

Allegheny County Council

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Meeting Minutes

Thursday, June 16, 2016

4:00 PM

Conference Room 1

Committee on Economic Development & Housing

Dewitt Walton, Chair

Members; Tom Baker, Sam DeMarco, Mike Finnerty, Nick Futules, Ed Kress, Bob Macey, John Palmiere

I. Call to Order

The meeting was called to order at 4:00.

Invited Guests:

William D. McKain, CPA, Allegheny County Manager or designee(s)
Robert Hurley, Director, Allegheny County Department of Economic Development

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

Mr. Hurley, Mr. Earley, Ms. Collinge and Ms. Quinn were present from the Department of Economic Development.

Mr. Janozco was present from the Law Department.

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

II. Roll Call

Members Present: 3 - Walton, Sam DeMarco and Michael Finnerty

Members Absent: 4 - Nick Futules, Ed Kress, Bob Macey and John Palmiere

Members Phone: 1 - Tom Baker

Members 1 - Sue Means

Non-Members:

III. Approval of Minutes

[9697-16](#)

Motion to approve the minutes of the June 9, 2016 meeting of the Committee on Economic Development & Housing.

**A motion was made by DeMarco, seconded by Baker, that this matter be Passed.
The motion carried by a unanimous vote.**

IV. Agenda Items

Ordinances

[9667-16](#)

An Ordinance of the County of Allegheny authorizing the County to enter into an intergovernmental cooperation agreement with various municipalities and school districts within the County for the purpose of joining in the formation and establishment of a public body, corporate and politic, to be known as the Tri-COG Land Bank.

Sponsors: Chief Executive

The Chair read the title of the bill and invited Mr. Hurley, Mr. Earley, Ms. Collinge and Ms. Quinn to the table.

Mr. Hurley reiterated that the land bank would not be principally driven by the County, but that the County would rather be a comparatively minor partner. Mr. Hurley indicated that

the land bank's work would principally be done at the local level, and that the County's financial contribution would be "minimal."

Ms. Quinn gave a PowerPoint presentation that recapped some of the discussion at the previous committee session regarding what land banks are and how they generally function, the participating COG, municipal and school district entities, and the structure of the proposed intergovernmental cooperation agreement.

Ms. Quinn noted that the ICA must be authorized via ordinance and gave a brief summary of each of the 12 articles contained within the ICA. Ms. Quinn described the structure that the ICA establishes for the interim board and subsequent boards and land bank governance, the function of the land bank's advisory committees, and staffing. Ms. Quinn also discussed the general and specific powers of the land bank under the ICA including property acquisition, title clearing, and disposition, as well as the ICA provisions relating to the land bank's books, records and financing. Ms. Quinn described the anticipated County funding mechanisms, noting that the County would agree to pay an amount equal to 5% of the prior year's principal delinquent taxes collected in the participating municipalities, plus 50% of the taxes paid on properties that pass through the land bank for the first five years in which they are back on the tax rolls.

In response to a question from Mr. Finnerty, Mr. Hurley noted that the County's one appointment to the land bank board would be nominated by the Chief Executive and confirmed by Council.

In response to a question from Mr. DeMarco, Mr. Hurley, Ms. Collinge and Ms. Quinn noted that only the County's actual collection of principal delinquent taxes for the prior year would count toward the calculation of the 5% annual contribution, and Ms. Quinn noted that the estimated annual contribution from the most recent full year of delinquent tax collections would be approximately \$9,000.

Mr. DeMarco noted that he had come across a number of problematic land bank scenarios when he researched them online, including issues in St. Louis, Indianapolis, Philadelphia, and inquired about how the Council can be sure that the same types of issues will be avoided in this instance before anyone even knows what the land bank's bylaws will permit or forbid. Mr. Hurley acknowledged that certainty is difficult to come by in situations in which there cannot be bylaws or practices established prior to the entity coming into existence. Mr. Hurley suggested that the County's ability to withdraw from the land bank may be the best safety net. Ms. Collinge highlighted the transparency and audit requirements.

Mr. Finnerty noted that, once the ordinance authorizing the ICA is passed, he would prefer that Council be provided regular status updates regarding the land bank's activities in order to remain abreast of those activities. The Chair and Mr. Finnerty discussed the items that might be reported to Council on a monthly or quarterly basis, including properties acquired and disposed, in order to be able to determine how well the land bank is working (or not). Mr. DeMarco noted that he would like to see the people or entities to whom property is transferred included in order to detect any oddities in terms of frequent transfers to the same entity and the like.

Mr. Finnerty suggested that, if the primary goal is to put properties back on the tax rolls, that should be the criterion used for determining success or failure.

Mr. Finnerty also suggested that, by virtue of the County's financial contribution, the

County should have the right to audit the organization's effectiveness and functions. Mr. Hurley indicated that he does not know whether the County Controller would be able to audit the land bank or not, or to what extent. Mr. Hurley noted that the notion of reporting to Council could be discussed.

In response to a question from the Chair, Mr. Janozco described the provisions of the Intergovernmental Cooperation Act and noted that it governs what provisions must be included in the ordinance, but also indicated that he cannot be certain that the agreement attached to the ordinance will be the final form.

In response to a question from Mr. Finnerty, Ms. Quinn described the termination provisions contained within Article X of the ICA.

In response to questions from Ms. Means, Mr. Hurley noted that the County would not be providing legal assistance to the land bank, and Ms. Quinn and Mr. Janozscko discussed the notion of priority bidding for the land bank when/if a property actually comes up for sale.

Ms. Means noted that she is under the impression that it is comparatively difficult for school districts to forgive debt, and Mr. Hurley described the circumstances under which it may be advantageous for school districts to participate.

In response to a question from Mr. DeMarco, Ms. Collinge described the dissolution procedures contained within the ICA.

A motion was made by Finnerty, seconded by DeMarco , that this matter be Affirmatively Recommended. The motion carried by a unanimous vote.

V. Adjournment

The meeting was adjourned at 5:12.