

Legislation Text

File #: 150374, Version: 2

Establishing a neighborhood improvement district in the area generally bounded by, and including, 11th Street to the West, Filbert Street to the North, 8th Street to the East and Market Street to the South, with the exception of certain condominium units at 801 Market Street Condominium not included in the District, to be known as the Gallery Neighborhood Improvement District; designating Gallery Neighborhood Improvement District Corporation, a Pennsylvania nonprofit corporation, as the Neighborhood Improvement District Management Association for the District; approving a plan for the District, including a list of proposed improvements and their estimated cost, and providing for assessment fees to be levied on property owners within the District; authorizing the Director of Commerce, on behalf of the City, to execute an agreement with Gallery Neighborhood Improvement District Corporation, relating to the District; and authorizing Gallery Neighborhood Improvement District Corporation to assess property owners within the District a special property assessment fee to be used in accordance with the approved plan; all in accordance with the provisions of the Community and Economic Improvement Act, and under certain terms and conditions.

WHEREAS, Council is authorized by the Community and Economic Improvement Act, Act of December 21, 1998, P.L. 1307, No. 174 (“Act”) (53 P.S. §18101 et seq.) to establish, by ordinance, neighborhood improvement districts and to designate certain entities to administer programs and services within such districts in order “to promote and enhance more attractive and safer commercial, industrial, residential and mixed-use neighborhoods; economic growth; increased employment opportunities; and improved commercial, industrial, business districts and business climates;” and

WHEREAS, The Gallery Neighborhood Improvement District will generally overlay a proposed tax increment financing district to be created in accordance with the Tax Increment Financing Act, being the Act of July 11, 1990, P.L. 465, No. 113, as amended, and by separate ordinance to be enacted by Council; and

WHEREAS, The purpose of this Ordinance is to establish a neighborhood improvement district in a portion of the central business district of the City, to be known as the Gallery Neighborhood Improvement District (“District”); and

WHEREAS, All procedures required by the Act for establishment of the District have been followed; in particular, more than forty-five (45) days have elapsed from the last public hearing required by the Act, and the Clerk of Council has not received objections filed by fifty-one percent (51%) or more of the affected property owners or property owners whose property valuation as assessed for taxable purposes amounts to fifty-one percent (51%) or more of the total property valuation within the proposed boundaries of the District; now, therefore

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

1. In accordance with the provisions of the Act, a neighborhood improvement district is hereby established in a portion of the central business district of the City, within the boundaries set forth in Exhibit “A-1” attached hereto. The district shall be known as the Gallery Neighborhood Improvement District (“District”).

2. Gallery Neighborhood Improvement District Corporation, a Pennsylvania nonprofit corporation, is hereby designated as the Neighborhood Improvement District Management Association for the District.

3. Council hereby approves as the final plan for the District the plan set forth in Exhibit “A” attached hereto. Gallery Neighborhood Improvement District Corporation is hereby authorized to assess property owners within the District a special property assessment fee in accordance with the provisions of the final plan and the provisions of the Act.

4. The Director of Commerce, on behalf of the City, is hereby authorized to enter into an agreement with Gallery Neighborhood Improvement District Corporation, in a form approved by the City Solicitor, which agreement shall include the following provisions:

(a) A detailed description of the respective duties and responsibilities of the City and of Gallery Neighborhood Improvement District Corporation with respect to the District as set forth in the final plan approved under Section 3;

(b) A requirement that the City will maintain within the District the same level of municipal programs and services that were provided within the District before its establishment;

(c) A “sunset provision” under which the agreement will terminate upon the later of 20 years from the date this Ordinance becomes law or the retirement date of tax increment financing indebtedness or other indebtedness, the proceeds of which will be used to finance a portion of the costs of improvements to the District and which are expected to be supported in whole or in part by assessments within the District. The agreement may not be renewed unless the District is continued beyond that date in accordance with the sunset provisions of Section 5 of this Ordinance; and

(d) Gallery Neighborhood Improvement District Corporation’s agreement to be responsible for the collection of all property assessment fees levied within the District and the City’s agreement to file and enforce any necessary liens for nonpayment of property assessment fees as set forth in the Act at 53 P.S. § 18107(a)(10). The agreement shall include a provision that the Gallery Neighborhood Improvement District Corporation shall be responsible for filing and/or enforcing liens for nonpayment of property assessment fees on behalf of the City with the authority of the City.

(e) Any assessments levied by the Gallery Neighborhood Improvement District Corporation, shall be the sole responsibility of the lessee. The City, the Philadelphia Redevelopment Authority and the Philadelphia Authority for Industrial Development are not liable for any assessments due.

(f) The Corporation shall agree that it shall not seek to impose liens, or ask the City to impose liens, resulting from the nonpayment of assessments relating to any other purpose for which assessments may be levied hereunder, other than assessments relating to the TIF Indebtedness and administrative expenses related to the TIF Indebtedness, that would exceed in priority liens related to any City claims or judgments, whether based on “municipal claims,” as such term is defined in the Municipal Claims and Tax Lien Act, 53 P.S. §7101 through §7505 or otherwise. The Corporation shall agree further that no lien that is filed shall take priority over real estate tax liens. The Corporation is required to include language regarding such subordinate status in the terms of any loan documents relating to financing secured by assessments, other than the TIF Indebtedness.

(g) The Corporation shall have no right to file a lien against any City property interest in

connection with any unpaid assessment.

5. The District shall terminate upon the later of 20 years from the date this Ordinance becomes law or the retirement date of tax increment financing indebtedness or other indebtedness, the proceeds of which will be used to finance a portion of the costs of improvements to the District and which are expected to be supported in whole or in part by assessments within the District in accordance with the provisions of the final plan approved under Section 3. The District may be continued beyond that date only if Council reenacts this Ordinance following a review of the District and the programs and services provided by Gallery Neighborhood Improvement District Corporation within the District. The same process required to establish the District must be followed to continue the District beyond the expiration date.

6. The Chief Clerk shall keep on file the document referred to as Exhibit “A” in Section 3 of this Ordinance, and all accompanying documents referenced in Exhibit “A”, and shall make them available for inspection by the public during regular office hours.