



**Manchester-Chateau Transit Revitalization Investment District
Phase 1 Implementation Plan**

November 14, 2024

FINAL DRAFT

Urban Redevelopment Authority of Pittsburgh

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Section 3: Frequently Used Terms

City = the City of Pittsburgh.

County = County of Allegheny.

DCP = City of Pittsburgh, Department of City Planning.

DOMI = City of Pittsburgh, Department of Mobility & Infrastructure.

Esplanade Development or Esplanade = An economic development project undertaken by Esplanade Partners, LP, an affiliate of Piatt Companies.

Management Entity = the entity designated to administer, manage, and facilitate the implementation of the TRID planning study. The Urban Redevelopment Authority of Pittsburgh is designated as the Management Entity for the Manchester-Chateau TRID Phase 1.

MC = Manchester-Chateau, the geographic area of Pittsburgh's Manchester and Chateau neighborhoods.

MC TRID Planning Study = Manchester Reunited TRID Action Study. This planning document was published by the City of Pittsburgh's Department of City Planning to study the potential of a TRID in the Manchester and Chateau neighborhoods and develop a series of recommendations for furthering the development of a TRID. A link to the study can be found [here](#).

MCNP = Manchester-Chateau Neighborhood Plan. This planning document was developed by the City of Pittsburgh's Department of City Planning as a comprehensive, forward-looking neighborhood development plan.

MC TRID = Manchester-Chateau Transit Revitalization Investment District.

Partner4Work = A workforce development organization assisting in providing employment opportunities for neighborhood residents.

Pledged Project = An economic development project that generates tax increment and is part of the TRID value capture mechanism.

Pledged Parcel = Real estate parcel(s) upon which pledged project(s) are built.

PRT = Port Authority of Allegheny County doing business as Pittsburgh Regional Transit.

PPS = Pittsburgh Public Schools.

RCP = Reconnecting Communities Program Planning Grant. This is a U.S. Department of Transportation grant awarded to the City of Pittsburgh to advance and support the reconnection of the Manchester and Chateau neighborhoods by studying alternative configurations to state route PA-65.

3TB = Three Taxing Bodies (City of Pittsburgh, Pittsburgh Public Schools, and Allegheny County).

URA = Urban Redevelopment Authority of Pittsburgh, the City of Pittsburgh’s economic development enterprise and Management Entity for the MC TRID.

Section 4: Summary of Manchester-Chateau TRID Phase 1 Pledged Projects

The Manchester-Chateau TRID is a public investment strategy designed to incentivize catalytic economic development, encourage significant investment in transit and other public infrastructure, and provide gap funding for economic development, infrastructure improvements, and community development projects within the TRID boundary, which includes future potential transit corridor from the Allegheny light rail station northwestern towards the McKees Rocks bridge.

This section provides high-level fiscal and project-related information for MC TRID Phase 1 Pledged Projects.

A. Pledged Parcels in Manchester-Chateau TRID Phase 1 (i.e., Esplanade Development Phases A and B)

Number	Parcel ID	Owner	Tax Status	Total Base Year Market Value	Taxable Assessed Value
1.	7-A-14	Campolongo Family LP	Taxable	\$750,100	\$750,100
2.	7-A-200	D S R INC	Taxable	\$1,350,000	\$1,350,000
3.	7-A-250	Esplanade Partners LP	Taxable	\$1,172,100	\$1,172,100
4.	7-A-325	Esplanade Partners LP	Taxable	\$1,153,700	\$1,153,700
5.	7-B-60	Esplanade Partners LP	Taxable	\$26,500	\$26,500
6.	7-E-30	Urban Redevelopment Authority of Pittsburgh	Exempt	\$153,100	\$0
7.	7-E-70	Esplanade Partners LP	Taxable	\$2,500	\$2,500

Number	Parcel ID	Owner	Tax Status	Total Base Year Market Value	Taxable Assessed Value
8.	7-F-2	Urban Redevelopment Authority of Pittsburgh	Exempt	\$64,200	\$0
9.	7-F-10	Urban Redevelopment Authority of Pittsburgh	Exempt	\$1,800	\$0
10.	7-F-20	Urban Redevelopment Authority of Pittsburgh	Exempt	\$16,300	\$0
11.	7-F-25	Urban Redevelopment Authority of Pittsburgh	Exempt	\$20,700	\$0
Total				\$4,711,000	\$4,454,900

B. Proposed Pledged Projects with estimates for project size (Sq. Ft.) and post-completion assessed values (subject to change)

Esplanade Development Phase	Pledged Project	Pledged Project End Use	Pledged Project Estimated Units/Size	Pledged Project's Estimated Taxable Assessed Value (Post Completion)
A	P1	Ferris wheel and specialty	1 Ferris wheel 32,000 sq. ft. (retail)	\$5,691,000
A	P2	Apartments and retail	240 units (apartments) ¹ 37,165 sq. ft. (retail) 20 parking spaces	\$35,211,594
A	P3	Retail	60,941 sq. ft. (retail)	\$10,702,000
A	P4	Retail and multimodal parking	27,700 sq. ft (retail) 818 parking spaces	\$18,544,498
A	P6	Residential Condominium	105 units (condos) 120 parking spaces	\$48,384,000
Esplanade Phase A Subtotal				\$118,833,092
B	P4	Hotel and ballroom	225 rooms (hotel) 19,700 sq. ft. (ballroom)	\$32,789,000

¹ It is expected that 20% of these housing units will be affordable at or below 80% Area Median Income.

Esplanade Development Phase	Pledged Project	Pledged Project End Use	Pledged Project Estimated Units/Size	Pledged Project's Estimated Taxable Assessed Value (Post Completion)
B	P5	Office, specialty, retail/food and beverage, and multimodal parking	272,150 sq. ft. (office) 18,500 sq. ft. (specialty) 12,350 sq. ft. (specialty) 415 parking spaces	\$43,410,000
B	P7	Apartments	180 units (apartments)	\$34,603,000
B	7-A-14	Apartments	235 units	\$31,200,000
Esplanade Phase B Subtotal				\$142,002,000
Esplanade Grand Total				\$260,835,092

C. Estimated total project costs (includes Esplanade Development Phases A and B and eligible TRID-funded projects)

The estimated total project cost, including Esplanade and eligible TRID-funded projects, is \$837,000,000.

D. Estimated net proceeds of TRID Financing from Manchester-Chateau TRID Phase 1

The estimated net proceeds of TRID Financing from Manchester-Chateau TRID Phase 1 are \$53,904,000.²

E. Proposed uses of proceeds from TRID financing

The potential, but not limited to, uses of these net proceeds are as follows³:

I. Esplanade (On-Site)

i. Public space and public infrastructure improvements ⁴	\$8,180,000
ii. Multimodal connections and parking structures	\$10,004,000
iii. Riverbank restoration	\$967,000
iv. Affordable housing	<u>\$21,277,000</u>
Total	\$40,428,000

² Based on estimated debt issuance costs as of May 2024. The ultimate amount borrowed may vary due to market conditions at the time of issuance.

