

Allegheny County Council

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Meeting Minutes

Tuesday, October 16, 2018

5:00 PM

Conference Room 1

Committee on Economic Development & Housing

Dewitt Walton, Chair; Tom Baker, Patrick Catena, Sam DeMarco, Nick Futules, Bob Macey and John Palmiere, Members

I. Call to Order

The meeting was called to order at 5:00.

Invited Guests:

William D. McKain, CPA, Allegheny County Manager or designee(s)
Lance Chimka, Director, Allegheny County Department of Economic Development

Mr. McKain was present from the Office of the County Manager.

Ms. Soroka was present from the Department of Budget & Finance.

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

II. Roll Call

Members Present: 2 - Bob Macey and DeWitt Walton

Members Absent: 3 - Sam DeMarco, Nick Futules and John Palmiere

Members Phone: 2 - Tom Baker and Patrick Catena

Members 3 - Robert Palmosina, Anita Prizio and Sue Means

Non-Members:

III. Approval of Minutes

[10815-18](#) Motion to approve the minutes of the October 3, 2018 meeting of the Committee on Economic Development and Housing.

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

[10816-18](#) Motion to approve the minutes of the October 4, 2018 meeting of the Committee on Economic Development and Housing.

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

IV. Agenda Items

Ordinances

[10788-18](#) Authorizing the incurring of lease rental debt not to exceed an aggregate amount of \$2,600,000 by entering into a debt service reserve fund replenishment guaranty agreement. Ordinance of the County of Allegheny, Pennsylvania (the "County") determining to incur debt in an aggregate amount not to exceed \$2,600,000 in connection with a project to be undertaken by the Allegheny County Industrial Development Authority (the "Authority") on behalf of Residential Resources, Inc., Residential Resources Southwest, Inc. and Residential Resources Development Corporation; determining that such debt shall be incurred as lease rental debt to be

evidenced by a debt service reserve fund guaranty agreement (the “Guaranty”) by the County relating to the authority’s lease revenue bonds, series of 2018 (Residential Resources Inc. Project), to be authorized and to be issued by said authority; briefly describing the project; authorizing and directing the preparation, certification and filing of the debt statement, the borrowing base certificate to be appended to the debt statement, and other appropriate documents required by the local government unit debt act [53 Pa.C.S.A §8001 et seq.]; issuing, upon receipt of approval of the Pennsylvania Department of Community and Economic Development, the guaranty; authorizing delivery of the guaranty to the trustee under a trust indenture; specifying the amount of the guaranty obligations of the County pursuant to the guaranty; guaranteeing replenishment of the debt service reserve fund in an aggregate amount not to exceed \$2,600,000 and making certain covenants with respect thereto; authorizing the execution and delivery of a reimbursement agreement and related documents; and providing for proper officers of the County to take all other required, necessary or desirable related action in connection with said project.

Sponsors: Chief Executive

At the request of the Chair, the clerk read the title of the bill and Mr. McKain recapped the history of the transaction in question, described the functions performed by Residential Resources and noted that Residential Resources owns and leases properties to a number of human services agencies to aid in providing services to individuals throughout the County. Mr. McKain noted that the County's guarantee is limited and made solely to benefit the refinancing transaction, which should result in a savings of about \$1 million to Residential Resources.

Mr. McKain and Mr. Goodwin discussed the notice requirements contained within the Debt Act, and indicated that some of the required notices were not published appropriately, which is why the bill was being resubmitted. Mr. McKain noted that the County was not at fault in any fashion for the notice issue.

In response to questions from Ms. Means, the Chair noted that the terms of the County's guarantee did not change from the ordinance's original form from June of 2018. Ms. Soroka noted that \$12.6 million of the approximately \$26 million 2006 bond issuance was being refinanced. Mr. McKain indicated that the total assessed value of the properties in question was not known at the present time. Mr. Goodwin discussed the role of the bond trustee and provided some detail regarding the nature of the bond transaction, noting that he anticipates the issue to be attractive to investors.

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

V. Adjournment

The meeting was adjourned at 5:10.