

Minutes of the Special Board Meeting of the Urban Redevelopment Authority of Pittsburgh, Wherrett Memorial Room, 13th Floor, John P. Robins Civic Building, 200 Ross Street

October 18, 2019 – 1:00 P.M., E.S.T.

Members Present: Williamson, Powell, Gainey, Lavelle, Hirsh

Members Absent: none

Staff Present: Walker, Cummings, Nuemah, Clark, Smith Perry, Miller, Nemani-Stanger, Moses, Madden, Alcorn, Meier, Kendall-Morris, Fewes, Saladna, Carter, Benjamin, Freedman, Thomas, Fedorek, Taylor and Schacht

Mr. Williamson called the Meeting to order and declared a quorum present.

1. Announcement

- a. Mr. Cummings announced a TEFRA Hearing today at 2:00 PM in the 10th Floor Conference Room, for the Lemington Home that is a requirement of the Tax-Exempt Bond Regulations.

2. General

- a. Recap of the October 10, 2019 Regular Board Meeting.

3. Mr. Williamson opened the floor for public comments:

- a. Mr. Kevin Acklin, of the Pittsburgh Penguins, was present. Mr. Acklin stated that the developments presented today will require a long process.
- b. Ms. Carmen Brown was present. Ms. Brown asked Mr. Acklin about the prior decisions made by the City regarding this development. She requested more input from senior residents.
- c. Phyllis Ghafoor, a resident of, the Hill District, was present. Ms. Ghafoor read the attached letter she wrote to the Authority Board and the public. She stated that they have only one community person sitting on the CCIP Board under Councilman Lavelle. She stated that she does not expect to hear about any meetings that Mr. Acklin spoke of. She stated that her personal issue is displacement. She believes that there is a lack of attention by the City of Pittsburgh. She stated that the community needs to think about the percentages of investments in the Hill District. She proposes that seventy percent of any funds go toward direct support of the Hill District. She also proposes that fifteen to twenty percent go to agencies that have been and are giving support to the Hill District Residents. She believes that ten percent of monies from LERTA are presented to the Hill CDC to finish the

New Granada project that will benefit the community. She proposed that the last five percent should be given to a separate agency, so they receive newsletters and updates to decide and give feedback.

- d. Frank Stencil, a Mt. Lebanon Resident, was present. Mr. Stencil stated that he proposes a new design concept for this development. He proposed sixty percent be kept and adjusted. He explained his ideas.
- e. Marimba Millones, President of, the Hill CDC, was present. Ms. Millones presented an overview of the requests made in the attached letter from the Hill District Development Stakeholders.
- f. Ms. Powell suggested that these stipulations should be a policy recommendation.
- g. Mr. Williamson stated that the requests made by the Hill District Development Stakeholders is reasonable and the Authority Board discussed the best way to ensure that these requests made in the Stakeholders letter are met. He stated that the Board can direct the URA Staff to use their communication platforms to announce CCIP and other community meetings.
- h. Ms. Diamonte Walker, the Authority's Deputy Director explained the challenges of meeting some of the requests from the Hill District Stakeholders letter.
- i. Mr. Williamson asked Mr. Acklin if PAR can explain the steps that have been taken to achieve the early capitalization of the Greater Hill Development Fund and what can the developers do to ensure more transparent communication with the community. Mr. Acklin answered that there had been conversations with perspective lenders. He will present a funding group that has committed to evaluating the disbursement of funds to an investment committee. He stated that instead of disbursement of funds over a ten-year period, they will lend against the funds over time, and therefore all funding would become available for direct investment in the Hill District. He stated that they agree with the requests made today in the long run. He stated that the Penguins will commit to the formation of a group comprised of the CCIP Committee, the Hill CDC, PAR, the Penguins and their development partners, the SEA and the Authority to comprise a plan in how to achieve the goals for this development.
- j. Ms. Millones believes that there is more of a responsibility by public agencies regarding public funding.
- k. Mr. Gainey stated that the Authority can only consider the items that directly impact the Authority.

