



Reviewing a busy 2018

As 2018 draws to a close we wish our readers a healthy and prosperous New Year. We look back at some of our more memorable accomplishments. 2018 provided a wealth of policy topics for us to analyze and write about. The following are some of the key highlights.

- City government. We have examined the City of Pittsburgh's finances for more than two decades. Our attention intensified in 2004 as it entered distressed status, Act 47 and financial oversight from the Intergovernmental Cooperation Authority. In 2018 it finally exited Act 47 status, and while technically the ICA still remains, the city is free of distressed status. The primary concern—a commuter tax—never came to pass and the city adopted Act 47 best practices. We will continue our vigilance as the city goes forward.
- Property taxes. We detailed appeal activity from 2017 and the decision by a Common Pleas court judge to reaffirm the right of taxing bodies to appeal. We will continue to push for the need for regular reassessments. We also looked at a proposal in the state Legislature to expand homestead exclusions for school property taxes. We explained the proposal and analyzed the difficulties that would occur as a result of a shift from school property taxes levied by districts to a personal income tax. That legislation died in the 2018 session.
- Land banks. In 2014 we recommended that redevelopment authorities be empowered to handle the tasks land banks were set up to carry out. In 2018, legislation was passed to do so and signed into law as Act 133.
- The Institute opposed on solid grounds the referendum that would have imposed a countywide tax that would fund a nebulous children's welfare program. Fortunately, the voters rejected it.
- Pittsburgh International Airport. We documented PIT's run of bad news in 2018. We weighed in on the OneJet saga where, after giving the company subsidies to offer service from PIT, the company ceased operations in August and the Airport Authority filed suit to recover a loan. Meanwhile it offered another subsidy to British Airways to offer service to London and then, shortly thereafter, Delta announced it was canceling its seasonal flight to Paris. Qatar Airways received a subsidy for *not* reaching its goal of transporting 200 tons of cargo each week. Finally, WOW airlines, another recipient of an authority subsidy, announced it was halting flights from PIT mid-January. Perhaps the Airport Authority will learn its lesson from these failures and all the money it has wasted. We will stay on it in 2019.
- Pittsburgh's professional sports teams. The Steelers, Pirates and Penguins requested \$1.16 million from the Regional Asset District board to set up a capital repair fund for

their facilities. We stated that this is a very bad idea, especially considering how generous the leases are for these teams. The teams responded with the partial release of a report documenting their value to the area. We also debunked that report by noting how other area organizations, like CMU, provide a much better economic boost to the area. The RAD board did approve \$800,000.

We also examined other issues such as the high-cost of Port Authority's bus operating expenses, the problems of the state university system and the shale impact fees. In addition, we looked at the growth of the local and state economies and how the new school funding formula will affect districts in Allegheny County.

Our editorials, based on this research, are being regularly placed in newspapers across the state and our media appearances on both television and radio have been numerous.

For each topic we offer insights and challenges to conventional thinking. We will continue to do so to the policy challenges that arise in 2019 and offer approaches to problem-solving that emphasize the principles of free markets and good governance.

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