

**RESOLUTION R-2021-88
LUZERNE COUNTY COUNCIL**

A Resolution by Luzerne County Council Establishing Tax Exemptions from Property Tax for Certain Deteriorated Industrial, Commercial, or Other Business Property; Defining Eligible Deteriorated Areas, Setting a Maximum Exemption Amount, and an Exemption Schedule; and Providing a Procedure for Obtaining an Exemption

WHEREAS, the General Assembly of Pennsylvania passed Act No. 76 of 1977 (72 P.S. §4722 et seq.) known as the Local Economic Revitalization Tax Assistance Act (LERTA) which authorizes local taxing authorities to provide for tax exemption for certain deteriorated industrial, commercial, and other business properties; and

WHEREAS, there are deteriorated industrial and commercial properties within the confines of the City of Hazleton; and Hazleton Area School District; and Luzerne County; and

WHEREAS, the Luzerne County Council in accordance with said Act upon the provision of information and consideration of same as determined the boundaries of said deteriorated areas and to establish the LERTA provisions; and

WHEREAS, on April 28, 2020, Council for the City of Hazleton enacted Ordinance 2020-10 designating certain areas within Hazleton City as deteriorated areas. The Hazleton City Ordinance specifying the location of the property is attached hereto and incorporated herein by reference; and

WHEREAS, on January 28, 2021, the Hazleton Area School District Board of Directors enacted a Resolution designating certain areas within Hazleton City as deteriorated areas and cast an affirmative vote passing a Resolution providing for LERTA tax exemptions which Ordinance is attached hereto and incorporated herein by reference; and

WHEREAS, the Luzerne County Council also believes that providing tax exemptions under LERTA will encourage new industrial, commercial and business development in the deteriorated areas defined by Hazleton City Council in City Ordinance 2020-10, and in turn lead to additional tax revenue for the City of Hazleton, the Hazleton Area School District and Luzerne County.

WHEREAS, the parties hereby affirm mutual reliance on the terms, provisions and obligations contained herein.

NOW, BE IT RESOLVED, BY LUZERNE COUNTY COUNCIL, as follows:

SECTION ONE. Incorporation of Preamble.

The provisions set forth above in the preamble to this Resolution are incorporated herein by reference in their entirety.

SECTION TWO. Definitions.

The below terms will be defined as follows for the purposes of this Resolution.

- 2.1 "*Deteriorated Property*" means any industrial, commercial or other business property located in an eligible deteriorating area as defined hereinafter, or any such property which has been the subject of an order of a governmental agency requiring the property to be vacated, condemned or demolished by reason of non-compliance with laws, ordinances or regulations.
- 2.2 "*Improvement*" means repair, new construction or reconstruction, building alterations or additions, having the effect of rehabilitating deteriorated property so that it becomes habitable or attains higher standards of safety, heal economic use or amenity or is brought into compliance with laws, ordinances or regulations governing such standards. Ordinary upkeep or maintenance shall not be deemed an Improvement.
- 2.3 "*Deteriorated Area*" means an area, the boundaries of which are determined by a local taxing authority in which Improvements to deteriorated properties are eligible for exemption as designated by Hazleton City Council in City Ordinance 2020-10.
- 2.4 "*Local Taxing Authority*" means City of Hazleton, Hazleton Area School District and County of Luzerne or any other governmental entity having the authority to levee real property taxes within the City of Hazleton.
- 2.5 "*Local Governing Body*" means City of Hazleton.
- 2.6 "*Exemption Area*" means that area determined by the City of Hazleton to be designated as being a deteriorated area in Ordinance 2020-10 as enacted on April 28, 2020.
- 2.7 "*Subject Property*" of this Resolution is the Hazleton Logistics Park a property located in the City of Hazleton, being zoned "I-2" by the City of Hazleton as of the date hereof and having two phases of planned development and construction located near South Church Street and PA Route 424 and as shown in SECTION ELEVEN.
- 2.8 "*Requestor*" of this Resolution is NEPA 309 BUILDING, LLC. A wholly-owned affiliate of Hillwood Enterprises, L.P. The terms of this Resolution shall be conferred upon and all obligations, rights and privileges in the future shall reside with the owner of the Subject Property.

SECTION THREE. Exemptions.