³ The net proceeds from each borrowing may be split between on-site uses and off-site uses with on-site receiving 75% of the net proceeds and off-site uses receiving 25% of the net proceeds.

⁴ Public infrastructure is defined as those publicly owned and dedicated structures and facilities on which the continuance and growth of a community depend, including, but not strictly limited to, streets, roadways, road surfaces, bridges, tunnels, easements, rights-of-way, structured public parking facilities, public sanitary and storm water sewers, curbs, sidewalks, public water/power/cable conduits and public drainage structures. Privately owned infrastructure that serves the public interest may also be considered within this definition.

II. Manchester-Chateau (Off-Site)	
i. Green Corridor Connection/ Juniata Underpass	\$2,000,000
ii. Beaver Avenue Two-Way Conversion	\$1,100,000
iii. State Route 65 Planning Study Implementation	\$2,300,000
iv. Infrastructure Improvements Around Allegheny Avenue	\$2,126,000
v. Western Avenue Streetscape Improvements	\$450,000
vi. Corridor B Feasibility Study	\$750,000
vii. Allegheny Station Area Plan	\$750,000
viii. Gap Financing for Affordable Housing	<u>\$4,000,000</u>
Total	\$13,476,000

F. Estimated total cost of proposed improvements and public infrastructure to be partially funded with TRID proceeds

The estimated total cost of proposed improvements and public infrastructure, partially funded with TRID proceeds, is \$836,202,411.

Esplanade Development Phase A Preliminary Sources of Funds	Funding Status	Funding Type	Amount
TRID Financing	Unsecured	Loan	\$26,550,000
Commonwealth of PA Commitment	Secured	Grant	\$35,000,000
Boating Infrastructure Grant	Unsecured	Grant	\$1,500,000
Developer Equity	Secured	Equity	\$71,830,233
Combined Debt	Unsecured	Loan	\$250,491,862
Esplanade Phase A Grand Total			\$385,372,095

Esplanade Development Phase A Preliminary Uses of Funds	Amount
Acquisition Costs	\$14,390,998
Public Infrastructure	\$52,233,272
Construction	\$224,488,260
FF&E	\$3,702,307

Tenant Improvements	16,847,143
Soft Costs	\$73,710,117
Esplanade Development Phase A Uses Grand Total	\$385,372,095

G. Current taxable assessed value of Pledged Projects in Manchester-Chateau TRID Phase 1 (i.e., Esplanade Phases A and B)

\$3,704,800.

H. Projected post-completion assessed value of Pledged Projects in Manchester-Chateau TRID Phase 1 (i.e., Esplanade Phases A and B)

\$258,605,000.

I. TRID Term 40 years

The Manchester-Chateau TRID boundary will be in effect for 40 years. However, the value capture for any Pledged Project will be limited to 20 years, which will commence when each Pledged Project is completed and reassessed or completed and operational, depending on whether the diverted taxes are real estate, parking, or amusement. Furthermore, Pledged Projects that are completed and reassessed/operational within the first 20 years of the 40-year term will be able to benefit from a value-capture period of 20 years. The value capture period will be reduced each year after year 20. For example, the value capture period would be 15 years if a Pledged Project were completed and reassessed/operational in year 25 of the MC TRID.

J. Pledged taxes and related diversion/participation rates

A. Real Estate Tax Increment

- i. 75% pledged to TRID financings or to pay eligible TRID project costs
- ii. 25% retained on a pro-rata basis by the City of Pittsburgh, Pittsburgh Public Schools, and Allegheny County

B. Parking Tax Increment

- i. 75% pledged to TRID financings or to pay eligible TRID project costs
- ii. 25% retained by the City of Pittsburgh

C. Amusement Tax Increment

- i. 75% pledged to TRID financings or to pay eligible TRID project costs
- ii. 25% retained by the City of Pittsburgh

K. Current and projected future tax revenues from Esplanade Phases A and B

A. Current Tax Revenues	
i. Real Estate	\$83,651
ii. Parking	\$0
iii. Amusement	\$0
B. Projected Future Tax Revenues – Esplanade Phase A	
i. Real Estate	\$2,244,752
ii. Parking	\$443,245
iii. Amusement	\$656,020
C. Projected Future Tax Revenues – Esplanade Phase B	
i. Real Estate	\$3,594,263
ii. Parking	\$457,449
iii. Amusement	\$1,071,522

L. Projected annual taxes generated by Esplanade Phases A and B after full development based on current millage and tax rates⁵

Esplanade Phase A			
Taxing Body	Projected	Current	Tax Increment
City of Pittsburgh (Real Estate)	\$785,273	\$11,250	\$774,023
Pittsburgh Public Schools (Real Estate)	\$998,642	\$14,307	\$984,335
Allegheny County (Real Estate)	\$460,837	\$6,602	\$454,235
City of Pittsburgh (Parking)	\$443,245	\$0	\$443,245
City of Pittsburgh (Amusement)	\$656,020	\$0	\$656,020
Total Taxes (100%)	\$3,344,017	\$32,159	\$3,311,858

Esplanade Phase B			
Taxing Body	Projected	Current	Tax Increment
City of Pittsburgh (Real Estate)	\$1,257,368	\$18,013	\$1,239,354
Pittsburgh Public Schools (Real Estate)	\$1,599,010	\$22,908	\$1,576,102
Allegheny County (Real Estate)	\$737,885	\$10,571	\$727,313

⁵ The millage and tax rates for 2024 are: 8.06 mills per \$1,000 for the City of Pittsburgh, 10.25 mills per \$1,000 for Pittsburgh Public Schools, 4.73 mills per \$1,000 for Allegheny County, the parking tax rate is 37.5% or 0.27273 of the gross parking fee charged, and the amusement tax rate is 5% of the gross admission charge.

City of Pittsburgh (Parking)	\$457,449	\$0	\$457,449
City of Pittsburgh (Amusement)	\$1,071,522	\$0	\$1,071,522
Total Taxes (100%)	\$5,123,233	\$51,492	\$5,071,741

M. Distribution of projected tax increment from the Esplanade Phases A and B Value Capture Periods. Note: 75% will be distributed to TRID-eligible users and 25% to the 3TB.

