



# Allegheny County Council

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## Legislation Text

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**File #:** 12979-24, **Version:** 1

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A Resolution of the Council of the County of Allegheny regarding the Tax Increment Financing Plan presented by the Wilkins Area Industrial Development Authority, authorizing participation in the Waterfront Apartments Tax Increment Financing District and authorizing related agreements.

WHEREAS, the Tax Increment Financing (“**TIF**”) Act, 53 P.S. §6930.1 et seq., as amended (the “**Act**”), provides local taxing bodies with authority to cooperate in providing financing for development of blighted areas, as defined in the Act, within their respective jurisdictions to increase the tax base and improve the general economy; and

WHEREAS, the County of Allegheny, Pennsylvania (the “**County**”) is a home rule county and political subdivision existing under the laws of the Commonwealth of Pennsylvania (the “**Commonwealth**”); and

WHEREAS, the Boroughs of Homestead, Allegheny County (“**Homestead**”) and West Homestead, Allegheny County, (“**West Homestead**” and, together with Homestead, the “**Boroughs**”), together with Continental Real Estate Companies, as developer (the “**Developer**”), are initiating the process to create, in accordance with the Act, two essentially identical TIF Districts within the Boroughs, one district in each of the Boroughs, to be designated generally as the “Waterfront Apartments Tax Increment Financing District” (together, the “**TIF District**”); and

WHEREAS, the proposed TIF District is intended to support a project (the “**TIF Project**”) consisting of financing a portion of the costs to redevelop approximately 4 acres of land located at 185 W. Waterfront Drive, Homestead, and 201 W. Waterfront Drive, West Homestead (the “**Project Site**”), which property is located in the proposed TIF District and a coterminous Neighborhood Improvement District (the “**NID**”) that is being proposed to support the TIF District, into an approximately 266-unit multi-family apartment development constructed above an approximately 350-space parking garage (the “**Capital Project**”), together with public infrastructure improvements associated with the Capital Project, including trail relocation, utility connections, roadway connections and stormwater management and related engineering, development and soft costs; and

WHEREAS, it is anticipated that the Wilkins Area Industrial Development Authority (the “**Authority**”), a public instrumentality and a body politic and corporate organized and existing under the Pennsylvania Economic Development Financing Law, Act of August 23, 1967, P.L. 251, as amended, will assist in the development of the TIF Project through the issuance of tax increment notes or bonds (the “**TIF Debt**”) to provide financing for the costs of the TIF Project, all as provided by and pursuant to the TIF Act; and

WHEREAS, pursuant to the requirements of the Act, a TIF Plan for the TIF District titled “Wilkins Area Industrial Development Authority Waterfront Apartments Tax Increment Financing Plan” (the “**Project Plan**”) has been prepared, which plan, among other things, defines the boundary lines of the TIF District located within the Boroughs; and

WHEREAS, pursuant to the Project Plan, it is contemplated that the County, the Steel Valley School District (the “**School District**”) and the Boroughs will allocate to the Authority a portion of incremental ad valorem tax revenues, determined with reference to a tax increment base, resulting from the increase in the total

market value of real property values in the TIF District due to the completion of proposed improvements within the TIF District (the “**Tax Increment**”), which Tax Increment is to be applied by the Authority to payment of the principal of and interest on the TIF Debt; and

WHEREAS, the applicable bodies at the School District and the Boroughs have enacted appropriate legislation to have the School District and the Boroughs, respectively, participate in the TIF District in compliance with the requirements of the TIF Act and the terms of the Project Plan; and

WHEREAS, the Council of the County of Allegheny (the “**Council**”) has been requested to take the necessary steps and to enact the appropriate legislation to have the County participate in the TIF District in compliance with the requirements of the TIF Act; and

WHEREAS, the Project Plan has been submitted to the Council and a formal presentation, as required by the TIF Act, has been made to the Council, which presentation included a description of the proposed boundaries of the TIF District, the tentative plans for the development or redevelopment of the TIF District and an estimate of the general impact of the proposed TIF District on property values and tax revenues; and

WHEREAS, the County is expected to benefit from the use of tax increments to pay certain project costs within the TIF District by stimulation of private investment, increases in property values, creation of employment opportunities, and improvement of surrounding properties; and

WHEREAS, the County desires to participate in the TIF District for the public purposes set forth in the TIF Act.

