



# Keystone Opportunity Zones

School District of Philadelphia School Board Meeting

September 20, 2018

An aerial photograph of a city skyline, likely New York City, showing a dense cluster of skyscrapers and buildings. A river, possibly the Hudson River, flows through the upper left portion of the image. A solid green vertical bar is positioned on the right side of the image, partially overlapping the city view.

# KOZ Overview

The Keystone Opportunity Zone program was started in 1999 as a state-wide real estate incentive. Its purpose is to be a catalyst to spur redevelopment of blighted, vacant, and highly underutilized properties and land.





# Keystone Opportunity Zone Benefits

**Targeted geographic areas where  
specific state and local taxes are  
abated for up to 10 years.**

## **Company Benefits**

Businesses located in KOZs receive tax reductions, exemptions, abatements, or credits.

### **State Tax Abatements**

- Corporate net income Tax
- PA personal Income Tax
- PA sales & use Tax
- PA capital stock/foreign franchise tax
- PA bank shares Tax
- PA mutual thrift institutions tax

### **City Tax Abatements**

- Net profit tax
- Business income and receipts tax
- Use and occupancy tax
- Sales, use and hotel occupancy tax
- Wage tax (on residential use only)
- Real Estate tax

An aerial photograph of a city skyline, likely Philadelphia, showing a dense cluster of skyscrapers and buildings. A river, possibly the Schuylkill River, winds through the upper left portion of the image. A solid green vertical bar is positioned on the right side of the image, partially overlapping the cityscape.

# Payment in Lieu of Taxes (PILOT)

To ensure continued revenue for taxing bodies such as the School District, the City of Philadelphia applies a Payment in Lieu of Taxes (PILOT) to all KOZs.

The PILOT amount is set at **110%** of the most recent assessment.

The School District receives 110% of its share of property taxes (55% of total) on an annual basis.





# Considerations for the School District

Under the KOZ program, the School District will collect more revenues than it does today.

Because KOZ parcels are vacant and unutilized, there is no U&O collected today.

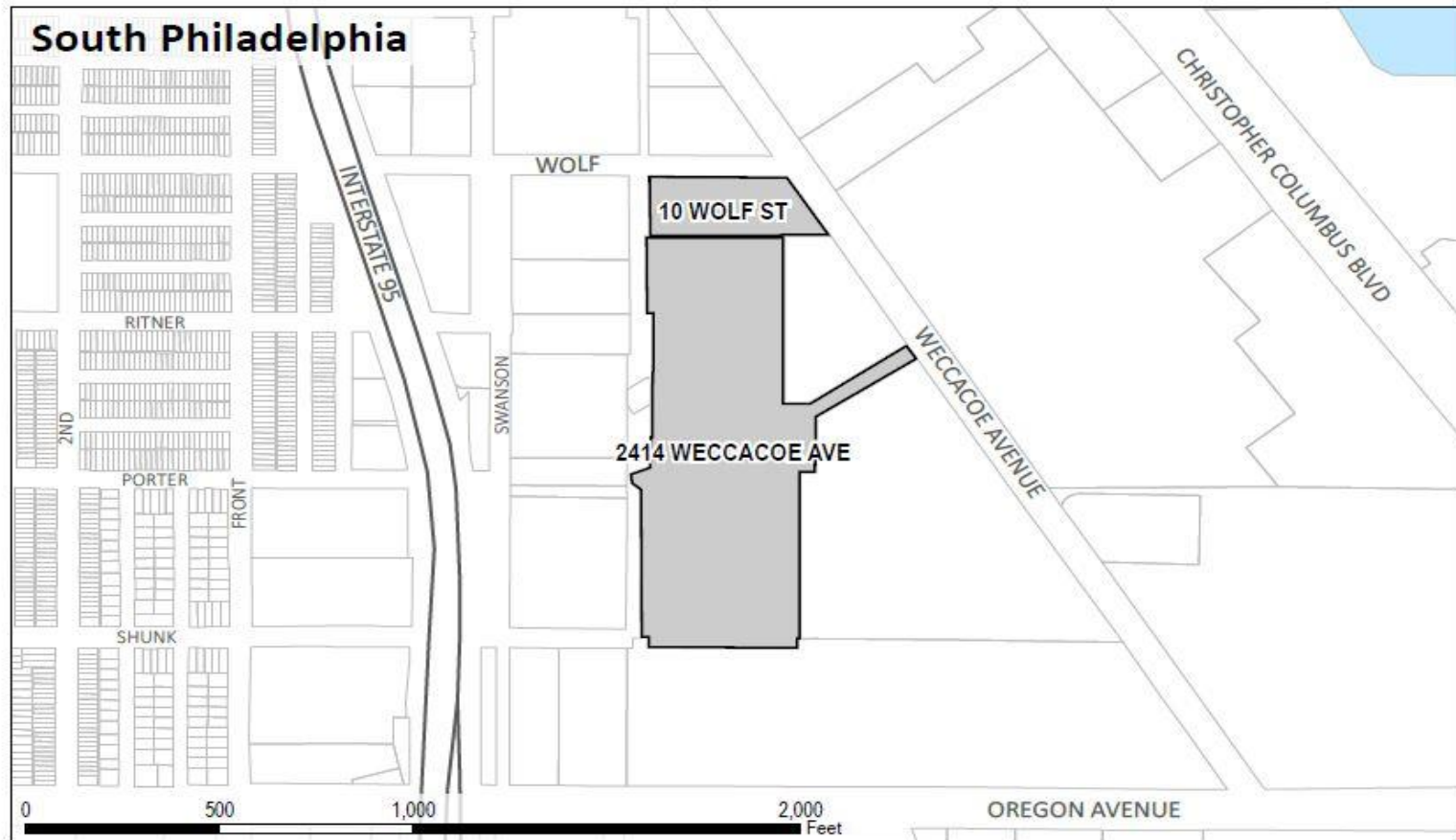
Commerce carefully selects parcels that are deemed to require subsidy to be developed, thereby catalyzing future tax revenue.



# Property Information



## South Philadelphia





Site of former Hyundai Rotem rail car assembly facility. Site is comprised of a large privately-owned industrial building and an adjacent parking lot owned by the Philadelphia Redevelopment Authority. Site has been vacant for over a decade and there is no current planned use.

