

REDEVELOPMENT AUTHORITY OF ALLEGHENY COUNTY

MINUTES OF THE BOARD OF DIRECTORS

REGULAR and PUBLIC HEARING

ALLEGHENY COUNTY ECONOMIC DEVELOPMENT

Board Room, Suite 900

Chatham One, 112 Washington Place, Pittsburgh, Pennsylvania

August 24, 2018—10:30 a.m.

The Regular Meeting and Public Hearing of the Redevelopment Authority of Allegheny County was held on Friday, August 24, 2018 at 10:30 a.m. in Allegheny County Economic Development's Board Room, Chatham One, Suite 900, 112 Washington Place, Pittsburgh, Pennsylvania 15219.

Board Members present were: Bill Brooks, Don Smith, Senator Fontana, and Peg McCormick Barron.

Also present were: Steve Papernick, Authority Solicitor; Bob Hurley, Director; Jack Exler, Sr. Deputy Director; Patrick Earley, Deputy Director; Samuel Bozzolla, Project Manager; Lainey Smearman, Executive Assistant; Julie Collins, Project Manager; Tom McGrath, Fiscal Manager; Connie Popescu, Accountant; Erin Deasy, Manager; Dan Tobin, Business Development Coordinator; Peter Rubash, Business Development Specialist; Beth O'Donnell, Authorities Marketing Representative; Bria Cook, Accountant; Joe Scullion, Project Manager; Fred Ralston, Project Manager; Chris Goswick, Planner; Elaine Evosevic-Lozada, Project Manager; Maureen Quinn, Assistant Manager; and Brian Kamauf, Borough of West Mifflin Manager.

I. ROLL CALL

The meeting was called to order, roll was called, and a quorum was present.

II. APPROVAL OF MINUTES – July 27, 2018

ON A MOTION MADE BY DR. SMITH AND SECONDED BY SENATOR FONTANA, THE MINUTES OF THE PREVIOUS MEETING WERE APPROVED AS PRESENTED.

III. APPOINTMENT OF SECRETARY-TREASURER PRO TEMPORE

ON A MOTION MADE BY DR. SMITH AND SECONDED BY MR. BROOKS, IT WAS UNANIMOUSLY APPROVED TO APPOINT SENATOR FONTANA AS SECRETARY-TREASURER PRO TEMPORE.

IV. RATIFICATION OF BILLS

Senator Fontana reviewed the Ratification of Bills Payable for the month of July 2018 and found them to be in good and proper order.

ON A MOTION MADE BY MS. MCCORMICK BARRON AND SECONDED BY DR. SMITH, THE RATIFICATION OF THE BILLS WERE APPROVED AS PRESENTED.

V. PUBLIC COMMENTS

No comments.

VI. OLD BUSINESS

A. ALLEGHENY COUNTY ECONOMIC DEVELOPMENT – COMMUNITY INFRASTRUCTURE TOURISM FUND (CITF) – HOSANNA HOUSE SHERWOOD FACILITY AMENDMENT – BOROUGH OF WILKINSBURG

Request authorization to: (i) amend the Scope of Work for the Hosanna House Sherwood Facility; and (ii) allow the Director to execute the necessary documents with Solicitor approval.

The project was awarded by the RAAC Board on March 23, 2018 for \$125,000. The Original scope of work included purchase of a pool cover, purchase and installation of a new HVAC system and an elevator car. Due to unexpected circumstances, grantee decided to no longer fund the HVAC system and instead still fund the pool cover and use the remaining funds toward a new kitchen and a pool locker room ventilation system, both necessary projects for the facility.

ON A MOTION MADE BY SENATOR FONTANA AND SECONDED BY MS. MCCORMICK BARRON, THE ABOVE REQUEST WAS APPROVED AS PRESENTED.

