

Allegheny County Council

*County of Allegheny
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Committee Meeting Minutes

Wednesday, June 27, 2007

4:00 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 4:00 pm*

Invited Guests:

Jim Flynn, County Manager or Designee

Dennis Davin, Director, Economic Development or Designee

Summary: *Invited Guests Present: Maurice Strul, Economic Development; Patrick Morosetti, Economic Development*

Recognized Attendees: Gregg Bernaciak, Eckert Seamans; Randy Forister, Senior Director of Development and Air Services, Allegheny County Airport Authority

Council Staff Present: Jennifert Liptak; Stephanie Buka

II. Roll Call

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

III. Approval of Minutes

3313-07 Motion to approve the Minutes of the June 12, 2007 Economic Development & Housing Committee Meeting.

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

IV. Agenda Items

Resolutions

3274-07 Resolution adopting the Northfield Site Phase I Tax Increment Financing Plan presented by the Redevelopment Authority of Allegheny County, creating the Northfield Site Phase I Tax Increment Financing District and authorizing related agreements.

Sponsors: Chief Executive

Summary: *Chairwoman Frazier explained this bill as a TIF of Northfield Site Phase I, a plan which Council gave approval for work to begin. She said the Economic Development Department will present more details of the plan today, and the bill will be further discussed on June 28, 2007 at 4:00 pm at another Economic Development & Housing Committee Meeting.*

Mr. Morosetti said the Northfield Site is in Findlay Township and located adjacent to the Pittsburgh International Airport and the newly constructed International Drive Cargo Interchange. The property is tax-exempt and owned by the Allegheny County Airport Authority. The three taxing bodies include Allegheny County, Findlay Township and West Allegheny School District, all of which have approved of this plan.

Mr. Morosetti said the project is estimated to cost \$22 million dollars and will be financed with \$6.5 million of TIF monies, and monies from the Redevelopment Assistance Capital Program (RACP), a Federal Earmark and an in-kind contribution of land from the Airport Authority. The TIF will cover administrative and engineering costs. The plan calls for eight development sites and warehouse space. The Economic Development Department expects an investment figure in excess of \$88 million dollars.

Mr. Morosetti said access to markets will improve, some 1,900 new jobs will be created, and \$9.9 million in future revenues for the three taxing bodies is anticipated.

Chairwoman Frazier asked what the average rent for space would be listed at and Mr. Strul said it's in the range of \$4-5 per sq. ft. for warehouse space and \$10-12 for office space. He said the two cargo building rents would be higher, closer to \$9-10 dollar a sq. foot, and office space would be costlier as well. He said the upper buildings would run about \$6-8 per sq. ft. Ms. Frazier requested a figure per year and Mr. Strul said if someone rented 100,000 sq. ft. they would be paying somewhere between \$600,000 to \$800,000 per year.

Councilman Finnerty asked about the taxi lane and whether this would be extended. Mr. Bernaciak said there's a ramp that would lead to the road and that cost is \$1.5 million. Councilman Finnerty asked what they would do if they decide to abandon that idea, and Mr. Bernaciak said they would duplicate the northern part of the development on the southern part and that would create two additional buildings.

Councilman Drozd wanted to know the vacancy/occupancy rate in the market and Mr. Bernaciak said in general, occupancy rates are in the mid-90 percent range if you're in a general A warehouse category, which they are, so they estimate they will have an occupancy rate in the 85 to 90 percent range.

Chairwoman Frazier asked about job creation numbers and how close they are to achieving those projections. Mr. Strul said in the past they have hired interns to do this type of analysis, but he said they haven't tracked job creation as closely as they should be. He added that the Economic Development Department is generally conservative on their estimates. They haven't had the resources to do this analysis but he said they will try to get answers for Council.

Councilman Drozd asked if the Foreign Trade Zone comes into play in their plan. Mr. Strul said yes and referred to a handout which looked at warehouse/distribution markets.

Councilman Finnerty said this TIF was in his district and both Findlay Township and West Allegheny School District have approved of this plan, so accordingly, they would all like to see this project proceed without delay.

Action: Held in Committee

V. Adjournment

Summary: Meeting adjourned at 4:20 pm

