

ORDINANCE

AN ORDINANCE OF THE CITY OF COATESVILLE, ENACTED PURSUANT TO THE LOCAL ECONOMIC REVITALIZATION TAX ASSISTANCE LAW (LERTA), AUTHORIZING TAX EXEMPTIONS FROM PROPERTY TAX FOR CERTAIN DETERIORATED INDUSTRIAL, COMMERCIAL OR OTHER BUSINESS PROPERTY IN THE CITY'S "MU" MIXED USE DEVELOPMENT OVERLAY; DEFINING ELIGIBLE LERTA AREAS AND ELIGIBLE PROPERTIES; SETTING A MAXIMUM EXEMPTION AMOUNT AND AN EXEMPTION SCHEDULE; AND PROVIDING A PROCEDURE FOR SECURING AN EXEMPTION AND RESCINDING ORDINANCE NO. 1306-2008.

WHEREAS, the General Assembly of the Commonwealth of Pennsylvania passed Act 76 of 1977 (72 P.S. § 4722, et seq.), known as the Local Economic Revitalization Tax Assistance Law ("LERTA" or the "Act") which authorized local taxing authorities to provide for tax exemption for certain deteriorated industrial, commercial and other business property; and

WHEREAS, the City Council of the City of Coatesville, Chester County, Pennsylvania (the "Council"), wishes, working with the Coatesville Area School District and the County of Chester, to encourage redevelopment and revitalization of such properties in the City; and

WHEREAS, the City, in accordance with said Act, held a public hearing on January 22, 2018 to determine the boundaries of said deteriorated areas and which shall be identified as the "Deteriorated Areas"; and

WHEREAS, the Council, at the conclusion of the public hearing, enacted Resolution No. 2018-03 which identified the Deteriorated Areas, which is co-extensive and equal to the area that constitutes the "MU" Mixed Use Development Overlay District previously identified and defined by the City Zoning Map and designated under Article XXIII of the City Zoning Code at Section 224-9.B.(3). and,

WHEREAS, in order to have consistency, a prior LERTA Ordinance, Ordinance NO. 1306-2008, which has never been used, shall be rescinded.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED by the City as follows:

Part One. Establishment of "The 'MU' Mixed Use Development Overlay LERTA District."

Chapter 203, "Taxation," of the City Code of Ordinances is hereby amended to add Article X, "The 'MU' Mixed Use Development Overlay LERTA District, as follows:

Article X, "The 'MU' Mixed Use Development Overlay LERTA District."

Section § 203-82. This article shall be known as "The 'MU' Mixed Use Development Overlay LERTA District."

Section § 203-83. Definitions. As used in this Article, the following words and phrases shall have the meaning set forth below:

A. "Deteriorated Property" means certain specifically identified industrial, commercial or other business properties owned by an individual, association or corporation, and located in a "Deteriorated Area", as provided by Resolution of the City Council.

B. "Improvement(s)" means repair, construction or reconstruction, including alterations or 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 or constitutes an improvement raising the assessed value of the property. Ordinary upkeep and maintenance shall not be deemed an improvement.

C. "Municipal governing body" means the City Council of the City of Coatesville.

D. "Improvements" to deteriorated industrial, commercial and other business property as referenced in this article as well as apartments, condominiums, or other multi-unit dwelling units (three or more units in a single building) which are within the "MU" Mixed Use Development Overlay District as defined in the City Zoning Code, and within The 'MU' Mixed Use Development Overlay LERTA District.

Section § 203-84. Exemption.

A. The exemption from real property taxes shall be limited:

(1) To the exemption schedule as established within this Article.

(2) To that portion of the additional assessment attributable to the actual cost of Improvements to the Deteriorated Property that consist of industrial, commercial and other business property as well as apartments, condominiums, or other multi-unit dwelling units (three or more units in a single building) which are within the "MU" Mixed Use Development Overlay District as defined in the City Zoning Code, and within The 'MU' Mixed Use Development Overlay LERTA District.

(3) To the assessment valuation attributable to the cost of construction of a new industrial, commercial or other business unit, as well as apartments, condominiums, or other multi-unit dwelling units (three or more units in a single building) which are within the "MU" Mixed Use Development Overlay District as defined in the City Zoning Code, and within The 'MU' Mixed Use Development Overlay LERTA District.

B. In all cases, the exemption from taxes shall be limited to that portion of the additional assessment attributable to the Improvement and for which a separate assessment has been made by the Chester County Board of Assessment and for which an exemption has been separately requested.

C. No tax exemption shall be granted if the property owner does not secure the necessary and proper permits prior to improving the property.

D. No tax exemption shall be granted if the property owner is delinquent in the payment of real estate taxes at the time of application for tax exemption or owes any fees to the City or to any other taxing entity.

