



**TOWNSHIP OF SOUTH FAYETTE
ALLEGHENY COUNTY, PENNSYLVANIA**

ORDINANCE NO. 1 OF 2018

AN ORDINANCE OF THE TOWNSHIP OF SOUTH FAYETTE, AMENDING AND RESTATING CHAPTER 220, TAXATION, ARTICLE VIII, LOCAL REVITALIZATION TAX ASSISTANCE, SECTIONS 220-60 THROUGH 220-71, PROVIDING FOR THE TEMPORARY EXEMPTION FROM REAL PROPERTY TAXATION FOR SPECIFIED TIME PERIODS FOR CERTAIN INCREASES IN ASSESSED VALUATION OF IMPROVEMENTS; INCLUDING CONSTRUCTION OR RECONSTRUCTION, MADE UPON INDUSTRIAL, COMMERCIAL OR BUSINESS PROPERTY IN DETERIORATED AREAS IN THE TOWNSHIP OF SOUTH FAYETTE; PRESCRIBING THE REQUIREMENTS AND THE PROCEDURES FOR SECURING SUCH EXEMPTION; AND AUTHORIZING AN INTERGOVERNMENTAL COOPERATION AGREEMENT TO IMPLEMENT THE EXEMPTION AUTHORIZED BY THIS ORDINANCE.

WHEREAS, the Local Economic Revitalization Tax Assistance Act, as codified at 72 Pa. C.S.A. §4722 et sea., otherwise known as "LERTA", authorizes local taxing authorities to exempt from real estate taxation, for specified periods, improvements to certain deteriorated industrial, commercial and other business property; and

WHEREAS, the Planning Commission of the Township of South Fayette has previously held a public hearing to determine the geographic boundaries of deteriorated areas as well as to study the feasibility of enacting a temporary property tax exemption program under LERTA; and

WHEREAS, the Planning Commission recommended the same to the Board of Commissioners; and

WHEREAS, the Board of Commissioners of the Township of South Fayette has held a public hearing to study the feasibility of the implementation of a conditional program of temporary tax exemption from real estate taxation for improvements to certain deteriorated property located within deteriorated areas of the Township of South Fayette which are part of the PED Zoning

District; and

WHEREAS, the Board of Commissioners of the Township of South Fayette finds that extending such a program to Deteriorated Areas within a PED Zoning District will contribute to the general welfare of the community by providing for expanded commercial and business development within the Township and the deteriorated PED Zoning District; and

WHEREAS, it is the intention of the Board of Commissioners by this Ordinance to amend and restate the prior LERTA Ordinance and map to include those areas in the LERTA that the Board of Commissioner have determined to exist in a limited PED Zoning district as set forth on Exhibit “B” .

NOW THEREFORE, be it ordained by the Board of Commissioners of the Township of South Fayette, and it is hereby enacted pursuant to the authority granted by the Local Economic Revitalization Tax Assistance Act, and the Intergovernmental Cooperation Act, Pa. Cons. Stat. Ann. tit. 53, §2301 et seq., as follows:

SECTION 1. DEFINITIONS

As used in this Ordinance, 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 taxes. The term "assessed valuation" shall not include the value of the parcel of real property upon which a building is located for determining the validity of a valuation of real estate for the assessment and levy of real estate taxes in Allegheny County.

(b) Board – The Board of Property Assessment, Appeals and Review 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.

(c) Business Properties — Properties which are zoned commercial within a B-1Business zoning district and properties which are designated as deteriorated within a PED zoning district according to the Township's Official Zoning Map attached hereto as Exhibit “A” and LERTA District Map attached as Exhibit “B” as may be in effect at the time that the Construction occurs. In the deteriorated PED Zoning District as depicted on Exhibit “B”, a “Business Property” shall

include a “Retirement Community” as the same is defined by Chapter 240, Zoning, Article II, Definitions, §240-9, Particular Meanings or any amended definition .

(d) Commercial Properties - Properties which are zoned commercially according the Township's Official Zoning Map in effect at the time that the Construction occurs.

(e) 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.

(f) County - The County of Allegheny.

(g) Deteriorated Area - Those specific geographic areas within the Township of South Fayette described in Exhibit “B” 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 is 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”.

