

Meeting Agenda
State College Borough Redevelopment Authority
May 22, 2019
Room 241 / Noon

- I. Call to Order**
- II. Roll Call**
- III. Approval of Minutes**
- IV. Chair Report**
- V. Public Hour - Hearing of Citizens**
- VI. Financial Matters**
 - A. April 2019 Expense Voucher Approvals
- VII. Economic Development**
 - A. Local Economic Revitalization Tax Assistance (LERTA) Ordinance
 - B. Update on State College Town Centre Project
 - C. Keystone Communities Program
- VIII. Official Reports and Correspondence**
- IX. Upcoming Meetings**
- X. Adjournment**

Documents:

[Complete Redevelopment Authority Agenda - May 22, 2019.pdf](#)

**Meeting Agenda
State College Borough
Redevelopment Authority
May 22, 2019
Room 241 / Noon**

- I. Call to Order**
- II. Roll Call**
- III. Approval of Minutes – November 14, 2018 & April 23, 2019**
- IV. Chair Report**
- V. Public Hour - Hearing of Citizens**
- VI. Financial Matters**

- A. April 2019 Expense Voucher Approvals

Redevelopment Authority Action (RDA): The RDA should review and approve the April 2019 expenditures.

- VII. Economic Development**

- A. Local Economic Revitalization Tax Assistance (LERTA) Ordinance

Staff has provided the adopted LERTA Ordinance on **pages 13-19** of the agenda. Borough Council passed Ordinance 2127 during their May 13th meeting. Staff will review the adopted ordinance and answer any questions the RDA has.

- B. Update on State College Town Centre Project

The Agreement will be in front of Borough Council during the June 3rd meeting, with action on the June 17th meeting. Staff will review the agreement and answer any questions the RDA has.

- C. Keystone Communities Program

The Keystone Communities (KC) program is designed to encourage the creation of partnerships between the public and private sectors that jointly support local initiatives such as the growth and stability of neighborhoods and communities; social and economic diversity; and a strong and secure quality of life. The program allows communities to tailor the assistance to meet the needs of its specific revitalization effort.

This is a flexible tool for use in community and economic development for a variety of uses including planning activities, façade grant programs, accessible housing programs, and development grants.

Staff will discuss application requirements for this program and next steps.

VIII. Official Reports and Correspondence

A. Borough Council

B. Planning Commission

C. Staff Reports

IX. Upcoming Meetings

June 26, 2019 at Noon

X. Adjournment

The Redevelopment Authority will adjourn to an Executive Session to discuss Real Estate matters.

**Meeting Minutes
State College Borough Redevelopment Authority
November 14, 2018**

The State College Borough Redevelopment Authority (RDA) met on Wednesday, November 14, 2018 in the Municipal Building, 243 South Allen Street. Chairman Lenker called the meeting to order at 12:01 p.m.

Members Present

Sally Lenker, Chairman; Mark Huncik; Rebecca Misangyi; and James Shincovich

Members Absent

Colleen Ritter, Vice-Chairman

Others Present

Ed LeClear, Planning Director; Jenna Wargo, Planner; Andrew Garban and Scott Shamrock, local business owners; Terry Williams, Borough Solicitor; Denise L. Rhoads, Administrative Assistant; and other interested parties

Approval of Minutes

There were no minutes to approve.

Chair Report

Chairman Lenker had nothing to report.

Public Hour

Mr. Garban introduced himself and his cousin Mr. Shamrock stating they were local businessmen. He noted he attended this meeting to give his comments about trying to purchase back 245 East Hamilton Avenue. He stated he offered more than the asking price and the Borough did not accept it. And, even though the Borough lowered the price, they did not accept his offer. Mr. Garban stated he did not appreciate statements made about him and his father that were made by, from his outlook, this Authority. He noted Mr. Williams made a statement previously, that no one had to care. Mr. Garban asked for any comments and questions. The Authority did not have any.

Mr. LeClear stated these types of matters are not discussed in the public hearing, but in an executive session and he would give Mr. Garban feedback after this meeting.

Mr. Garban stated the process for the Neighborhood Sustainability Program (NSP) was “fascinating” to him. He stated he thought the program was for the Borough to purchase “problem” properties.

He asked why the Borough was spending so much of the public's money. He thought it was a waste. Mr. LeClear stated it had always been the understanding, at the beginning of this program, that it was a possibility the Borough would take a loss.