2018 Assessment Value:	\$10,282,300
Real Estate Tax Revenue:	\$118,203
School District Share of Tax Revenue:	\$65,012
School District Share of the PILOT:	\$87,091
Unemployment Rate: N/A	Poverty Rate: 21.9%

**10 Wolf St. & 2414 Weccacoe Ave**  
**Size: 12.77 Acres**  
**Zoned: Industrial**



A detailed map of Southwest Philadelphia, Pennsylvania. The map shows the Schuylkill River flowing through the center. To the west of the river is the SEPTA/Amtrak Rail line, running diagonally. Major streets include Grays Ferry Avenue at the top, Lindbergh Blvd running vertically on the left, and various cross streets like 49th, 51st, 34th, 33rd, 32nd, and Vane. Two specific locations are highlighted with gray arrows and labels: '5210 LINDBERGH BLVD' on the left side and '1201 S 35TH ST' on the right side. Other labeled streets include Greenway, 50th, 51st, Woodland, Gray's Avenue, Wharton, Reed, Dickinson, Tasker, Morris, and Moore. A scale bar at the bottom indicates distances of 0, 625, 1,250, and 2,500 feet. The area 'Bartram's Garden' is also labeled near the river.

GRAYS FERRY AVENUE

GRAYS FERRY AVENUE

1201 S 35TH ST

WHARTON

REED

32N

REED

DICKINSON

TASKER

MORRIS

MOORE

[illegible]

Feet

Schuylkill River

0

625

1,250

2.500

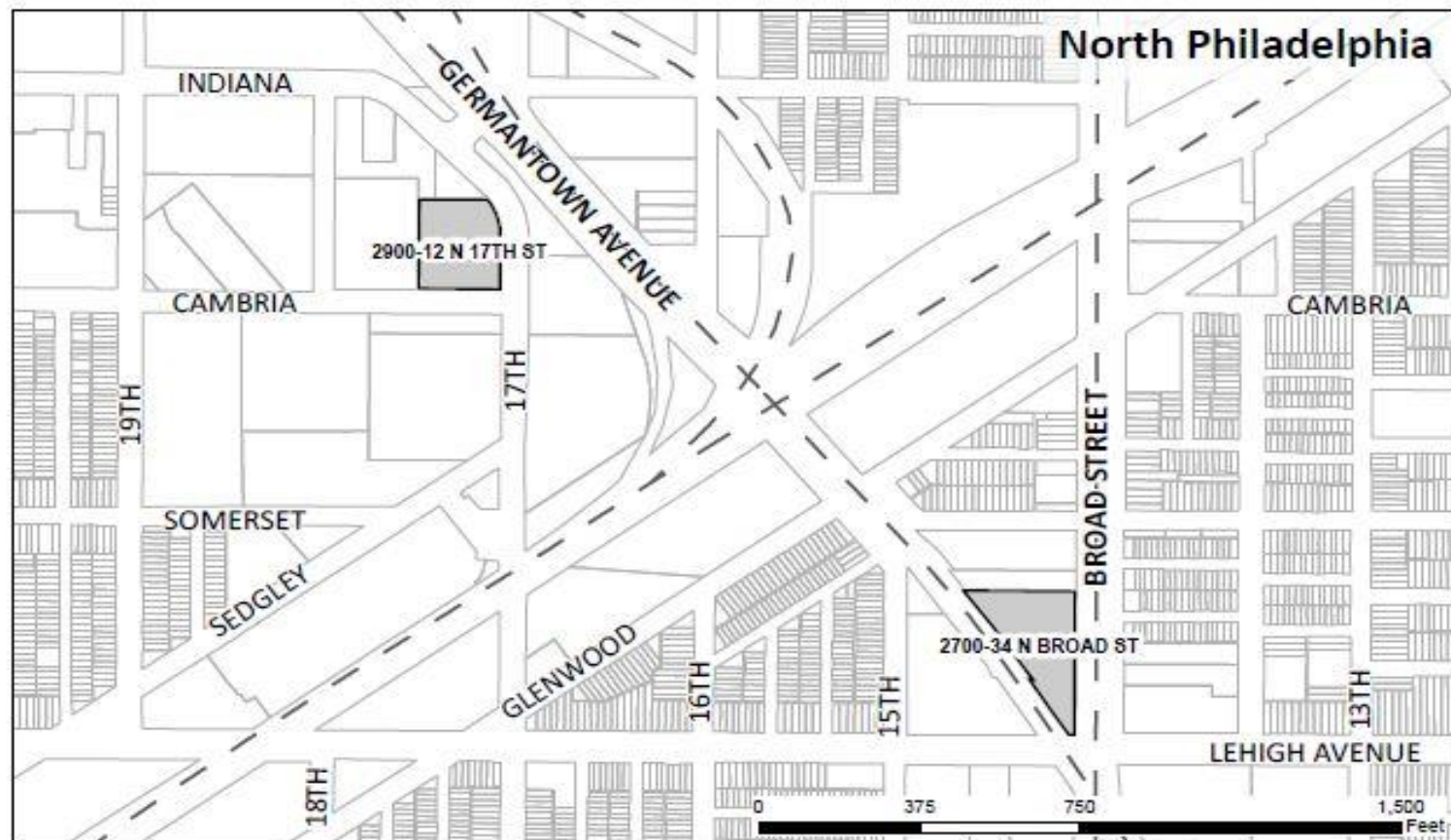
Feet



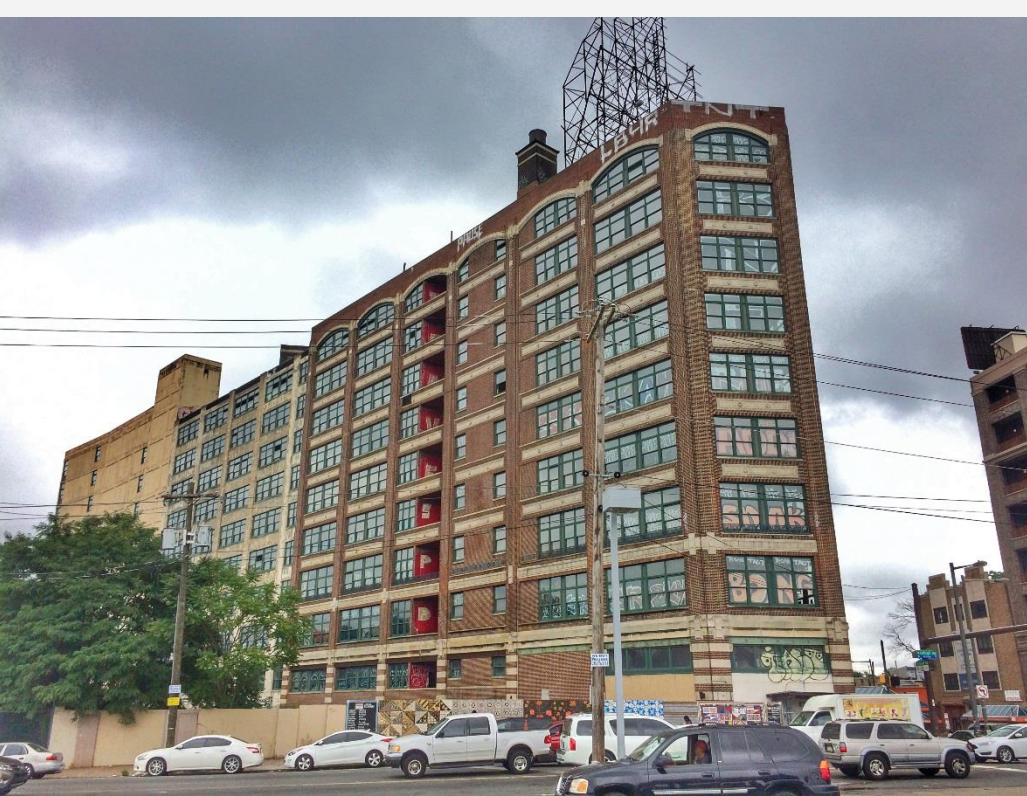
**1201 S. 35<sup>th</sup> St. & 5210 Lindbergh Blvd**  
**Size: 3.9 Acres**  
**Zoned: Industrial**

Large vacant parcels owned by the Philadelphia Authority for Industrial Development (PAID) and being marketed for distribution, light manufacturing or other industrial uses. Sites have been vacant for over a decade and there are no current planned uses.

