



Text File

Introduced: 8/26/2003

Bill No: 2003-2232, **Version:** 1

Committee: Committee on Housing, Economic
Development & Promotion

Status: Passed Finally

Presented by Ms. Carlisle

Resolution requesting that the URA immediately terminate, in whole or in part, the Pittsburgh Development Fund.

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 Authority 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 loans in residential, office, retail, commercial, and industrial development throughout the City by attracting, maintaining and continuing private investment in the City; and,

WHEREAS, the Council of the City of Pittsburgh finds that the PDF has been effective in stimulating residential, office, retail, commercial, industrial and other development; and,

WHEREAS, the Council of the City of Pittsburgh finds that the PDF has reached the terminus of its effectiveness and fiscal wisdom; and,

WHEREAS, the Council of the City of Pittsburgh further finds it to be in the best interests of its residents and taxpayers to immediately terminate the PDF, in whole or in part; and,

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

SECTION 1. URA is requested to amend the cooperation agreement creating the PDF as follows:

Effective immediately, the URA shall not accept new applications for funds from the Pittsburgh Development Fund ("PDF"), and unless an irrevocable written commitment for funding has been made to a developer prior to the introduction of this Resolution, no funds shall be disbursed from the PDF except as set forth below.

SECTION 2. On or before September 15, 2003, the URA shall deliver to the City of Pittsburgh, the entire cash and investment balance of the PDF, excluding any funds irrevocably committed to a developer prior to the introduction of this resolution.

SECTION 3. If there are funds irrevocably committed to a developer prior to the introduction of this resolution and it is subsequently determined that such development will not proceed, that the developer is ineligible for the funds, that the developer is no longer in need of the funds or any other determination is made that results in the funding commitment being totally or partially cancelled, the URA shall deliver the unused funds to the city within fifteen (15) days after determination that the funds will not be used

SECTION 4. Effective immediately, the URA shall market and sell the PDF loan, grant and equity financing portfolio on the secondary market at the most favorable terms available. The proceeds of the sale(s) shall be delivered to the City of Pittsburgh within 15 days of such sale(s). Should the URA fail to liquidate the portfolio by November 30, 2003, the entire portfolio shall be legally transferred to the City of Pittsburgh for one dollar (\$1) effective December 1, 2003 for its own purposes.

SECTION 5. Notwithstanding Section 4; beginning September 30, 2003, and on the last day of each fiscal quarter until the portfolio is liquidated, the URA shall deliver to the City all principal and interest payments received from loans made by the PDF.

SECTION 6. This resolution shall not effect the city's assignment of a portion of its receipts from the one percent (1%) sales, use and hotel excise tax within Allegheny County enacted under Pennsylvania House Bill 659 (P.L. 529, No. 77 approved December 22, 1993) for repayment of the taxable bonds issued by the URA to create the Pittsburgh Development Fund.

NOTE: I do hereby certify that the foregoing Ordinance duly engrossed and certified, was delivered by me to the Mayor for his approval of disapproval and that the Mayor failed to approve or disapprove the same, whereupon it became law without his approval, under the provisions of the Act of the Assembly in such case made and provided.

Linda M. Johnson-Wasler
Clerk of Council