

LERTA PROGRAM

The Borough of Phoenixville Local Economic Revitalization Tax Assistance (LERTA) Program was established on September 28, 2010 and will expire on September 28, 2020. However, any taxpayer who has received or applied for the exemption granted by this Program prior to September 28, 2020 shall, if said exemption is granted, be entitled to the full ten-year exemption authorized according to the Exemption Schedule listed herein.

Definitions.

The following terms shall have the meanings indicated:

DETERIORATED COMMERCIAL PROPERTY

Any industrial, commercial or other business property owned by an individual, association or corporation and located in a qualified area, as hereinafter provided, 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.

IMPROVEMENT(S)

Repair, construction or reconstruction, including alterations and additions, having the effect of rehabilitating deteriorated commercial structures, so that they may be occupied or may attain a higher standard of safety, health, economic use or amenity or are brought into compliance with laws, ordinances or regulations governing such standards. Ordinary upkeep and maintenance shall not be deemed an improvement.

NEW CONSTRUCTION

Includes major renovation of existing building stock, including major HVAC renovation, significant building envelope modifications, and major interior renovations. The renovation must include floor area expansion of at least 25% more occupiable floor area than currently exists on the site.

QUALIFIED AREAS

- A. The following areas within the Borough of Phoenixville determined by the Borough Council to be eligible for tax exemption under Act 76 of 1977, Local Economic Revitalization Tax Assistance Act, and Act 42 of 1977, Improvement of Deteriorating Real Property or Areas Tax Exemption Act.

1. The French Creek East District, as that district is defined in the Phoenixville Borough Zoning Ordinance [Chapter 27] and maps issued and adopted pursuant thereto.
 2. The French Creek West District, as that district is defined in the Phoenixville Borough Zoning Ordinance [Chapter 27] and maps issued and adopted pursuant thereto.
 3. The Light Industrial/Office District area along Second Avenue, as that district is defined in the Phoenixville Borough Zoning Ordinance [Chapter 27] and maps issued and adopted pursuant thereto.
 4. Unified Development District as that district is defined in the Phoenixville Borough Zoning Ordinance [Chapter 27] and maps issued and adopted pursuant thereto.
- B. The above areas are fully identified as deteriorated areas on the map captioned "LERTA Areas Map".

Exemption.

- A. The exemption from real property taxes shall be limited to that portion of the additional assessment attributable to the actual cost of improvements to deteriorated commercial property (commercial).
- B. In all cases, the exemption from taxes shall be limited to that portion of the additional assessment attributable to the improvement or new construction, as the case may be, and for which a separate assessment has been made by the County Board of Assessment Appeals and for which an exemption has been separately requested. No tax exemption shall be granted if the property owner does not secure the necessary and proper permits prior to improving the property. No tax exemption shall be granted if the property as completed does not comply with the minimum standards of the Housing and Building Codes of the Borough of Phoenixville.
- C. In any case, after September 28, 2011, where deteriorated commercial property is damaged, destroyed or demolished, by any cause or for any reason, and the assessed valuation of the property affected has been reduced as a result of said damage, destruction or demolition, the exemption from real property taxation authorized 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 assessment that existed prior to damage, destruction or demolition of property.

Exemption Schedule; Conditions

- A. The schedule of real estate taxes to be exempted shall be in accordance with the below portion of improvements or new construction to be exempted each year:

Length	Portion
First year	100%
Second year	90%
Third year	80%
Fourth year	70%
Fifth year	60%
Sixth year	50%
Seventh year	40%
Eighth year	30%
Ninth year	20%
Tenth year	10%
After the tenth year	Exemption terminates

- B. The exemption from taxes granted under the LERTA Program shall be upon the property and shall not terminate upon the sale or exchange of the property.
- C. If an eligible property is granted tax exemption pursuant to the LERTA Program, the improvements or new construction shall not, during the exemption period, be considered as a factor in assessing other properties.

Procedure for Obtaining Exemption

- A. Any person or entity, or such person's or entity's subsidiaries, affiliates or other associated holdings desiring tax exemption pursuant to the LERTA Program must apply to the Borough of Phoenixville within 30 days of the time a building permit is secured for construction of the improvement or new construction. The application must be in writing, utilizing the LERTA Program Application Form, setting for the following information:
1. The date the building permit was issued for said improvement as new construction.
 2. The location of the property.
 3. The use being made or to be made of the property.
 4. The type of improvements or new construction.
 5. The summary of the plan of the improvements or new construction.

6. The actual cost of the improvements or new construction.
 7. Whether or not the property has been condemned or cited by any governmental body for noncompliance with laws, regulations and/or ordinances.
 8. The property has been inspected and examined by the Borough Engineer.
 9. Such additional information as the Borough may require.
- B. A copy of the exemption request will be forwarded to the County Board of Assessment Appeals by the Borough Manager. Within 60 days, the Board will, after completion of construction, assess separately the improvement and the land upon which the new construction stands and calculate the amounts of the assessment eligible for tax exemption in accordance with the limits established by the LERTA Program and notify the taxpayer and the local taxing authorities of the reassessment and amounts of the assessment eligible for exemption.
- C. The cost of improvements or new construction to deteriorated commercial properties 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 a subsequent amendment to that portion of the Borough Code of Ordinances as it applies to the LERTA Program, if any, shall not apply to a request initiated prior to its adoption.
- D. Each person or entity, or such person's or entity's subsidiaries, affiliates or other associated holdings, making application for and receiving exemption under the LERTA Program agrees, that upon completion of the ten-year exemption schedule, not to take any appeals for reassessment for a period of five years.
- E. No person or entity, or such person's or entity's subsidiaries, affiliates or other associated holdings, will be eligible for exemption under the LERTA Program unless all property taxes are current, there are no outstanding liens against the property, and all fees for municipal services (including, but not limited to, water, sewer, and trash services) are current for all properties such person's or entity, or such person or entity's subsidiaries, affiliates or other associated holdings owns in the Borough
- F. Appeals from the reassessments and the amount eligible for exemption may be taken by the taxpayer or the Borough as provided by law.

LERTA Program Application Form
LERTA Program Map