2018 Assessment Value:	<b>\$1,367,700</b>
Real Estate Tax Revenue:	<b>\$0</b>
School District Share of Tax Revenue:	<b>\$0</b>
School District Share of the PILOT:	<b>\$11,584</b>
Unemployment Rate: 17.4%	Poverty Rate: 40.7%







**2700-34 N Broad Street**  
**Size: 1.2 Acres**  
**Zoned: Commercial**

This 10-story building, formerly known as the Botany 500 Building, sits at the confluence of Broad and Lehigh and contains 500,000 square feet of usable space. Site has been vacant since 1986 and requires significant remediation. Current owner wishes to develop this former industrial building for new commercial use.

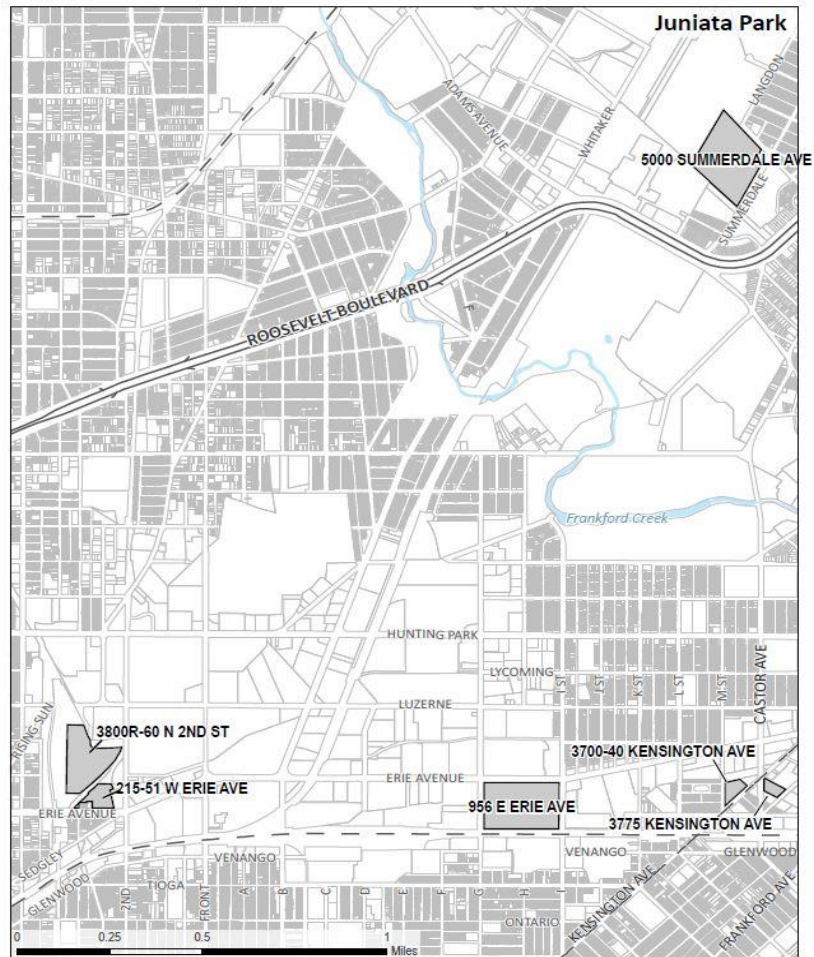
2018 Assessment Value:	\$1,448,000
Real Estate Tax Revenue:	\$20,272
School District Share of Tax Revenue:	\$11,150
School District Share of the PILOT:	\$12,265
Unemployment Rate: 8.2%	Poverty Rate: 42.7%



**2900 N. 17<sup>th</sup> Street.**  
**Size: 1.04 Acres**  
**Zoned: Industrial**

This building at 17<sup>th</sup> and Indiana in North Philadelphia was formerly a correctional facility. The building has been underutilized or vacant for over 10 years and the owner wishes to redevelop for commercial use. Currently has small non-profit function occupying a small portion of the first floor but the balance of this large building (over 75%) is vacant.

<b>2018 Assessment Value:</b>	<b>\$1,034,100</b>
<b>Real Estate Tax Revenue:</b>	<b>\$14,477</b>
<b>School District Share of Tax Revenue:</b>	<b>\$7,963</b>
<b>School District Share of the PILOT:</b>	<b>\$8,759</b>
<b>Unemployment Rate:</b> 8.2%	<b>Poverty Rate:</b> 42.7%







**5000 Summerdale Avenue**  
**Size: 19.71 Acres**  
**Zoned: Industrial**

Large vacant parcels owned by the Philadelphia Authority for Industrial Development (PAID) and being marketed for distribution, light manufacturing or other industrial uses. The parcels have been vacant for over a decade and would be ideal for future industrial or light manufacturing use.

2018 Assessment Value:	<b>\$4,420,700</b>
Real Estate Tax Revenue:	<b>\$0</b>
School District Share of Tax Revenue:	<b>\$0</b>
School District Share of the PILOT:	<b>\$37,443</b>
Unemployment Rate: 16.9%	Poverty Rate: 33.7%



**3800R-60 N. 2<sup>nd</sup> Street**  
**Size: 11.96 Acres**  
**Zoned: Industrial**

Large vacant warehouse on a 12-acre site set up for trucking, loading, and unloading. Ideal for use as last mile distribution. The parcel has been vacant for roughly six months and there is no current planned use.

2018 Assessment Value:	\$1,387,900
Real Estate Tax Revenue:	\$19,431
School District Share of Tax Revenue:	\$10,687
School District Share of the PILOT:	\$11,756
Unemployment Rate: 12.9%	Poverty Rate: 52.3%





**215-51 W. Erie Ave**  
**Size: 3.29 Acres**  
**Zoned: Industrial**

Large 3.3-acre vacant lot zoned I-2 for distribution or other light industrial use. Well positioned for re-development and jobs creation. The site has been vacant for over ten years and there is no current planned use.