B. ALLEGHENY COUNTY ECONOMIC DEVELOPMENT – COMMUNITY INFRASTRUCTURE TOURISM FUND (CITF) – SEWER CAMERA TRUCK AMENDMENT – FOREST HILLS BOROUGH

Authorization is requested to: (i) change the scope of the project from the construction of a library as an addition to the new municipal building to the purchase of a sewer camera truck; (ii) maintain the \$200,000 grant award; and (iii) authorize the Director to execute the necessary documents with Solicitor approval.

The original grant was awarded on April 28, 2017. The Borough of Forest Hills is proposing to purchase a sewer camera truck to assist with sewer line inspections, and to comply with consent decrees issued by the Health Department.

ON A MOTION MADE BY DR. SMITH AND SECONDED BY MS. MCCORMICK BARRON, THE ABOVE REQUEST WAS APPROVED AS

PRESENTED.

C. ALLEGHENY COUNTY ECONOMIC DEVELOPMENT – COMMUNITY INFRASTRUCTURE TOURISM FUND (CITF) – SUGAR CAMP PARK IMPROVEMENTS – AMENDMENT – PITCAIRN BOROUGH

Request Authorization to: (i) amend the Scope of Services to add the construction of a sand volleyball court to the Sugar Camp Park improvements; and (ii) allow the Director to execute the necessary documents with Solicitor approval.

The original award of \$120,000 was approved on June 23, 2017. CITF funds will be used for construction of a new play set and the rehabilitation of the existing kitchen and restrooms. Pavilion improvements will include painting, replacing ceiling and roof trusses. The existing basketball court will be re-paved along with the installation of new support poles, backboards and hoops. The access road and parking area will be re-paved with approximately 1,700 square yards of asphalt. A new fence will be installed around the beach volleyball court and the existing waterline will be extended to the volleyball court for a foot washing station. A new video surveillance system with six cameras will be installed as well as a sand volleyball court.

ON A MOTION MADE BY MS. MCCORMICK BARRON AND SECONDED BY SENATOR FONTANA, THE ABOVE REQUEST WAS APPROVED AS PRESENTED.

VII. NEW BUSINESS

A. BOROUGH OF TURTLE CREEK – CERTIFICATE OF COMPLETION

Request authorization to: (i) record a Certificate of Completion for three (3) properties located at 269-271 Braddock Avenue in the Borough of Turtle Creek; and (ii) allow the Director to execute the necessary documents with Solicitor approval.

In 1979, the Redevelopment Authority sold property, consisting of 3 lots on Braddock Avenue in the Borough of Turtle Creek, for demolition.

ON A MOTION MADE BY DR. SMITH AND SECONDED BY MS. MCCORMICK BARRON, THE ABOVE REQUEST WAS APPROVED AS PRESENTED.

B. REDEVELOPMENT ASSISTANCE CAPITAL PROGRAM (RACP) – WILKINSBURG TRAIN STATION RESTORATION PROJECT – BOROUGH OF WILKINSBURG

Request authorization to: (i) submit an application to the Commonwealth of Pennsylvania for assistance under the Redevelopment Assistance Capital Program for an amount not to exceed \$1,500,000; (ii) accept said grant; and (iii) allow the Director to execute necessary documents with Solicitor approval.

The Wilkesburg Train Station Restoration project is being spearheaded by the Wilkesburg Community Development Corporation (WCDC) who will act at the subgrantee for this RACP Grant. The Office of the Budget has authorized the release of \$1,500,000 in RACP funding for the restoration of the train station, and RAAC is requesting permission to submit an application on behalf of the WCDC. Total project costs across 3 phases are estimated to be \$6M. The WCDC is currently in Phase II of the project, and Phase III activities will include preserving historic elements of the structure, replacing the roof, upgrades to utilities, and extensive interior renovation with the goal of eventually housing businesses that are open to the community, transit-oriented and stable.

Dr. Smith asked, "did the Allegheny Conference Community fund put some funding behind this as part of their-," Bob Hurley replied, "not to my knowledge."

ON A MOTION MADE BY MS. MCCORMICK BARRON AND SECONDED BY SENATOR FONTANA, THE ABOVE REQUEST WAS APPROVED AS PRESENTED.