E. Any failure to timely pay real estate taxes to all taxing bodies by year end shall immediately terminate the exemption effective as of the end of the year of delinquency.

F. In any case, after the effective date of this Article, when Deteriorated Property is damaged, destroyed or demolished, by any cause or for any reason, and the assessed valuation of the property affected has been reduced as a result of said damage, destruction or demolition, the exemption from real property taxation authorized by this Article shall be limited to that portion of new assessment attributable to the actual cost of Improvements that is in excess of the original assessments that existed prior to damage, destruction or demolition of the property.

Section § 203-85. Exemption Area. The City enacted Resolution No. 2018-03 which identifies the Deteriorated Areas, and which is co-extensive and equal to the area that constitutes the “MU” Mixed Use Development Overlay District previously identified and defined by the City Zoning Map and designated under Article XXIII of the City Zoning Code at Section 224-9.B.(3).

A copy of Resolution No.2018-03, and the exhibits to the Resolution, are collectively attached hereto and incorporated as an Appendix to this Article. Subject to the limitations set forth in this Article, properties located in the Deteriorated Areas as specifically identified in Resolution No. 2018-03 may be eligible to participate in the tax exemption program established in this Article.

Section § 203-86. Exemption Schedule.

A. The schedule of real estate taxes to be exempted shall be in accordance with the following percentage of Improvements to be exempted each year:

YEAR	PORTION TO BE EXEMPT
First Year	100%
Second Year	90%
Third Year	80%
Fourth Year	70%
Fifth Year	60%
Sixth Year	50%
Seventh Year	40%
Eight Year	30%
Ninth Year	20%

Tenth Year 10%

B. The exemption from taxes granted under this Article shall run with the property, and shall not terminate upon the sale or exchange of the property.

C. If an eligible property is granted tax exemption pursuant to this Article, the Improvement shall not, during the exemption period, be considered a factor in assessing other properties.

D. After the 10th year, the exemption shall terminate.

Section § 203-87. NOTICE TO TAXPAYERS.

A. There shall be placed on the form application for a building permit the following notation:

“Under the provisions of Ordinance No. 1503-2018, you may be entitled to a property tax exemption on your contemplated alteration or new construction, where the improvements consist of industrial, commercial and other business property as well as apartments, condominiums, or other multi-unit dwelling units (three or more units in a single building) which are within the “MU” Mixed Use Development Overlay District as defined in the City Zoning Code, and within The ‘MU’ Mixed Use Development Overlay LERTA District. An application for exemption may be secured from the Code Enforcement Office and must be filed with the City at the time a building permit is secured.”

B. At the time a building permit is secured for the construction of an Improvement for which an exemption is requested, the taxpayer shall apply to the City for the exemption provided for in this Article. A request for the exemption must be in writing and include the following information:

- (1) The date the building permit was issued for the Improvements.
- (2) The location of the property.
- (3) The use being made or to be made of the property.
- (4) The type of Improvement.
- (5) The summary of the plan of the Improvement.
- (6) The cost of the Improvement.
- (7) Whether or not the property has been condemned or cited by any governmental body for noncompliance with laws, regulations and/or ordinances.
- (8) Whether the applicant has paid any and all fees owed to any taxing entity.
- (9) Whether the applicant is current on all real estate taxes with respect to the property at issue with all taxing entities.
- (10) Any or all such additional information required.

Section § 203-88. Procedure for Obtaining Exemption. A copy of the written request for exemption shall be forwarded to the Chester County Assessment Office (the “Assessor”) by the City for notification purposes only. Upon completion of the Improvement, the taxpayer shall notify the City so that the City may have the Assessor assess the Improvements separately for the purpose of calculating the amount of assessment eligible for tax exemption in accordance with the limits established in this Article. The Assessor shall notify the taxpayer and the local taxing authorities of the reassessment and amounts of the assessment eligible for exemption. Appeals from the reassessment and the amount eligible for the exemption may be taken by the taxpayer or by the City as provided by law.

Section § 203-89. Termination and Applicability. Unless otherwise repealed by the City Council, this Article shall be applicable from the effective date hereof for a period of ten (10) years, expiring on December 31, 2028 - unless extended by ordinance duly adopted. Any applicant for tax abatement must have a building permit to be eligible for tax abatement treatment hereunder, with that permit having been issued on, or before, the 31st day of December 2028 and, in addition, the application for exemption must also be filed with the City by that same date. All timely applications shall be entitled to the ten (10) year exemption schedule as set forth herein. Nothing contained herein shall act to prohibit the City from enacting a similar Article or Ordinance, or amending the scope of this Article. The cost of new construction or 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 amendments to this Article, if any, shall not apply to requests initiated prior to their adoption.

