

*Bill No. 3712-08*

*No. 12-08-OR*

## AN ORDINANCE

An Ordinance of the County of Allegheny, Commonwealth of Pennsylvania, granting authority to the County of Allegheny (the "County") to assign its interest in certain real estate tax liens to Redevelopment Authority of Allegheny County ("RAAC") which the County acquired in the settlement of an action brought by GLS Capital, Inc.

**Whereas**, the County entered into several Agreements in 1997 and 1998 with GLS Capital, Inc. ("GLS") and Dynex Capital, Inc. ("Dynex") providing for, *inter alia*, the assignment, transfer and sale of certain delinquent County real estate tax liens to GLS And Dynex for approximately \$48.5 million; and,

**Whereas**, disputes arose among the parties to said 1997 and 1998 Agreements as to the parties' rights and obligations under the various agreements; and,

**Whereas**, a legal action was brought by GLS and Dynex against the County in the United States District Court for the Western District of Pennsylvania, Civil Action No. 07-377 over these contract disputes in 2007; and,

**Whereas**, a settlement of this action was reached by the parties for the sum of \$1.625 million which provided for joint releases by and for the parties and for the assignment, transfer and sale of certain liens to County which GLS and Dynex had purchased from the County pursuant to the 1997 and 1998 Agreements; and,

**Whereas**, Redevelopment Authority of Allegheny County ("RAAC") believes that it would be beneficial to acquire the liens to assist its development efforts and has agreed to provide the settlement amount to the County in return for the assignment and transfer the tax liens which the County acquired from GLS and Dynex in the settlement; and,

**Whereas**, Article IV, Section 2(1) of the Allegheny County Home Rule Charter vests County Council with the power and duty by ordinance to convey interests in real property owned by the County.

***The Council of the County of Allegheny hereby enacts as follows:***

### ***Section 1.***

The provisions set forth in the preamble to this Ordinance are incorporated by reference in their entirety herein.

**Section 2.**

A. The County Council of Allegheny County hereby approves the assignment and transfer of the interests in real property liens held by the county acquired from GLS and Dynex pursuant to the settlement of said legal action.

B. The proper officers and/or officials of the County are hereby authorized to execute any and all documents and take necessary action to effectuate the assignment and transfer the County's interest in said liens to Redevelopment Authority of Allegheny County.

**Section 3. Severability. If any provision of this Ordinance shall be determined to be unlawful, invalid, void or unenforceable, then that provision shall be considered severable from the remaining provisions of this Ordinance which shall be in full force and effect.**

**Section 4. Repealer. Any Resolution and Ordinance or part thereof conflicting with the provisions of this Ordinance is hereby repealed so far as the same affects this Ordinance.**

Enacted in Council, this 1st day of April, 2008

Council Agenda No. 3712-08.



Rich Fitzgerald  
President of Council

Attest: John Mascio

John Mascio  
Chief Clerk of Council

Chief Executive Office



April 3, 2008

Approved: Dan Onorato

Dan Onorato  
Chief Executive

Attest: Donna Beltz

Donna Beltz  
Executive Secretary

**SUMMARY PAGE**  
**ORDINANCE AUTHORIZING THE ASSIGNMENT AND TRANSFER**  
**OF CERTAIN REAL PROPERTY TAX LIENS TO REDEVELOPMENT**  
**AUTHORITY OF ALLEGHENY COUNTY**

The County of Allegheny acquired certain real property tax liens in the settlement of action in federal court brought by GLS Capital, Inc. Redevelopment Authority of Allegheny County provided the settlement funds to the County to acquire these liens from the County

Approval by County Council is sought in accordance with the County Administrative Code.

**M E M O R A N D U M**

**OFFICE OF THE COUNTY MANAGER**

TO: John Mascio  
Chief Clerk

ALLEGHENY COUNTY COUNCIL

FROM: James M. Flynn, Jr.  
County Manager

JK  
'08 JAN 31 AM11:12

DATE: January 31, 2008

RE: Proposed Ordinance

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Attached is an Ordinance granting authority to the County of Allegheny (the "County") to assign its interest in certain real estate tax liens to Redevelopment Authority of Allegheny County ("RAAC") which the County acquired in the settlement of an action brought by GLS Capital, Inc.

The Allegheny County Law Department has reviewed this legislation prior to submitting it to Council.

Please place this on the next agenda for County Council approval.

Thank you.