

Allegheny County Council

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Committee Meeting Minutes

Tuesday, February 26, 2008

5:00 PM

Conference Room 1

Committee on Economic Development & Housing

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

I. Call to Order

Summary: *The meeting was called to order at 5:25 PM*

Invited Guests:

Jim Flynn, County Manager or Designee

Dennis Davin, Director, Economic Development or Designee

Mike Wojcik, County Solicitor or Designee

Summary: *Invited guests in attendance: Mr. Flynn and Mr. Davin*

Recognized attendees: Darnell Moses, Economic Development; Bob Ganster, Auberlee; Bridget Mancosh, Point Park; and Tal Heppenstal, UPMC

Council staff in attendance: John Mascio, Jennifer Liptak, and Jared Barker

II. Roll Call

Roll Call: Present: Joan Cleary, Matt Drozd, Michael Finnerty, Nick Futules, Bob Macey, Jan Rea, Chair
Rich Fitzgerald, and Council Member Chuck McCullough
Absent: Jim Burn, and John DeFazio

III. Approval of Minutes

3765-08 Motion to approve the minutes of the January 30, 2008 Economic Development & Housing Committee Meeting.

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

IV. Agenda Items

Ordinances

3716-08 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 Wall Borough.

Sponsors: Chief Executive

Summary: *Mr. Flynn provided the committee with a summary of the bill. He said that bill would authorize the conveyance of the County's interest in a vacant lot to Wall Borough. He said that the property is currently owned by the County, East Allegheny School District, and Wall Borough and that the Borough is, in essence, buying out the other two taxing bodies.*

He said that an independent appraisal states that the property has limited access, a triangular shape and sloping downward topography. The parcel was appraised at \$1,600 and the Borough offered \$1,800 to purchase the it.

He said that there were no objections to the conveyance.

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

Resolutions

3752-08

A Resolution approving a project for the benefit of the Pauline Auberle Foundation (the "Foundation") to be financed by the Authority for Improvements in Municipalities by the issuance of a Note(s) through the Authority, in an aggregate principal amount not to exceed \$2,000,000, provided that the taxing power of the County of Allegheny, Pennsylvania, shall not be obligated in any way with respect to the Note, and determining that the purpose of the financing will be to benefit the health and welfare of the citizens of Allegheny County, Pennsylvania.

Sponsors: Chief Executive

Summary: Darnell Moses provided the committee with a summary of the bill. He said that bill is declaring the desirability for the health, safety and welfare of the region's residents of financing an improvement for the Pauline Auberle Foundation through the Authority for Improvements in Municipalities.

He said that on behalf of the Pauline Auberle Foundation a non-profit corporation, the Authority for Improvements in Municipalities intends to issue a note, in an amount not to exceed \$2,000,000. He said that the note will generate revenue to construct a 24-bed health center facility.

He also said that, as is typical with these transactions issued through the Authority, the Note is a limited obligation, of the Authority, payable solely from the project or by the Pauline Auberle Foundation.

Ms. Rea asked Mr. Ganster to provide her with some background information on the Auberle Foundation. Mr. Ganster provided that information to the committee.

Action: A motion was made by Cleary, seconded by Futules, that this matter be Affirmatively Recommended. The motion carried unanimously.

3755-08

A Resolution approving a Project for the benefit of Point Park University (the "University") to be financed by the Allegheny County Higher Education Building Authority by the issuance of the Authority's tax-exempt or taxable bonds, to be issued in one or more series, in the aggregate principal amount not in excess of \$35,000,000, provided that the taxing power of the County of Allegheny, Pennsylvania, shall not be obligated in any way with respect to the Bonds (hereinafter defined), and determining that the purpose of the financing will be to benefit the health and welfare of the citizens of Allegheny County, Pennsylvania.

Sponsors: Chief Executive

Summary: Darnell Moses provided the committee with a summary of the bill. They said that the bill is declaring the desirability for the health, safety and welfare of the region's residents of financing an improvement for Point Park University through the Higher Education Building authority.

He said that on behalf of Point Park University , the Allegheny County Higher Education Building Authority intends to issue Bonds, in an amount not to exceed \$35,000,000.

Ms. Mancosh said that the bonds would finance the costs of the following:

Acquisition and renovation of 312, 322 and 330 Boulevard of the Allies and adjacent properties, the renovation of the Lawrence Hall lobby, and certain other capital expenditures for University purposes;

Refinancing of \$4,000,000 of debt previously incurred for a portion of such costs;

Obtaining credit support and/or liquidity support, if necessary; and

Financing of certain costs of issuing the Bonds.

Mr. Moses said that additionally, the proceeds will fund any necessary reserves and pay all or a portion of the costs of issuance, including the costs of obtaining credit enhancement for the Bonds.

He also said that the bonds are limited obligations of the Authority payable solely from the project or from revenue from the University.

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

Discussion Topic:

UPMC/Hospital Development Authority bond issue.

Summary: *The Chair distributed a letter dated February 25, 2008, sent to him from County Manager Jim Flynn requesting that the committee discuss a draft resolution for the approval of a project for the benefit of the University of Pittsburgh Medical Center (UPMC) to be financed by the Allegheny County Hospital Development Authority. The letter indicates that UPMC intends to issue new bonds to refinance existing auction rate securities.*

Mr. Flynn indicated in the letter that the Resolution will be presented for introduction at the March 4, 2008 Regular Meeting and requests that Council waive the second reading on the bill in order that the financing can be done in a timely manner.

Mr. Davin said that there is no financial obligation to the county related to this transaction. He also said that the Hospital Development Authority approved this earlier in the day.

The Chair asked Mr. Heppenstal to explain to the committee the urgency in waiving the second reading on this bill. Mr. Heppenstal said that if it were not approved at that time they would not be competitive with the rest of the country. He said that it would be financially beneficial for all involved.

The Chair said that he will entertain a Motion to waive the second reading on this bill at the March 4, 2008 Regular Meeting, but asked that Mr. Heppenstal and the administration be at the meeting to address and issues or concerns that may be raised by other Council Members.

V. Adjournment

Summary: *The meeting adjourned at 5:55 PM*