

Bill No. 1498-04

No. 10-04-RE

A RESOLUTION

A Resolution of the County of Allegheny providing for a program of temporary exemption from County real property taxes for improvements, including, without limitations, repairs, construction or reconstruction, made on industrial, commercial or business property in a deteriorated area in the Borough of Forest Hills, County of Allegheny County, Commonwealth of Pennsylvania, pursuant to the Local Economic Revitalization Tax Assistance Act, 72 Pa. Stat. Ann. §4722 et seq.

Whereas, the Local Economic Revitalization Tax Assistance Act ("LERTA"), 72 Pa. Stat. Ann. §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 Borough Council of the Borough of Forest Hills ("Borough Council") conducted a public hearing to determine and designate the geographic boundaries of a deteriorated area; and

Whereas, the Borough Council and the Board of Directors of the Woodland Hills School District ("School Board") 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 Borough Council 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 Allegheny County hereby enacts 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) Borough – Borough of Forest Hills
- (c) Commercial Properties – Properties which are zoned commercially according the Borough’s Official Zoning Map in effect at the time that the Construction occurs.
- (d) 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 were existing buildings have been demolished or razed.
- (e) County – The County of Allegheny
- (f) Deteriorated Area – Those specific geographic areas within the Borough 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".
- (g) 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.
- (h) Exemption – The non-liability for the payment of additional real estate taxes to the County resulting from increased assessed valuation attributable to the actual cost of construction or improvements made to deteriorated property within a deteriorated area.
- (i) Industrial Properties – Properties which are zoned industrially according to the Borough's Official Zoning Map in effect at the time that the Construction occurs.
- (j) Improvements – 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.
- (k) Local Taxing Authority – The County, the Borough or the School District.
- (l) Office – The Office of Property Assessment of the County, 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.

- (m) Project – The improvement of a building carried out during a single continuous period of time according to a common plan.
- (n) Property Owner – Any natural person, partnership, unincorporated association, limited liability company, or corporation, nonprofit or otherwise who owns real estate in the Borough. 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.
- (o) 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.
- (p) School District – The School District of Woodland Hills
- (q) 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.
- (r) Tax Year – The twelve (12) month period from January 1 to December 31 annually.
- (t) Treasurer – The Treasurer of the County of Allegheny.

Section 3. Deteriorated Area.

The areas designated by the Borough and School District set forth in Attachment “A” located within the Borough 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 improvements project of Deteriorated Property may apply for and receive from the County an Exemption. 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 ordinance.

- (b) No Exemption 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 Improvements to such property, may apply for and receive from the County an Exemption in the amounts and in accordance with the provisions and limitation set forth in this Resolution.

The Exemption 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 Borough.
- (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 and final year, the Exemption shall be twenty percent (20%) of the County real estate valuation attributable to the construction or reconstruction. 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, Reconstruction or Improvements, the Property Owner desiring the Exemption pursuant to this Resolution shall file a request in writing for Exemption on a form proscribed by the Borough. The Property Owner shall file the form with the Borough, and a copy shall be delivered to the Office.

(b) The Property Owner shall certify on the form provided the following information:

1. Name and address of Property Owner.
2. Lot and block number of the property to continue the Construction, Reconstruction or Improvements.
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 Improvements.
6. The summary of the plan of Construction, Reconstruction or Improvements.
7. The anticipated date of completion.
8. The actual or anticipated 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 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 Improvement, 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 Improvements have been completed, the Property Owner shall notify the Office in writing. Such notice of completion shall occur within ninety (90) days of completion. Failure to submit such written notice within this time period shall permit 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 Improvements were completed.
4. Any modification to the plan of Construction or Reconstruction as previously submitted.
5. The final, adjusted actual costs of Construction, Reconstruction or Improvements.

