

# Allegheny County Council

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## Meeting Minutes

**Tuesday, October 11, 2016**

**5:00 PM**

**Conference Room 1**

## **Committee on Economic Development & Housing**

*Dewitt Walton, Chair*

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

## I. Call to Order

*The meeting was called to order at 5:01.*

### 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. Noland and Mr. Lavrinc were present from Callay Capital.*

*Mr. Ploeger was present from P.J. Dick.*

*Mr. McGraw was present from Concord Hospitality.*

*Mr. Barker and Mr. Szymanski were present from the Office of County Council.*

## II. Roll Call

**Members Present:** 3 - Walton, Michael Finnerty and Ed Kress

**Members Absent:** 4 - Sam DeMarco, Nick Futules, Bob Macey and John Palmiere

**Members Phone:** 1 - Tom Baker

**Members** 1 - Sue Means

**Non-Members:**

## III. Approval of Minutes

[9853-16](#)

Motion to approve the minutes of the September 21, 2016 meeting of the Committee on Economic Development.

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

## IV. Agenda Items

### Resolutions

[9791-16](#)

A Resolution of the Council of Allegheny County, Pennsylvania, made pursuant to the Local Economic Revitalization Tax Assistance Act ("LERTA"), Pa. Stat. Ann. tit. 72, § 4722 *et seq.* (1995), as amended, providing for: a program of temporary exemption from increases in Allegheny County Real Property Taxes, for specified time periods, resulting from improvements made by an owner of property located within the Fourth Ward of the City of Pittsburgh, County of Allegheny, Commonwealth of Pennsylvania, generally known as the North Oakland neighborhood, previously determined to be a deteriorated area; establishing a

schedule for exempting increases in Allegheny County property taxes resulting from such improvements; and prescribing the requirements and procedures by which an owner of property located within the deteriorated area can secure the temporary exemption resulting from such improvements.

**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 the bill had been discussed in committee once previously, and indicating that the property in question is a parking lot located adjacent to the Pittsburgh Athletic Association. Mr. Hurley noted that the estimated cost of the development is \$32-33 million, with an assessed value of about \$21 million once completed, with an annual County real estate tax bill of about \$120,000 once the abatement schedule is completed. Mr. Hurley noted that the Committee had been provided with an overview of M/W/DBE participation in the development, and that no changes to the development plan had been made since the bill was last discussed.*

*In response to questions from Mr. Finnerty, Mr. Lavrinc noted that the \$20,000 or so currently paid in property taxes on the parcel would remain in place, and that there would be a substantial increase in parking spaces in addition to the restaurant and retail development, with a total of three levels of parking with about 40 spaces reserved to the PAA, and 92 spaces open to the public at all times. Mr. Hurley indicated that the land value for the parcel would remain taxable and the abatement would only apply to the hotel structure.*

*Mr. Hurley indicated that about \$800,000 would come to the County from the drink and hotel/motel taxes annually once the development is completed.*

*In response to a question from Mr. Kress, Mr. Lavrinc reviewed a map of the development area and noted the proposed development location in relation to the PAA and the former Syria Mosque sites.*

*In response to a question from Mr. Kress, Mr. Lavrinc noted that the development is also very close to the 600 space garage at Soldiers and Sailors.*

*In response to a question from Mr. Kress, Mr. McGraw noted that Concord owns roughly 90 hotels, including the Hyatt House and Marriott Courtyard in Bloomfield, and that Concord strives to encourage women and minorities to obtain employment in their hotels. Mr. McGraw noted that the hotel associated with this development would be an upscale Marriott Autograph property.*

*Mr. Kress and Mr. Lavrinc discussed the relative dearth of hotel accommodations in Oakland, and Mr. McGraw noted that weekday guests would most likely be business travelers, but that recreational travelers are expected to stay at the property as well.*

*The Chair expressed appreciation for Mr. McGraw's summary of Concord's management activities, and noted that de-industrialization has had significant impacts on minority populations, which in his view makes commitments to a diverse workforce particularly valuable.*

*In response to a question from the Chair, Mr. McGraw noted that his recent presentation to the City School Board resulted in a board member providing a local contact to assist in recruiting a diverse workforce.*

*In response to a question from Ms. Means, Mr. Lavrinc noted that the genesis of the project was a combination of the PAA having a financial need and the asset of the parking lot, and the Oakland neighborhood's need for hotel accommodations.*

*In response to a question from Ms. Means, Mr. Hurley noted that the Department compiles a list of anticipated questions for each committee session at which TIF and LERTA arrangements will be discussed, and that the Department was therefore the entity that chose the questions that appear in that questionnaire.*

*Ms. Means expressed a desire to have the process be as open as possible, with the marketplace determining who is employed according to market forces, rather than through incentives or project labor agreement type arrangements.*

*Mr. Hurley and Mr. Lavrinc suggested that, once a project goes beyond a 4 or 5 story structure, a qualified labor pool becomes difficult to identify outside of the trades. Mr. Hurley and Mr. Lavrinc both noted that there was no pressure or attempt to execute a PLA with regard to this development.*

*Mr. Finnerty indicated a desire to distinguish between facts and implications, and that, barring clear proof that some pressure is being exerted on a given developer to act in a given fashion, he believes that it would be unwise to embark in speculation.*

*In response to questions from Mr. Kress, Mr. Hurley and Mr. Ploeger noted that P.J. Dick as a matter of course engages in e-verification.*

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

## **V. Adjournment**

*The meeting was adjourned at 5:27.*