

No. 33-05-RE

## A RESOLUTION

A Resolution of the Council of the County of Allegheny approving the use of federal Community Development Block Grant funds allocated and granted to the County as an urban county under Section 106 of Title I of the Housing and Community Development Act of 1974, as amended (the "Act"), program income generated from guaranteed loan funds and any grants which are or may become available to the County pursuant to Section 108(q) of the Act as part of the security required by the Secretary of the United States Department of Housing and Urban Development ("HUD") for the issuance of a guarantee pursuant to Section 108 of the Act and 24 CFR Part 570, Subpart M, for a six million dollars (\$6,000,000) loan to be made by a Fiscal Agency approved by HUD to the County's designated public agency borrower, the Redevelopment Authority of Allegheny County, for the purpose of defraying a portion of the costs of the redevelopment of two former "brownfield" sites currently owned by the Regional Industrial Development Corporation Southwestern Pennsylvania Growth Fund ("RIDC") known as "City Center Duquesne" located in the City of Duquesne and "Industrial Center of McKeesport" located in the City of McKeesport

**Whereas**, "RIDC" is the record owner of two former "brownfield" sites within the County known as "City Center Duquesne" located in the City of Duquesne and "Industrial Center of McKeesport" located in the City of McKeesport; and

**Whereas**, the County, through its Department of Economic Development, in cooperation with RIDC, is desirous of undertaking new redevelopment efforts at the City Center Duquesne and Industrial Center of McKeesport sites, including but not limited to, the remediation of environmental conditions, the construction, reconstruction and installation of public and other site improvements, utilities, or facilities and clearance, demolition and removal of structures and other buildings previously erected on these sites (the "Project"); and

**Whereas**, the Project is anticipated to take approximately three years to complete and to cost approximately thirteen million dollars; and

**Whereas**, the County, has applied for, and has been awarded, a grant in the amount of \$2,000,000.00 from the Secretary of HUD pursuant to HUD's Brownfields Economic

Development Initiative Grant Program (the "BEDI Grant") to defray a portion of the costs of the Project; and

**Whereas**, the County intends to enter into a Cooperation Agreement with the Redevelopment Authority of Allegheny County ("RAAC") under which RAAC will transfer a portion of the proceeds of the BEDI Grant to RIDC for use in connection with the Project; and

**Whereas**, the County, through its Department of Economic Development, submitted an application in 1997 to the Secretary of HUD pursuant to Section 108 of the Housing and Community Development Act of 1974, as amended, 42 U.S.C. §§ 5301 et seq., and 24 CFR Part 570, Subpart M") under which HUD would guarantee the timely payment of the principal and interest on a six million dollars (\$6,000,000) loan, (the "Guaranteed Loan Funds") to be made by a Fiscal Agency approved by HUD to the County's designated public agency borrower, RAAC, for the purpose of acquiring additional funds to be used to defray the costs of the Project (the "Section 108 Loan"); and

**Whereas**, the Secretary of HUD has approved the County's application for a Section 108 Loan for the Project; and

**Whereas**, RAAC, as the County's designated public agency borrower and recipient of the Section 108 Loan, will make a loan of the proceeds of the Section 108 Loan to RIDC for use in connection with the Project, and

**Whereas**, RAAC's agreement with RIDC for the loan of the proceeds of the Section 108 Loan will include, among other things, RIDC's guaranty of repayment of the Section 108 Loan with appropriate security in the form of a mortgage or pledge of revenues; and

**Whereas**, the Contract for Loan Guarantee Assistance under Section 108 of the Act to be entered into by the Secretary of HUD, the County and RAAC for the Section 108 Loan requires that the County, as the "Unit Of General Local Government," provide a pledge as security for the repayment of the Section 108 Loan of the following:

- a) "all allocations or grants which have been made or for which the Unit of General Local Government ...may become eligible under Section 106 of the Act, as well as any grants which are or may become available to the Unit of General Local Government ... pursuant to Section 108(q) of Act;"
- b) "Program income, as defined at 24 CFR 570.500(a)(or any successor regulation), directly generated from the use of the Guaranteed Loan Funds;"
- c) "Other security as described in" the Contract for Loan Guarantee Assistance;
- d) "All proceeds (including insurance and condemnation proceeds) from any of the foregoing;" and
- e) "All funds or investments in the accounts established pursuant to Paragraphs 1 and 6" of the Contract for Loan Guarantee Assistance."

**Whereas**, County Council is of the considered opinion that a pledge of the security requested by the Secretary of HUD, including the pledge of federal Community Development Block Grant funds allocated and granted to the County as an urban county under Section 106 of the Act, any grants which are or may become available to the County pursuant to Section 108(q) of the Act, and the program income from any Guaranteed Loan Funds, as part of the security for the issuance of a guarantee for the Section 108 Loan to RAAC is necessary to secure the redevelopment of the City Center Duquesne and the Industrial Center of McKeesport brownfield sites and to promote economic growth and revitalization within the Mon Valley region of the County.

***The Council of the County of Allegheny hereby resolves as follows:***

***Section 1. Incorporation of Preamble.***

The provisions set forth in the preamble to this Resolution are incorporated by reference in their entirety herein.

***Section 2. Approval of Use of County CDBG Grant As Security for Section 108 Loan Guarantee.***

As required by the Secretary of HUD as a condition for execution of a Contract for Loan Guarantee Assistance under Section 108 of the Act between HUD, the County and RAAC, the County Council does hereby approve a pledge of federal Community Development Block Grant funds allocated and granted to the County as an urban county under Section 106 of the Act, any grants which are or may become available to the County pursuant to Section 108(q) of the Act, and the program income from any Guaranteed Loan Funds as part of the security for the issuance of a guarantee for a Section 108 Loan to RAAC that has been requested by the County for the Project. The appropriate officers and officials of the County are hereby authorized to take all necessary actions, including the execution of all documents, deemed by them to be necessary and prudent to carry out the purposes of this Resolution.

***Section 3. Severability.***

***If any provision of this Resolution shall be determined to be unlawful, invalid, void or unenforceable, then that provision shall be considered severable from the remaining provisions of this Resolution which shall be in full force and effect.***

***Section 4. Repealer.***

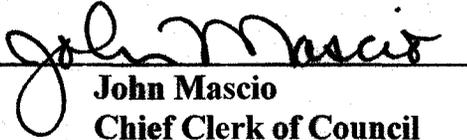
***Any resolution or ordinance or part thereof conflicting with the provisions of this Resolution is hereby repealed so far as the same affects this Resolution.***

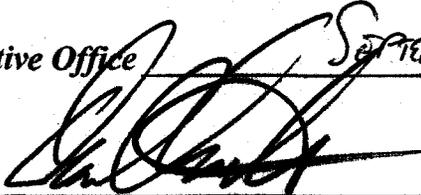
Enacted in Council, this 6<sup>th</sup> day of September, 2005.

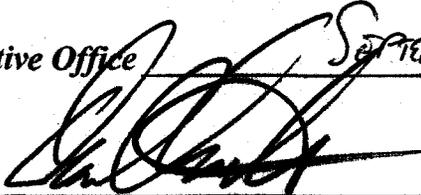
Council Agenda No. 2102-05.

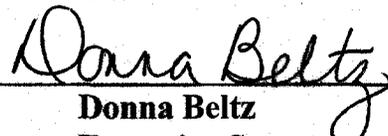


**Rich Fitzgerald**  
President of Council

Attest:   
**John Mascio**  
Chief Clerk of Council

Chief Executive Office  SEPTEMBER 8, 2005.