2018 Assessment Value:	\$1,353,600
Real Estate Tax Revenue:	\$18,950
School District Share of Tax Revenue:	\$10,423
School District Share of the PILOT:	\$11,465
Unemployment Rate: 12.9%	Poverty Rate: 52.3%



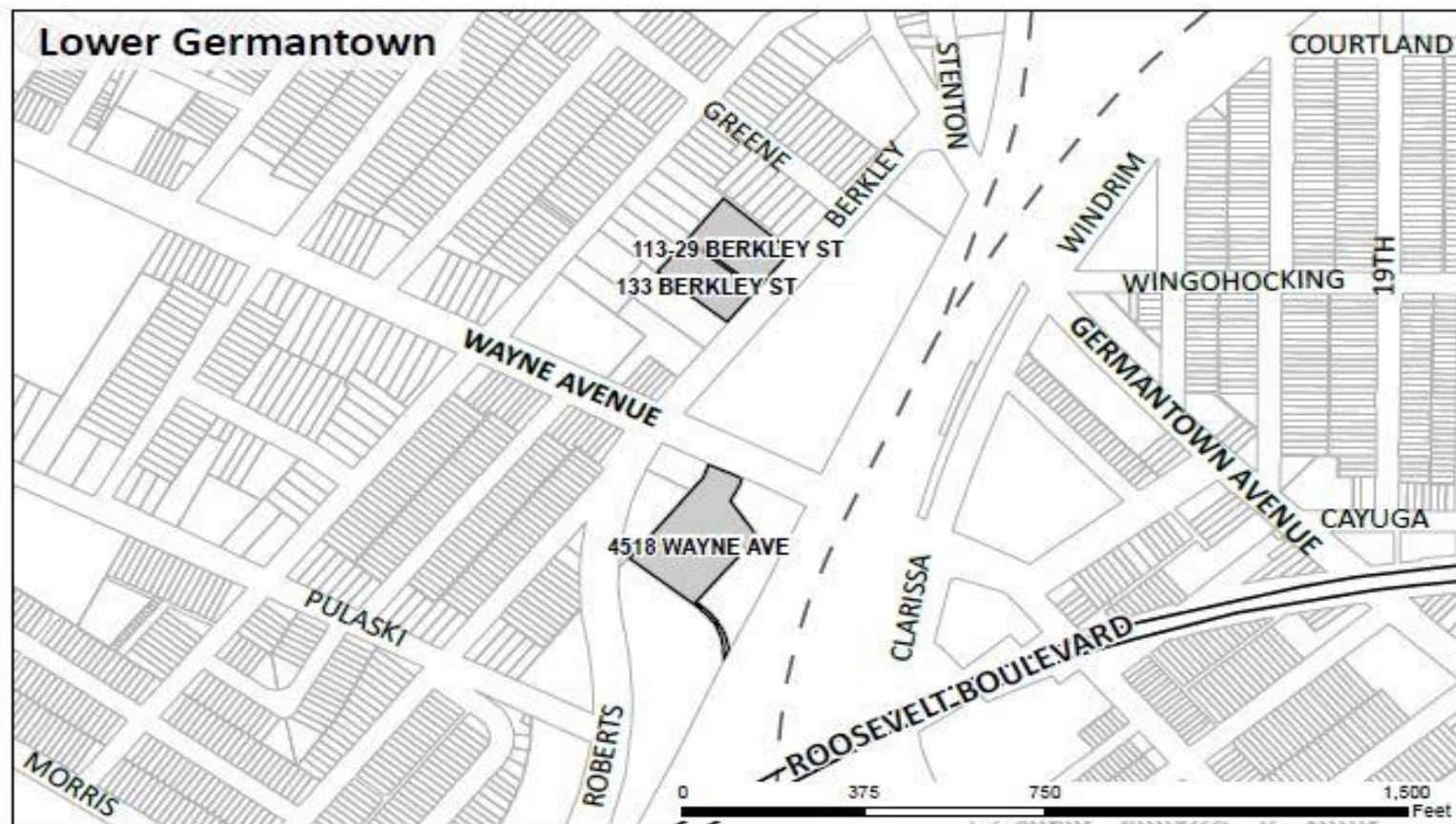


**956 E. Erie Avenue**  
**Size: 19.4 Acres**  
**Zoned: Industrial**

Large, vacant industrial building zoned I-2 directly across from the Coca Cola bottling plant in the Juniata Park neighborhood, a low income community in Philadelphia. The site has been vacant for over a decade and there is no current planned use.

2018 Assessment Value:	\$4,737,400
Real Estate Tax Revenue:	\$66,324
School District Share of Tax Revenue:	\$36,478
School District Share of the PILOT:	\$40,126
Unemployment Rate: 9%	Poverty Rate: 31.1%

## Lower Germantown





Vacant land near Wayne Junction, a formerly industrial neighborhood in lower Germantown. The current owner wishes to develop the site for commercial use and a KOZ designation helps close the gap to finance the project.

**133 & 113-29 Berkley Street**  
**Size: .97 Acres**  
**Zoned: Commercial/Mixed Use**

<b>2018 Assessment Value:</b>	<b>\$504,300</b>
<b>Real Estate Tax Revenue:</b>	<b>\$7,060</b>
<b>School District Share of Tax Revenue:</b>	<b>\$3,883</b>
<b>School District Share of the PILOT:</b>	<b>\$4,271</b>
<b>Unemployment Rate:</b> 10.5%	<b>Poverty Rate:</b> 26.4%



