

Allegheny County Council

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Meeting Minutes - Approved

Thursday, January 23, 2014

4:00 PM

Conference Room 1

Committee on Public Works

Bob Macey, Chair

Members: Barbara Daly Danko, Jim Ellenbogen

Michael Finnerty

Nick Futules

Heather Heidelbaugh

Ed Kress

William Russell Robinson

I. Call to Order

The meeting was called to order at 4PM.

Invited Guests: William D. McKain, CPA- County Manager, or Designee

Steve Johnson- Director, Public Works

Jared Barker, Walter Szymanski and Lori Sicard were present from the staff of County Council.

Dennis Davin and Patrick Early were present from the Department of Economic Development.

Sue Means was present as a non-committee member.

Gary Wilson was present from the Development Group, Langholz Wilson Ellis

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

Council Members Present: 4 - Macey, Daly Danko, Finnerty and Russell Robinson

Council Members Absent: 4 - Ellenbogen, Futules, Heidelbaugh and Kress

II. Roll Call

III. Approval of Minutes

[7986-14](#)

Motion to approve the minutes of the Public Works Committee of Allegheny County Council held on December 10th, 2013.

Passed

IV. Agenda Items

Ordinances

[7977-14](#)

An Ordinance, amending Ordinance No. 41-09-OR enacted November 17, 2009 approving the sale of certain real property owned by the County of Allegheny, Pennsylvania known as 3333 Forbes Avenue and identified as Block and Lot 28-J-97 to an ownership/development group for the sale price of \$4,900,000.00, for the purpose of restating the composition of the ownership group and the scope of the proposed development on the property.

Mr. Davin was asked to approach the table to give a history of the sale of 3333 Forbes. An ordinance was approved in 2009 to authorize the original sale. Between 2009 and 2012, there were changes to the development group. Because of economic factors and opportunity changes this proposal is requested to amend the original contract. Mr. Davin argued that the amendment was necessary to successfully develop the parcel.

Mr. Davin made assertion that there are prohibitions in turning over the parcel or the buildings to a tax-exempt property. The goal was stated to keep the development on the tax rolls to generate tax revenue.

Mr. Gary Wilson of Langholz Wilson Ellis Inc. was asked to review the development plans and the need for the changes requested by the resolution. He explained that there is currently a need for housing in the area. The housing proposed would be high-end and there is an intention to build along 5th Ave first after demolishing the original building which could take up to 6 months. The housing is estimated to be around 150 units for the complex with an additional hotel and business space.

Mr. Davin also noted that there has been 2.5 million dollars placed in escrow for this project in good faith. There is also a limitation in that the developer cannot participate in a TIF or take advantage of any tax abatement.

The Chair asked how the phases of development would take place.

Mr. Wilson stated that the apartments will be built first on 5th and then built back towards Forbes.

The Chair asked how public transportation was taken into consideration.

The Chair asked if the County was receiving fair market value for the sale of the land and Mr. Davis stated that we in fact had and received a 10% down payment.

Ms. Danko asked for clarification when the proceeds of the sale were actually realized and how the appraisal may have changed from when it was made in 2008. Mr. Davin stated that the price per square foot went up from \$75-\$76 and even though the market may have changed that it was still a fair market price and that MWK, the development group, gave the highest bid.

Ms. Danko asked what the rental prices were expected to be. And Mr. Wilson stated that prices of apartments would be comparable to others in the area.

Mr. Wilson handed out a map with the projected development site and model buildings for the committee.

Mr. Finnerty asked for clarification on what the extent of the changes to the original ordinance were.

Mr. Wilson stated that it was only in what he and his development group was able to build.

Mr. Finnerty asked where the Health Department would be placed. Mr. McKain stated that they had been moved to Glenn Hazel Kane.

Mr. Davin stated that the development group had the option of backing out of the agreement if Council did not approve of the modification.

Ms. Means asked who appraised the property. Patrick Early, Assistant Director of Economic Development, replied that Interstate acquisition Services Inc. made the appraisal.

Mr. Wilson stated that they would build one parking space for each unit as well as additional spaces.

Affirmatively Recommended

Enactment No: 01-14-OR

V. Adjournment

The meeting was adjourned at 4:30 PM.