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Three Cheers for County Council

Congratulations are in order for Allegheny County Council. By a 10 to 5 vote on May 4, the Council took a giant leap forward by endorsing a new tax increment finance policy that succinctly describes the types of projects the County will participate in.

As we discussed in a previous *Policy Brief (Volume 4, Number 12)*, legislation to redefine the existing TIF guidelines was being debated in Council's Economic Development Committee. The bill's intent was to steer the County away from participating in projects that would, among other things: involve retail development, shift activity from one part of the County to another, generate low-paying jobs, and be located in undeveloped areas that are far removed from any common sense notion of being blighted.

While the resolution that passed is significantly shorter and not as detailed as the legislation that has been bogged down in the Development Committee, it nonetheless sends a clear message that the County is not interested in giving tax increment financing to retail projects in "greenfields" that do not need to be redeveloped, since, in fact, they have never been developed in the first place.

Does this mean that TIF will come to a screeching halt in Allegheny County? Not at all; and that presents both positive and negative aspects. On the plus side, the Council and other County officials can now efficiently sift through the requests that come their way and focus on the projects that will have the highest positive impact on the local economy. For instance, the County may now begin to see requests for projects that will place high-value activity on the acres of industrial sites that truly need help for redevelopment to take place.

On the other hand, ongoing developments, including those that do not meet the new criteria, will proceed. These include the large-scale retail developments in Frazer and Ohio Townships.

Municipalities and school districts are not prohibited from undertaking TIF projects without the County's participation. This happened in two cases in the past two years, both in Mt. Lebanon. Fortunately neither project was consummated: the school board voted down one and the other never closed on its private financing. Both had dubious claims of being in blighted areas and both had very rosy projections of what they would achieve.

All municipal officials and school board members should think seriously about the County's resolution and consider the long-term effects of backing a project that has limited potential to drive real economic growth.

So, while there is still a lot of inertia pushing the use of tax increment finance, we can applaud an act of common sense and good government policy in Allegheny County. We heartily endorse the new guidelines and congratulate Council for adopting the resolution. Let's hope its message does not go unnoticed by municipal and state officials.

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