

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

May 10, 2018 – 2:00 P.M., E.D.S.T.

Members Present: Acklin, Gainey, Williamson, Hall-Russell, Lavelle

Members Absent: None

Staff Present: Rubinstein, Link, Short, Nemani-Stanger, Kaminski, Clark, Chintalapalli, Davidson, Powell, Saladna, Bohince, Meier, Alcorn, Mitchell, Edwards, Madden, Smith-Perry, Miller, Moses, Brooks, Rudolf, Morris, and Schacht

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

1. General

- a. The minutes of the Regular Board Meeting on April 12, 2018 were approved as written and previously distributed.

2. Larimer - Liberty Green Park

1. Agreement with the Richard King Mellon Foundation to receive grant funds in the amount of \$650,000.00 for Liberty Green Park.

Mr. Rubinstein requested Board approval of the above item.

Ms. Smith Perry of the Authority's Housing Department stated that the neighborhoods of Larimer and East Liberty are the site of a Federal Choice Neighborhoods Implementation Grant ("CNIG") award in the amount of \$30 million for the comprehensive redevelopment of the Choice Neighborhoods area. The comprehensive redevelopment will focus on three core goals/components: housing, people, and neighborhood. The Authority is charged with implementing the neighborhood component which seeks to address issues of vacant land, public infrastructure needs, and greening/park goals.

As part of the planning process for Choice Neighborhoods, a network of parks was recommended as a strategy. The first phase of the park, Liberty Green, has been identified as the approximate 3.25-acre site at the corner of Larimer Avenue and Station Street in the East Liberty neighborhood. This site is adjacent to the recently completed 85-unit phase 1 mixed income housing development and the 150-unit phase 2 mixed income housing development underway.

The Authority is seeking authorization to accept grant funds from the Richard King Mellon Foundation in the amount of \$650,000.00. Funds will be used for the construction of Liberty Green Park.

Mr. Gainey recognized and thanked the Larimer Consensus Group, the Authority, and others for their leadership with this project. Mr. Acklin asked about the total costs of this project. Ms. Smith Perry stated that she will be able to provide a better total after estimates and bids are taken. Mr. Acklin asked if this Park will be dedicated to the City of Pittsburgh. Ms. Smith Perry answered in the affirmative.

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

RESOLUTION NO. 138 (2018)

RESOLVED: That an agreement with the Richard King Mellon Foundation to receive grant funds in the amount of \$650,000.00 for the construction of Liberty Green Park, is hereby approved, and the Executive Director or Director of Finance, on behalf of the Authority, is hereby 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.

3. East Liberty/Larimer

- a. Advertisement for bids for construction of Liberty Green Park at the intersection of Larimer Avenue and Station Street in East Liberty/Larimer.

4. Larimer – Larimer/East Liberty Choice Phase 3

- a. Exclusive negotiations with the Housing Authority of the City of Pittsburgh or a related entity to be formed for a period of one year, with a possible six-month extension, for the sale of the following properties for \$1.00 plus costs for Phase 3a of Choice Neighborhoods replacement housing:

<u>Ward</u>	<u>Block/Lot</u>	<u>Property Address</u>
12	124-J-232	Larimer Avenue
12	124-J-233	Larimer Avenue
12	124-J-234	Larimer Avenue
12	124-J-235	Larimer Avenue
12	124-J-261	117 Meadow Street
12	124-J-266	Meadow Street
12	124-J-268	508 Larimer Avenue
12	124-J-269	512 Larimer Avenue
12	124-J-271	105 Stoebner Way
12	124-J-272	107 Stoebner Way
12	124-J-273	109 Stoebner Way
12	124-J-274	111 Stoebner Way
12	124-J-281	119 Stoebner Way
12	124-J-282	121 Stoebner Way

12	124-J-283	123 Stoebner Way
12	124-J-287	518 Larimer Avenue
12	124-J-290	Larimer Avenue
12	124-J-291	526 Larimer Avenue
12	124-J-293	110 Winslow Street
12	124-J-295	114 Winslow Street
12	124-J-298	120 Winslow Street
12	124-J-299	122 Winslow Street
12	124-J-300	124 Winslow Street
12	124-J-301	126 Winslow Street
12	124-J-302	128 Winslow Street
12	124-N-358	130 Winslow Street

Mr. Rubinstein requested Board approval of the above item.

Authorization is requested to enter into exclusive negotiations with the Housing Authority of the City of Pittsburgh ("HACP") for the sale of the above listed parcels for the proposed Phase 3a CNIG mixed-income housing development. Four of the above parcels (Block 124-J, Lots 266, 268, and 269, and Block 124-J-291) are owned by URA, and one (Block 124-J, Lot 290) was acquired by East Liberty Development, Inc., on behalf of URA. The remaining 21 parcels are owned by the City through tax foreclosure and are in the process of being transferred to URA. Together the properties contain approximately 69,203 square feet.

HACP plans to develop 49 units of mixed-income housing including 15 unrestricted market rate units, 18 Low Income Housing Tax Credit units, and 16 Project-Based Voucher replacement units. The Larimer Consensus Group is supportive of the Phase 3 development site subject to the condition that Phase 3a include commercial space fronting on Larimer Avenue. As such, HACP is tentatively planning for two 2,500 square foot bays of commercial space along Larimer Avenue.

HACP is a public-housing authority with a mailing address at 200 Ross Street, Pittsburgh, PA 15219. Caster D. Binion is the Executive Director.

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

RESOLUTION NO. 139 (2018)

RESOLVED: That exclusive negotiations with the Housing Authority of the City of Pittsburgh, or a related entity to be formed, for the sale of the following properties, for a period of one (1) year with a possible six (6) month extension at the discretion of the Executive Director, are hereby approved:

<u>Ward</u>	<u>Block/Lot</u>	<u>Property Address</u>
12	124-J-232	Larimer Avenue

12	124-J-233	Larimer Avenue
12	124-J-234	Larimer Avenue
12	124-J-235	Larimer Avenue
12	124-J-261	117 Meadow Street
12	124-J-266	Meadow Street
12	124-J-268	508 Larimer Avenue
12	124-J-269	512 Larimer Avenue
12	124-J-271	105 Stoebner Way
12	124-J-272	107 Stoebner Way
12	124-J-273	109 Stoebner Way
12	124-J-274	111 Stoebner Way
12	124-J-281	119 Stoebner Way
12	124-J-282	121 Stoebner Way
12	124-J-283	123 Stoebner Way
12	124-J-287	518 Larimer Avenue
12	124-J-290	Larimer Avenue
12	124-J-291	526 Larimer Avenue
12	124-J-293	110 Winslow Street
12	124-J-295	114 Winslow Street
12	124-J-298	120 Winslow Street
12	124-J-299	122 Winslow Street
12	124-J-300	124 Winslow Street
12	124-J-301	126 Winslow Street
12	124-J-302	128 Winslow Street
12	124-N-358	130 Winslow Street

5. Larimer – Larimer/East Liberty Choice Phase 3

- a. Agreement of sale with Miracle Trucking Company for the acquisition of Block 124-J, Lots 240, 240-A, and 241, in the 12th Ward for \$350,000.00, plus costs.

Mr. Rubinstein requested Board approval of the above item.

Ms. Smith Perry stated that the neighborhoods of Larimer and East Liberty are the site of a CNIG award in the amount of \$30 million for the comprehensive redevelopment of the Choice Neighborhoods area. The comprehensive redevelopment will focus on three core goals/components: housing, people, and neighborhood. These acquisitions will advance the neighborhood goal of helping to repopulate the Larimer Avenue Business District.

Authorization is requested to enter into an agreement of sale for the acquisition of Block 124-J, Lots 240, 240-A, and 241, in the 12th Ward, for \$350,000.00, plus costs. These three contiguous parcels contain a total land area of approximately 7,342 square feet and are located at 501-507 Larimer Avenue. Block 124-J, Lot 241, is improved with two commercial buildings. There are two

tenants; any occupant who meets eligibility requirements will be entitled to relocation assistance. The other two parcels are vacant lots.

The funding source for this acquisition is Leased Land, Larimer Project Funds and/or UDAG loan funds.

Miracle Trucking Company is a partnership with a mailing address at P.O. Box 38233, Pittsburgh, PA 15238. Pursuant to the most recent amendment to its partnership agreement, Rose and Shirley Brusco have a 1/3 interest, Charles and Jacqueline Brusco have a 1/3 interest, Nicholeen Mulgrew has 1/6 interest and Kathleen Igims has a 1/6 interest.

