



Legislation Text

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Amending Chapter 19-3200, entitled “Keystone Opportunity Zone And Economic Development District,” by providing for additional properties to be added to certain subzones; providing for extensions of the term of benefits for certain properties; and making related and technical changes; all under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Chapter 19-3200 of The Philadelphia Code is amended to read as follows:

CHAPTER 19-3200. KEYSTONE OPPORTUNITY ZONE AND ECONOMIC DEVELOPMENT DISTRICT.

§ 19-3201. Designation of Zone.

(1) The areas of the City generally known as follows, and more fully defined in Section 2 of the ordinance enacting this Chapter, shall collectively be designated as the Philadelphia Keystone Opportunity Zone:

* * *

(b) Amtrak Northeast Corridor (Glenwood Avenue, Sedgley Avenue areas). *Effective upon approval from DCED (anticipated in early 2009), in addition to the properties referenced above, the Amtrak Northeast Corridor Subzone shall also include the following parcel: 2301 W. Allegheny Avenue (BRT No. 88-4-341815).*

* * *

(2) The areas of the City generally known as follows, and more fully defined in Section 2 of the ordinance enacting this subsection, shall each separately be designated a Philadelphia Keystone Opportunity Expansion Subzone, and shall collectively be designated as the Philadelphia Keystone Opportunity Expansion Zone:

* * *

(f) West Philadelphia Subzone. *Effective upon approval from DCED (anticipated in early 2009), in addition to the properties referenced above, the West Philadelphia Subzone shall also include the following parcels:*

<u>Street Address</u>	<u>BRT Number</u>
(.1) 4100 Powelton Avenue	06-1-013800
(.2) 4102 Powelton Avenue	06-1-013900
(.3) 4104 Powelton Avenue	06-1-014000
(.4) 4106 Powelton Avenue	06-1-014100
(.5) 4108 Powelton Avenue	06-1-014200

(.6) 4110 Powelton Avenue 06-1-014300

(g) Upper Schuylkill River Subzone. *Effective upon approval from DCED (anticipated in early 2009), in addition to the properties referenced above, the Upper Schuylkill River Subzone shall also include the following parcels:*

<u>Street Address</u>	<u>BRT Number</u>
(.1) 3101-27 W. Glenwood Avenue	88-4-699300
(.2) 3132-50 W. Thompson Street	88-4-699000

* * *

(3) The areas of the City generally known as follows, and more specifically defined in Section 4 of the ordinance enacting this subsection, shall each separately be designated a Philadelphia Keystone Opportunity Improvement Subzone, and shall collectively be designated as the Philadelphia Keystone Opportunity Improvement Zone:

* * *

(b) Naval Business Center Subzone. *Effective upon approval from DCED (anticipated in early 2009), in addition to the properties referenced above, the Naval Business Center Subzone shall also include the following parcels:*

(.1) *The properties in the Navy Yard identified in Attachment B-1 to the Ordinance enacting this subsection (.1).*

(.2) *The property known colloquially as Building 25, also known as 1491 Flagship Drive, identified in Attachment B-2 to the Ordinance enacting this subsection (.2).*

(c) West Philadelphia Subzone. *Effective upon approval from DCED (anticipated in early 2009), in addition to the properties referenced above, the West Philadelphia Subzone shall also include the following parcel:*

(.1) 3001 Market Street (BRT No. 88-3-071706).

* * *

§ 19-3202. Definitions.

The following words and phrases when used in this Chapter shall have the meanings given to them in this Section unless the context clearly indicates otherwise:

* * *

[(2.1)] (11.1) "Unoccupied property." [As defined and limited in State legislation authorizing the

extension of benefits for unoccupied property in certain subzones for a period of seven years.] *A parcel that is not occupied on September 8, 2008. Construction activity on a parcel shall not constitute occupation of the parcel.*

* * *

§ 19-3203. Authorization of Exemption, Abatement or Credits from Certain Taxes.

(1) *The provisions set forth in subsections (.1) through (.6) below, shall apply as follows:*

(a) [E]ffective as of January 1, 1999, and continuing through and including December 31, 2010, with respect to real property or business activity, as applicable, attributable to the Keystone Opportunity Zone;

(b) effective as of January 1, 2001, and continuing through and including December 31, 2013, with respect to real property or business activity, as applicable, attributable to the Keystone Opportunity Expansion Zone;

(c) with respect to real property or business activity, as applicable, attributable to each separate Philadelphia Keystone Opportunity Improvement Subzone, effective upon designation by DCED of such subzone (anticipated on or about October 1, 2003) and continuing for a period of fifteen (15) years from the date of such designation;

