

Allegheny County Council

*436 Grant Street
Pittsburgh, PA 15219
Phone (412) 350-6490
Fax (412) 350-6499*



Meeting Minutes - Approved

Thursday, March 5, 2015

4:00 PM

Gold Room, 4th Floor

Committee on Economic Development & Housing

Amanda Green Hawkins, Chair

Members:

Tom Baker

Michael Finnerty

Nick Futules

Ed Kress

Bob Macey

John Palmiere

Jan Rea

I. Call to Order

The meeting was called to order at 4:07.

Invited Guests:

William D. McKain, CPA-County Manager or Designee

Robert D. Hurley-Director, Economic Development

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

Mr. Hurley was present from the Department of Economic Development.

Mr. Cummings was present from the Urban Redevelopment Authority (URA).

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

II. Roll Call

Members Present: 5 - Green Hawkins, Michael Finnerty, Ed Kress, Bob Macey and Jan Rea

Members Absent: 2 - Barbara Danko and John Palmiere

Members Phone: 2 - Tom Baker and Nick Futules

Members 2 - Sue Means and William Robinson

Non-Members:

III. Approval of Minutes

[8808-15](#)

Motion to approve the minutes of the Economic Development and Housing Committee of Allegheny County Council held on February 24, 2015
Passed

IV. Agenda Items

Resolutions

[8775-15](#)

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 provided a brief overview of the legislative history of the resolution to date, and deferred to Mr. Hurley, who provided an overview of the project's parameters.

Mr. Finnerty clarified that this is the amended version of the bill.

In response to questions from Ms. Means, Mr. Hurley noted that some parcels in the area are owned by the SEA, while others are owned by the URA. In addition, Mr. Hurley clarified the fashion in which the deferral will allow the creation of a community redevelopment fund. Mr. Cummings provided additional detail relating to parcel ownership, and noted that the provisions of the proposed LERTA would allow for 50% of the amount saved by developers through the exemption to be placed toward bringing the CCIP to fruition, while the other 50% would go towards community infrastructure.

In response to a question from Ms. Means, Mr. Cummings and Mr. Hurley discussed permissible uses for funding under the CCIP, together with restrictive covenants that would be put in place in order to assure compliance with the terms of the LERTA and intended uses for the revenues generated.

Ms. Means expressed reservations about the project, largely relating to the indeterminate uses for the revenues generated by the abatement and participation by other taxing bodies. Mr. Hurley discussed the public policy issues that were taken into consideration in conceptualizing the project, and noted that the County's participation is entirely contingent upon participation by both the City and school district. Mr. Hurley noted that U.S. Steel's willingness to relocate into the LERTA district is contingent upon the approval of the LERTA.

Mr. Robinson indicated that he fully understands concerns that have been expressed, and noted that only time will tell precisely how the LERTA and resulting community funding will be administered, but that no mechanism currently exists to ensure a better result than is possible under the proposed approach. Mr. Robinson also suggested that watching the results of the project as they develop would be important, and within the purview of the Council and other entities, provided that information is made available and the project remains transparent throughout the project life.

Mr. Hurley noted that annual reports on the project are required under the terms of the CCIP and related agreements, and Mr. Cummings noted that there would be County representation on the advisory committee created under the CCIP. Mr. Hurley indicated that he currently would be the County's representative, with 12 other representatives from community groups, the URA, and taxing bodies.

Ms. Means asked if it would be possible to obtain the information that Mr. Hurley was relying upon for his remarks, and Mr. Hurley agreed to do so.

In response to a question from Ms. Means, Mr. Hurley confirmed that County Council has no representation on the advisory committee, per the terms of the CCIP.

Mr. Finnerty suggested that he would be much more comfortable if Mr. Robinson, as County Council's representative for the district in which the LERTA would be located, would be on the advisory committee, particularly given that the Chief Executive and the City Council have seats guaranteed. Mr. Cummings indicated that the advisory committee membership was not yet graven in stone, and that some accommodation could, perhaps, be made. The Chair expressed agreement with Mr. Finnerty, noting that

individuals who live in the district probably will have valid insights to offer.

In response to questions from Mr. Kress, Mr. Cummings and Mr. Hurley described the anticipated process through which the advisory committee would reach funding decisions, the area within which such funding would be made available, and the types of funding that might be available.

Mr. Kress and Mr. Hurley discussed the potential for the development to increase property values and, as a result, rental rates in the general area of the development.

Mr. Macey expressed support for the concept.

In response to a question from Ms. Rea, Mr. Cummings noted that the URA board would make the final funding decisions.

Mr. Finnerty expressed support for the project, echoing MR. Robinson's hopes for the project to succeed.

In response to a question from Mr. Kress, Mr. Hurley suggested that the public reinvestment render this project distinguishable from any concept of "coprorate welfare" for any participant or party to the CCIP. Mr. Cummings noted that the Penguins have already contributed some of their own capital to the project.

Mr. Kress asked about the restrictive covenants that would apply to the development. The Chair noted that she understood that those covenants would attach to successors in interest to the original purchaser. Ms. Niemi Stanger provided some additional detail relating to the mechanics of the covenants.

In response to a question from Mr. Kress, Mr. Hurley described how parking at the site would likely evolve, with surface parking ultimately being reduced or eliminated, and with garage parking becoming increasingly prevalent. Mr. Hurley also discussed the possible utility that might be afforded by the proposed BRT project, assuming it comes to fruition.

In response to a question from Ms. Means, Mr. Cummings named the current URA board membership, noting that the Mayor appoints the members.

Mr. Cummings and Mr. Kress described audit responsibilities for the URA.

Affirmatively Recommended

Enactment No: 7-15-RE

V. Adjournment

The meetng was adjourned at 5:03.