



Text File

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Bill No: 2021-1562, Version: 1

Committee: Committee on Finance and Law

Status: Passed Finally

Resolution providing for the continued designation of a Downtown Pittsburgh Business Improvement District for the area shown on Exhibit "A" at the behest of the Pittsburgh Downtown Partnership, a coalition of property owners, business leaders, retailers, civic organizations, and residents.

(Public Hearing held 6/29/21)

WHEREAS, pursuant to an act of December 19, 1996, P.L. 1158 (53 Pa. C.S.A. § 5401 et seq.), as amended, known as the "Business Improvement District Act" (the "Act"), municipal corporations are authorized to establish areas designated as business improvement districts within commercial districts; and

WHEREAS, under the Act, Cities of the Second Class are authorized to create business improvement districts to acquire property for improvement and provide administrative services which improve the ability of the commercial establishment of the business improvement district to serve the customer, including, but not limited to, public relations programs, group advertising and district maintenance and security services; and

WHEREAS, City Council is empowered by the Act to authorize an assessment within a business improvement district based on the total cost of approved services and improvements; and

WHEREAS, Pittsburgh Downtown Partnership was created as a Downtown Business Improvement District pursuant to Resolution No. 668, approved September 26, 1996, effective September 27, 1996; amended by Resolution No. 112, approved March 14, 2001, effective March 16, 2001; amended by Resolution No. 212, approved April 6, 2001, effective April 13, 2001; amended by Resolution No. 641, approved September 25, 2001, effective October 12, 2001; amended by Resolution No. 59, approved February 13, 2003, effective date February 21, 2003; amended by Resolution No. 58, approved February 8, 2005, effective February 10, 2005; amended by Resolution No. 687, approved November 6, 2006, effective November 16, 2006; amended by Resolution No. 356, approved May 18, 2011, effective May 20, 2011; and amended by Resolution No. 730, approved November 19, 2015, effective November 19, 2015.

WHEREAS, at the behest of the Pittsburgh Downtown Partnership, the City has been presented with a proposal for the continued designation of a Downtown Business Improvement District on

Be it resolved that the Council of the City of Pittsburgh hereby enacts as follows:

Section 1. Continued Designation as Downtown Business Improvement District. As authorized by an Act of December 19, 1996, P.L. 1158 (53 Pa. C.S.A. § 5401 et seq.), as amended, known as the "Act", the designation of the Pittsburgh Downtown Business Improvement District (the "District") as shown on the map attached as Exhibit "A" is hereby continued.

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Except as provided for herein, owners of office and retail buildings, parking facilities and hotels located within the District shall be subject to the special assessments authorized by the Act.

Section 2. Services and Improvements. Special assessment revenues shall be used solely for administrative services and improvements permitted by the Act and not essential government services provided by Pittsburgh City government.

Section 3. Levy of Special Assessment. There is hereby levied an assessment to pay the cost of the programs computed as follows:

A. Amount of Assessment - It is recognized that, pursuant to Section 4 of this Resolution, the Pittsburgh Downtown Partnership ("PDP") will have administrative responsibility for the District subject to Council's oversight. In 2021, the assessment is .7535 mills based on total assessed value (land and building) established by the Board of Property Assessment as of December of the preceding year or, upon application by the PDP, the millage rate may be adjusted, up or down, to such other rate as is necessary to achieve the assessment cap set forth in this paragraph. The amount to be raised by the assessment shall not exceed \$ \$2,447,510 in 2022. Annually, thereafter, Council shall adjust the millage rate consistent with, but not to exceed, the following amounts of revenue raised by the assessment:

\$2,545,350 in 2023
\$ \$2,647,104 in 2024
\$ \$2,779,385 in 2025
\$ \$2,918,279 in 2026.

The amount of revenue raised by the assessment shall not exceed the amounts in this section for the corresponding year. The actual cost of services and improvements to be provided will be budgeted on an annual basis, which budget shall be presented to Council by November of the preceding year.

B. Method of Assessment - All benefited properties will be assessed at the millage rate set for the year by City Council based on total assessed value (land and building), but the amount to be raised by assessment shall not exceed, in any event, the amounts listed in Section 3(A) for each year specified. For purposes of this Resolution, "benefited properties" shall mean all taxable properties located in the geographic area contained in the District but shall specifically exclude residential dwellings. For mixed use properties which are used for both residential and commercial purposes, the commercial portion of the property shall be subject to assessment. The method of assessment for the commercial portion of a mixed use property shall determined pursuant to the following calculation: The percentage of the property attributed to commercial property, which shall be determined by square footage of the commercial space in relation to the square footage of the building, multiplied by the total assessed value.

C. Appeals for Mixed Use Property - Any owner of a mixed use property dissatisfied with the percentage allocated to it as a benefited property can appeal to the PDP for review. Appeals will be heard by the PDP Appeals Committee, which shall be comprised of three (3) members from the PDP Board of Directors. Notice of a property owner's intention to appeal must be delivered to the PDP Appeals Committee within thirty (30) days of the date set forth on the notice provided to the owner of mixed use property setting forth the

percentage allocation. The Appeals Committee will thereafter provide notice to the property owner setting forth the date, time and location of the hearing.

D. Payment of Assessment - The assessment shall be paid annually by the last day of March each year beginning 2022 and continuing annually until the termination of the District.

E. Collection of Assessment - The Department of Finance shall work with the PDP to coordinate the mailing of notices regarding collection of the assessment to property owners in a manner consistent with its preparation of tax notifications. All revenue shall be collected at the direction of, and in accordance with instructions by, the Department of Finance. The Department of Finance shall instruct property owners to remit payments to the "Pittsburgh Downtown Business Improvement District," and assessments shall be deposited into a separate account in the name of PDP. Upon the request of PDP, the Department of Finance shall file liens as appropriate for delinquent assessments. PDP will pay all costs relating to the filing of such liens and the collection of such delinquent assessments.

Section 4. Administration of the District.

A. BID Committee - Council delegates the administration of the District's program to the BID Committee of the PDP Board of Directors (the "BID Committee"), as such committee is described in Section 4.6 of the Amended and Restated Bylaws of the PDP (the "PDP Bylaws"), or any amendment thereto. City Council shall be notified of any changes to Section 4.6 of the PDP Bylaws (dealing with the BID Committee). City Council shall have the right to approve any amendment to Section 4.6(xi) of the PDP Bylaws (providing for a representative of the Office of Mayor of the City of Pittsburgh on the BID Committee) and Section 4.6 (xiii) of the PDP Bylaws (providing for a representative of the City of Pittsburgh City Council for the Sixth District on the BID Committee).

B. Powers - The PDP shall have the power to contract on behalf of the District for the services described in Section 2 above.

C. Indemnity - Should any claim arise alleging that the PDP Board acts or has acted as an agent of the City, the PDP Board agrees to indemnify, defend and hold the City harmless from all claims, judgments and costs arising out of actions taken by the PDP Board in furtherance of the services and improvements described herein.

Section 5. Annual Information. The PDP will present to Council annually a budget as well as a list of current PDP Board members in November, before Council budget discussions. The PDP will also present to Council annually, within a reasonable time after they become available, audited financial statements of PDP.

Section 6. Sunset. The District shall terminate on the earlier of five years from January 1, 2022, or a dissolution proposed by the majority of voting members of the PDP Board of Directors.

Section 7. Amendment. Upon the approval of a majority of the voting members of the PDP Board of Directors, PDP may present a proposal to City Council to amend any provision of this Resolution.