- 3.1 The amount to be exempted from real estate taxes is limited to that portion of the additional assessment attributable to the actual cost of new construction in the Deteriorated Area or improvements to the Deteriorated Property. The Applicant, as defined in Section 4.1 below, is responsible for paying all applicable Luzerne County taxes not associated with the new Improvements.
- 3.2 The exemption from real estate taxes is limited to Improvements for which an exemption has been requested in the manner set forth in this Resolution. All other applicable Luzerne County taxes are not exempt and must be paid.
- 3.3 The exemption commences on the date that the Improvement is assessed by the Luzerne County Assessor's Office. At that time, the said Improvements will be exempt, as set forth herein, according to the following schedule:
- a) For the first year immediately following the date upon which the improvement becomes assessable through the 5th year, ninety percent (90%) of the assessed value of the eligible improvement shall be exempt.
 - b) For the sixth year immediately following the date upon which the improvement becomes assessable, eighty percent (80%) of the assessed value of the eligible improvements shall be exempt.
 - c) For the seventh year immediately following the date upon which the improvement becomes assessable, sixty percent (60%) of the assessed value of the eligible improvement shall be exempt.
 - d) For the eighth year immediately following the date upon which the improvement becomes assessable, forty percent (40%) of the assessed value of the eligible improvement shall be exempt.
 - e) For the ninth year immediately following the date upon which the improvement becomes assessable, twenty percent (20%) of the assessed value of the eligible improvement shall be exempt.
 - f) After the tenth year, the exemption shall terminate.
 - g) Taxes on the real estate only shall not be abated prior to or during any ten year exemption.
 - h) Each phase of the development shall have a specific Exemption Commencement and subsequent schedule.
- 3.4 The exemption from taxes granted under this Resolution does not terminate upon the sale or exchange of the property.

SECTION FOUR. Procedures for Obtaining Exemption.

4.1 Any person desiring tax exemption under this Resolution ("Applicant") shall submit an application with the Luzerne County Tax Assessor's Office with copies to the Hazleton Area School District (Attn: Finance Department) and the City of Hazleton. The Applicant shall submit the application within forty-five (45) days of receiving the building permit for the Improvement. If the Improvement does not require a building permit, the Applicant shall submit the application within forty-five (45) days of commencing the construction. The application must be in writing and must provide the following information:

- 4.1.1 the name of the owner or owners of the Deteriorated Area;
- 4.1.2 the date the building permit was issued for the proposed Improvement (if applicable); and
- 4.1.3 the date when the Applicant commenced the construction for the proposed Improvement ("if applicable"); and
- 4.1.4 the location of the Subject Property including tax parcel identification numbers; and
- 4.1.5 a brief description of the proposed Improvement; and
- 4.1.6 estimated costs of the proposed Improvement; and
- 4.1.7 any other information that Luzerne County may require.

4.2 Upon completion of the Improvement, the Applicant shall notify the Luzerne County Tax Assessor's Office by writing that the Improvement is complete. The Luzerne County Tax Assessor's Office shall then separately assess the new construction and calculate the amount of the assessment eligible for tax exemption in accordance with the limits established by this Resolution. The Luzerne County Tax Assessor's Office shall then notify the Applicant, Hazleton City, Luzerne County, and the Hazleton Area School District of the reassessment and the amount of the assessment eligible for the exemption; and will invoice the Applicant on a yearly basis the annual payments called for in paragraph 3.4(a).

SECTION FIVE. Termination Date.

5.1 This Resolution shall terminate on December 31, 2040. Nothing contained herein shall prohibit Luzerne County Council from enacting a similar Resolution or extending this one. Any property tax exemptions granted under the provisions of this Resolution shall be permitted to continue according to the exemption schedule even if this Resolution expires or is repealed.

SECTION SIX. Amendments.

6.1 No amendments to this Resolution are effective unless mutually agreed upon by the Luzerne County Council and NEPA 309 BUILDING, LLC and their successors and/or assigns.

SECTION SEVEN. Mutual Reliance

7.1 It is acknowledged that during the term of this resolution Luzerne County and Requestor agree to mutually rely upon the terms and conditions set forth in this resolution.

SECTION EIGHT. Severability.

8.1 The provisions of this Resolution are severable and if any of its sections, clauses, sentences, shall be held illegal, invalid or unconstitutional, such provisions shall not affect or impair any of the remaining sections, clauses or sentences.

