

ORDINANCE NO. 1 of 2014

SHENANGO TOWNSHIP, LAWRENCE COUNTY, PENNSYLVANIA

AN ORDINANCE OF THE TOWNSHIP OF SHENANGO, LAWRENCE COUNTY, PENNSYLVANIA, DEFINING AND AUTHORIZING TAX EXEMPTIONS FROM REAL PROPERTY TAX IN ORDER TO STIMULATE INVESTMENT AND DEVELOPMENT IN CERTAIN AREAS OF SHENANGO TOWNSHIP; ESTABLISHING AN EXEMPTION SCHEDULE AND PROCEDURES FOR OBTAINING EXEMPTIONS; PROVIDING FOR NON-PERMISSIBLE EXEMPTIONS; AND DETERMINING THE TERMINATION DATE HEREOF AND LIMITING AMENDMENTS HERETO.

SECTION 1. TITLE

This Ordinance shall be known as and may be cited as the Shenango Township Local Economic Revitalization Tax Assistance Opportunity Ordinance.

SECTION 2. Authority for Enactment

This Ordinance is enacted pursuant to the authority contained in the Local Economic Revitalization Tax Assistance Act 72 P.S. Section 4722, et seq.

SECTION 3. Definitions

As used in this Ordinance, the following words and phrases shall have the meaning set forth below:

“DETERIORATED PROPERTY” - means any commercial or industrial property owned by an individual, partnership, association or corporation and located in an investment opportunity area, as hereinafter defined, or any such property which has been the subject of an order by a government agency requiring the property to be vacated, condemned, or demolished by reason of noncompliance with laws, ordinances or regulations, including any such property declared to be a public nuisance by the Board of Supervisors of Shenango Township.

“IMPROVEMENT” - means repair, construction or reconstruction, including alterations and additions, having the effect of rehabilitating a deteriorated property so that it attains higher standards of safety, health, economic use, or is brought in compliance with laws, ordinances, or regulations governing such standards. Ordinary upkeep and maintenance shall not be deemed an improvement. No residential homes, apartments or other living establishments are included within this definition or within the terms of this Ordinance.

"LOCAL TAXING AUTHORITY" - means the Township of Shenango, Lawrence County, Pennsylvania, and any other governmental entity having the authority to levy real property taxes within the Township of Shenango.

"MUNICIPAL GOVERNMENT BODY" - means the Township of Shenango, Lawrence County, Pennsylvania.

SECTION 4. Exemptions

1. The exemption from real property taxes shall be limited:
 - a. To the exemption schedule as established within this Ordinance;
 - b. To that portion of the additional assessment attributable to the actual costs of improvements to the deteriorated property; and
 - c. To the assessment valuation attributable to the cost of construction of a new industrial business unit.
2. In all cases, the exemption from taxes shall be limited to that portion of the additional assessment attributable to the improvement or new construction which exceeds the value of \$25,000.00, and for which a separate assessment has been made by the Lawrence County Board of Assessment Appeals and for which an exemption has been separately requested.
3. No tax exemption shall be granted if the property owner does not secure the necessary and proper permits prior to improving the property.
4. In any case, after the effective date of this Ordinance, when deteriorated property is damaged, destroyed or demolished, by any cause for any reason, and the assessed valuation of the property affected has been reduced as a result of the said damage, destruction or demolition, the exemption from real property taxation authorized by this Ordinance, 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 assessments that existed prior to the damage, destruction or demolition of the property.

SECTION 5. Exemption Schedule

1. The following real estate tax exemption schedule shall become effective when the owner or lessee shall occupy and commence use of said property. For five (5) years immediately following completion of new construction or completion of an

improvement to an existing structure, the following real estate tax exemption schedule shall be in effect:

<u>Length</u>	<u>Portion Exempt</u>
1st year	100%
2nd year	80%
3rd year	60%
4th year	40%
5th year	20%
6th year	0%

After the fifth (5th) year, the exemption shall terminate.

2. The exemption from taxes granted under this Ordinance shall be upon the property exempted and shall not terminate upon the sale or exchange of the property but shall continue for the full time originally granted.
3. If an eligible property is granted tax exemption pursuant to this Ordinance, the improvement shall not, during the exemption period, be considered as a factor in assessment of other properties.
4. If the use of the property at the time the exemption is granted is modified, terminated, or changed during the five (5) year period in any way which would have affected the exemption if the property had been so used when the exemption was granted, then at the election of the Shenango Township Supervisors, the exemption shall terminate as of the date the use was modified or terminated if the Shenango Township Supervisors determine that continuation of the exemption would be inconsistent with the purposes of this Ordinance.