Approved:   
**Dan Onorato**  
Chief Executive

Attest:   
**Donna Beltz**  
Executive Secretary

## Section 108 Loan

Compound Period .....: Annual

Nominal Annual Rate ....: 4.000 %  
 Effective Annual Rate ...: 4.000 %  
 Periodic Rate .....: 4.0000 %  
 Daily Rate .....: 0.01096 %

## CASH FLOW DATA

Event	Start Date	Amount	Number	Period	End Date
1 Loan	01/01/2006	6,000,000.00	1		
2 Payment	01/01/2007	Interest Only	3	Annual	01/01/2009
3 Payment	01/01/2010	493,191.13	17	Annual	01/01/2026

## AMORTIZATION SCHEDULE - Normal Amortization

Date	Payment	Interest	Principal	Balance
Loan 01/01/2006				6,000,000.00
2006 Totals	0.00	0.00	0.00	
1 01/01/2007	240,000.00	240,000.00	0.00	6,000,000.00
2007 Totals	240,000.00	240,000.00	0.00	
2 01/01/2008	240,000.00	240,000.00	0.00	6,000,000.00
2008 Totals	240,000.00	240,000.00	0.00	
3 01/01/2009	240,000.00	240,000.00	0.00	6,000,000.00
2009 Totals	240,000.00	240,000.00	0.00	
4 01/01/2010	493,191.13	240,000.00	253,191.13	5,746,808.87
2010 Totals	493,191.13	240,000.00	253,191.13	
5 01/01/2011	493,191.13	229,872.35	263,318.78	5,483,490.09
2011 Totals	493,191.13	229,872.35	263,318.78	
6 01/01/2012	493,191.13	219,339.60	273,851.53	5,209,638.56
2012 Totals	493,191.13	219,339.60	273,851.53	
7 01/01/2013	493,191.13	208,385.54	284,805.59	4,924,832.97
2013 Totals	493,191.13	208,385.54	284,805.59	
8 01/01/2014	493,191.13	196,993.32	296,197.81	4,628,635.16
2014 Totals	493,191.13	196,993.32	296,197.81	
9 01/01/2015	493,191.13	185,145.41	308,045.72	4,320,589.44
2015 Totals	493,191.13	185,145.41	308,045.72	
10 01/01/2016	493,191.13	172,823.58	320,367.55	4,000,221.89
2016 Totals	493,191.13	172,823.58	320,367.55	

## Section 108 Loan

Date	Payment	Interest	Principal	Balance
11 01/01/2017	493,191.13	160,008.88	333,182.25	3,667,039.64
2017 Totals	493,191.13	160,008.88	333,182.25	
12 01/01/2018	493,191.13	146,681.59	346,509.54	3,320,530.10
2018 Totals	493,191.13	146,681.59	346,509.54	
13 01/01/2019	493,191.13	132,821.20	360,369.93	2,960,160.17
2019 Totals	493,191.13	132,821.20	360,369.93	
14 01/01/2020	493,191.13	118,406.41	374,784.72	2,585,375.45
2020 Totals	493,191.13	118,406.41	374,784.72	
15 01/01/2021	493,191.13	103,415.02	389,776.11	2,195,599.34
2021 Totals	493,191.13	103,415.02	389,776.11	
16 01/01/2022	493,191.13	87,823.97	405,367.16	1,790,232.18
2022 Totals	493,191.13	87,823.97	405,367.16	
17 01/01/2023	493,191.13	71,609.29	421,581.84	1,368,650.34
2023 Totals	493,191.13	71,609.29	421,581.84	
18 01/01/2024	493,191.13	54,746.01	438,445.12	930,205.22
2024 Totals	493,191.13	54,746.01	438,445.12	
19 01/01/2025	493,191.13	37,208.21	455,982.92	474,222.30
2025 Totals	493,191.13	37,208.21	455,982.92	
20 01/01/2026	493,191.13	18,968.83	474,222.30	0.00
2026 Totals	493,191.13	18,968.83	474,222.30	
Grand Totals	9,104,249.21	3,104,249.21	6,000,000.00	

Last interest amount decreased by 0.06 due to rounding.

**EXHIBIT B**

**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
SECTION 108 LOAN GUARANTEE PROGRAM**

**VARIABLE/FIXED RATE NOTE**

NOTE NUMBER:

DATE OF NOTE: \_\_\_\_\_

BORROWER:

PRINCIPAL DUE DATES AND PRINCIPAL AMOUNT: Before the Conversion Date, the aggregate of Advances made for each applicable Principal Due Date specified in the Commitment Schedule to this Note; on or after the Conversion Date, the Principal Amount (if any) listed for each Principal Due Date in Schedule P & I hereto.

MAXIMUM COMMITMENT AMOUNT: \$

COMMITMENT AMOUNTS: See Commitment Schedule attached hereto.

VARIABLE INTEREST RATE: As set forth below.

REGISTERED HOLDER:

AFTERWATCH & CO  
As Nominee for  
Money Market Obligations Trust  
on behalf of its Government Obligations Fund

**I. Terms Applicable Before the Conversion Date**

A. Advances

For value received, the undersigned, the \_\_\_\_\_ (the "Borrower", which term includes any successors and assigns), a public entity organized and existing under the laws of the State (or Commonwealth as applicable) of \_\_\_\_\_ promises to pay to the Registered Holder (the "Holder," which term includes any successors or assigns), at the time, in the manner, and with interest at the rate or rates hereinafter provided, such amounts as may be advanced under this Note from time to time by the Holder for disbursement to, or on behalf of, the Borrower (individually, an "Advance", and collectively, "Advances"). The Holder shall make Advances upon the written request of the Borrower and the approval of the Secretary of Housing and Urban Development or his designee (the "Secretary"), pursuant to the Contract for Loan Guarantee Assistance (as further defined in Section IV.A. of this Note, the "Contract"), and the Amended and Restated Master Fiscal Agency Agreement (the "Fiscal Agency Agreement") dated as of May 17, 2000, between The Chase Manhattan Bank (now known as JPMorgan Chase Bank), as Fiscal Agent (the "Fiscal Agent"), and the Secretary. The total amount of Advances made for each Principal Due Date under this Note shall not exceed the applicable Commitment Amount for such Principal Due Date set forth on the Commitment Schedule attached hereto. The aggregate of all Advances under this Note for all Principal Due Dates shall not exceed the Maximum Commitment Amount specified on the attached Commitment Schedule. The Fiscal Agent shall record the date and amount of all payments and Advances on this Note and maintain the books and records of all such Advances and Commitment Amounts for each corresponding Principal Due Date, and all payments. No Advances shall be made on this Note after its Conversion Date.

As used herein, "Conversion Date" means the date (if any) upon which this Note is (i) delivered by the Holder to the Fiscal Agent against payment therefore by the purchasers selected by the Secretary to make such payment; and (ii) assigned to JPMorgan Chase Bank (or any successor thereto) acting in its capacity as Trustee (the "Trustee") pursuant to a Trust Agreement between the Secretary and the Trustee, dated as of January 1, 1995, as such agreement may be amended or supplemented (the "Trust Agreement"). Upon the occurrence of both (i) and (ii) in the previous sentence, Section III of this Note applies, thereby converting this Note to a fixed rate obligation.

**B. Variable Rate of Interest**

From and including the date of each Advance to but excluding the earlier of (i) the Conversion Date, and (ii) the date of redemption or prepayment of such Advance pursuant to Section I.D. below (each such date of redemption or prepayment, a "Prepayment Date") interest shall be paid quarterly at a variable interest rate (as set forth below) on the unpaid principal balance of each Advance on the first day of each February, May, August and November (each, an "Interim Payment Date"), commencing on the first Interim Payment Date after the initial Advance is made under this Note. Interest also shall be paid on each applicable Conversion Date, Prepayment Date or Principal Due Date. The amount of interest payable on each Interim Payment Date will represent interest accrued during the three-month period ending immediately prior to such Interim Payment Date, or in the case of the first Interim Payment Date following each Advance that is not made on an Interim Payment Date, the period from and including the date of such Advance to but excluding the first Interim Payment Date following such Advance.

The amount of interest payable on this Note's Conversion Date, Prepayment Date, or on any Principal Due Date that precedes such Conversion Date will represent interest accrued during the period from the last Interim Payment Date to such Conversion Date, Prepayment Date, or Principal Due Date, respectively.

