

Allegheny County Council

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Meeting Minutes

Thursday, November 30, 2017

4:45 PM

Conference Room 1

Committee on Economic Development & Housing

Dewitt Walton, Chair

Members; Tom Baker, Patrick Catena, Sam DeMarco, Nick Futules, Ed Kress, Bob Macey, John Palmiere

I. Call to Order

The meeting was called to order at 4:46.

Invited Guests:

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

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

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

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

II. Roll Call

Members Present: 3 - Patrick Catena, Ed Kress and Bob Macey

Members Absent: 2 - Sam DeMarco and John Palmiere

Members Phone: 2 - Tom Baker and Nick Futules

Members 3 - Paul Klein, Sue Means and Denise Ranalli-Russell

Non-Members:

III. Approval of Minutes

IV. Agenda Items

Resolutions

[10289-17](#) A Resolution of the Council of the County of Allegheny Authorizing an Amendment to the NORTH SHORE EAST/RIVER AVENUE TIF Plan to Remove Three Parcels from the Previously Established TIF District.

Sponsors: Chief Executive

[10290-17](#) 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 the Twenty-third Ward of the City of Pittsburgh, County of Allegheny, Commonwealth of Pennsylvania, generally known as the Troy Hill neighborhood, 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

[10405-17](#)

A Resolution approving a project for the benefit of UPMC (the "*Borrower*") to be financed by the Allegheny County Hospital Development Authority (the "*Authority*") by the issuance of the Authority's tax-exempt revenue bonds, in one or more series, to be designated "Allegheny County Hospital Development Authority, UPMC Revenue Bonds, Series 2017D" or such other designation as may be determined by the Authority and the University, in an aggregate principal amount not to exceed \$500,000,000 (the "*Bonds*"), provided that the taxing power of the County of Allegheny, Pennsylvania (the "*County*") shall not be obligated in any way with respect to the Bonds, and declaring the financing of such project as desirable for the health, safety and welfare of the people in the County.

Sponsors: Chief Executive

At the request of the Chair, the clerk read the title of the bill and Mr. Hurley summarized its provisions, noting that the County's health/safety/welfare declaration is solely a determination of whether the authority's action is in the interest of the County's residents, and that the County's taxing power will not be obligated in any fashion. Mr. Hurley noted that this issuance, together with the one contemplated by Bill No. 10411-17, both function to greatly enhance the ability of two entities to provide high quality medical care to the County's citizens, and noted that both entities are major employers in the region, as well. Mr. McKain echoed Mr. Hurley's remarks, and respectfully requested that the bills be moved forward.

In response to questions from Mr. Macey, Mr. Hurley indicated that the majority of the work proposed by UPMC for funding through this issuance is envisioned to take place at existing facilities within the City of Pittsburgh. Mr. Hurley and Mr. McKain noted that the County's taxpayers also benefit through the annual administrative fees that will be paid by the borrowers.

In response to a question from Mr. Futules, the Chair indicated that the fees will generate revenues for the County, and that he regards this as a benefit to the County. Mr. Hurley indicated that the annual administrative fee would be \$125,000 per year if the full bond amount is issued.

In response to a question from Mr. Kress, Mr. Hurley noted that the bond revenues can go to refinancing and to new construction, so it is not possible to predict with absolute precision what the construction and other job creation numbers may be at this time, but that he anticipates an increase in employment in the County as a result of the bond issuance.

In response to a question from Mr. Macey, Mr. Hurley noted that the bond issuance under consideration is not related to UPMC McKeesport at this time.

In response to questions from Ms. Means, Mr. Hurley described the bond issuance process, noting that the County's Hospital Development Authority functions as a conduit through which bonds will be issued over the life of the bond, which is typically 30 years, depending upon re-funding and other factors. Mr. Hurley also noted that the County bears no liability in the event of a default.

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

[10406-17](#)

A Resolution approving a project for the benefit of Carnegie Mellon University (the "Borrower") to be financed by the Allegheny County Higher Education Building Authority (the "Authority") by the issuance of the Authority's tax-exempt revenue bonds, in one or more series, to be designated "Allegheny County Higher Education Building Authority, Carnegie Mellon University Revenue Bonds, Series B of 2017" or such other designation as may be determined by the Authority and the University, in an aggregate principal amount not to exceed \$180,000,000 (the "Bonds"), provided that the taxing power of the County of Allegheny, Pennsylvania (the "County") shall not be obligated in any way with respect to the Bonds, and declaring the financing of such project as desirable for the health, safety and welfare of the people in the County.

Sponsors: Chief Executive

[10411-17](#)

A Resolution approving a project for the benefit of Allegheny Health Network, a nonprofit corporation organized under the laws of the Commonwealth of Pennsylvania, to be financed by the Allegheny County Hospital Development Authority (the "Authority") by the issuance of one or more series, from time to time, of the Authority's Health Facilities Revenue Bonds (Allegheny Health Network), Series 2017 (or similar designation) (collectively, the "Bonds") to be issued in an aggregate principal amount not to exceed \$1,000,000,000, provided that the taxing power of the County of Allegheny, Pennsylvania, shall not be obligated in any way with respect to the Bonds and determining that the purpose of the financing will be to benefit the health and welfare of the citizens of Allegheny County, Pennsylvania.

Sponsors: Chief Executive

At the request of the Chair, the clerk read the title of the bill, and Mr. Hurley noted that his previous comments apply to this bill, as well. Mr. Hurley indicated that the vast majority of the issuance will be used for refinancing existing debt, with about 10% to be used for construction or improvement projects.

In response to a question from Ms. Means, Mr. Hurley indicated that the likelihood will be for a 30 year repayment schedule, with an annual fee revenue stream for the County of about \$250,000 if the full amount is issued.

In response to a question from Mr. Kress, Mr. Hurley reiterated his remarks regarding specific job creation figures.

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

V. Adjournment

The meeting was adjourned at 5:03.