Mr. Acklin asked if Authority funds are being used for this project. Ms. Smith Perry answered that there will be a combination of City and Authority funding. Mr. Acklin asked what the status on the remaining balance for this program is. Ms. Smith Perry answered that 150 units are under construction currently and will be completed and occupied by December of this year. The City Housing Authority will apply for tax credits next year for up to fifty units, and immediately follow with the next phase that will include twenty-one units. Dr. Hall Russell asked if there was any threat to the funding. Ms. Smith Perry answered that there is currently no threat because the thirty million dollars of Choice funding is already under contract, however there could be future threats to future Choice funding.

Upon a motion to approve by Mr. Gaaney, seconded by Dr. Hall-Russell, and unanimously carried, the following resolution was adopted:

RESOLUTION NO.140 (2018)

RESOLVED: That the acquisition of Block 124-J, Lots 240, 240-A, and 241, in the 12th Ward, from Miracle Trucking Company, for the amount of \$350,000.00, plus costs, payable from Leased Land, Larimer Project Funds, and/or UDAG loan funds, is hereby approved, and the Executive Director or Director of Finance, on behalf of the Authority, is authorized to execute an agreement of sale and all documents required for said acquisition, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto.

6. East Liberty, Larimer & Homewood - Redevelopment Assistance Capital Program (RACP) Grants:

- a. Larimer/East Liberty Park - \$1 Million RACP - Construction of a new 3.25-acre park to include site work, utilities, stormwater management facilities, paving, plantings, and site amenities & furnishings.
 - i. Authorization to commit up to \$1 million of Larimer Choice Neighborhood, foundation funds and/or other Larimer/East Liberty Project funds as the required match for the RACP grant.

- ii. Authorization to front up to \$1 million from the General Fund and/or other funds to bridge the RACP grant.
- b. Larimer School Redevelopment - \$1 Million RACP – Core & shell improvements
 - i. Authorization to commit up to \$1 million of Larimer Choice Neighborhood and/or other Larimer/East Liberty Project funds as the required match for the RACP grant.
 - ii. Authorization to front up to \$1 million from the General Fund and/or other funds to bridge the RACP grant.
- c. Homewood Coliseum - \$1 Million RACP – Investment in the purchase and stabilization of the building for future redevelopment.
 - i. Authorization to commit up to \$1 million of Homewood Project and/or other Authority funds as the required match for the RACP grant.
 - ii. Authorization to front up to \$1 million from the General Fund and/or other funds to bridge the RACP grant.

Mr. Rubinstein requested Board approval of the above items.

Ms. Smith Perry stated that the Larimer/East Liberty Park, Larimer School and Homewood Coliseum redevelopment projects have received award letters from the Commonwealth Office of the Budget for Redevelopment Assistance Capital Program (RACP) grants. The Commonwealth Office of the Budget requires that an application and business plan are submitted with evidence of match and bridge funding for each awarded project.

The Authority is seeking authorization to provide matching funds for the above referenced projects through Project funding sources and/or other Authority sources. The Authority is also seeking authorization to provide fronting funds for these projects because the RACP grants are reimbursable. Reimbursable grants require the grantee to spend the money before drawing down the grant funds to reimburse itself.

Mr. Rubinstein thanked Representative Gainey for his support of this funding. Dr. Hall-Russell asked about funding for stabilization. Ms. Smith Perry answered that there will be some roof work and additional costs related to future redevelopment. Mr. Acklin wanted clarification about advancing the one million dollars. Mr. Rubinstein answered that the Authority will advance the one million dollars of RCAP monies and will be reimbursed when the grant monies are disbursed. Mr. Acklin asked what security the Authority has for the advanced funding. Ms. Susheela Nemani-Stanger, Director of Economic Development for the Authority, answered that RACP's are reimbursement grants and the URA is protected because it will oversee the grant and will only

advance funds after review and approval of the expenditures to ensure they will be reimbursed by the Commonwealth Office of the Budget.

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

RESOLUTION NO. 141 (2018)

RESOLVED: That appropriation of up to \$1,000,000.00 of Larimer Choice Neighborhood, foundation, and/or other Larimer/East Liberty Project funds as the required match for the Larimer/East Liberty Park Redevelopment Assistance Capital Program (RACP) grant is hereby approved.

RESOLUTION NO. 142 (2018)

RESOLVED: That appropriation of up to \$1,000,000.00 of the General Fund and/or other funds to bridge the Larimer/East Liberty Park Redevelopment Assistance Capital Program (RACP) grant award is hereby approved.

RESOLUTION NO. 143 (2018)

RESOLVED: That appropriation of up to \$1,000,000.00 of Larimer Choice Neighborhood and/or other Larimer/East Liberty Project funds as the required match for the Larimer School Redevelopment Assistance Capital Program (RACP) is hereby approved.

RESOLUTION NO. 144 (2018)

RESOLVED: That appropriation of up to \$1,000,000.00 of the General Fund and/or other funds to bridge the Larimer School Redevelopment Assistance Capital Program (RACP) award is hereby approved.

RESOLUTION NO. 145 (2018)

RESOLVED: That appropriation of up to \$1,000,000.00 of Homewood Project and/or other Authority funds as the required match for the Homewood Coliseum Redevelopment Assistance Capital Program (RACP) is hereby approved.

RESOLUTION NO. 146 (2018)

RESOLVED: That appropriation of up to \$1,000,000.00 of the General Fund and/or other funds to bridge the Homewood Coliseum Redevelopment Assistance Capital Program (RACP) award is hereby approved.

7. Hill District - Western Restoration Development - Multifamily Financing Inducement Resolution
 - a. Official Action to Register the Intent to Issue Multifamily Debt for the Western Restoration Development in the amount of up to \$4,100,000.00.
 - b. Issuance of a Request for Proposals and selection of bond counsel from the approved slate.
 - c. Exclusive negotiations for a six (6) month period with Ralph A. Falbo, Inc., for the sale of Block 25-S, Lot 110, in the 5th Ward.

Mr. Rubinstein requested Board approval of the above items.

Ms. Smith Perry stated that authorization is requested for an official action to register the Intent to Issue Multifamily Debt for the redevelopment of the Western Restoration buildings in the Hill District. The redevelopment will include the acquisition and adaptive reuse of the buildings into affordable senior rental housing. Authorization is also requested to issue a Request for Proposals from an approved slate and to select a firm to represent the Authority as bond counsel in the transaction.

The subject property is the former Tuberculosis Hospital building located at 2851 Bedford Avenue in Pittsburgh's Middle Hill District neighborhood. There will be a total of 24 affordable units for seniors developed in the three existing buildings. Building 1 will consist of five (5) one-bedroom Uniform Federal Accessibility Standard compliant and eight (8) one-bedroom units. Building 2 will consist of five (5) one-bedroom UFAS compliant units, and Building 3 will consist of six (6) one-bedroom townhomes.

Additionally, approximately 4,500 sq. ft. of the ground floor of the existing Milliones Manor will be redeveloped to create commercial space for an adult day center to be operated by SarahCare. The center will be located on the first floor of the existing Milliones Manor facility which will provide services to promote independent living for Western Restoration residents as well as the nearby residents living at the adjacent Christopher A. Smith; Milliones Manor; and Western Manor senior apartment buildings. Planned services will include case management, light housekeeping, laundry and meal preparation and a variety of recreational/social activities.

The developer will upgrade all common areas including sidewalks, common area lighting, apartment kitchens, and bathrooms. Ten (10) apartments will be brought up to current UFAS accessibility standards. The project includes approximately \$135,000 per unit in renovation costs. The financing plan will restrict occupancy to households with incomes at or below 60% of area median income. The developer has secured a preliminary commitment of Project-Based Section 8 rental assistance through the Housing Authority of the City of Pittsburgh (HACP) to ensure long-term rental affordability.

The estimated project cost is \$6.7 million. The preliminary permanent financing plan contemplates a new \$1,855,000 permanent first mortgage, \$2,397,000 in Low Income Housing Tax Credit equity, \$963,000 in Historic Tax Credit equity, \$100,000 in a Seller Note (or other URA financing), HACP gap financing loan in the amount of \$1,312,500 million, and a reinvested Developer fee of approximately \$73,500.

The application for Volume Cap will be submitted to the Pennsylvania Housing Finance Agency in the second quarter of 2018. Closing is planned for the fourth quarter of 2018.