The initial variable interest rate for each Advance will be set on the date of such Advance and will be equal to 20 basis points (0.2%) above the Applicable LIBO Rate (as hereinafter defined) and thereafter will be adjusted monthly on the first day of each month (each, a "Reset Date") to a variable interest rate equal to 20 basis points (0.2%) above the Applicable LIBO Rate (such interest rate, as reset from time to time, the "Standard Note Rate"). If the Conversion Date for this Note has not occurred by the March 1 following the initial Advance under this Note, then the terms of Appendix A shall be used to set the variable interest rate. If the Fiscal Agent does not receive notice of either a Negotiated Special Interest Rate or Holder Determined Special Interest Rate (as defined in Appendix A attached hereto) from the Secretary or Holder, respectively, by the times specified in Appendix A to this Note, then the Standard Note Rate shall apply for the period to which such Negotiated Special Interest Rate or Holder Determined Special Interest Rate would otherwise apply. The Fiscal Agent may conclusively rely on any such notice as to the correctness of any matters set forth therein. Appendix A shall be inapplicable to this Note on or after the Conversion Date.

"LIBO Rate" for any given Business Day means, except in the case of manifest error, the interest rate per annum published on that day in the Eastern Edition of The Wall Street Journal or any successor publication ("WSJ"), published by Dow Jones & Company, Inc., in the section titled "Money Rates" (or any successor section) and opposite the caption "London Interbank Offered Rates (LIBOR) -- three months" (or any successor caption). If such rate does not appear in WSJ on a given Business Day, for each interest period, the LIBO Rate shall be the interest rate, converted to a bond-equivalent yield basis, for deposits in U.S. dollars for three months which appears on Telerate Page 3750 or such other page as may replace Page 3750 on that service or such other service or services as may be nominated by the British Bankers' Association for the purpose of displaying such rate (together, "Telerate Page 3750") as of 11:00 a.m., London time, on the day (the "Determination Date") that is two London Banking Days preceding the relevant Reset Date or Advance. If such rate does not appear on Telerate Page 3750 on such Determination Date, such rate shall be obtained from the Reuters Screen ISDA Page as of 11:00 a.m., London time, on such Determination Date. If, in turn, such rate does not appear on the Reuters Screen ISDA Page on such Determination Date, the offered quotation from each of four reference banks (expressed as a percentage per annum) as of approximately 11:00 a.m., London time, on such Determination Date for deposits in U.S. dollars to prime banks on the London interbank market for a 3-month period, commencing on the Reset Date or date of such Advance, shall be obtained. If at least two such quotations are provided, the LIBO Rate for such Reset Date or date of such Advance will be the arithmetic mean of the quotations, rounded to five decimal places. If fewer than two such quotations are provided as requested, the LIBO Rate for that Determination Date shall be the rate for the most recent day preceding such Determination Date for which the LIBO Rate shall have been displayed on Telerate Page 3750. The LIBO Rate for

any interest period shall be converted to a bond-equivalent yield basis by multiplying such rate by the actual number of days in such interest period and dividing that number by 180.

"Applicable LIBO Rate" means: (1) with respect to the initial interest rate for the first Advance hereunder, the LIBO Rate two London Banking Days before the date of such first Advance; (2) with respect to the initial interest rate for any subsequent Advance made before the first Reset Date, the interest rate borne by the first Advance; (3) with respect to the initial interest rate for any subsequent Advance made after the first Reset Date, the LIBO Rate two London Banking Days before the immediately preceding Reset Date; and (4) with respect to the subsequent interest rate at any Reset Date for any Advance, the LIBO Rate two London Banking Days before such Reset Date.

"London Banking Day" means any day in which dealings in deposits in United States dollars are transacted in the London interbank market. Interest payable on or before the Conversion Date shall be calculated on the basis of a 360-day year and the actual number of days lapsed.

C. Principal Amount

Prior to the Conversion Date, the aggregate amount of Advances under this Note for each specified Principal Due Date shall be the Principal Amount paid by the Borrower on such Principal Due Date (as assigned to such Advances by the Secretary's instructions to the Fiscal Agent in accordance with the Contract and the Fiscal Agency Agreement), except to the extent such Principal Amount shall have been reduced by redemption before such Principal Due Date as provided below.

D. Redemption before Conversion Date

At any time on or before the Conversion Date, the Borrower, with the consent of the Secretary, may redeem this Note, in whole or in part, upon fourteen calendar days notice to the Fiscal Agent and the Secretary, at the purchase price of one hundred percent (100%) of the unpaid Principal Amount to be redeemed, plus accrued interest thereon to the date of redemption. Partial redemptions shall be credited against the applicable Principal Amount(s). The related Commitment Amounts and the Maximum Commitment Amount shall be adjusted concurrently with any such redemptions in accordance with the Secretary's instructions to the Fiscal Agent pursuant to the Contract and the Fiscal Agency Agreement.

II. Conversion

The following events shall occur on the Conversion Date:

**A. Schedule P&I**

On the Conversion Date all Advances owed by the Borrower under this Note with the same Principal Due Date shall be aggregated into a single Principal Amount which will accrue interest at the fixed rate applicable to such Principal Due Date. Such Principal Amount may be adjusted by the Fiscal Agent in accordance with the following paragraph or paragraph IV.H, as applicable. Whether or not adjusted, each Principal Amount, the fixed rate applicable to each Principal Amount, and the applicable Principal Due Date, shall be listed by the Secretary in Schedule P&I. Schedule P&I will be provided by the Secretary to the Fiscal Agent and attached to this Note by the Fiscal Agent upon the Fiscal Agent's receipt of this Note on the Conversion Date.

**B. Conversion Date Advances**

If, on or prior to the Conversion Date, the Borrower has not utilized the entire Commitment Amount indicated on the Commitment Schedule attached hereto for a given Principal Due Date, the Borrower may, in accordance with the Fiscal Agency Agreement and the Contract, and with the approval of the Secretary, utilize such Commitment Amount on the Conversion Date to obtain a Conversion Date Advance. A "Conversion Date Advance" shall mean any amount by which the Secretary instructs the Fiscal Agent to increase a Principal Amount on Schedule P&I for a given Principal Due Date, effective as of the Conversion Date of this Note. Conversion Date Advances shall be funded by the sale of this Note to the purchaser selected by the Secretary. The proceeds of a Conversion Date Advance (net of any applicable fees) shall be distributed to or on behalf of the Borrower on the Conversion Date. The total amount of Conversion Date Advances hereunder shall not exceed the sum of any unused Commitment Amounts for all Principal Due Dates.

**III. Terms Applicable Upon Conversion**

The following terms shall apply to this Note from the Conversion Date (if any) until this Note is canceled, or matured and paid in full:

Commencing on the Conversion Date, the Borrower promises to pay to the Holder on the applicable Principal Due Date each Principal Amount set forth on the attached Schedule P&I, together with interest on each such Principal Amount at the rate applicable thereto specified on the Schedule P&I. Interest shall be calculated and payments shall be made in the manner set forth below.

Interest on each scheduled Principal Amount of this Note due as of a given date specified on Schedule P&I hereto shall accrue at the related per annum rate specified on Schedule P&I from (and including) the Conversion Date to (but excluding) such Principal Due Date or, if applicable, to the applicable Interest Due Date on which an Optional Redemption (as defined below) occurs. Each interest amount accrued on each unpaid Principal Amount of this Note shall be due semiannually as of February 1 and August 1 of each year (each such February 1 and

August 1, an "Interest Due Date") commencing on the first such date after the Conversion Date, until each Principal Amount listed on Schedule P&I to this Note is paid in full. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Certain Principal Amounts that are indicated as being eligible for Optional Redemption on Schedule P&I may be paid, in whole or in part, at the option of the Borrower as of any Interest Due Date on or after the date specified in such schedule (an "Optional Redemption"). In order to elect an Optional Redemption of such a Principal Amount, the Borrower shall give notice of its intention to prepay a Principal Amount to the Trustee and the Secretary not less than 60 days and not more than 90 days prior to the Interest Due Date as of which the Borrower intends to prepay the Principal Amount. The Trustee shall apply any payments received in respect of Optional Redemptions in accordance with written instructions of the Borrower, as approved by the Secretary. Principal Amounts that are not indicated as being eligible for Optional Redemption on Schedule P&I may not be prepaid.