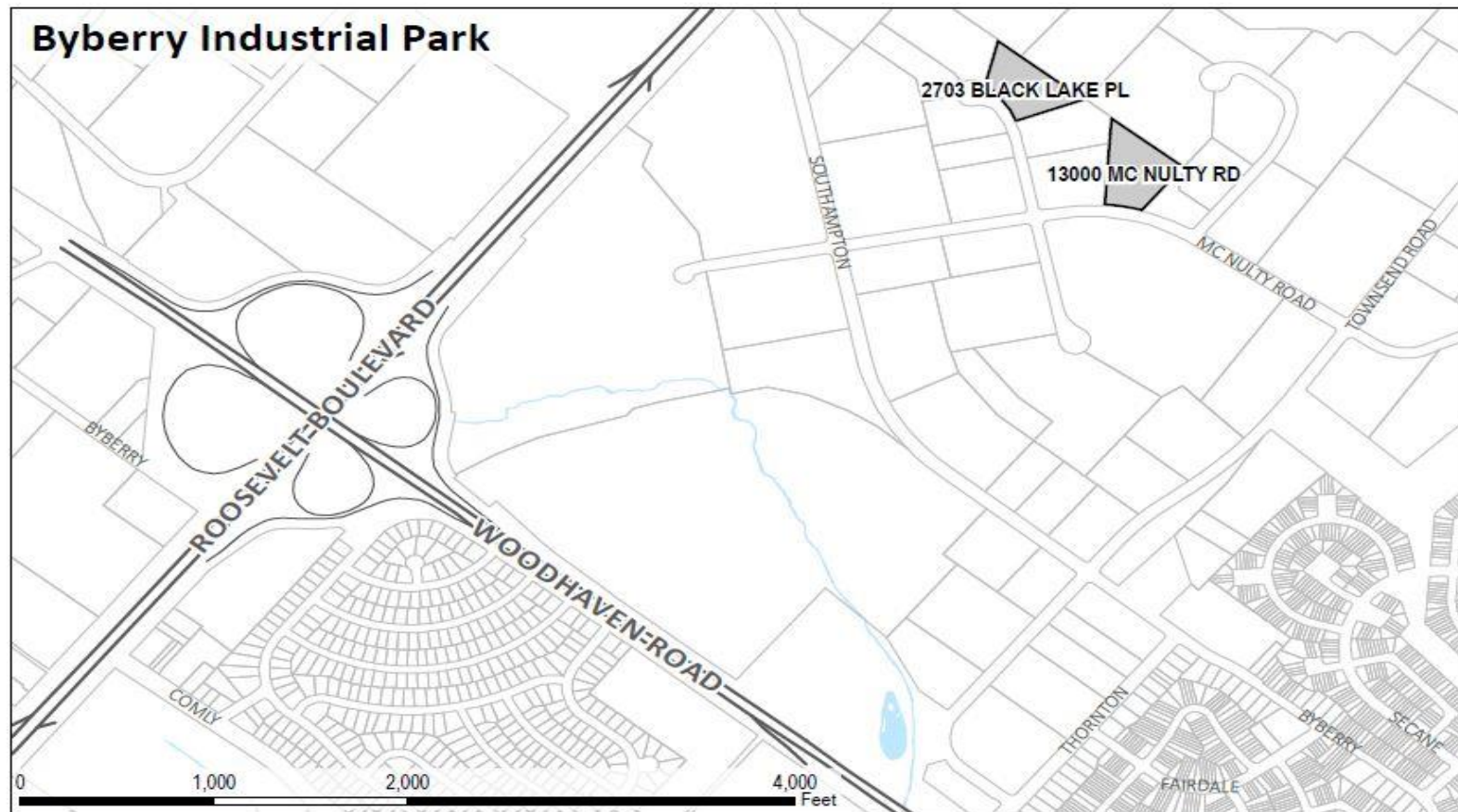


**4518 Wayne Ave**  
**Size: 1.13 Acres**  
**Zoned: Industrial**

This property has been a vacant site for at least three decades. Philly Office Retail recently purchased this large vacant lot which requires significant environmental remediation work over the next year. KOZ designation will allow the developer to move forward on repositioning the site for commercial development once site work is completed.

2018 Assessment Value:	\$98,200
Real Estate Tax Revenue:	\$1,375
School District Share of Tax Revenue:	\$756
School District Share of the PILOT:	\$832
Unemployment Rate: 11.2%	Poverty Rate: 28.1%

## Byberry Industrial Park





**13000 McNulty Rd & 2703 Black Lake Place**

**Size: 6 Acres**

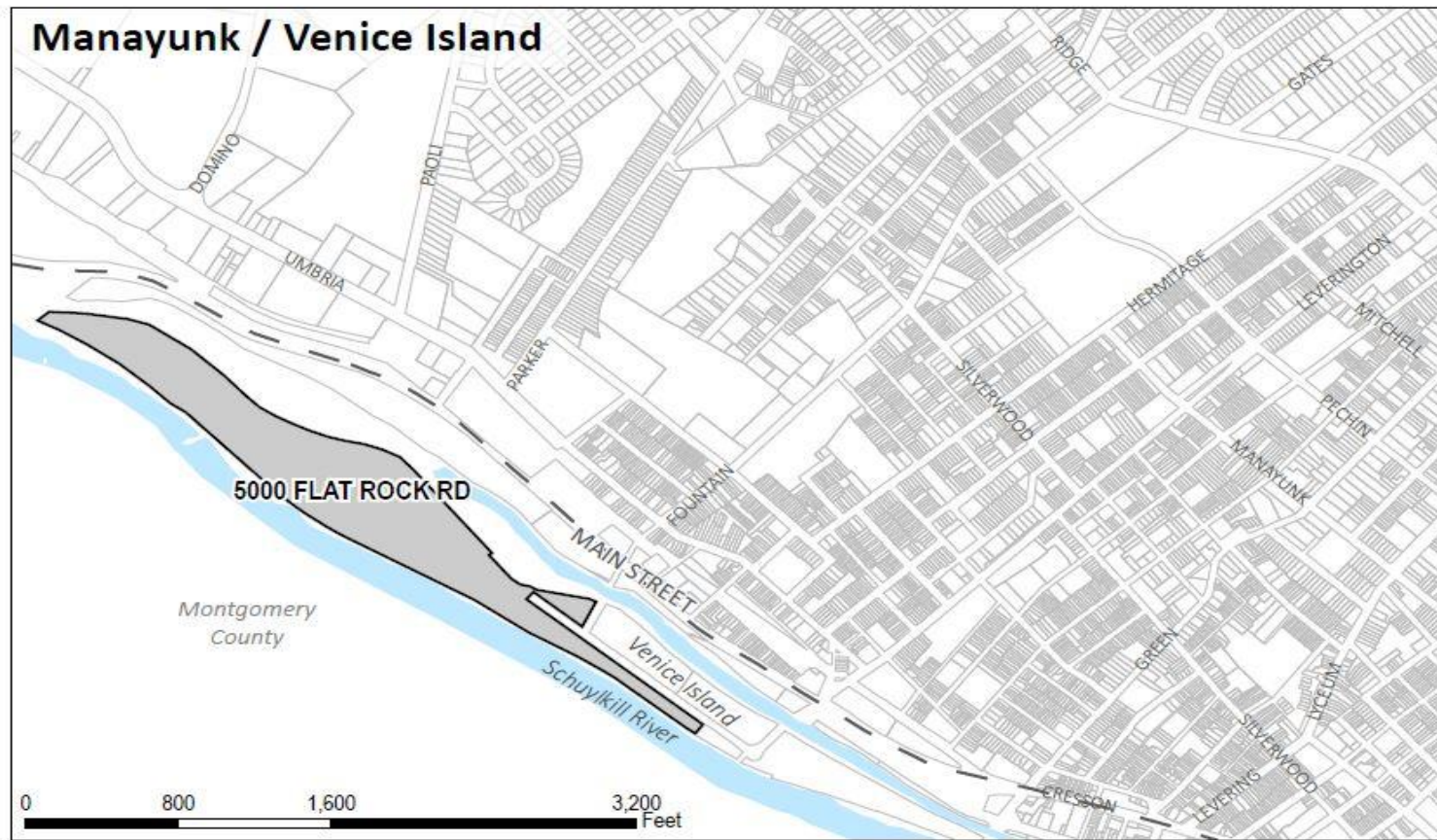
**Zoned: Industrial**

Two large vacant parcels in the Byberry East Industrial Park owned by the Philadelphia Authority for Industrial Development (PAID) and being marketed for distribution, light manufacturing or other industrial uses. The site has been vacant for more than two decades and there is no current planned use.

