

Allegheny County Council

*County of Allegheny
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Committee Meeting Minutes

Tuesday, October 17, 2006

4:00 PM

Conference Room 1

Committee on Economic Development & Housing

Brenda Frazier, Chair; Jim Burn, Joan Cleary, John DeFazio, Matt Drozd, Dave Fawcett, Mike Finnerty, Bob Macey, and Jan Rea - Members

I. Call to Order

Summary: *Meeting was called to order at 4:10 p.m.*

Invited Guests:

Jim Flynn, County Manager or Designee

Dennis Davin, Director, Economic Development or Designee

Summary: *Invited Guests Present: Dennis Davin, Director of Economic Development*

Recognized Attendees: Maurice Strul, Economic Development; Michael Pehur, Economic Development; Tom Donatelli, Director of Public Works

Council Staff Present: Jennifer Liptak; Jared Barker; Stephanie Buka

II. Roll Call

Roll Call: Present: Chair Brenda Frazier, Joan Cleary, Matt Drozd, and Michael Finnerty
Absent: Jim Burn, John DeFazio, Dave Fawcett, Bob Macey, and Jan Rea

III. Approval of Minutes

2816-06 Motion to approve the Minutes of the August 24, 2006 Economic Development & Housing Committee Meeting.

Action: **A motion was made by Finnerty, seconded by Cleary, that this matter be Passed. The motion carried by the following vote:**

Votes: Yes: 3 - Chair Frazier, Cleary and Finnerty
Abstain: 1 - Drozd
Absent: 5 - Burn, DeFazio, Fawcett, Macey and Rea

IV. Agenda Items

Ordinance

2796-06 An Ordinance of the County of Allegheny, Commonwealth of Pennsylvania, granting authority to the County of Allegheny to convey its interest in a parcel of property situated in Hampton in North Park.

Sponsors: Chief Executive

Summary: *Chairwoman Frazier said that Mr. and Mrs. Stephen and Sherry Adams entered into a revocable license agreement with the County for the construction of a single residence sewage treatment plant system. The Adams residence was sold to John LaBella in 2003 and he also acquired the license for the adjoining sewage treatment plant system servicing the residence. Mr. LaBella would like to own the sewage treatment plant and the land upon which it sits.*

Director Donatelli said the home is the last one in a series of homes. He said it would cost the County more money if they were to keep the revocable license agreement and property.

Councilwoman Cleary asked Director Donatelli what the property looked like and he responded that it resembled a vacant property. He added that it was big enough for a home to sit on and Dave Wright, Design Engineer from the Department of Public Works, confirmed the \$3,000 value of the property.

Councilwoman Cleary asked whether this would affect North Park in any way. Mr. Donatelli said that it would not affect the Park since it's removed from the Park, situated more like an appendage.

Councilman Finnerty asked if the County used this property and Mr. Donatelli said no.

Councilman Drozd said there may be some hazardous issues, and he recommended the Legal Department take a look at this and provide some sort of indemnification for the County. He agreed with Director Donatelli that it would cost too much to maintain the property and plant.

Director Donatelli said the Legal Department prepared the Ordinance, but he would make sure this aspect is fully covered.

Councilwoman Cleary asked what the definition of sewage treatment was and Mr. Donatelli said it's more than a septic system, it's a treatment plant.

Councilwoman Cleary wanted to know if the County ever sold Park land to anyone. Director Donatelli said yes, that 25 acres of North Park, towards the entrance way, had been sold, and in exchange, the County received 25 acres of a valuable piece of land in the Park.

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

Discussion Topic:

Update on the Deer Creek Tax Increment Financing (TIF) project.

Summary: *Director Davin said there was an article in the Pittsburgh Business Times recently about Deer Creek.*

Maurice Strul said the Woodmont Project was approved in January of 2005 by Council, and the developer was working to secure financing and tenants. He went through months of negotiation which never materialized, and he was unsuccessful in finding partners, so the Woodmont Company cancelled their agreement.

THF is a company that was interested, a large retail company out of St. Louis, but they decided it was not an economically viable project. Kimco, a large real estate investment trust firm out of Atlanta, entered into an agreement for a 90-day review of the property which will last until the end of the year. They are looking at mixed use development and the Economic Development Department is not aware of their plans or scope of the project.

Councilwoman Cleary asked how this affects the TIF, and Mr. Strul said the project

could change in that, they may not need public assistance after all. The property owner has been telling prospective buyers that there's a TIF on the property. If the project scope changes significantly, then the TIF may be rescinded. Legal Counsel said that if Council rescinds the TIF, the property owner may have grounds to say he was harmed because he was marketing the property based on the TIF. If the project changes substantially, Council would need to go through the process again to authorize a TIF.

Director Davin said the intent of this project was to help correct the inadequacies of S.R. 910.

Mr. Strul said the Woodmont Project is a 20 year project which was signed off on in February of 2005, so the effect is that they're behind now.

Councilwoman Cleary said the Department of Environmental Protection and the Army Corps of Engineers approved of this, so any change would need new approval by the DEP and Corps.

Councilwoman Frazier asked what the County can do to improve S.R. 910. Director Davin said there isn't a lot of funding for small projects and costs are escalating. Earlier at a luncheon held by Councilwoman Jan Rea today, this was discussed and the growth is evident and it is a problem. Director Davin said a project for S.R. 910 would probably go onto the Transportation Improvement Plan (TIP).

Mr. Strul said the off-site costs were estimated at \$21 million, but with a 30% increase in costs it's more like \$27 million, and now it's probably more likely to be above \$30 million.

Councilman Drozd said there is less money to work with, so in order to get that road structure fixed, we may have to look at other sources. He asked Mr. Strul to explain the project in general.

Mr. Strul said it was for \$30 million, the developer would net \$23 million, it's a 260 acre tract of land, mixed use, with a total development value of \$125 million.

Councilman Drozd asked whether or not the municipalities were behind the project and Mr. Strul said yes.

Councilman Drozd asked Director Davin's opinion as to the value it may or may not add to Allegheny County.

Director Davin said there are federal earmarks, which is one funding source, but that's not enough. Tech 21 provides some money, but developers are being encouraged to bear costs. From a retail standpoint he's not enthused about the idea, but for general development he said it had the potential to add value.

Councilwoman Frazier said in 90 days, Economic Development would know more and be able to tell us what's going on with the project. Mr. Strul said yes, they'll be able to see if the interested party will be able to make it work.

*Councilman Drozd asked whether or not the County should look for partners and
Director Davin advised against that, stating that it's best to just see if it will work.*

V. Adjournment

Summary: *Meeting adjourned at 4:40 p.m.*