- l. Carol Hardeman, of HDCG, was present. Ms. Hardeman stated that she is present on behalf of her ancestors and the community's future. She believes that the community should be made aware of the letter from the Hill District Stakeholders.
- m. Arbie Bankston, of the COR of East Liberty, was present. Mr. Bankston believed that there was an agreement of clarity, at the Authority's last meeting regarding this development so that there would not be another lengthy discussion today. He believes that had not been achieved. He requested thirty days to review the documentation. He stated that he does not see the additional appreciation that would benefit the community. He does not see repopulating the Hill with individuals that are able to own property. He does not believe there is enough communication and a clear process with accountability.
- n. Ms. Susheela Nemani- Stanger, the Authority's Economic Development Director addressed the questions about the LERTA evaluation.
- o. Ms. Felicity Williams, of the Hill CDC, was present. Ms. Williams read the attached letter from the Hill District Development Stakeholders to the Authority Board, Pittsburgh Penguins and the public.
- p. Pastor Brian James Edmonds, of the Macedonia Church of Pittsburgh, was present. Pastor Edmonds stated that he appreciates the work that is being done. He stated that a lot more work needs to be done. He echoes a lot of the comments that had been made today. He asked questions about the funding numbers on the Term Sheet regarding the Macedonia Church project. Mr. Lavelle answered Pastor Edmonds questions regarding the funding numbers of the Macedonia Church project. He believes there should be more transparency regarding the funding numbers.
- q. Ms. Powell stated that she is concerned about the commercially reasonable efforts. Mr. Acklin stated that the language came from the CCIP.
- r. Bomani Howze, of OLMEC, was present. Mr. Howze expressed his support of the community.
- s. Westley Speary, a City of Pittsburgh Resident, was present. Mr. Speary asked for the number of affordable units in the Intergen residential project. Mr. Cummings answered that out of the 288 units there will be 19 studio, 27 one bedroom and 12 two bedroom affordable units.
- t. Richard Taylor, a Hill District Resident, was present. Mr. Taylor believes that the Hill District Stakeholders letter should be adopted as part of a resolution.

- u. Mr. Williamson motioned to recognize the Hill District Stakeholders letter. He motioned to convene a working group over the next thirty days that would include PAR and Community Stakeholders including CCIP Committee. He motioned that the Committee formed will create an action plan that will identify the Authority items and the items that the Authority will support. He stated that the plan will be presented within thirty days.
- v. Ms. Hirsh requested that the vote be held until there is more clarity for the community.

Upon a motion to approve by Mr. Gainey, seconded by Mr. Lavelle, and unanimously carried, the following resolution was adopted:

RESOLUTION NO. 354 (2019)

RESOLVED: That recognition of the letter presented by the Hill District Stakeholders and the creation of a working group to present the Authority Board an action plan that will identify specific URA items and of other entities that can be moved through the support of the URA over the next thirty days is hereby approved.

5. Term Sheet

- a. Authorization to Execute a Term Sheet with Pittsburgh Arena Redevelopment LP and the Sports & Exhibition Authority of Pittsburgh and Allegheny County.

Ms. Walker requested Board approval of the above item.

Mr. Williamson presented that Pittsburgh Arena Real Estate Redevelopment LP ("PAR"), the Sports and Exhibition Authority of Pittsburgh and Allegheny County, and the URA want to clarify responsibilities and commitments related to the redevelopment of approximately 21.50 developable acres of land located in the Lower Hill District. In order to clarify those responsibilities, the parties have negotiated and agreed upon a term sheet (the "PAR Term Sheet"). Authorization is now requested to execute the PAR Term Sheet on behalf of the URA.

According to the term sheet, if Housing Authority of the City of Pittsburgh (HACP) funds are utilized for the development of the residential units, the affordability will be as set forth under applicable federal and HACP requirements for twenty (20) years.

Mr. Williamson stated that there had been changes made to the Term Sheet since the last public discussion. He noted the addition of Macedonia Church of Pittsburgh in the section pertaining to the Ammon project. He stated that the language regarding project based vouchers that rent to families and individuals out of the 50% AMI had been corrected, and the new Term Sheet now states that the rent levels have to be in accordance with project based vouchers if they are

awarded by HACP. He stated that the additional language that commits the developer to working with the Authority, go beyond the levels of affordability required by CCIP. He stated that the Board was asked publicly to push for more than 20%. He stated that the question is, whether the developer, URA and HACP can find sources of funds that will allow the development to go beyond 20%. He is comfortable with the Term Sheet moving forward with a couple of suggested improvements. He stated adding "included but not limit to" to the language in section C2 pertaining to the Ammon project. He stated that the second would be that recognition of technical modifications made to the Term Sheet by staff before being presented to the SEA that would tighten up the legal requirements. He stated that that the third is removal of the commercial reasonable standard language that is not needed regarding project-based vouchers. He stated that the fourth is insuring that the Authority staff be consulted in providing input regarding project-based voucher applications.

Ms. Powell agrees with limiting and removing the commercial reasonable standard language wherever possible. She suggested amending Section A1 and the EMS project.

Mr. Williamson suggested language "included by not limited to" to be added into C2 regarding the Ammon project, to allow space for Macedonia Church of Pittsburgh to modify the language if necessary. He also repeated adding language to section B to allow staff to work with developers to insure the strongest project based voucher application process.

Ms. Hirsh has concerns about the public not having time to review the Term Sheet with the current changes

Ms. Powell request that a motion to conclude some of the requests for continued community meetings. Mr. Williamson stated that will be outside the scope of the Term Sheet.

Mr. Lavelle suggested that additional language be added that insures PAR coordinate programing with its affiliate for the New Granada project since public monies are being used. Mr. Williamson agreed.

Mr. Williamson stated the final contingencies as follows; 1.) Technical modifications to the term sheet; 2.) Delete commercially reasonable standard language; 3) Compelling Intergen to work with our Housing Department staff on submission of their PBV application (avoiding a repeat of the MBS 9% LIHTC application debacle); 4) working towards greater/deeper affordability than the CCIP; and 5) PAR to ensure that Live Nation coordinates it programming with the New Granada Theater.