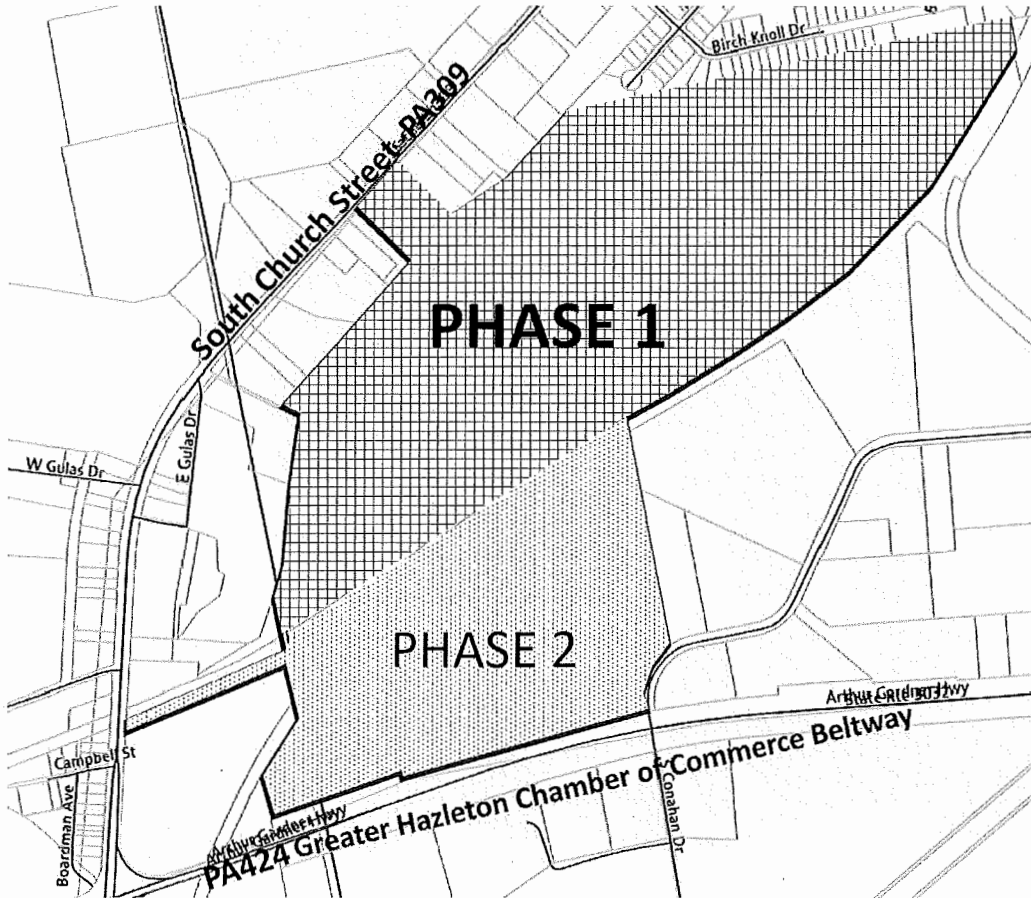
SECTION NINE. Effective Date.

9.1 This Resolution shall become fifteen (15) days from the date of enactment.

SECTION TEN. Further Authorization.

10.1 The administration and officials for Luzerne County are directed and authorized to take any action needed to carry out the intent of this Resolution.

SECTION ELEVEN. Site Plan of Hazleton Logistics Park.



ADOPTED at a meeting of Luzerne County Council held on the 22nd day of June, 2021.

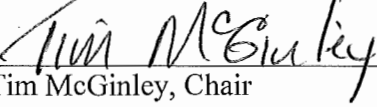
ROLL CALL VOTE (7-4)

YES: Griffith, Haas, Houck, McDermott, McGinley, Radle and SJ Urban

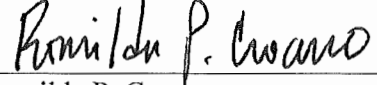
NO: Perry, Saidman, Schnee and Vough

Attest: 
Sharon Lawrence, Clerk of Council

LUZERNE COUNTY COUNCIL

By: 
Tim McGinley, Chair

LUZERNE COUNTY MANAGER

By: 
Romilda P. Crocarno
Acting County Manager