Mr. LeClear noted the Borough had significant feedback from the community when the first purchase and sale happened with one of Mr. Garban's properties, and the community stated the process was unseemly.

Mr. Williams stated the RDA had to respond to what the community wanted done. The RDA had the authority to decide who to sell a property to. He noted "it is what it is".

Mr. Garban stated all his partners felt the same way he did.

Mr. Garban also asked if a "woman of color" offered a bid would that be considered discriminatory against him. Mr. Williams stated it would not be.

Financial Matters

October 2018 Expense Voucher Approvals

Mr. LeClear gave a brief overview of the October 2018 expense voucher which included the categories: 1) office, miscellaneous supplies; 2) program supplies/activities 3) repairs & maintenance-buildings; 4) natural gas; 5); electricity; 6) permits and fees; 7) advertising; and 8) CAP purchases-buildings

Mr. LeClear noted the only significant highlight was our tree crew took a tree down at 308 West Prospect Avenue.

RDA's comments included:

- Mr. Huncik asked if the tree was on the neighboring property. Mr. LeClear stated it was not.
- Mr. Huncik asked because there was earnest money for 600 North Allen Street was there an offer. Mr. LeClear stated there was.
- Mr. Shincovich asked what the West Penn Power (WPP) credit for Logan Avenue was for. Mr. LeClear stated WPP overcharged in a previous billing.

A motion was made by Mr. Shincovich and seconded by Ms. Misangyi to approve the October 2018 expense voucher. The vote was unanimously in favor.

2019 Redevelopment Authority Budget

Mr. LeClear's presentation included:

- Mr. LeClear stated staff was not asking for a vote on the 2019 budget today because he wanted the Authority to be able to review it.

Next discussed: Revenue Sources:

- .25% real estate transfer tax, Kemmerer Road loan payment
- Dwight Miller, Borough Finance Manager, was projecting \$483,333 in Transfer Tax revenue in 2019 and the 2018 YTD was \$319,585

- Mr. LeClear stated the rent amounts for this year were not listed.

Next discussed:

- Total cost to NSP properties sold - \$529,754
- Total cost to program inventory (if sold) - \$347,072
- Overall total cost - \$903,826
- Administration costs plus interest not paid by LOC to date - \$211,919
- Anticipated additional administration cost plus interest for 2018 - \$80,000
- Total administration cost plus interest - \$291,919

Total NSP program cost - \$1,195,745

Mr. LeClear stated anything the Borough could not pay back was backed by the surety fee, but a shortfall would have to be paid back by Borough Council.

Next discussed: Balance Sheet

- Cash on hand as of October 2018 - \$570,773 (rent and previous balances)
- Assets - \$1,395,467
- Line of Credit (LOC) liability - \$2,120,347
- Projected LOC deficit if NSP liquidated - \$409,193
- Community Development liability (1/2-year staff costs/LOC interest – \$80,000
- Economic Development liability (1/2-year staff costs/appraisal - \$35,000
- Projected 2019 fund balance:
 - Cash on hand plus anticipated fourth quarter revenue - \$734,521
 - Projected 2018 liabilities to be paid – (\$115,000)
 - Resulting end of year cash balance - \$619,521

2019 Community Development NSP Program Costs

- Four acquisitions projected at \$300,000
- Four sales projected at \$240,000 = \$960,000

Projected program costs

- Price write down multiplied by four - \$224,000
- Sales commissions and carrying costs - \$90,000
- Rehabilitation and carrying cost estimates - \$100,000
- Staff administration costs - \$104,575
- Debt service interest - \$52,006
- Indirect cost – \$8,367
- Projected student home license purchase program – \$450,000

Total costs not paid by the LOC - \$164,948

Economic Development

Revenue

- Budgeted transfer tax revenue - \$147,400
- Projected 2018 fund balance - \$619, 521

Costs

- Kemmerer Road Loan Payment - \$36,000 (covered by payments from Housing Transitions, Inc.
- Personnel/Operating/Program/Advertising - \$9,750

Professional services - \$143,057

- Fairmount due diligence costs – \$100,000
- Administration staff costs - \$28,057
- State College Town Centre legal costs - \$15,000

Total economic development costs (minus Kemmerer) - \$152,807

In conclusion:

- 2019 budgeted transfer tax revenue – \$147,400 (conservative number)
- Projected 2018 fund balance - \$619,521

Total cash anticipated for 2019 - \$766,921

- Overall 2019 budget costs (not paid for by NSP LOC) – (\$317,755)
- Carried forward LOC liability from 2018 – (\$979,966)
- Projected 2019 LOC liability – (\$880,000)

Total anticipated liability for 2019 – **(\$2,177,721)**

Remaining LOC balance assuming total RDA and NSP liquidation – **(\$1,410,800)**

Mr. LeClear asked if it was reasonable to purchase four more houses. He noted REAC voted to put this program on hold and concentrate on purchasing the student home licenses.

