

Allegheny County Council

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Meeting Minutes - Approved

Tuesday, August 12, 2014

4:00 PM

Conference Room 1

Committee on Economic Development & Housing

Amanda Green Hawkins, Chair

Members:

Tom Baker

Barbara Daly Danko

Michael Finnerty

Nick Futules

Ed Kress

Bob Macey

John Palmiere

Jan Rea

I. Call to Order

The meeting was called to order at 4:03.

Invited Guests:

Dennis Davin, Director-Economic Development

William D. McKain, CPA-County Manager or Designee

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

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

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

At the request of Ms. Green Hawkins, Ms. Danko chaired the meeting in her stead.

II. Roll Call

Members Present: 2 - Barbara Danko and Ed Kress

Members Absent: 6 - Green Hawkins, Tom Baker, Michael Finnerty, Nick Futules, John Palmiere and Jan Rea

Members Phone: 1 - Bob Macey

Members 1 - Sue Means

Non-Members:

III. Approval of Minutes

[8389-14](#)

Motion to approve the minutes of the Economic Development and Housing Committee meeting of Allegheny County Council held on June 17th, 2014

Mr. Macey moved to approve, Ms. Danko seconded, and the motion passed unanimously.

Passed

IV. Agenda Items

Resolutions

[8387-14](#)

A Resolution of the Council of the County of Allegheny authorizing the third amendment to the South Side Works TIF Plan to remove three parcels from the previously established TIF District.

Sponsors: Chief Executive

At the request of Ms. Danko, the clerk read the title of the bill and Mr. Struhl provided a brief overview of its provisions.

Mr. Struhl noted that the entire City of Pittsburgh is designated as a qualified LERTA district, but that the County evaluates LERTA participation on a case by case basis. He indicated that the intent is for the City to provide LERTA abatements for the parcels that are to be removed from the TIF district, as the parcels cannot be included in both

programs. At the time that the bill was drafted, it appeared that the City school district would not be participating in the LERTA abatement with the City, but that may change. Mr. Struhl noted that, if the school district does opt into the LERTA for the affected parcels, the County may opt in as well, but that County policy is not to participate unless both the municipality and school district are participating.

In response to a question from Ms. Means, Mr. Struhl noted that the parcels in question would not be contributing to the increment financing for the South Side Works TIF district, so the change will not affect the TIF district function.

In response to questions from Ms. Danko, Mr. Struhl clarified that County participation in any LERTA abatement would have to be approved separately by Council, and noted that the property would be taxable for County purposes while not subject to any abatement program.

Ms. Danko raised the concept of highest and best use for the affected parcels, and Mr. Struhl noted that the taxing bodies' interests are always to maximize tax revenue, but that on occasion, incentivizing development through tax abatements or other mechanisms is necessary to get to that point.

In response to a question from Ms. Means, Mr. Struhl noted that, in this area, the cost of construction for new residential development generally is much higher than what the marketplace will bear in terms of rent or purchase prices, and that tax incentives are often necessary to render residential developments economically feasible.

In response to a question from Mr. Kress, Mr. Struhl indicated that the request is being made because development will not take place absent inclusion in the City's LERTA abatement program, and that releasing the three parcels has no impact upon the County.

Affirmatively Recommended

Enactment No: 23-14-RE

V. Adjournment

The meeting was adjourned at 4:20.