2018 Assessment Value:	<b>\$650,400</b>
Real Estate Tax Revenue:	<b>\$0</b>
School District Share of Tax Revenue:	<b>\$0</b>
School District Share of the PILOT:	<b>\$5,509</b>
Unemployment Rate: 3.3%	Poverty Rate: 51%



## Manayunk / Venice Island



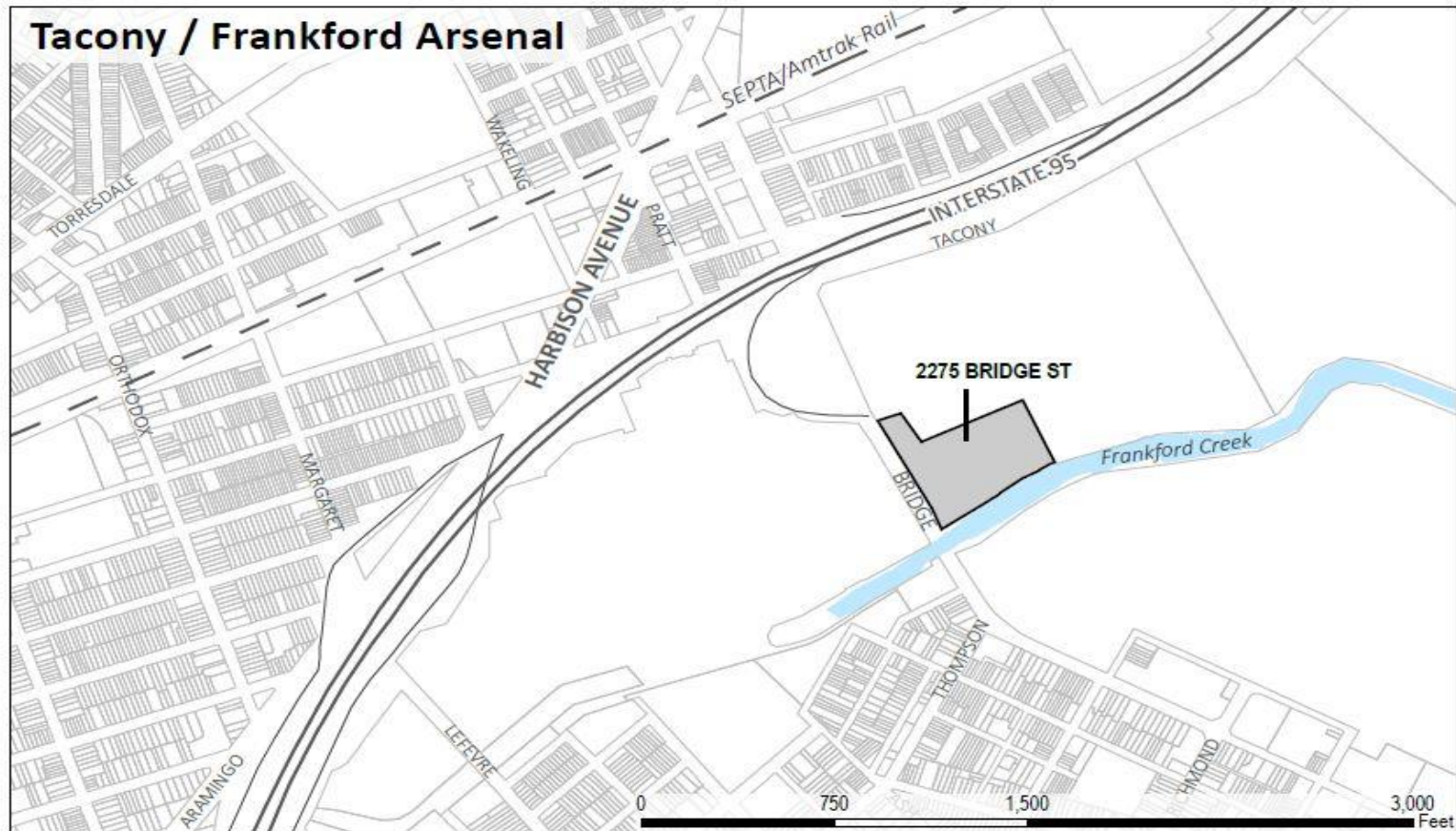


**5000 Flat Rock Road**  
**Size: 28.14 Acres**  
**Zoned: Industrial**

Large industrial site on Venice Island in Manayunk which housed a large paper mill that relocated in 2017, affecting 150 full time employees. This large parcel has the potential to accommodate numerous businesses and thousands of jobs. The vacant 28-acre site has significant environmental and flood plain issues making redevelopment costly. The mill is over 200 years old and requires major remediation. KOZ designation will be hugely important to attract development and drive job creation.

2018 Assessment Value:	<b>\$11,028,600</b>
Real Estate Tax Revenue:	<b>\$154,400</b>
School District Share of Tax Revenue:	<b>\$84,920</b>
School District Share of the PILOT:	<b>\$93,412</b>
Unemployment Rate: 7.3%	Poverty Rate: 17.7%

## Tacony / Frankford Arsenal







**2275 Bridge Street**  
**Size: 4.09 Acres**  
**Zoned: Industrial/Mixed**

This group of 6 vacant buildings on the 40-acre historically-designated Frankford Arsenal campus are zoned IRMX (industrial mixed use). The six buildings include 26 individual tax units all of which are currently vacant. Of the 26 units, 15 have KOZ designation and this application would fill the gaps and incentivize commercial and light manufacturing tenants to locate their businesses. The Arsenal campus includes over 30 buildings with a variety of industrial and commercial uses including a charter school.