(h) Deteriorated Property - Any Industrial, Commercial or other Business Property owned by a property owner or taxpayer 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.

(i) Exemption - The non-liability for the payment of additional real property taxes to the Township resulting from increased assessed valuation attributable to the actual cost of construction or improvements made to deteriorated property within a deteriorated area.

(j) Industrial Properties - Properties which are zoned industrially according to the Township's Official Zoning Map in effect at the time that the Construction occurs.

(k) 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.

(l) Local Taxing Authority - The County, or the Township or the School District.

(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. Whenever used in any provision of this Ordinance, 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. The term "property owner" used in this Ordinance is synonymous with "taxpayer."

(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) Retirement Community- as the same is defined by Chapter 240, Zoning, Article II, Definitions, §240-9, Particular Meanings or any amended definition .

(q) School District - The School District of South Fayette.

(r) Tax Delinquency - All Township taxes, charges, fees, rents or claims due and unpaid by the 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's fees and costs due on

such delinquent taxes, charges, rents or claims.

- (s) Tax Year - The twelve (12) month period from January 1 to December 31 annually.
- (t) Township - Township of South Fayette.
- (u) Treasurer -The Treasurer of the Township of South Fayette. § 220-61.

SECTION 2. BOUNDARIES

- (a) Deteriorated Areas

After holding a Public Hearing, the Board of Commissioners does hereby concur with the original recommendations made by the Township of South Fayette Planning Commission and now confirms and finds that the areas listed in Exhibit “B” hereto in the Township of South Fayette respectively constitute a Deteriorated Area for purposes of this Ordinance.

SECTION 3. EXEMPTION

(a) Any property owner undertaking a project which is qualified to as a construction or reconstruction project may apply for and receive from the Township an exemption from Township real property taxes due to the increased or additional assessed valuation attributable to construction or reconstruction, in the amounts and in accordance with the provisions and limitations set forth in this Ordinance. The exemption from Township real estate taxes shall be specifically limited to the additional assessed valuation attributable to the actual costs of the construction or reconstruction to the Property within the deteriorated area. Appeals from the amount of increased assessed valuation attributable to the actual costs of the construction or reconstruction of the 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. Nothing herein shall preclude a taxpayer or any local taxing authority from appealing the assessed valuation of the Property or any increases in assessed valuation not attributable to the construction or reconstruction in accordance with the Second Class County Assessment Law, 72 P.S. §542.1 et seq. or other applicable law or ordinance.

(b) No exemption from taxation is granted other than as set forth in subsection (a) above.

SECTION 4. EXEMPTION SCHEDULE

The exemption from Township real estate taxes granted to any Property Owner undertaking a project covered by this Ordinance shall be in accordance with the following conditions and schedule:

INDUSTRIAL PROPERTIES:

(1) The exemption shall be limited to a period of five (5) years. The five (5) year exemption period will commence the year after completion of the improvements.

(2) The tax exemption in the initial year described in subparagraph (a) shall be one hundred percent (100%) of the Township's real estate taxation upon the assessed valuation attributable to the construction or reconstruction 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 Township real estate taxation upon the assessed 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.

(3) There is no exemption granted on the assessed valuation attributable to land. There is no exemption granted if the improvements are not completed by the end of the third calendar year following the year the initial building permit was issued.

(4) There is no exemption granted, and any existing exemption shall be revoked, if and for so long as there exists any tax delinquency with respect to the property or any other property owned in the Township by the property owner.

COMMERCIAL PROPERTIES:

(1) The exemption shall be limited to a period of five (5) years. The five (5) year exemption period will commence the year after completion of the improvements.

(2) The tax exemption in the initial year described in subparagraph (a) shall be eighty percent (80%) of the Township's real estate taxation upon the assessed valuation attributable to the construction or reconstruction for the first year. For each of the three (3) succeeding years of the exemption period, the exemption shall decline by twenty percent (20%). In the fifth and final year, the exemption shall be ten percent (10%) of the Township real estate taxation upon the assessed 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.

(3) There is no exemption granted on the assessed valuation attributable to land. There is no exemption granted if the improvements are not completed by the end of the third calendar year following the year the initial building permit was issued.

(4) There is no exemption granted, and any existing exemption shall be

revoked, if and for so long as there exists any tax delinquency with respect to the property or any other property owned in the Township by the property owner.

