

ALLEGHENY COUNTY COUNCIL

PUBLIC HEARING  
TAX INCREMENT FINANCING ACT

- - -

BEFORE:

Michael J. Finnerty - District 4  
Sue Means - District 5  
Amanda Green-Hawkins - District 13

Allegheny County Courthouse  
Fourth Floor, Gold Room  
436 Grant Street  
Pittsburgh, Pennsylvania 15219

Tuesday, February 25, 2014 - 3:29 p.m.

SARGENT'S COURT REPORTING SERVICE, INC.  
429 Forbes Avenue, Suite 1300  
Pittsburgh, PA 15219  
(412) 232-3882 FAX (412) 471-8733

IN ATTENDANCE:

Joseph Catanese - Director, Constituent Services  
Walter Szymanski - Budget Director

MS. GREEN-HAWKINS: Good afternoon. This is the public hearing on Bill No. 7981-14. I'll ask the clerk to please read it.

MR. CATANESE: Authorizing Allegheny County Council to conduct a public hearing pursuant to the Tax Increment Financing Act of July 11th, 1990, PL 465, 113 to afford interested parties the opportunity to express their views on the proposed Tax Increment Financing Plan for the Westport Woods Project in Findlay Township, Allegheny County. Pursuant to Council's rules, the Council President shall appoint a presiding officer for the hearing.

MS. GREEN-HAWKINS: Thank you. And at this time we'll have Heather from the Economic Development and Housing Department explain to us about the proposed TIF for the Westport Woods Project.

MS. SCHULTZ: Hello. I'm Heather Schultz and I'm here representing the Redevelopment Authority of Allegheny County. Just for the record, I have submitted resolutions by Findlay Township and West Allegheny School Board approving their participation in the Westport TIF which was December 5th and December 4th, 2013. I just want to go over some of the highlights of the Westport TIF land and then I can take any questions.

The map shows that the TIF boundary for the current Potato Garden Run TIF but we're proposing to do, amend the Potato Garden Run TIF District boundary to include only those three shaded parcels on the map. The new Westport District TIF District would cover the same area as the original Potato Garden Run the district covered minus the three shaded parcels. The total area of the proposed district is approximately 900 acres. The Westport TIF District would support two different public improvement projects. The Westport Woods Project located in northern portion of the district and the Pittsburgh DC Project located in the southern portion.

This is a list of the hard costs for both projects that the TIF would be expected to cover. Most of the public infrastructure is made up of roadway extensions and public utility extensions. The total cost of both of these public improvement projects was estimated at about \$7.5 million. However, the TIF is only expected to cover \$5.3 million of these costs. The balance of the cost

would be covered by both Imperial Land Corporation and Gordon Food Services.

These public improvement projects are expected to facilitate the development of over five million square feet of mixed-use space including research and development, light industrial, warehouse, flex and some commercial space. Including in the acquisitions, light prep, construction, infrastructure and utilities, total development within the proposed district is estimated to be \$339 million at full build out over the life of the TIF.

The current base assessed value of the district is approximately \$2.1 million. This means that the district is currently generating about \$54,000 in real estate tax of which \$10,000 is county tax. At the build out, the future assessed value of the district is estimated to be approximately \$221 million. This would generate an estimated \$5.4 million in total real estate revenue of which about \$1 million would be county tax revenue.

Some of the other highlights in the plan include a 20-year term and a 60 percent rate of participation for all three taxing bodies of the tax increment generated within the district during the life of the TIF. Including frozen costs, administration fees, RAC fees and capitalization, the total growth to proceeds are expected to be slightly more than \$5.8 million. This TIF will be structured as a pay as you go TIF, meaning that the developers will fund the projects in their entirety and as the work is completed, they will receive TIF notes for which the TIF districts will eventually provide reimbursement. The total amount of these TIF notes will not exceed the total hard cost described in the plan, approximately \$5.2 million. All the work that is reimbursed by the TIF will be certified by a third-party engineer prior to reimbursement.

And finally, what will happen in the event that there is excess tax revenue beyond what is necessary to pay the TIF debt service, if the excess tax revenue results from an increase in assessed values, then the revenue will be used to prepay the TIF debt. If on the other hand, it is a result of a millage increase by one of the taxing bodies, then that portion of the revenue will go in full to the taxing body that increased their millage rate. And that is it. Any questions?

CHAIR: Let's please let the record reflect that Councilwoman Means and Councilman Finnerty are still with me. And they have a question.

MS. MEANS: Is there any possibility that you happen to have that PowerPoint ---?

MS. SCHULTZ: Sure.

MS. MEANS: If I can have a hard copy. Thank you.

CHAIR: And I'd just ask that if we don't already have, I know we've gotten a lot of information with regards to the TIF, that we distribute it to all Councilmembers, please, so we have that. Mr. Finnerty?

MR. FINNERTY: Thank you. There's not going to be a bond involved in this, am I correct in saying that?

MS. SCHULTZ: Right.

MR. FINNERTY: Because they're supplying the money?

MAURICE: Right. They are currently making a loan to us.

MR. FINNERTY: Right. Thank you very much.

MS. GREEN-HAWKINS: The hearing does allow an opportunity for members of the general public to comment, ask questions, express their views at this time. Do any members of the public have any comments or questions? Please come forward. Any questions from Councilmembers?

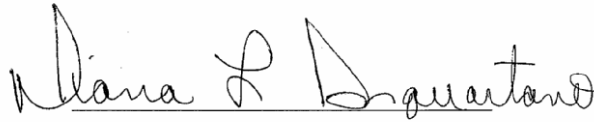
MR. FINNERTY: No. It's a great project. I wish we could do it.

MS. GREEN-HAWKINS: Seeing no further questions from Councilmembers, those comments and questions are records of the public. The public hearing on the Westport proposed TIF is adjourned. Thank you.

HEARING CONCLUDED AT 3:37 P.M.

CERTIFICATE

I hereby certify, as the stenographic reporter, that the foregoing proceedings were taken stenographically by me, and thereafter reduced to typewriting by me or under my direction; and that this transcript is a true and accurate record to the best of my ability.

A handwritten signature in cursive script, reading "Diana L. Squatano". The signature is written in black ink on a white background.

Court Reporter