

Bill No. 1615-04

No. 20-04-RE

RESOLUTION

A Resolution of the County of Allegheny providing for a program of temporary exemption from county real property taxes for construction, reconstruction or improvements, made on industrial, commercial or business property in a deteriorated area in the Township of Neville, 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 Township Board of Supervisors of the Township of Neville ("Township") conducted a public hearing to determine and designate the geographic boundaries of a deteriorated area; and

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

Whereas, the Township of Neville 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 housing stock and business and commercial property.

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. 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 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) **Commercial Properties** – Properties which are zoned commercially according the Township's Official Zoning Map in effect at the time that the Construction occurs.
- (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.
- (d) **County** – The County of Allegheny
- (e) **Deteriorated Area** – Those specific geographic areas within the Township of Neville described in Exhibit "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".

- (f) 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.
- (g) Exemption – The non-liability for the payment of additional real property taxes to the County resulting from an increase in the Assessed Valuation attributable to the actual cost of Construction, Reconstruction or Improvements made to Deteriorated Property within a Deteriorated Area as more specifically set forth in Section 4 herein.
- (h) Industrial Properties – Properties which are zoned industrially according to the Township's Official Zoning Map in effect at the time that the Construction occurs.
- (i) Improvement or Improvements – Repair, 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.
- (j) Local Taxing Authority – The County, or the Township or the School District.
- (k) Office – The Allegheny County Office of Property Assessment, 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.
- (l) Project – The Construction, Reconstruction or Improvement of a building carried out during a single continuous period of time according to a common plan.

- (m) **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, as applied to corporations shall mean and include all officials or officers thereof.
- (n) **Reconstruction** – The rebuilding 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.
- (o) **School District** – The School District of Cornell
- (p) **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.
- (q) **Tax Year** – The twelve (12) month period from January 1 to December 31 annually.
- (r) **Township** – Township of Neville
- (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, Reconstruction, or Improvement Project of Deteriorated Property 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, Reconstruction or Improvements, 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, Reconstruction or Improvements to the Deteriorated Property within the Deteriorated Area. Appeals from the amount of increased Assessed Valuation attributable to the actual costs of Construction, Reconstruction or Improvements of the Deteriorated Property within the Deteriorated Areas may be taken by the taxpayer or any local

taxing authority as provided by the Second Class County Assessment Law, 72 P.S. §5452.1 et seq. or other applicable law or Resolution.

(b) Only Construction, Reconstruction or Improvements with an actual cost in excess of \$100,000 shall be eligible for the Exemption. Where such a Project meets this requirement, the total additional Assessed Valuation attributable to the actual costs of Construction, Reconstruction or Improvements shall be eligible for the abatement under this Resolution.

(c) No Exemption from taxation is granted other than as set forth in subsections (a) and (b) above.

(d) 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 Improvements 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 Improvements made, in the amounts and in accordance with the provisions and limitation set forth in this Resolution.

The Exemption from County real estate taxes granted for Construction, Reconstruction or Improvements to 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 period of five (5) years for properties within the Deteriorated Area within the Township.

(b) The Exemption in the initial year shall be one hundred percent (100%) of the County's real estate taxation upon the Assessed Valuation attributable to the Construction, Reconstruction or Improvements for the first year. In each succeeding year of the Exemption period, the Exemption shall decline by twenty percent (20%). In the fifth an final year, the Exemption shall be twenty percent (20%) of the County real estate valuation attributable to the Construction, Reconstruction or Improvements. 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 Improvements 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 Deteriorated 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 Exemption pursuant to this Resolution shall file a request in writing for the Exemption on a form proscribed by the Township. The Property Owner shall file the form with the Township, and a copy shall be delivered to the Office.

(b) The Property Owner must certify on the form provided 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 improvements or construction.
6. The summary of the plan of Construction, Reconstruction or Improvements.
7. The anticipated date of completion.
8. The actual costs of Construction, Reconstruction or Improvements.
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 the Exemption.

(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 Improvements, 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 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 Improvements, 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 was completed.
4. Any modification to the plan of Construction, Reconstruction or Improvement as previously submitted.
5. The final, adjusted actual costs of Construction, Reconstruction or Improvement.

(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 Improvements eligible for the Exemption under this Resolution.

