

Minutes of the Hybrid Special Board Meeting of the Urban Redevelopment Authority of Pittsburgh.

July 25, 2024 – 2:00 P.M., E.S.T.

Members Present: Chintalapalli, Lavelle, Williamson, Connelly, Powell

Members Absent: None

Staff Present: Nemani-Stanger, Link, Geiger, Fews, Wilhelm, Link, Mathews, Schacht and Bohince

Chair Chintalapalli called the Special Meeting to order and declared a quorum present.

1. General

- a. Roll Call

2. Announcements

- a. 2024 Pennsylvania Housing Finance Agency (PHFA) LIHTC Awards
- b. 2023 Housing Opportunity Fund (HOF) Annual Report

3. Public Comments – See attached.

4. Hill District - Lower Hill Block E2 Entertainment Venue

- a. Authorization to rescind 2023 Resolution Nos. 170, 171, 172, and 173.
- b. Authorization to approve Parcel E. Holdco, LLC as Redeveloper for the Take Down of Tract 13 (a subdivision of Block 2-C, Lot 406) in the 3rd Ward of the City of Pittsburgh (“Take Down of Block E2”).
- c. Final Board Approval pursuant to the Comprehensive Option Agreement (the “Option Agreement”) among the URA, the Sports & Exhibition Authority of Pittsburgh and Allegheny County (SEA), and Pittsburgh Arena Real Estate Redevelopment, LP, of the conceptual development plans for the Take Down of Block E2, subject to all reviews and approvals provided in the Option Agreement and conditioned on those community benefits to be approved by the URA’s Board of Directors.
- d. Authorization to enter into any agreements as may be required to effectuate the Take Down of Block E2.

Ms. Nemani-Stanger requested Board approval of the above items.

Mr. Tom Link, Chief Development Officer presented that on March 22, 2024, Pittsburgh Arena Real Estate Redevelopment LP (“**PAR**”) and PAR Music Venue Owner LLC (“**Venue Parcel Owner**”) submitted a Take Down Notice for Take Down Tract #13, also known as **Block E2**, a 0.974-acre subdivision of Block 2-C, Lot 406, located between Wylie Avenue, Logan Street, and Fullerton Street.

Through this newly submitted Take Down Notice of Tract #13, PAR has specifically requested that Block E be subdivided into Block E1 (future parking garage) and Block E2 (live entertainment venue). Block E2 will then be conveyed from the SEA to the Venue Parcel Owner via special warranty deed. After the delivery of the deed, the Venue Parcel Owner will enter into a ground lease agreement with Parcel E. Holdco, LLC for the construction of a live entertainment venue to be operated on Block E2. Parcel E. Holdco, LLC, a Delaware limited liability company, shall be directly or indirectly 51% owned by Live Nation Worldwide, Inc., a Delaware corporation, and directly or indirectly 49% owned by Fenway Sports Group, LLC, a Delaware limited liability company. Live Nation Worldwide, Inc. is a wholly owned subsidiary of Live Nation Entertainment, Inc., a publicly traded Delaware corporation.

At the formal written request of PAR, the URA seeks authorization to rescind Resolutions 170, 171, 172, and 173 of 2023 to reflect that Take Down #7 will no longer occur due to changes in redevelopment plans for Block E. At the formal written request of PAR, the URA further seeks authorization for the approval of the Take Down Notice of Take Down Tract #13. Such approval contains substantially similar conditions to those approved by the URA Board of Directors on May 11, 2023, but will be limited to the Block E2 live entertainment venue. The URA has included these revised conditions for authorizations for the potential future takedown of Block E1.

The Take Down Notice Tract #13 is a departure from the previously submitted notice for Take Down Tract #7, dated October 8, 2019, and supplemented in 2022 and 2023, which encompassed the entirety of Block E, which involved the construction of a parking garage with a public safety facility, and the construction of a live entertainment venue. The most recent Take Down Notice for Tract #13 is focused solely on the construction of the Block E2 live entertainment venue and does not include construction of a parking garage with a public safety facility.

Block E2 is owned by the Sports and Exhibition Authority of Pittsburgh and Allegheny County (“SEA”). Pursuant to the June 20, 2018, Amended and Restated Comprehensive Option Agreement by and between PAR, the SEA, and the URA (“Option Agreement”), the SEA’s and the URA’s Board of Directors must give final approval prior to the takedown of any property comprising the Lower Hill site.