Esplanade Phase A			
Taxing Body	Tax Increment	TRID Projects (75%)	3TB (25%)
City of Pittsburgh (Real Estate)	\$774,023	\$580,517	\$193,506
Pittsburgh Public Schools (Real Estate)	\$984,335	\$738,251	\$246,084
Allegheny County (Real Estate)	\$454,235	\$340,676	\$113,559
City of Pittsburgh (Parking)	\$443,245	\$332,434	\$110,811
City of Pittsburgh (Amusement)	\$656,020	\$492,015	\$164,005
Total Taxes (100%)	\$3,311,858	\$2,483,893	\$827,964

Esplanade Phase B			
Taxing Body	Tax Increment	TRID Projects (75%)	3TB (25%)
City of Pittsburgh (Real Estate)	\$1,239,354	\$929,516	\$309,839
Pittsburgh Public Schools (Real Estate)	\$1,576,102	\$1,182,077	\$394,026
Allegheny County (Real Estate)	\$727,313	\$545,485	\$181,828
City of Pittsburgh (Parking)	\$457,449	\$343,087	\$114,362
City of Pittsburgh (Amusement)	\$1,071,522	\$803,642	\$267,881
Total Taxes (100%)	\$5,071,741	\$3,803,806	\$1,267,935

N. Current taxes and projected taxes due to 3TB During the Value Capture Periods for Esplanade Phases A and B

Esplanade Phase A			
Taxing Body	Current/Base	3TB (25%)	Total
City of Pittsburgh (Real Estate)	\$11,250	\$193,506	\$204,756
Pittsburgh Public Schools (Real Estate)	\$14,307	\$246,084	\$260,391
Allegheny County (Real Estate)	\$6,602	\$113,559	\$120,161
City of Pittsburgh (Parking)	\$0	\$110,811	\$110,811
City of Pittsburgh (Amusement)	\$0	\$164,005	\$164,005
Total Taxes (100%)	\$32,159	\$827,964	\$860,123

Esplanade Phase B			
Taxing Body	Current/Base	3TB (25%)	Total
City of Pittsburgh (Real Estate)	\$18,013	\$309,839	\$327,852
Pittsburgh Public Schools (Real Estate)	\$22,908	\$394,026	\$416,934
Allegheny County (Real Estate)	\$10,571	\$181,828	\$192,399
City of Pittsburgh (Parking)	\$0	\$114,362	\$114,362
City of Pittsburgh (Amusement)	\$0	\$267,881	\$267,881
Total Taxes (100%)	\$51,492	\$1,267,935	\$1,319,427

O. Job Creation

A third party was contracted to undertake an IMPLAN economic impact analysis to evaluate and estimate the employment effects of the Esplanade development project. The IMPLAN model estimated the creation of 9,378 jobs during the construction period with the following breakdown: 5,738 direct construction jobs, 1,086 indirect construction jobs, and 2,554 induced

construction jobs.⁶ These jobs are estimated to produce nearly \$1.5 billion of economic output for the Pittsburgh region.⁷ For purposes of TRID compliance, construction jobs are subject to state prevailing wage regulations. Esplanade Partners has also engaged with Partners 4 Work for assistance in developing and implementing workforce programming.

The IMPLAN model estimated the following annual employment effects at operational stabilization: 4,505 jobs broken down as 2,096 direct jobs, 981 indirect jobs, and 1,369 induced jobs. These jobs are estimated to produce an annual labor income of \$314 million. The 2,096 direct jobs come from the tenants and support employees directly working at the Esplanade and are expected to include office, restaurant, entertainment, hospitality, specialty, and retail uses.

⁶ Direct jobs are those that result directly from project construction. Indirect jobs are those that result from business-to-business purchases in the supply chain supporting project construction. Induced jobs are those that result from increased spending from employees within the supply chain supporting project construction.

⁷ This is measured as an increase to Pittsburgh's Gross Regional Product.

Section 5: Anticipated TRID Legislative Schedule

Community & Stakeholder Engagement

(MC TRID Planning Study, Reconnecting Communities Grant, MC TRID Implementation Plan)

MCNP Public Open House #1	October 19, 2017
MCNP Public Open House #2	February 21, 2018
MCNP Executive Luncheon	February 22, 2018
MCNP Public Open House #3	May 29, 2019
Launch TRID Public Engagement Plan	April 2021
Community and Stakeholder Interviews	May – July 2021
TRID Planning Study Informational Session	July 17, 2021
TRID Planning Study Community Meeting #1	November 8, 2021
TRID Planning Study Community Meeting #2	November 10, 2021
Release of TRID Planning Study	January 2022
TRID Status Update at MCC hosted public community Meeting	February 21, 2024

Anticipated Legislative Schedule (subject to change)

URA

Board Approval	November 14, 2024
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Allegheny County

Pre-Meeting	September 23, 2024
First Reading	January 7, 2025
Economic Dev. Committee #1	January 15, 2025
Second Reading and Vote	February 4, 2025

Pittsburgh Public Schools

Pre-Meeting	October 23, 2024
Business Committee #1	December 3, 2024
Business Committee #2	January 7, 2025
Agenda Review	January 22, 2025
Public Hearing	January 27, 2025
Legislative Meeting	January 29, 2025

City of Pittsburgh

Pre-Meeting	September 25, 2024
Send Legislation	November 15, 2024
Introduce Legislation	November 19, 2024
Public Hearing (Notice to be posted 30 days in advance)	January 8, 2025
Committee Discussion	January 15, 2025
Final Vote	January 21, 2025

Cooperation Agreement

March 14, 2025

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Section 6: Introduction

The Manchester-Chateau TRID Implementation Plan is a multi-purpose document used to memorialize and communicate the key components of the Manchester Chateau Transit Revitalization Investment District (“MC TRID”). First, it identifies the purpose, geographical boundaries, and structure of the MC TRID. Second, it provides critical information about the scope, scale, composition, and impact of economic and community development projects expected to occur within Phase 1 of the MC TRID. Third, it identifies those parcels of real property that are Pledged Parcels in Phase 1 of the MC TRID, the Esplanade project site. The development of these Phase 1 Pledged Parcels is expected to create significant and sustained economic activity. Fourth, it identifies the public infrastructure, economic development, and community development projects eligible for TRID funding. Fifth, it provides a high-level estimate of the expected financing using the TRID value capture mechanism. Sixth, it details how Phase 1 of the MC TRID addresses certain public policy and legislative considerations, including a proposed legislative schedule.

Section 7: Purpose

Purpose of the Manchester-Chateau TRID

The MC TRID is a public investment value capture tool designed to incentivize catalytic economic development, encourage significant investment in transit and other public infrastructure, and provide gap funding for economic development and infrastructure improvements within the MC TRID boundaries. The MC TRID also serves as the vehicle to implement critical elements of the MC TRID Planning Study. The MC TRID also provides the framework for the public and private partnerships arising through this Implementation Plan. The MC TRID lasts 40 years, allowing public and private partnerships to engage in study, planning, implementation, and, ultimately, operations on various economic development, infrastructure improvement, and community development projects. While the MC TRID boundary will last 40 years, the value capture period for each Pledged Project will be limited to 20 years, provided the Pledged Project is reassessed no later than 20 years into the MC TRID’s term. The value capture period will be reduced by one year for each year after the first 20 years of the MC TRID’s term.

