RESOLUTION 70 - 2012

A RESOLUTION EXTENDING THE TERM OF 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 READING, BERKS COUNTY DESIGNATED AS A KEYSTONE OPPORTUNITY EXPANSION ZONE ("KOEZ") OR KEYSTONE OPPORTUNITY IMPROVEMENT ZONE ("KOIZ") IN ORDER TO FOSTER ECONOMIC OPPORTUNITIES, STIMULATE INDUSTRIAL, COMMERCIAL, AND RESIDENTIAL IMPROVEMENTS AND PREVENT PHYSICAL AND INFRASTRUCTURE DETERIORATION WITHIN AREAS OF CITY OF READING, BERKS COUNTY, COMMONWEALTH OF PENNSYLVANIA, UPON CERTAIN TERMS AND CONDITIONS.

WHEREAS, City of Reading, Berks County, Pennsylvania recognizes the need to encourage investment in a defined geographical area of the City of Reading, Berks County, (the 'Parcels'): as set forth in Attachment 'A' that is 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, the Parcels consists of an unoccupied portion (s) of a KOEZ or KOIZ within City of Reading, Berks County which KOEZ or KOIZ expires in 12/31/2013; 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 an extension of the term of the applicable benefits within the respective unoccupied portion(s) of the KOEZ or KOIZ, granting exemptions, deductions, abatements or credits from all local taxes identified in the Act; and

WHEREAS, approval of extending the term of the benefits for the Parcel as provided in the Act will result in improving the economic, physical, and social conditions within the subject KOEZ or KOIZ 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 of the Parcel by the termination date of the extended term.

NOW, THEREFORE, BE IT RESOLVED by the City of Reading of Berks County that effective as of this date June 11 2012, contingent only upon DCED's approval of the application for the proposed extended term of the Parcels of the existing KOEZ or KOIZ:

For a period of 10 years from the date of occupancy of the Parcel or expiration of the zone, whichever occurs first as determined by the Department. [Note – the extension applies to parcels in KOEZ or KOIZ which expires in 2013 or thereafter. If the expiration occurs in 2013, the extension applies to parcels that are unoccupied on February 14, 2012. If the expiration occurs after 2013, the extension applies to parcels that are unoccupied on a date to be determined by DCED.]

The following provisions shall apply to the extended term once the Parcel is occupied:

1. Real Property Tax on the Parcel is 100% exempt in accordance with the provisions and limitations set forth within the Act, such exemption to terminate 10 years from the date of occupancy of the Parcel or expiration of the zone, whichever occurs first.

2. Earned Income and Net Profits Taxes; Business Privilege and Mercantile Taxes. The City of Reading also waives business gross receipts tax for operations conducted by a qualified business; earned income received by a resident and/or net profits of a qualified business received by a resident or nonresident of the proposed extended term for the Parcel of the existing KOEZ or KOIZ attributable to business activity conducted with said zone terminating on 10 years from the date of occupancy of the Parcel or expiration of the zone, whichever occurs first.

3. The provisions of the Act not herein enumerated, shall, nevertheless, be incorporated as part of this Ordinance by reference.

4. This resolution shall be effective upon execution, conditioned upon the approval of DCED of the application.

RESOLVED or ORDAINED AND ENACTED by the City of Reading of Berks County, Pennsylvania, this 11 day of July, 2012.

ATTEST:

City Clerk

BY:

Name:

I, LINDA A. KELLEHER, City Clerk of the City of Reading, Pa., do hereby certify, that the foregoing is a true and correct copy of the original Resolution passed by the Council of the City of Reading, on the 11 day of June A. D. 20 12. Witness my hand and seal of the said City this 12 day of June A. D. 20 12.

CITY CLERK