#### **IV. General Terms**

##### **A. Additional Definitions**

For purposes of this Note, the following terms shall be defined as follows:

"Business Day" shall mean a day on which banking institutions in New York City are not required or authorized to remain closed and on which the Federal Reserve Bank and the New York Stock Exchange are not closed. If any payment (including a payment by the Secretary) is required to be made on a day that is not a Business Day, then payment shall be made on the next Business Day.

"Contract" shall mean the Contract for Loan Guarantee Assistance, and any amendments thereto, among the Secretary and the Borrower, the designated public entity named therein (if applicable), and the State named therein (if applicable), that refers to and incorporates this Note by the number hereof.

"Principal Amount" shall mean: (i) before the Conversion Date for this Note, the aggregate amount of Advances made for each Principal Due Date specified in the Commitment Schedule attached to this Note, less the amount of any redemptions pursuant to Section I.D. hereof, and any principal repayment; and (ii) on or after the Conversion Date, the principal amount (if any) stated for each Principal Due Date in Schedule P&I attached hereto, less the amount of any principal repayment and any Optional Redemptions made pursuant to Section III hereof and the Trust Agreement.

**B. Timely Payment to Fiscal Agent or Trustee**

Notwithstanding anything contained in Section I, Section II, or Section III, the Borrower, in accordance with the Contract, shall be required to make all payments of interest and principal, including any Optional Redemption payment, directly to the Fiscal Agent or the Trustee (as applicable) on the seventh Business Day prior to the appropriate Interim Payment Date, Interest Due Date, Principal Due Date, Prepayment Date, or date of Optional Redemption, as applicable.

**C. Interest on Late Payments**

If a payment of principal or interest herein provided for shall not be made by either (i) 2:30 p.m. on an Interest Due Date or Principal Due Date; or (ii) 2:30 p.m. on the second Business Day (as herein defined) next succeeding an Interim Payment Date, then interest shall accrue on the amount of such payment at the then applicable interest rate or rates payable on this Note, from the relevant due date, as the case may be, until the date such payment is made. Nothing in the immediately preceding sentence shall be construed as permitting or implying that the Borrower may, without the written consent of the Holder and the Secretary, modify, extend, alter or affect in any manner whatsoever the right of the Holder timely to receive any and all payments of principal and interest specified in this Note.

**D. Applicability of Fiscal Agency Agreement or Trust Agreement**

Prior to the Conversion Date, this Note and Advances and payments made hereunder shall be administered pursuant to the terms of the Fiscal Agency Agreement and are subject to such agreement. On or after the Conversion Date, this Note and Advances and payments made hereunder shall be administered pursuant to the Trust Agreement and are subject to such agreement. The terms and provisions of the Fiscal Agency Agreement or the Trust Agreement, insofar as they affect the rights, duties and obligations of the Holder and/or the Borrower, are hereby incorporated herein and form a part of this Note. The Borrower hereby agrees to be bound by all obligations of the Borrower to the Fiscal Agent set forth in the Fiscal Agency Agreement. Capitalized terms not defined in this Note shall have the meanings ascribed to them in the Fiscal Agency Agreement or Trust Agreement, as applicable. The Fiscal Agency Agreement provides for the Fiscal Agent to perform certain duties, including the duties of (i) paying agent and calculation agent for this Note until its Conversion Date, and (ii) registrar for this Note until this Note is canceled or a new registrar appointed, each in accordance with the Fiscal Agency Agreement. The Trust Agreement provides for the Trustee to perform certain duties, including the duties of collection agent for this Note after its Conversion Date until a new Trustee is appointed in accordance with the Trust Agreement. This Note may be surrendered to the Fiscal Agent for registration of transfer or exchange, as provided in the Fiscal Agency Agreement. The Fiscal Agent and Trustee each shall permit reasonable inspection to be made of a copy of the Fiscal Agency Agreement or Trust Agreement kept on file at its respective corporate trust office. Neither the Fiscal Agency Agreement nor the Trust Agreement shall change the Borrower's payment obligations under this Note.

E. Applicability of Contract and Secretary's Guarantee

This Note evidences indebtedness incurred pursuant to and in accordance with the Contract and pursuant to Section 108 of Title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. § 5308) (the "HCD Act"). This Note is subject to the terms and provisions of the Contract, to which Contract reference is hereby made for a statement of said terms and provisions and for a description of the collateral security for this Note. The payment of principal on the applicable Principal Due Dates and interest on the applicable Interim Payment Dates or Interest Due Dates under this Note is unconditionally guaranteed by the Secretary to the Holder through a guarantee (the "Guarantee"). Execution of the Secretary's Guarantee is required before this Note is effective, and such Guarantee shall be issued pursuant to and in accordance with the terms of the Contract and Section 108 of the HCD Act.

F. Default

A default under this Note shall occur upon failure by the Borrower to pay principal or interest on this Note when due hereunder. If a Borrower defaults on the payment of any interest or Principal Amounts when due, or if the Secretary gives notice of a final decision to declare the Borrower in default pursuant to the following paragraph of this Section IV.F, the Secretary may, but is not obligated to, make on any date on or prior to the Conversion Date with fourteen calendar days prior notice to the Fiscal Agent, or on the seventh Business Day preceding any Interest Due Date on or after the first permissible Optional Redemption date with seven Business Days prior notice to the Trustee, an acceleration payment to the Fiscal Agent or the Trustee, as applicable, equal to the Aggregate Principal Amount of the Note, together with accrued and unpaid interest thereon to such acceleration payment date or Interest Due Date, as applicable. In the event that any such acceleration payment is made from sources other than funds pledged by the Borrower as security under the Contract (or other Borrower funds), the amounts paid on behalf of the Borrower shall be deemed to be immediately due and payable to the Secretary. Nothing in this paragraph shall be construed as permitting or implying that the Borrower may, without the written consent of the Holder and the Secretary, modify, extend, alter or affect in any manner whatsoever the right of the Holder timely to receive any and all payments of principal and interest specified in this Note.

In addition, the Secretary may declare the Borrower in default under this Note if the Secretary makes a final decision in accordance with the provisions of 24 C.F.R. § 570.913 (or any successor regulation thereof), including requirements for reasonable notice and opportunity for hearing, that the Borrower has failed to comply substantially with Title I of the HCD Act. Following the giving of such reasonable notice, the Secretary may take the remedial actions specified as available in the relevant provisions of the Contract pending the Secretary's final decision.

G. Holder's Reliance on Guarantee

Following a default by the Borrower under the terms of this Note, the Holder agrees to rely wholly and exclusively for repayment of this Note upon the Guarantee. The enforcement of any instruments or agreements securing or otherwise related to this Note shall be the sole responsibility of the Secretary, and the Holder shall not be responsible for the preparation, contents or administration of such instruments and agreements, or for any actions taken in connection with such instruments and agreement. The Holder, to the extent it is legally able to do so, shall bind or cause to be bound its successors and assigns to all limitations imposed upon the Holder by this Note.

H. Amendment

This Note may only be amended with the prior written consent of the Secretary and the Borrower. No such amendment shall reduce, without the prior written consent of the Holder of this Note, in any manner the amount of, or delay the timing of, payments required to be received on this Note by the Holder, Fiscal Agent or Trustee, including Guarantee Payments; provided that prior to the Conversion Date, the Commitment Amounts on the Commitment Schedule attached hereto, and the Principal Amounts due on the corresponding Principal Due Dates may be rescheduled pursuant to written instructions given to the Fiscal Agent by the Secretary with the written agreement of the Borrower and the Secretary absent the consent of the Holder.

