

ORDINANCE NO. 5797

DEC 05 2022

**AN ORDINANCE OF THE CITY OF ALTOONA WHICH AMENDS AND REPLACES CHAPTER 647 OF THE CITY OF ALTOONA CODE, LOCAL ECONOMIC REVITALIZATION TAX ASSISTANCE AND ENACTS A NEW ORDINANCE PURSUANT TO THE LOCAL ECONOMIC REVITALIZATION TAX ASSISTANCE ACT AND THE IMPROVEMENT OF DETERIORATING REAL PROPERTY OR AREAS OF TAX EXEMPTION ACT ESTABLISHING TAX EXEMPTIONS FOR REAL PROPERTY LOCATED WITHIN DETERIORATED AREAS OF THE CITY OF ALTOONA DESIGNATED BY LOCAL MUNICIPALITIES; AND PROVIDING FOR THE IMPLEMENTATION THEREOF, INCLUDING THE CONTINGENCY OF ADOPTION OF CONCURRENT LEGISLATION BY OTHER AFFECTED TAXING BODIES**

**WHEREAS**, the City of Altoona previously enacted Chapter 647 of the Altoona City Code which provided a tax exemption program pursuant to the Local Economic Revitalization Assistance Act, Act No. 76 of December 1, 1977, P.L. 237, 72 P.S. §4722 (hereinafter "LERTA").

**WHEREAS**, the City of Altoona believes that modification and replacement of existing Chapter 647 of the City Code should be implemented to include a tax exemption program pursuant to LERTA and pursuant to the Improvement of Deteriorating Real Property or Areas of Tax Exemption Act, Act No. 34 of July 9, 1971, P.L. 206, 72 §4711-1011 (hereinafter "RLERTA"); and

**WHEREAS**, the City of Altoona has expressed its support for a tax exemption program pursuant to the Local Economic Revitalization Tax Assistance Act, Act No. 76 of December 1, 1977, P.L.237, 72 P.S. §4722 (hereinafter "LERTA") and pursuant to the Improvement of Deteriorating Real Property or Areas of Tax Exemption Act, Act No. 34 of July 9, 1971, P.L. 206, 72 P.S. §4711-101 (hereinafter "RLERTA"); and

**WHEREAS**, there are certain deteriorated areas, as that term is defined by the aforesaid statutes, existing within the City of Altoona; and

**WHEREAS**, the City Council of the City of Altoona believes that it is in the best interest of the City of Altoona to provide tax incentives for the rehabilitation and development of qualified business property and qualified dwelling units, thereby encouraging revitalization and development of these areas to the benefit of all concerned.

**NOW, THEREFORE, BE IT ORDAINED** by the City of Altoona as follows:

**SECTION 1. DEFINITIONS**

For the purposes of this Ordinance, the following words and phrases shall have the meaning set forth below:

**A.** Deteriorated area and/or neighborhood means an area within the corporate limits of the City of Altoona which, by action of the governing municipality and pursuant to public hearing, has been determined to meet one or more criteria for the designation of such areas as set forth in LERTA and RLERTA.

**B.** Under LERTA, business property means an industrial, commercial or other business property owned by an individual, association or corporation and shall include, but not be limited to, any portion of a property utilized for industrial, commercial or other business use; business property may include all or a portion of a property utilized as dwelling units and/or commercial use, as more particularly defined by the appropriate municipality; it may also include vacant land within a designated deteriorated area, but not land principally utilized as surface parking facilities.

**C.** Under LERTA, deteriorated business property means any business property located in a deteriorated area, or any such property which has been 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.

**D.** Under LERTA, business improvement means repair, new construction or reconstruction of any deteriorated business property, including alterations and additions, having the effect of rehabilitating a deteriorated business property so that it becomes habitable or attains higher standards of health, economic use or amenity, or is brought into compliance with laws, ordinances or regulations governing such standards; provided, however, that ordinary upkeep and maintenance shall not be deemed a business improvement; new construction or erection of a structure as business property upon vacant land within a designated deteriorated area shall be deemed a business improvement.

**E.** Under RLERTA, dwelling unit means a house, double house or duplex, townhouse or row house, apartment, or any building intended for occupancy as living quarters by an individual, a family or families or other groups of persons, which living quarters contain a kitchen or cooking equipment for the exclusive use of the occupant or occupants.

