

RESOLUTION 2016-20

A RESOLUTION AUTHORIZING EXEMPTIONS, DEDUCTIONS, ABATEMENTS AND CREDITS FOR REAL PROPERTY, EARNED INCOME TAX, NET PROFITS, MERCANTILE AND BUSINESS PRIVILEGE TAXES WITHIN A SPECIFIC GEOGRAPHIC AREA IN CITY OF COATESVILLE DESIGNATED AS A PROPOSED KEYSTONE OPPORTUNITY ZONE (“KOZ”), IN ORDER TO FOSTER ECONOMIC OPPORTUNITIES, STIMULATE INDUSTRIAL, COMMERCIAL, AND RESIDENTIAL IMPROVEMENTS AND PREVENT PHYSICAL AND INFRASTRUCTURE DETERIORATION WITHIN AREAS OF CITY OF COATESVILLE, COMMONWEALTH OF PENNSYLVANIA, UPON CERTAIN TERMS AND CONDITIONS.

WHEREAS, City of Coatesville, Pennsylvania recognizes the need to encourage investment in a defined geographical area of City of Coatesville on five (5) tracts of land currently owned by the Redevelopment Authority of the City of Coatesville (RDA); and two tracts (proposed properties not owned by the RDA) one (1) Baker Property and one (1) Exiting Train Station owned by Amtrak more specifically identified in Attachment Exhibit “A” (which exhibit - identifying the seven tracts and the parcels comprising the said tracts - is incorporated herein by reference as though set forth at length), that are experiencing distress characterized by one or more of the following: high unemployment, low investment of new capital, blighted conditions, underutilized, obsolete or abandoned industrial commercial and residential structures, deteriorated tax base, and

WHEREAS, the Keystone Opportunity Zone, Keystone Opportunity Expansion Zone and Keystone Opportunity Improvement Zone Act (Act of October 6, 1998, P.L. 705, No. 92), as amended, hereinafter referred to as the “Act,” authorizes political subdivisions to apply to the Pennsylvania Department of Community and Economic Development (DCED) for designation of an area within the respective political subdivision as a KOZ granting exemptions, deductions, abatements or credits from all local taxes identified in the Act; and

WHEREAS, approval of benefits provided in the Act will result in improving the economic, physical, and social conditions within the Proposed KOZ by stimulating existing business employment, creating new employment and diminishing blight; and

WHEREAS, it is expected that increased private and public-sector investors will reverse the disinvestment and conditions of blight within the Proposed KOZ by the time of its termination; and

WHEREAS, the Proposed KOZ is not less than ten acres but not more than 350 acres in the aggregate; and

WHEREAS, the Proposed KOZ is comprised of parcels which are (i) deteriorated, underutilized or unoccupied or (ii) are occupied by a Qualified Business (as that term is defined in the Act) which creates or retains at least 1,000 full-time jobs in Pennsylvania within three years from the designation by DCED of the Proposed KOZ and makes a capital investment of at least \$500,000,000 in the Proposed KOZ within three years from the designation by DCED of the Proposed KOZ.

NOW, THEREFORE, BE IT RESOLVED by the City Council of City of Coatesville in Chester County that effective as of this date September 26, 2016, contingent only upon DCED's approval of the application for the proposed new KOZ, the following provisions shall apply:

1. Real Property Tax on the Proposed KOZ is 100% exempt in accordance with the provisions and limitations hereinafter set forth in accordance with the Act, such exemption to begin on January 1, 2017 and to terminate December 31, 2026 (a ten year period).
2. The following shall be exempt, relative to the subject parcels/tract, for the term, and any extension thereof, of the KOZ:
  - a. Business gross receipts tax for operations conducted by a Qualified Business within the expansion zone.
  - b. Business privilege tax.
  - c. Tax on the earned income received by a resident of the expansion zone.
  - d. Tax on the net profits of a Qualified Business attributable to business activity conducted within the expansion zone, when imposed by Coatesville Area School District.
  - e. Mercantile tax attributable to business activity by a Qualified conducted within the expansion zone.

Benefits to begin on January 1, 2017 and to end on December 31, 2026 (ten year period).

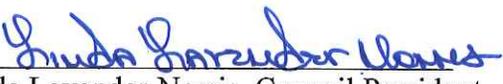
3. The provisions of the Act not herein enumerated, shall, nevertheless, be incorporated as part of this Resolution by reference.

4. This resolution shall be effective upon execution, conditioned upon the approval of the application by DCED.

RESOLVED AND ENACTED by the City Council of City of Coatesville in Chester County, Pennsylvania, this 26<sup>th</sup> day of September, 2016.

ATTEST:

  
\_\_\_\_\_  
Michael T. Trio, AICP, City Manager

BY:   
Linda Lavender-Norris, Council President