C. FORMER BP STATION – SEEK AVENUES OF FUNDING

Request authorization to (i) seek avenues of funding to facilitate the funding of the remediation and demolition of the former BP Gas Station located on Rodi Road in Penn Hills; and (ii) allow the Director to sign all necessary documents with Solicitor approval.

The Redevelopment Authority, at the request of Penn Hills, has been involved in evaluating the reuse of the former BP Gas Station, which was acquired by the Authority many years ago to improve the nearby intersection. Due to restrictive covenants, the Site is of limited reuse value, unmarketable and has become blighted. The Authority would like to demolish the remaining portion of the structures and create a gateway into Penn Hills along Rodi Road, which is immediately adjacent to a nearby interstate and busy highway and a hotel.

ON A MOTION MADE BY SENATOR FONTANA AND SECONDED BY DR. SMITH, THE ABOVE REQUEST WAS APPROVED AS PRESENTED.

D. TALBOT & WASHINGTON REDEVELOPMENT SITE – ENTER INTO NEGOTIATIONS WITH RESPONDING DEVELOPERS

Request authorization: (i) for the Director to enter into negotiations with responding Developers; (ii) enter into an agreement with potential Developer; and (iii) allow the Director to execute necessary documents with Solicitor approval.

This request is a continuation of the Authority's efforts to sell Authority-owned property and return it to productive reuse. These parcels, which are located between Talbot and Washington Avenues and 9th and 11th Streets in the Borough of Braddock were acquired by the Authority via the Urban Redevelopment Law and have been readied for redevelopment.

The Authority issued and advertised a Request for Development Proposals on

August 16, 2018 with responses due August 22, 2018 at 3:00PM.

Dr. Smith commented, "this seems like a small project but is a great example of RAAC doing what it is supposed to do – acquiring blighted properties and remediating them and putting them back into the private sector for development. Not just hanging on to them – actually putting them to productive use and supporting what's going on in Braddock. So, it may be a small project but it's a really good example of the way RAAC does things right."

ON A MOTION MADE BY DR. SMITH AND SECONDED BY SENATOR FONTANA, THE ABOVE REQUEST WAS APPROVED AS PRESENTED.

E. REDEVELOPMENT AUTHORITY OF ALLEGHENY COUNTY (RAAC) – AGREEMENT FOR TRANSLATION SERVICES

Request authorization to: (i) enter into an agreement with TrustPoint Translation, LLC for an amount not to exceed \$10,000.00 for translation services for the Allegheny Vacant Property Recovery Program, the Allegheny Home Improvement Loan Program, the Allegheny Lead Safe Home Program, and other RAAC programs as deemed necessary; and (ii) allow the Director to execute the necessary documents with Solicitor approval.

This Agreement addresses an immediate need for interpretive services for the various Housing Programs. The funds utilized would be paid from RAAC's CD 39 Predevelopment contract.

Ms. McCormick Barron asked, "is this a telephonic translation or in person" in which Jack Exler replied, "it would be both."

ON A MOTION MADE BY MS. MCCORMICK BARRON AND SECONDED BY SENATOR FONTANA, THE ABOVE REQUEST WAS APPROVED AS PRESENTED.

F. ALLEGHENY VACANT PROPERTY RECOVERY PROGRAM (AVPRP) – CERTIFICATES OF COMPLETION

Request authorization to: (i) record Certificates of Completion for ten (10) properties that were transferred through the Allegheny Vacant Property Recovery Program in the municipalities of Baldwin, Braddock, Harrison, North Braddock, Swissvale, West Deer, and Wilksburg; and (ii) allow the Director to execute the necessary documents with Solicitor approval.

All applicants have completed the improvements to the properties in accordance with the terms of the Conditional Agreement of Sale with RAAC.

ON A MOTION MADE BY SENATOR FONTANA AND SECONDED BY MS. MCCORMICK BARRON, THE ABOVE REQUEST WAS APPROVED AS PRESENTED.