SECTION 6. Criteria Necessary to Apply for Abatement

1. Industrial or commercial real estate located within properly designated zoning districts and for the Township of Shenango.
2. The lot or parcel shall be vacant from any commercial or industrial use.
3. Construction of industries upon said proposed lot or parcel must have the effect of rehabilitating said lot or parcel so that it attains higher standards of safety, health, economic use or is brought into compliance with laws, ordinances or regulations governing such standards.

SECTION 7. Standards for Meeting the Criteria for Abatement

May include, but are not limited to the following:

- a. Significant job development;
- b. Substantial investment in construction and investment capital;
- c. Intended use must meet all applicable zoning requirements.
- d. Whether development is likely to occur without abatement;
- e. Whether said property has been the subject of an order by a government agency requiring the property to be vacated, condemned or demolished by reason of non-compliance with laws, ordinances or regulations, including any such property declared to be a public nuisance.

SECTION 8. Procedure for Obtaining Exemption

1. Any person desiring tax exemption pursuant to this Ordinance shall apply to Shenango Township at the time a building permit is secured for construction of the improvement. The application shall be in writing upon forms specified by Shenango Township setting forth the following information.
 - a. The location of the property to be improved;
 - b. The anticipated, specific commercial or industrial use of the property to be improved;
 - c. The type of improvement;
 - d. The summary of the plan of the improvement;
 - e. The cost of the improvement;
 - f. That the property has been inspected and verified by the Shenango Township Supervisors or their agents; and
 - g. Such additional information as Shenango Township may require.
2. A copy of the exemption requests shall be forwarded to the Lawrence County Board of Assessment by the Shenango Township Municipal Secretary. The Board of Assessment shall determine and shall assess separately the improvements and

calculate the amounts of the assessment eligible for the tax exemption in accordance with the limits established by this Ordinance and notify the taxpayer and local taxing authorities of the reassessment and amounts of the assessment eligible for tax exemption. In the case of new construction, the Board shall assess separately the unit and the land upon which the new construction stands and shall otherwise perform its duties as above provided for construction of improvements to properties.

3. The cost of improvements 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 request, and subsequent extension of or amendment to this Ordinance, if any, shall not apply to requests initiated prior to their adoption.
4. Appeals from the reassessment and the amount eligible for the exemption may be taken by Shenango Township or by the taxpayer as provided by law.

SECTION 9. Description of Property

The following property located within the Township of Shenango is found to meet the criteria for exemption and abatement of taxes as required by this Ordinance:

LEGAL DESCRIPTION SHENANGO TOWNSHIP, LAWRENCE COUNTY, PA

PARCEL I.D. NO. 31-341800:

ALL those certain pieces, parcels and lots of land situate, lying and being in Shenango Township, Lawrence County, Pennsylvania, being more particularly bounded and described as follows, to-wit:

PARCEL 1: BEGINNING at a point in the South side of the New Castle to Butler public road, now known as Highway Route No. 422, said point being the Northwest corner of the parcel herein conveyed; thence by the south line of said improved road, South 78° 01' East, a distance of one hundred fifty (150) feet; thence by lands now or formerly of Bintrim, et al., South 3° 37' West, a distance of five hundred eighty (580) feet to an iron pin; thence by same, North 86° 23' West, a distance of one hundred forty-eight and forty-hundredths (148.40) feet to a stake on the line of land now or formerly of Andy Lepisto Heirs; thence by the line of land now or formerly of Andy Lepisto Heirs, Robert George, and E. McCracken, North 3° 37' East, a distance of six hundred one and eighty-three hundredths (601.83) feet to a point in the South line of the New Castle to Butler road, the point of beginning.

PARCEL 2: BEGINNING at a point in the South side of the New Castle to Butler public road, now known as Highway Route No. 422, said point being the Northwest corner of the parcel herein conveyed and being the Northeast corner of the land now or formerly conveyed by Fred W. Bintrim, et al., described in Parcel 1; thence by the South line of said improved road, South 78° 01' East, a distance of one hundred fifty (150) feet to a point; thence by other land now or formerly of Bintrim, et al., South 3° 37' West, a distance of 558.17 feet to an iron pin; thence by same, North 86° 23' West, a distance of one hundred forty-eight and forty hundredths (148.40) feet to a stake on the line of land now or formerly of Michael E. Michalojko, et al.; thence by the line of land now or formerly of Michael E. Michalojko, et al., North 3° 37' East, a distance of five hundred eighty (580) feet to a point, the place of beginning on the South line of the New Castle to Butler Road, containing one and ninety-four hundredths (1.94) acres.

EXCEPTING AND RESERVING therefrom, however, all of the oil, gas and/or mineral rights for said property.