The developer is Ralph A. Falbo, Inc. The proposed new ownership entity is Western Restoration LP – a-to-be-formed Pennsylvania Limited Partnership consisting of Ralph A. Falbo, Inc. as the managing General Partner. Michael Polite is the Chief Operating Officer of Ralph A. Falbo, Inc. The general contractor is Sota Construction Services, Inc.

Authorization is also requested to enter into exclusive negotiations with the developer for the sale of parcel Block 25-S, Lot 110, in the 5th Ward. This action would prevent the URA from entertaining other offers while the developer conducts due diligence. Additional Board actions to approve a proposal and execute a disposition contract and then to execute a deed would be required before the redevelopment can proceed. All three of the project buildings are located in this one parcel owned by the URA.

Mr. Lavelle asked about a general timeline. Ms. Smith Perry answered that an application will be submitted in the next month to PHFA and the goal is to close by the end of this year in order to obtain a four percent tax credits. Mr. Lavelle iterated the need for this project.

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

RESOLUTION NO. 147 (2018)

WHEREAS, the Urban Redevelopment Authority of Pittsburgh (the "Authority") is a body corporate and politic, duly organized and existing pursuant to the constitution and the laws of the Commonwealth of Pennsylvania;

WHEREAS, the Authority desires to finance certain capital expenditures to be located at 2851 Bedford Avenue (parcel 25-S-110), in the 5th Ward of the City of Pittsburgh, Allegheny County, Pennsylvania relating to the rehabilitation/redevelopment of the Western Restoration complex, a former Tuberculosis Hospital, into approximately 24 affordable senior rental units developed in three existing buildings (the "Project");

WHEREAS, the Developer, a to-be-formed Pennsylvania Limited Partnership consisting of Ralph A. Falbo, Inc. as the managing General Partner is applying for an allocation of 4% Low-Income Housing Tax Credits from the Pennsylvania Housing Finance Agency to finance a portion of the Project; and

WHEREAS, a portion of the costs of the Project may be financed by the issuance of conduit tax-exempt bonds or notes by the Authority issued in accordance with Section 142(d) of the Internal Revenue Code of 1986, as amended.

NOW, THEREFORE, the Authority hereby resolves and declares its intent under Treasury Regulation § 1.150-2 to issue bonds or notes (the "Conduit Tax Exempt Debt") to finance the capital costs of the Project, together with costs of issuance and reasonably required reserves, subject to the following conditions:

1. The maximum principal amount of Conduit Tax Exempt Debt expected to be issued to finance the Project is \$4,100,000.
2. Pending issuance of the Conduit Tax Exempt Debt, the Authority may finance the Project with other funds which will be reimbursed with the proceeds of the Conduit Tax Exempt Debt, provided that (a) the Conduit Tax Exempt Debt shall not be used to reimburse any expenditure paid more than 60 days prior to the present date; (b) the Conduit Tax Exempt Debt shall not be issued more than 18 months after the later of (i) the date of the first expenditure to be reimbursed with the proceeds of the Conduit Tax Exempt Debt, or (ii) the date the Project is placed in service; and (c) in no event may the Conduit Tax Exempt Debt be issued more than three years after the date of the first expenditure to be reimbursed with the proceeds of the Conduit Tax Exempt Debt; and provided further that the limitations of this paragraph 2 shall not apply to qualified "preliminary expenditures" as permitted by Treasury Regulation § 1.150-2(f).
3. Issuance of the Conduit Tax Exempt Debt shall be subject to documentation acceptable to the officers of the Authority.

4. All prior acts of the officials, agents and employees of the Authority which are in conformity with the purpose and intent of this Resolution, and in furtherance of the Project, shall be and the same hereby are in all respects ratified, approved and confirmed.

5. All other resolutions of the Authority, or parts of resolutions, inconsistent with this Resolution are hereby repealed to the extent of such inconsistency.

6. This Resolution shall take effect immediately upon its passage.

ADOPTED at a regular meeting held this 10th day of May 2018.

RESOLUTION NO. 148 (2018)

RESOLVED: That the issuance of a request for proposals and the selection of Bond Counsel from the approved slate is hereby approved.

RESOLUTION NO. 149 (2018)

RESOLVED: That exclusive negotiations with Ralph A. Falbo, Inc. for the sale of Block 25-S, Lot 110, in the 5th Ward for a period of six (6) months are hereby approved.

8. Morningside - Morningside Crossing

- a. Rental Housing Development and Improvement Program (RHDIP) First Amendment to Loan Agreement by an amount not to exceed \$300,000.00 (for a new total of \$1,300,000.00) with Morningside Partners, LP

Mr. Rubinstein requested Board approval of the above item.

Ms. Smith Perry stated that authorization is requested to enter into the above mentioned amended loan agreement with Morningside Partners, LP to provide a \$300,000 Rental Housing Development and Improvement Program (RHDIP) loan increase for a mixed use development that consists of the renovation of the original former Morningside School building and a new addition into 46 units of senior housing. The project closed on construction financing on May 3, 2017. The additional \$300,000 in requested Authority funding will help to offset a portion of the incurred cost overruns which were caused by a variety of construction issues.

The project (totaling 56,969 square feet), located at 1802 Jancey Street in the Morningside neighborhood, is a 46-unit apartment building (40-one –bedroom and six two-bedroom)) that will be mixed income with 39 tax credit units restricted to households earning 20%, 50% and 60% area median income (AMI) plus seven (7) market rate units. Preservation efforts will focus on the exterior facades of the old schoolhouse, which will house 10 units and amenity spaces. The 36 new units will be constructed as part of a modern, contextually-adapted, 3 story addition over a landscaped parking area.

The development site (34,133 square feet) is located in the center of the Morningside commercial district. A newer addition from 2006 has been demolished to provide space for the community plaza, and an older addition will be converted into a two-story center, which will serve the dual purpose as the community room for the property and a community center for the neighborhood. Pittsburgh Citiparks will relocate the current Morningside senior center to this building. The location and design will encourage resident and neighborhood socialization.

Morningside Crossing is a Passive House - adaptive reuse/rehabilitation and new construction development. The methods of construction are multiple, and the methods used to achieve Passive House are also multiple, adding to the complexity and cost overruns.

The additional requested \$300,000 in Authority loan financing will pay for expenses related to the Passive House design, unanticipated fire code requirements and increased structural reinforcement identified during demolition. These line item expenses include additional grade beams and structural steel, thermal connections, additional fire and smoke dampers, smoke doors, fire shutters, and podium and header insulation. Construction is expected to be completed by August 31, 2018.

Details of the development are as follows:

Developer:	Morningside Crossing, LP (a partnership made up of A.M. Rodriguez Associates, Inc. and RBC Capital Markets)
Property Location:	1802 Jancey Street Morningside neighborhood
Ward:	10th Ward
Description:	The development consists of the adaptive reuse of the original former Morningside School building plus a new addition into 46 units of mixed-income senior housing, a new community center and a public plaza.
Architect:	Thoughtful Balance 456 South Graham Street Pittsburgh, PA 15232
General Contractor:	Sota Construction Services, Inc. 80 Union Street Pittsburgh, PA 15202
Total Development Costs:	\$14,283,056

Construction Financing Sources:

LIHTC Equity	\$12,563,358
URA – RHDIP	\$ 1,300,000
Deferred Developer Fee	<u>\$ 419,698</u>
Total:	\$14,283,056

Previously Approved Authority Financing:

\$1,000,000 - RHDIP Loan – 0% interest rate, 30-year term, 50% cash flow

Authority Financing Under Review:

\$300,000 – RHDIP Loan Increase -0% interest rate, 30-year term, 50% cash flow

Real Estate Loan Review

Committee Status: Loan increase to be presented at the May 9, 2018 Real Estate Loan Review Committee

M/WBE Review

Committee Status: Approved May 6, 2017

Mr. Acklin asked about how much of the increased cost is covered by the Authority's loan. Ms. Smith Perry answered about two-thirds and the remainder will be covered by an increase to the deferred developer fee.

Victor Rodriguez, of A.M. Rodriguez Associates, Inc., was present. Mr. Rodriguez spoke about this complicated project and how it will be the first to combine new construction and redevelopment. Mr. Acklin asked about a completion date. Mr. Rodriguez answered August of 2018. He stated that one hundred fifty resident applications have currently been submitted.

Deb Gross, City of Pittsburgh Councilwoman, was present. Councilwoman Gross stated that she supports this project. She stated that the Morningside residents are grateful for this investment. She also iterated the need for senior housing in this area.

