

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

July 12, 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, Hobbes, Walker, Mitchell, Brooks, Bohince, Smith-Perry, Moses, Pawlak, Reid, Meier, Madden, Sausedo, and Schacht

Dr. Hall-Russell called the Meeting to order and declared a quorum present.

1. Executive Session

- a. Dr. Hall-Russell announced that an Executive Session was held today, Thursday, July 12, 2018 regarding the 2017 Audit. A copy of the audit can be obtained at [www.URA.org](http://www.URA.org).

2. General

- a. Approval of the Minutes of the Regular Board Meeting of June 14, 2018.

3. Announcements

- a. Mr. Rubinstein announced the proposed acquisition of a property for the relocation of the Authority, The Housing Authority of the City of Pittsburgh and the City of Pittsburgh. He stated that a press release will be issued by the Mayor's Office today. He stated that a Special Board Meeting will be held on Monday, July 16, 2018, at a time to be determined.

b. RFP's, RFQ's and Bids

- i. Request for qualifications (RFQ) for sidewalk construction/reconstruction.
- ii. Request for qualifications (RFQ) for tree removal services.
- iii. Request for qualifications (RFQ) for fence installation.
- iv. Request for bids for sidewalk reconstruction at various locations – City-wide.

- v. Request for proposals (RFP) for architectural and engineering services for stabilization of the Greater Pittsburgh Coliseum.
  - b. Dr. Hall-Russell announced Peoples Gas's potential joint venture with PWSA. Jason Hobbes, the Authority's Senior Counsel, read a letter from Chairman, Kevin Acklin with the details.
  - c. Mr. Rubinstein announced that Jessica Smith Perry has been appointed Director of the Housing Opportunity Fund.
  - d. HOF Advisory Board Meeting will be held on July 13<sup>th</sup> at 9:00 AM, 200 Ross Street, 13<sup>th</sup> Floor, Pittsburgh PA 15219. The agenda for this meeting will be posted on the URA's website.
  - e. Farm-A-Lot Program.
  - f. CIE Mid-year business financing report.
  - g. CIE Micro Enterprise Fund update.
4. Tree Protection Task Force
- a. Partners from The Mayor's Shade Tree Commission, specifically the Tree Protection Task Force spoke. Alicia Carberry, of Chief Operations Officer Gus Costa's Office, was present. Ms. Carberry spoke about the history, partnerships goals and policies of the Tree Protection Task Force. She is also requesting a board resolution to enforce their goals. Lisa Ceoffe, of the City of Pittsburgh DPW Forestry Division, was present. Ms. Ceoffe spoke about Tree Pittsburgh and the City's Forestry Division. Jeffrey Bergman, Director, of Tree Revitalize Pittsburgh and the Community Forestry for the Western Pennsylvania Conservancy, was present. Mr. Bergman spoke about his organization.
5. Lower Lawrenceville - Arsenal Motors
- a. Urban Development Fund (UDF) loan in an amount not to exceed \$400,000.00 to 3700 Butler Associates, LLC or related entity.

Mr. Rubinstein requested Board approval of the above item.

Mr. Tom Link, Director of the Center for Innovation and Entrepreneurship stated that 3700 Butler Associates LLC, a partnership between One80 Development II, LLC and TBS Real Estate LLC, is proposing a complete renovation of a 3-story, 30,000 square foot brick structure which was formerly used as an automobile transmission repair facility into an office co-working facility and retail space. The 1<sup>st</sup> floor will consist of approximately 4,000 square feet of neighborhood retail space, indoor

parking for 12 cars, and a 1,500 square foot lobby curated by The Beauty Shoppe to promote public and private interaction(s) around co-working.

