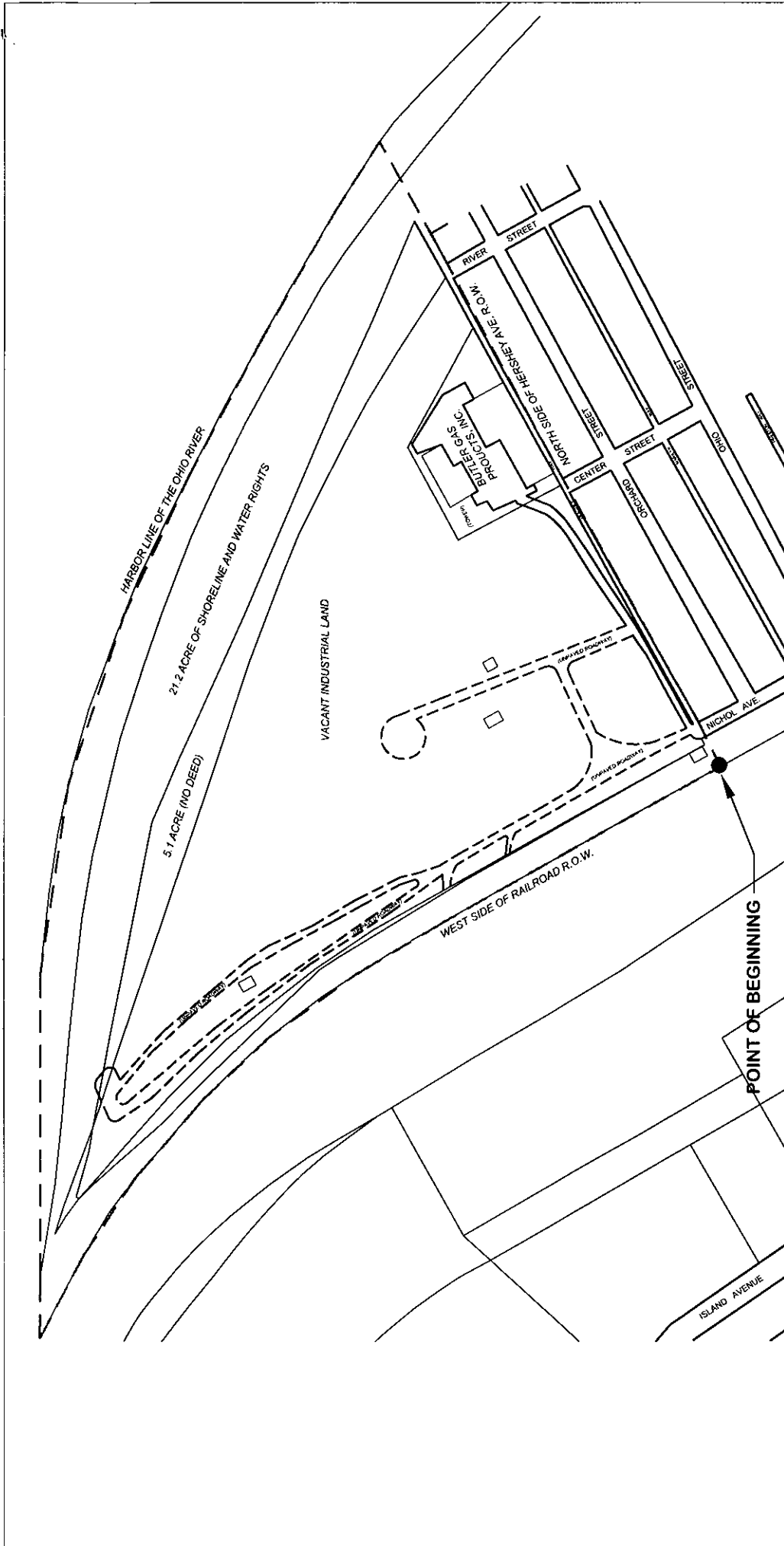
SUMMARY PAGE
STOWE TOWNSHIP LERTA RESOLUTION
SUBMITTED FOR COUNCIL MEETING, JUNE 5, 2007



The Township of Stowe ("Township") 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 Township (Attachment "A"). The exemption shall be limited to a period of five (5) years and shall apply to any building permitted for construction, reconstruction or improvement(s) at any time during the ten (10) year period. For this period, only the land of the designated area will be taxable. The exemption shall be one hundred percent (100%) of the County's real estate taxation upon the assessed valuation attributable to the construction, reconstruction or improvement(s) in the first year. In each succeeding year, the exemption shall decline by twenty percent (20%). In the sixth year and all succeeding years, the exemption shall end and the entire property (land and building) shall be fully taxable. Sto-Rox School District ("School District") has also approved participation in the temporary exemption program.

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

- (a) consider a resolution to participate with the Township and School District in the implementation of LERTA for the deteriorated area located within the Township; and
- (b) direct the appropriate public officials of the County to take such additional actions in cooperation with the Township 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 Nichol Avenue Brownfield Site is located within an area of the Township certified in need of redevelopment by the Redevelopment Authority of Allegheny County ("Authority") in January 2007 as a result of the Preston Study Area Basic Conditions Report. Subsequently, the Authority acquired the approximately 56 acre Site with the intent of preparing the site for possible manufacturing or light industrial development. The Authority project will perform necessary environmental remediation, improve access and upgrade existing utilities to facilitate this redevelopment.



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|  | <p>Urban Design Ventures, LLC Community Planning & Development Consultants</p>  <p>Urban Design Ventures, LLC, 212 East 7th Avenue, Homestead, PA, 15120</p> | <p>Map Legend</p> <p>--- Project Boundary</p> | <p>Basic Conditions Report Presston Area, Stowe Township Project Boundary Map</p> <p>Prepared For: Redevelopment Authority of Allegheny County</p> |
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M E M O R A N D U M
OFFICE OF THE COUNTY MANAGER

TO: John Mascio
Chief Clerk

ALLEGHENY COUNTY COUNCIL

FROM: James M. Flynn, Jr. *9F*
County Manager

'07 MAY 30 PM 3:00

DATE: May 31, 2007

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 Township of Stowe, 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.

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

Thank you.