**F.** Under RLERTA, a deteriorated residential property means a dwelling unit located in a deteriorated neighborhood, as hereinafter provided, or a dwelling unit which has been or upon request is certified by a health, housing or building inspection agency as unfit for human habitation for rent withholding, or other health or welfare purposes, or has been the subject of an order by such an agency requiring the unit to be vacated, condemned or demolished by reason of noncompliance with laws, ordinances or regulations.

**G.** Under RLERTA, residential improvement means repair, construction or reconstruction, including alterations and additions, having the effect of rehabilitating a structure so that it becomes habitable or attains higher standards of housing safety, health or amenity, or is brought into compliance with laws, ordinances or regulations governing housing standards; ordinary upkeep and maintenance shall not be deemed an improvement.

**H.** Under RLERTA, residential construction means the building or erection of dwelling units, as defined above, upon vacant land or land specifically prepared to receive such structures.

**I.** Under RLERTA, "Deteriorating area" means that portion of the municipality which the municipal governing body determines to be physically blighted on the basis of one or more of the following standards:

- (1) The residential buildings, by reason of age, obsolescence, inadequate or outmoded design or physical deterioration have become economic and/or social liabilities.
- (2) The residential buildings are substandard or unsanitary for healthful and safe living purposes.
- (3) The residential buildings are overcrowded, poorly spaced, or are so lacking in light, space and air as to be conducive to unwholesome living.
- (4) The residential buildings are faultily arranged, cover the land to an excessive extent or 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 used for residential purposes is more than 20 years of age.
- (6) A substantial amount of unimproved, overgrown and unsightly vacant land exists which has remained so for a period of five years or more indicating a growing or total lack of utilization of land for residential purposes.
- (7) A disproportionate number of tax exempt or delinquent properties exists in the area.

## **SECTION 2. EXEMPTION SCHEDULES**

**A.** In each deteriorated area and/or neighborhood so designated as provided for herein, business improvements, residential improvements and residential construction shall be exempted from City of Altoona real property taxes as further provided for hereinafter, in accordance with the following schedule and related conditions.

- 1) For the remainder of the year the improvement is completed and otherwise taxable and the first complete fiscal year thereafter, one hundred (100%) percent of the eligible assessment shall be exempt;
- 2) For the second complete fiscal year eighty (80%) percent;
- 3) For the third complete fiscal year sixty (60%) percent;
- 4) For the fourth complete fiscal year forty (40%) percent;
- 5) For the fifth complete fiscal year twenty (20%) percent; and
- 6) After the fifth complete fiscal year, the exemption shall terminate.

**B.** The exemption from real property taxes granted pursuant to the provisions hereof shall be upon the property exempted and shall not terminate upon the sale or exchange of the property.

**C.** If an eligible property is granted a tax exemption pursuant to the provisions hereof, the improvements shall not, during the exemption period, be considered as a factor in assessing other properties.

### **SECTION 3. EXEMPTION AMOUNTS**

**A.** In the case of business improvements and residential improvements exemption from City of Altoona real property taxes, upon completion, shall be limited to the additional assessment valuation attributable to the actual cost of improvements.

**B.** In the case of residential construction, exemption from City of Altoona real property taxes, upon completion, shall be limited to assessment valuation attributable to the cost of construction of the new dwelling unit.

**C.** In no case shall any tax exemption be granted pursuant to the provisions hereof if the property owner has not secured or does not secure the necessary and proper zoning, building, health, housing, electrical, plumbing or other required permits prior to initiating the business improvement work.

### **SECTION 4. APPLICATION PROCEDURES**

**A.** The taxpayer shall apply for the exemption at the time of obtaining a building permit, and shall comply with the procedures established by the City of Altoona.

**B.** Application to the City of Altoona shall be made on a form supplied by the City of Altoona, which form shall contain the following information:

- 1) The date the building or alteration permit was issued for said improvements;
- 2) The type of improvements;
- 3) The summary of the plan of the improvement;
- 4) The cost of the improvement;
- 5) That the property has been inspected and verified by the designated municipal official;
- 6) Such additional information as may be required by the Township Board Secretary for the purpose of implementing the provisions hereof.