The co-working space, which will provide affordable and accessible office space to small businesses and entrepreneurs from the surrounding communities, will be managed by The Beauty Shoppe. The Beauty Shoppe will offer 280 co-working seats for startups and operating businesses. Consistent with its existing co-working facilities in Pittsburgh’s East Liberty, Lawrenceville, and Bakery Square, the Beauty Shoppe anticipates offering a variety of membership programs and pricing options, ranging from flexible memberships for individual entrepreneurs, full memberships that include dedicated desks for individuals or offices for small companies, and office memberships that include private offices for companies with up to 20 employees. All members will receive access to a range of resources and services, including well-equipped conference rooms, event and meeting spaces, and access to a growing and regional network of creatives, entrepreneurs and small companies.

Total projects costs are \$7,559,587.00 in which financing is secured through Enterprise Bank (\$3,000,000.00), Pittsburgh Urban Initiatives (\$1,935,000.00), Bridgeway Capital (\$400,000.00), Urban Redevelopment Authority of Pittsburgh (\$400,000.00), and owner equity (\$1,624,587.00.00).

The URA UDF loan funds will be applied to soft costs associated with the project.

**SOURCES AND USES OF FUNDS**

	<u>TOTAL</u>	<u>Sponsor Equity</u>	<u>HTC Equity (10%)</u>	<u>PUI</u>	<u>Enterprise Bank</u>	<u>URA</u>	<u>Bridgeway Capital</u>
Building Acquisition	1,617,000	751,080			865,920		
Renovations	4,455,300		873,507	1,888,000	1,093,793		600,000
Soft Costs	1,440,287				1,040,287	400,000	
PUI Legal & Prof. Fees	47,000			47,000			
<b>Total</b>	<b>7,559,587</b>	<b>751,080</b>	<b>873,507</b>	<b>1,935,000</b>	<b>3,000,000</b>	<b>400,000</b>	<b>600,000</b>
	100%	10%	12%	26%	40%	5%	8%

**Authority Loan Financing**

Urban Development Fund Loan Amount: up to \$400,000.00

Interest Rate: 4.5%

Term: Ten (10) year term  
(10 year amortization, 18 month interest only)

General Contractor: Sota Construction Services

Architect: Desmone Architects

Loan Review Committee: To be reviewed at the July 11, 2018 real estate loan review committee

M/WBE Review Committee: To be reviewed

Program Benefit:	Job creation, community/neighborhood investment, vacant property revitalization, new tax creating property.
No. Jobs:	Ten (10) direct FTE by TBS, Inc. (tenant), fifteen (15) FT & PTE by retail tenants, indirect job creation of 280 + jobs from the co-working members/sub-tenants of TBS, Inc., plus and estimated 54 construction jobs
Principle Ownership:	TBS Real Estate LLC (Matthew Ciccone, Rabih Helou, Joshua Lavrinc)  One80 Development II, LLC (Ernest J. Sota)
Ownership Address:	Mr. Joshua J. Lavrinc, Manager Arsenal Motors Building Associates, LLC 3700 Butler Associates, LLC c/o Callaway Capital LLC 333 Baldwin Road, Suite 200 Pittsburgh, PA 15205

Mr. Joshua J. Lavrinc, Manager of Arsenal Motors Building Associates, LLC, was present. Mr. Lavrinc stated that he appreciates the Authority's assistance on this redevelopment. Dr. Hall-Russell asked about the number of jobs that will be created. Mr. Lavrinc stated there will be 10 to 15 direct jobs for the parking, retail and the Beauty Shop, and 280 projected jobs within the coworking spaces.

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

**RESOLUTION NO.204 (2018)**

RESOLVED: That a loan to 3700 Butler Associates, LLC or related entity for the renovation of a 30,000 sq. ft. industrial building in Lawrenceville, in an amount not to exceed \$400,000.00, payable from the Urban Development Fund (UDF), 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.

6. Crawford Roberts - Energy Innovation Center LP

- a. Pittsburgh Development Fund loan in an amount not to exceed \$400,000.00 to Energy Innovation Center LP, or a related entity.