Authority's comments included:

- Mr. Huncik asked what would happen if the Borough did not buy anymore houses. Mr. LeClear stated the projected 2019 LOC liability would become approximately \$440,000. Mr. LeClear stated another scenario to think about would be to stop the program completely.
- Ms. Misangyi asked if there were other communities involved with this type of program. Mr. LeClear stated there were not.
- Ms. Misangyi asked if staff knew what the community was thinking regarding numbers when this program started. Mr. LeClear stated he was not with the Borough at that time. Mr. Shincovich stated it was very clear that it would cost money to be able to raise the quality of life, especially in the beginning. Mr. LeClear stated, in the beginning, there were no metrics for what the value would be on the properties purchased.
- Mr. Huncik stated a positive side of the project was the object to bring employees and their families into the Borough.
- Ms. Lenker stated the numbers would be very different if the Borough decided to stop the program.

Mr. LeClear asked the Authority to think about everything that was presented, and then discuss it at their next meeting.

Upcoming Meeting

December 19, 2018 at Noon

Adjournment

With no further business to discuss, a motion to adjourn the meeting at 12:56 p.m. was made by Chairman Lenker. At this time, the Authority adjourned to an Executive Session.

Respectfully submitted

Denise L. Rhoads,
Administrative Assistant

**Meeting Minutes
State College Borough
Redevelopment Authority
April 23, 2019**

The State College Borough Redevelopment Authority (RDA) met on Wednesday, April 23, 2019, in the Municipal Building, 243 South Allen Street. Sally Lenker, Chair, called the meeting to order at Noon.

Members Present

Sally Lenker, Chair; Rebecca Misangyi; Colleen Ritter, Vice-Chair; and James Shincovich

Others Present

Ed LeClear, Planner Director; Jenna Wargo, Planner; Sandra Lieb, Administrative Assistant; and other interested parties.

Approval of Minutes

A motion to approve the March 27, 2019 minutes as submitted was made by Mr. Shincovich and seconded by Ms. Misangyi. The vote was unanimously in favor.

Chair Report

Ms. Lenker, Chair, had nothing to report.

Public Hour - Hearing of Citizens

No one was in the audience who wished to discuss items not on the agenda.

Financial Matters

March 2019 Expense Voucher Approvals

Ms. Ritter moved to approve the March 2019 Expense Vouchers. Mr. Shincovich seconded the motion. The vote was unanimously in favor.

Community Development

Update on NSP Student License Purchase Program

Mr. LeClear reported the Borough Solicitor had not had a chance to work on this program. He added either in the summer or fall there would be a conversation with Borough Council.

Ms. Lenker asked if the purchasing of homes was off the table. Mr. LeClear stated yes. He noted staff was hoping to get all the inventory sold.

Economic Development

Local Economic Revitalization Tax Assistance (LERTA) Proposal

Mr. LeClear explained LERTA was a tax assistance program. Mr. LeClear stated there would not be a reduction in taxes paid. He added they would continue to pay the amount with a gradual increase for improvements on the building. He reported this tool had been used around the commonwealth for decades. This was used for redevelopment projects when buildings could not be torn down. He said this was only for commercial properties.

Mr. LeClear said this proposal would be very descriptive, so it was clear it was for rehabilitation of a historic structure located in the 1982 Historic Resources of the Centre Region, within a certain geographic boundary.

Mr. Shincovich asked what would happen if they wanted to go back to residential. Mr. LeClear said they would lose the abatement.

Mr. LeClear stated the two buildings that were being demolished would not qualify for this program. He said several churches were also included in the LERTA district, but he did think it was likely the owners would use the program. He added that LERTA would help to incentivize rehabilitation of the existing building if the owners did convert to a commercial use.

