

Allegheny County Council

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Meeting Minutes - Approved

Tuesday, January 27, 2015

4:00 PM

Conference Room 1

Committee on Economic Development & Housing

Amanda Green Hawkins, Chair

Members:

Tom Baker

Barbara Daly Danko

Michael Finnerty

Nick Futules

Ed Kress

Bob Macey

John Palmiere

Jan Rea

I. Call to Order

The meeting was called to order at 4:02 PM

Invited Guests:

William D. McKain, CPA-County Manager or Designee

Bob Hurley-Director of Economic Development or Designee

Todd E. Reidbord, President of Walnut Capital Management

Maurice Strul and Heather Shultz were present from the Department of Economic Development

Jan Chirdon was present from the Office of the Controller

II. Roll Call

Members Present: 5 - Green Hawkins, Barbara Danko, Michael Finnerty, Ed Kress and Bob Macey

Members Absent: 2 - John Palmiere and Jan Rea

Members Phone: 2 - Tom Baker and Nick Futules

III. Approval of Minutes

[8747-15](#)

Motion to approve the minutes of the Economic Development and Housing Committee meeting of Allegheny County Council held on December 9, 2014

IV. Agenda Items

Resolutions

[8739-15](#)

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 a specific geographic area within the City Of Pittsburgh, County Of Allegheny, Commonwealth of Pennsylvania, 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

The Chair invited Mr. Strul to the table to explain the resolution. Mr. Reidbord was also invited to the table as the Developer of the project to give an overview of the

development. Mr. Reidbord provided a handout to the committee entitled "Bakery Living, the Place To Be"

Mr. Reidbord gave an overview of the site plan for the residential apartment buildings highlighted with a map of the development plan including green infrastructure additions to the project including permeable pavement and water gardens.

Mr. Reidbord also highlighted the transportation options available that will hopefully mitigate congestion problems in the area. The first phase of residential development is over 90% occupied at present.

Mr. Macey inquired about the average rent for the residential units. Mr. Reidbord stated that it varied by size from 1100-2300 a month.

Mr. Macey asked if there would be an oversaturation of rental units due to the new developments. Mr. Reidbord stated that there seemed to be a need in the East End for more rental units.

Mr. Macey inquired about employment as a result of the development. Mr. Reidbord stated that there would be around 10 people employed for the new residential unit but the jobs created were mostly due to the office space developed adjacent.

Ms. Means inquired about the number of micro units vs. larger units and Mr. Reidbord explained that the micro units were the equivalent of studio apartments.

Mr. Reidbord stated that the property was formerly school district property so it is difficult to come up with an accurate assessed value but around 1 million before the purchase. the property is estimated to be valued at 25 million after the project is completed.

Ms. Danko clarified that this development would be in the 7th Ward and made the statement that the newly developed residential units were heavy on smaller rental units and asked why there were not more condominiums available for purchase in these developments. Mr. Reidbord stated that the current market is not as interested in buying for the long-term. That most of these people are transient students and medical center employees.

Mr. Finnerty inquired as to the amount of units vs. the amount of parking spaces. Mr. Reidbord stated that not all the residents have vehicles and that they have provided bicycle garages for the residents. Mr. Reidbord stated that the development will have dedicated on-street parking.

Mr. Strul clarified for Mr. Finnerty that the cap for this LERTA is 250K.

Ms. Danko inquired to Mr. Strul about a "but for" test to justify the development. Mr. Strul explained that the LERTA works differently from a TIF and that there isn't the same "but for" test to decide whether or not the County should participate. Mr. Strul stated that the entire City of Pittsburgh is designated as a LERTA and that the participation is largely based on geographic location for the abatement. The project would "go forward" regardless of participation in the LERTA.

Ms. Means asked for clarification on the current occupancy of the newly finished residential unit.

Affirmatively Recommended

Enactment No: 4-15-RE

[8740-15](#)

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 a specific geographic area within Findlay Township, County Of Allegheny, Commonwealth Of Pennsylvania, 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

The clerk read the title into the record and Mr. Strul was asked to give an overview of its provisions. Mr. Strul stated that the new development would be for Walgreens LLC.

Mr. Strul stated that the School District and Municipality has already agreed to participate.

Daryl Smalley of Ernst and Young and Brian Martinson of Walgreens were asked to come to the table to summarize the development project and its history.

Mr. Macey inquired if the site was a former brownfield site. Mr. Strul stated that it was not a brownfield formerly.

Mr. Smalley gave a brief history of Walgreens pharmacy and highlighted his presentation with a handout "Walgreens Specialty Pharmacy, LLC"

Brian Martinson, General Manager of Walgreens Specialty Pharmacy, gave an overview of what a specialty pharmacy is and what it would bring to Allegheny County. The current development would be a headquarters for the division.

Mr. Smalley stated that Walgreens currently has their divisional headquarters in Carnegie and has outgrown that location.

Ms. Means inquired about the location of the development and asked if the entire industrial park was designated as a LERTA. Mr. Strul clarified that LERTAs outside of the City of Pittsburgh boundaries are designated parcel by parcel. The current three parcels are the only parcels within the park that can qualify for the LERTA abatement.

Mr. Strul clarified the term of the LERTA as it relates to occupation and building and when the developer can apply for the abatement.

Ms. Danko inquired about the availability of Walgreens pharmacy for in-network use for Highmark. Mr. Martinson stated that there is uncertainty about availability with Highmark customers in light of the UPMC/Highmark dispute.

Ms. Means inquired about the current assessed value of the parcel prior to development. Mr. Strul stated that it was 1.8 million dollars.

Mr. Finnerty asked for clarification on the nature of the development. Mr. Martinson stated it would be warehouse space and offices.

Mr. Strul reviewed the abatement schedule.

The Chair inquired about what the former Carnegie facility would be used for. Mr. Smalley stated that they wanted to sell it but were not sure as of yet who would occupy it.

Affirmatively Recommended

Enactment No: 5-15-RE

V. Adjournment

The meeting was adjourned at 4:52 PM.