Mr. Rubinstein requested Board approval of the above item.

Mr. Link stated that the Energy Innovation Center (“EIC”) is a multi-disciplinary institution that integrates workforce development programs, green technology research laboratories, a business incubator and collaborative university-industry projects. It is housed in the former Clifford B. Connelly Trade School, which was renovated both to accommodate diverse uses and to serve as a case study for green adaptive reuse. EIC’s mission is to engage corporate and community leaders, align workforce development and education, develop and demonstrate technology, and incubate businesses, to support emerging clean and sustainable energy markets.

EIC will continue to strengthen Pittsburgh’s efforts in workforce development and serve as a leader in sustainable energy as a LEED Platinum Certified building as well as provide opportunities to co-locate a diverse range of tenants in clean, efficient and sustainable energy solutions and technologies.

Tenant improvements (7,868 sq. ft.) made to the C-level and first floor mezzanine, and purchasing and installing an elevator located in the Northern area of the facility have a total project cost of \$1,062,000. Financing is secured through a grant from the Richard King Mellon Foundation (\$662,000) and the Urban Redevelopment Authority of Pittsburgh (\$400,000.00).

By adding an elevator located in the Northern portion EIC, the facility’s occupancy will be increased to 70%, enable the C level kitchen to service the entire EIC facility with food services from Community Kitchen Pittsburgh, and create more job opportunities within the tenant spaces made available upon completion of the elevator and other mezzanine projects.

	<u>TOTAL</u>	<u>Richard King Mellon Foundation</u>	<u>URA</u>
C Mezzanine– Tenant Improvements	\$270,000	\$270,000	
1st Mezzanine– Tenant Improvements	\$295,000	\$295,000	
Elevator	\$497,000	\$97,000	\$400,000
<b>Total</b>	<b>\$1,062,000</b>	<b>\$662,000</b>	<b>\$400,000</b>
	100%	62%	38%

Authority Loan Financing Urban Development Fund Loan Amount:	up to \$400,000.00
Interest Rate:	4.5%
Term:	Five (5) year term, Fifteen (15) year amortization
General Contractor:	Pittsburgh Gateways
Architect:	Graves Architects Inc., Howard Graves
Loan Review Committee:	To be reviewed at the July 11, 2018 Real Estate Loan Review Committee
M/WBE Review Committee:	Received narrative and EIC intends to submit a final MWBE plan for approval prior to closing.
Program Benefit:	Job creation
No. Jobs:	53 Jobs
Principle Ownership:	Energy Innovation Center LP (Robert A. Meeder, Ph.D., Chief Executive Officer and President)
Ownership Address:	Mr. Bill Miller Chief Operations Officer and Vice President, Pittsburgh Gateways 1435 Bedford Ave Pittsburgh, PA 15219

Dr. Hall-Russell asked about the Community Kitchen Pittsburgh expansion, and the new elevator that will be installed. Robert A. Meeder, Ph.D., Chief Executive Officer and President, of Energy Innovation Center LP, was present. Mr. Meeder answered that Community Kitchen Pittsburgh occupies the lower level of the building and explained the use of the new elevator that is needed for the employees.

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

## RESOLUTION NO.205 (2018)

RESOLVED: That a loan to the Energy Innovation Center LP, or a related entity, to purchase and install an elevator within the Energy Innovation Center (EIC), in an amount up to \$400,000.00, 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.

### 7. West Oakland – Oakland Affordable Living

- a. First Amendment to Rental Housing Development and Improvement Program (“RHDIP”) loan agreement with Quippa, LP, in an amount not to exceed \$125,000.00, for a new total amount not to exceed \$1,650,000.00.

Mr. Rubinstein requested Board approval of the above item.