Mr. LeClear said at the time of application, the tax assessment would be locked, and they would pay the abated property tax for a period of 10 years. He added there would only be a window for five years from the effective date of the ordinance.

Mr. Shincovich stated he saw the benefits of LERTA and asked what the downside was. Mr. LeClear noted if someone would do this without LERTA there would be less improvements made. Mr. Shincovich asked if staff would see the value of it, and Mr. LeClear said the tax assessment would show what the value of the building would be.

Ms. Venegoni, 323 East Fairmount Avenue, said housing costs would be stable, and property taxes over a 10-year period would fall to homeowners and their rentals. She stated she felt this was really rushed through and asked if all of the 25 properties would do this what would happen. She added 10 years was a long time, and the Borough had changed a lot in the last 10 years. Ms. Venegoni said she thought residential was included. Mr. LeClear explained it was stated in multiple places it was only for commercial properties.

Mr. LeClear noted they worked hard on this to keep the Glennland building from being torn down. He added if this process did not work, it would be demolished.

Mr. LeClear said he hoped this would help Fairmount but was concerned about some of the churches.

Ms. Misangyi asked if it would make sense to consider a different number of buildings per year. Mr. LeClear said it could be no more than three properties per year.

He added there was already a physical cap because if the footprint of the building was not large enough you would not get very much.

Ms. Venegoni asked if someone would rehabilitate the building would inclusionary housing be included. Mr. LeClear stated he was not sure if it would be included. Mr. LeClear stated there would be a public meeting on Monday, April 29, 2019 regarding LERTA.

Update on State College Town Centre Project

Mr. LeClear stated the Ron Lucas, Esquire, was the attorney for the Highlands, and Terry Williams, Esquire, was the attorney for the Borough. He stated they hoped to have everything in front of Council sometime in June.

Official Reports and Correspondence

Borough Council

Mr. LeClear reported Borough Council would be deciding on LERTA and the south track lighting.

Planning Commission

Mr. LeClear stated PC was in the process of negotiating terms with the new hires.

Upcoming Meeting

The next scheduled meeting would be Wednesday, May 22, 2019 at Noon.

Adjournment

With no further business to discuss, the meeting was adjourned at 12:58 p.m. by Ms. Lenker, Chair. At that time, the Authority reconvened to an Executive Session to discuss real estate matters.

Respectfully submitted,

Sandra M. Lieb
Administrative Assistant

SCB RDA Voucher Report

Check Date Range: 4/1/2019 to 4/30/2019

Page 1 of 2



VENDOR NAME	ACCOUNT DESCRIPTION	DESCRIPTION	ACCOUNT	CHECK NO	AMOUNT
STATE COLLEGE BORO WATER AUTH	WATER AND SEWER	26 MGL - 600 N ALLEN ST - 11/23/18 - 2/27/19	B114-14-42-00-0000-000-73366 - NSP11	39989	394.32
Check Number 39989 Total:					394.32
WEST PENN POWER COMPANY	ELECTRICITY	1159 KWH - 600 N ALLEN - 2/14-3/14	B114-14-42-00-0000-000-73360 - NSP11	40002	134.21
Check Number 40002 Total:					134.21
LOWE'S COMPANIES INC	REPAIRS & MAINT - BUILDINGS	OVERCHARGED	B114-14-42-00-0000-000-70372 - NSP09	40041	(97.42)
LOWE'S COMPANIES INC	REPAIRS & MAINT - BUILDINGS	OVERCHARGED	B114-14-42-00-0000-000-70372 - NSP11	40041	(20.00)
Check Number 40041 Total:					(117.42)
NITTANY OIL COMPANY	HEATING FUEL	HEATING OIL	B114-14-42-00-0000-000-64230 - NSP11	40048	281.59
Check Number 40048 Total:					281.59
WEST PENN POWER COMPANY	ELECTRICITY	1308 KWH - 308 W PROSPECT - 2/25-3/25	B114-14-42-00-0000-000-73360 - NSP09	40083	149.14
Check Number 40083 Total:					149.14
CENTRE REGION CODE ADMIN	PROGRAM SUPPLIES/ACTIVITIES	RENTAL HSNG PERMIT - 310 WEST PROSPECT	B114-14-42-00-0000-000-66238 - NSP09	40208	59.00
Check Number 40208 Total:					59.00
CENTRE REGION CODE ADMIN	PROGRAM SUPPLIES/ACTIVITIES	RENTAL HSNG PERMIT - 308 WEST PROSPECT	B114-14-42-00-0000-000-66238 - NSP09	40209	59.00
Check Number 40209 Total:					59.00
DWELLING DIAGNOSTICS, INC	OTHER CONTRACTED SERVICES	HOME INSPECTIONS	B114-14-42-00-0000-000-67326 -	40219	1,120.00
Check Number 40219 Total:					1,120.00