* * *

(f) with respect to real property or business activity, as applicable, attributable to certain parcels in [the area designated by Section 19-3201(c)(3) as the West Philadelphia] *certain* Keystone Opportunity Improvement [Subzone] *Subzones*, more particularly identified in subsection (2) of this Section, effective, *for each such parcel*, upon the later of (i) the expiration of the period set forth in subsection (c) above, and (ii) the date on which such parcel is occupied by a qualified business (*or, with respect to the exemption from real estate taxes set forth at subsection (.1) below, the date on which such parcel becomes developed*), and continuing through and including a date seven (7) years after the expiration of the period set forth in subsection (c) above[, the following provisions shall apply]; *provided that the exemption from sales and use tax set forth at subsection (.5) below shall be effective on the expiration of the period set forth in subsection (c) above;*

(g) *with respect to real property or business activity, as applicable, attributable to certain parcels in certain Keystone Opportunity Expansion Subzones, more particularly identified in subsection (3) of this Section, effective upon the later of (i) January 1, 2014, and (ii) the date on which such parcel is occupied by a qualified business (or, with respect to the exemption from real estate taxes set forth at subsection (.1) below, the date on which such parcel becomes developed), and continuing through and including December 31, 2020; provided that the exemption from sales and use tax set forth at subsection (.5) below shall be effective on January 1, 2014;*

(h) *with respect to real property or business activity, as applicable, attributable to certain parcels in the Keystone Opportunity Zone (as designated by Section 19-3201(1)), more particularly identified in subsection (4) of this Section, effective upon the later of (i) January 1, 2011, and (ii) the date on which such parcel is occupied by a qualified business (or, with respect to the exemption from real estate taxes set forth at subsection (.1) below, the date on which such parcel becomes developed), and continuing through and*

including December 31, 2017; provided that the exemption from sales and use tax set forth at subsection (.5) below shall be effective on January 1, 2011:

[(1)] (.1) Subject to the conditions set forth in Section 19-3205 and elsewhere in this Chapter, all real estate taxes imposed under Chapter 19-1300 or authorized under Section 19-1801, on real property located in the Zone, are abated; provided that, with respect to real property located in the Economic Development District, real estate taxes authorized under Section 19-1801 shall not be abated.

[(2)] (.2) Subject to the conditions set forth in Section 19-3206 and elsewhere in this Chapter, a person or business subject to realty use and occupancy tax authorized under Section 19-1806 with respect to real property located in the Zone other than real property located in the Economic Development District may claim a one hundred percent (100%) exemption from such tax.

[(3)] (.3) Subject to the conditions set forth in Section 19-3207 and elsewhere in this Chapter, a qualified business may claim a credit against the Business Privilege Tax imposed under Chapter 19-2600 to the extent of the tax liability attributable to business activity conducted directly by the taxpayer within the Zone.

[(4)] (.4) Subject to the conditions set forth in Section 19-3208 and elsewhere in this Chapter, a taxpayer, whether or not a resident, may claim a credit against the Net Profits Tax imposed under Chapters 19-1500 and 19-2800, to the extent of the tax liability attributable to net profits from the operation of a qualified business within the Zone other than within the Economic Development District.

[(5)] (.5) Subject to the conditions set forth in Section 19-3209 and elsewhere in this Chapter, a qualified business shall be exempt from sales or use tax imposed under Section 19-2701(1) or 19-2701(2) on the purchase price of sales at retail of services or tangible personal property, except motor vehicles, for the exclusive use, consumption and utilization of the tangible personal property or service, by the qualified business at its facility located within the Zone.

[(6)] (.6) Subject to the conditions set forth in Section 19-3210 and elsewhere in this Chapter, compensation earned by a resident of the Zone, other than a resident of the Economic Development District, is exempt from Wage Tax imposed under Chapters 19-1500 and 19-2800.

(2) The benefits provided for in subsection (1)(f) shall apply to:

(A) the following parcel in the West Philadelphia Keystone Opportunity Improvement Subzone (as designated in Section 19-3201(3)(c)): 2930 Chestnut Street (78-3-094600); provided that the Director of Commerce may substitute a different parcel for which he is able to make the certification required by Section 2 of the Ordinance enacting this subsection, should he be unable to make such certification for the above-identified parcel; provided further that, the benefits shall apply to other unoccupied properties in said Subzone if the City Solicitor and Director of Commerce jointly certify to the Chief Clerk and the Revenue Commissioner that applicable State law requires the inclusion of such properties.

(B) the following parcels in the Naval Business Center Keystone Opportunity Improvement Subzone (as designated in Section 19-3201(3)(b)):

(.1) 4775 League Island Blvd. (BRT No. 78-8-012900).

(.2) Certain unoccupied parcels identified in Attachment A-1 to the Ordinance enacting this subsection.

(.3) The properties in the Navy Yard identified in Attachment B-1 to the Ordinance enacting this subsection (.1).

(.4) The property known colloquially as Building 25, also known as 1491 Flagship Drive, identified in Attachment B-2 to the Ordinance enacting this subsection (.2).