BUSINESS PROPERTIES:

(1) The exemption shall be limited to a period of five (5) years for Business Properties located in the B-1 Zoning District. The five (5) year exemption period will commence the year after completion of the improvements.

(2) The tax exemption in the initial year described in subparagraph (1) shall be one hundred percent (100%) of the Township's real estate taxation upon the assessed valuation attributable to the construction or reconstruction 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 Township real estate taxation upon the assessed 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.

(3) There is no exemption granted on the assessed valuation attributable to land. There is no exemption granted if the improvements are not completed by the end of the third calendar year following the year the initial building permit was issued.

(4) There is no exemption granted, and any existing exemption shall be revoked, if and for so long as there exists any tax delinquency with respect to the property or any other property owned in the Township by the property owner.'

DETERIORATED PED BUSINESS PROPERTIES:

(1) The exemption shall be limited to a period of ten (10) years for Business Properties and Retirement Community Properties located in the deteriorated PED Zoning District as depicted on Exhibit "B". The ten (10) year exemption period will commence the year after completion of the improvements.

(2) The tax exemption in the initial year described in subparagraph (1) above shall be one hundred percent (100%) of the Township's real estate taxation upon the assessed valuation attributable to the construction or reconstruction for the first year. In each succeeding year of the exemption period, the exemption shall decline by ten percent (10%). In the tenth and final year, the exemption shall be ten percent (10%) of the Township real estate taxation upon the assessed 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.

(3) There is no exemption granted on the assessed valuation attributable to land for Business Properties and Retirement Community Properties described in subparagraph (1) above. There is no exemption granted if the improvements are not completed by the end of the third calendar year following the year the initial building permit was issued.

(4) With respect to Retirement Community Properties described in subparagraph (1) above, there is no exemption granted, and any existing exemption shall be revoked, if and for so long as there exists (a) any tax delinquency with respect to the property or any other property owned in the Township by the property owner and (b) if any property is not owned and occupied by a person of age fifty five (55) years.

SECTION 5. PROCEDURE FOR OBTAINING EXEMPTION

(a) At the time that a property owner secures a building permit for construction use, the property owner desiring the temporary real estate tax exemption pursuant to this Ordinance shall file a request in writing for exemption on a form proscribed by the Township. The property owner shall file the form with the Township Manager and the Board.

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

- (1) Name and address of the property owner.
- (2) Lot and block number of the property to continue the construction.
- (3) The initial assessed valuation of the property.
- (4) The current year Township taxes the property.
- (5) The date the building permit was issued for the improvements or construction.
- (6) The summary of the plan of construction, plan of improvement or reconstruction.
- (7) The anticipated date of completion.
- (8) The actual costs of construction, reconstruction or the actual costs of improvement.
- (9) Such other information as may be necessary to process such application for temporary exemption.

(c) The exemption request shall be filed by the Property Owner with the Township Manager and the Board no later ninety (90) days of the date after when the building permit is issued. Failure to submit such exemption request within this time period may permit the Township to deny any exemption claimed pursuant to this Ordinance for the initial tax year after completion of the construction or improvement, thereby limiting the length of the schedule of taxes exempted to less than the full five (5) year period established under this Ordinance.

(d) When the construction, reconstruction or improvement has been completed, the Property Owner shall notify the Township Manager and the Board in writing. Such notice must occur within thirty (30) days of completion. Failure to submit notice of completion within thirty (30) days may permit the Township, to deny such request for exemption for the initial tax year after completion of construction or improvement, thereby limiting the length of the schedule of taxes exempted to less than the full five (5) year period established under the Ordinance. The notice of completion shall include the following information:

- (1) Name and address of the property owner.
- (2) Lot and block number of the property for which the exemption is sought.
- (3) The date that the construction, reconstruction or the improvement was completed.
- (4) Any modification to the plan of construction or improvement as previously submitted.
- (5) The final, adjusted actual costs of construction, reconstruction or improvement.

(e) The Board shall, after notice in writing and with a prior physical inspection, assess the property to determine the valuation attributable to the construction or improvement eligible for tax exemption under the Ordinance.