Upon motion made by Mr. Gainey, the following Members voted affirmatively: Mr. Gainey, Mr. Lavelle, Ms. Powell and Mr. Williamson; the following Member voted in the negative; Ms. Hirsh. As a majority of the votes were affirmative, the following resolution was adopted:

RESOLUTION NO. 355 (2019)

RESOLVED: That the execution of a Term Sheet with Pittsburgh Arena Redevelopment LP and the Sports & Exhibition Authority of Pittsburgh and Allegheny County is hereby approved, and the Chairman of the Board of Directors, on behalf of the Authority, is hereby authorized to execute the PAR Term Sheet, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto. If the Term Sheet is not executed by May 10, 2020, this resolution shall expire.

6. Buccini/Pollin Group, Inc. - Developer

- a. Preliminary approval of Lower Hill Developer LLC (or an affiliated entity) as a redeveloper for the take down of Block E (Block 2-C, Lot 406), in the 3rd Ward ("Take Down Tract #7").
- b. Preliminary approval of a Conceptual Development Plan for the take down of Block E (Block 2-C, Lot 406), in the 3rd Ward ("Take Down Tract #7").

Ms. Walker requested Board approval of the above items.

Mr. Nathan Clark, Director of Real Estate presented that PAR and Lower Hill Developer LLC have submitted a Take Down Notice for Take Down Tract #7, also known as Block E. Block E (Block 2-C, Lot 406) comprises 2.56 acres bounded by Bedford Avenue to the north, Fullerton Street to the east, Wylie Avenue to the south, and Logan Street to the west. The property is owned by the Sports & Exhibition Authority of Pittsburgh and Allegheny County ("SEA"), which has asked the URA to act as lead seller for this transaction.

Lower Hill Developer LLC, which is an affiliate of The Buccini/Pollin Group, Inc. ("BPG"), plans to construct a mixed-use project that will include a 97,000-square-foot live entertainment venue, with adjacent outdoor amphitheater capacity; approximately 17,800 square feet of ground-floor commercial space; approximately 285,000 square feet of subterranean parking; and approximately 34,000 square feet of entertainment/retail space on floors 2 and 3. The steel structured live entertainment venue will have capacity for 3,200 people in an enclosable theater and up to 3,200 people on an adjacent private open-air lawn. The venue will be acoustically separated from a concrete podium parking and retail structure below and a two-story retail liner wrapping around the southern end of the building. The podium structure will feature a public parking facility with a capacity of approximately 850 parking spaces, primarily across three below-grade parking decks. The remaining inventory of parking spaces, along with a planned public safety facility on the Bedford Avenue elevation, would be developed in the area below the sloped lawn of the music venue.

Street level retail is planned for Wylie Avenue and Logan Street, and up to 1,200 square feet of the ground floor commercial space along Wylie Avenue would be reserved for entrepreneurial

tenants supported by programs administered by the URA and/or the Hill District CDC consistent with the objectives of the Community Collaboration and Implementation Plan.

Project costs are budgeted at approximately \$127.5 million. This includes space for a proposed public safety facility.

The project will be developed in conformance with applicable LEED-ND requirements.

BPG has selected Gensler to design the building. Construction will be overseen by BPGS Construction.

Authorization is now requested for preliminary approval of Lower Hill Developer LLC (or an affiliated entity) as a redeveloper for the take down of Block E (Take Down Tract #7), as well as for preliminary approval of a Conceptual Development Plan for the take down of Block E (Take Down Tract #7).

This authorization is subject to receipt of BPG's Good Faith Deposit as well as to receipt and staff review and approval of all attachments to the Take Down Notice, including, but not limited to:

- Site Plan documentation (Exhibit A to the Take Down Notification)
- Preliminary evidence of financing
- MWBE narrative
- MWI narrative
- Sustainability plan
- Letter of community review

There was no discussion among the Members.

Upon a motion to approve by Mr. Gainey, seconded by Mr. Lavelle, and unanimously carried, the following resolutions were adopted:

RESOLUTION NO. 356 (2019)

RESOLVED: That the preliminary approval of Lower Hill Developer LLC (or an affiliated entity) as a redeveloper for the take down of Block E (Block 2-C, Lot 406), in the 3rd Ward ("Take Down Tract #7"), is hereby approved. If this project does not close by May 10, 2020, this resolution shall expire. This item is contingent on the URA receiving the following information: all required attachments to the Take Down Notice, Site Plan documentation, preliminary evidence of financing, MWBE narrative, MWI narrative, sustainability plan, and letter of community review.

RESOLUTION NO. 357 (2019)

RESOLVED: That the preliminary approval of a Conceptual Development Plan for the take down of Block E (Block 2-C, Lot 406), in the 3rd Ward ("Take Down Tract #7"), is hereby approved. If this project does not close by May 10, 2020, this resolution shall expire. This item is contingent on the URA receiving the following information: all required attachments to the Take Down Notice, Site Plan documentation, preliminary evidence of financing, MWBE narrative, MWI narrative, sustainability plan, and letter of community review.