The chart below illustrates the differences between the 2023 Take Down Notice and the 2024 Take Down Notice designs.

	2023	2024
Project Program:	<ul style="list-style-type: none"> • Six-story, 910 space, above ground parking garage with street-level commercial space • Public safety facility • Entertainment venue with commercial space 	<ul style="list-style-type: none"> • Entertainment venue with commercial street level space
Building Area:	<ul style="list-style-type: none"> • 319,000 SF – Garage • 2,430 SF – Commercial space in garage • 7,600 SF – Commercial space in venue • 2,600 SF – Public safety facility • 80,000 SF – Entertainment venue 	<ul style="list-style-type: none"> • 98,500 SF – Entertainment Venue • 7,300 SF – Commercial space in venue

Total Project Cost:	<ul style="list-style-type: none"> • \$110 Million 	<ul style="list-style-type: none"> • \$64 Million
Community Benefits:	<ul style="list-style-type: none"> • Retail incubator space • Ammon Recreation Center Donation (full) • New Granada Theater booking agreement • New Granada Theater parking • LERTA • \$2 ticket surcharge • MWBE, Sustainability, Economic Impact, and Workforce Development • Curtain Call funding • Penguins Foundation to join New Granada Theater fundraising committee • First Source Center • Public safety facility • Penguins donation to New Granada Theater (fulfilled) 	<ul style="list-style-type: none"> • Retail incubator space • Ammon Recreation Center Donation (phased) • New Granada Theater booking agreement • New Granada Theater parking • LERTA • \$2 ticket surcharge • MWBE, Sustainability, Economic Impact, and Workforce Development • Curtain Call funding • Penguins Foundation to join New Granada Theater fundraising committee • First Source Center

These community benefits, among other conditions required by the Option Agreement, will be included in the Block E2 Disposition Contract. If the Redeveloper fails to meet these conditions, the SEA will have the right to repossess the land, by reverter deed, as will be set forth in the Block E2 Disposition Contract. This authorization is subject to receipt and URA and SEA staff review, and approval of all items required by the Option Agreement before closing.

The URA Board was briefed on updates to Block E at the Regular URA Board Meetings held November 10, 2022, March 9, 2023, and May 11, 2023, and briefed on the following resolutions on June 13, 2024.

Principals:

Kevin Acklin, PAR Music Venue Owner LLC

David Codiga, Parcel E Holdco, LLC

Aaron Waller, Sports and Exhibition Authority of Pittsburgh and Allegheny County

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

RESOLUTION NO. 129 (2024)

Resolved: That 2023 Resolution Nos. 170, 171, 172, and 173 are hereby rescinded.

RESOLUTION NO. 130 (2024)

Resolved: That Parcel E. Holdco, LLC is approved as Redeveloper for the Take Down of Block E2 (a subdivision of Block 2-C, Lot 406) in the 3rd Ward (“Take Down Tract #13”). This Resolution is further conditioned upon the requirements set forth in Resolution 131 (2024).

RESOLUTION NO. 131 (2024)

Resolved: That Final Board Approval of the Urban Redevelopment Authority of Pittsburgh (“Authority”) Board of Directors is given pursuant to the Amended and Restated Comprehensive Option Agreement (“Option Agreement”) among the Authority, the Sports and Exhibition Authority of Pittsburgh and Allegheny County (“SEA”) and Pittsburgh Arena Real Estate Redevelopment LP (“PAR”) of the Take Down Notice regarding Take Down Tract #13 (Lower Hill Redevelopment Site), for the take down of Block E2 (a subdivision of Block 2-C, Lot 406) in the 3rd Ward (“Block E2” or “Take Down Tract #13”) to develop a live entertainment venue on Block E2 (“Block E2 Venue”), subject to all reviews and approvals provided in the Option Agreement. This Resolution is further conditioned upon the following requirements:

a. PAR shall cause Live Nation Worldwide, Inc., Fenway Sports Group, Parcel E. Holdco, LLC or a related entity acting as the developer of the Block E2 Venue (“Venue Developer”), to fully comply with the Minority and Women Owned Business Enterprise (“MWBE”), Sustainability, Economic Impact, and Workforce Development reporting and compliance measures, as described in the Option Agreement, for the Block E2 Venue;