Mr. Tom Cummings, Director of Housing stated that at its meeting of July 13, 2017, the Authority Board approved a Rental Housing Development and Improvement Program (“RHDIP”) loan in the amount of \$1,525,000 to Quippa, LP (“Developer”), for the development of Oakland Affordable Living (“OAL”). There are two components of the 49-unit OAL affordable housing development including the acquisition, preservation and substantial rehabilitation of 24 existing rental units (“Allequippa Place”) and the new construction of 25 rental units (“Wadsworth Units”). The project closing took place on August 10, 2017.

Authorization is being requested to increase the Authority RHDIP loan from \$1,525,000.00 to an amount not to exceed \$1,650,000.00 to cover certain cost increases. Costs overruns for the development include construction costs, relocation expenses and engineering and architectural fees. Construction delays at Allequippa Place meant that former tenants could not return as soon as originally expected so temporary relocation costs increased from the original budget amount. Additionally, some former tenant’s incomes were over the limit for them to return to OAL and, therefore, the Developer was required to pay permanent relocation costs. Tenants returning to OAL were required to have incomes at or below 60% of the area median income (“AMI”) pursuant to the Low-Income Housing Tax Credit (“LIHTC”) program requirements. OAL is a 100% affordable rental housing development.

During the initial phase of construction of the Wadsworth Units, the general contractor discovered several underground voids, which necessitated a caisson foundation system. This change increased construction costs and the associated engineering and architectural fees. Contingency funds were used to cover the hard construction costs related to the change order(s).

Details of the development are as follows:

Developer:	Quippa, LP Oakland Planning & Development Corporation
Property Location:	2561 Allequippa Street (Allequippa Place) 2528-44 Wadsworth Street (Wadsworth Units)
Architect:	Loysen + Kreuthmeier 5115 Penn Avenue Pittsburgh, PA 15224 Peter Kreuthmeier, Principal
General Contractor:	Sota Construction Services, Inc. 80 Union Avenue Pittsburgh, PA 15202 Ernest Sota, Principal
Total Development Costs:	\$16,109,105
<u>Construction Financing:</u>	
LIHTC Equity (PNC Multifamily Capital)	\$11,464,550
Authority RHDIP (previously approved)	\$ 1,525,000
Authority RHDIP (requested increase)	\$ 125,000
Seller Note	\$ 1,000,000
FHLB Affordable Housing Program	\$ 650,000
PHFA PHARE/RTT	\$ 380,000
General Partner Loan	\$ 237,774
Deferred Fee	<u>\$ 726,781</u>
Total Construction Financing	\$16,109,105
Previously Approved Authority Financing:	\$1,525,000 - RHDIP Loan - 5%, 30-year term, 50% of cash flow
Authority Financing Under Review:	\$ 125,000 - RHDIP Loan - 5%, 30-year term, 50% of cash flow
Real Estate Loan Review Committee Status:	Loan increase to be presented at the July 11, 2018 Real Estate Loan Review Committee
M/WBE Review Committee Status:	Approved July 14, 2017.



Wanda Wilson, Executive Director of Oakland Planning and Development Corporation, was present. Ms. Wilson stated that the rehab units are complete, and the entire project will have a waiting list for new tenants. Dr. Hall-Russell asked about relocation of tenants that were slightly over the income requirement. Ms. Wilson answered that some of the tenants were relocated nearby and others were able to find housing on their own. Mr. Cummings stated that there was a relocation consultant hired out of the project proceeds.

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

**RESOLUTION NO. 206 (2018)**

RESOLVED: That amendment of the Loan Agreement dated August 10, 2017 with Quippa, LP, for an increase not to exceed \$125,000.00, to cover certain cost increases for the development of Oakland Affordable Living ("OAL"), payable from the Rental Housing Development and Improvement Program (RHDIP), for a total amount not to exceed \$1,650,000.00, 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.

**8. Administrative – Pittsburgh Housing Development Corporation**

- a. Reappointment of David R. Brewton, to the Board of Pittsburgh Housing Development Corporation (3 year term).
- b. Reappointment of Colin Kelley to the Board of Pittsburgh Housing Development Corporation (3 year term).