I. Waivers

The Borrower hereby waives any requirement for presentment, protest or other demand or notice with respect to this Note. The Borrower hereby waives notice of default and opportunity for hearing for any failure to make a payment when due.

J. Delivery and Effective Date

This Note is deemed issued, executed, and delivered on behalf of the Borrower by its authorized official as an obligation guaranteed by the Secretary pursuant to Section 108 of the HCD Act, effective as of the date of the Secretary's Guarantee.

V. Borrower-Specific Provisions

[This space intentionally left blank]

**THE UNDERSIGNED**, as an authorized official of the Borrower, has executed and delivered this Note.

\_\_\_\_\_  
BORROWER

By: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

ASSIGNMENT AND TRANSFER

For value received, the undersigned assigns and transfers this Note to

\_\_\_\_\_  
(Name and Address of Assignee)

\_\_\_\_\_  
(Social Security or Other Identifying Number of Assignee)

and irrevocably appoints \_\_\_\_\_  
attorney-in-fact to transfer it on the books kept for registration of the Note, with full power of  
substitution.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Note: The signature to this assignment  
must correspond with the name as written on  
the face of the Note without alteration or  
enlargement or other change.

Signature Guaranteed:

\_\_\_\_\_  
Qualified Financial Institution

By: \_\_\_\_\_  
Authorized Signature

[This page to be completed by the Fiscal Agent for transfer of the Note by the Holder as of the  
Conversion Date pursuant to the last paragraph of Section I.A. of this Note.]

## APPENDIX A

### Special Pre-Conversion Interest Rates.

- (a) The Holder and the Secretary contemplate that the majority of the outstanding Variable/Fixed Rate Notes will be purchased by underwriters selected by the Secretary for sale in public offerings to occur each year. If a public offering including this Note has not occurred by each March 1 following the initial Advance under this Note, the Secretary shall, upon request, advise the Holder as to when a public offering including this Note is expected to occur, and the Holder and the Secretary agree to consult with each other as to what the interest rate on this Note will be after May 1 of that year if a public offering has not occurred by such May 1. The Holder shall notify the Secretary if such consultation has not occurred by April 1 of that year. If no public offering including this Note has occurred on or before such May 1, the applicable interest rate on this Note from such May 1 shall be the rate (if any) negotiated and agreed upon by the Secretary and the Holder. Such rate may be the Standard Note Rate or some other rate agreed upon by the Holder and the Secretary at least two Business Days before such May 1 (such other rate, the "Negotiated Special Interest Rate"). The Secretary shall notify the Fiscal Agent and the Holder in writing of any Negotiated Special Interest Rate within two Business Days of the determination thereof.
- (b) If the Secretary and the Holder do not, by the April 15th preceding such May 1, negotiate and agree under Section (a) of this Appendix on an interest rate applicable to this Note, then the Holder may, on or before the April 20th preceding such May 1, give written notice to the Secretary of its intent to change the interest rate on this Note and, if such notice was given during such period, the Holder may, on such May 1, unilaterally determine (subject to the terms of this paragraph) the interest rate that this Note will bear (such rate, the "Holder Determined Interest Rate") from and including such May 1 to but excluding the earliest of: (i) the Conversion Date; (ii) the date that this Note is purchased by a new Holder (as described in Section (c) below) or (iii) a Monthly Special Reset Date (as defined below). Interest from and including such May 1 to but excluding the Public Offering Date shall be paid on the unpaid principal balance of all outstanding Advances under this Note at the rate(s) to be determined by the Holder which, based upon then prevailing market conditions and taking into account all the circumstances, will enable the Holder to sell this Note at one hundred percent (100%) of the aggregate amount of all Advances hereunder prior to the date of such sale. Such interest rate shall be determined as of such May 1 and shall be determined again on the foregoing basis on the first of each month thereafter (the first of each month after such May 1, a "Monthly Special Reset Date"). The Holder shall notify the Fiscal Agent and the Secretary in writing

within two Business Days following such dates of the determination of the Holder Determined Interest Rate and each applicable interest rate determined on a Monthly Special Reset Date.

- (c) If the Secretary and the Holder have failed to agree upon an interest rate pursuant to Section (a) of this Appendix A, the Secretary, upon seven calendar days notice to the Holder, may arrange for the purchase of this Note in full by another entity on the following May 1 or any Business Day thereafter. If such a purchase occurs, the Holder shall sell and assign this Note to the purchaser thereof without recourse to the Holder and deliver this Note and its Guarantee to the Fiscal Agent for registration in the name of the purchaser thereof in accordance with the Secretary's written instructions. The purchase price for this Note shall be 100% of the aggregate amount of all Advances owing hereunder plus accrued interest to the date of purchase. Payment to the Holder of the purchase price for this Note shall be made by the purchaser thereof in Federal funds at the offices of the Holder, or at such other place as shall be agreed upon by the Holder and the Secretary, at 10:00 a.m., New York time, on the date of purchase. After such purchase date this Note shall bear a rate of interest negotiated between the Secretary and the new interim Holder (the "New Purchaser Special Interest Rate"). The Secretary shall notify the Fiscal Agent and the new purchaser in writing of any New Purchaser Special Interest Rate within two Business Days following the date of determination thereof.
- (d) Notwithstanding Sections (a) through (c) (inclusive) of this Appendix, no Borrower is obligated to pay interest at a variable rate exceeding the maximum rate permitted by generally applicable law of the Borrower's state (such rate, the "Maximum Rate"). If the Borrower receives notice of a variable interest payment that exceeds the Maximum Rate, then the Borrower shall timely pay such amount as does not exceed the Maximum Rate, and concurrently shall notify the Secretary and the Fiscal Agent of the reason for any interest non-payment.

**COMMITMENT SCHEDULE**

Note No. \_\_\_\_\_

Principal Due Date

Commitment Amount

August 1, 2006  
August 1, 2007  
August 1, 2008  
August 1, 2009  
August 1, 2010  
August 1, 2011  
August 1, 2012  
August 1, 2013  
August 1, 2014  
August 1, 2015  
August 1, 2016  
August 1, 2017  
August 1, 2018  
August 1, 2019  
August 1, 2020  
August 1, 2021  
August 1, 2022  
August 1, 2023  
August 1, 2024  
August 1, 2025

Maximum Commitment Amount =

**SCHEDULE P&I\***

Note No. \_\_\_\_\_

Principal Amount	Principal Due Date	Interest Rate	Optional Redemption Available	
			YES	NO
\$	August 1, 2006			X
	August 1, 2007			X
	August 1, 2008			X
	August 1, 2009			X
	August 1, 2010			X
	August 1, 2011			X
	August 1, 2012			X
	August 1, 2013			X
	August 1, 2014			X
	August 1, 2015			X
	August 1, 2016			X
	August 1, 2017		X	
	August 1, 2018		X	
	August 1, 2019		X	
	August 1, 2020		X	
	August 1, 2021		X	
	August 1, 2022		X	
	August 1, 2023		X	
	August 1, 2024		X	
	August 1, 2025		X	
<u>\$</u>	= Aggregate Principal Amount			

Principal Amounts due on or after August 1, 2017, may be redeemed, subject to the terms contained herein and in the Trust Agreement, on any Interest Due Date on or after August 1, 2016.

\*This schedule will not be completed when initially executed and delivered by the Borrower for Guarantee for interim, variable-rate financing. It will be completed when assigned by the Holder at the request of the Borrower for conversion to Fixed Rates on the Conversion Date. The first date shown above on which Optional Redemption is available is expected to be the same when this schedule is completed, if the Borrower participates in the initial Section 108 public offering after receiving an interim financing Advance hereunder. If the Borrower participates in a later public offering, the first date on which Optional Redemption is available is expected to be correspondingly later.