G. ALLEGHENY VACANT PROPERTY RECOVERY PROGRAM (VPRP)

Request authorization to: (i) record Certificates of Completion for ten (10) properties that were transferred through the Allegheny Vacant Property Recovery Program in the municipalities of Baldwin, Braddock, Harrison, North Braddock, Swissvale, West Deer, and Wilkinsburg; and (ii) allow the Director to execute the necessary documents with Solicitor approval.

All applicants have completed the improvements to the properties in accordance with the terms of the Conditional Agreement of Sale with RAAC.

ON A MOTION MADE BY SENATOR FONTANA AND SECONDED BY MS. MCCORMICK BARRON, THE ABOVE REQUEST WAS APPROVED AS PRESENTED.

H. ALLEGHENY COUNTY ECONOMIC DEVELOPMENT – COMMUNITY INFRASTRUCTURE AND TOURISM FUND (CITF) – SOLICITOR'S CONTRACT

Request Authorization to: (i) enter into a one (1) year contract with the law firm Dickie McCamey & Chilcote as the Solicitor for the CITF Program effective September 1, 2018; and (ii) allow the Director to execute the necessary documents with Solicitor approval.

Dickie McCamey will serve in the role of CITF Solicitor with a yearly retainer not to exceed \$60,000 excluding any additional fees necessary to handle any potential litigation matters unforeseeable at this time.

ON A MOTION MADE BY MS. MCCORMICK BARRON AND SECONDED BY SENATOR FONTANA, THE ABOVE REQUEST WAS APPROVED AS PRESENTED.

I. ALLEGHENY COUNTY ECONOMIC DEVELOPMENT – COMMUNITY INFRASTRUCTURE AND TOURISM FUND (CITF) – LOWER BULL RUN CULVERT REPLACEMENT PROJECT – WEST MIFFLIN

Request Authorization to: (i) award a grant in an amount not to exceed \$150,000 to help finance the Lower Bull Run Culvert Replacement Project; and (ii) allow the Director to execute the necessary documents with Solicitor approval.

CITF funds will be used to defray cost for site restoration and mobilization of the road and pipe culvert located at 1446 Lower Bull Run Road in West Mifflin.

ON A MOTION MADE BY DR. SMITH AND SECONDED BY MS. MCCORMICK BARRON, THE ABOVE REQUEST WAS APPROVED AS PRESENTED.

J. ALLEGHENY COUNTY ECONOMIC DEVELOPMENT – GAMING ECONOMIC DEVELOPMENT FUND (GEDF) – APPLICATION FOR FUNDING – *(please see Attachment A for a list of recommended projects)*

Request authorization to: (i) submit an application for funding to the Commonwealth Finance Authority from the Pennsylvania Gaming Economic Development and Tourism Fund and (ii) allow the Director to execute the necessary documents with Solicitor approval.

The Pennsylvania Race Horse Development and Gaming Act (Act 2004-71), as amended, established the Pennsylvania Gaming Economic Development and Tourism Fund (the “Fund”). Certain monies appropriated from gaming revenues are deposited into the Fund, which is held by the Commonwealth Financing Authority (CFA), a portion of which will be allocated to RAAC for community and economic development projects in Allegheny County.

As per the CFA guidelines, each year RAAC may submit to the CFA, for its consideration and its final approval, proposed projects to be funded by Fund monies.

Dr. Smith recused himself from voting because he has a financial interest in one of the items but also offered the following comments before the board takes action, “I think that the department did a great job of putting together the guidelines for this program, to really focus on catalytic job-creating investments in our region. Executive Fitzgerald supported this approach as was integral to that direction. I’d just have to say that I’m very disheartened by the projects that are coming back from Harrisburg that are for profits, operating support, and are for projects that don’t meet the \$500,000 threshold and that aren’t catalytic job creators and so while I can’t participate in this particular vote on this item, I just want to say that the original program guidelines were really forward thinking and impactful and the projects coming back are not.

Pat Earley responded, “I’d also like to communicate that are a few were a few of our guidelines have to be waived in order for the CFA Board to cons... ‘inaudible’ ...packages as well too, I just wanted to point that out.”