7. Buccini/Pollin Group, Inc. – Parking Tax Diversion

- a. Presentation of a Parking Tax Diversion (PTD) Plan with the City of Pittsburgh and execution of a Cooperation Agreement with the City of Pittsburgh for a PTD Plan if approved by the City.
- b. Authorization to execute a funding agreement and related PTD documents with Buccini/Pollin Group, Inc. or an affiliate.
- c. Authorization to execute all financing documents, including Trustee documents, required in connection with the Lower Hill Parking Tax Diversion (PTD).

Ms. Walker requested Board approval of the above items.

Ms. Susheela Nemani-Stanger, Director of Economic Development presented that the Authority is also seeking authorization to advance the Block E Parking Tax Diversion (PTD) Plan with the City of Pittsburgh. The proposed PTD Plan seeks to divert 75% of incremental parking taxes from the City of Pittsburgh, generated by a new parking garage, for a period of 19 years. Up to \$24,300,000 in diverted parking taxes will be used for construction of a live entertainment venue and 850 space combined parking structure for the larger Lower Hill development project.

Block E is located within Redevelopment Area 69, known as Mellon Arena Redevelopment Area. The entire site is currently a surface parking lot that generates \$150,471 in annual parking taxes. As noted above, BPG plans to construct a mixed-use project that will include approximately 433,800 square feet of entertainment, commercial, parking, and entertainment/ retail space.

Labor for the project will be union. The developer is expected to achieve 30% participation in all contracted work by M/WBE firms, with employment opportunities available to residents of the Greater Hill District.

The PTD Plan anticipates that the diverted parking taxes could generate a total of approximately \$24,300,000 over 19 years, according to the results of a market study conducted by an independent third party. During the term of the PTD, the City would still retain 25% of the incremental parking taxes. Thus, during the 20-year PTD, the City would receive (1) the \$150,471 it currently receives from the base parking tax on the site and (2) an additional estimated

\$8,104,641 over the 20 year period due to the increased number of spaces as a result of the development No loan or note is being pursued from PTD revenues.

Pursuant to the Parking Tax Diversion Guidelines, the 20th year will be diverted into an Affordable Housing Fund. After 20 years when PTD expires, it is projected that the City would receive approximately \$2,261,797 in annual parking taxes. This project is anticipated to generate on average \$1,938,218 annually in real estate taxes.

BPG is a privately held real estate development and management company with an address at 322 A Street, Suite 300, Wilmington, Delaware 19801. Robert F. Buccini, Christopher F. Buccini, and David B. Pollin are co-managers/owners.

A market study, prepared on behalf of the Developer, was submitted to the URA.

Principal:
Boris Kaplan
Vice President
The Buccini/Pollin Group
1001 E Hector Street
Conshohocken, PA 19428

Mr. Williamson asked what the approximate value would be at year 20. Ms. Nemani Stanger answered that the cost would be \$2.2 million.

Mr. Williamson noted that this Parking Tax Diversion Plan is being voted on by the Authority Board today to advance the Plan to City Council.

Upon a motion to approve by Mr. Lavelle, seconded by Mr. Gainey, and unanimously carried, the following resolutions were adopted:

RESOLUTION NO.358 (2019)

RESOLVED: That the advancement with the City of Pittsburgh of a Parking Tax Diversion Plan for the Lower Hill – Block E development project is hereby approved, and the Executive Director, Interim Executive Director, Deputy Director and/or Chief Financial Officer, on behalf of the Authority, is hereby authorized to execute a cooperation agreement therefor, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto. If this project does not close by May 10, 2020, this resolution shall expire. This item is contingent on the URA receiving the following information: Site Plan documentation, MWBE narrative, MWI narrative, sustainability plan, and letter of community review.

RESOLUTION NO. 359 (2019)

RESOLVED: That the execution of a Funding Agreement with Buccini/Pollin Group, Inc., or an affiliate, to include, among other things, an administrative fee, and related documents is hereby approved, and the Executive Director, Interim Executive Director, Deputy Director and/or Chief Financial Officer, on behalf of the Authority, is hereby authorized to execute said agreements, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto. If this project does not close by May 10, 2020, this resolution shall expire.

RESOLUTION NO.360 (2019)

RESOLVED: That engagement of a trustee to administer the parking tax fund related to the Parking Tax Diversion Plan for the Lower Hill – Block E development project is hereby approved, and the Executive Director, Interim Executive Director, Deputy Director and/or Chief Financial Officer, on behalf of the Authority, is hereby authorized to execute one or more agreement(s) therefor, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto. If this project does not close by May 10, 2020, this resolution shall expire.

