

Allegheny County Council

*County of Allegheny
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Committee Meeting Minutes

Thursday, August 21, 2008

4:00 PM

Conference Room 1

Committee on Economic Development & Housing

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

I. Call to Order

Summary: *The meeting was called to order at 4:00 p.m.*

Invited Guests:

Jim Flynn, County Manager or Designee

Dennis Davin, Director, Economic Development or Designee

Summary: *Invited Guests Present: Dennis Davin, Director, Economic Development*

Recognized Attendees: Michael Pehur, Allegheny County Department of Economic Development; Douglas A. Kittenbrink, Executive VP, Corporate Planning and International Business Development, Allegheny Technologies

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

II. Roll Call

Roll Call: Present: Matt Drozd, Amanda Green, Bob Macey, Jan Rea, and Chair Michael Finnerty
Absent: Jim Burn, Joan Cleary, John DeFazio, and Nick Futules

III. Approval of Minutes

4272-08 Motion to approve the minutes of the June 26, 2008 Economic Development & Housing Committee Meeting.

Action: **A motion was made that this matter be Passed. The motion carried by the following vote:**

Votes: Yes: 4 - Drozd, Macey, Rea and Chair Finnerty
Abstain: 1 - Green
Absent: 4 - Burn, Cleary, DeFazio and Futules

IV. Agenda Items

Resolutions

4217-08 A Resolution of the Council of the County of Allegheny authorizing pursuit of a Tax Increment Financing plan in Collier Township, Allegheny County, Pennsylvania.

Sponsors: Chief Executive

Summary: *Mr. Pehur explained that this legislation would permit the County to pursue a Tax Increment Financing plan in Collier Township. He said a TIF Committee will meet to review the TIF Plan. Collier Township and the Chartiers Valley School District have already approved resolutions for the project. Mr. Pehur said the site is at I-79 and Kirwin Heights interchange where Trader Jack's is located. The project entails work to construct a mixed-use development and infrastructure improvements.*

Chairman Finnerty asked if the site was considered a Brownfields and Mr. Pehur said it was formerly used as commercial and industrial, and technically, it would fall under the

description of a Brownfield.

Councilman Drozd asked how many jobs would be created and Mr. Pehur said this is just the first step needed to form the TIF Committee.

Action: **A motion was made by Macey, seconded by Rea, that this matter be Affirmatively Recommended. The motion carried unanimously.**

4218-08 A Resolution of the Council of the County of Allegheny exempting certain taxes within a specified geographic area designated as a Keystone Opportunity Expansion Zone within the Township of Harrison and the Borough of Brackenridge, Allegheny County.

Sponsors: Chief Executive

Summary: *Mr. Pehur said the Keystone Opportunity Zone (KOZ) Program provides an exemption from state and local taxes. Several communities already utilize the program, such as, Neville Island, West Deer, Duquesne, and McKeesport. The Allegheny County Department of Economic Development would like to apply to the Pennsylvania Department of Community and Economic Development (DCED) for a Keystone Opportunity Expansion Zone (KOEZ), as authorized by Act 79 of 2008. The KOEZ includes Harrison Township, the Borough of Brackenridge and the Highlands School District. All three entities have enacted resolutions for the project. If the application is approved, the KOEZ would be exempt from County real estate tax and the one percent sales tax*

Councilwoman Rea asked Mr. Pehur if there were any other KOEZ sites in Allegheny County. Mr. Pehur said that through Act 79, the Commonwealth can create 15 KOEZ's.

Councilman Macey asked how long the zone would be in effect and Mr. Pehur said 10 years, until 2020.

Councilman Macey inquired about the Hot Strip Mill project and Mr. Kittenbrink said that Brackenridge is ATI's preferred location and they have been working with the Governor's Office for over a year to advance this project. He stated that the Brackenridge Plant and Technical & Commercial Center is the largest single operating plant in southwestern Pennsylvania with some 1,000 employees. He said the binding resolutions from Harrison Township, Brackenridge Borough and the Highlands School District will help them move forward with the project. Mr. Kittenbrink said they considered investing in their plant in Kentucky, but instead choose to invest in their Brackenridge Plant.

Director Davin said infrastructure work will be required as well.

Councilman Drozd asked how the sales and use tax exemption comes into play and Mr. Kittenbrink said that any local materials that they purchase would be exempt from the sales and use tax.

Councilman Drozd asked about the size of the plant and Mr. Kittenbrink said the new

building would be 700,000 square feet, and demolition will occur in order to erect the facility.

Mr. Kittenbrink said this is the largest investment that ATI has ever made. The current mill is 60 years old. He said it's safe to assume that future investments would go toward the new mill.

Councilman Drozd asked whether there was additional land available and Mr. Kittenbrink said some property acquisition will occur.

Councilwoman Green asked Mr. Kittenbrink what ATI's plans were for current mill operations while the new mill is being built. He said the project won't affect operations because for about 6 months to perhaps a year the existing mill and the new mill will both be running while they transition to the new facility. He said they have a skilled workforce in Brackenridge that will help with the transition and that's one of the reasons ATI prefers the Brackenridge location. Mr. Kittenbrink said US Steel and their steelworkers are very supportive of this project.

Councilman Finnerty said this is an important investment, 1,400 full-time jobs will be retained, and he suggested that the Committee affirmatively recommend the bill.

Action: **A motion was made by Macey, seconded by Drozd, that this matter be Affirmatively Recommended. The motion carried unanimously.**

V. Adjournment

Summary: *The meeting adjourned at 4:30 p.m.*