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

RESOLUTION NO. 150 (2018)

RESOLVED: That amendment of the Loan Agreement dated May 3, 2017 with Morningside Partners, LP, for an increase not to exceed \$300,000.00, to offset a portion of the incurred cost overruns, payable from the Rental Housing Development and Improvement Program (RHDIP), for a total loan agreement amount not to exceed \$1,300,000.00, is hereby approved, and the Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute an amendment therefor, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto.

9. Housing Opportunity Fund

- a. Engagement of HR&A Advisors, Inc. ("HR&A") for an amount up to \$76,000.
- b. Establishment of a Housing Opportunity Fund (HOF) Revolving Fund in the amount of \$1,500,000.

Mr. Rubinstein requested Board approval of the above items.

Item A

Ms. Smith Perry stated that authorization is requested to enter into a contract with HR&A Advisors, Inc. ("HR&A") for an amount not to exceed \$76,000.00 to create policies and procedures for the new Housing Opportunity Fund ("HOF"). The HOF was created in 2016 (via City Council Ordinance #37). The HOF was established to support the development and preservation of affordable and accessible housing within the City. In December 2017, City Council passed a resolution approving the terms of and authorizing the execution and delivery of a Cooperation Agreement with the Authority relating to the administration of the HOF and authorizing the assignment to the Authority of ten million dollars (\$10,000,000) per year, for a period of twelve (12) years, commencing January 1, 2018, for the purpose of implementing the HOF.

For the administration of the fund, Authority staff will work with a 17-member Advisory Board (to be appointed by the Mayor and approved by City Council) in accordance with the Housing Trust fund requirements identified in the HOF enabling legislation. The Authority Board of Directors will also serve as the Governing Board. To help the Authority draft the policies and procedures for the HOF, a Request for Proposals was issued on March 16, 2018 and proposals were due on April 13, 2018. Eight (8) firms responded to the RFP.

A selection committee consisting of representatives from the Authority, City of Pittsburgh, Housing Authority of the City of Pittsburgh and City Council, reviewed all eight (8) responses and selected three (3) firms to interview. The committee reviewed several factors including: knowledge of best practices from a national perspective, knowledge of the Pittsburgh housing market, experience in the creation of affordable housing policy, proposed timeframe, the overall fee, the hourly rate, the proposed methodology, and the proposed stakeholder outreach plan. Based on the submitted proposals and the interview process the selection committee is recommending HR&A Advisors, Inc. for this contract. HR&A's main office is located at 99 Hudson Street, 3rd Floor, New York, NY 10013. The President of HR & A is Eric Rothman. The Partner in charge for this contract is Kate Wittels. HR&A will subcontract with Urban Ventures, Inc. ("UV"). UV is located at 1625 16th Street NW #502, Washington DC 20009. Stuart Hershey is the President of UV.

The expected timeframe for the engagement is 8-10 weeks. The contract amount is not to exceed \$76,000. The source of funds to pay this contract is the General Fund to be reimbursed by the HOF.

Item B

Authorization is requested to establish a Housing Opportunity Fund (HOF) Revolving Fund using General Fund dollars in the amount of \$1,500,000 to operate similarly to the URA's CDBG Revolving Fund. The purpose of the HOF Revolving Fund will be to advance funds for HOF funded transactions and to reimburse the HOF Revolving Fund when HOF funds are drawn from the City. The suggested URA fronting source is the URA General Fund.

Mr. Acklin asked if the monies to engage HR&A Advisors, Inc. would be reimbursed by the HOF. Ms. Smith Perry answered in the affirmative. Mr. Rubinstein stated that the Authority is advancing the monies for the HOF and not putting money in. Mr. Williamson wanted confirmation that the Authority will be reimbursed when the realty transfer tax monies materialize and are deposited into the HOF. Mr. Rubinstein confirmed that this will occur. Mr. Lavelle suggested an allocation plan for current funding. Mr. Rubinstein stated that circumvents the purpose of the Advisory Board. Mr. Lavelle is concerned about the amount of time that it will take Council to choose the Advisory Board Members. Mr. Acklin asked about the benefits of the Authority proceeding before the Cooperation Agreement is in place. Mr. Rubinstein answered that we do not want to lose ground on this project. Ms. Smith Perry stated that the goal in engaging HR&A is to be ready to meet with the Advisory Board as soon as it is formed. Mr. Williamson stated that there were a lot of good proposals that had been submitted. Mr. Williamson stated that HR&A had written similar policies and procedures for other cities.

Ms. Laura Wiens, Director of Pittsburgh Public Transit and the Housing Opportunity Fund, was present. Ms. Wiens asked about the Authority's expectation around the community engaging process, and whether HR&A will be part of their public process. Ms. Smith Perry answered that the RFP requires engaging with the Advisory Board, groups that are involved with the Affordable Housing Taskforce, and other stakeholders.

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

RESOLUTION NO.151 (2018)

RESOLVED: That engagement of HR&A Advisors, Inc., to create policies and procedures for the new Housing Opportunity Fund, for an amount not to exceed \$76,000.00, payable from the General Fund to be reimbursed by the HOF, is hereby approved, and the Executive Director or Director of Finance, on behalf of the Authority, is hereby 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.

RESOLUTION NO. 152 (2018)

RESOLVED: That establishment of a Housing Opportunity Fund Revolving Fund in the amount of \$1,500,000 from the General Fund is hereby approved.

10. Pittsburgh Technology Center – Parcel 4b

- a. Final drawings, final evidence of financing, and execution of a deed for the sale of Block 29-B, Lot 302, commonly known as Parcel 4b, in the 4th Ward to 350 Technology Drive Partners, LLC, or a related entity to be formed, for \$539,055.00 plus costs.
- b. Form of contract and execution of a deed for the sale of Lots A-1 and A-2 of Parcel 4b, in the 4th Ward to BPA II, Ltd., or a related entity for \$57,380.00 plus costs.

Mr. Rubinstein requested Board approval of the above items.

Mr. Nathan Clark, Director of Real Estate for the Authority, stated that at its December 2017 meeting, the Board approved a proposal and form of a disposition contract from Burns and Scalo Equities or another entity to be formed for the redevelopment of Parcel 4b at the Pittsburgh Technology Center (“PTC”) for a purchase price of \$539,055.00. The Redeveloper has formed a new limited liability corporation, 350 Technology Drive Partners, LLC, and plans to construct a six-story, 155,932 square-foot Class A office building, known as the Riviera, on a speculative basis. Total project costs are estimated at \$35.7 million. The Redeveloper plans to lease up to 200 spaces from the URA at the parking garage located at 401 Technology Drive. The Redeveloper has submitted a Preliminary MWBE Plan projecting 7.5% MBE and 8.4% WBE participation on the project. Prior to closing, the Redeveloper will obtain all necessary approvals from the Department of Permits, Licenses, and Inspections, and will execute a Disposition Contract, Parking Agreement, and Minimum Payment Agreement.

350 Drive Technology Partners, LLC, is a Pennsylvania limited liability corporation with a mailing address of 965 Greentree Road, Suite 400, Pittsburgh, PA 15220. There are four General Partners:

1. TCB Legacy Trust (25%) – James D. Scalo is Sole Trustee and guarantor;
2. Scalo Dynasty Trust (25%) – John F. Scalo is Sole Trustee and guarantor;
3. Mosites GST Trust (25%) – Susan Bicket is Trustee and Susan Bicket and Steve Mosites Jr. are guarantors;
4. Run this Town, LLC – (25%) – Jamie Rogers is the managing member and guarantor.

In 2007, the URA accepted a proposal from The Ferchill Group, a Cleveland-based developer, to construct a five-story, 160,000 square foot wet lab research building, known as Bridgepoint II, on

Parcel 4a at PTC. The building is leased to the University of Pittsburgh's School of Medicine. BPA II, Ltd., is the entity that constructed the building; for financing reasons, the site is owned by the Port of Pittsburgh.

In December 2010, the URA, Port of Pittsburgh Commission, and BPA II, Ltd., executed an agreement granting an access easement on a portion of Parcel 4b in order to access the mechanical building and air handling equipment on Parcel 4a. The agreement states that, in the event the URA enters into an agreement to sell Parcel 4b, the URA and BPA II, Ltd., will work to subdivide the easement area from Parcel 4b, enter into a disposition contract, and convey the easement area to BPA, II, Ltd., at a price of \$380,000 per acre or \$57,380. Authorization is now requested to enter into this disposition contract and execute a deed for Lots A-1 and A-2 to BPA II, Ltd.