8. Intergen Residential Development

- a. Preliminary approval of Intergen Lower Hill Initial Phase, LLC (or an affiliated entity) as a redeveloper for the take down of all or portions of Parcels A1 (Block 2-C, Lot 403), A2 (Block 2-C, Lot 301), B1 (Block 2-C, Lot 405), B2 (Block 2-C, Lot 303), 3 (Block 2-C, Lot 298), and 4 (Block 2-C, Lot 400), in the 3rd Ward, designated by the redeveloper as "Parcel B" ("Take Down Tract #8").
- b. Preliminary approval of a Conceptual Development Plan for the take down of all or portions of Parcels A1 (Block 2-C, Lot 403), A2 (Block 2-C, Lot 301), B1 (Block 2-C, Lot 405), B2 (Block 2-C, Lot 303), 3 (Block 2-C, Lot 298), and 4 (Block 2-C, Lot 400), in the 3rd Ward, designated by the redeveloper as "Parcel B" ("Take Down Tract #8").
- c. Preliminary approval of Intergen Lower Hill Initial Phase, LLC (or an affiliated entity) as a redeveloper, and of Lower Hill District Conservancy, a to-be-formed planned community association, for the take down of portions of Parcels A1 (Block 2-C, Lot 403) and A2 (Block 2-C, Lot 301), in the 3rd Ward, designated by the redeveloper as "Parcel B1" ("Take Down Tract #9").
- d. Preliminary approval of a Conceptual Development Plan for the take down of portions of Parcels A1 (Block 2-C, Lot 403) and A2 (Block 2-C, Lot 301), in the 3rd Ward, designated by the redeveloper as "Parcel B1" ("Take Down Tract #9").

Ms. Walker requested Board approval of the above items.

Mr. Clark presented that Pittsburgh Arena Real Estate Redevelopment LP ("PAR") and Intergen Lower Hill Initial Phase, LLC ("Intergen") have submitted Take Down Notices related to Take Down Tracts #8 and #9, also designated by the redeveloper as Parcels B and B1, respectively.

Tract #8 comprises approximately 3.4 acres (Parcel B) at the northeast corner of Centre Avenue and Fullerton Street, while Tract #9 encompasses approximately 0.51 acres (Parcel B1) at the southeast corner of Wylie Avenue and Fullerton Street. Parcels B and B1 incorporate all or portions of the properties designated as Parcels A1, A2, B1, B2, 3 and 4 in the most recent Site Improvement Subdivision Plan of the former Civic Arena site.

Intergen, which is a partnership between Keith B. Key Enterprises ("KBK"), Hatch USA, and OLMEC Development Company, plans to construct a 288-unit multi-family mixed-income residential development on Parcel B, with complementary Urban Open Space on Parcel B1.

Intergen has selected OHM Advisors, LLC to design the buildings. Alliance Construction Group, LLC, an MBE general contractor, will be the general contractor. Edge is designing the open space. Of the 288 planned apartments, 167 will be located in a low-rise (6-story) building, of which 34 units will be affordable. The remaining 121 units will be located in a high-rise (12-story) building, of which 24 units will be affordable. An underground parking facility is planned with 221 spaces. Excluding the parking facility, total square footage of the project will be approximately 305,000 square feet.

The unit mix will include 61 two-bedroom units, 132 one-bedroom units, 77 studios, and 18 micro apartments.

The parking facility is anticipated as primarily underground with two flat levels within a concrete structure with approximately 221 spaces plus utility rooms, trash rooms, and related spaces needed to support the building, at approximately 33,000 square feet per level.

Amenities planned for the development include an integrated mix of public outdoor spaces and resident-only amenities such as fitness centers, community rooms, outdoor pools, sundecks, rooftop patios and typical support spaces. In total, approximately 15,000-20,000 square feet of amenity space is planned.

The apartments will be designed to respond to the demand for market-rate housing. In-unit features include 9-foot ceilings, plank flooring, washer/dryer units, full kitchen packages, and central heating and cooling.

The Urban Open Space planned for Parcel B1 will be designed in conjunction with that planned for the adjoining 0.49-acre Parcel A1. Plans call for the following:

- Create pedestrian connectivity through the Urban Open Space between Crawford Street and Fullerton Street.
- Provide an accessible route through the Urban Open Space by creating leveled plateaus and switchback ramps thereby creating distinct zones of activity and accommodating grade change.
- Provide interactive place-space adjacent to the intersection of Crawford Street and Wylie Avenue.
- Provide an urban plaza at the intersection of Wylie Avenue and Fullerton Street.
- Incorporate elements of community history and cultural legacy.

Initially, Parcel B1 will be minimally improved with grading and seeding with native grasses and plantings. The full Urban Open Space buildout of both Parcels B1 and A1 will occur later, at the completion of the residential redevelopment that will eventually occur on Parcel A (not a part of today's actions).

Although the take down of Parcel B1 will be completed by the Lower Hill District Conservancy, a to-be-formed association, redevelopment of the Urban Open Space will be completed by InterGen, and funds for the cost of the Parcel B1 Urban Open Space work, preliminarily budgeted at just under \$575,000, will be guaranteed by InterGen either via a performance bond or by escrow.