SCB RDA Voucher Report

Check Date Range: 4/1/2019 to 4/30/2019

Page 2 of 2



VENDOR NAME	ACCOUNT DESCRIPTION	DESCRIPTION	ACCOUNT	CHECK NO	AMOUNT
NITTANY OIL COMPANY	HEATING FUEL	HEATING OIL	B114-14-42-00-0000-000-64230 - NSP11	40248	423.98
Check Number 40248 Total:					423.98
					2,503.82
Fund B114 Total:					2,503.82
Grand Total					2,503.82

ORDINANCE 2127

AN ORDINANCE OF THE BOROUGH OF STATE COLLEGE CENTRE COUNTY, PENNSYLVANIA, ESTABLISHING A LOCAL ECONOMIC REVITALIZATION TAX ASSISTANCE DISTRICT BY AMENDING CHAPTER XVII TAXATION AND ASSESSMENT TO ADD A PART L.

WHEREAS, the Borough of State College is a local taxing authority, authorized by the Local Economic Revitalization Tax Assistance Act of December 1, 1977, P.L. 237, No. 76, 72 P.S. §4722 et seq. (LERTA), to provide tax exemption for new construction in deteriorated areas of economically depressed communities and for improvements to certain deteriorated business properties to enable continued use and reuse of those properties for commercial and other business purposes. In the case of this ordinance, “other business purposes” may not include residential use, including rental. The Borough of State College following public hearing established the boundaries of deteriorated areas within the Borough; and

WHEREAS, many of the existing buildings within the boundary of the deteriorated area are more than 50 years old and are in downtown. Based on today’s zoning ordinance, many lots lack acceptable off-street parking which adds to the expense to property owners and their employees working within the district. Many of the buildings predate current building codes and handicapped access requirements and when renovations are needed the additional expense can hinder the success of the project to bring the building up to current code requirements. The Borough believes adaptive reuse of these buildings is a large undertaking and LERTA will provide an opportunity to encourage improvements.

NOW, THEREFORE, be it ordained by authority of the Borough Council of State College Borough, Centre County, Pennsylvania, under the express provision of Chapter XVII, Part L of the State College Borough Code and it is hereby ordained by authority of same as follows:

SECTION 1. Duration of LERTA Program. The Borough of State College hereby establishes a Local Economic Revitalization Tax Assistance (LERTA) Program on May 6, 2019, which will expire on May 6, 2029. However, any taxpayer who has received or applied for the exemption granted by this Program prior to May 6, 2029, shall, if said exemption is granted, be entitled to the full ten-year exemption authorized according to the Exemption Schedule listed herein.

SECTION 2. Definitions.

Assessed Valuation – The assessment placed on real property by the Centre County Assessor upon which all real estate taxes are calculated.

Municipality – The Borough of State College, Pennsylvania.

County – Centre County, Pennsylvania.

Deteriorated Commercial Property – Any industrial or commercial property owned by an individual, association or corporation and located in a qualified area, as hereinafter provided, or any such property that was the subject of an order by a government agency requiring the unit to be vacated, condemned or demolished by reason of noncompliance with laws, ordinances or regulations. Rental residential use, owner occupied residential use and any other residential use that provide income is not considered an eligible commercial property.

Improvement(s) – Repair, construction or reconstruction, including alterations and additions, having the effect of rehabilitating deteriorated commercial structures, so that they may be occupied or may attain a higher standard of safety, health, economic use or amenity or are brought into compliance with laws, ordinances or regulations governing such standards. Ordinary upkeep and maintenance shall not be deemed an improvement. Repair, construction or reconstruction of a property for any noncommercial use shall not be considered a permitted improvement under this ordinance.

New Construction – Includes major renovation of existing building stock, including major HVAC renovation, significant building envelope modifications, building facade repair and/or major interior renovations.

School District – The State College Area School District.

SECTION 3. Eligible/Qualified Areas.