SUMMARY FOR SECTION 108 LOAN AND BEDI GRANT RESOLUTIONS  
SUBMITTED FOR COUNCIL MEETING 8/23/05

The Allegheny County Department of Economic Development (the "Department") intends to drawdown a United States Department of Housing and Urban Development (the "HUD") Section 108 Loan Guarantee in the amount of \$6,000,000 and subsequently receive a \$2,000,000 Brownfields Economic Development Initiative Grant (the "BEDI Grant"), both of which have been previously awarded to the Department. The Department will use these funds to continue the development and redevelopment of two Allegheny County sites, the City Center Duquesne located in the City of Duquesne and the Industrial Center of McKeesport located in the City of McKeesport (the "Project").

The Department, working with the Regional Industrial Development Corporation of Southwestern Pennsylvania (the "RIDC"), has completed many development activities of the Project over already, and intends to undertake 15 additional activities to complete the Project. Several of the remaining activities of the Project have been considerable challenges, for which resources have not been available over the life of the Project. These activities include:

- Duquesne: Former Blast Furnaces – demolition and remediation
- Duquesne: Route 837 Pedestrian Walkway – demolition
- Duquesne: Fly-Over Ramp – construction (includes PennDOT funding)
- Duquesne: Oil Pits – filling and site preparation
- Duquesne: Remaining Structures – demolition and site preparation
- McKeesport: Roundhouse – historic preservation and site preparation
- McKeesport: Fly-Over Ramp – construction and moving of Eat 'n Park building
- McKeesport: Remaining Structures – demolition and site preparation

The Department has worked with many other agencies to plan for these challenging activities, including the Pennsylvania Department of Transportation, and only recently with additional support committed by the Commonwealth of Pennsylvania was the Department able to complete a site development and funding plan. The support provided by cooperating agencies is as follows:

<u>AGENCY</u>	<u>SUPPORT</u>
The United States Environmental Protection Agency	\$1,000,000
Commonwealth of Pennsylvania	\$4,500,000
HUD Section 108 Loan	\$6,000,000
HUD BEDI Grant	\$2,000,000
<b>TOTAL</b>	<b>\$13,500,000</b>

The total investment of \$13,500,000, an unusual opportunity of receiving a federal loan accompanied by substantial matching funds from various agencies represents a significant opportunity to Duquesne, McKeesport and Allegheny County. The potential estimated number of jobs that will be created by the Project is 400.

**MEMORANDUM**

**OFFICE OF THE COUNTY MANAGER**

TO: John Mascio  
Chief Clerk

FROM: James M. Flynn, Jr.   
County Manager

DATE: August 18, 2005

RE: Proposed Ordinance

ALLEGHENY COUNTY COUNCIL

'05 AUG 18 pm12:05

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Attached is an Ordinance determining to incur nonelectoral debt in an aggregate principal amount not to exceed six million dollars (\$6,000,000) by entering into a Contract for Loan Guarantee Assistance with the Secretary of the United States Department of Housing and Urban Development ("HUD") and an Agreement with a Fiscal Agency approved by HUD (the "Fiscal Agency Agreement") under which the Fiscal Agency will loan six million dollars (\$ 6,000,000) to the County to be used to defray a portion of the costs of the redevelopment of two former "brownfields" sites currently owned by RIDC Southwestern Pennsylvania Growth Fund known as "City Center Duquesne" located in the City of Duquesne and "Industrial Center of McKeesport" located in the City of McKeesport (the "Project"); determining that such nonelectoral debt of the County shall be evidenced by a promissory note in favor of the Fiscal Agency in the principal amount of six million dollars (\$ 6,000,000) and that such promissory note shall be guaranteed by HUD pursuant to Section 108 of Title I of the Housing and Community Development Act of 1974, as amended, and 24 CFR Part 570, Subpart M; authorizing and directing the proper officers of the County (a) to prepare and certify and to file the debt statement required by Section 8110 of the Pennsylvania Local Government Unit Debt Act; and (b) to execute, to attest and to deliver, as appropriate, the Contract for Loan Guarantee Assistance with the Secretary of HUD, the Fiscal Agency Agreement and any and all other agreements required by the HUD and/or the Fiscal Agency (collectively the "Agreements"), and the promissory note; approving the form of the Agreements and the promissory note; specifying the maximum amount of the County's obligation pursuant to said Contract for Loan Guarantee Assistance and said Fiscal Agency Agreement and the sources of payment of such obligation and pledging the full faith and credit of the County in support of such obligation; fixing the date, interest and maturity of the promissory note; providing for filing of all required documents with the Department of Community and Economic Development; providing for the proper officers of the County to take all other required, necessary or desirable related action in connection with the Project and the Agreements; providing for the effectiveness of this ordinance; providing for the severability of provisions of this ordinance; and providing for the repeal of all inconsistent ordinances and resolutions or parts of ordinances and resolutions

The Allegheny County Law Department has reviewed this legislation prior to submitting it to Council.

Please place this on the next agenda for County Council approval.

Thank you.

**ALLEGHENY COUNTY DEPARTMENT OF ECONOMIC  
DEVELOPMENT**

**PROPOSED USE OF FY98 HUD 108/BEDI FUNDS**

**CITY CENTER OF DUQUESNE**

**City of Duquesne, Allegheny County**

**and**

**INDUSTRIAL CENTER OF MCKEESPORT**

**City of McKeesport, Allegheny County**

**August 1, 2005**

branching off in both a northerly and southerly direction is Linden Street. Three phases of South Linden Street, totaling 1,780 linear feet, have been completed and provide access and utilities for the existing buildings that RIDC Growth Fund has rehabilitated as well as new buildings and for several new building sites. Attached is a site plan of the City Center of Duquesne showing the location of the current infrastructure, new constructed buildings, renovated buildings and buildings yet to be renovated.

### CURRENT WORK

The following projects are currently waiting for final funding approval before commencing later this year/early next year (2005/2006).

1. The Redevelopment Authority of Allegheny County was awarded in the Fall of 2004 a grant of \$3,000,000 from the Commonwealth of Pennsylvania's Redevelopment Assistance Capital Program designated for use at the City Center of Duquesne. Among the projects to be undertaken at the City Center of Duquesne with these grant funds are:
  - A. Renovation to Carpenter Shop - This retained building is a two-story structure centrally located within the City Center of Duquesne and will be serviced from the new Linden Square Drive (see D. below) access road and utility system. The building contains approximately 7,000 square feet, indicating that it is a small structure, but due to its scale and charm it permits easy adaptation for multi-occupancy office and flex uses. Interior and exterior renovations will include roof replacement, window and storefront entrance replacement, repointing the brick, new electrical service, construction of toilet cores on each floor, HVAC work, and construction of an enclosed masonry addition to house an elevator and stair tower. The site development/infrastructure work needed to support tenants within the building will include: an access drive, parking areas, storm drains, sanitary sewers, water line, gas lines, underground telephone and electric service.
  - B. East Access Drive - Constructed off the existing South Linden Street and extending east towards the Monongahela River, this drive will be approximately 385 feet in length. This roadway construction will also provide for the extension of all utilities including storm drains, sanitary sewers, water line, gas lines, underground telephone and electric service. This roadway will open up four development sites ranging in size from 2.81 to 5.12 acres.
  - C. West Access Drive - Constructed off existing South Linden Street directly across from East Access Drive this drive will extend west towards the City of Duquesne. The drive will be approximately 375 feet in length and will also include the extension of all utilities including storm drains, sanitary sewers, water line, gas lines, underground telephone and electric service. This roadway will open up access to two development sites of 2.64 and 1.5 acres.
  - D. Linden Square Drive - Constructed off South Linden Street and also traveling west towards the City of Duquesne, this drive will provide access to the Carpenter Shop. It also provides access to the proposed site of Linden Square B, a second multi-occupancy building, which is proposed to be constructed next to the adjacent Linden Square A multi-occupancy building. Construction of Linden Square A was completed approximately 18 months ago. Several tenants have located to the facility and additional tenant prospects have shown

2. Remediation and Demolition of Former Blast Furnace Stoves

The 15 standing "stoves" are in a deteriorating condition. Church Consulting Engineers made a structural evaluation of the condition of the stoves in February of 2005. The overall conclusion of the evaluation report was that the stoves are structurally compromised and present an ongoing risk of toppling over one day. The stoves are located in a uniform alignment in two groupings of seven to the south and eight to the north. The proximity of the stoves to the proposed alignment of South Linden Street Extension makes it imperative that the stoves be demolished in a timely fashion (by early 2006). A significant amount of asbestos containing material exists in each stove that must be removed as part of the demolition procedure. A demolition/asbestos abatement plan has been submitted to Allegheny County Health Department for approval and permitting.

