

RESOLUTION 2020-8

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 MONTOUR 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 THE BOROUGH OF DANVILLE, COMMONWEALTH OF PENNSYLVANIA, UPON CERTAIN TERMS AND CONDITIONS.

WHEREAS, *the Borough of Danville* Pennsylvania recognizes the need to encourage investment in a defined geographical area of *the Borough of Danville* (the “Extended Parcel”) *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 Extended Parcel consists of an unoccupied portion (s) of a KOEZ or KOIZ within *the Borough of Danville* which KOEZ or KOIZ expires December 31, 2020; 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 Extended 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 Extended Parcel by the termination date of the extended term.

NOW, THEREFORE, BE IT RESOLVED by the Borough Council of Danville, Pennsylvania that effective as of this date _____, 2020, contingent only upon DCED's approval of the application for the proposed term of the Extended Parcel of the existing KOEZ or KOIZ:

The term of the Extended Parcel is extended for a period of seven (7) years from the date of occupancy of the Extended Parcel or expiration of the KOEZ/KOIZ, whichever occurs first as determined by the Department.

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

1. Real Property Tax on the Extended Parcel is 100% exempt, such exemption to terminate December 31, 2027.
2. The following shall be exempt, in accordance with the provisions and limitations set forth within the Act, relative to the Extended Parcel:

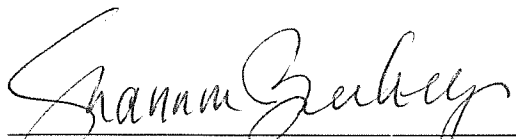
- a. Business gross receipts tax for operations conducted by a Qualified Business within the Extended Parcel.
- b. Business privilege tax.
- c. Tax on the earned income received by a resident of the Extended Parcel.
- d. Tax on the net profits of a Qualified Business attributable to business activity conducted within the expansion zone
- e. Mercantile license tax attributable to business activity by a Qualified Business conducted within the Extended Parcel.
- f. Tax on occupancy or use within the Extended Parcel
- g. Sales and use tax (for purchases used and consumed by a Qualified Business within the Extended Parcel)

Benefits to begin on January 1, 2021 and to end on December 31, 2027

- 3. The provisions of the Act not herein enumerated, shall, nevertheless, be incorporated as part of this Resolution by reference.
- 2. This resolution shall be effective upon execution, conditioned upon the approval of DCED of the application.

RESOLVED AND ENACTED by the Council of the Danville Borough of Montour County, Pennsylvania, this 11 day of August, 2020.

ATTEST:


Shannon Berkey, Borough Manager

BY: 
Kevin Herritt, Chairman

Exhibit A

Description of Extended Parcel

12-84-54

Shown as Tract 2 on Attached Survey