

Allegheny County Council

*County of Allegheny
436 Grant Street
Pittsburgh, PA 15219
Phone (412) 350-6495
Fax (412) 350-6499*



Committee Meeting Minutes

Tuesday, February 28, 2006

5:00 PM

Conference Room 1

Committee on Economic Development

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

I. Call to Order

Summary: *The meeting was called to order at 5:00 PM*

Invited Guests:

Jim Flynn, County Manager or Designee

Dennis Davin, Director, Economic Development or Designee

Darnell Moses, Housing Project Planner

Maurice Strul, Business Development Specialist

Steve Guy, Oxford Development

Summary: *Invited Guests in attendance: Derek Uber for Mr. Flynn, Mr. Davin, Mr. Moses, Mr. Strul, and Mr. Guy.*

Recognized attendees: Karen Womack, County Law Department; James Egan, Chairman of the Board, Ellis School; and Jerry Dettore, URA

Council Staff in attendance: John Mascio and Jared Barker

II. Roll Call

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

III. Approval of Minutes

2433-06 Motion to approve the minutes of the January 10, January 12 and January 31, 2006 Economic Development Committee Meetings.

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

Votes: Yes: 4 - Chair Frazier, Cleary, Fawcett and Finnerty
Abstain: 1 - Drozd
Absent: 4 - Burn, DeFazio, Jabbour and Rea

IV. Agenda Items

Ordinance

2420-06 An Ordinance of the County of Allegheny, Commonwealth Of Pennsylvania Authorizing The Chief Executive To Execute A Deed Conveying The County Of Allegheny's Interest In A Parcel Jointly Owned By The County Of Allegheny, Township of North Versailles and the East Allegheny School District To DeElla Greenley Love.

Sponsors: Chief Executive

Summary: *The Chair provided the committee with a summary of the bill. She said that the bill authorizes the conveyance of Allegheny County's interest in a parcel of land jointly owned by the County, the Township of North Versailles, and the East Allegheny School District. She said that the parcel is a 3,580 square foot vacant lot and was acquired in*

2003 by tax sale action and sheriff's deed.

She said that the parcel was publicly advertised for sale at a minimum bid of \$800. The 2006 assessed value for this parcel is \$200. The highest bid submitted was from DeElla Greenley Love, for the minimum amount of \$800. The bill authorizes the proper County officers execute any documents, including a deed, necessary to finalize the sale of the County's interest.

Karen Womack spoke in favor of the bill. She said that East Allegheny School District approached the county for the deal. Ms. Womack said that it has been approved by the school district and the township, and now it has to be approved by the county.

Mr. Drozd asked Ms. Womack if the amount was fair. She said it was.

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

Resolutions

2370-06

A Resolution of the Council of the County of Allegheny adopting and authorizing financing of a project by the Allegheny County Authority for Improvements in Municipalities on behalf of The Ellis School as desirable for the health, safety, and welfare of the people in Allegheny County.

Sponsors: Chief Executive

Summary: *Mr. Moses provided the committee with a summary of the bill. He said that Bill authorizes the Allegheny County Authority for Improvements in Municipalities to issue bonds on behalf of the Ellis School to finance (1) the advanced refunding of the Moon Industrial Development Authority, Education Facilities Revenue Bonds, Series of 1999 (The Ellis School Project) currently outstanding in the principal amount of \$6,590,000, and (2) funding capitalized interest and reserves and payment of costs of issuance.*

He also said that prior to the issuance of debt by an authority, the Municipality Authorities Act of requires the municipality that organized the authority, or in this case the County, to adopt by Resolution or Ordinance as a declaration that the project is desirable for the health, safety and welfare of the people located in the geographical area where the facilities are or will be located.

He said that the aggregate principle amount of the tax exempt bond issuance is not expected to exceed \$7,500,000. The bonds associated with this project are limited obligations of the Authority, thus the County is not liable for the debt associated with this project.

Mr. Egan spoke in favor of the bill.

Mr. Finnerty asked if the purpose of the refinancing was to save money. Mr. Moses said that was correct, and that this is at no additional cost to the county.

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

2422-06

A Resolution of the Council of the County of Allegheny adopting and authorizing participation in a tax increment financing plan presented by the Urban Redevelopment Authority of Pittsburgh, and authorizing related agreements for financing a portion of the costs of public infrastructure and other necessary public improvements for a new mixed-use development to be located within a portion of Redevelopment Area No. 44 - Market Stanwix / Downtown Triangle known as the Fifth and Market TIF District.