KBK has significant experience in working with the URA and the Housing Authority of the City of Pittsburgh ("HACP") to complete mixed income housing development as evidenced by their work in the Hill District, Garfield, Larimer and Homewood neighborhoods of the City. This experience with the Pittsburgh market as well as their ability to work cooperatively with public agencies and communities make KBK a good fit for this much-anticipated development.

Authorization is now requested for preliminary approval of InterGen Lower Hill Initial Phase, LLC (or an affiliated entity) as a redeveloper for the take down of Parcel B (Take Down Tract #8), as well as for preliminary approval of a Conceptual Development Plan for the take down of Parcel B (Take Down Tract #8).

Authorization is also requested for preliminary approval of InterGen Lower Hill Initial Phase, LLC (or an affiliated entity) as a redeveloper, and of Lower Hill District Conservancy, a to-be-formed planned community association, for the take down of Parcel B1 (Take Down Tract #9), as well as for preliminary approval of a Conceptual Development Plan for the take down of Parcel B1 (Take Down Tract #9).

The real estate approvals related to Parcels B and B1 are subject to receipt, staff review, and approval of all outstanding attachments to the Take Down Notice, including, but not limited to:

- Preliminary evidence of financing
- MWBE narrative
- MWI narrative

- Sustainability plan
- Letter of community review

There was no discussion among the Members.

Upon a motion to approve by Mr. Gainey, seconded by Mr. Lavelle, and unanimously carried, the following resolutions were adopted:

RESOLUTION NO. 361 (2019)

RESOLVED: That a preliminary approval of Intergen Lower Hill Initial Phase, LLC (or an affiliated entity) as a redeveloper for the take down of all or portions of Parcels A1 (Block 2-C, Lot 403), A2 (Block 2-C, Lot 301), B1 (Block 2-C, Lot 405), B2 (Block 2-C, Lot 303), 3 (Block 2-C, Lot 298), and 4 (Block 2-C, Lot 400), in the 3rd Ward, designated by the redeveloper as "Parcel B" ("Take Down Tract #8"), This item is contingent on the URA receiving the following information: all required attachments to the Take Down Notice, Site Plan documentation, preliminary evidence of financing, MWBE narrative, MWI narrative, sustainability plan, and letter of community review. is hereby approved.

RESOLUTION NO. 362 (2019)

RESOLVED: That a preliminary approval of a Conceptual Development Plan for the take down of all or portions of Parcels A1 (Block 2-C, Lot 403), A2 (Block 2-C, Lot 301), B1 (Block 2-C, Lot 405), B2 (Block 2-C, Lot 303), 3 (Block 2-C, Lot 298), and 4 (Block 2-C, Lot 400), in the 3rd Ward, designated by the redeveloper as "Parcel B" ("Take Down Tract #8"), This item is contingent on the URA receiving the following information: all required attachments to the Take Down Notice, Site Plan documentation, preliminary evidence of financing, MWBE narrative, MWI narrative, sustainability plan, and letter of community review. is hereby approved.

RESOLUTION NO. 363 (2019)

RESOLVED: That a preliminary approval of Intergen Lower Hill Initial Phase, LLC (or an affiliated entity) as a redeveloper, and of Lower Hill District Conservancy, a to-be-formed planned community association, for the take down of portions of Parcels A1 (Block 2-C, Lot 403) and A2 (Block 2-C, Lot 301), in the 3rd Ward, designated by the redeveloper as "Parcel B1" ("Take Down Tract #9"), This item is contingent on the URA receiving the following information: all required attachments to the Take Down Notice, Site Plan documentation, preliminary evidence of financing, MWBE narrative, MWI narrative, sustainability plan, and letter of community review. is hereby approved

RESOLUTION NO. 364 (2019)

RESOLVED: That a preliminary approval of a Conceptual Development Plan for the take down of portions of Parcels A1 (Block 2-C, Lot 403) and A2 (Block 2-C, Lot 301), in the 3rd Ward, designated by the redeveloper as "Parcel B1" ("Take Down Tract #9"), This item is contingent on the URA receiving the following information: all required attachments to the Take Down Notice, Site Plan documentation, preliminary evidence of financing, MWBE narrative, MWI narrative, sustainability plan, and letter of community review, is hereby approved.

9. Pittsburgh Development Fund (PDF) – Loan Commitment to Intergen Lower Hill Initial Phase LLC

- a. Pittsburgh Development Fund (PDF) Loan Commitment with Intergen Lower Hill Initial Phase LLC or a related entity, in an amount up to \$1,000,000.

Ms. Walker requested Board approval of the above item.

Mr. Tom Cummings, Director of Housing presented that authorization is requested to approve a commitment of Pittsburgh Development Fund ("PDF") loan funds in the amount up to \$1.0 million to be used for the construction of the Parcel B improvements consisting of 288 mixed income rental units.

URA Board approval of the PDF commitment is contingent upon:

- Receipt and review and approval of final drawings and construction costs by the URA
- Receipt of an M/WBE plan that has been approved by the URA.
- Final Schedule of Values and Construction Contract to be reviewed and approved by URA.
- Evidence of financing for all funding sources.
- Borrower receiving HACP project based rental assistance and gap financing for 20% of the project units
- Approval of the URA financing by the URA's Real Estate Loan Review Committee.
- If the project does not close by May 10, 2020, the PDF commitment will expire.