Mr. Rubinstein requested Board approval of the above items.

Mr. Cummings stated that Pittsburgh Housing Development Corporation (PHDC) is the not for profit 501 (c) 3 housing development affiliate of the Authority. PHDC is governed by a Board of Directors appointed by the Authority Board. Authorization is requested to make the following reappointments:

- |              |   |
|--------------|---|
| Appointment: | David R. Brewton<br>Director of Real Estate<br>Hazelwood Initiative<br>(3 year term)          |
|              | Colin Kelly<br>Chief Executive Officer<br>NeighborWorks Western Pennsylvania<br>(3 year term) |

There was no discussion among the Members.

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

**RESOLUTION NO. 207 (2018)**

RESOLVED: That the reappointment of the following individuals to the Board of Pittsburgh Housing Development Corporation is hereby approved:

- David R. Brewton  
Director of Real Estate  
Hazelwood Initiative  
(3 year term)
  
- Colin Kelly  
Chief Executive Officer  
NeighborWorks Western Pennsylvania  
(3 year term)

9. Central Business District – 350 Oliver Phase 2 – Lumière

- a. Restated proposal and form of disposition contract, final drawings, final evidence of financing, and execution of a deed for the sale of Air Pocket Estates A-1 and A-2, Block 2-A, Lots 127-A-1 and 127-A-2, in the 2<sup>nd</sup> Ward to Smithfield Oliver Phase 2 Partners, LP, in exchange for an equity interest valued at \$2,250,000.00.
  
- b. Rescission of Resolution No. 102 (2016) authorizing the approval of the redevelopment proposal and form of disposition contract for the sale of Air Pocket Estates A-1 and A-2, Block 2-A, Lots 127-A-1 and 127-A-2, in the 2<sup>nd</sup> Ward to Smithfield Oliver Phase 2 Partners, LP, for \$2,225,000.00.

Mr. Rubinstein requested Board approval of the above items.

Mr. Nathan Clark, Director of Real Estate stated that at its meeting of April 14, 2016, the Board of this Authority approved a proposal by Smithfield Oliver Phase 2 Partners, LP, to redevelop two air rights parcels that were created above the recently completed 580-space 350 Oliver Avenue garage (Phase 1 of the redevelopment of the former Saks Fifth Avenue department store) with a mixed-use development consisting of 62 market rate rental units and an approximately 161 room luxury lifestyle hotel.

Since that time, market conditions have changed, and Smithfield Oliver Phase 2 Partners has returned with a revised proposal that replaces the rental units and hotel with 86 for-sale condominiums in a project to be known as Lumière. At this time, we are seeking authorization to

rescind the resolution approving the prior proposal and to approve the restated proposal, as well as to enter into a disposition contract, approve the final drawings and evidence of financing, and to execute a deed.

The 86 condominiums will be constructed in ten stories atop the recently completed garage will include one-bedroom units containing approximately 500-900 square feet, two-bedroom units containing approximately 900-1400 square feet, and three-bedroom units containing 2,635 square feet. Proposed prices will range from \$260,000 to approximately \$2,000,000. The units will contain hardwood floors, with carpeting in the bedrooms, along with solid surface countertops, Energy Star appliances, washer/dryers in each unit, and low flow toilets. Planned amenities include a rooftop deck and amenity space. Total development costs, excluding the air rights acquisition costs, are budgeted at approximately \$30.9 million.

The parties originally contemplated the developer buying the air pocket parcels from the URA at closing for a purchase price of \$2,250,000.00. The current proposal is for the URA to take a limited partnership interest equal to the contemplated purchase price, giving the URA a limited partnership interest of approximately 17% of the project. The proposed limited partnership terms project an internal rate of return of approximately 15% and give the URA's interest preference in liquidation, which is estimated to occur no later than five years from closing. The Board's approval of the developer's evidence of financing will be contingent on on-going staff and legal review and approval of the developer's financials, and of documents associated with the proposed URA equity interest.