b. If the Final Land Development Plan for Block E, as approved by the City of Pittsburgh Planning Commission, is modified with respect to the Block E2 Venue, PAR shall cause the Venue Developer to submit the revised drawings/plans to the Authority and SEA for review prior to submission of the Final Land Development Plan to the City of Pittsburgh Planning Commission, if required;

c. PAR shall use, or shall cause the Venue Developer or the entity leasing and operating the Block E2 Venue to use commercially reasonable efforts to reengage with financial institutions to monetize 50% of the Block E2 Lower Hill Local Economic Revitalization Tax Assistance (“LERTA”) Owner Payment for the benefit of the Greater Hill District Neighborhood Reinvestment Fund (“GHDNRF”) at the earlier of (a) 36 months from the financial closing of Block E2 or (b) when commercial lender interest rates fall below 5%, with an interest rate and assessment methodology acceptable to URA and SEA staff;

d. Execution of a Ticket Surcharge Agreement, in a form acceptable to URA and SEA staff, by and between the URA, SEA, PAR, and the Venue Developer, which will provide a \$2 surcharge on every sale of a public ticket for the first 10 years, beginning with the first ticketed event of the operation of the Block E2 Venue to the GHDNRF;

e. PAR shall submit, or shall cause its developer to submit, to the URA and SEA proof of financing of the Curtain Call project, at the time the Curtain Call Take Down Notice is submitted;

f. PAR shall cause the Venue Developer to enter into a Booking Agreement requiring the Venue Developer to book and promote at least 25 events per year at the New Granada Theater during the New Granada Theater first five years of operation;

g. PAR or the Venue Developer shall make up to 250 parking spaces available for New Granada Theater events, occurring on days where there are no events at the PPG Paints Arena, during the New Granada Theater’s first five years of operation, at no cost to New Granada Theater;

h. PAR shall cause the Pittsburgh Penguins Foundation (or a related entity) to serve as a member of the New Granada Theater fundraising committee;

i. PAR or a related entity shall make a \$900,000.00 donation to the City of Pittsburgh for the rehabilitation of the Ammon Recreation Center, which shall be payable as follows: \$250,000.00 shall be paid at the financial closing of the Block E2 Venue, and the remaining \$250,000.00 shall be paid 12 months after the financial closing of the Block E2 Venue; \$400,000.00 shall be paid at the financial closing of the take down in connection with the E1 subdivision or as otherwise required by the URA or the City of Pittsburgh; and

j. PAR and the Venue Developer shall pursue or continue to pursue a Hill District-oriented training program through the First Source Center and Partner4Work focusing on training and hiring employees (consistent with the Community Collaboration & Implementation Plan) for the service, hospitality, and technical trade jobs at the Block E2 Venue.

RESOLUTION NO. 132 (2024)

Resolved: That the Executive Director, Chief Operating Officer, Chief Development Officer, or Chief Financial Officer, on behalf of the Authority, is hereby authorized to execute such documents as may be required to effectuate the Take Down of Block E2 (a subdivision of Block 2-C, Lot 406) in the 3rd Ward of the City of Pittsburgh and the Secretary or Assistance Secretary is authorized and directed to attest the same and affix the seal of the Authority thereto. This Resolution is further conditioned upon the requirements set forth in Resolution 131 (2024).

5. Hill District - New Granada Theater

- a. Authorization to enter into a Sub-Recipient Agreement with Hill Community Development Corporation (Hill CDC) or a related entity for the disbursement of ARPA Funds in an amount not to exceed \$2,000,000 for the reimbursement of costs associated with the stabilization of the New Granada Theater.

Ms. Nemani-Stanger requested Board approval of the above item.

Maya Fewes, Project Manager, Project & Asset Management Unit, presented that the New Granada Theater was built in 1928 and was an entertainment destination in the Hill District that hosted historic jazz musicians like Duke Ellington, Ella Fitzgerald, and Louis Armstrong. In addition to hosting legendary jazz musicians, the New Granada Theater also contained a ballroom on the second floor, and a movie theater. The historic New Granada Theater closed in 1974 and was acquired by the Hill Community Development Corporation (Hill CDC) in 1995.