Part Two. Severability.

If any provision of this Ordinance should be declared by a court of competent jurisdiction to be invalid, such action shall not affect the validity of the Ordinance as a whole, or any provision not declared to be invalid.

Part Three. Repealer.

Where a provision of this Ordinance and a provision of a previously-enacted City ordinance provision apply to the same specific matter and directly conflict, the provision in this Ordinance shall prevail. Without limiting the foregoing, it is specifically noted that Ordinance No. 1306-2008 is hereby rescinded. All other provisions of existing City ordinances shall remain in full effect. This Ordinance is not meant to impact any other tax abatement provisions in the City Code of Ordinances.

Part Four. Ordinance Book.

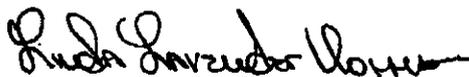
This Ordinance Amendment is being adopted and incorporated into the official ordinance books by reference with the same force and effect as if duly recorded therein.

Part Five. Effective Date.

This Ordinance Amendment shall become effective 30 days after the official publication of the Ordinance following the final adoption by City Council.

ENACTED AND ORDAINED by the City Council of Coatesville, Chester County, Pennsylvania on this 26th day of February, 2018.

CITY COUNCIL OF THE CITY OF COATESVILLE



Linda Lavender Norris, President

ATTEST:



Michael T. Trio, City Manager

CERTIFICATION

I HEREBY CERTIFY that the forgoing Ordinance was introduced on January 8, 2017, and was duly enacted by the Council of the City of Coatesville, Chester County, Pennsylvania on February 26, 2018, and that the vote upon the said Ordinance has been recorded in the Minutes of the City Council and that the Ordinance has been fully recorded.



Michael T. Trio, City Manager

Resolution No. 2018-03

A RESOLUTION TO EXEMPT FROM REAL PROPERTY TAXATION THE ASSESSED VALUATION OF CERTAIN IMPROVEMENTS TO DETERIORATED INDUSTRIAL, COMMERCIAL OR OTHER BUSINESS PROPERTY IN THE CITY'S "MU" MIXED USE DEVELOPMENT OVERLAY PURSUANT TO THE LOCAL ECONOMIC REVITALIZATION TAX ASSISTANCE ACT, ACT 76 OF 1977, AS AMENDED (LERTA)

WHEREAS, the General Assembly of the Commonwealth of Pennsylvania passed Act 76 of 1977 (72 P.S. § 4722, et seq.), known as the Local Economic Revitalization Tax Assistance Law ("LERTA" or the "Act") which authorized local taxing authorities to provide for tax exemption for certain deteriorated industrial, commercial and other business property; and

WHEREAS, the City Council of the City of Coatesville, Chester County, Pennsylvania (hereinafter the "Council"), in accordance with LERTA desires to establish the boundaries of the deteriorated areas which would be subject to tax exemption; and,

WHEREAS, the City, in accordance with said Act, held a public hearing on February 26, 2018 for the purpose of determining the boundaries of said deteriorated areas which would be subject to tax exemption; and,

WHEREAS, at the public hearing, the Council considered the recommendations made by the local taxing authorities, the Coatesville City Planning Commission and other public and private agencies and individuals who are knowledgeable and interested in the improvement to the deteriorated areas in the City; and,

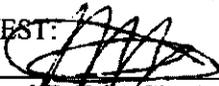
WHEREAS, the Council considered the criteria established under LERTA for determining the boundaries of the deteriorated areas and wishes to establish the boundaries herein.

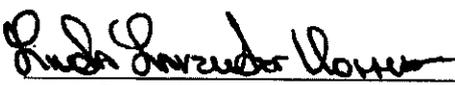
NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Coatesville as follows:

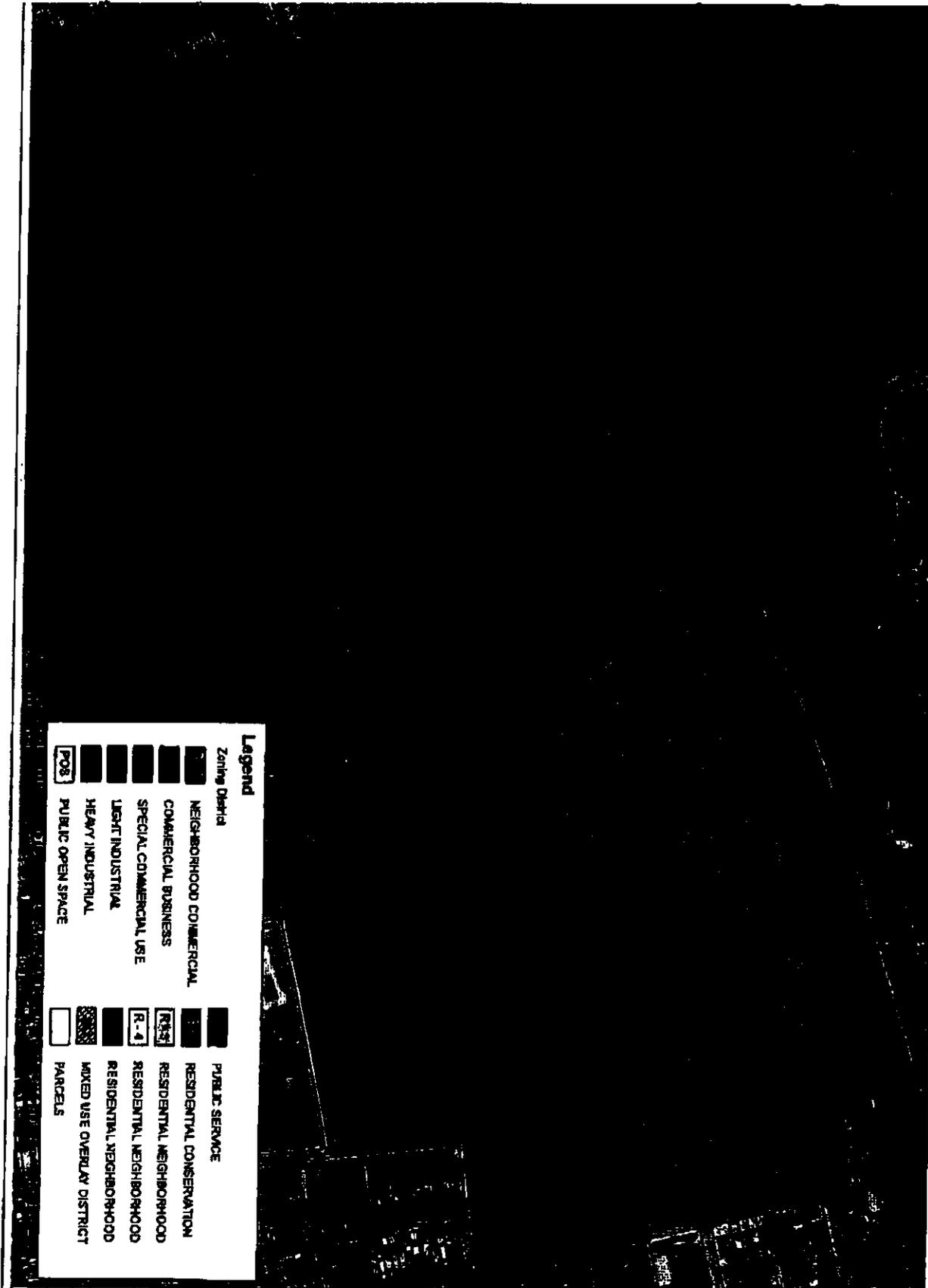
1. The boundaries of the deteriorated areas which shall be eligible for tax exemption under LERTA are identified as being co-extensive and equal to the area that constitutes the "MU" Mixed Use Development Overlay District previously identified and defined by the City Zoning Map and designated under Article XXIII of the City Zoning Code at Section 224-9.B.(3).
2. The boundaries of the deteriorated areas are depicted on the map attached hereto as Exhibit "A" and titled, "Coatesville City LERTA Deteriorated Area Map".

IN WITNESS WHEREOF, the Council of the City of Coatesville has adopted and enacted this Resolution this 26th day of February, 2018.

ATTEST:


Michael T. Trio, City Manager


Linda Lavender Norris, Council President



Legend

Zoning District

- NEIGHBORHOOD COMMERCIAL
- COMMERCIAL BUSINESS
- SPECIAL COMMERCIAL USE
- LIGHT INDUSTRIAL
- HEAVY INDUSTRIAL
- PUBLIC OPEN SPACE
- PUBLIC SERVICE
- RESIDENTIAL CONSERVATION
- RESIDENTIAL NEIGHBORHOOD
- RESIDENTIAL NEIGHBORHOOD
- RESIDENTIAL NEIGHBORHOOD
- MIXED USE OVERLAY DISTRICT
- PARCELS

POS

DATE: 02/21/2018
 REVISION:
 DATE: 02/18/2018
 DRAWN BY: BH
 1 inch = 250 feet

**Mixed Use Overlay
 Zoning District**

EXHIBIT A

CITY OF COATESVILLE ZONING

CITY OF COATESVILLE
 CHESTER COUNTY, PENNSYLVANIA

NOTES:
 1. See the Overlay District in app. 1.

EXHIBIT

"A"