

**SOUTH FAYETTE TOWNSHIP SCHOOL DISTRICT
RESOLUTION NO. 18 - 02**

RESOLUTION OF THE SOUTH FAYETTE TOWNSHIP SCHOOL DISTRICT, COUNTY OF ALLEGHENY, COMMONWEALTH OF PENNSYLVANIA, REPEALING AND REPLACING RESOLUTION NO. 03-06, RESOLUTION NO. 07-03 AND RESOLUTION NO. 13- 10 AND 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 ON INDUSTRIAL, COMMERCIAL OR BUSINESS PROPERTY IN DETERIORATED AREAS IN THE TOWNSHIP OF SOUTH FAYETTE INCLUDING IN THE PED DISTRICT; PRESCRIBING THE REQUIREMENTS AND THE PROCEDURES FOR SECURING SUCH EXEMPTION; AND AUTHORIZING AN INTERGOVERNMENTAL COOPERATION AGREEMENT TO IMPLEMENT THE TEMPORARY EXEMPTION AUTHORIZED BY THIS RESOLUTION.

WHEREAS, the Local Economic Revitalization Tax Assistance Act, as codified at 72 Pa. C.S. §4722 *et seq.*, 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 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 Board of School Directors of the South Fayette Township also has conducted a public hearing to determine and establish the geographic boundaries of deteriorated areas within the School District, as well as to study the feasibility of enacting a temporary property tax exemption program under LERTA, which included extending the current temporary property tax exemption available under District Resolution No. 07-03 for improvements on industrial, commercial and business properties to deteriorated properties located within the Planned Economic Development ("PED") zoning district; and

WHEREAS, the Board of School Directors of the South Fayette Township School District finds that extending such a program of temporary property tax exemption to Deteriorated Areas within the 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 intent of the Board of School Directors, by this Resolution, to repeal the prior LERTA Resolutions and map and to replace them with this Resolution No. 18 - 02 and the Exhibits hereto and to establish LERTA districts within the Deteriorated Areas that the Township's Board of Commissioners have determined to exist in within the District and as set forth on Exhibit "B" hereto.

NOW THEREFORE, be it RESOLVED by the Board of School Directors of the South Fayette Township School District, and it is hereby enacted pursuant to the authority granted by the Local Economic Revitalization Tax Assistance Act and the Intergovernmental Cooperation Act, 53 Pa.C.S. §§2301, *et seq.*, as follows:

SECTION 1. DEFINITIONS

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 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. For purposes of determining or calculating the amount of any temporary tax abatement potentially available hereunder, assessed valuation shall not include that portion of the total assessment attributable to "land".

(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 the B-1 Business zoning district and business properties which are designated as deteriorated within the 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.

(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 where 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 reflected on 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 School District resulting from increased assessed valuation attributable to the actual cost of construction of 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 Resolution, the word Property Owner as applied to partnerships shall mean and include all members or partners thereof, as applied to corporations shall mean and include all officials or officers thereof. The term "property owner" as used in this Resolution 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) School District - The South Fayette Township School District.

(q) Tax Delinquency - All School District 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.

(r) Tax Year - The twelve (12) month period from July 1 to June 30 annually.

(s) Township - Township of South Fayette.

(t) Treasurer -The Treasurer of the South Fayette Township School District.

SECTION 2. BOUNDARIES - DETERIORATED AREAS

After holding a Public Hearing, the Board of School Directors does hereby concur with the recommendations made by the Township of South Fayette Planning Commission and the determination of the South Fayette Township Board of Commissioners and now confirms and finds that the areas listed and identified in Exhibit "B" hereto in the Township of South Fayette respectively constitute Deteriorated Areas for purposes of this Resolution.

SECTION 3. EXEMPTION

(a) Any Property Owner undertaking a Project which is qualified as a construction or reconstruction project may apply for and receive from the School District an exemption from School District real property taxes due to the increased or additional assessed valuation attributable to the construction or reconstruction, in the amounts and in accordance with the provisions and limitations set forth in this Resolution. The exemption from School District real estate taxes shall be specifically limited to the increased or additional assessed valuation attributable to the actual costs of the construction or reconstruction of improvements on 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. §5432.1 *et seq.* or other applicable law or ordinance.

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

(c) Improvements Intended for Use as Residential Dwellings

No exemption from taxation hereunder shall apply to any new construction or reconstruction of improvements to any property, including property located within the designated "Deteriorated Area," where such new construction or improvements is/are used or are intended to be used as residences or residential dwellings. There shall be no exemption from taxation hereunder for any houses, single family dwellings, townhouses, condominiums, multi-family or multi-unit dwellings, apartment buildings or other structures intended for human habitation. This exclusion shall not apply to new construction or improvements that are to be used as hotels and/or motels.