BPA II, Ltd. is a Pennsylvania limited partnership with a mailing address of 1468 W 9th Street, Suite 135, Cleveland, Ohio 44113. BPA II, Ltd. is an affiliate of The Ferchill Group. John J. Ferchill is the chairman of The Ferchill Group.

James D. Scalo, of Burns and Scalo Equities, was present. Mr. Scalo thanked the Authority staff for their support with this process. He stated that this project is a risk and a credit to what is happening within the City. He stated that this project will commence at the end of May and will be completed within a year. He stated that this development will reflect the way office space is changing. Mr. Acklin acknowledged Mr. Scalo and his firm's hard work.

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

RESOLUTION NO. 153 (2018)

RESOLVED: That the final drawings and evidence of financing submitted by 350 Technology Drive Partners, LLC, or a related entity to be formed for Block 29-B, Lot 302, commonly known as Parcel 4b, in the 4th Ward, are hereby approved, and the Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute a deed and all documents necessary to effectuate the sale thereof, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto.

RESOLUTION NO. 154 (2018)

RESOLVED: That entering into a disposition contract with BPA II, Ltd, or a related entity for Lots A-1 and A-2 of Parcel 4b, in the 4th Ward, is hereby approved, and the Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute a deed and all documents necessary to effectuate the sale thereof, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto.

11. East Liberty – CUBE

- a. Final drawings, final evidence of financing, and execution of a deed for the sale of Block 84-E, Lot 118, in the 8th Ward, to Baum Grove, LP, for \$212,500.00.

Mr. Rubinstein requested Board approval of the above item.

Mr. Clark stated that at its meeting of December 14, 2017, the Board approved the proposal submitted by Baum Grove, LP, to acquire Block 84-E, Lot 118, in the 8th Ward for \$212,500.00 and incorporate it into a development spanning the entire 44,300-square-foot block bounded by Baum Boulevard, Euclid Avenue, Commerce Street, and Beatty Street. Baum Grove will remove part of the existing Cube Creative Space building; renovate and expand the remainder; expand the parking area; and enter into a ground lease with Bank of America to construct a 9,100-square-foot, two-story office and retail building on the URA's 4,000-square-foot parcel at the western end of the block. Total redevelopment costs are budgeted at \$7.5 million. The Redeveloper has submitted an MWBE Plan projecting 23.3% MBE and 17.3% WBE participation.

At this time, authorization is requested to approve final site improvement drawings and evidence of financing and to execute a deed so that Baum Grove can complete the site development work for Bank of America's building pad. Bank of America will construct its own building.

Baum Grove, LP, is a Pennsylvania limited partnership with a mailing address at 5877 Commerce Street, Suite 109, Pittsburgh, PA 15206. Jason Lardo is a partner in Baum Grove GP, LLC, the general partner.

Mr. Acklin clarified that the purchase price of this parcel had been adjusted to accommodate the proposed use because the parcel had served as parking lot previously and the price was therefore lower.

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

RESOLUTION NO.155 (2018)

RESOLVED: That the final drawings and evidence of financing submitted by Baum Grove, LP for Block 84-E, Lot 118, in the 8th Ward, are hereby approved, and the Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute a deed and all documents necessary to effectuate the sale thereof, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto.

12. South Side Flats – South Side Works

1. Exclusive negotiations with TWG Development, LLC, or a related entity to be formed for a period of 90 days, with a possible 90-day extension, for the sale of Block 29-N, Lots 311 and 316, also referred to as Lots E-1e and E-1f, in the 16th Ward.

Mr. Rubinstein requested Board approval of the above item.

Mr. Clark stated that on March 3, 2017, the URA re-issued a rolling Request for Proposals for Lots E-1e and E-1f at the South Side Works. The URA received a proposal from TWG Development, LLC, in February 2018. TWG is proposing to redevelop the 2.303-acre site behind 3025 East Carson Street into a multi-family residential development. The proposed project will include an at-grade 185-space concrete parking podium. Built above the concrete podium will be five stories of apartments, totaling 300 units: 45 studios, 159 one-bedrooms, and 96 two-bedrooms. Ten percent of apartments will be affordable to households with incomes of 80 percent of the area median income (AMI) while the remaining units will be market rate. The building will feature tenant amenities including a pool, fitness room, grill/BBQ area, and bicycle storage. Total project costs are estimated at \$44.88 million (\$149,609/unit). TWG is also working on a shared parking arrangement with the existing user of Lot E-1f. The shared parking lot would be available to the current office user during business hours and to the residential tenants between the hours of 5:00 p.m. and 8:00 a.m. Monday-Friday and at all hours on weekends. The MWBE Program Officer has received and reviewed an MWBE narrative for this project.

Authorization is now requested to enter into exclusive negotiations with TWG Development, LLC, or a related entity to be formed. The exclusive negotiations period would be for 90 days with the option of extending this period for an additional 90 days at the discretion of the Executive Director.

TWG Development, LLC, is an Indiana corporation with a mailing address of 333 N. Pennsylvania Street, Suite 100, Indianapolis, IN 46204. Joseph Whitsett is the CEO.

J.B. Curry, of TWG Development, LLC, was present. Mr. Curry stated that this will be their first proposed project in Pennsylvania. He stated that commencement of this development will be March or April of 2019 and should be completed within two years. Mr. Williamson asked Mr. Curry to elaborate on the affordable housing component. Mr. Curry stated that the workforce housing is typically 80% to 120% AMI, and reduced rent will hurt financing of this development. Mr. Acklin stated that currently this development does not involve public investment.

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

RESOLUTION NO. 156 (2018)

RESOLVED: That exclusive negotiations with TWG Development, LLC, or a related entity to be formed for the sale of Block 29-N, Lots 311 and 316, also referred to as Lots E-1e and E-1f, in the 16th Ward, for a period of ninety (90) days with a possible ninety (90) day extension at the discretion of the Executive Director, are hereby approved.

13. URA Micro Enterprise Loan Program – Pittsburgh Urban Initiatives Support

- a. Approval to accept a \$150,000.00 loan from Pittsburgh Urban Initiatives, LLC (PUI) in support of the URA Micro Enterprise Loan program.

Mr. Rubinstein requested Board approval of the above item.

Mr. Tom Link, Director of the Center for Innovation and Entrepreneurship stated that the URA, through programs administered by the Center for Innovation and Entrepreneurship, provides access to capital for business start-up, growth, and expansion throughout the City of Pittsburgh. In April, the URA's Board of Directors approved a new program, the Micro Enterprise Loan program, to expand the URA's offerings to meet this mission. This new program will bolster the URA's strategy to promote opportunities for those groups who historically have not had ready access to early stage business startup and expansion capital, including minority – and woman – entrepreneurs.

Pittsburgh Urban Initiatives, LLC, an affiliate of the URA whose mission is to catalyze investments in low-income communities, will lend the URA \$150,000 to be used as part of the loan pool for the Micro Enterprise program. The loan will be for a seven-year term at 0% interest, with no principal due until the end of the seven years. Per PUI's guidelines, the loan funds will be used for approved borrowers in highly distressed census tracts whose businesses are not considered "sin businesses" as defined by the Federal Treasury Department.

The Micro Enterprise program will be administered by Authority staff, with Direction from the Department Director and the Authority's Executive Director, and with the utilization of 3rd party advisory committees that provide financial underwriting and approval guidance. The URA will also contract with 3rd party providers to provide technical assistance to borrowers in this program. This added layer of support is intended to complement the loan by providing individualized business education.

This program, like all the URA's loan programs will operate on the necessary return of capital (repayment of principal and interest) in order to re-invest in new business start-up and expansion opportunities.

A report will be provided monthly to the Board regarding all closings through the program.

Mr. Rubinstein stated that PUI is using New Market Tax Credits revenue from large projects to reinvest in supporting small businesses. Mr. Acklin acknowledged Mr. Link and Rebecca Davidson-Wagner for their leadership. He stated that PUI has been successful due to the complexity of the New Market Tax Credits deal structure that makes sense for large projects. Mr. Lavelle asked if anyone can become involved with this program. Mr. Link answered yes.

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

RESOLUTION NO. 157 (2018)

RESOLVED: That a loan from Pittsburgh Urban Initiatives, LLC, in support of the URA Micro Enterprise Loan Program, for an amount up to \$150,000.00, is hereby approved, and the Executive Director or Director of Finance, 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 thereto.