TRID Planning Study

The Manchester Reunited TRID Action Study (“MC TRID Planning Study”); dated January 2022 as commissioned by the Department of City Planning) is the TRID Planning Study that serves as the basis of the MC TRID. It explores how TRID can address several goals related to using economic and community development to reunite the Manchester and Chateau neighborhoods. These neighborhoods were separated by the construction of Pennsylvania State Route 65 in the middle of the 20th century. The TRID plan explores the existing conditions in the Manchester and Chateau, identifies development projects that may be utilized as

Pledged Projects to contribute to the value capture mechanism, and provides recommendations for adopting and implementing a TRID. Lastly, it identifies and recommends public infrastructure improvement and community development projects that can be funded using TRID revenues or the proceeds from TRID borrowings. A link to the study can be found [here](#).

Manchester-Chateau TRID Boundary

The MC TRID encompasses the area shown within the boundaries of the MC TRID Map. See Exhibit A. The MC TRID’s western border is the Ohio River. Its eastern boundary is set by existing and potential future transportation nodes along a transportation corridor beginning with the Port Authority’s Allegheny Light Rail Station and terminating at the McKees Rocks Bridge. The nodes are identified as potential sites for future light rail or bus rapid transit. Each node has a radius that expands 0.5 miles eastward.

Connection to the Reconnecting Communities Planning Grant

The City of Pittsburgh, through its Department of City Planning, was awarded a Reconnecting Communities Planning (“RCP”) grant by the U.S. Department of Transportation in February 2023. The grant application’s narrative states that the “RCP grant will allow [the City of Pittsburgh] to begin a data- and community-driven exploration of how the PA-65 corridor in Manchester could better serve the people surrounding it.”

Stakeholder Engagement

The URA, Piatt Companies, and other key stakeholders, such as Pittsburgh Regional Transit and Pittsburgh’s Departments of City Planning and Mobility and Infrastructure, have engaged with stakeholders throughout TRID process, starting with the TRID planning study and continuing throughout the development of the MC TRID Implementation Plan and its presentation for formal adoption by the 3TBs. Over the past several years, stakeholders have used various community engagement tactics to inform, learn from, and collaborate with the Manchester-Chateau community on MC TRID-related topics such as the TRID Planning study, Esplanade, and the TRID process. The feedback and outputs from these engagement sessions have been incorporated into the TRID Planning Study and, subsequently, this TRID Implementation Plan.

Section 8: Manchester-Chateau TRID Phase 1

This section of the MC TRID Implementation Plan identifies and details the following components of Phase 1 of the MC TRID: the Pledged Parcels, the economic development projects Pledged Projects⁸, the estimated taxes to be pledged to support the eligible uses of

⁸ Pledged Projects are those economic development projects that are expected to dramatically increase economic and fiscal value within the MC TRID. Certain tax revenues derived from the new economic activity will be pledged

TRID funds, the expected economic impact and job creation during the construction period, and compliance and other policy considerations.

Pledged Parcels and Pledged Projects

The Pledged Parcels are those land tracts upon which certain Pledged Projects will be constructed. The Pledged Parcels for the Esplanade are 7-A-200, 7-A-250, 7-A-325, 7-B-60, 7-F-2, and 7-F-25.⁹ The table below shows the owners, tax status, market value, and taxable assessed value of each Pledged Parcel as of May 3, 2024.¹⁰ The aggregate taxable assessed value of these Pledged Parcels is \$3,704,800.

Number	Parcel ID	Owner	Tax Status	Full Base Year Market Value	Taxable Assessed Value
1.	7-A-14	CAMPOLONGO FAMILY LP	Taxable	\$750,100	\$750,100
2.	7-A-200	D S R INC	Taxable	\$1,350,000	\$1,350,000
3.	7-A-250	Esplanade Partners LP	Taxable	\$1,172,100	\$1,172,100
4.	7-A-325	Esplanade Partners LP	Taxable	\$1,153,700	\$1,153,700
5.	7-B-60	Esplanade Partners LP	Taxable	\$26,500	\$26,500
6.	7-E-30	Urban Redevelopment Authority of Pittsburgh	Exempt	\$153,100	\$0
7.	7-E-70	Esplanade Partners LP	Taxable	\$2,500	\$2,500

to support construction related activities for public infrastructure improvement, community development, and affordable housing.

⁹ This also includes any future permutation of said parcels (*e.g.*, consolidated parcels, subdivided parcels, etc.)

¹⁰ This information is sourced from the Allegheny County Real Estate Portal.

Number	Parcel ID	Owner	Tax Status	Full Base Year Market Value	Taxable Assessed Value
8.	7-F-2	Urban Redevelopment Authority of Pittsburgh	Exempt	\$64,200	\$0
9.	7-F-10	Urban Redevelopment Authority of Pittsburgh	Exempt	\$1,800	\$0
10.	7-F-20	Urban Redevelopment Authority of Pittsburgh	Exempt	\$16,300	\$0
11.	7-F-25	Urban Redevelopment Authority of Pittsburgh	Exempt	\$20,700	\$0
Totals				\$4,711,000	\$4,454,900

Exhibit B is a map showing the Pledged Parcels existing conditions.

Esplanade

Esplanade is an economic development project undertaken by Esplanade Partners, LP, an affiliate of Millcraft Investments, Inc. D/B/A Piatt Companies. Esplanade intends to transform an underutilized/brownfield site into an inclusive part of the Manchester-Chateau community, with a world-class character that fosters healthy, active, and sustainable living and reconnects the community to the riverfront. Esplanade will be developed in two phases over six to ten years and will consist of the following components (with projected square footage and/or unit counts):

1. P1—Ferris Wheel Building will feature a Ferris wheel on top of 32,000 gross square feet of retail space.

2. P2—Residential Apartment Building #1 will have a projected 240 apartment units, 20% of which will be affordable at or below 80% of Area Median Income, and limited parking. The building will also have ground-level retail.¹¹
3. P3—Specialty Public Retail will be the centerpiece of the project and be known as the “Current.” It will include 61,000 gross square feet of experiential retail space, which will activate the site with dining, family attractions, event space, abundant open space, and a rooftop pool.
4. P4—Public Parking Garage, which will support the variety of uses within the project. It will also have ground-level retail and will support a future tower above, currently planned for an office or flex use, that will be built as part of phase B of the project. Esplanade Partners, LP must secure a large user/tenant before building the office.
5. P6—The condominium Building will consist of 105 units and 120 integral parking spaces. It will also have ground-level retail of 18,500 gross square feet.
6. P5 – Aquarium and Hotel. The ground level of the building will be shared between the attraction and the hotel tower, and the building will also include parking for the project. If built, the aquarium is estimated to bring 1,000,000 visitors to the project.
7. P7 – Residential Apartment Building #2 is expected to have 180 units and integral parking.

