

Allegheny County Council

*County of Allegheny
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Committee Meeting Minutes

Wednesday, January 30, 2008

4:00 PM

Conference Room 1

Committee on Economic Development & Housing

Brenda Frazier, Chair; Jim Burn, Joan Cleary, John DeFazio, Matt Drozd, Mike Finnerty, Nick Futules, Bob Macey, and Jan Rea - Members

I. Call to Order

Summary: *Meeting was called to order at 4:00 pm*

Invited Guests:

Jim Flynn, County Manager or Designee

Dennis Davin, Director, Economic Development

Summary: *Invited Guests Present: Dennis Davin, Director of Economic Development; Jim Flynn, County Manager*

Recognized Attendees: Karen Womack, Law Department; Maurice Strul, Economic Development Department; Mike Pehur, Economic Development Department

Council Staff Present: Jared Barker; Jennifer Liptak; Stephanie Buka

II. Roll Call

Roll Call: Present: Matt Drozd, Michael Finnerty, Nick Futules, Bob Macey, Chair Brenda Frazier, and Council Member William Robinson
Absent: Jim Burn, Joan Cleary, John DeFazio, and Jan Rea

III. Approval of Minutes

3704-08 Motion to approve the minutes of the October 16, 2007 Economic Development & Housing Committee Meeting.

Action: **A motion was made by Finnerty, seconded by Macey, that this matter be Passed. The motion carried unanimously.**

IV. Agenda Items

Ordinances

3658-08 An Ordinance of the County of Allegheny, Commonwealth of Pennsylvania, amending and supplementing the Allegheny County Code of Ordinances, Division 4, entitled "Finances," by the creation of a new Article 485 entitled "Local Economic Revitalization Tax Assistance," in order to establish a uniform process for periodically reviewing the County's Local Economic Revitalization Tax Assistance activities.

Sponsors: William Russell Robinson

Summary: *Councilman Robinson said the preliminary work exposed the challenges in getting the data, but he is pleased with the work thus far and would like them to continue. He suggested this bill remain in committee until the Economic Development Department feels comfortable.*

Director Davin said the LERTA information will take at least 6 months. He said they started contacting the municipalities, but they need to look at legislation and survey businesses. On the other hand, the TIF information is only lacking job data. He

requested 3 months for the TIF report and 6 months for the LERTA report.

Councilman Robinson asked for an update in 3 months and Director Davin agreed.

Councilman Finnerty asked to be added as a co-sponsor.

Action: **Held in Committee**

3659-08 An Ordinance of the County of Allegheny, Commonwealth of Pennsylvania, amending and supplementing the Allegheny County Code of Ordinances, Division 4, entitled "Finances," by the creation of a new Article 480 entitled "Tax Increment Financing," in order to establish a uniform process for periodically reviewing the County's Tax Increment Financing activities.

Sponsors: William Russell Robinson

Summary: *The group discussed this bill along with Bill No. 3658-08.*

Councilman Finnerty asked to be added as a co-sponsor.

Action: **Held in Committee**

3670-08 An Ordinance of the County of Allegheny, Commonwealth of Pennsylvania, authorizing the Chief Executive to execute a deed conveying the County of Allegheny's interest in a parcel to Paul and Barbara Hengelsberg.

Sponsors: Chief Executive

Summary: *Chairwoman Frazier said the high bidders were Paul and Barbara Hengelsberg at \$11,500 with a minimum bid of \$5,000.*

Ms. Womack said the Law Department received an inquiry from the Hengelsberg's stating they were interested in the property. An independent appraisal was conducted and the property was found to be too steep to build on.

Councilman Finnerty asked if Hampton Township had to be involved in the transaction and Ms. Womack said the property is owned by the County.

Councilman Drozd said in the future he would like an advance notice so that he can physically visit the property site.

Councilman Futules asked who determined the property to be unsuitable to build on, and Ms. Womack replied, the Department of Public Works.

Councilman Drozd said he will vote no, because he doesn't have enough information. All members were in favor of passing the bill, with the exception of Councilman Drozd.

Action: **A motion was made by Macey, seconded by Futules, that this matter be Affirmatively Recommended. The motion carried by the following vote:**

Votes: Yes: 4 - Finnerty, Futules, Macey and Chair Frazier

No: 1 - Drozd

Absent: 4 - Burn, Cleary, DeFazio and Rea

Non-Member: 1 - Council Member Robinson

Discussion Topic:

The Department of Economic Development will provide an update on the report they are preparing regarding the status of the County approved TIF and LERTA projects.

Summary: *Director Davin provided a handout concerning TIF projects for the past 7 or 8 years. He said the LERTA projects are a different matter, because some are obsolete. He said they are continuing to put this information together and LERTA information will eventually be placed on the web site.*

Mr. Pehur said this is the first time the Economic Development Department created such a report and historical tax information was difficult to gather. He said the handout shows the different TIF districts and he would go through the Pittsburgh Mills project as an example. The profile shows project description, project costs, assessed value within TIF District, real estate taxes retained and diverted (projected and actual) and project deliverables.

Chairwoman Frazier said she didn't see the number of jobs created in the profile and Mr. Pehur said this is just an interim report, but they are looking at job creation figures to add to the report.

Director Davin said the Commonwealth's Labor & Industry Department told them they can't share this information, but Economic Development is trying to retrieve this data from the state. If they cannot obtain the data this way, they will need to contact the developers.

Councilman Futules asked about real estate taxes diverted and Mr. Pehur said these are taxes coming in that are diverted to finance the project. Director Davin said 75% of the increment is used for the project and 25% goes to the taxing bodies.

Director Davin said they will be looking at projected jobs and actual jobs created, but actual jobs is what they're really interested in looking at for the report.

Councilman Drozd said commercial jobs follow the base and he'd like to see more jobs created in the areas of high-tech, and higher-paying jobs. Director Davin said Chief Executive Onorato had their department look at the type of projects they would be investing in and they have followed through as requested. He added that all the newer projects focus on the airport area, the Mon-Valley, Brownfield sites, and they're also focusing on sustainable jobs.

Councilman Finnerty asked what constitutes a Greenfield site and Director Davin said they are typically areas that were undeveloped at one time. He said Brownfield sites have contamination whereas Greyfield sites were previous mine land. He said mine-scarred sites are in bad shape and they aren't marketable.

Chairwoman Frazier asked if they would cover the Mt. Nebo Pointe TIF project. Mr. Pehur said this project is in Ohio Township, just under 80 acres, 5.8 million was used to construct the project, it's a multi-tenant retail center, with additional ancillary retail and office space and a 100 room hotel. He added that the hotel property has not been

developed yet.

Director Davin said a TIF plan is presented to Council based on certain assumptions and developers can't guarantee that these assumptions will come to fruition. For example, some of the stores in the Pittsburgh Mills haven't panned out as planned.

Mr. Pehur distributed the LERTA handout. He said they are now collecting data on how many LERTA's are out there. He said LERTA's work by freezing the base assessed value for a period of time and then the new taxes are abated for awhile (typically 5 years). Director Davin added that all three taxing bodies do not have to be involved, but typically they do work with all three taxing bodies.

Councilman Finnerty inquired about the Carnegie Borough LERTA and the Collier Township LERTA. Mr. Pehur explained the handout.

Director Davin said this information came from the municipalities and they will have a few interns working on this project.

V. Adjournment

Summary: *Meeting adjourned at 5:00 pm*