



Text File

Introduced: 8/4/2003

Bill No: 2003-2215, Version: 1

Committee: Committee on Housing, Economic
Development & Promotion

Status: Defeated

Presented By Ms. Carlisle

NEGATIVE RECOMMENDATION

Resolution requesting that the Urban Redevelopment Authority of Pittsburgh amend the Pittsburgh Development Fund Cooperation Agreement with the City of Pittsburgh to prohibit "Cash Flow" Loans. Whereas, by City Council Resolution No. 963, effective December 21, 1994, the Council of the City of Pittsburgh approved a Cooperation Agreement with the Urban Redevelopment of Pittsburgh (URA) providing for the URA to issue taxable bonds netting approximately Sixty Million Dollars (\$60,000,000.00) and the City to irrevocably assign a portion of its receipts from a one percent sales, use, and hotel excise tax within Allegheny County enacted under Pennsylvania House Bill 659 (P.L. 529, No. 77 approved December 22, 1993) to repay the URA taxable bonds over a period of twenty (20) years; and

WHEREAS, the Sixty Million Dollar fund created by the issuance of taxable bonds by the URA is known as the Pittsburgh Development Fund (PDF); and

WHEREAS the PDF has been administered by the URA for purposes including the provision of low interest rate loans that stimulate residential, office, retail, commercial and industrial development through the City by attracting, maintaining and continuing private investment in the City; and

WHEREAS, City Council has great concerns about the \$13 million "cash flow" loan made from the PDF in 1995 for the downtown Lazarus Department Store, and the \$12 million "cash flow" loan made in 2000 for the downtown Lord & Taylor Department Store.

NOW THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PITTSBURGH AS FOLLOWS:

SECTION 1. City Council requests that the URA and the City of Pittsburgh enter into an amendment of the Cooperation Agreement that created the PDF as follows:

- a) Effective immediately, unless waived by Resolution of Pittsburgh City Council, the PDF shall make no further "cash flow" loans (loans in which repayment is not required unless the borrower's revenues exceed a specified amount over a specified period).

SECTION 2. This resolution shall not effect the City's assignment of a portion of its receipts from the one (1%) sales, use and hotel excise tax within Allegheny County enacted under Pennsylvania House Bill 659 (P.L.

Introduced: 8/4/2003

Bill No: 2003-2215, **Version:** 1

Committee: Committee on Housing, Economic
Development & Promotion

Status: Defeated

No. 77 approved December 22, 1993) for repayment of the taxable bonds issued by the URA to create the Pittsburgh Development Fund.