The project's approved MWBE plan anticipates that MBE participation will be equal to 8.4% and WBE participation equal to 2.1% of the total opportunity amount, for a total MWBE participation of 10.4%, or \$3,082,260.60. Despite Millcraft's good faith efforts, opportunities for MWBE participation were limited by the fact that this second phase of 350 Oliver is being constructed atop an existing parking garage. As a result, there is no need for preconstruction items such as geotechnical investigation or Phase I environmental and hazardous material surveys; neither is there an opportunity for MWBE participation in typical scopes of work like demolition, excavation, and foundations. Millcraft will continue its good faith efforts to increase MBE and WBE participation where possible.

Smithfield Oliver Phase 2 Partners, LP, has a mailing address of 95 West Beau Street, Suite 600, Washington, PA 15301. Millcraft Investments, Inc., and its affiliates, are the current equity owners prior to the proposed investment by the Authority.

Millcraft Investments has a mailing address of 95 West Beau Street, Suite 600, Washington, PA 15301. Lucas Piatt is President and Chief Operating Officer.

Mr. Jason Hobbes, the Authority's Senior Counsel explained that the Authority retained outside counsel to advise the Authority on the transaction due to the fact that the Authority would take a limited partnership interest. Mr. Williamson asked about the total cost of this phase of the project. Brian Walker, of Millcraft Investments, was present. Mr. Walker stated that the total

project cost is \$44,000,000.00. He thanked the Authority staff for their help with this project. He also stated that this phase will consist of 86 condominiums. Mr. Walker stated that the projected closing date for this project will be the 23<sup>rd</sup> or 24<sup>th</sup> of July with construction already beginning.

Mr. Lavelle asked when the Authority's financial goal would be reached. Mr. Walker stated that the construction lender requires a high percentage of presales before funding and is happy to report that the presales have gone well. Mr. Walker stated that occupancies will begin within twelve months with a total projected timeframe of 14 to 16 months. Mr. Hobbes stated that the projected timeframe for the Authority to reach its financial goals will be 2020-2021, but based on presales that have exceed projections, the Authority could receive a return on its investment earlier. Mr. Lavelle asked which units are being presold. Mr. Walker gave an overview of some of the units and the pricing.

Mr. Rubinstein stated that the Authority had looked at becoming an equity partner when the initial deal took place, and a similar structure was considered for the first phase of the project.

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

#### **RESOLUTION NO. 208 (2018)**

**RESOLVED:** That the reinstated Redevelopment Proposal submitted by Smithfield Oliver Phase 2 Partners, LP for Air Pocket Estates A-1 and A-2, Block 2-A, Lots 127-A-1 and 127-A-2, in the 2<sup>nd</sup> Ward, and execution of a disposition contract in exchange for a limited partnership interest valued at \$2,250,000.00 are hereby approved, and the Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute said disposition contract, limited partnership agreement, and related documents, 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 the final drawings and evidence of financing submitted by Smithfield Oliver Phase 2 Partners, LP for Air Pocket Estates A-1 and A-2, Block 2-A, Lots 127-A-1 and 127-A-2, in the 2<sup>nd</sup> 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. 209 (2018)**

RESOLVED: That Resolution No. 102 (2016) authorizing the approval of the redevelopment proposal and form of disposition contract for the sale of Air Pocket Estates A-1 and A-2, Block 2-A, Lots 127-A-1 and 127-A-2, in the 2<sup>nd</sup> Ward to Smithfield Oliver Phase 2 Partners, LP, for \$2,250,000.00, is hereby rescinded.

10. South Side Slopes – South Side Park

- a. Conveyance of Block 12-P, Lot 154, in the 16<sup>th</sup> Ward, to the City of Pittsburgh for \$1.00, plus costs.

