

# Allegheny County Council

*436 Grant Street  
Pittsburgh, PA 15219  
Phone (412) 350-6490  
Fax (412) 350-6499*



## Meeting Minutes

**Wednesday, December 14, 2016**

**5:00 PM**

**Conference Room 1**

## **Committee on Economic Development & Housing**

*Dewitt Walton, Chair*

*Members; Tom Baker, Sam DeMarco, Mike Finnerty, Nick Futules, Ed Kress, Bob Macey, John Palmiere*

## I. Call to Order

*The meeting was called to order at 5:01.*

### Invited Guests:

**William D. McKain, CPA, Allegheny County Manager or designee(s)**  
**Robert Hurley, Director, Allegheny County Department of Economic Development**

*Mr. McKain was present from the Office of the County Manager.*

*Mr. Hurley and Mr. Strul were present from the Department of Economic Development.*

*Mr. Snyder was present from LES Neville Trust.*

*Mr. Reidbord and Mr. Perlman were present from Walnut Capital.*

*Mr. Barker was present from the Office of County Council.*

## II. Roll Call

**Members Present:** 3 - Walton, Michael Finnerty and Ed Kress

**Members Absent:** 5 - Tom Baker, Sam DeMarco, Nick Futules, Bob Macey and John Palmiere

**Members** 1 - Sue Means

**Non-Members:**

## III. Approval of Minutes

[9929-16](#)

Motion to approve the minutes of the October 11, 2016 meeting of the Committee on Economic Development and Housing.

**A motion was made by Finnerty, seconded by Walton, that this matter be Passed. The motion carried by a unanimous vote.**

## IV. Agenda Items

### Resolutions

[9806-16](#)

A Resolution of the Council of Allegheny County, Pennsylvania, made pursuant to the Local Economic Revitalization Tax Assistance Act ("LERTA"), Pa. Stat. Ann. tit. 72, § 4722 *et seq.* (1995), as amended, providing for: a program of temporary exemption from increases in Allegheny County Real Property Taxes, for specified time periods, resulting from improvements made by an owner of property located within a specific geographic area within Neville Township, County of Allegheny, Commonwealth of Pennsylvania, previously determined to be a deteriorated area; establishing a schedule for exempting increases in Allegheny County property taxes resulting from such improvements; and prescribing the requirements and procedures by which an owner of property located within the deteriorated area can secure the temporary exemption resulting from such improvements.

**Sponsors:** Chief Executive

*At the request of the Chair, the clerk read the title of the bill and Mr. Hurley provided a brief overview of its provisions and the activities undertaken by LES Neville Trust. Mr. Hurley noted that the proposed development would be warehouse/industrial space and that the value of the LERTA is comparatively small, with the exemption essentially allowing the developer to provide slightly lower rental rates in order to induce tenants to move to Neville.*

*Mr. Schneider discussed his business model and history of developing properties in Neville.*

*In response to a question from Mr. Finnerty, Mr. Schneider and Mr. Hurley discussed the location of the proposed development, noting that it is on Neville Road, near Pennsylvania State Route 51.*

*In response to a question from Mr. Kress, Mr. Hurley discussed e-verification procedures and Mr. Schneider indicated that he would anticipate no issues with e-verification of the employees. Mr. Hurley indicated that the construction phase of the project was actually initiated prior to the initiation of the LERTA process, so the workers had not been e-verified, but that the Department would work with Mr. Schneider to undertake that process.*

*In response to a question from Ms. Means, Mr. Hurley noted that the school district and township are participating. Mr. Strul noted that the County could not proceed before the other taxing bodies approved their resolutions.*

*In response to a question from Mr. Finnerty, Mr. Hurley noted that the County taxes on the development would only amount to about \$8,000.*

**A motion was made by Finnerty, seconded by Kress, that this matter be Affirmatively Recommended. The motion carried by a unanimous vote.**

[9923-16](#)

A Resolution of the Council of Allegheny County, Pennsylvania, made pursuant to the Local Economic Revitalization Tax Assistance Act ("LERTA"), Pa. Stat. Ann. tit. 72, §4722 et. seq. (1995), as amended, providing for: a program of temporary exemption from increases in Allegheny County Real Property taxes, for specified time periods, resulting from improvements made by an owner of property located within the Seventh Ward of the City of Pittsburgh, County of Allegheny, Commonwealth of Pennsylvania, generally known as the Shadyside neighborhood, previously determined to be a deteriorated area; establishing a schedule for exempting increases in Allegheny County property taxes resulting from such improvements; and prescribing the requirements and procedures by which an owner of property located within the deteriorated area can secure the temporary exemption resulting from such improvements.