**C.** Pursuant to compliance with the procedures specified herein, the City of Altoona shall forward a copy of each exemption request to the Blair County Assessment Office.

**D.** Upon completion of the business improvement, residential improvement or residential construction, the taxpayer shall provide the City of Altoona and the Blair County Assessment Office with a Certificate of Completion issued by the Uniform Construction Code Inspector, so that the Assessment Office may assess the improvements separately for the purpose

of calculating the amount of assessment eligible for tax exemption in accordance with the limits established herein. In the absence of said Certificate, the Blair County Assessment Office may determine the date of completion.

E. The Treasurer or Finance Director of the City of Altoona shall then obtain from the Blair County Assessment Office the amount of the assessment eligible for exemption and shall notify the taxpayer. The Treasurer or Finance Director of the City of Altoona is authorized to make refunds, if applicable, only after the Blair County Assessment Office has notified the Treasurer of its separate assessment upon the improvement for which an exemption is requested. Appeals from the reassessment and the amount eligible for the exemption may be taken by the taxpayer as provided by law.

## **SECTION 5. ELIGIBLE AREAS**

A. LERTA. At a joint public hearing held October 25, 2022, a quorum of the Board of Commissioners for the County of Blair, the City Council of the City of Altoona, and the Board of Directors of the Altoona Area School District determined that the following areas qualified and were designated as a deteriorated area under LERTA within their corporate boundaries, and the area is hereby designated as a deteriorated area:

City of Altoona

B. RLERTA. At a joint public hearing held October 25, 2022, a quorum of the Board of Commissioners for the County of Blair, the City Council of the City of Altoona, and the Board of Directors of the Altoona Area School District determined that the following areas qualified and were designated as a deteriorated area and/or neighborhood under RLERTA within their corporate boundaries, and the area is hereby designated as a deteriorated area:

City of Altoona

## **SECTION 6. TERMINATION**

Unless otherwise repealed or extended by the County, this Ordinance shall terminate ten (10) years after its effective date. Any property tax exemptions granted under the provisions of this Ordinance shall be permitted to continue according to the exemption schedule established pursuant to the provisions hereof, even if this Ordinance expires or is repealed or amended.

## **SECTION 7. PRIOR TAX EXEMPTION SCHEDULES**

Nothing contained herein shall affect, alter or modify any tax exemption schedule for which a property is receiving tax exemption pursuant to the previous provisions of Chapter 647 "Local Economic Revitalization Tax Assistance Act" of the Altoona City Code. Properties which were receiving tax assistance pursuant to the old Chapter 647 of the City Code shall continue to receive said tax abatement pursuant to the schedules established under those provisions of former Chapter 647 of the Altoona City Code.

## **SECTION 8. SEVERABILITY**

The provisions of this Ordinance are severable and if any of its sections, clauses or sentences shall be held illegal, invalid or unconstitutional, such provisions shall not affect or impair any of the remaining sections, clauses or sentences. It is hereby declared to be the intent of the City of Altoona that this Ordinance would have been adopted if such illegal, invalid or unconstitutional section, clause or sentence had not been included herein.

## **SECTION 9. REPEALER**

All ordinances or parts of ordinances inconsistent herewith are hereby repealed to the extent of the inconsistency.

## **SECTION 10. CONTINGENCY**

Notwithstanding any other provisions for this Ordinance, this Ordinance shall remain in

full force and effect conditioned upon Blair County and Altoona Area School District enacting ordinances or resolutions establishing deteriorated areas and providing exemptions. Should they fail to enact or maintain such legislation, this Ordinance shall be considered to be ineffective.

**SECTION 11. EFFECTIVE DATE**

This Ordinance shall take effect in accordance with the provisions of the law and shall thereafter remain in effect subject to the conditions herein stated, unless repealed, as of January 1, 2023.

**ENACTED AND ORDAINED** by the City Council of the City of Altoona, Commonwealth of Pennsylvania, at a meeting of the City Council of the City of Altoona held on the 5th day of December, 2022.