These seven development projects will be the Pledged Projects, which generate tax revenues that will be pledged to support a portion of eligible costs associated with the development of public infrastructure improvements, community development projects, and affordable housing. The table below details each Pledged Project, including its end-use, estimated size, and estimated post-completion taxable assessed value.

Esplanade Development Phase	Pledged Project	Pledged Project End Use	Pledged Project Estimated Units/Size	Pledged Project’s Estimated Taxable Assessed Value (Post Completion)
A	P1	Ferris wheel and specialty	1 Ferris wheel 32,000 sq. ft. (retail)	\$5,691,000
A	P2	Apartments and retail	240 units (apartments) 37,165 sq. ft. (retail) 20 parking spaces	\$35,211,594
A	P3	Retail	60,941 sq. ft. (retail)	\$10,702,000
A	P4	Retail and multimodal parking	27,700 sq. ft (retail) 818 parking spaces	\$18,544,498
B	P4	Office	272,150 sq. ft. (office)	\$43,410,000

¹¹ The final affordability mix will be determined, in part, by City of Pittsburgh policy requirements at the time the project advances to construction.

Esplanade Development Phase	Pledged Project	Pledged Project End Use	Pledged Project Estimated Units/Size	Pledged Project's Estimated Taxable Assessed Value (Post Completion)
A	P6	Condominium	105 units (condos) 120 parking spaces	\$48,384,000
B	P5	Hotel, specialty, retail/food and beverage, and multimodal parking	225 rooms (hotel) 19,700 sq. ft. (ballroom)50,000 sq. ft. (specialty) 12,350 sq. ft. (specialty) 415 parking spaces	\$32,789,000
B	P7	Apartments	180 units (apartments)	\$34,603,000
B	7-A-14	Apartments	235 units (apartments)	\$31,200,000
			Total Post-Completion Estimated Assessed Value of Pledged Projects	\$260,835,092

These development projects have an estimated total development cost of \$814,500,000. Each Pledged Project will be funded through equity, bridge financing, public financing, and construction/permanent debt financing. Public funding includes secured sources of a \$25 million Redevelopment Assistance Capital Program (RACP) grant from the Commonwealth of Pennsylvania, Office of Budget, and a \$10 million Transportation Infrastructure Investment Fund (TIIF) from the Commonwealth of Pennsylvania, Department of Transportation.

Pledged Taxes, Tax Base, Future Assessed Values, and Tax Increment Analysis

The Pledged Taxes supporting eligible project costs in the Manchester-Chateau TRID Phase 1 are real estate, parking, and amusement taxes.

Base Taxes

The base tax reflects the current tax revenues generated by the current end-use and activities on the Pledged Parcels and received by each taxing authority. The table below displays the 2024 tax rates, the aggregate value of the tax base, and the aggregate amount of taxes due to each taxing body. The 3TBs will receive their respective aggregate base taxes each year of the MC TRID Phase 1. The total aggregate base taxes are \$83,651.42.

Taxing Body and Tax Type	Tax Rate	Aggregate Tax Base¹² per Taxing Body and Tax Type	Aggregate Base Taxes¹³ per Taxing Body and Tax Type
City of Pittsburgh Real Estate	0.00806	\$3,704,800	\$29,263
Pittsburgh Public Schools Real Estate	0.01025	\$3,704,800	\$37,215
Allegheny County Real Estate	0.00473	\$3,704,800	\$17,173
City of Pittsburgh Parking	0.27273 ¹⁴	\$0	\$0
City of Pittsburgh Amusement	5%	\$0	\$0
		Total	\$83,651

The City of Pittsburgh, Pittsburgh Public Schools, and Allegheny County have been asked to participate in the MC TRID and invest 75% of the incremental tax revenue derived from Esplanade projects to be used to support eligible uses of TRID funds both on the Esplanade site and nearby within TRID boundary. **These 3TBs would retain 25% of incremental tax revenue and existing base taxes during the TRID term.** This is further illustrated below in the tax increment analysis tables. The column “Pledged Increment Tax Revenue” estimates the annual tax revenues pledged to support eligible uses of TRID funds.

Esplanade Development Phases

The Esplanade Development project is currently, subject to change, contemplating a 2 phased development – Phase A and Phase B.

The Tax Increment Analysis of Projected Tax Revenues, for the purposes of illustration, are presented here by respective phases.

Esplanade Development Phase A

During the first 20 years after the preliminary Esplanade Development Phase A has been completed, the Pledged Projects in Esplanade Development Phase A are estimated to generate Pledged Increment totaling \$2,445,274 annually. This is the expected amount available annually to support eligible costs or repay debt service on a financial instrument such as a bond or note. The gross net proceeds of said financial instrument would support eligible costs of projects eligible for TRID funding. Esplanade Development Phase A Pledged Projects are estimated to

¹² As of tax year 2024.

¹³ The two percent discount for early payment of real estate taxes is factored into the real estate tax calculations.

¹⁴ The parking tax rate is 37.5% or 0.27273 of the gross parking fee charged. 0.27273 is used for the purposes of estimating all parking tax revenues.

annually generate \$898,743 in tax revenues that the 3TBs will retain on a pro-rata basis. This amount also represents an increase of **10.74 times** the existing tax revenues.

Tax Increment Analysis of Projected Annual Tax Revenues for Esplanade Development Phase A (U.S. \$)						
Column A	Column B	Column C	Column D	Column E	Column F	Column G
Taxing Body & Tax Type	Gross Tax Revenue	Base Tax Revenue	Incremental Tax Revenue (B - C)	Retained Increment Tax Revenue (D x 25%)	Pledged Increment Tax Revenue (D x 75%)	Tax Revenue Due to Taxing Body (C + E)
City of Pittsburgh (Real Estate)	785,273	29,263	756,010	189,002	567,007	218,266
Pittsburgh Public Schools (Real Estate)	998,642	37,215	961,427	240,357	721,070	277,571
Allegheny County (Real Estate)	<u>460,837</u>	<u>17,173</u>	<u>443,663</u>	<u>110,916</u>	<u>332,748</u>	<u>128,089</u>
Subtotal (Real Estate Taxes)	2,244,752	83,651	2,161,100	540,275	1,620,825	623,926
City of Pittsburgh (Parking)	443,245	0	443,245	110,811	332,434	110,811
City of Pittsburgh (Amusement)	<u>656,020</u>	<u>0</u>	<u>656,020</u>	<u>164,005</u>	<u>492,015</u>	<u>164,005</u>
Grand Total	3,344,016	83,651	3,260,365	815,091	2,445,274	898,743

* * *

Esplanade Development Phase B

During the first 20 years after the preliminary Esplanade Development Phase B has been completed, the Pledged Projects in Esplanade Development Phase B are estimated to generate Pledged Increment totaling \$3,842,425 annually. This is the estimated amount that will be available annually to support eligible costs or repay debt service on a financial instrument such as a bond or note. The net proceeds of said financial instrument would be used to support eligible costs of projects eligible for TRID funding. Esplanade Development Phase B Pledged Projects are estimated to annually generate \$1,280,808 in tax revenues that the 3TBs will retain on a pro-rata basis.