2018 Assessment Value:	\$1,234,000
Real Estate Tax Revenue:	\$17,276
School District Share of Tax Revenue:	\$9,502
School District Share of the PILOT:	\$10,452
Unemployment Rate: 16.9%	Poverty Rate: 37.4%

## Kensington



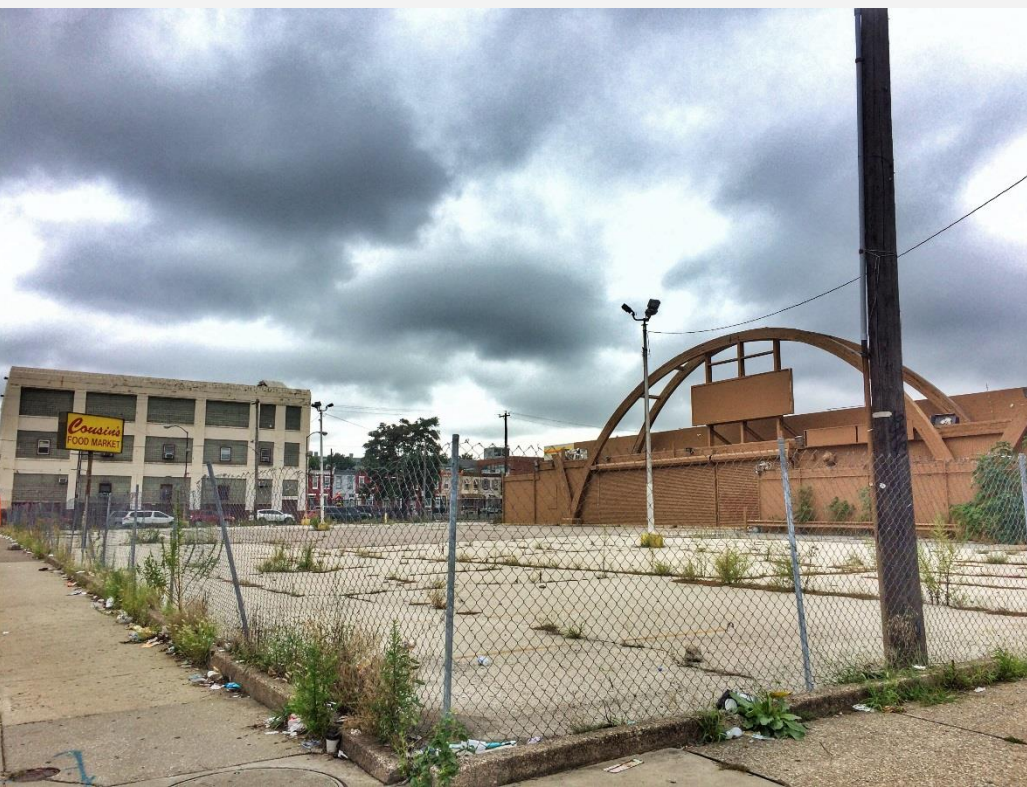


Vacant parcels on the American Street industrial corridor. The site has been vacant for years and there is no current planned use. These parcels have great potential to be developed into an economic driver.

**2500, 2501, 2730, 2425-39, 2801-11 N  
American Street  
Size: 4.27 Acres  
Zoned: Industrial**

2018 Assessment Value:	\$2,163,600
Real Estate Tax Revenue:	\$30,290
School District Share of Tax Revenue:	\$16,660
School District Share of the PILOT:	\$18,326
Unemployment Rate: 8.1%	Poverty Rate: 62.4%

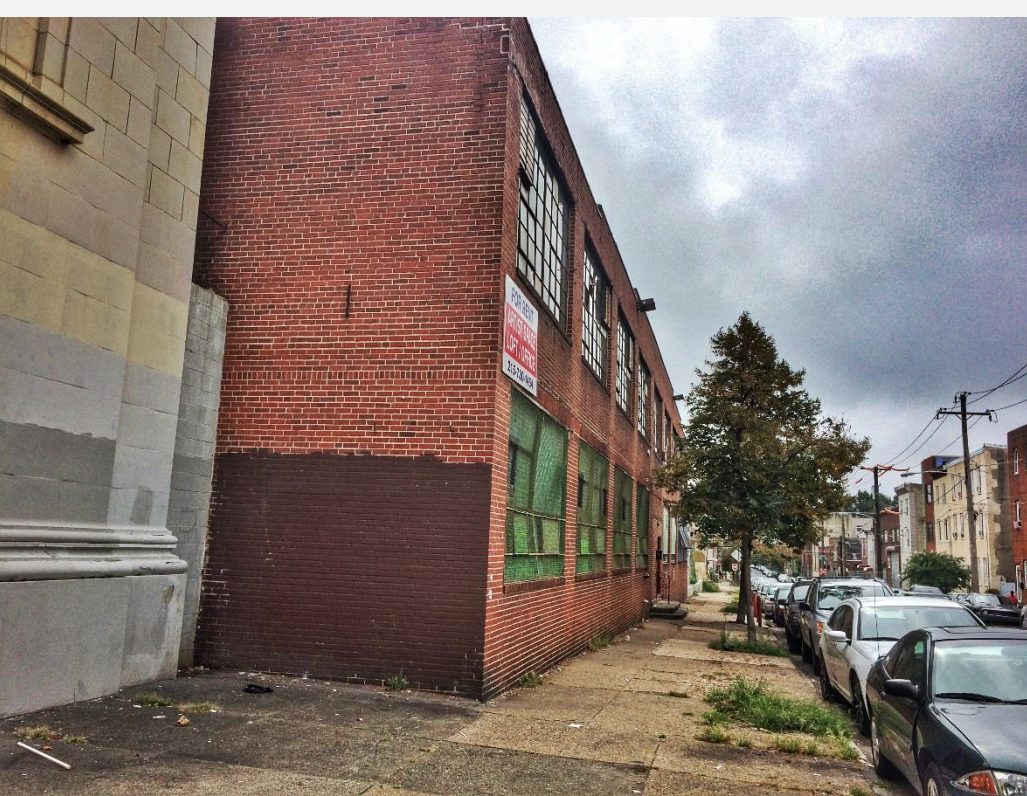




**233-64 W. Lehigh Ave**  
**Size: 1.43 Acres**  
**Zoned: Industrial**

Vacant lot formerly part of a neighborhood supermarket with potential for a large, job creating development. The site has been vacant for five years and there is no current planned use.

2018 Assessment Value:	\$2,137,000
Real Estate Tax Revenue:	\$29,918
School District Share of Tax Revenue:	\$16,455
School District Share of the PILOT:	\$18,100
Unemployment Rate: 8.1%	Poverty Rate: 62.4%



**1801 & 1807-27 Huntingdon Street**  
**Size: .56 Acres**  
**Zoned: Industrial/Commercial**

An assemblage of adjacent properties consisting of a vacant bank building and a vacant warehouse. The site has been abandoned for over a decade and there is no current planned use. Redevelopment of these properties would activate a long vacant site on the struggling Kensington Ave Commercial Corridor.

2018 Assessment Value:	\$690,600
Real Estate Tax Revenue:	\$9,668
School District Share of Tax Revenue:	\$5,318
School District Share of the PILOT:	\$5,849
Unemployment Rate: 12.4%	Poverty Rate: 33.6%





**2128-42 N Front Street**  
**Size: .18 Acres**  
**Zoned: Commercial/Mixed**

This assemblage, located on the N Front Street commercial corridor is owned by Finanta, a non-profit Community Development Financial Institution (CDFI). Plans for these vacant parcels include commercial space on the lower floors of a mixed-use development. Finanta is committed to offering affordable rents to counteract displacement in this rapidly developing neighborhood.