Since its permanent closure in 1974, the New Granada Theater has remained vacant, and the structure has begun to deteriorate due to long periods of inactivity. The Hill CDC plans to preserve and restore the historic theater, which will feature a community event space, a performance space, food hall, and restaurant.

American Rescue Plan Act (ARPA) funds will be used to reimburse project costs incurred, including facade and exterior improvements, building envelope repairs, demolition of the existing structures, masonry restoration, excavation and structural improvements, and asbestos abatement.

The New Granada Theater project is part of commercial development that is currently occurring throughout the business corridor of the Hill District and is actively working to alleviate the negative economic impacts caused by the Covid-19 pandemic.

The Hill CDC is a registered 501(c)(3) non-profit organization located at, 205 Centre Avenue, Suite 201, Pittsburgh, PA 15219.

Principal:

Marimba Milliones, President & CEO.

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

RESOLUTION NO. 133 (2024)

RESOLVED: That a sub-recipient agreement with Hill Community Development Corporation (Hill CDC), or related entity, for the disbursement of American Rescue Plan Act (ARPA) funds to reimburse costs associated with the stabilization of the New Granada Theater, for an amount not to exceed \$2,000,000, is hereby approved, and the Executive Director, Chief Operating Officer, Chief Development Officer, Senior Legal Counsel, and/or Chief Financial Officer, on behalf of the Authority is authorized to execute an agreement therefor, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto.

6. Beechview – 1602-1606 Broadway Avenue

- a. Authorization to enter into an agreement with Bear IC, LLC, or a related entity, for stabilization, rehabilitation, and construction of the core and shell of URA-owned property located at 1602-1606 Broadway Avenue for an amount of up to \$2,421,717.00, payable from American Rescue Plan Act funds and private funds granted to the URA from Casa San Jose pursuant to a Commercial Real Estate Development Agreement, dated January 3, 2024.

Ms. Nemani-Stanger requested Board approval of the above item.

Laya Mathews, Sr. Project Manager, Development Services presented that authorization is requested to enter into a Commercial Real Estate Development Agreement with Bear IC, LLC, or a related entity, for 1602-1606 Broadway Avenue: Phase 1, which includes stabilization, rehabilitation and construction of the core and shell of URA-owned property, as part of a larger project to construct new offices for Casa San Jose (the "Project"). The contract amount will not exceed \$2,421,717.00 and will be payable from American Rescue Plan Act funds and private funds granted to the URA from Casa San Jose for the purpose of fronting a \$1,000,000 Redevelopment Assistance Capital Program (RACP) grant.

Casa San Jose is a community resource center that advocates for and empowers Latinx communities by promoting integration and self-sufficiency through a variety of programs. The Project will renovate the existing structure and construct an addition to the building at 1602-1606 Broadway Avenue and will provide Casa San Jose the opportunity to expand services and offer additional programming for all ages with new offices and community gathering spaces.

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The Project will be completed in two phases. Phase 1 will consist of the building's core and shell construction, including the essential structural, mechanical, electrical, and plumbing systems, and miscellaneous construction. Phase one will fully expend the funds from the ARPA grant and will utilize matching funds from Casa San Jose for the purpose of securing Redevelopment Assistance Capital Program (RACP) funding. The URA intends to complete Phase 1 of the Project and transfer the property to Casa San Jose via its standard disposition process. Casa San Jose will complete Phase 2, which will include the tenant build-out within the existing building at 1602-1606 Broadway Avenue to accommodate Casa San Jose's specific requirements.

Casa San Jose is a nonprofit with a mailing address of 2116 Broadway Avenue, Pittsburgh, PA 15216.

Principal:

Monica Ruiz-Caraballo, Executive Director.

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

RESOLUTION NO. 134 (2024)

RESOLVED: That an agreement with Bear IC, LLC, or a related entity, for stabilization, rehabilitation, and construction of the core and shell 1602-1606 Broadway Avenue, for an amount not to exceed \$2,421,717, payable from American Rescue Plan Act (ARPA) funding and private funds is hereby approved, and the Executive Director, Chief Operating Officer, Chief Development Officer, Senior Legal Counsel, and/or Chief Financial Officer, on behalf of the Authority is authorized to execute an agreement therefor, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto.

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

DocuSigned by:

Theresa Schacht

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Board Secretary