Tax Increment Analysis of Projected Annual Tax Revenues for Esplanade Development Phase B (U.S. \$)						
Column A	Column B	Column C	Column D	Column E	Column F	Column G
Taxing Body & Tax Type	Gross Tax Revenue	Base Tax Revenue	Incremental Tax Revenue (B - C)	Retained Increment Tax Revenue (D x 25%)	Pledged Increment Tax Revenue (D x 75%)	Tax Revenue Due to Taxing Body (C + E)
City of Pittsburgh (Real Estate)	1,257,368	0	1,257,368	314,342	943,026	314,342
Pittsburgh Public Schools (Real Estate)	1,599,010	0	1,599,010	399,753	1,199,258	399,753
Allegheny County (Real Estate)	<u>737,885</u>	<u>0</u>	<u>737,885</u>	<u>184,471</u>	<u>553,413</u>	<u>184,471</u>
Subtotal (Real Estate Taxes)	3,594,263	0	3,594,263	898,566	2,695,697	898,566
City of Pittsburgh (Parking)	457,449	0	457,449	114,362	343,087	114,362
City of Pittsburgh (Amusement)	<u>1,071,522</u>	<u>0</u>	<u>1,071,522</u>	<u>267,881</u>	<u>803,642</u>	<u>267,881</u>
Grand Total	5,123,233	0	5,123,233	1,280,808	3,842,425	1,280,808

Eligible Uses of TRID Funds

The eligible uses of TRID funds are generally divided into two primary categories: those eligible uses that are planned to occur on the Esplanade development site and those that are planned to occur off-site in the Manchester-Chateau community. The Developer will undertake these on-site eligible uses. Those eligible uses within the Manchester neighborhood near the Esplanade development site are considered off-site eligible uses. These off-site eligible uses will be undertaken by the City of Pittsburgh's Department of Mobility and Infrastructure, the Port Authority of Allegheny County, and the URA (through the administration of a program providing gap financing for affordable housing development).

Based on third-party financial modeling, the estimated net proceeds of TRID financing(s) are \$53,903,342.

For modeling purposes only, and subject to change, the estimated net proceeds of the TRID financing are estimated to be approximately \$26,550,000 as result of the Pledged Increment generated by Esplanade Phae A and approximately \$33,583,807 as a result of the Pledged Increment generated by Esplanade Phase B.

The exact form and timing of borrowing(s) will be determined at a future date.

Exhibit C is a map showing the potential proposed improvements and uses of TRID funds in MC TRID Phase 1.

On-Site Eligible Uses

The on-site eligible uses are affordable housing and public infrastructure improvements such as sidewalks, roads, utilities, multimodal connections and parking structures, and riverbank restoration. An estimated \$40,427,506 will be allocated to the on-site eligible uses as follows:

On-Site Eligible Use	Description	Estimated Amount	Implementor
Public Space and Public Infrastructure Improvements	This entails activities related to site preparation and public infrastructure, including those necessary for the vertical construction of the Esplanade. These activities can include, but are not limited to, site clearing and demolition, erosion control, excavation and grading, bike and pedestrian trail construction, roads, curbs and sidewalks, and other public infrastructure and site amenities such as landscaping, hardscaping, public gathering spaces, site lighting, security, and signage, etc. The utility scope includes replacing and relocating existing underground utilities, new underground electric, telecommunications, gas, water, and sanitary sewer utilities, building service lines, and installing storm sewers and green stormwater infrastructure to remove flows from the PWSA system.	\$8,179,463	Esplanade Partners or related developer of a Pledged Project
Multimodal Connections and Parking Structures	Representative projects can include, but are not limited to, a public parking garage to support the Esplanade and allow access to future light rail, bus rapid transit routes, or	\$10,004,218	Esplanade Partners or related developer of a

On-Site Eligible Use	Description	Estimated Amount	Implementor
	other transit system, improvements to pedestrian and bicycle connections, as well as a public pier.		Pledged Project
Riverbank Restoration	Representative projects can include, but are not limited to, relocating the Heritage trail closer to the Ohio River and separating pedestrian trail users from bicyclists, removing invasive plant species and replacing them with native vegetation, developing dedicated connections to public and private marine infrastructure to the riverbank, and installing green infrastructure to minimize erosion and control stormwater flows to the river while simultaneously removing flows from the PWSA sewer system.	\$967,123	Esplanade Partners or related developer of a Pledged Project
Affordable Housing	Esplanade is committed to providing affordable housing within its development.	\$21,276,702	Esplanade Partners or related developer of a Pledged Project
	Total	\$40,427,506	

Off-site Eligible Uses

Public infrastructure improvements and affordable housing are among the off-site eligible uses. The table below displays how TRID net proceeds totaling an estimated \$13,475,836 will be allocated to these uses.

Off-Site Eligible Use	Description	Estimated Amount	Implementor
Infrastructure and Public Space Improvements	Representative projects can include but are not limited to: Green Corridor Connection/ Juniata Underpass, Allegheny Avenue Public Space Improvements, and Western Avenue Public Space Improvements	\$4,575,836	DOMI
Multimodal Connections and Roadway Improvements	Representative projects can include but are not limited to: Beaver Avenue Two-Way Conversion and reconstruction and activation of the Juniata Street underpass to improve pedestrian and bicycle connections Implementation of Recommendations from the State Route 65 Planning Study (Reconnecting Communities)	\$3,400,000	DOMI
Plans and Feasibility Studies	Representative projects can include but are not limited to: Corridor B Feasibility Study Allegheny Station Area Plan	\$1,500,000	PRT
Gap Financing for Affordable Housing	The establishment of a fund or other mechanism to provide gap financing to affordable housing projects.	\$4,000,000	URA, as administrator of funds to finance future affordable housing developments
	Total	\$13,475,836	

Economic Impact Analysis

In November 2024, the Pennsylvania Economy League of Greater Pittsburgh, an affiliate of the Allegheny Conference on Community Development, provided an updated Economic Impact Study using the IMPLAN Economic Impact model to determine the impact of Piatt Companies' proposed Esplanade development on the Southwestern Pennsylvania economy. Excerpts and highlights from this study are included in this section.

