



# Allegheny County Council

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## Legislation Details (With Text)

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**Title:** A Resolution providing for a program of temporary exemption from County real property taxes for improvements, including repairs, construction, or reconstruction, made to an industrial, commercial or business property in a deteriorated area in the City of Pittsburgh, County of Allegheny, Commonwealth of Pennsylvania, pursuant to the Local Economic Revitalization Tax Assistance Act, Pa. Stat. Ann. tit. 72 §4722 et seq.

**Sponsors:** Chief Executive

**Indexes:**

**Code sections:**

**Attachments:** 1. 12697-23 Attachments.pdf, 2. 02-23-RE 12697-23.pdf

Date	Ver.	Action By	Action	Result
6/22/2023	1	Chief Executive	Signed by Chief Executive	
6/20/2023	1	County Council	Passed for Chief Executive Signature	Pass
6/7/2023	1	Committee on Economic Development & Housing	Affirmatively Recommended	Pass
5/23/2023	1	County Council	Referred by Chair	

A Resolution providing for a program of temporary exemption from County real property taxes for improvements, including repairs, construction, or reconstruction, made to an industrial, commercial or business property in a deteriorated area in the City of Pittsburgh, County of Allegheny, 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**, after conducting a public hearing, the Council of the County of Allegheny (“Council”) has determined and designated that a certain geographic area within the City of Pittsburgh, the boundaries of which are more specifically set forth in Attachment “A” hereto, constitutes a deteriorated area under LERTA (hereinafter the “Deteriorated Area”); and

**Whereas**, the Deteriorated Area is otherwise identified by Block and Lot Nos. 1-H-139 and 1-H-140 in the Department of Real Estate of Allegheny County; and

**Whereas**, CCA CBD Pittsburgh LLC (“Property Owner”) has proposed a \$65 million redevelopment of the Young Women’s Christian Association (“YWCA”) building located at 305 Wood Street, Pittsburgh, Pennsylvania 15222 into an income-restricted, mixed-use multifamily housing project, which includes approximately 300 rental residential units, approximately 8,300 square feet of retail space, and approximately 24,900 square feet of office space, all within the Deteriorated Area (the “Project”); and

**Whereas**, Property Owner is desirous of using the exemption provided by LERTA for the Deteriorated Area as a mechanism to finance certain infrastructure improvements to facilitate construction of the Project; and

**Whereas**, the Property Owner has agreed that the grant of a temporary exemption of real property taxes by the participating local taxing authorities shall be contingent upon the Property Owner constructing and making available as part of the Project the minimum number of affordable housing units for lease by income-qualified tenants, as more specifically set forth in Attachment “B” hereto; and

**Whereas**, the Board of School Directors (“School Directors”) of the City of Pittsburgh School District (“School District”) has approved a temporary exemption of School District property taxes under LERTA for this Project; and

**Whereas**, it is anticipated that the City Council for the City of Pittsburgh will also adopt the temporary exemption program for this Project; and

**Whereas**, the Council of the County of Allegheny finds that the implementation of a LERTA program to temporarily exempt increases in assessed valuation resulting from improvements made to industrial, commercial, and other business property within the Deteriorated Area in the City of Pittsburgh specifically described in Attachment “A” from County real property taxation would contribute to the general welfare of the citizens of Allegheny County by spurring economic activity and development.

***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. Terms Defined.***

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) City - The City of Pittsburgh
- (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.
  4. Significant rehabilitation of an existing building.
- (d) County - The County of Allegheny
- (e) Deteriorated Area - The specific geographic area within the City of Pittsburgh described in Attachment "A" hereto, which has 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 the Property Owner and located in the 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. For purposes of this Resolution, Deteriorated Property shall be the same as the Deteriorated Area in Attachment "A".
- (g) 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 Section 5(a) herein.
- (h) 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.
- (i) Local Taxing Authority - The County or the City or the School District.
- (j) 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.
- (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 term 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. In this Resolution, the terms "Property Owner" and "Taxpayer" shall be synonymous with each other.

- (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 City of Pittsburgh School District.
- (n) 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.
- (o) Tax Year - The twelve (12) month period from January 1 to December 31 annually. In this Resolution, the terms "Tax Year" and "Calendar Year" shall be synonymous with each other.
- (p) Treasurer - The Treasurer of the County of Allegheny.

**Section 3. Deteriorated Area.**

The area designated and described in Attachment "A" located within the City constitutes the Deteriorated Area. Time period and exemption schedule apply only to the boundary of the original parcel in the Deteriorated Area. Subdivision of the Deteriorated Area does not entitle the newly created parcel(s) to an additional period of abatement.