Senator Fontana asked, “and it does go through the CFA Board, it’s not a different fund than CITF did you know which ... ‘inaudible’ ...adhere to those guidelines. Point well taken but I’m sure there is a lot of slant to each project put into whether or how it benefits that particular community or that particular project, sometimes it’s difficult to determine exactly what fits and what doesn’t fit but it is, that’s why I prefer CITF.”

Ms. McCormick Barron asked, “do you know the number of projects that were submitted versus the number that was approved?”

Pat Earley responded, “We had a total of over 120 submitted this year for this particular fund. Through the process, there were 21 that are being recommended to us for inclusion in this single application to the CFA.”

Senator Fontana added, "I got to say too, that sometimes there is one project on here that I'm working together with a rep up in Observatory Hill, and sometimes we can put things together to make things happen. And that's the way I think things should be when we get together to do that. It doesn't always happen like that all the time but there are some good projects on here."

Bob Hurley, "It should be worth noting in the first two years of this program we awarded a total of 12 grants, each one of those were for projects over the \$500,000 threshold and most of those awards were for half a million-dollar projects for like Brownfields (28 acres, etc.). The program guidelines changed a little bit when the decisions-making went to Harrisburg."

DR. SMITH ABSTAINED FROM VOTING. ON A MOTION MADE BY MS. MCCORMICK BARRON AND SECOND BY SENATOR FONTANA, THE ABOVE REQUEST WAS APPROVED AS PRESENTED.

OFF AGENDA

A. ECONOMIC DEVELOPMENT FUND (EDF) LOAN – BLACK FORGE GROUNDS, LLC – MCKEES ROCKS

Request authorization to: (i); approve an EDF Loan in an amount of ONE HUNDRED THIRTEEN DOLLARS (\$113,000.00) to Black Forge Grounds, LLC to support the acquisition of 701 Chartiers Avenue, McKees Rocks, PA 15136 and the purchase of furniture, fixtures, and equipment for the Black Forge Coffee House in McKees Rocks; and (ii) allow the Director to execute the necessary documents with Solicitor approval.

The Redevelopment Authority of Allegheny County is extending a loan to Black Forge Grounds, LLC, to assist in opening a café and performance venue in McKees Rocks. The loan will have a term of 10 years, full amortization at 10 years, and an interest rate of two and a half percent (2.5%). Interest-only payments will be made for the first year and principal and interest will be paid monthly for the following 9 years. The loan is contingent on Black Forge Grounds, LLC closing on other financing and job creation requirements.

Senator Fontana commented, "this is good for the community of McKees Rocks, it's done well for Allentown, both of those are in my district. This particular aspect of CITF – the loan part of it – we don't...I'd like to see it used more and that's what this is, that way they have skin in the game too to make it right and I think that's something we have to utilize as often as we should." Bob Hurley pointed out that this is actually "EDF" not "CITF," and traditionally we would've used EDA or CDBG loan but because of time constraints of closing on this and the federal requirements to go through an environmental review, the seller was going to pull this property back. [Are the terms different then?] The terms will remain the same as we originally proposed, interest rates, etc. and are both acceptable to them and the other lender which is Bridgeway Capital but, in this case if we did not move forward with the EDF, which is under our control not Federal, the deal would've

fell apart and the buyer would've walked."

ON A MOTION MADE BY SENATOR FONTANA AND SECOND BY MS. MCCORMICK BARRON, THE ABOVE REQUEST WAS APPROVED AS PRESENTED.

VIII. ADJOURNMENT

THERE BEING NO FURTHER BUSINESS TO TRANSACT, ON A MOTION MADE BY SENATOR FONTANA AND SECONDED BY DR. SMITH, THE ADJOURNMENT OF THE REGULAR MEETING OF THE REDEVELOPMENT AUTHORITY OF ALLEGHENY COUNTY WAS UNANIMOUSLY APPROVED.



Jack Exler, Sr. Deputy Director