Mr. Rubinstein requested Board approval of the above item.

Mr. Clark stated that the URA acquired this approximately 26,964-square-foot vacant parcel located along South 21<sup>st</sup> Street, north of Mission Street, in 1996. Since acquisition, the property has been deemed largely undevelopable due to steep sloping. The parcel adjoins South Side Slopes Park which is undergoing a master plan spearheaded by the Department of City Planning. The City would like to add this parcel to expand the park. We are requesting authorization to convey Block 12-P, Lot 154, to the City for use as permanent park space with storm water management features. The purchase price will be \$1.00 plus costs.

There was no discussion among the Members.

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

**RESOLUTION NO. 210 (2018)**

RESOLVED: That the conveyance of Block 12-P, Lot 154, in the 16<sup>th</sup> Ward, to the City of Pittsburgh, for \$1.00 plus costs, is hereby approved, and the Executive Director or Director of Finance, on behalf of the Authority, is authorized to take any and all actions and execute such documents as are related and proper to effectuate the terms of the conveyance, and the Secretary or Assistant Secretary is authorized to attest the same and affix the seal of the Authority thereto.

11. Homewood School Demolition/Deconstruction

- a. Agreement for Homewood School Demolition and Site Clearance Contract with Ken Reilly Contracting of up to \$327,000.00.

Mr. Rubinstein requested Board approval of the above item.

Mr. Marty Kaminski, Director of Engineering and Construction stated that authorization is being requested to enter into an Agreement with Ken Reilly Contracting for the environmental remediation and demolition/deconstruction of the former Homewood School located at 7100 Hamilton Avenue in the City of Pittsburgh. The project was publicly bid by URA and bids were opened on June 14, 2018. Four bids were received for the work. Ken Reilly Contracting was the lowest responsible bidder. The work will include asbestos and hazardous materials remediation, demolition of the building, and construction of a temporary parking lot. In addition, to reduce the volume of material from the project being deposited in a landfill, the contractor will work with Construction Junction to re-direct as much of the material as possible for alternative uses.

The funding source for this agreement is: 2015 City Paygo - Homewood School and/or other Homewood Project funds.

Mr. Lavelle asked about the MWBE plan for this item. Mr. Kaminski answered that currently, the contractor submitted two MWBE firms, including Gray Waste Management Corporation, an WBE firm that will receive 28.8% of the contract amount, and Jadell Minniefield Construction Services, Inc., an MBE firm that will receive 12.2% of the contract amount. Mr. Hobbes stated that this item is being presented today contingent on a final approved MWBE plan because of a cost increase that will occur in the next two weeks. Mr. Hobbes stated that the plan is to approve and send an award letter that will be contingent upon a final MWBE plan approval. Mr. Hobbes further explained that this will preserve wage rates and allow the Authority's MWBE department and Legal Department to encourage the contractor to complete the process. Ms. Diamonte Walker, Manager of the MWBE Program stated that she is confident that this firm can make up the difference by 5.8% points and would like to make it contingent upon continuing good faith efforts to complete the process. Mr. Lavelle motioned to amend the resolution contingent upon good faith efforts and/or MWBE approval". Mr. Hobbes stated that the award of the contract would indeed be contingent upon final approval of the MWBE plan or good faith effort waiver.

Cherylie Fuller, of the Homewood Concerned Citizens Council, was present. Ms. Fuller asked if the Authority will work with the Ballfield Association, after the demolition, to convert the lot into a parking lot. Mr. Rubinstein stated that the City of Pittsburgh will request a license agreement to create a temporary parking lot on the current school lot and some grass areas to replace the existing parking lot that will be torn up soon. Ms. Fuller asked about parking for the ballfield. Mr. Rubinstein stated that the City of Pittsburgh will be laying down gravel aggregate where the current grass areas are. Ms. Fuller asked about the timeframe of access to this lot. Mr. Kaminski stated that it will begin as soon as the license agreement is completed.