14. Lower Hill

- a. Pittsburgh Development Fund loan not to exceed \$900,000.00 to the Sports and Exhibition Authority (SEA) and/or the City of Pittsburgh and/or related entity.

Mr. Rubinstein requested Board approval of the above item.

Mr. Rubinstein stated that this is a \$900,000.00 loan to the Sports and Exhibition Authority (SEA) and/or the City of Pittsburgh to support the I-579 "Cap" Urban Connector Project (the "Cap Project").

The SEA was awarded a FY 2016 TIGER VIII Grant for the Cap Project from the U.S. Department of Transportation in the amount of \$19.0 million. The total project cost is \$26.44 million. Other projected funding sources include Commonwealth of Pennsylvania Redevelopment Capital Assistance Program ("RACP") funds (\$3.2 million), Department of Community and Economic Development ("DCED") Multimodal funds (\$1.0 million), foundation funds (\$1.75 million), and SEA funds (\$515,000). The requested Authority funds in the amount of \$900,000.00 constitute a portion of the required local matching funds and will be used for construction and related costs.

The transformational Cap Project structure will span over the Interstate 579 Crosstown Boulevard highway creating a new urban public connector that will improve pedestrian and bicycle movement, remediate a physical and psychological barrier that currently separates the historic Hill District and the Central Business District and increase job and economic opportunities for the residents of the Hill District community.

The Pittsburgh Development Fund loan funds will be applied to these improvements.

Loan Amount: up to \$900,000.00

Interest Rate: 3%

Term: Principal and accrued interest repaid in full the sooner of: 1) the Take Down Closing pursuant to the Option Agreement by and among Pittsburgh Arena Real Estate Redevelopment LP ("Optionee"), SEA, and URA (as the same may be in effect from time to time) of the commercial portion of Block H (Parcel H-R) as shown on the Lower Hill Planned Development District Subdivision Plan No. 2, as recorded; or 2) the Take Down of a cumulative total of 16.32 acres of the Option Premises (collectively, the "Note Due Date").

Security (1) a pledge of payments received pursuant to a \$900,000 promissory note from Optionee to the SEA, and/or URA and City, accruing interest at the rate of 3%, payable only if the "Note Due Date" occurs during the term of the Option Agreement, (2) if the Note Due Date does not occur during the term of the Option Agreement, a pledge of proceeds from the sale of SEA "Option Premises" land that occurs after the Option Agreement has expired, before any "Shortfall Amounts" due under the Option Agreement have been paid. "Shortfall Amounts" refer mainly to liquidated damages, if any, due pursuant to the terms of the Option Agreement. (3) the Optionee Note begins to accrue interest when the commercial portion of Block H is no longer used as a construction area for the CAP construction project. The SEA is responsible for all interest on the URA Note that accrues prior to that time.

Loan Review Committee: N/A

M/WBE	to be approved
Program Benefit:	Public infrastructure
Source of Funds	Pittsburgh Development Fund

Mary Conturo
Executive Director
Sports and Exhibition Authority
171 10th Street, 2nd Floor
Pittsburgh, PA 15222

Mr. Lavelle is concerned about having to advance funds in moving this development forward. Mr. Acklin stated that the Authority is stepping up to close the gap that is needed to move this development forward and avoid the loss of federal grant funds. Mr. Williamson asked about the role of the Pittsburgh Penguins. Mr. Rubinstein explained that there is an existing Cooperation Agreement with the SEA that includes a stipulation detailing how proceeds of potential development will be split between the Authority and the SEA if the land is purchased. Mr. Rubinstein also stated that that the Cooperation Agreement will be amended to add the repayment of this current loan as a priority.

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

RESOLUTION NO. 158 (2018)

RESOLVED: That a loan to the Sports and Exhibition Authority (SEA) and/or the City of Pittsburgh and/or related entity to support the I-579 "Cap" Urban Connector Project (the "Cap Project"), for an amount not to exceed \$900,000.00, payable from the Pittsburgh Development Fund (PDF), is hereby approved, and the Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute a loan agreement and related documents therefor, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto.

15. East Liberty - Broad Street Plaza

- a. Application with and execution of a Contract with the Commonwealth of Pennsylvania Department of Community and Economic Development and/or the Commonwealth Financing Authority for a Greenways, Trails, and Recreation Program grant of up to \$250,000.00 for the construction of Broad Street Plaza and Roadway Improvements.

- b. Cooperation Agreement with the City of Pittsburgh for the administration of the funds.

Mr. Rubinstein requested Board approval of the above items.

Ms. Susheela Nemani-Stanger, Director of Economic Development stated that the Authority is the owner of a 0.35-acre parcel at the corner of Broad Street and N. Highland Avenue (83-P-249). The Authority is attempting to redevelop this underutilized property into a public asset that will benefit residents, new and existing businesses, and visitors in exemplary ways. Located in the heart of East Liberty, this site has the potential to become a dynamic public plaza that enhances the business district experience through attractive open space and public gathering opportunities.

The Authority is seeking authorization to apply and enter into a contract with the Commonwealth of Pennsylvania Department of Community and Economic Development (DCED) and/or the Commonwealth Finance Authority (CFA) for a Greenways, Trails, and Recreation Program (GTRP) grant in the amount of \$250,000.00 to support construction of the public plaza. The Authority is also seeking authorization to enter into a cooperation agreement with the City of Pittsburgh for the administration of funds, if required by the funding source.

Mr. Gainey asked how much of a role Hotel Indigo will play in this development because of its proximity to this parcel. Mr. Rubinstein answered that all the adjoining property owners including some community organizations will be part of the design. Mr. Acklin stated that all the adjacent parcels will have input in maximizing this public space. Mr. Gainey stated that he would like to see more diverse input. Ms. Nemani-Stanger named different organizations that will be engaged in this process. Mr. Acklin asked if we could formerly panel that group to evaluate and report the recommendations back to the Board. Mr. Gainey iterated the need to proactively alleviate tension. Mr. Acklin asked about the role the City will play in this project. Ms. Nemani-Stanger answered that the City will become the future owner of this property.

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

RESOLUTION NO. 159 (2018)

RESOLVED: That an application to the Commonwealth of Pennsylvania Department of Community and Economic Development and/or the Commonwealth Finance Authority (CFA) for a Greenways, Trails, and Recreation Program grant, for an amount not to exceed \$250,000.00, for the construction of Broad Street Plaza and Roadway Improvements, is hereby approved, and the Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute an application therefor, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto; and it is

RESOLVED FURTHER: That acceptance of a Greenways, Trails, and Recreation Program grant from the Commonwealth of Pennsylvania Department of Community and Economic Development (DCED) and/or the Commonwealth Finance Authority, for an amount not to exceed \$250,000.00, for the construction of Broad Street Plaza and Roadway Improvements, is hereby approved, and the Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute a grant agreement and related documents therefor, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto.

RESOLUTION NO. 160 (2018)

RESOLVED: That a cooperation agreement with the City of Pittsburgh for the administration of the Greenways, Trails, and Recreation Program grant funds for the construction of Broad Street Plaza and Roadway Improvements is hereby approved, and the Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute said cooperation agreement, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto.

16. Shadyside - Hunt Armory

- a. Ratification of the filing of a Gaming Economic Development Fund (GEDF) grant application and authorization to enter into related contracts with the Redevelopment Authority of Allegheny County for the Hunt Armory.
- b. Subgrant Agreement with The Mosites Company, or a related entity, for Administrative Fees related to the GEDF grant.
- c. Fee Agreement with The Mosites Company, or a related entity, for administrative and predevelopment Fees incurred by the URA.

Mr. Rubinstein requested Board approval of the above items.

Ms. Nemani-Stanger stated that authorization is now being requested to ratify the submission of the Hunt Armory Gaming Economic Development Fund (GEDF) Application in the amount of \$500,000.00 The Allegheny County Department of Economic Development, on behalf of the Redevelopment Authority of Allegheny County, administers the GEDF program which provides loan and grant funds for development projects in the City of Pittsburgh and the surrounding County. Applications were due on April 27, 2018.

If awarded, the GEDF grant funds will support the construction of the recreational portion of the Hunt Armory project in Shadyside. The Hunt Armory will be redeveloped into a mixed-use development, which includes a sports and recreation facility and accompanying medical offices. Once developed, the Hunt Armory will offer access to an ice skating rink for hockey teams and the general public. URA will subgrant this grant to The Mosites Company or a related entity.

Authorization is also sought to enter into a Fee Agreement with The Mosites Company, or a related entity, for Administrative Fees and other related pre-development fees incurred by the URA.