- A. The following areas within the municipality of State College are hereby determined to be eligible for tax exemption under LERTA.
 - 1. The downtown area that includes properties with structures that exist at time of application and are listed in the 1982 Historic Resources of the Centre Region document.
 - 2. The eligible listed properties are located within the following boundary description: south of College Avenue, north of Beaver Avenue, and between South Burrowes Street and Locust Lane.
 - 3. Additionally, eligible listed properties included south of Beaver Avenue between Fraser Street and South Allen Street and north of West Fairmont Avenue.
- B. The following areas are fully identified as deteriorated areas on the map captioned “LERTA Areas Map” in Appendix 1 of this ordinance.
- C. The properties must be adaptively reused to a commercial use and cannot be demolished.
- D. Adjacent properties are not eligible for this abatement.

SECTION 4. Allowable Exemption.

- A. The exemption from real property taxes applies only to increased assessed value for non-residential uses.
- B. The actual cost of the new construction or improvements to qualify for the exemption must be in excess of \$75,000 in order for the property to be eligible for the LERTA tax abatement.
- C. In all cases, the exemption from taxes shall be limited to that portion of the additional assessment attributable to the improvement or new construction, as the case may be, and for which a separate assessment has been made by the County Board of Assessment Appeals and for which an exemption has been specifically and separately requested. No tax exemption shall be granted if the property owner does not secure the necessary and proper permits prior to improving the property. No tax exemption shall be granted if the property as completed does not comply with the minimum standards of the State College Borough Safety and Property Maintenance Code and the Zoning Ordinance.
- D. Should there have been any reduction to the assessed value to the property within the two years prior to the application date for exemption the application shall be denied.
- E. The exemption from Borough real estate taxes shall be limited to the assessed valuation attributable to the new construction or improvement for which an exemption has been requested in the manner set forth in this ordinance and for which a separate assessment has been made by the Centre County Assessor.
- F. Improvements to commercial property shall be eligible without regard to whether such property qualifies as deteriorated properties, provided that said improvements are construed within deteriorated properties.
- G. The new assessment value will not be applied to the property until occupancy of the building is granted in accordance with applicable building codes.
- H. The exemption from taxes hereunder shall be forfeited by the applicant and/or any subsequent owner of the real estate for failure to pay nonexempt real estate taxes by their due date that may be paid without penalty. Upon receipt of notice of nonpayment of nonexempt real estate taxes, the Borough Manager shall direct the County Assessment Office, the School District Business Office and the Borough Finance Department to discontinue the exemption.
- I. In any case, after May 6, 2019, where deteriorated commercial property is damaged, destroyed or demolished, by any cause or for any reason and where 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 shall be limited to that

portion of new assessment attributable to the actual cost of improvements or construction that is in excess of the original assessment that existed prior to damage, destruction or demolition of property.

SECTION 5. Exemption Schedule; Conditions.

- A. The schedule of real estate taxes to be exempted shall be in accordance with the below portion of improvements or new construction to be exempted each year:

Length	Portion
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%
After the tenth year	Exemption terminates

- B. The exemption from taxes shall apply to the tax year of this local taxing authority immediately following the tax year in which the eligible new construction or improvements is or are completed and obtained an occupancy permit as set forth in Section 4 G. Nothing in this ordinance is intended to limit, prohibit nor shall it be construed as limiting or prohibiting, the levy of interim real property taxes upon new construction or improvements prior to completion of the new construction or improvements.
- C. If an eligible property is granted tax exemption pursuant to the LERTA Program, the improvements or new construction shall not, during the exemption period, be considered as a factor in establishing assessment values for other properties.
- D. If an eligible property is granted an exemption and the property undergoes a successful real estate assessment appeal during the time of the abatement and reduces the properties assessed value, the abatement value would be reduced correspondingly.

SECTION 6. Procedure for Obtaining Exemption.

- A. Any person or entity desiring tax exemption pursuant to the LERTA Program must apply to the Municipality of State College prior to or at the time of obtaining a building permit for new construction or improvement.

Applicant shall also provide a copy of the exemption request to the Centre County Assessment Office on the same day it is submitted to the Borough. Applicant shall also file a copy of the exemption request with the Business Office of the State College Area School District.