Details of the development are as follows:

Borrower: Intergen Lower Hill Initial Phase LLC
c/o Keith B. Key Enterprises
Keith B. Key
4249 Easton Way, Suite 220
Columbus, Ohio 43219

Architect: OHM Advisors, LLC
34000 Plymouth Road
Livonia, MI 48150

General Contractor: Alliance Construction Group
1801 Forbes Avenue
Pittsburgh, PA 15219

Location: Corner of Centre Avenue and Fullerton Street, Lower Hill District
Ward: 3rd Ward

Description: New construction of 288 rental units of which 20% of the units will be affordable and rented to households with incomes at or below 50% area median income.

Total Development Costs: \$82,381,830

Requested URA Financing: \$1,000,000 Pittsburgh Development Fund (PDF)
3% interest; 40-year term; repayment based on % share of Surplus Cash/Residual Receipts

Other Financing Sources:

Red Capital/HUD 221d4 Construction/Permanent Loan	\$62,266,603
Strategic Investment Fund	\$9,000,000
Commonwealth of PA Grants	\$2,000,000
HACP/ARMDC	\$4,000,000
Land Purchase Grant	\$2,671,900
Deferred Fee	<u>\$1,443,327</u>
Total Other Sources	\$81,381,830

Program Benefit: Begins to redevelop the former Civic Arena site in the Lower Hill District and adds needed affordable housing in the community.

Real Estate Loan Review: To be presented at a future Committee meeting

MWBE Review: MWBE Narrative has been requested. Full plan will be reviewed and approved in the future.

Ms. Powell asked how the decision was made regarding the number of affordable units. Mr. Cummings answered that the developer proposed the number but can be discussed further. Mr. Williamson motioned to add a contingency to review the mix of affordable units. Ms. Powell requested more community input regarding the affordable units.

Upon a motion to approve by Mr. Gainey, seconded by Mr. Lavelle, and unanimously carried, the following resolution was adopted:

RESOLUTION NO. 365 (2019)

RESOLVED: That a loan commitment with Intergen Lower Hill Initial Phase LLC, or a related entity, in an amount of up to \$1,000,000, payable from the Pittsburgh Development Fund (PDF), is hereby approved, and the Executive Director, Interim Executive Director, Deputy Director and/or Chief Financial Officer, on behalf of the Authority, is hereby authorized to execute a loan agreement therefor, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority . If this project does not close by May 10, 2020, this resolution shall expire.

10. LERTA

- a. Authorization to amend the Lower Hill LERTA District Cooperation Agreement and documentation.
- b. Authorization to amend the Lower Hill LERTA Declaration of Restrictive Covenants.

Ms. Walker requested Board approval of the above items.

Lower Hill LERTA Amendment (items 13f and 13g)

Ms. Nemani-Stanger presented that in 2015, the three taxing bodies approved a Lower Hill LERTA District ("LERTA District"). The approved tax exemption given to property owners within the LERTA District was conditioned upon a binding commitment to require the owners to make certain annual payments ("Owner Payments"). An Owner Payment in the amount of 50% of the abated tax amount shall be made for the benefit of the Greater Hill Reinvestment Fund (the "Greater Hill Fund"). An additional Owner Payment of 50% of the abated tax amount shall be made for the benefit of the Lower Hill Development Fund to fund public infrastructure. The 10-year abatement from City, County and School District real estate taxes granted to any Property Owner undertaking a Project is capped at \$250,000 per taxing body. During the 25-year term of the LERTA District, the taxing bodies will retain all real estate taxes associated with land values as well as amounts that become available when abatements terminate.

At this time, Pittsburgh Arena Redevelopment (PAR) has requested that the financing plan be amended in order to stimulate private development. Their request is to eliminate the requirement that property owner's make owner payments into the Lower Hill Development Fund. The property owners will now pay 50% of their Owner Payment to the Greater Hill Fund and retain the other 50% of the abated tax amount. This will eliminate the need for a Lower Hill Development Fund. In sum, property owners will now retain 50% of the Owner Payment as an abatement.

The URA is seeking authorization to present a revised Lower Hill LERTA structure to the taxing bodies. The proposed amendment seeks to remove the 50% Lower Hill Owner Payment. This

requires an amendment of the Lower Hill LERTA Cooperation Agreement. The URA and the SEA would also need to amend the Lower Hill LERTA Declaration of Restricted Covenants.

The Greater Hill Fund structure will remain in place, as initially structured in order to fund various activities in the Greater Hill District neighborhoods, as defined and articulate in the CCIP.

The URA will serve as the agent for this LERTA District in regard to the 50% Owner Payments into the Greater Hill Reinvestment Fund only and will provide the necessary reporting to the taxing bodies.

