

ORDINANCE

AN ORDINANCE 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 THE CITY OF COATESVILLE, COMMONWEALTH OF PENNSYLVANIA, UPON CERTAIN TERMS AND CONDITIONS.

WHEREAS, the City of Coatesville (hereinafter the “City”) is a Third Class City operating by means of a Home Rule Charter situate in Chester County, Pennsylvania; and

WHEREAS, the City Charter (Section 2301-C of the Charter) requires that the City Council take action by means of enactment of an Ordinance in circumstances where the City is intending to establish, levy and collect taxes and decrease or increase the rates of existing taxes; 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, 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 (2) tracts of land not owned by the RDA consisting of: (1) The Baker Property; and, (2) The Exiting Train Station owned by Amtrak more specifically identified in the attached Exhibit “A” which is incorporated herein by reference as though set forth at length (identifying same by tax parcel map reference and other identifying factors), these aforementioned tracts (hereinafter the “Proposed KOZ”) 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, approval of benefits provided in the Act will result in improving the economic, physical, and social conditions within the Proposed KOZ by stimulating existing businesses 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 tracts 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 consistent with a Resolution passed by the City Council on September, 26, 2016 which terms are confirmed by this Ordinance, effective as of the date of passage, contingent only upon DCED's approval of the application for the Proposed KOZ, the following provisions shall apply:


1. Real Property Tax on the Proposed KOZ as identified in Exhibit "A" attached hereto shall be 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 Proposed 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 Ordinance by reference.
- 4. If any portion of the Ordinance shall be determined to be unconstitutional, illegal or unenforceable, then the portion and only that portion of this Ordinance, which is deemed to be unconstitutional, illegal or unenforceable shall be severed from the remainder of this Ordinance and all other terms thereof shall remain in full force and effect.
- 5. This Ordinance shall be effective upon execution in accordance with the procedures of the City Charter, conditioned upon the approval of the application by DCED.

ENACTED AND ORDAINED this 10th day of October, 2016.


Linda Lavender Norris, President
City Council

ATTEST:


Michael T. Trio, City Manager

CERTIFICATION

I HEREBY CERTIFY that the foregoing Ordinance was introduced on the 26th day of September, 2016, and was duly enacted by the Council of the City of Coatesville, Chester County, Pennsylvania on the 10th day of October, 2016, 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

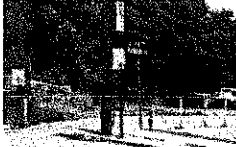
City of Coatesville
Proposed Properties for Keystone Opportunity Zone Designation

Proposed Properties owned by the Coatesville Re-Development Authority



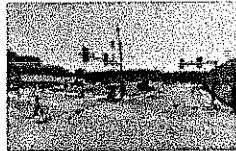
The Flats; four parcels totalling 14 acres along the Brandywine Creek the Northwest corner of First Avenue and Lincoln Highway located at

UPI	Parcel ID
16-5-18.1	1605 0018010E
16-5-16	1605 0016000E
16-5-17	1605 0017000E
16-5-18	1605 0018000E



Fleetwood Street; 32 parcels totalling approximately 4.5 acres assembled for development around new train station

UPI	Parcel ID	UPI	Parcel ID
16-5-84	1605 0084000E	16-5-101	1605 0101000E
16-5-85	1605 0085000E	16-5-102	1605 0102000E
16-5-89	1605 0089000E	16-5-103	1605 0103000E
16-5-90	1605 0090000E	16-5-104	1605 0104000E
16-5-90.1	1605 0090010E	16-5-105	1605 0105000E
16-5-91	1605 0091000E	16-5-106	1605 0106000E
16-5-92	1605 0092000E	16-5-107	1605 0107000E
16-5-93	1605 0093000E	16-5-108	1605 0108000E
16-5-94	1605 0094000E	16-5-109	1605 0109000E
16-5-95	1605 0095000E	16-5-110	1605 0110000E
16-5-96	1605 0096000E	16-5-111	1605 0111000E
16-5-97	1605 0097000E	16-5-112	1605 0112000E
16-5-97.1	1605 0097010E	16-5-113	1605 0113000E
16-5-98	1605 0098000E	16-5-114	1605 0114000E
16-5-99	1605 0099000E	16-5-115	1605 0115000E
16-5-100	1605 0100000E	16-5-116	1605 0116000E



Southeast Corner of 3rd Avenue and Lincoln Highway; .76 acres

UPI	Parcel ID
16-5-258	1605 02580000



160 West Lincoln Highway; 2.1 acres formerly G.O. Carlson site

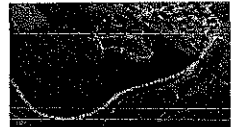
UPI	Parcel ID
16-5-348	1605 0348000E



204-206 East Lincoln Highway; 3 sub parcels formerly Record Building

UPI	Parcel ID
16-5-245	1605 0245000E
16-5-246.1	1605 0246010E
16-5-244	1605 0244000E

Proposed Properties not owned by the Coatesville Redevelopment Authority



Baker Property; 88.3 privately owned acres north of train station.

UPI	Parcel ID
16-1-14	1601 00140000



Existing Train Station; owned by Amtrak, leased to City, includes former station building and some adjoining land

UPI	Parcel ID
16-5-27	1605 0027000E