Estimated Cost

\$1,000,000.00

Anticipated Completion-December 2005

3. Linden Square Building "A" Addition (Phase 2)

This proposed building addition of 10,000 sq. ft. would consist of a single story masonry building structure with brick façade in combination with a painted insulated metal panel mansard wall system. The roof will consist of an EPDM rubber membrane over rigid foam insulation, metal deck and steel roof joists. The proposed addition will have a 6-inch reinforced concrete floor slab. Utilities will be extended to the building from Phase I. An access drive, additional sidewalks and paved parking will be provided. A 400 KW, 3 phase, four wire electrical service will be provided. The rear portion of the building will be heated. The office areas will be heated and cooled. A plumbing toilet core will be installed and sized in accordance with Allegheny County Health Department standards for the anticipated occupancy. Finishes in the office portion of the building will consist of drywall partitions and walls, suspended acoustic ceiling tile, and carpeting on the floors. The existing fire sprinkler system will be extended into the proposed addition. A lawn and landscape materials will be planted.

Estimated Cost

\$800,000.00

Anticipated Completion-Fall 2006

4. Linden Square Building "B" Construction

Construction of a 20,000 sq.ft. speculative flex building "B". The building will be constructed in two phases--"shell" for marketing purposes and "tenant finish" when leased. Phase I base shell work will include: construction of a single story masonry building structure with brick façade in combination with a painted insulated metal panel mansard wall system. The roof will consist of an EPDM rubber membrane over rigid foam

- d) Energy Monitoring System Installation - Install an energy monitoring and control system to control the building mechanical and electrical systems. The system will be capable of monitoring and control from a remote location.

Estimated Cost \$300,000.00  
Anticipated Completion-Late 2007

B. Duquesne Industrial Manor (Multi-Tenant Building):

- a) Install a 5 inch reinforced concrete slab on the existing gravel base, after removing wood block floor and embedded steel rails in the proposed new tenant area. Install a two hour fire rated gypsum wall board demising wall, 125 feet in length, along column line 6, between the existing occupied space and the proposed tenant space. Provide a 20 car additional paved parking area including grading, storm drainage, line striping, night lighting, ADA signage, sidewalk, and landscaping, at the south end of the building.

Estimated Cost \$100,000.00  
Anticipated Completion-Spring 2007

7. Pedestrian Bridge Demolition over State Route 837

This pedestrian bridge structure spans over State Route 837 and the Norfolk Southern Railroad. The purpose of the bridge was to permit the mill workers to access the plant without crossing State Route 837 and the railroad tracks at grade. The structure is showing some structural distress and it is only a matter of time before the deterioration will cause a concern to vehicle and rail traffic passing beneath the span. It is also a security concern as people can currently access the bridge and toss materials onto passing automobiles, trucks and trains. The structure spanning the roadway and railroad consists of steel girders supported on steel columns. The bridge deck is reinforced concrete. The parapet walls are stucco painted reinforced concrete. The work will consist of removing the bridge structure, decking, parapet, and an adjoining two-story masonry locker room facility. Because of the bridge location and traffic volume, much of the demolition work will need to be done at off peak traffic times, such as during the night from midnight to dawn.

Estimated Cost \$250,000.00  
Anticipated Completion-Fall 2006

**Total HUD 108 Loan Request \$1,000,000.00**

**Total BEDI Grant Request \$3,000,000.00**

from each City, representatives from Allegheny County and representatives from the offices of the State legislative and senatorial districts as well as the Federal congressional district staff. At this meeting development and marketing issues are discussed along with ongoing activities at both the City Center of Duquesne and Industrial Center of McKeesport. Issues or questions that the community has regarding the projects are brought to the table.

The primary site access roads, Locust Street, Center Street and Industry Road, have been completed, along with appurtenant utility mains. Upon completion of proposed road extensions and utility extensions, the site access roads and utility network will serve all developable acreage, existing buildings and newly constructed buildings. Attached is a site plan of the Industrial Center of McKeesport showing the location of the current infrastructure, new constructed buildings, renovated buildings and buildings yet to be renovated.

### **CURRENT WORK**

The following projects are currently waiting for final funding approval before commencing later this year or early next year (2005/2006).

- 1) The Redevelopment Authority of Allegheny County was awarded a grant of funds in the amount of \$1,500,000 from the Commonwealth of Pennsylvania's Redevelopment Assistance Capital Program in the Fall 2004 designated for use at the Industrial Center of McKeesport. Among the projects anticipated to be undertaken in the Industrial Center of McKeesport with these grant funds are:

- A. McKeesport Commons (the former Seamless Pipe Mill Building) - This retained building is centrally located within the initial phase of redevelopment of the Industrial Center of McKeesport and is served by the new access road and utility system. The building contains approximately 400,000 square feet, indicating that it is a large structure, but due to its scale and structural bay configuration easy adaptation for multi-occupancy industrial uses is challenging. The work for this building will be to complete the exterior "skin" of the building. This would include the placement of matching ribbed panel siding to the bottom half portions of the structure on the building.

- B. Site Infrastructure - Infrastructure work is required to support tenants within McKeesport Commons. The infrastructure work will include the extension of Locust Street to McKeesport Commons Drive and the extension of McKeesport Commons Drive to the center access way within the building. Electrical service will be extended along the proposed right-of-way for McKeesport Commons Drive to the eastern portion of the building to prepare for future tenants.

- C. Site Preparation - Site preparation of approximately 20 acres within the Industrial Center of McKeesport's Keystone Opportunity Zone (KOZ). This development site, which sits at the eastern end of the Industrial Center of McKeesport, is covered with miscellaneous rubble, concrete and debris making it very difficult to market and sell. Work will include sorting, crushing and leveling the material onsite, as required, to prepare the site for development. Excess useable material will be moved to other areas requiring site fill. The site has access to utilities and is serviced by Center Street.

2) Genesis Environmental Expansion

Project will provide for the expansion of Healthcare Waste Solutions of Pennsylvania, a current tenant at the Industrial of Center of McKeesport site. Healthcare Waste Solutions will be expanding into approximately 20,000 square feet of additional space directly adjacent to its existing occupancy in the McKeesport Manor II building.

Work for this expansion/build-out will include selective demolition and removal of existing machinery bases, handrails, staircases and worn interior finishes; preparation of the existing uneven floor for receipt of a new uniform 5" concrete cap with floor drains as required; introduction of a masonry-demising wall at the interior column line supporting the mezzanine; installation of overhead and man doors to integrate and provide passage within and between the expansion and existing Healthcare Waste Solutions occupancy.

The expansion area will be provided with new insulation and HVAC to meet proper production process and climate control parameters. Electrical service, lighting requirements and utility extensions of natural gas, water and sanitary are included in the renovation menu. Interior walls will be painted with a high-grade epoxy paint finish throughout.

Estimated Cost

\$300,000.00

Anticipated Completion-Spring 2006

3) Round House Building and Site Renovation

The 1905 Round House Building has historical significance and as such, RIDC Growth Fund agreed with the Advisory Council on Historic Preservation and the Pennsylvania State Historic Preservation Office to preserve the building. This project will include shell restoration with selective demolition and removal of ancillary structures not functional to the core re-use of the building. Exterior masonry will be slush pointed, weather proofed and painted to preserve and match the finish and color of similar former mill buildings on the site. New roofing will be placed with the "theme" blue raised rib metal panels and matching fascia and trim. Installation of new windows, main entrance and service doors will follow suit accordingly. New concrete flooring will be placed, with sanitary and utility service distributions stubbed into the building. Supporting site work will involve the installation of precast storm water inlets and associated piping along with the extension of all utility service laterals, i.e. natural gas, communications, water and sanitary to the building. Electrical power will be extended eastward to the building from the existing overhead service on site.

will follow on the areas surrounding the new and existing railroad lines to allow for proper stability of pipe storage racks and vehicular cart ways providing access and circulation. Storm water management, security fencing and site lighting throughout will also be components of the project.