**Section 4. Exemption.**

- (a) If the Property Owner does not have a Tax Delinquency on any property located within the County and undertakes the Project within the Deteriorated Area, which is qualified as a Construction or Reconstruction or Improvement(s), then the Property Owner 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 being granted other than as set forth in Section 5 below.
- (c) As set forth in Section 5 (e) below, if Property Owner owns any property within the County that is tax delinquent, the Property Owner shall not be eligible for the relief set forth in this Resolution.
- (d) No Exemption shall be granted on the Assessed Valuation of the Deteriorated Property that is attributable to land.

**Section 5. Exemption Schedule.**

The 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 the 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 maximum period of 10 years from the beginning of the Calendar Year as determined by the Office pursuant to Section 6(f)4 herein and shall apply to any building permitted for Construction, Reconstruction or Improvement(s) at any time during the 10-year period. Benefits will begin in the first tax year after construction completion.
- (b) Exemption Term. The Exemption from increases in County real estate taxes granted to Property Owner for undertaking the Project shall be for an Exemption Term of ten (10) years in accordance with the following conditions and schedule:

<b>Exemption Year</b>	<b>Percentage of Assessed Valuation of Improvement Exempted from Taxation</b>
1 <sup>st</sup>	100%
2 <sup>nd</sup>	100%
3 <sup>rd</sup>	90%
4 <sup>th</sup>	90%
5 <sup>th</sup>	80%
6 <sup>th</sup>	80%
7 <sup>th</sup>	70%
8 <sup>th</sup>	70%
9 <sup>th</sup>	60%
10 <sup>th</sup>	60%

- (c) The Exemption also shall be contingent upon the Property Owner constructing and making available the number of affordable housing units for lease by income-qualified tenants as described in Attachment “B,” which is incorporated by reference in its entirety herein.
- (d) The affordable housing requirements provided in Attachment “B” shall be mandatory for a period of ten (10) years, commencing when the Project has been issued a certificate of occupancy, pursuant to Section 6 below which is entitled *Procedure for Obtaining Exemption*.
- (e) No Exemption shall be granted, and any existing Exemption shall be permanently revoked, if there exists any Tax Delinquency with respect to the Deteriorated Property or any other real property owned in the County by the Property Owner. The Exemption shall be immediately revoked when Property Owner’s Tax Delinquency is reported to Allegheny County Department of Economic Development by the Treasurer.

- (f) The Property Owner shall be disqualified from receiving an Exemption from County real property taxes due to the increased or additional tax assessment attributable to the Construction, Reconstruction or Improvement(s) made to the Deteriorated Property within the Deteriorated Area if the Property Owner fails to comply at any time with the Affordable Housing requirements in Attachment “B”.

***Section 6. Procedure for Obtaining Exemption.***

- (a) At the time that the Property Owner secures a building permit for Construction, Reconstruction or Improvement, 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 (hereinafter the “Exemption Request”) proscribed by the City. The Property Owner shall file the form with the City, 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 Deteriorated Property.
  3. The initial Assessed Valuation of the Deteriorated Property.
  4. The current year County taxes on the Deteriorated Property.
  5. The date the building permit was issued for the Construction, Reconstruction or Improvement(s).
  6. The summary of the plan of Construction, Reconstruction or Improvement(s).
  7. The anticipated date of completion.
  8. The actual costs of Construction, Reconstruction or Improvement(s).
  9. A statement indicating that there is not a Tax Delinquency on the Deteriorated Property, or any other property owned by the Property Owner, or any property owned by a partnership in which Property Owner is a partner, or on any property owned by any individual partner or investor with 10% or greater ownership interest in Property Owner.
  10. Such other information as may be necessary to process such application for Exemption.
  11. Planned use of the Deteriorated Property and certification that said use will be in compliance with the provisions and limitations set forth in this Resolution, including but not limited to the affordable housing requirements outlined in Attachment “B.”
- (c) The Exemption Request shall be filed by the Property Owner with the Office no later than ninety (90) days after the date the building permit is issued. The ninety (90) day time period for filing the Exemption Request shall commence with Day 1 being the first full twenty-four-hour day after 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 10 year maximum 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 or all of the 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 10 year period established under this Resolution. The notice of completion shall include the following information:

1. Name and address of the Property Owner.
2. Lot and block number of the Deteriorated 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 Deteriorated 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 Deteriorated 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 increased Assessed Valuation eligible for Exemption.
4. The Calendar Year in which the Exemption shall commence.

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 Deteriorated 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 Deteriorated 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 City 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, Office and/ or Department of Economic Development are, jointly and severally, 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 the Exemption Request for a period of ten (10) years from the effective date of this Resolution, unless otherwise terminated by the County in accordance with applicable law.

**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.*