SECTION 4. EXEMPTION SCHEDULE

The exemption from School District real estate taxes granted to any Property Owner undertaking a project covered by this Resolution shall be in accordance with the following conditions and schedules:

INDUSTRIAL PROPERTIES:

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

(2) The tax exemption in the initial tax year described in subparagraph (1) shall be one hundred percent (100%) of the School District's real estate taxation upon the increase in the assessed valuation attributable to the construction or reconstruction of improvements for the first tax year. In each succeeding tax 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 School District's real estate taxation upon the increase in assessed valuation attributable to the construction or reconstruction of improvements. In the sixth year and all succeeding years, the exemption shall end and the entire property (land and buildings) 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 in which 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 School District by the property owner.

COMMERCIAL PROPERTIES:

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

(2) The tax exemption in the initial tax year described in subparagraph (1) shall be eighty percent (80%) of the School District's real estate taxation upon the increase in assessed valuation attributable to the construction or reconstruction of improvements for the first tax 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 School District's real estate taxation upon the increase in the assessed valuation attributable to the construction or reconstruction of improvements. 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 in which 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 School District by the property owner.

BUSINESS PROPERTIES:

(1) The tax exemption shall be limited to a period of five (5) tax years for Business Properties located in the B-1 Zoning District. The five (5) tax year exemption period will commence the tax 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 School District's real estate taxation upon the assessed valuation attributable to the construction or reconstruction of improvements for the first tax 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 School District's real estate taxation upon the assessed valuation attributable to the construction or reconstruction of the improvements. 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 in which 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 School District by the property owner.

DETERIORATED PED BUSINESS PROPERTIES:

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

(2) The tax exemption in the initial tax year described in subparagraph (1) above shall be one hundred percent (100%) of the School District's real estate taxation upon the increased in assessed valuation attributable to the construction or reconstruction of the improvements for the first tax 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 School District's real estate taxation upon the increase in assessed valuation attributable to the construction or reconstruction of the improvements. In the eleventh year and all succeeding years, the exemption shall end and the entire property (land and buildings) shall be fully taxable.

(3) There is no exemption granted on the assessed valuation attributable to land for Business 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 in which 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 School District by the property owner.

SECTION 5. PROCEDURE FOR OBTAINING EXEMPTION

(a) At the time that a property owner secures a building permit for construction of the improvements, 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 proscribed by the School District. The property owner shall file the form with the School District's Board of Finance 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 School District 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 School District's Director of Finance and the Board no later than ninety (90) days after the date on which the building permit was issued. Failure to submit such exemption request within this time period may permit the School District to deny any exemption claimed pursuant to this Resolution for the initial tax year after completion of the construction of the improvements, thereby limiting the length of the schedule of taxes exempted to less than the full five (5) or ten (10) tax year period established under this Resolution.

(d) When the construction or reconstruction of the improvements has been completed, the Property Owner shall notify the School District's Director of Finance and the Board in writing. Such notice must occur within thirty (30) days of the completion of construction. Failure to submit notice of completion within thirty (30) days may permit the School District, to deny such request for exemption for the initial tax year after completion of construction or reconstruction of the improvements, thereby limiting the length of the schedule of taxes exempted to less than the full five (5) or ten (10) tax 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 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 reconstruction of improvements eligible for tax exemption under this Resolution.

(f) The Board shall provide to the School District 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 reconstruction of improvements.
- (3) The amount of increase in the assessed valuation 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 School District 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 Resolution 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 Resolution, all properties presently 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 Resolution are included in one of the defined LERTA Districts. In addition, Business Properties in the deteriorated PED Zoning District as reflected on the LERTA District Map dated January 2018 and attached hereto as Exhibit “B” are

also included in the defined LERTA Districts. Any change(s) or revision(s) to the Deteriorated Areas designated and established hereunder and as reflected on Exhibit B hereto shall require action by a majority of the District's Board of School Directors to amend this Resolution.

SECTION 8. SEVERABILITY

The provisions of this Resolution shall be severable except for the provisions concerning exemptions set forth in Section 3 and 4 hereof. If any other provision(s) of this Resolution 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 this Resolution shall remain in full force and effect despite said modification.

SECTION 9. REPEALER

District Resolutions No.03- 06, No. 07-03 and No. 13-10, are hereby rescinded and replaced by this Resolution No. 18 - 02, except that any application for LERTA tax exemption presently pending, or any exemption schedule previously granted and approved, but not yet expired, shall continue to be administered under the previous Resolution No. 07-03 until such time as the exemption schedule established under said Resolution No. 07-03 has been completed and has expired. Any other Resolution, or any part of any other Resolution, that is in conflict with the provisions hereof are rescinded insofar as the conflict exists.

SECTION 10. INTERGOVERNMENTAL COOPERATION AGREEMENT

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

SECTION 11. RULES AND REGULATIONS

The School District's Director of Finance is authorized to draft rules and regulations, if necessary, to implement this Ordinance.


SECTION 12. TERM

This Resolution shall enter into effect immediately following its adoption. The provisions of this Resolution shall apply to all applications filed from and after the effective date hereof.


RESOLVED this 27th day of March, 2018.

ATTEST:

SOUTH FAYETTE TOWNSHIP SCHOOL
DISTRICT:



Cynthia Geisler
Board Secretary



Alan Vezzi, President
Board of School Directors

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