



Text File

Introduced: 12/12/2006

Bill No: 2006-1042, **Version:** 1

Committee: Committee on Finance, Law and Purchasing

Status: Passed Finally

Presented by Mr. Deasy

Resolution authorizing the Mayor and the Director of the Department of Finance to enter into an agreement or agreements, together with the School District of Pittsburgh and the Pittsburgh Water and Sewer Authority, with National Tax Funding, LP and/or Caulis Negriz, LLC, their affiliates, successors or assigns, to repurchase real estate tax liens, delinquent charges and any and all other municipal claims assigned, transferred, sold and conveyed to National Tax Funding, LP and serviced by Capital Asset Research Corporation, Ltd., at a total cost not to exceed \$6,500,000.

Whereas, the City, the School District of Pittsburgh and the Pittsburgh Water and Sewer Authority sold various liens in 1996, 1997, 1998 and 1999 to National Tax Funding, LP; and

Whereas, the City, the School District of Pittsburgh and the Pittsburgh Water and Sewer Authority have repurchased liens on individual properties at considerable cost over a period of years in order to transfer ownership of said properties to individuals and community redevelopment corporations; and

Whereas, the City, the School District of Pittsburgh and the Pittsburgh Water and Sewer Authority have reached a favorable negotiated settlement of the amount to be paid for the entire portfolio of outstanding liens at a fraction of the cost which would have been required to be paid under the terms and conditions of the original lien sale agreement; and

Whereas, the City, the School District of Pittsburgh and the Pittsburgh Water and Sewer Authority could realize potential savings of approximately \$49 million by repurchasing the entire lien portfolio rather than repurchasing liens on individual properties as needed; and

Whereas, it would be in the best interest of the City, the School District of Pittsburgh and the Pittsburgh Water and Sewer Authority to repurchase all of the remaining liens held by National Tax Funding, LP and affiliated entities in order to have the flexibility to sell tax delinquent properties unimpeded.

Be it resolved by the Council of the City of Pittsburgh as follows:

Section 1. The Mayor and the Director of the Department of Finance are hereby authorized to enter into an agreement or agreements, in form approved by the City Solicitor, on behalf of the City of Pittsburgh, together with the School District of Pittsburgh and the Pittsburgh Water and Sewer Authority, with National Tax Funding, L.P. and/or Caulis Negriz, LLC, their affiliates, successors or assigns (hereinafter, the "Sellers") to repurchase real estate tax liens, delinquent charges and any and all other municipal claims assigned, transferred,

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sold and conveyed to National Tax Funding, L.P. and serviced by Capital Asset Research Corporation, Ltd., pursuant to any agreement entered into by authority of Resolution No. 666, approved September 26, 1996, for a sum not to exceed \$6,500,000.

Section 2. The Mayor and the Director of the Department of Finance are hereby authorized to deposit into an escrow account established by the Sellers, all funds required for the repurchase of the liens pursuant to any agreement entered into by the City under authority of this resolution. The contribution to the escrow agreement by the City of Pittsburgh shall not exceed the sum of \$3,500,000, chargeable to and payable from Code Account 525500, Fund 1000, Organization 999200, Subclass 150, Fiscal Year 2006.

Section 3. The Mayor and the Director of the Department of Finance are hereby authorized and directed to do such other things and to take such other actions as may be required to be performed by the terms and conditions of any agreement entered into pursuant to Section 1 hereof, so as to implement the purpose and intent of this resolution.