BEING the same premises conveyed to Black Watch Properties, LLC, by Deed of Shenango Bowl-A-Way, Inc., dated and recorded on July 15, 2013, in the Office of the Recorder of Deeds of Lawrence County, PA, at Document Number 2013-008086.

PARCEL I. D. NUMBER 31-246100

ALL that certain piece, parcel and lot of land situate, lying and being in Shenango Township, Lawrence County, Pennsylvania, being known and identified as Lot No. 2 in the Michael E. Michalojko and Eleanor Michalojko Plan of Lots as recorded in Lawrence County Plot Book Volume 23, Page 251, and being more particularly bounded and described as follows:

BEGINNING at an iron pin, said iron pin being the Northwest corner of the parcel herein conveyed, said iron pin being located on the South right-of-way line of State Route 422, a/k/a Benjamin Franklin Highway; thence South 78° 09' 00" East along the South right-of-way line of State Route 422, a/k/a Benjamin Franklin Highway, a distance of 453.92 feet to an iron pin; thence South 11° 51' 00" West along the dividing line by and between the parcel herein conveyed and Lot No. 3 in the Michael E. Michalojko and Eleanor Michalojko Plan of Lots, a distance of 770.00 feet to an iron pin; thence South 78° 09' 00" East along Lot No. 3 in the aforesaid Plan of Lots, a distance of 945.83 feet to an iron pin; thence South 03° 06' 00" West along line of lands now or formerly of P & P Land Company, a distance of 187.51 feet to an iron pin; thence North 86° 20' 00" West, a distance of 1,571.84 feet to an iron pin; thence North 03° 31' 45" East, a distance of 589.78 feet to an iron pin; thence South 86° 28' 15" East, a distance of 296.64 feet to an iron pin; thence North 03° 31' 45" East, a distance of 558.42 feet to an iron pin on the South right-of-way line of State Route 422, a/k/a Benjamin Franklin Highway, being the place of beginning and containing 19.21 acres.

EXCEPTING AND RESERVING therefrom, however, all of the oil, gas and/or mineral rights for said property which were retained by Robert T. Michalojko, et ux., and Michael D. Michalojko, et ux., prior grantors, who consented to an Addendum to Lease Agreement between Black Watch Properties, LLC, and SWEPI, LP, for the existing Oil and Gas Lease recorded at Lawrence County Document No. 2013-008082.

BEING the same premises conveyed to Black Watch Properties, LLC, by Deed of Robert T. Michalojko and Charla M. Michalojko, his wife, and Michael D. Michalojko and Loretta A. Michalojko, his wife, dated July 10, 2013, recorded July 15, 2013, in the Office of the Recorder of Deeds of Lawrence County, PA, at Document Number 2013-008083.

SECTION 10. Amendments

No amendment to this Ordinance shall be effective unless consented to by resolution or ordinance of each local taxing authority which has consented to be bound by the terms of this Ordinance.

SECTION 11. Termination Date

This Ordinance shall automatically terminate five (5) years following the effective date hereof; providing, however, any taxpayer who has received or applied for the exemption granted by this Ordinance prior to the expiration date herein provided shall, if said exemption is granted, be entitled to the full exemption authorized herein. This section shall not prevent the Shenango Township Supervisors, however, from repealing this Ordinance or any section thereof before five (5) years upon proper action of the Shenango Township Supervisors.

SECTION 12. Non-permissible Exemptions

Any exemption made permissible under this Ordinance shall not be applied to any non-industrial use of any eligible property unless such use is specifically or conditionally permissible under the Shenango Township Zoning Ordinance as it relates to the industrial and industrial park zoning districts.

SECTION 13. Repealer

All ordinances or part of ordinances which are inconsistent herewith are hereby repealed.

SECTION 14. Severability

If any sentence, clause, section or part of this Ordinance is for any reason found to be unconstitutional, illegal or invalid, such unconstitutionality, illegality or invalidity shall not affect or impair any of the remaining provisions, sentences, clauses, sections or parts of this Ordinance. It is hereby declared as the intent of the Shenango Township Supervisors that this Ordinance would have been adopted had such unconstitutional, illegal or invalid sentence, clause, section or part thereof not been included herein.

SECTION 15. Effective Date

This Ordinance shall become effective upon adoption by the Shenango Township School District of a resolution exempting from real property taxation, properties in accordance with the terms of this Ordinance.

Ordained and Enacted this 10 day of April, 2014.

ATTEST:

Brian D. Tanner
Secretary

**BOARD OF SUPERVISORS OF
SHENANGO TOWNSHIP**

Russell Riley
Russell Riley, Chairman

William Albertini
William Albertini, Supervisor

Albert Burick, III
Albert Burick, III, Supervisor