(f) The Board shall provide to the Township and the Property Owner with the following information in writing:

- (1) The assessed valuation of the property prior to construction or improvement.
- (2) The increase in assessed valuation attributed to the construction or improvement.
- (3) The amount of assessed valuation increase eligible for tax exemption.

The Treasurer shall then exonerate that amount of the 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 Township owned by the Property Owner.

(g) Appeals from the valuation and the amount eligible for exemption may be taken by the taxpayer or local taxing authorities as provided by the Second Class County Assessment Law, 72 P.S. §5452.1 et seq. or applicable law or ordinance.

SECTION 6. TRANSFERABILITY

The exemption from Taxes authorized by this Ordinance shall be upon the property exempted and shall not terminate upon the sale, exchange or other alienation of such property unless otherwise provided.

SECTION 7. FUTURE LERTA DISTRICTS

With the adoption of this Ordinance, all properties located within the C-1 “Limited Commercial”, C-2 “Highway Commercial”, I-P “Industrial Park”, I-1 “General Industrial”, B-1 “Business” Zoning Districts as established by the Township's Official Zoning Map in effect at the time of the adoption of this Ordinance are included in one of the defined LERTA Districts. In addition, Business Properties and Retirement Community Properties in the deteriorated PED Zoning District per Exhibit “B” are also included in the defined LERTA Districts. As such, any future rezoning of property and/or properties to one of these aforementioned Zoning District shall automatically result in that property/properties to be included in the appropriate LERTA District corresponding with that Zoning Designation. The appropriate officials of the Township are authorized by this Ordinance to cause the immediate amending of the Township's Official LERTA Map to reflect any future rezoning changes and its affect on the Township's Official LERTA Map.

SECTION 8. SEVERABILITY

The provisions of this Ordinance shall be severable except for the provisions concerning exemption set forth in Section 3 and 4 hereof. If any other provisions of this Ordinance shall be held to be illegal, invalid or unconstitutional by final decision of a court of competent jurisdiction, then such contrary provision shall hereby be modified to the extent necessary to comply with such applicable law, decree or order, and shall be enforceable to the extent permitted by such law. The

remaining provisions of the Ordinance shall remain in full force and effect despite said modification.

SECTION 9. REPEALER

Any Ordinance or Resolution or part of any Ordinance or Resolution conflicting with the provisions of this Ordinance is rescinded insofar as the conflict exists.

SECTION 10. INTERGOVERNMENTAL COOPERATION AGREEMENT

The proper officials of the Township are hereby authorized to enter into an intergovernmental cooperation agreement with the County and the School District to implement the exemption from Township real property taxation established under this Ordinance. The intergovernmental cooperation agreement shall be subject to review and approval as to form by the Township Solicitor.

SECTION 11. RULES AND REGULATIONS

The Township Manager is authorized to draft rules and regulations, if necessary, to implement this Ordinance.

SECTION 12. TERM

Subject to the provisions of Section 12, this Ordinance shall enter into effect immediately following its adoption. The provisions of this Ordinance shall apply to all applications filed from and after the effective date hereof.

SECTION 13. NON-CONTINGENT APPROVAL

The terms of this Ordinance and the implementation of the temporary real property tax exemption granted hereunder are not contingent upon the adoption of a similar LERTA Ordinance or Resolution by the School District. However, the Township strongly encourages the School District to adopt similar provisions as contained in this Ordinance.

ORDAINED AND ENACTED INTO LAW this 17 day of January, 2018.

ATTEST:

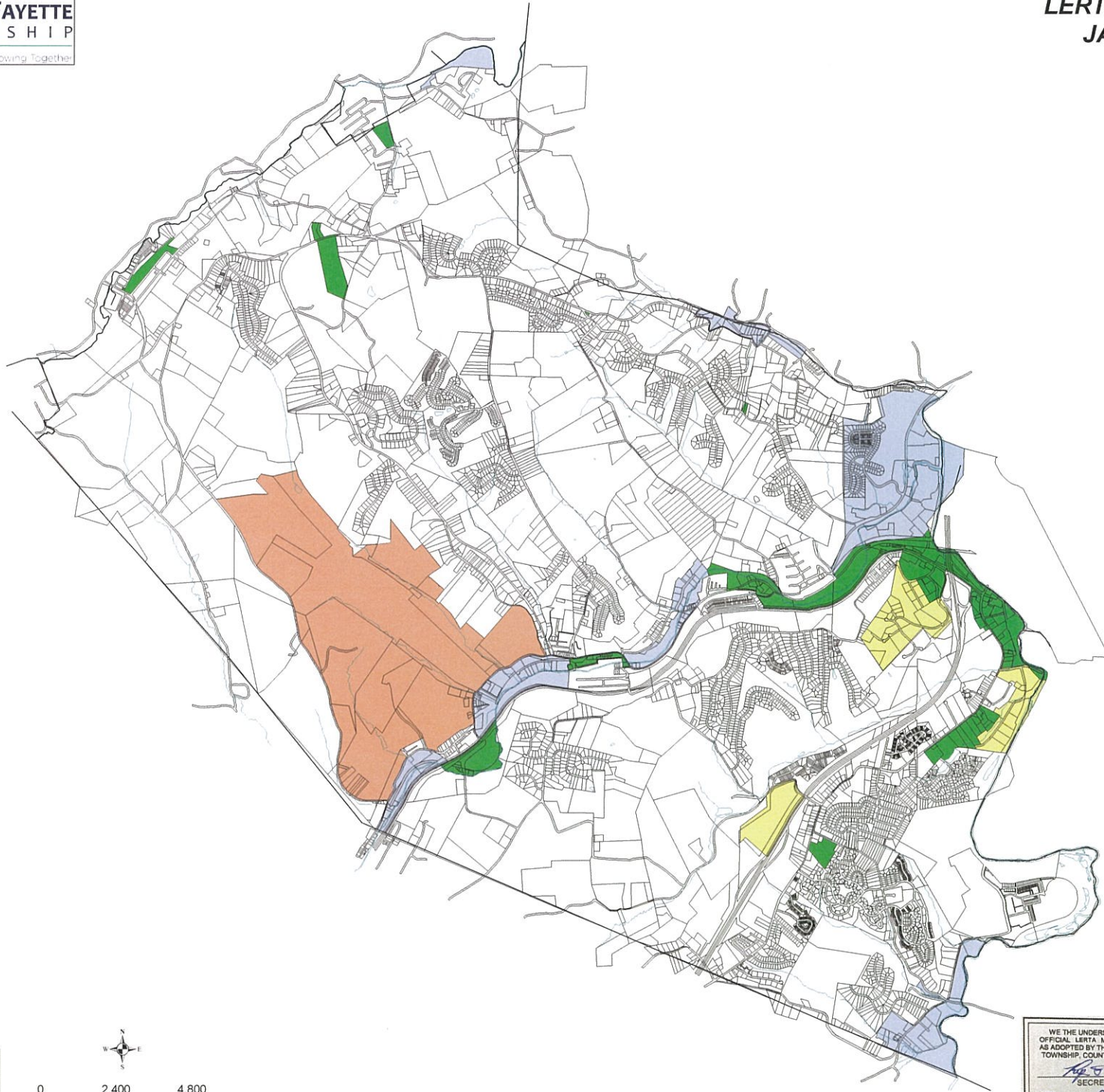


Ryan Eggleston
Township Secretary





TOWNSHIP OF SOUTH FAYETTE:

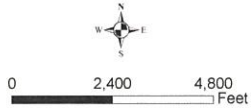


Ray Pitetti, President
Board of Commissioners





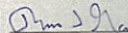
Legend

— TOWNSHIP BOUNDARY	LERTA ZONES
— HYDROLOGY	 LERTA BUSINESS
— PARCEL BOUNDARY	 LERTA COMMERCIAL
	 DETERIORATED FED
	 LERTA INDUSTRIAL



WE THE UNDERSIGNED DO HEREBY CERTIFY THIS MAP TO BE THE
 OFFICIAL LERTA MAP AND THAT IT IS A PART OF THE ZONING ORDINANCE
 AS ADOPTED BY THE BOARD OF COMMISSIONERS OF THE SOUTH FAYETTE
 TOWNSHIP, COUNTY OF ALLEGHENY, JANUARY 11, 2018 AND AS AMENDED.

 SECRETARY  PRESIDENT
 BOARD OF COMMISSIONERS

 SOLICITOR