Mr. Williamson stated that there will be no changes to the LERTA and approving the Term Sheet only today. Ms. Powell asked about the final vote regarding the Guidelines. Mr. Lavelle stated that the Authority drafted the Greater Hill Fund Guidelines and are currently being reviewed by the CCIP Committee. Mr. Williamson stated that there still needs to be more community input regarding the Greater Hill Guidelines in how the Greater Hill Fund is capitalized. Ms. Powell requested that some of the narrative from the Stakeholders letter be added to the guidelines. Mr. Williamson stated that would be separate from the vote today.

Mr. Lavelle stated that there still exists the original established LERTA Legislation.

Upon a motion to approve by Mr. Gainey, seconded by Mr. Lavelle, and unanimously carried, the following resolution was adopted:

RESOLUTION NO. 366 (2019)

RESOLVED: That authorization to seek amendments to documentation pertaining to the Lower Hill LERTA District and Lower Hill LERTA Cooperation Agreement, is hereby approved.

RESOLUTION NO. 367 (2019)

RESOLVED: That authorization to amend the Lower Hill LERTA Declaration of Restrictive Covenants, is hereby approved.

There being no further actions to come before the Members, the Meeting was adjourned.


Assistant Secretary

October 17, 2019

Hill District Development Stakeholders Lower Hill Term Sheet Recommendations for Blocks B and E

Dear Mayor Peduto, Councilman Lavelle, and Chairperson Williamson,

On Wednesday, October 16th the Hill CDC convened Hill District Development Stakeholders to review the Term Sheet for Blocks B and E, provided last week at the URA Board of Directors Meeting. The Hill District Development Stakeholders include residents, business owners, community-based organizations, faith-based leaders, technicians, members of the Development Review Panel, members of the Hill Community Land Trust, and members of the Hill District Consensus Group. We make the following recommendations on behalf of the Hill District community.

The Hill District Development Stakeholders are disappointed that the public benefits to be returned to the community in exchange for additional public investment into the private development of the 28-Acre Lower Hill site were determined without appropriate levels of engagement, direct input or discussion with the Hill District vested stakeholders. As such, our first request is to use Friday's Special URA Board Meeting to update the public on where the process stands, including to schedule a meeting with Hill District Development Stakeholders, the Pittsburgh Penguins, the Mayor's office, Councilman Lavelle, and the URA to finalize the details of the term sheet for vote during the week of October 21, 2019.

In making these requests, it is not our goal to renegotiate the Community Collaboration and Implementation Plan ("CCIP"), rather we hope to ensure that the CCIP principles, as well as those of the Greater Hill District Master Plan, are fulfilled within the context of this current negotiation as additional relief and public subsidy are being requested. We believe it is government's responsibility to be good stewards of public interests, and as such, we believe the burden of inconvenience should rest at the feet of the process that has delayed this decision. We implore the public officials who are engaged in this effort to leverage this moment to further examine whether this deal can further benefit the residents of the City, and specifically, the Hill District community. We believe such examination requires more study, more engagement and more transparency.

Below you will find a list of preliminary recommendations compiled by Hill District Development Stakeholders:

- Remove the commercially reasonable standard for commitments by the Pittsburgh Arena Real Estate Redevelopment ("PAR"), the development arm of the Pittsburgh Penguins. The public's financial commitments to PAR are not conditional, therefore, PAR's commitments in return should not be conditioned.

- Include language that coordinates any development on the Lower Hill site throughout the neighborhood, particularly Centre Avenue infrastructure, commercial project gap financing and parking. The Middle Hill District will need a parking solution that will likely include a structured parking garage.
- Commitment to move Zone 2 to a Kirkpatrick Street location or other community-endorsed location. A long-term lease would allow a community-entity/MBE to partner, own and/or develop the new Zone 2 site.
- In efforts to not isolate the Middle Hill District commercial corridors from the Lower Hill (such as the Waterfront and 8th Avenue in Homestead) assure extensive collaboration between New Granada Square Programming, Centre Avenue Corridor redevelopment, and the Lower Hill Music Venue and commercial components.
- Ammon Recreation Center is a publicly owned facility. As such, the money for its repairs should come from the City's capital budget. If Ammon Recreation Center is to be specifically named in the Term Sheet, however, PAR and the City must assure Ammon Recreation updates are done in coordination with key stakeholders, including, but not limited to Macedonia Church and affiliates.
- In an effort to strengthen the Hill District ecosystem, Hill District organizations should be considered as partners on Lower Hill initiatives prior to external organizations.
- Regarding the First Source Hiring, commit to low-level, mid-level, and executive-level placement.
- Commit to a Community Workforce Agreement to be incorporated within the Project Labor Agreement for all phases of Lower Hill Development.
- URA and City of Pittsburgh will work with the Hill CLT to transfer ownership of critical, publicly owned, residential and commercial parcels, specifically in the Middle and Upper Hill District, but not excluding the Lower Hill District.

We submit the above to you on behalf of the Greater Hill District Community.

Sincerely,

Hill District Development Stakeholders

CC: Diamonte Walker, Interim URA Director/Deputy Director
Kevin Acklin, Senior VP and General Counsel at the Pittsburgh Penguins