Principal:

Steven Mosites
The Mosites Company
535 Smithfield Street
Pittsburgh, PA 15222
412-391-7171

Mr. Acklin asked for an update of the progression of this project. Steven Mosites, of The Mosites Company was present. Mr. Mosites acknowledged the Authority staff and Mayor's Office for their support of this project. Mr. Mosites stated that his firm has been deeply involved in due diligence over the past four months that included an environment survey, an overall survey that included a laser scan of the entire interior, a review of additional drawings with two sets of architects, and a traffic study. He stated that they have performed a lot of community outreach. He stated that they are lining up the tenants for the hockey rink, and the Pittsburgh Penguins have taken an interest in this project. He stated that they are working with the Pittsburgh Parking Authority to discuss their potential acquisition of the inside parking garage. He stated that they had a meeting with the historic review commission in the last ten days regarding the building. He stated that they had some early discussions with the National Park Service about this process. He stated that they are working with two different consultants on financing. Dr. Hall-Russell asked about the total cost of this project. Ms. Nemani-Stanger answered thirty-two million dollars.

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

RESOLUTION NO. 161 (2018)

RESOLVED: That application to the Redevelopment Authority of Allegheny County (RAAC) for a Gaming Economic Development Fund (GEDF) grant, for an amount not to exceed \$500,000.00, for the Hunt Armory, is hereby ratified, and the Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute an application therefor, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto; and it is

RESOLVED FURTHER: That acceptance of a Gaming Economic Development Fund (GEDF) grant from the Redevelopment Authority of Allegheny County (RAAC), for an amount not to exceed \$500,000.00, for the Hunt Armory, is hereby ratified, and the Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute contracts and other assurances or requirements necessary in connection with said contracts and related documents, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto.

RESOLUTION NO. 162 (2018)

RESOLVED: That a Gaming Economic Development Fund (GEDF) subgrant to The Mosites Company, or a related entity, for an amount not to exceed \$500,000.00, and an administrative fee and predevelopment fees to be paid to the Authority, are hereby approved, and the Executive Director or Director of Finance, on behalf of the Authority, is authorized to execute a subgrant agreement and an administrative fee agreement therefor, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto.

17. Amendment of Agreement with CGI Technologies and Solutions, Inc., for an increase of up to \$30,000.00, for a total Agreement amount not to exceed \$259,900.00.

Mr. Rubinstein requested Board approval of the above item.

Mr. Rubinstein stated that since February 2017, the Authority and CGI Technologies and Solutions, Inc. (formerly Summa Technologies, Inc.), have completed the implementation a new Salesforce.com system in three releases:

- Release 1: Business Retention, Expansion, and Attraction
- Release 2: Grant Seeking
- Release 3: Loan and Grant Management

This highly-customized Salesforce system has yielded immediate gains in productivity by centralizing and integrating data, streamlining business processes, and facilitating interdepartmental coordination. In-depth business requirements gathered by Summa/CGI enabled their team to design a system that provides a complete perspective of URA clients, projects, programs, and funding sources.

With the Authority's Salesforce Business Analyst leaving in April, the Authority is in need of additional consultation until a new staff member can be hired. We have asked Summa/CGI to provide additional services for a 3-month period:

- administrative support services;
- knowledge transfer to existing URA staff;
- coaching and assistance for end-users; and
- and advice and guidance regarding prioritization of enhancement requests and release management decisions (which new features to implement).

The funding source for this contract will be the Administrative Revolving Fund, Studies and Consultants, and/or CLRA. The authorization of an additional \$30,000.00 would bring the total authorization to \$259,900.00.

Summa Technologies, Inc. now part of CGI Technologies and Solutions Inc.

May 10, 2018

Summa/CGI is a Downtown Pittsburgh-based digital solutions consultancy founded in 1996. Summa/CGI specializes in developing, implementing, and integrating enterprise applications, particularly the cloud-based customer resource management platform Salesforce.com. Summa/CGI is a Salesforce.com Gold Partner with 50 certified Salesforce consultants, over 200 total employees, and more than 500 successful projects in their Salesforce.com delivery portfolio.

Steve Lippock
Vice President, Salesforce Sales
Summa Technologies, Inc. now part of
CGI Technologies and Solutions Inc.
611 William Penn Place
Pittsburgh, PA 15219
412.596.6104
steve.lippock@summa.com

There was no discussion among the Members.

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

RESOLUTION NO. 163 (2018)

RESOLVED: That amendment of the Agreement with CGI Technologies and Solutions, Inc. (formerly Summa Technologies, Inc.), dated November 16, 2016 for additional consultation for an increase of up to \$30,000.00, for a total Agreement amount not to exceed \$259,900.00, is hereby approved, and the Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute an amendment therefor, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto.

AGENDA "B"

The Members reviewed the items on Agenda "B" upon motion made by Dr. Hall-Russell, seconded by Mr. Lavelle, and unanimously carried, the following resolutions were adopted:

1. Fox Rothschild LLP

- a. Amendment of Agreement with Fox Rothschild LLP, dated June 21, 2017, for legal services regarding debt collection activities, for an increase of \$30,000.00, for a total Agreement amount not to exceed \$70,000.00.

RESOLUTION NO. 164 (2018)

RESOLVED: That amendment of the Agreement with Fox Rothschild LLP, dated June 21, 2017, for legal services regarding debt collection activities, for an increase of \$30,000.00, payable from CLRA and/or other funding sources, for a total Agreement amount not to exceed \$70,000.00, is hereby approved, and the Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute an amendment therefor, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto.

2. 9 Mile Run

- a. Certificates of Completion for MRRC Summerset II, L.P. for Lots 244 and 248, designated as Block 88-L-83 in Phase 2C, in the 14th Ward, and authorization to return the Good Faith Deposit (residential construction – 1657 and 1671 Biltmore Lane).

RESOLUTION NO. 165 (2018)

RESOLVED: That issuance of a Certificate of Completion to MRRC Summerset II, L.P for Lots 244 and 248, designated as Block 88-L-83 in Phase 2C, in the 14th Ward, and return of the Good Faith Deposit (residential construction – 1657 and 1671 Biltmore Lane) are hereby approved, and the Executive Director or the Director of Finance, on behalf of the Authority, is hereby authorized to execute said Certificate of Completion, and the Secretary or the Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto.

3. General

- a. Amendment of Resolution No. 373 (2017) to acknowledge that the approved contractor Integra Realty Resources Pittsburgh, LLC is now known as Newmark Knight Frank Valuation & Advisory, LLC.

RESOLUTION NO. 166 (2018)

RESOLVED: That Resolution No. 373 (2017) is hereby amended to acknowledge that the approved contractor Integra Realty Resources Pittsburgh, LLC is now known as Newmark Knight Frank Valuation & Advisory, LLC.

4. Reallocation of up to \$24,485.51 from previous City Bond East Liberty funds to the Streetface Program.

RESOLUTION NO. 167 (2018)

RESOLVED: That the reappropriation of \$24,485.51 from previous City Bond East Liberty funds to the Streetface Program is hereby approved.

5. Reallocation of up to \$10,000.00 from 2016 City Paygo Closed Schools funds to the Urban Development Fund.

RESOLUTION NO. 168 (2018)

RESOLVED: That the reappropriation of \$10,000.00 from 2016 City Paygo Closed Schools funds to the Urban Development Fund is hereby approved.

6. Addition of Riverside Center for Innovation to the Micro Enterprise technical assistance providers list.

RESOLUTION NO. 169 (2018)

RESOLVED: That the addition of Riverside Center for Innovation to the Micro Enterprise technical assistance providers list is hereby approved.

Mr. Rubinstein gave an update on the Produce Terminal project.

Ms. Rachel Filippini, the Executive Director of the Group Against Smog & Pollution, was present. Ms. Filippini read a statement that is attached.

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


Assistant Secretary



GROUP AGAINST SMOG & POLLUTION
1133 S. Braddock Avenue, Suite 1A
Pittsburgh, PA 15218
412-924-0604
www.gasp-pgh.org

May 10, 2018

Good afternoon. My name is Rachel Filippini and I'm the Executive Director of the Group Against Smog and Pollution. Thank you for the opportunity to speak today.

As you may know, the City of Pittsburgh passed clean construction legislation in the summer of 2016. Essentially the legislation requires that all city-funded construction projects of \$2.5M or more utilize the cleanest construction equipment possible. Our city and region's continued struggle with poor air quality was the impetus for this legislation. Diesel emissions contribute to our poor air quality and this is a tangible and proactive step the city can take to reduce air pollution.

