

Bill No. 8567-14

No. 20-14-OR

## ORDINANCE

An Ordinance of the County of Allegheny, Commonwealth of Pennsylvania, authorizing the lease of minerals underlying real property on which the Allegheny County Airport is situated to the Allegheny County Airport Authority and permitting drilling and other necessary operations to extract oil, gas, natural gas liquids and other minerals underlying the Allegheny County Airport.

**WHEREAS**, the County of Allegheny, hereinafter “the County,” is the owner of real property on which is situated the Allegheny County Airport, hereinafter “the AGC Airport Property;” and

**WHEREAS**, the County is also the owner of mineral, oil, gas, shale and other valuable subsurface rights at the AGC Airport Property, hereinafter collectively referred to as “the AGC Airport Mineral Rights;” and

**WHEREAS**, the AGC Airport Mineral Rights at the AGC Airport Property have become an increasingly valuable asset as a result of recent technological advances which have made a commercially viable enterprise out of the exploration, drilling and extraction of natural gas from shale; and

**WHEREAS**, on February 19, 2013, Allegheny County Council authorized the creation of a lease between Allegheny County and the Allegheny County Airport Authority (“the Authority”), pursuant to the terms of which the Authority ultimately entered a lease of mineral rights underlying Pittsburgh International Airport to CNX Gas Company, LLC (“CNX”);

**WHEREAS**, pursuant to §1.03 of the lease between the Authority and CNX, a *pro rata* share of the bonus payments received by the Authority from CNX must be repaid in the event that leasing of the AGC Airport Mineral Rights is not authorized within two years of the effective date of the Pittsburgh International Airport lease; and

**WHEREAS**, this two year interval will expire on February 21, 2015 and, should the leasing of AGC Airport Mineral Rights not be authorized by that date, the Authority will be required to repay approximately \$2.2 million to CNX under the terms of the existing lease; and

**WHEREAS**, County Council is of the considered opinion that the public interest of the citizens of Allegheny County would be advanced by leasing the AGC Airport Mineral Rights at the AGC Airport Property and by permitting necessary operations to extract oil, gas, natural gas liquids and other minerals underlying the AGC Airport Property; and

**WHEREAS**, Article IV, Section 2 (k) of the Allegheny County Home Rule Charter vests County Council with the exclusive power to approve the lease and the use of County-owned land, buildings and other real and personal property by enactment of an ordinance; and

**WHEREAS**, authorization of a lease relating to the AGC Airport Mineral Rights will enable the Authority to carry out the general purposes and intentions of County Council as expressed herein.

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

***SECTION 1. Incorporation of the Preamble.***

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

***SECTION 2. Authorization to Enter into Lease of the AGC Airport Mineral Rights at AGC Airport Property with Airport Authority.***

County Council does hereby authorize the lease of the AGC Airport Mineral Rights at the AGC Airport Property to the Airport Authority.

***SECTION 3. Permission to Use County Property at AGC Airport.***

To effectuate the purposes of the lease between the County and the Airport Authority authorized under Section 2 above, County Council does hereby authorize the Airport Authority and any sublessee or contractor of the sublessee to conduct necessary operations to explore, extract, develop, transport and market oil, gas, natural gas liquids and other minerals to be conducted on and under the AGC Airport Property (including surface rights for such operations and related activities) subject to receipt of all necessary permits for conducting such activities and compliance with all environmental, safety and other applicable rules, regulations and requirements imposed on such activities by the U.S. Government, the Commonwealth of Pennsylvania and other lawful governmental authorities.

***SECTION 4. Authorization to Effectuate Lease.***

The appropriate County officers and officials, including but not limited to the County Manager and the County Solicitor, are authorized to take any and all such actions deemed necessary to carry out the leasing of the AGC Airport Mineral Rights at the AGC Airport Property to the Airport Authority.

***SECTION 5. 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.***

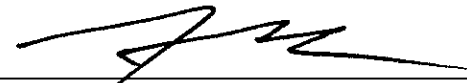
**SECTION 6. Repealer. Any Resolution or Ordinance or part thereof conflicting with the provisions of this Ordinance is hereby repealed so far as the same affects this Resolution.**

**PRIMARY SPONSOR: COUNCIL MEMBER MACEY  
CO-SPONSORS:**

Enacted in Council, this 5<sup>th</sup> day of November, 2014

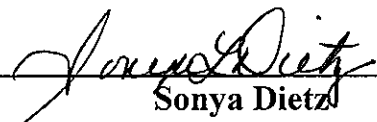
Council Agenda No. 8567-14

  
John DeFazio  
President of Council

Attest:   
Jared Barker  
Chief Clerk of Council

Chief Executive Office November 13, 2014

Approved:   
Rich Fitzgerald  
County Executive

Attest:   
Sonya Dietz  
Executive's Secretary