ATTEST:

**CITY OF ALTOONA**

  
Linda Rickens Schelhammer, City Clerk

  
By: Matthew Pacifico, Mayor

RESOLUTION NO. 0138-22

approving the minutes of the LERTA Public Hearing held on Tuesday, October 25, 2022.

Roll Call	Yeas	Nays		Yeas	Nays
Beatty	✓		Ickes	✓	
Butterbaugh	✓		Kelley	✓	
Carper	✓		Mayor Pacifico	✓	
Ellis	✓				
				7	0

Adopted DEC 05 2022

  
Mayor DEC 05 2022  
Date Signed

Attest:   
City Clerk DEC 06 2022  
Date Recorded

## LERTA PUBLIC HEARING MEETING

October 25, 2022

6 P.M.

ABCD Boardroom

Dr. Charles Prijatelj  
Ron Johnston  
Dave Francis  
Chris Cook  
Kelly Irwin Adams  
Frank Meloy  
Val Mignogna  
Dave Greenwood  
Eric Haugh  
Bruce Erb

Laura Burke  
Amy Webster  
Omar Strohm  
Dave Butterbaugh  
Dave Ellis  
Ron Beatty  
Jessie Ickes  
Mayor Matt Pacifico  
Attorney Tom Finn - Solicitor

**WELCOME** – Mayor Matt Pacifico called the meeting to order and thanked all for attending.

**OPENING REMARKS** – Attorney Tom Finn read the Notice of Public Hearing notice that was published in the Altoona Mirror on Wednesday, September 21, 2022, and ask if there were any public members in attendance for comment and there were not. Representatives from the three taxing bodies confirmed that they had not received any written public comments prior to the meeting. The The Notice of Public Hearing is attached to and made a part of these minutes.

**CONSENSUS** - Mayor Matt Pacifico asked the attendees for consensus of modification of the existing LERTA Ordinance to create the newly established LERTA boundary that entails the entire City of Altoona, all attendees agreed

**RESIDENTIAL** - Mayor Pacifico asked if anyone was in favor of putting a cap on the residential portion of the LERTA, all attendees agreed with no cap. Mr. Dave Butterbaugh asked if an official motion is required, Attorney Finn stated the meeting is to establish a consensus and then afterwards, the ordinance to adopt.

Mayor Pacifico informed the members that for residential there is criteria that must be met. That the criteria set forth in the act of May 24, 1945 (P.L. 991, No. 385), known as the "Urban Redevelopment Law,"<sup>1</sup> for the determination of "blighted areas," and the criteria set forth in the act of November 29, 1967 (P.L. 636, No. 292), known as the "Neighborhood Assistance Act,"<sup>2</sup> for the determination of "impoverished areas," and the following criteria: unsafe, unsanitary and overcrowded buildings; vacant, overgrown and unsightly lots of ground; a disproportionate number of tax delinquent properties; excessive land coverage, defective design or arrangement of buildings, street or lot layouts; economically and socially undesirable land uses. **And the deteriorated area for residential construction (standards): "Deteriorating area"** means that portion of the municipality which the municipal governing body determines to be physically blighted based on one or more of the following standards:

- (1) The residential buildings, by reason of age, obsolescence, inadequate or outmoded design or physical deterioration have become economic and/or social liabilities.

- (2) The residential buildings are substandard or unsanitary for healthful and safe living purposes.
- (3) The residential buildings are overcrowded, poorly spaced, or are so lacking in light, space, and air as to be conducive to unwholesome living.
- (4) The residential buildings are faultily arranged, cover the land to an excessive extent or 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 used for residential purposes is more than 20 years of age.
- (6) A substantial amount of unimproved, overgrown, and unsightly vacant land exists which has remained so for a period of five years or more indicating a growing or total lack of utilization of land for residential purposes.
- (7) A disproportionate number of tax exempt or delinquent properties exists in the area.

Mayor Pacifico informed the members that one or more of the above criteria must be met with number 5 stating a significant percentage of buildings used for residential purposes is more than 20 years of age is the criteria which the city does meet. He shared with the attendees a report from the Pennsylvania Economy League released with data about the age of the city's housing stock which shows that approximately 48 percent of the city's housing stock was built in 1939 or earlier which satisfies the criteria for the residential LERTA component.

**ADJOURNMENT**

  
Colleen Carruthers, Recording Secretary