***The Council of the County of Allegheny hereby resolves as follows:***

***SECTION 1.       Incorporation of the Preamble.***

The provisions set forth in the preamble to this Resolution are incorporated by reference in their entirety herein.

***SECTION 2.       Terms Defined.***

Terms used in the Recitals to these Resolutions are herein used as therein defined.

***SECTION 3.       Adoption of Project Plan.***

The Project Plan, which has been provided and is incorporated by reference herein and will provide for financing or funding a portion of the costs of the TIF Project, is hereby adopted substantially in such form, and the County, in accordance with the Act, hereby agrees to participate in the TIF District to the extent and as provided for in the Project Plan.

***SECTION 4.       Boundaries of the TIF District.***

The boundaries of the TIF District shall be as identified in the Project Plan and shall include only those whole units of property assessed or assessable for general property tax purposes.

## **SECTION 5.        Terms of Participation.**

Conditioned upon (i) the TIF District being duly created, (ii) all requirements of the TIF Act being duly satisfied, (iii) the formation of the NID to authorize imposition of special assessments within the TIF District to provide additional revenues, as necessary, for payment of debt service on the TIF Debt, and (iv) a mutually agreed upon cooperation agreement with respect to the TIF Project being duly authorized and entered into by and among the County, the Boroughs, the School District and the Authority, the County agrees to the following terms of participation in the TIF Project:

- (a) the County will retain, based on the current Project Plan, an annual up-front Tax Increment contribution in the fixed amount of \$4,563 for the term of the TIF District;
- (b) the County will retain, based on the current Project Plan, 11.39% of the annual excess Tax Increment after payment of the TIF Debt, TIF Debt administrative fees and other TIF Debt obligations for the term of the TIF District; and
- (c) the County will allocate the balance of such Tax Increment to the Authority for a period not to exceed (i) twenty (20) years, beginning on the date of creation of the TIF District or (ii) the term until final maturity of the TIF Debt, whichever first occurs.

## **SECTION 6.        Tax Increment Allocation.**

The share of the Tax Increment allocated by the County to the Authority shall be available to be used by the Authority solely to pay costs of the TIF Project and to pay the principal of and interest on the TIF Debt, as more fully provided in the Project Plan. Notwithstanding anything contained herein to the contrary, the County's election to participate in the Project Plan shall not, in any way, pledge or obligate the credit or taxing power of the County, nor shall the County be liable for the payment of principal of, or interest on, any obligations issued by the Authority, including the TIF Debt.

## **SECTION 7.        Real Estate Tax Revenues.**

A portion of the tax revenues due or owed to, or received by the County from the TIF District to the extent described in the TIF Plan, are hereby pledged; and a security interest therein is hereby granted, to secure the repayment of any TIF obligations issued by the Authority for the purpose of financing the TIF Project and/or to be applied directly to pay certain costs of the TIF Project. The share of the Tax Increment allocated by the County to the Authority shall be available to be used by the Authority solely to pay costs of the TIF Project and to pay the principal of and interest on the TIF Debt, as more fully provided in the Project Plan.

## **SECTION 8.        Notification of Actions.**

The Chief Clerk or the County Manager is directed to deliver a copy of this resolution to the Councils of the Boroughs and the Board of the School District as provided in the TIF Act.

## **SECTION 9.        Cooperative Actions.**

The appropriate public officials of the County are hereby directed to take such additional actions in cooperation with the Authority, the Boroughs, and the School District in furtherance of the implementation of the Project Plan, including without limitation, the execution and delivery of a cooperation agreement ("***TIF Cooperation Agreement***") by and among the Authority, the County, the Boroughs, and the School District. This TIF Cooperation Agreement shall set forth, among other things, the tax increment base and the procedure for collection and transfer of the Tax Increment to or for the benefit of the Authority.

***SECTION 10.        Effective Date.***

This Resolution will become effective immediately upon its adoption.

***SECTION 11.        Severability.***

If any provision of this Resolution shall be determined to be unlawful, invalid, void or unenforceable, then that provision shall be considered severable from the remaining provisions of this Resolution which shall be in full force and effect.

***SECTION 12.        Repealer.***

Any Resolution or Ordinance or part thereof conflicting with the provisions of this Resolution is hereby repealed so far as the same affects this Resolution.