

Allegheny County Council

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



Committee Meeting Minutes

Tuesday, November 14, 2006

5:00 PM

Conference Room 1

Committee on Economic Development & Housing

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

I. Call to Order

Summary: *Meeting was called to order at 5:40 p.m.*

Invited Guests:

Jim Flynn, County Manager or Designee

Dennis Davin, Director, Economic Development or Designee

Summary: *Invited Guests Present: Maurice Strul, Economic Development*

Recognized Attendees: Mike Pehur, Economic Development, Darnell Moses, Economic Development

Council Staff Present: Jennifer Liptak; Jared Barker; Stephanie Buka

II. Roll Call

Summary: *Non Committee Council Members in attendance: Council Members Caldwell and Martoni*

Roll Call: Present: Chair Brenda Frazier, Jim Burn, Joan Cleary, Michael Finnerty, and Jan Rea
Absent: John DeFazio, Dave Fawcett, and Bob Macey
Phone: Matt Drozd

III. Approval of Minutes

2858-06 Motion to approve the Minutes of the October 17, 2006 Economic Development & Housing Committee Meeting.

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

IV. Agenda Items

Resolutions

2837-06 A Resolution of the County of Allegheny adopting the Potato Garden Run Tax Increment Financing Plan presented by the Redevelopment Authority of Allegheny County, creating the Potato Garden Run Tax Increment Financing District and authorizing related agreements.

Sponsors: Chief Executive

Summary: *Mr. Maurice Strul explained the Potato Garden Run Tax Increment Financing Plan is a \$7.5 million dollar cost, \$2.9 million to be repaid using pledge tax increments, and it will aid in approximately 5,000 sf of mixed use space. The anticipated private investment in the TIF District is \$330 million dollars.*

Mr. Pehur said the area is near the Findlay connector, which is in need of development. In 2006, the Board of the Redevelopment Authority approved of it, County Council held a public hearing and now we're asking that you consider the Resolution. Phase I includes engineering, sewer extension, water supply system, financing costs.

Chapman properties acquired land to develop the proposed Chapman Commerce Center. They plan on going ahead with development in 2007. The total development is over 5,000 sf.

Potato Garden Run TIF Project will help regional and national transportation networks. Impact: 1,400 jobs with a total of 7,500 jobs in TIF District, \$40 million of retail sales (on-site), \$260 consumer expenditures, aggregate payroll of \$245 million.

\$2.9 million public improvements and financing costs at 2%, and the Commonwealth Financing Authority gave the county a repayment plan. The total in real estate tax revenue is \$6.4 million, and after the debt service is paid, we can repay the \$2.9 million.

Mr. Gary Klingman, from Findlay Township, explained that Maronda came forward and said the TIF plan was in conflict with Findlay Twp. and the Findlay Twp. Municipal Authority as far as tap-in rights to the sewer treatment plant. They choose to use this forum to bring a lot of attention to it. We have been in discussions and made it clear to them that Council is not the place to mediate this matter. Mr. Klingman said they sent a response letter and they've received another letter from Maronda. He said they will meet with them to reach a common decision to have the TIF move forward.

Mr. Klingman said they need to submit to DEP the plan and the DEP looks at flows and what the flows manufacture. For example, our parks system from November to April is closed with no flow. Our EMS building is part of the flow, allocated to Findlay Township. They're trying to get the point across and a meeting will be advantageous.

Councilman Burn asked what the effect on this project would be, worse case scenario.

Mr. Struhl said he wasn't sure if it would stop the project, if Council approves, the state will issue the debt and we'll proceed. Maronda may try to stop the project. Mr. Klingman feels that they may file something in Common Pleas court, but they're trying to prevent that. Mr. Strul said Maronda is anticipating a loss of throughput, but it's not clear that the plan will do that. It doesn't seem that Findlay Twp. is using a huge amount. \$1.2 million, not a huge obstacle.

Councilwoman Cleary asked about the 60% number and why this one is 75%. Mr. Strul said normally it would be 60% unless it's a regional benefit. Since this is a regional benefit, it's 75%.

Another meeting will be held on Thursday and they can discuss the matter and make a motion at that time.

Action:

Held in Committee

Enactment No: 44-06-RE

2839-06

Resolution approving a Project for the benefit of West Penn Allegheny Foundation, LLC, to be financed by the Allegheny County Hospital Development Authority by the issuance of one or more series of the Authority's Hospital Revenue Notes (West Penn Allegheny Foundation Project), Series 2006 (or similar designation) (the "2006 Notes") to be issued in aggregate principal amount not in excess of \$31,000,000, provided that the taxing power of the County of Allegheny, Pennsylvania, shall not be obligated in any way with respect to the 2006 Notes, and determining that the purpose of the financing will be to benefit the health and welfare of the citizens of Allegheny County, Pennsylvania, and constituting the elected official approval required by Section 147 of the Internal Revenue Code of 1986, as amended.

Sponsors: Chief Executive

Summary: *Mr. Darnell Moses requested that Council adopt this Resolution for the West Penn Allegheny Foundation, LLC. of \$31 million. He said it would finance the acquisition of hospital beds at Allegheny General and medi-vac helicopters. Tom Albanesi, Corporate Finance of West Penn, is available for comment.*

Councilwoman Cleary asked why we're giving money to Westmoreland County. Mr. Moses said at least one of the helicopters would be based in Westmoreland County, and we do this for economies of scale.

Councilman Burn said the Authority is one financial engine, instead of repeating the paperwork and Mr. Moses agreed with that analysis. Councilwoman Frazier added that they will get paid to do this.

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

Enactment No: 45-06-RE

V. Adjournment

Summary: *Meeting adjourned at 6:10 p.m.*