

Allegheny County Council

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Meeting Minutes

Tuesday, December 12, 2017

4:00 PM

Conference Room 1

Committee on Economic Development & Housing

Dewitt Walton, Chair

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

I. Call to Order

The meeting was called to order at 4:00.

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 was present from the Department of Economic Development.

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

II. Roll Call

Members Present: 1 - Ed Kress

Members Absent: 2 - Sam DeMarco and Bob Macey

Members Phone: 3 - Tom Baker, Nick Futules and John Palmiere

Members 2 - Sue Means and Dimitrios Pantzoulas

Non-Members:

III. Approval of Minutes

[10425-17](#)

Motion to approve the minutes of the November 30, 2017 meeting of the Committee on Economic Development and Housing.

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

IV. Agenda Items

Ordinances

[10419-17](#)

An Ordinance approving the sale of a parcel of property identified as 3441 Forbes Avenue 4th Ward, Pittsburgh (Oakland) PA, Block and Lot 28-F-172 known as the Allegheny County Health Department Forbes Medical Building, for the sale price of \$1,900,000.00 to 3441 F Street, LLC.

Sponsors: Chief Executive

At the request of the Chair, the clerk read the title of the bill and Mr. Hurley summarized its provisions, noting that a similar transaction had previously been undertaken in the context of the Health Department building formerly located at 3333 Forbes Avenue, which was also in less than ideal condition. Mr. Hurley noted that an RFDP had been issued regarding this potential development project. Mr. Hurley indicated that an independent appraisal had returned a value of \$1.528 million for the property, and that the University is currently investigating how to use the property against the backdrop of a Brookings Institute report suggesting the development of an innovation district. Mr. Hurley stressed that the University has not yet reached a definitive conclusion about how to use the

property, so the transaction is strictly a real property conveyance at this point in time. Mr. McKain noted that the Health Department's sexually transmitted disease clinic is the only program currently operating in the building and that the personnel working there would be relocated, and also noted that the property would be owned by an LLC after the conveyance, so it would return to the tax rolls.

The Chair emphasized that this is a pure property transaction, and the University is making no representations regarding the future use to which the property will be put.

In response to a question from Mr. Kress, Mr. Hurley identified the appraiser who appraised the property and noted that the appraisal was completed in July of 2017.

In response to questions from Ms. Means, Mr. Hurley noted that the County generally advertises RFDPs for 4 to 6 weeks, and in this case, the request went out in early August and closed in early September. Mr. McKain re-emphasized that the development entity would be the owner of the property and that it would be taxable, and Mr. Hurley noted that this would be the case for the foreseeable future. Mr. Hurley indicated that the County has a right of first refusal should the University opt against developing the property, and that the building does lie near the proposed BRT route. Mr. McKain indicated that he would expect some form of office-type or similar development. Mr. Hurley and Mr. McKain noted that there is no way to predict what the County's tax income would be without knowing for certain what the development will be, but that it will certainly be higher than the current tax revenues, as the property is currently owned by the County.

The Chair expressed support for the project, noting that he regards it as beneficial to the region, not merely the Oakland neighborhood.

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

Resolutions

[10420-17](#)

A Resolution approving a project for the benefit of Presbyterian SeniorCare (the "Borrower") to be financed by the Authority for Improvements in Municipalities (the "Authority") by the issuance of the Authority's tax-exempt revenue notes, in one or more series, to be designated "Authority for Improvements in Municipalities, Revenue Notes, Series 2017 (Presbyterian SeniorCare Project)" or such other designation as may be determined by the Authority and the Borrower, in a maximum aggregate principal amount not to exceed \$12,500,000 (the "Notes"), provided that the taxing power of the County of Allegheny, Pennsylvania (the "County") shall not be obligated in any way with respect to the Notes, and declaring the financing of such project as desirable for the health, safety and welfare of the people in the County and in the area served by the project.

Sponsors: Chief Executive

At the request of the Chair, the clerk read the title of the bill and Mr. McKain and Mr. Hurley summarized its provisions. Mr. Hurley noted that a similar action had been undertaken within the last year or so for Presbyterian SeniorCare is based in Allegheny County, and that there is no agency within Washington County - where the new facility will be located - that can undertake the transaction. Mr. Hurley noted that the proposed facility would be a 36 bed Alzheimer's/dementia care facility, and that Presbyterian

SeniorCare provides first rate services. Mr. McKain noted that this transaction is similar to other transactions that were before the Committee in the previous few weeks, and that he regards the bond issuance as a positive event for the County (due to bond issuance fees that will be paid to the Authority by the Borrower) and those who will be patients.

The Chair noted that, because the construction will be taking place outside Allegheny County, the County's regulations regarding e-verification and other factors will not come into play.

In response to a question from Mr. Kress, Mr. Exler noted that the County would be paid a fee of \$12,500 on closing, and then an annual fee of about \$3,000 per year through the life of the bond issuance.

Ms. Means asked if it would be possible to gain additional information regarding all of the bond issuances undertaken through the County's authorities for comparison purposes, and Mr. Hurley offered to look into what could be provided.

In response to a question, Mr. Hurley noted that the health and welfare declaration encompasses the benefits to individuals who are patients, but also to those County residents who work for Presbyterian SeniorCare within Allegheny County.

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

V. Adjournment

The meeting was adjourned at 4:20