Scheduled for completion and operational stabilization in 2030, after a five-year construction period from 2025 to 2029, the Esplanade project will be an approximately \$740 million mixed-use development containing office, housing, retail, restaurant, entertainment, and recreational uses. Development and operation of the 15-acre project is expected to significantly impact the economy of southwestern Pennsylvania during both the construction and operations phases. An economic impact analysis was conducted using the IMPLAN model to gauge the project's potential financial impact. Highlights of the study include:

- With a construction budget of approximately \$740 million, Esplanade is anticipated to support 9,378 jobs throughout Southwestern Pennsylvania on a direct, indirect, and induced basis during the five-year construction period. Over that period, the development is projected to generate \$1.5 billion in economic output and contribute \$873.3 million to the gross regional product.
- At final stabilization, Esplanade is expected, on an annual basis, to support 4,500 jobs and generate nearly \$997.5 million in economic output (revenue) with a \$547.7 million contribution to the gross regional product.

TRID Financing

Esplanade Partners LP, an affiliate of Piatt Companies, intends to time the issuance of TRID financing based on conditions such as their construction duration and capital market conditions, with the TRID financings potentially occurring immediately before vertical construction during each phase. Due to the nature of the project and the extended duration of the site preparation, Esplanade Partners will likely advance spending for the early site work and some other components through bridge financing, private equity, etc., that would be reimbursed at the issuance of TRID financing.

As part of the TRID financing structure, Esplanade Partners, Piatt Companies, or a related entity acceptable to the URA will add security for the TRID financing through a Minimum Payment Agreement that, among other things, guarantees the amount required for debt service, related administrative and servicing costs, and the Retained Increment due to each Taxing Body should the Pledged Increment be insufficient to cover said costs. Additionally, the ability of any

developer of a Pledged Project to appeal their real estate assessment will be limited to ensure that the 3TBs receive the Retained Increment as shown in tax increment analyses above.

The URA and Esplanade Partners anticipate bonds or notes will be instruments for TRID financing. The specific terms and structure of the TRID financing will be determined closer to the time of issuance. However, it is contemplated that the first TRID financing will be issued in 2026 and amortized over a 20-year term. TRID financing may take the form of taxable or tax-exempt bonds or notes. The analysis to determine whether to issue taxable or tax-exempt financing instruments has not yet been completed. That determination will impact the debt interest rates and financing yield (financing proceeds available to fund projects). The URA will manage the process for initiating TRID financings. This process will include financial underwriting by lenders and funders, as well as obtaining authorization from the URA's Board of Directors to enter into TRID financings.

Any increases in real estate tax revenues from the Pledged Projects, attributable solely to an increase in assessed value over and above that determined necessary to pay debt service on the TRID financing will be applied first to the costs of approved TRID-eligible uses and related expenses, with any unused proceeds to be either returned to the 3TBs or applied to prepay the TRID financial instruments as permissible.

Any increases in tax revenues generated by the Pledged Projects attributable to an increase in the millage rate or tax rate over the base millage rate in effect at the time of respective financing(s) will be distributed to the relevant Taxing Body.

Compliance and Other Policy Considerations

All TRID proceeds expended in connection with this MC TRID Implementation Plan shall be subject to prevailing wage requirements, hiring plan requirements, minority and women business-owned enterprise requirements, and any other specific requirements articulated in the URA's TRID program guidelines¹⁵. In addition, the use of TRID proceeds expended in connection with this MC TRID Implementation Plan shall be subject to all requirements applicable to using such funds under City, County, State, or Federal law.

Employment Opportunities for Neighborhood Residents

Esplanade Partners, any other developers or owners of Pledged Projects, shall engage with Partner4Work to provide employment opportunities for neighborhood residents and require their tenants to do the same.

¹⁵ The TRID Guidelines were most recently updated on 3-14-2023. In the event these guidelines are revised further, the new revision will control and should be referenced.

Jobs Reporting for Private Developments

For the duration of the MC TRID Implementation Plan, Esplanade Partners, any developers or owners of Pledged Projects, and their tenants must submit an annual jobs report that includes the number, type, and wages of jobs held within the Pledged Project, the number of jobs held by City residents, and any additional jobs-related information requested by the URA and Partner4Work.

Post-Development Reporting

Esplanade Partners or any other developers or owners of Pledged Projects must submit a post-development report that details the following for each building or parcel (*e.g.*, commercial, office, retail, specialty, etc.): the total project costs, final sources of funds, total square feet developed, the extent to which the previously mentioned data points differ from the initial projections, current vacancy rate, and planned future develops and related project costs. If a developer is undertaking a single Pledged Project, the post-development report will be required after said Pledged Project is created. If a developer is undertaking multiple Pledged Projects, the post-development report will be required annually until all Pledged Projects are developed. Please note: this post-development report is specific to TRID. Other funding sources in project budgets may contain other reporting requirements.

Real Estate Tax Determination

In the future, the current system of real estate taxation may be revised, and reassessments or other changes in the real estate assessment system may occur. Accordingly, the Cooperation Agreement and/or Minimum Payment Agreement(s) executed in connection with the issuance of any TRID financing likely will provide that, upon the occurrence of such event, such document(s) will be interpreted in a manner that takes all relevant changes into account to preserve the intended economic results and expectations of the parties as of the date of this TRID Implementation Plan including, but not limited to, the expectations that the minimum amount required to pay the debt service and related expenses on any TRID financial instruments will be available for such purpose and that all amounts over such minimum amount will be available for the other uses described herein.

Relocation Statement for Esplanade as Part of MC TRID Phase 1

There is one commercial property owner within the Esplanade site. Esplanade Partners has engaged with this owner regarding their tenants' potential relocation due to the Esplanade development. These conversations are ongoing, and Esplanade Partners has approached one of the tenants about moving into one of the Esplanade buildings.

Tax Collection on Residential Condominiums

Esplanade Partners shall present and execute a plan for the collection of taxes for single family residential units (i.e., residential condominium units, house boats, single family homes). The plan shall be acceptable to the URA and its Trustee at their sole discretion.

Section 9: Future Phases

The MC TRID allows for future implementation phases to be considered within the existing TRID boundary (see Exhibit C). Any future phase would be subject to the exact requirements as MC TRID Phase 1, as the 3TBs would be asked to adopt a subsequent TRID phase.