**Sponsors:** Chief Executive

*At the request of the Chair, the clerk read the title of the bill and Mr. Hurley described its provisions, noting that the project at issue is a second phase of living space construction in the Bakery Square development, and that the developer would be using the increment derived from the exemption to secure additional financing. Mr. Hurley noted that the Pittsburgh Public School District would not be participating in the LERTA, as it sold the property to the developer with the condition that no tax abatements would be sought from*

*the district. Mr. Hurley noted that the total project cost would be about \$35 million.*

*In response to a question from Mr. Finnerty, Mr. Hurley noted that the Pittsburgh Public School District would never participate in the increment on this particular parcel, but that they have on the other parcels involved in the Bakery Square development.*

*In response to a question from Mr. Kress, Mr. Hurley noted that some portions of the development are not subject to the LERTA and that no e-verification activities would be undertaken in relation to individuals working on those portions, but that e-verification would be done for the others.*

*In response to a question from Ms. Means, Mr. Hurley discussed the development site.*

*In response to a question from Mr. Kress, Mr. Reidbord discussed the demand for the housing that would be created, attributing expectations of high demand to the development's proximity to the universities and hospitals. Mr. Perlman noted that over 60% of Walnut Capital's tenants come from outside the region to live her.*

**A motion was made by Finnerty, seconded by Kress, that this matter be Affirmatively Recommended. The motion carried by a unanimous vote.**

[9924-16](#)

A Resolution of the Council of Allegheny County, Pennsylvania, made pursuant to the Local Economic Revitalization Tax Assistance Act ("LERTA"), Pa. Stat. Ann. tit. 72, §4722 et. seq. (1995), as amended, providing for: a program of temporary exemption from increases in Allegheny County Real Property taxes, for specified time periods, resulting from improvements made by an owner of property locates within the Eighth Ward of the City of Pittsburgh, County of Allegheny, Commonwealth of Pennsylvania, generally known as the East Liberty neighborhood, previously determined to be a deteriorated area; establishing a schedule for exempting increases in Allegheny County property taxes resulting from such improvements; and prescribing the requirements and procedures by which an owner of property located within the deteriorated area can secure the temporary exemption resulting from such improvements.

**Sponsors:** Chief Executive

*At the request of the Chair, the clerk read the title of the bill and Mr. Hurley provided an overview of the project, noting that the City's permitting process has taken a significant amount of time due to the City's requirement that the facades of the existing structures be preserved and reinstalled on the new buildings, and that this also necessitated some changes to the development's design. Mr. Hurley noted that the aggregate project cost would be about \$18 million, with the retail portion to be completed in the summer of 2017 and leasing of the 78 apartment units to follow. Mr. Hurley noted that the County's approval is conditional upon the participation of the Pittsburgh Public School District.*

*In response to a question from Mr. Kress, Mr. Hurley noted that only the housing portion of the development is subject to the LERTA exemption, and that only the individuals working on the housing portion would be e-verified. Mr. Hurley indicated a willingness to provide a letter to this effect.*

*In response to questions from Mr. Finnerty, Mr. Hurley noted that the County's current taxes collected from the property is about \$4,700, with the County taxes after full buildout being roughly \$61,500, and described the process through which Walnut Capital obtained the development rights.*

*In response to a question from Ms. Means, Mr. Reidbord noted that there is no parking directly attached to this development, but that Walnut Capital also owns the adjacent building which has parking adequate to serve the new development, as well.*

*In response to a question from Ms. Means, Mr. Reidbord noted that the monthly rental for the majority of the residential units - which will be smaller studio-type units - will be approximately \$1,100.*

**A motion was made by Finnerty, seconded by Kress, that this matter be Affirmatively Recommended. The motion carried by a unanimous vote.**

## Discussion Topic

### V. Adjournment

*The meeting adjourned at 5:29.*