Sponsors: Chief Executive

Summary:

Director Davin provided the committee with a summary of the bill. He said that the bill would create the Fifth and Market Tax Increment Financing (TIF) district and would authorize related agreements to this project. He said that the Urban Redevelopment Authority is working with PNC Bank to construct a new mixed-use development expected to include office space, a hotel and residential condominiums to be located along Fifth Avenue between Wood Street and Market Street.

Mr. Strul told the committee to please note that only a draft version of the TIF Plan has been provided at this time and that the URA anticipates that some small revisions to Version #2.3 of the Plan will be made in the coming days. He said that these revisions will be made and forwarded to Council in time to allow review before the next meeting of the Committee on Economic Development.

He also said that the required market impact study has been completed and will be forwarded by the URA to the Allegheny County Department of Economic Development no later than Friday, March 3, 2006. He said that the URA has indicated that it is their intent that this study reach Council in time to permit review before the next meeting of the Committee on Economic Development.

The Chair referred to a letter dated February 16, 2006, from members of the Economic Development Committee to Director Davin sharing their thoughts and concerns, and asking him a series of questions relative to the project.

Mr. Guy distributed a letter he wrote to council on behalf of Oxford Development Company dated February 28, 2006 in which he addresses each concern outlined in the above referenced letter. He reviewed each issue one by one for the committee.

He said that the goal of the development was to create a free flow and warm feeling at the hotel and condo entry points. He said they are designing a transparent flow from street to building. He said they are making every effort to make a seamless transition from the sidewalk to the retail stores to the offices.

Mr. Drozd said that he would like to see what the return would be on the county's investment in this project in terms of money and jobs.

Mr. Guy proceeded to provide the committee with a visual presentation of the project.

Mr. Drozd asked if they could commit a number of jobs to county residents. Mr. Guy said that would be difficult to provide that information but that PNC has always been

focused on the Pittsburgh job market. He said they kept their corporate headquarters in Pittsburgh not only in name but in reality. Mr. Davin said that PNC has always been very supportive to the Western Pennsylvania area. He said that the Impact Study would make this clearer.

Mr. Strul discussed the details of the TIF itself and said that they would have the final draft before the next committee meeting. He said that they have yet to receive the market and economic impact study but when they do receive it they will evaluate it and make their comments available to the committee.

Mr. Guy distributed a document containing a summary of the key economic assumptions of the project. He reviewed these assumptions one by one.

Mr. Drozd asked Mr. Dettore to provide him with a timetable indicating when the county would recap some of the funds from the TIF. Mr. Dettore said he would provide that.

The Chair asked Mr. Guy if he knew which hotel was interested in the space. Mr. Guy said that most of the luxury hotels have shown an interest. Mr. Drozd asked if there was a demand for the office space. Mr. Guy said that Reed Smith Law Firm was the only identified tenant thus far. The Chair asked if this should be a concern. Mr. Strul said that it should not be a concern and that the market study will indicate that there is a market for this.

Action:

Held in Committee

2423-06

A Resolution of the Council of the County of Allegheny authorizing pursuit of a Tax Increment Financing plan in Findlay Township, Allegheny County, Pennsylvania.

Sponsors: Chief Executive

Summary:

Mr. Strul provided the committee with a summary of the bill. He said that the bill would authorize the County to pursue a Tax Increment Financing (TIF) proposal in conjunction with the Redevelopment Authority of Allegheny County in order to facilitate the construction of public infrastructure improvements by the Findlay Township Municipal Authority. He described the improvements to include the extension of water and sewer trunk lines, the expansion of an existing sewage treatment plant and a new water supply tower. Utility service will facilitate the development of pad-ready industrial sites within Findlay Township, Allegheny County in the vicinity of the Pittsburgh International Airport. Total engineering and construction costs are estimated at \$ 6.9 million.

He said that the Redevelopment Authority of Allegheny County will prepare a detailed TIF Plan for the redevelopment project. He said that the bill designates the Director of the Allegheny County Department of Economic Development as the authorized County representative to coordinate with the RAAC, Findlay Township, the West Allegheny School District, and any other parties participating in the TIF Plan. This coordination entails the development and presentation of a TIF plan to Council for review and approval.

He said that the bill represents the County's intent to pursue this project and is non-binding to the County.

Mr. Strul provided the committee with a visual presentation of the project.

Mr. Davin said that the TIF would be in accordance with Council's and the administrations TIF guidelines. He also said that he would be happy to arrange a tour of the area for Council if they desired.

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

V. Adjournment

Summary: *The meeting adjourned at 6:25 PM*