

Action Item - 22

Board of Education Meeting Date: 9/19/2024

Title: Authorization of Keystone Opportunity Zone - Navy Yard – Added 9.5.2024

Action under consideration:

The Board of Education, upon consideration of the request of the City of Philadelphia, hereby resolves to consent that, subject to and contingent upon approval by the Commonwealth of Pennsylvania of the extended designations, all real estate taxes imposed on real property located in the designated Keystone Opportunity Zones (KOZ) identified below are abated, and a person or business subject to realty use and occupancy tax with respect to real property located in the Zones may claim one hundred (100%) exemption from such tax, all subject to the conditions set forth in City of Philadelphia Bill No. 240470, and further subject to the agreement of the City of Philadelphia that, with respect to applications for extension pursuant to Act No. 79 of 2008 (the "Act"), amending, Act No. 92 of 1988, the Keystone Opportunity Zone Act, and 1237, Act No. 16 of 2012, the City shall provide notice to the Board of Education at the time such application is submitted, and of the date of the application and identify of all properties for which exemptions and abatement are sought in such application; provided that no property shall be included in any Zone unless the owner of such property has entered into an agreement for "Payments in Lieu of Taxes" ("PILOT"), containing such terms and conditions as will provide for the maximum payment amount permissible under Section 310 of the Act, as amended; and further, the Board of Education hereby authorizes and directs the School District of Philadelphia, through the Superintendent or his designee, to execute, deliver and perform such PILOTs, which PILOTs shall be separate agreements between the School District of Philadelphia and property owners and between the City and property owners.

Background:

The General Assembly enacted Act No. 79 of 2008, amending Act No. 92 of 1988, the Keystone Opportunity Zone Act authorizing certain exemptions, abatements, credits and deductions of certain state taxes in certain deteriorated areas of the Commonwealth, known as Keystone Opportunity Zones ("KOZ"), Expansion Zones ("KOEZ"), and Improvement Zones ("KOIZ"), to promote development and job formation. The Act makes the foregoing exemptions, abatements, credits and deductions by all local taxing authorities with taxing jurisdiction over the affected deteriorated area.

The Mayor and the Director of Commerce of the City of Philadelphia previously applied to the Commonwealth, pursuant to the Act, to designate certain deteriorated areas of Philadelphia as Keystone Opportunity Zones, Expansion Zones and Improvement Zones, and to extend the duration of certain previously designated zones, and to subject such areas to the exemptions, abatements, credits and deductions authorized by the Act. The Pennsylvania General Assembly has passed, and the Governor has signed 1237, Act No. 16 of 2012, which modified the existing KOZ legislation by allowing for a ten (10) year extension of the term for unoccupied KOEZ and KOIZ.

Philadelphia City Council has approved and the Mayor has signed Bill No. Bill No. 240470, which

provides for the exemptions, abatements, credits and deductions required by the Act in order to qualify for the designations and extensions referenced above and as specifically set forth in the below Schedule 1 property list: and the Act requires that all taxing authorities with jurisdiction over a proposed KOZ, KOEZ, or KOIZ enact an ordinance or resolution to be included with the City's application to the Commonwealth, providing for exemptions, abatements, credits and/or deductions from certain taxes within the Zones

SCHEDULE 1, Parcels in current Keystone Opportunity Zone to be extended:

Property Address	OPA Account No.
120 Rouse Boulevard	88-3-000015
255 Rouse Boulevard	88-5-764460
1200 Intrepid Avenue, Unit 2	88-3-000029
1201 Normandy Avenue	88-3-000017

Fiscal Year 2025

Office Originating Request:
Board of Education