Diesel particulate matter poses one of the greatest cancer risks from any toxic outdoor air pollutant in the region. In addition to causing cancer, diesel emissions cause asthma, heart attacks, strokes, reduced brain function, and diabetes.

Beyond being a public health risk, the black carbon found in diesel pollution is a potent global warming agent. Minimizing black carbon is directly in line with Pittsburgh's climate action plan.

According to the National Emissions Inventory, diesel-powered construction and mining equipment emitted over 130 tons of fine particulate matter in 2014 in Allegheny County. That amounts to approximately 27% of all fine particulate matter produced in Allegheny County in 2014 by all mobile diesel-powered sources and two-thirds of fine particulate matter produced by all mobile non-road diesel equipment.¹

We think the City's clean construction legislation is important and helpful but unfortunately, because it only applies to city-funded projects, it has a limited impact. To have a greater impact we will need authorities, like the Urban Redevelopment Authority (URA), which undertakes considerably more construction activity than the City, to adopt a similar policy.

I am here today to request that the URA review the city's legislation and pass your own clean construction policy, ideally one that mirrors the city's legislation. UPMC, Chatham University, and the Pittsburgh Parks Conservancy have all passed their own clean construction policies. The problem of air pollution and diesel emissions specifically is real, and we have solutions available that work and have been put in place here and there—now we just need more organizations, like the URA, to drive this change further.

My organization has expertise in this area and we would be happy to assist in any way possible to make this a reality.

Thank you for your consideration of this request and your time today.

¹ Construction sites and activities likely contribute more fine particulate matter because this figure does not take into account "industrial equipment" such as aerial lifts, "commercial equipment" such as generators, or any of the on-road diesel vehicles such as dump trucks and tractor-trailers needed to deliver the heavy equipment to the site.



Legislation Details (With Text)

File #: 2016-0620 **Version:** 1

Type: Ordinance **Status:** Passed Finally

File created: 7/11/2016 **In control:** Committee on Performance and Asset Management

On agenda: 7/12/2016 **Final action:** 7/26/2016

Enactment date: 7/26/2016 **Enactment #:** 21

Effective date: 8/3/2016

Title: Ordinance amending the City of Pittsburgh, Code of Ordinances, Title One, Administration, Article VII Procedures, Chapter 161 Contracts, Section 161.42 "Clean Construction Diesel Operations" by repealing the existing Section 161.42 and replacing it with a new Section 161.42 with the same title and purpose.

Sponsors: Dan Gilman

Indexes: PGH. CODE ORDINANCES TITLE 1 - ADMINISTRATIVE

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
8/3/2016	1	Mayor	Signed by the Mayor	
7/26/2016	1	City Council	Passed Finally	Pass
7/20/2016	1	Standing Committee	Affirmatively Recommended	Pass
7/12/2016	1	City Council	Read and referred	

Ordinance amending the City of Pittsburgh, Code of Ordinances, Title One, Administration, Article VII Procedures, Chapter 161 Contracts, Section 161.42 "Clean Construction Diesel Operations" by repealing the existing Section 161.42 and replacing it with a new Section 161.42 with the same title and purpose.

WHEREAS, in 2011, City Council enacted Ordinance 11 of 2011, effective July 27, 2011, to add a Section to the City Code entitled "Clean Construction Diesel Operations" in order to minimize human exposure and health risks from diesel particulate emissions and to reduce the health costs, missed school days, lost worker productivity and premature mortality linked to exposure to diesel particulate matter and other diesel pollutants; and

WHEREAS, the City has been working on drafting the necessary regulations and contract specifications required by this Section; and

WHEREAS, in undertaking this process and conducting additional research, the City has determined that certain changes to the Section are necessary for effective implementation.

Be it resolved that the Council of the City of Pittsburgh hereby enacts as follows:

Section 1. The City Code is hereby amended at Title One, Administrative; Article VII, Procedures; Chapter 161 Contracts; by adding a new section §161.42 entitled "Clean Construction Diesel Operations" to supersede and replace the existing §161.42.

vessels. Non-road Construction Equipment does not include a stationary source, except that this term shall apply to diesel-powered Stationary Generators, compressors, or similar equipment used in any City Construction Project.

(10). *On-road Vehicle* means a self-propelled vehicle designed for transporting persons or property on a street or highway that operates on diesel fuel and that has a gross vehicle weight rating of fourteen thousand (14,000) pounds or more. For purposes of this Section, On-road Vehicle requirements shall only be applicable to concrete delivery trucks and dump trucks.

(11). *Solicitation* means the process used to communicate procurement requirements and to request responses from interested vendors or contractors.

(12). *Stationary Generator* means a non-mobile machine that uses diesel fuel to produce electrical energy.

(13). *Ultra-low sulfur diesel fuel* means diesel fuel that has a sulfur content of no more than fifteen (15) parts per million.

161.42(b) Applicability and Costs of Compliance.

(1) On and after October 1, 2016, all Solicitations for a City Construction Project and all CCDO Covered Contracts entered into as a result of such Solicitation shall include a requirement that all CCDO Contractors must meet the applicable requirements of subsection (c). The City will also include a requirement for compliance with subsection (c) in contracts with Authorized Partners working on City Construction Projects.

(2) All incremental equipment retrofitting and/or installation costs necessary to meet the requirements imposed pursuant to this Section 161.42 are the responsibility of the selected Covered CCDO Contractors. No additional time or monies will be granted to the Covered CCDO Contractor(s) for compliance with the requirements imposed pursuant to this Section or any Regulations or contract terms promulgated pursuant to this Section.

161.42(c) Required Use of Ultra Low Sulfur Diesel Fuel and Best Available Retrofit Technology; Waiver; Exemptions

(1) In the performance of a City Construction Project as defined herein, a CCDO Covered Contractor shall, as of October 1, 2016:

(a) Use ultralow sulfur diesel fuel in diesel-powered Covered Equipment on the applicable project site; and

(b) Comply with the following requirements:

1. Install the applicable BART as required in the current City CCDO Regulations

promulgated pursuant to subsection (e) herein; and

2. Not operate any diesel Covered Equipment on a project site unless that Covered Equipment has installed the BART that is properly maintained and operational and such compliance has first been verified by the City.

(2) A CCDO Covered Contractor may apply for a CCDO Waiver from the Department of Public Works for specified equipment or vehicles under conditions set forth in the Regulations authorized under subsection (e) herein.

(3) BART will not be required under this Section for non-Covered Equipment with engines of less than 50 horsepower; Construction Equipment used for emergency responses and/or vehicles used exclusively for snow removal; and for vehicles with engines using gasoline rather than diesel fuel as further set forth in the Regulations authorized under subsection (e) herein.

161.42(d) Compliance and Enforcement

(1) In the Regulations promulgated pursuant to subsection (e) herein, the Director of Public Works is authorized to include specific requirements for Contractor-reporting of compliance with the BART required in this Section and for on-site inspections by the City.

(2) Each Solicitation by the City for a City Construction Project subject to this Section, each CCDO Covered Contract entered into as a result of such Solicitation and each contract between the City and an Authorized Partner relating to a City Construction Project shall include provisions authorizing enforcement of the requirements of this Section.

(3) Violations of any of the requirements of this Section as inserted in the applicable contract shall be deemed to be a material breach of that contract, and the City shall have available all remedies resulting from such a breach, including but not limited to liquidated damages if set forth therein.

(4) In addition to any applicable contractual remedies for breach, any person who knowingly makes a false statement of material fact to the City with respect to compliance with any of the requirements set forth in this Section shall be subject to a fine of up to \$300.00 for each such false statement.

161.42(e) Regulations

By March 31, 2016, the Director of the Department of Public Works shall promulgate regulations implementing the provisions of this Section. These Regulations shall be posted on the City's website, made a part of all Solicitations, and incorporated into all applicable CCDO Covered Contracts and applicable contracts with Authorized Partners.

161.42(f) Annual Reporting

The City Controller shall provide City Council with an annual report that includes the number of Covered Equipment retrofitted in compliance with this Section.

161.42(g) Severability and Scope

(1) In the event any provision of this Section shall be held invalid or unenforceable in any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision thereof.

(2) This Section shall not apply to any contracts to the extent that the requirements imposed by this section are inconsistent with procedures or standards required by any law or regulation of the United States or the Commonwealth of Pennsylvania to the extent such inconsistency is not permitted under the home rule powers of the City.