

**CITY OF COATESVILLE
COUNTY OF CHESTER**

AN ORDINANCE AMENDING PART II, GENERAL LEGISLATION, CHAPTER 203, TAXATION, TO ADD A NEW ARTICLE XII, ENTITLED “HND HILLTOP NEIGHBORHOOD DEVELOPMENT OVERLAY LERTA DISTRICT”, OF THE GENERAL LAWS OF THE CITY OF COATESVILLE, PENNSYLVANIA, ENACTED PURSUANT TO THE LOCAL ECONOMIC REVITALIZATION TAX ASSISTANCE ACT, AUTHORIZING TAX EXEMPTIONS FROM REAL ESTATE PROPERTY TAX FOR CERTAIN DETERIORATED AREAS IN THE CITY’S HND HILLTOP NEIGHBORHOOD DEVELOPMENT OVERLAY DISTRICT; DEFINING ELIGIBLE PROPERTY; SETTING A MAXIMUM EXEMPTION AMOUNT AND AN EXEMPTION SCHEDULE; AND PROVIDING A PROCEDURE FOR SECURING AN EXEMPTION.

WHEREAS, the City of Coatesville (“City”) is a Home Rule Municipality operating by means of a home rule charter and the laws of the Commonwealth of Pennsylvania; and

WHEREAS, § 2-301.B. of the City Charter requires the City pass an ordinance to establish, levy and collect taxes and decrease or increase the rates of existing taxes;

WHEREAS, the General Assembly of the Commonwealth of Pennsylvania passed the Local Economic Revitalization Tax Assistance Act, 72 P.S. § 4722, et seq. (“LERTA”), which authorized local taxing authorities to exempt new construction in deteriorated areas of economically depressed communities and improvements to certain deteriorated industrial, commercial and other business property;

WHEREAS, the City previously enacted a LERTA ordinance and designated certain properties within the City as being eligible for real estate property tax exemptions as set forth in Chapter 203, Taxation, Article X of the General Laws of the City of Coatesville, entitled “MU Mixed Use Development Overlay LERTA District”; and

WHEREAS, the City now desires to establish a “Hilltop Neighborhood Development Overlay LERTA District” on property located adjacent to the existing MU Mixed Use Overlay LERTA District, and on which property the City has determined new construction will encourage, enhance and accelerate improvement of deteriorated properties within the City.

NOW, THEREFORE, in accordance with the foregoing authority, which incorporates all rights and powers granted to the City of Coatesville under its Charter and the laws of the Commonwealth of Pennsylvania, it is hereby enacted and ordained as follows:

SECTION 1. Part II, General Legislation, Chapter 203, Taxation, is amended to add a new Article XII, entitled “HND Hilltop Neighborhood LERTA Overlay District” as follows:

§203-92. This article shall be known as the "HND Hilltop Neighborhood Development Overlay LERTA District."

§203-93. As used in this article, the following words and phrases shall have the meanings set forth below:

DETERIORATED PROPERTY - Certain specifically identified industrial, commercial or other business properties owned by an individual, association or corporation, and located in a deteriorated area, and areas adjacent to said areas otherwise meeting the criteria in the LERTA statute where new construction would encourage, enhance or accelerate improvement of deteriorated properties within the City as further identified in this article.

IMPROVEMENT(S)

- A. 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.
- B. "Improvements" to deteriorated industrial, commercial and other business property as referenced in this article as well as new construction, including uses which are within the HND Hilltop Neighborhood Development Overlay District as defined in the City Zoning Code and within the HND Hilltop Neighborhood Development Overlay LERTA District.

MUNICIPAL GOVERNING BODY - The City Council of the City of Coatesville.

§ 203-94. 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 uses which are within the HND Hilltop Neighborhood Development Overlay District as defined in the City Zoning Code, and within the HND Hilltop Neighborhood Development Overlay LERTA District.
 - (3) To the assessment valuation attributable to the cost of new construction of uses which are within the HND Hilltop Neighborhood Development Overlay District as defined in the City Zoning Code, and within the HND Hilltop Neighborhood 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. 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.

§ 203-95. Exemption area.

- A. The boundaries of the deteriorated areas which shall be eligible for tax exemption under the HND Hilltop Neighborhood Development Overlay LERTA are identified as being co-extensive and equal to the area that constitutes the HND Hilltop Neighborhood Development Overlay District previously identified and defined by the City Zoning Map and designated under Article XIX of the City Zoning Code at Section 224-99.B.(1).
- B. The boundaries of the designated areas are depicted on the map attached hereto as Appendix “A”, entitled “Coatesville City HND LERTA Deteriorated Area Map.” Subject to the limitations set forth in this article, properties located in the deteriorated areas as specifically identified in this article may be eligible to participate in the tax exemption program established in this article.

§ 203-96. 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%
Eighth 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 tenth year, the exemption shall terminate.

§ 203-97. 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. 1560-2025, you may be entitled to a property tax exemption on your contemplated alteration or new construction, where the improvements consist of uses which are within the HND Hilltop Neighborhood Development Overlay District as defined in the City Zoning Code, and within the HND Hilltop Neighborhood 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.

§ 203-98. 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.

§ 203-99. Termination and applicability.

Unless otherwise repealed by the City Council, this article shall be applicable from the effective date hereof. All timely applications shall be entitled to the ten-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.

SECTION 2. All ordinances or parts of ordinances conflicting with the provisions of this Ordinance are hereby repealed insofar as the same affects this Ordinance.

SECTION 3. If any sentence, clause, section or part of this Ordinance is for any reason found to be unconstitutional, illegal or invalid, such unconstitutionality, illegality or invalidity shall not affect or impair any of the remaining provisions, sentences, clauses, sections or parts hereof.

SECTION 4. This Ordinance shall be effective 30 days after publication following final adoption in accordance with the City Charter.

ENACTED AND ORDAINED this 10th day of November, 2025.



Linda Lavender-Norris, President of City Council


ATTEST:



James Logan, City Manager

CERTIFICATION

I HEREBY CERTIFY that the foregoing Ordinance was introduced on the 13th day of October, 2025, was duly enacted by the Council of the City of Coatesville, Chester County, Pennsylvania, on the 10th day of November, 2025, 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.



James Logan, City Manager

APPENDIX "A"

Coatesville City HND LERTA Deteriorated Area Map