(3) The benefits provided for in subsection (1)(g) shall apply to:

(A) the following parcels in the Central Delaware River Keystone Opportunity Expansion Subzone (as designated in Section 19-3201(2)(c)):

(.1) 601-61 N. Delaware Avenue (BRT No. 78-1-051750)

(B) the following parcels in the Lower Schuylkill River Keystone Opportunity Expansion Subzone (as designated in Section 19-3201(2)(h)):

<u>Street Address</u>	<u>BRT Number</u>
(.1) 5700r Eastwick Avenue	78-3-125000
(.2) 5800 Eastwick Avenue	78-3-125200
(.3) 5900 Eastwick Avenue	78-3-125400
(.4) 5946 Eastwick Avenue	78-3-125600
(.5) 6000 Eastwick Avenue	78-3-125800
(.6) 6050 Eastwick Avenue	78-3-126200
(.7) 1627-29 S. 49th Street	88-4-100001
(.8) 1633 S. 49th Street	88-4-100000
(.9) 1700 S. 49th Street	88-4-217200

(C) the following parcels in the Northeast Philadelphia Airport Keystone Opportunity Expansion Subzone (as designated in Section 19-3201(2)(a)):

(.1) 9450 Ashton Road (BRT No. 88-4-224525)

(.2) Certain unoccupied parcels, known colloquially as the Kravitz Site, identified in Attachment A-2 to the Ordinance enacting this subsection.

(.3) Certain unoccupied parcels, known colloquially as the Red Lion North Industrial District, identified in Attachment A-7 to the Ordinance enacting this subsection.

(D) the following parcels in the Upper Schuylkill River Keystone Opportunity Expansion Subzone (as designated in Section 19-3201(2)(g)):

<u>Street Address</u>	<u>BRT Number</u>
(.1) 3101-27 W. Glenwood Avenue	88-4-699300
(.2) 1206-36 N. 31st Street	88-4-101205

(.3) 1238 N. 31st Street	29-2-311510
(.4) 1240-42 N. 31st Street	29-2-311610
(.5) 1244-68 N. 31st Street	88-4-101220
(.6) 3126-30 W. Thompson Street	88-4-698900
(.7) 3132-50 W. Thompson Street	88-4-699000
(.8) 3033-65 W. Glenwood Avenue	32-4-201650
(.9) 3123-45 Jefferson Street	88-4-219205
(.10) 1500-36 N. 31st Street	88-4-101300

(4) The benefits provided for in subsection (1)(h) shall apply to:

(A) the following parcels in the Philco Site (C & Tioga Streets) Keystone Opportunity Subzone (as designated by Section 19-3201(1)(j)):

<u>Street Address</u>	<u>BRT Number</u>
(.1) 332-52 E. Tioga Street	88-4-046000
(.2) 3300-98 C Street	88-4-045000
(.3) 3300-98r C Street	88-4-045001

(B) the following parcels in the PIDC Northeast Industrial Parks (West) Keystone Opportunity Subzone (as designated by Section 19-3201(1)(d)): Certain unoccupied parcels in what is known colloquially as PIDC Industrial Parks, identified in Attachment A-4 to the Ordinance enacting this subsection.

(C) the following parcels in the West Parkside Industrial Park Keystone Opportunity Subzone (as designated by Section 19-3201(1)(k)): Certain unoccupied parcels in what is known colloquially as PIDC West Parkside Industrial Park, identified in Attachment A-6 to the Ordinance enacting this subsection.

(D) the following parcels in the Eastwick Industrial Park Keystone Opportunity Subzone (as designated by Section 19-3201(1)(e)): Certain unoccupied parcels in what is known colloquially as PIDC Eastwick Industrial Park, identified in Attachment A-8 to the Ordinance enacting this subsection.

(F) the following parcels in the Amtrak Northeast Corridor Keystone Opportunity Subzone (as designated by Section 19-3201(1)(b)):

<u>Street Address</u>	<u>BRT Number</u>
(.1) 2100 W. Allegheny Avenue	88-4-066650
(.2) 1711 W. Allegheny Avenue	88-4-341805
(.3) 2301 W. Allegheny Avenue	88-4-341815
(.4) 3030 N. 20th Street	88-4-341765

* * *

SECTION 2. This Ordinance shall be effective upon approval by the Commonwealth, Department of Community and Economic Development, of an application for the expansion and extension of certain zones and subzones, as provided for in Act 2008-79, and only with respect to such expansions and extensions as are approved therein, and only for such period of time as the Commonwealth provides for exemptions, abatements

or credits with respect to sales and use tax, personal income tax, corporate net income tax and capital stock franchise tax for businesses and residents in such zone, as set forth in The Pennsylvania Keystone Opportunity Zone Act, P.L. 705, No. 1998-92, as amended. The amendments to Section 19-3202(1)(f) set forth herein shall be effective as set forth above and as if Bill No. 080486 (approved August 4, 2008) were effective, regardless whether said bill became effective.

Explanation:

[Brackets] indicate matter deleted.

Italics indicate new matter added.