EXHIBIT A: Map Showing Manchester-Chateau TRID Boundary

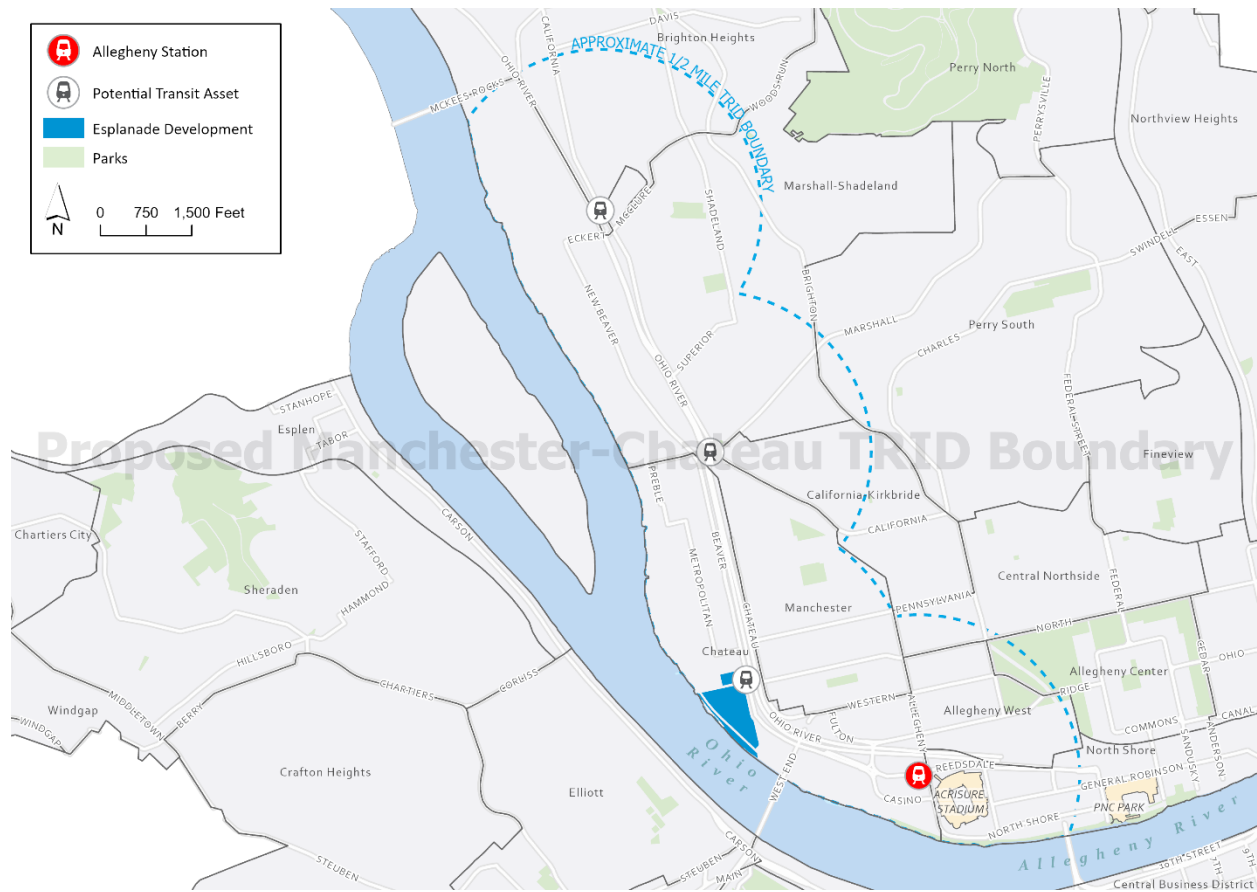


EXHIBIT B: Map Showing Existing Uses and Conditions on Esplanade Project Site

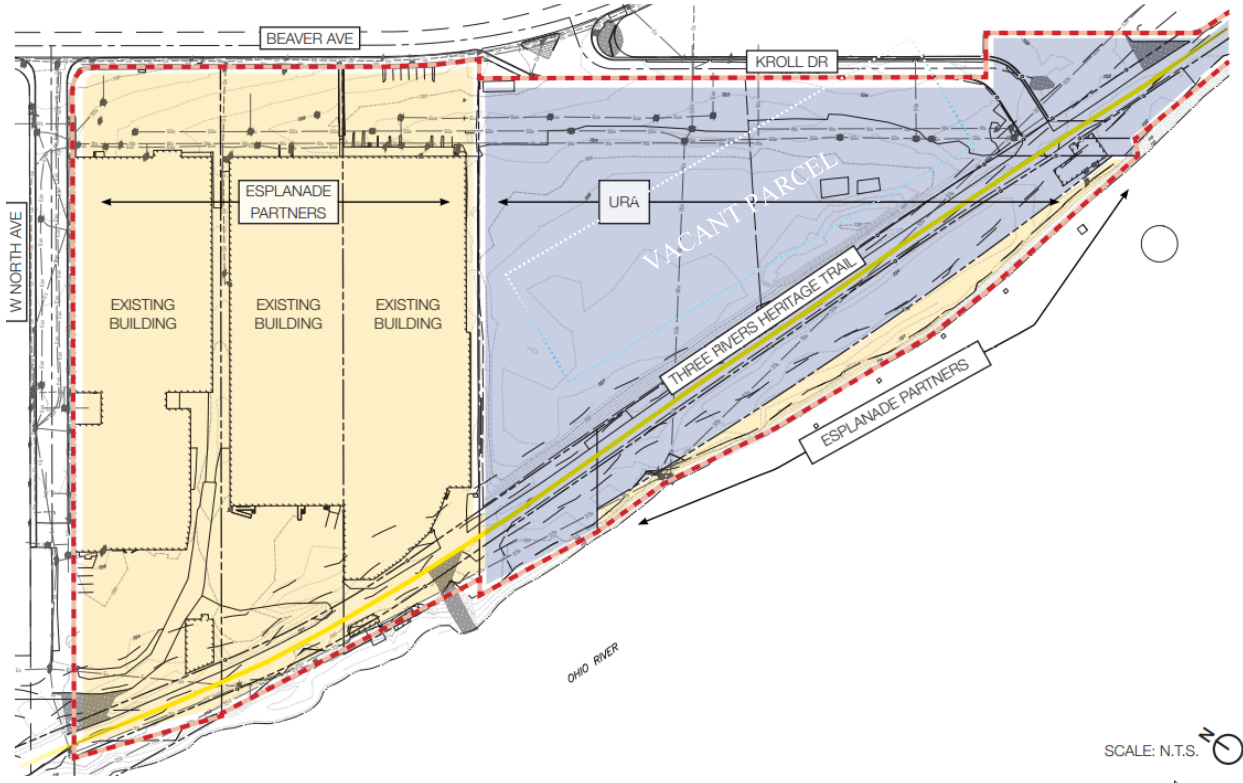


EXHIBIT C: Map Showing Potential Representative TRID Eligible Projects