2018 Assessment Value:	\$129,900
Real Estate Tax Revenue:	\$1,819
School District Share of Tax Revenue:	\$1,000
School District Share of the PILOT:	\$1,100
Unemployment Rate: 9%	Poverty Rate: 53.2%





**246-72 W. Berks Street**  
**Size: .13 Acres**  
**Zoned: Industrial**

Vacant building on the American Street industrial corridor formerly occupied by a food distribution business. The site has been vacant for roughly ten months and there is no current planned use. The site had significant environmental contamination which required a redevelopment plan to incorporate an environmental cap over the hazardous area.

2018 Assessment Value:	\$2,472,900
Real Estate Tax Revenue:	\$34,621
School District Share of Tax Revenue:	\$19,041
School District Share of the PILOT:	\$20,945
Unemployment Rate: 9.3%	Poverty Rate: 41.2%



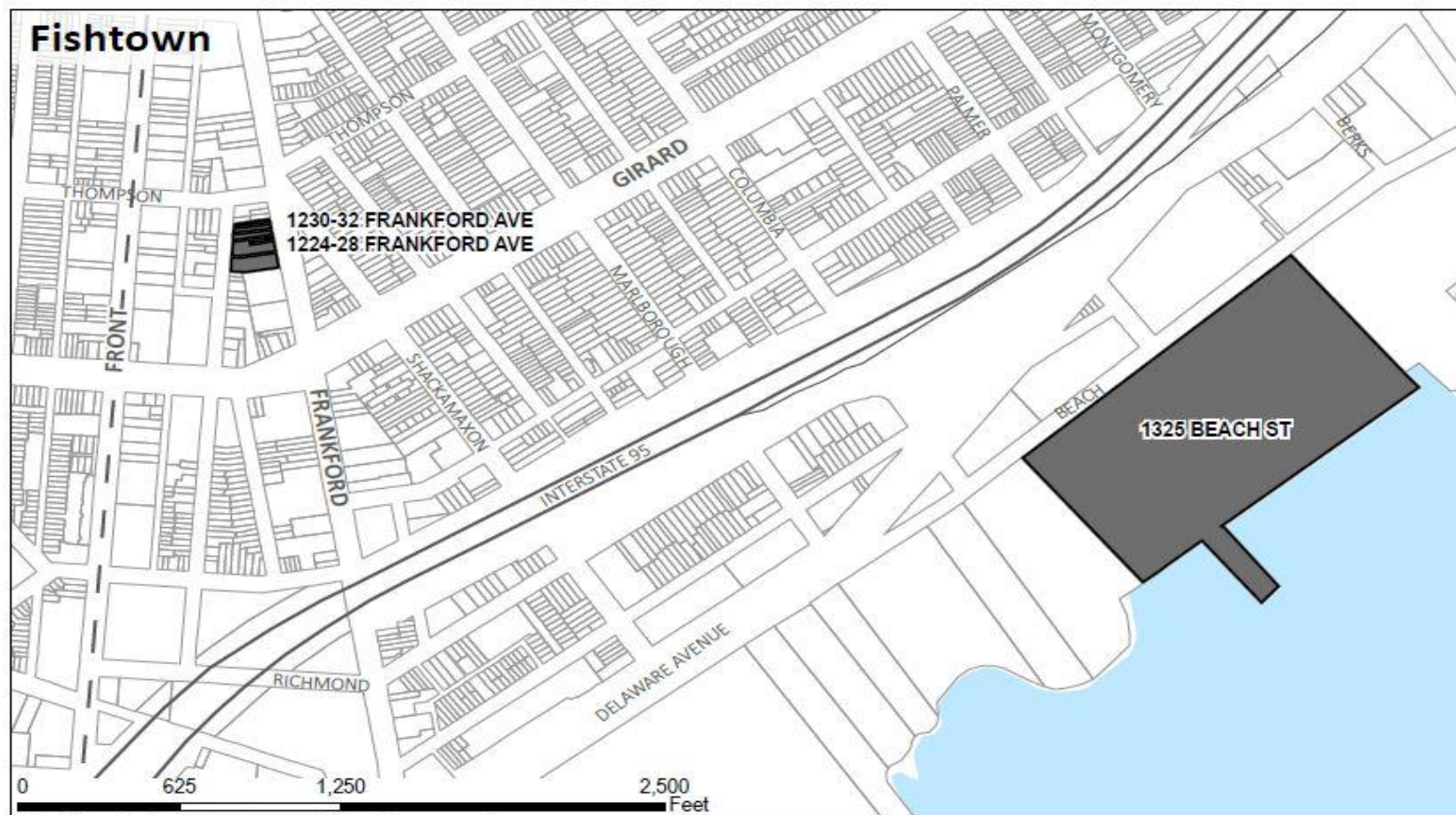
**219-225 Cecil B. Moore Ave**  
**Size: .08 Acres**  
**Zoned: Residential**

Vacant lot located next to Drexel Foods on N American Street. The site has been abandoned for over a decade and there is no current planned use. KOZ designation would act as an incentive for commercial/office space to be developed on this lot.

2018 Assessment Value:	<b>\$131,000</b>
Real Estate Tax Revenue:	<b>\$1,834</b>
School District Share of Tax Revenue:	<b>\$1,009</b>
School District Share of the PILOT:	<b>\$1,110</b>
Unemployment Rate: 7.2%	Poverty Rate: 26.5%



## Fishtown







**1325 Beach Street**  
**Size: 11.2 Acres**  
**Zoned: Commercial**

Formerly the Delaware Power Plant, this historically designated building sits vacant directly next to Penn Treaty Park on the Delaware River. PECO vacated the site in 2004 and there is no current planned use. The property has significant environmental contamination which must be abated before the site can be redeveloped. Based on the waterfront location, there is strong potential for office or other commercial use of the site.

2018 Assessment Value:	\$2,832,800
Real Estate Tax Revenue:	\$39,659
School District Share of Tax Revenue:	\$21,813
School District Share of the PILOT:	\$23,994
Unemployment Rate: 5.4%	Poverty Rate: 11.3%



**1224-40 Frankford Ave & 1253 Leopard Street.**

**Size: .37 Acres**

**Zoned: Commercial/Mixed**

This assemblage of seven vacant parcels on Frankford Avenue is being positioned for redevelopment as a small hotel with potential to create new jobs in the hospitality industry. Hotel development costs in this market will require significant public incentives to be feasible.

2018 Assessment Value:	<b>\$1,000,900</b>
Real Estate Tax Revenue:	<b>\$14,012</b>
School District Share of Tax Revenue:	<b>\$7,708</b>
School District Share of the PILOT:	<b>\$8,478</b>
Unemployment Rate: 7.2%	Poverty Rate: 30.6%



# THANK YOU

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