- B. Appeals from the reassessment and the amount eligible for the exemption may be taken by the tax payer or the local taxing authority as provided by law.
- C. The cost of new construction or improvements to be exempted from Borough real estate taxes under this ordinance and the schedule of the Borough real estate taxes exempted existing at the time of the initial request for tax exemption shall be applicable to that exemption request, and subsequent amendment to this ordinance, if any, shall not apply to the adoption of such amendment.
- D. The application must be in writing, utilizing the LERTA Program Application Form, setting forth the following information:
1. The date the building permit was issued for said improvement as new construction.
 2. The location of the property.
 3. The current use(s) and proposed use(s) of the property.
 4. The type of improvements or new construction.
 5. The summary of the plan of the improvements or new construction.
 6. The actual cost of the improvements or new construction verified by a Pennsylvania registered design professional.
 7. Whether or not the property has been condemned or cited by any governmental body for noncompliance with laws, regulations and/or ordinances.
 8. The property has been inspected and examined by a Pennsylvania registered design professional acting on behalf of the Borough. The cost of such inspection shall be reimbursed to the Borough by the Applicant regardless of whether or not the application is approved.
 9. Such additional information as the Borough may require.
- E. The cost of improvements or new construction to deteriorated commercial properties 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 requests, and a subsequent amendment to that portion of the Borough Code of Ordinances as it applies to the LERTA Program, if any, shall not apply to a request initiated prior to its adoption.

- F. Each person or entity, or such person's or entity's subsidiaries, affiliates or other associated holdings, making application for and receiving exemption under the LERTA Program agrees, that upon completion of the ten-year exemption schedule, not to take any appeals for reassessment for a period of an additional five years.
- G. No person or entity, or such person's or entity's subsidiaries, affiliates or other associated holdings, will be eligible for exemption under the LERTA Program unless all property taxes are current, there are no outstanding municipal liens against the property, and all fees for municipal services (including, but not limited to, water, sewer and trash services) are current for all properties such person's or entity's, or such person's or entity's subsidiaries, affiliates or other associated holdings owns in the Borough.
- H. No assessment appeal reducing the property assessment has been granted within two years prior to the filing of a LERTA application.
- I. A copy of the exemption request will be forwarded to the County Board of Assessment Appeals by the Borough Manager. Within 60 days, the Board will, after completion of construction, assess separately the improvement and the land upon which the new construction stands and calculate the amounts of the assessment eligible for tax exemption in accordance with the limits established by the LERTA Program and notify the taxpayer and the local taxing authorities of the reassessment and amounts of the assessment eligible for exemption. This reassessment is required by the application of the LERTA abatement, and any applicant applying for the abatement explicitly agrees that it does not constitute a spot reassessment. Reassessment will be applied to the improvement that has been made as part of the LERTA application.

SECTION 7. Termination Date.

An application for exemption from Borough real estate taxes may be made at any time within five (5) years from the effective date of this ordinance.

Termination of the exemption will occur if a property with a LERTA application is converted to a non-commercial use during the ten-year LERTA period of exemption and the graduated assessment would cease.

SECTION 8. Extension.

The Borough, may by ordinance enacted from time to time, extend the time for filing an application from exemption from Borough real estate taxes. However, in no event shall any one (1) extension period exceed five (5) years.

SECTION 9. Revocation of LERTA Exemption.

The exemption from local real estate taxes provided for herein shall be forfeited by the taxpayer and/or any subsequent owner of the real estate for the failure to pay any nonexempt real estate taxes by the last day of the time period to pay such taxes without penalty. Upon receipt of the notice of nonpayment of nonexempt real estate taxes, the Borough Finance Department shall discontinue the LERTA exemption.

SECTION 10. Annual Cap.


No more than 5 applications per year will be accepted for the exemption.

SECTION 11. Severability.

If any provision of this Ordinance shall be determined to be unlawful, invalid, void or unenforceable, then that provision shall be considered severable from the remaining provisions of this Ordinance, which shall be in full force and effect.

ADOPTED by the Council of the Borough of State College on this 6th day of May, 2019.

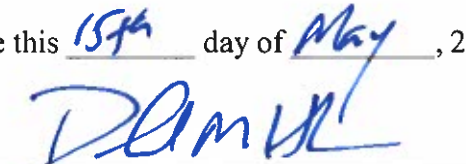
ATTEST:


Sharon K. Ergler
Assistant Borough Secretary

BOROUGH OF STATE COLLEGE

By: 
Evan Myers
Council President

EXAMINED AND APPROVED as an Ordinance this 15th day of May, 2019.


Donald M. Hahn, Mayor