(e) The Office shall assess the property to determine the valuation attributable to the Construction, Reconstruction or Improvements eligible for 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 Improvements.
2. The increase in Assessed Valuation attributed to the Construction, Reconstruction or Improvements.
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 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 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 Borough and the School District to implement the Exemption 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 become effective immediately upon 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. The cost of improvements to be exempted and the schedule of taxes exempted existing at the time of the initial request for tax Exemption

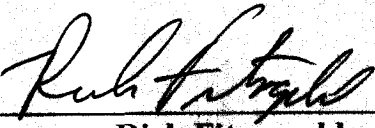
shall be applicable to that Exemption request, and subsequent amendment of this Resolution, if any, shall not apply to requests initiated prior to its adoption.

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.

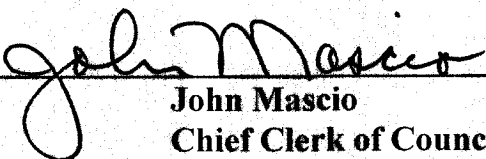
Section 12. Repealer. Any Resolution or Ordinance or part thereof conflicting with the provisions of this Resolution is hereby repealed so far as the same affects this Resolution.

Enacted in Council, this 20th day of APRIL, 2004

Council Agenda No. 1498-04

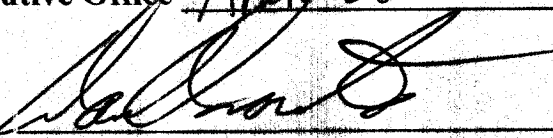


Rich Fitzgerald
President of Council

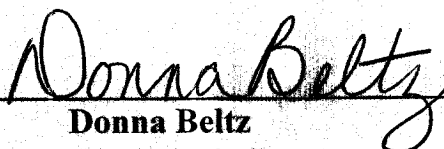
Attest: 

John Mascio
Chief Clerk of Council

Chief Executive Office April 28, 2004

Approved: 

Dan Onorato
Chief Executive

Attest: 