Estimated Cost \$1,000,000.00  
Anticipated Completion-Late 2006

7) Site Preparation, Proposed Eat'n Park Restaurant Relocation

The proposed fly over ramp will require taking by eminent domain of a portion of the property owned by the Eat'n Park Restaurant on Lysle Boulevard. RIDC has proposed that the restaurant be relocated onto a site in the Industrial Center of McKeesport adjacent to the intersection of the fly over ramp with Industry Road. This project will provide the necessary site work to accommodate a new restaurant building. The work will include asphalt paving for entrance and exit drives as well as additional parking spaces and the modification of the existing parking area to enhance the traffic circulation for the restaurant. The work also includes utility extensions to the proposed building, an onsite storm drainage system, concrete sidewalks, site lighting and landscape installation.

Estimated Cost: \$500,000.00  
Anticipated Completion-Late 2007

A Plan of the Industrial Center of McKeesport is attached on which is highlighted in yellow the various projects contemplated under this grant. Full plans and specifications and more detailed drawings for each individual project will be developed when the grant and loan is awarded.

**ECONOMIC IMPACT**

The Mon Valley is an economically depressed region with dense concentration of municipalities that have developed along the river valleys over many years when heavy industry was dominant. The river and railroads initially were the principal means of product transport. The Industrial Center of McKeesport is centrally located within and among these Mon Valley communities.

The Industrial Center of McKeesport is located within Allegheny County. According to the U. S. Census Bureau, 2000 census, the population of Allegheny County is 1,281,666 and the median household income was \$38,329. The City of McKeesport has a population of 24,040 and a median household income of \$23,715 which is well below the Allegheny County average level.

The City of McKeesport depended almost solely on the steel mills, both within its city limits and in the region, for its livelihood. Once that industry ceased operations the town began to fade. With very little hope for development opportunities elsewhere in the City, the Mayor and City Council

## Section 108 Loan & BEDI Grant Activities & Costs

<b>City Center of Duquesne</b>	<b>Total Cost</b>	<b>108/BEDI</b>
Pit Filling and Site Cover	\$600,000	\$600,000
Remediation and Demolition of Former Blast Furnace Stoves	\$2,800,000	\$1,000,000
Linden Square Building "A" Addition	\$900,000	\$800,000
Linden Square Building "B" Construction	\$2,000,000	\$600,000
U-10 Remediation & Demolition	\$100,000	\$100,000
Rehabilitation of Existing Buildings		
Business Innovation Center	\$300,000	\$300,000
Duquesne Industrial Manor	\$100,000	\$100,000
SR 837 Pedestrian Bridge Demolition	\$250,000	\$250,000
<i>Debt Service Reserve</i>		\$250,000
<b>Duquesne Project Cost</b>	<b>\$7,050,000</b>	<b>\$4,000,000</b>
<hr/>		
<b>Industrial Center of McKeesport</b>	<b>Total Cost</b>	<b>108/BEDI</b>
Green Grocer Site Development	\$200,000	\$200,000
Genesis Environmental Expansion	\$300,000	\$300,000
Round House Building and Site Renovation	\$2,500,000	\$1,250,000
Demolition /Abatement of Former Office Building	\$150,000	\$150,000
Gate House/Track Yard Lot Site	\$350,000	\$350,000
McKees Point/Pipe Yard Relocation	\$1,000,000	\$1,000,000
Site Preparation, Eat 'n Park Restaurant Relocation	\$500,000	\$500,000
<i>Debt Service Reserve</i>		\$250,000
<b>McKeesport Project Cost</b>	<b>\$5,000,000</b>	<b>\$4,000,000</b>
<hr/>		
<b>Total Project Cost</b>	<b>\$12,050,000</b>	<b>\$8,000,000</b>



# County of Allegheny

OFFICE OF THE COUNTY MANAGER

JAMES M. FLYNN, JR.  
COUNTY MANAGER

KATHLEEN K. MCKENZIE  
DEPUTY COUNTY MANAGER

TO: John R. Mascio  
Chief Clerk

FROM: James M. Flynn, Jr.  
County Manager

A handwritten signature in black ink, appearing to be 'JMF', written over the printed name of James M. Flynn, Jr.

DATE: August 29, 2005

RE: Bill 2102-05

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The Administration is requesting that Bill 2102-05 be amended by substitution with the attached resolution. The Allegheny County Law Department and Department of Economic Development will be available at the Economic Development Committee meeting to discuss this legislation. Thank you for your prompt attention to this request.



**DODARO CAMBEST & ASSOCIATES, P.C.**  
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**Pittsburgh, PA 15221-5233**

**Tel: (412) 243-1600      Fax: (412) 243-1643**  
**e-mail: office@dodarocambest.com**

**MEMORANDUM**

**TO:            Jan Rea/Members of Council**

**FROM:        John F. Cambest, Esquire**

**DATE:        September 2, 2005**

**RE:           Resolution/Section 108 Loan Guarantee/CDBG Funds**

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At your request, I have reviewed the proposed Resolution that approves the use of Federal Community Development Block Grant Funds allocated and granted to the County as part of a security package required by the Secretary of the United States Department of Housing and Urban Development for the issuance of a guarantee pursuant to Section 108 of the Act for the purpose of securing a \$6,000,000 loan for the Redevelopment Authority of Allegheny County. In formulating this opinion I have reviewed the proposed Resolution and Section 108 of the Housing and Community Development Act of 1974, a memorandum from the U.S. Department of Housing and Urban Development in regards to cancellation of funds and an opinion dated August 29, 2005 from Assistant County Solicitor, George M. Janocsko. After reviewing the above documentation, I have arrived at the following two opinions:

1.        The \$6,000,000 loan to be made to the County of Allegheny is subject to cancellation by September 30, 2005 as identified in the memorandum from Laura M. Marin, Director, Office of Technical Assistance and Management, DOT; and

2. That the use of CDBG grant monies may be used as collateral for a loan guarantee issued by the Housing and Urban Development Department pursuant to Section 108 of the Housing and Community Development Act of 1974, Section 5308.

It is my understanding that the sole purpose for the use of the CDBG funds as collateral is to ensure that the loan of \$6,000,000 will be not subject to cancellation as of September 30, 2005. In order to do this, the County Law Department has recommended that the Redevelopment Authority of Allegheny County borrow the \$6,000,000 from HUD instead of Allegheny County. By structuring the transaction in this manner, the County would not have to enact an Ordinance and submit it to the Department of Community and Economic Development for approval and, furthermore, the \$6,000,000 loan would not be booked on the County's debt statement for future borrowing purposes.

In structuring the deal in this matter, it is also my understanding that although the CDBG funds are being used as collateral, it is secondary collateral to the mortgage guarantees that will be placed on the Brownfield properties for which the \$6,000,000 loan is being sought. It is also my understanding that the County believes that the value of the property at the Brownfield sites is sufficient collateral for the loan and I would suggest that County Council be shown the appraisals to ensure itself that the value of the property is sufficient collateral. Secondly, I would suggest that RAAC and the County share with Allegheny County Council any other security that RIDC has committed to use as collateral in addition to the property itself. The securing of additional security would give an additional comfort level to Allegheny County Council that in the event of a default on the \$6,000,000 loan, it would be more unlikely that future CDBG funds would need to be used to make up any deficient in the repayment of the defaulted \$6,000,000 loan.

If you have any questions or comments, please do not hesitate to contact me.

***END OF MEMORANDUM***