(f) The Office shall provide to the County and the Property Owner with the following information in writing:

1. The Assessed Valuation of the property prior to Construction, Reconstruction or Improvement.
2. The increase in Assessed Valuation attributed to the Construction, Reconstruction or Improvements.
3. The amount of Assessed Valuation increase eligible for the 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 the Exemption may be taken by the taxpayer or any local taxing authority as provided by the Second Class County Assessment Law, 72 P.S. §5452.1 et seq. 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. Rules and Regulations

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

Section 9. Term

This Resolution shall enter into effect immediately following its adoption. The provisions of this Resolution shall apply to all applications filed within six (6) years of the effective date hereof. Any Property Owner who has received or applied for the Exemption granted by this resolution within said six (6) year period as herein provided shall, if said Exemption is granted, be entitled to the full Exemption period authorized herein. The cost of Construction, Reconstruction or Improvements to be exempted and the schedule of taxes exempted existing at the time of the initial request for the 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 10. 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.

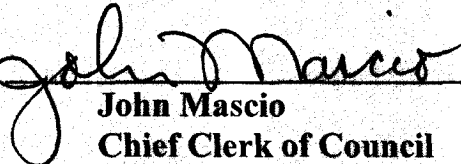
Section 11. Repealer Any Resolution or Ordinance or part thereof conflicting with the provisions of this Resolution is hereby repealed so far as the same affects this Resolution.

Enacted in Council, this 17th day of August, 2004

Council Agenda No. 1615-04

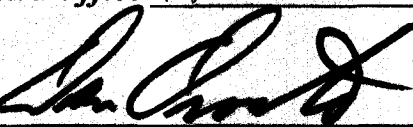

Rich Fitzgerald
President of Council

Attest:


John Mascio
Chief Clerk of Council

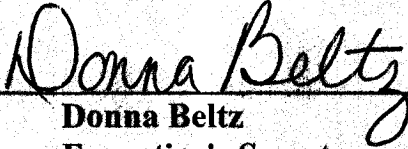
Chief Executive Office August 20, 2004

Approved:



Dan Onorato
Chief Executive

Attest:


Donna Beltz
Executive's Secretary

Attachment "A"

Designated Deteriorate Area – Neville Township, PA

The Deteriorated Are shall be designated as all property within the commercial and industrial zones of the Township, excluding any Keystone Opportunity Zone.

Neville Township – County Participation in LERTA

- Neville Township has been attempting to improve the climate for investing in its Brownfield and unused industrial and commercial sites. A KOZ was created in 2003 on a small site on the island.
- Neville Township and the Cornell School District have both approved tax abatement programs under the Local Economic Revitalization Tax Assistance Act in April and May of this year respectively.
- Neville Township has, in writing, asked that the County consider participating in the abatement program.
- The abatement is for all property zoned commercial or industrial within the Township excluding the KOZ area.
- Only improvements and new construction with actual costs in excess of \$100,000 are eligible.
- Neville Township and the Cornell School District approved an abatement schedule on the assessed value of improvements for 6 years as follows:
 - Year 1 100% Exempt
 - Year 2 100% Exempt
 - Year 3 80% Exempt
 - Year 4 60% Exempt
 - Year 5 40% Exempt
 - Year 6 20% Exempt
- The Department of Economic Development is recommending that the County approve an abatement schedule of 5 years as follows:
 - Year 1 100% Exempt
 - Year 2 80% Exempt
 - Year 3 60% Exempt
 - Year 4 40% Exempt
 - Year 5 20% Exempt
- The County's legislation establishes a sunset provision of 6 years from the time of approval, which is identical to both the Township and School District's legislation. A property owner who applies within the six year time frame will receive the full six year abatement from the Township and School District, and five year abatement from the County.

MEMORANDUM
OFFICE OF THE COUNTY MANAGER

TO: John Mascio
Chief Clerk

FROM: James M. Flynn, Jr.
County Manager

DATE: July 1, 2004

RE: Proposed Resolution

AK

Attached is a Proposed Resolution providing for a program of temporary exemption from county real property taxes for construction, reconstruction or improvements, made on industrial, commercial or business property in a deteriorated area in the Township of Neville, County of Allegheny County, Commonwealth of Pennsylvania, pursuant to the Local Economic Revitalization Tax Assistance Act.

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.