Donna Beltz
Executive's Secretary

ARDMORE BLVD BUSINESS DISTRICT
Proposed Tax Abatement Area

LOT/BLOCK	OWNER	NO	STREET	STATE CODE	TAX CODE	LAND VALUE	BLDG VALUE	TOTAL VALUE
300-H-16	KLIMENT PETER J	2104	ARDMORE BLVD	Commercial	Taxable	41,500	174,200	215,700
300-H-18	SINGER K WILHELM	2110	ARDMORE BLVD	Commercial	Taxable	58,500	69,600	128,100
300-H-24	ARDMORE BOULEVARD ASSOCIATES	2120	ARDMORE BLVD	Commercial	Taxable	65,200	137,000	202,200
300-H-35	WOLFE JOSEPH A & TOBY (W)	2111	ARDMORE BLVD	Commercial	Taxable	59,400	133,300	192,700
300-H-36	ONUFRER JOHN C JR	0	ARDMORE BLVD	Commercial	Taxable	3,400	0	3,400
300-H-41	ONUFRER JOHN C JR	2101	ARDMORE BLVD	Commercial	Taxable	88,800	169,000	257,800
300-M-24	THOMPSON ROBERT M & JANET C (W)	2140	ARDMORE BLVD	Commercial	Taxable	66,800	314,900	381,700
300-M-26	THOMPSON ROBERT M & JANET C (W)	0	ARDMORE BLVD	Commercial	Taxable	4,600	15,300	19,900
373-E-266	OCI PROPERTIES INC	2131	ARDMORE BLVD	Commercial	Taxable	88,500	83,500	172,000
373-E-268	FYKE LOIS J	2129	ARDMORE BLVD	Commercial	Taxable	34,600	99,800	134,400
373-J-175	UNGER PROPERTIES, LLC	2215	ARDMORE BLVD	Commercial	Taxable	34,100	15,900	50,000
373-J-176	LODOVICO ANTONIO & EUGENE C LODOVICO	2211	ARDMORE BLVD	Commercial	Taxable	40,000	167,500	207,500
373-J-178	ONUFRER ROGER D & ANITA A C (W)	2209	ARDMORE BLVD	Commercial	Taxable	35,100	110,600	145,700
373-J-179	GROSS SUSAN L	2207	ARDMORE BLVD	Commercial	Taxable	35,000	77,300	112,300
373-J-180	HANZEL GERALD C II & CYNTHIA M (W)	2205	ARDMORE BLVD	Commercial	Taxable	20,000	44,000	64,000
373-J-181	VANDERHORST T J	2203	ARDMORE BLVD	Commercial	Taxable	35,000	61,900	96,900
373-J-182	DAMICO BASIL J & NORENE K (W)	2201	ARDMORE BLVD	Commercial	Taxable	52,800	42,200	95,000
373-J-218	KELLY MICHAEL J & NANCY A (W)	2145	ARDMORE BLVD	Commercial	Taxable	25,700	120,100	145,800
373-J-220	KELLY MICHAEL J & NANCY A (W)	2147	ARDMORE BLVD	Commercial	Taxable	26,000	110,400	136,400
373-J-221	HANDELSMAN GEORGE B & JOAN ELLENBOGEN (W)	2143	ARDMORE BLVD	Commercial	Taxable	25,000	110,000	135,000
373-J-222	FERRERO JOSEPH L & VALERIE G FERRERO	2141	ARDMORE BLVD	Commercial	Taxable	34,200	110,800	145,000
373-J-225	BROWN KENNETH A & MARY EILEEN (W)	2139	ARDMORE BLVD	Commercial	Taxable	25,400	69,100	94,500
373-J-230	ROHAN HOWARD J & LISA C (W)	2144	ARDMORE BLVD	Commercial	Taxable	14,300	42,600	56,900
373-J-231	DILL & KIRK INC	2146	ARDMORE BLVD	Commercial	Taxable	17,900	106,200	124,100
373-J-232	HORANIC KARENA A	2148	ARDMORE BLVD	Commercial	Taxable	17,900	43,200	61,100
373-J-233	WISSMAN ROBERT A & ISABELLE A (W)	0	ARDMORE BLVD	Commercial	Taxable	15,000	0	15,000
373-J-234	WISSMAN ROBERT A & ISABELLE A (W)	2204	ARDMORE BLVD	Commercial	Taxable	25,000	68,100	93,100
373-J-236	WISSMAN ROBERT A & ISABELLE A	2206	ARDMORE BLVD	Commercial	Taxable	17,900	83,300	101,200
373-J-237	FIRST FED SVGS & LOAN ASSN OF HOMESTEAD	2210	ARDMORE BLVD	Commercial	Taxable	95,100	313,200	408,300
						TOTAL VALUE:		3,995,700

Total Value column does not include any appeals/adjustments for 2003.

Forest Hills Borough – Request for County to Participate in LERTA Program

- The Ardmore Blvd. Business District within the Borough has been designated as a deteriorated area for the purpose of implementing a Local Economic Revitalization Tax Assistance (LERTA) abatement program.
- This is the primary business district of the Borough and has many older buildings, many of which are vacant and in disrepair.
- The proposed abatement is for five years on improvements made to commercial properties within the designated area. The abatement schedule is set on a 20% declining scale, with 100% in year one down to 20% in the fifth and final year.
- The Borough approved their participation on December 17, 2003. Woodland Hills School District approved their participation on February 11, 2004.

MEMORANDUM
OFFICE OF THE COUNTY MANAGER

TO: John Mascio
Chief Clerk

FROM: James M. Flynn, Jr. *JM Flynn*
County Manager

DATE: April 1, 2004

RE: Proposed Resolution—Forest Hills LERTA

Attached is a Proposed Resolution authorizing the County participation in implementing a Local Economic Revitalization Tax Assistance (LERTA) abatement program.

The Borough of Forest Hills has approved a similar resolution in December 2003, and the Woodland Hills School District approved their participation on February 11, 2004.

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.