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

**RESOLUTION NO. 211 (2018)**

RESOLVED: That the engagement of Ken Reilly Contracting for the environmental remediation and demolition/deconstruction of the former Homewood School, for an amount not to exceed \$327,000.00, payable from 2015 City Paygo - Homewood School and/or other Homewood Project funds, is hereby approved contingent on final approval of an MWBE plan or good faith effort waiver, 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.

12. Hazelwood

- a. Agreement with Joseph Palmieri Construction, Inc. for sidewalk replacement adjacent to URA property located along the west side of a portion of the 4800 block of Second Avenue of up to \$35,056.13.

Mr. Rubinstein requested Board approval of the above item.

Mr. Kaminski stated that authorization is requested to enter into an Agreement with Joseph Palmieri Construction, Inc. for sidewalk replacement along Second Avenue adjacent to URA property. This property is used seasonally as the site of a farmers' market. The URA solicited bids from three concrete contractors. Two bids were received and reviewed by the Engineering and Construction Department. Joseph Palmieri Construction, Inc provided the lowest responsible bid for the work.

Joseph Palmieri Construction, Inc. is located at 2015 Babcock Boulevard and Joseph Palmieri is the President.

Funding for this project will be provided from ILRF.

There was no discussion among the Members.

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

## RESOLUTION NO. 212 (2018)

RESOLVED: That the engagement of Joseph Palmieri Construction, Inc. for sidewalk replacement adjacent to the URA property located along the west side of a portion of the 4800 block of Second Avenue, for an amount not to exceed \$35,056.13, payable from ILRF, 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.

### 13. MWBE Policies and Procedures

#### a. Adoption of Policy

Mr. Rubinstein requested Board approval of the above item.

Mr. Rubinstein stated that in 2016, the Urban Redevelopment Authority of Pittsburgh (URA) issued a request for proposals to hire a consultant to review its Minority and Women Business Enterprise (MWBE) Program. The URA awarded the contract to Exstare Federal Services (Exstare), owned by Nancy West. Upon extensive review of the URA's program, which included both internal and external analysis, Exstare provided several key recommendations to the URA. One recommendation included the hiring of a program officer to oversee the implementation of the strategies outlined in the plan. In 2017, the URA hired a MWBE program officer to modernize the URA's MWBE programmatic infrastructure and address the business development needs of diverse firms looking to participate in the City of Pittsburgh's changing economy. The URA's MWBE Program Office has developed policies and procedures to further strengthen the program. The proposed policy is being presented today for formal adoption by the board.

#### Policy Overview

The URA has established the MWBE Notification Policy, MWBE Planning Policy, MWBE Utilization by Department Policy, Good Faith Effort Waiver Policy, and corresponding procedures in an effort to encourage and facilitate MWBE participation on URA projects and contracts. The MWBE Program Office will provide oversight and evaluation of adherence to these policies and procedures. Policies will be revisited and revised on an annual basis. Amendments will be made as warranted.

#### Policy Highlights:

- The MWBE Program Office requires direct involvement in construction/development projects with total project costs of \$250,000 or more, and/or professional services contracts of \$75,000 or more. A Minority Workforce Inclusion plan must be also provided for any construction/development projects with total project costs of \$500,000 or greater.



- MWBE Program Office must be involved in the drafting and release of all solicitation requests to ensure MWBE policy alignment.
  - MWBE Program Office must be included on the proposal review and selection committees to ensure MWBE compliance.
- The URA requires project owners, developers, borrowers, and contractors to comply with the MWBE planning process which occurs in three phases. The requirements must be met prior to advancing to the board and/or a closing:
    - MWBE Narrative – informs the URA as to how MWBE will be handled;
    - Preliminary Plan – provides an initial, numerical projection of MWBE participation for URA approval; and
    - Final Plan- provides a final, numerical projection of MWBE participation for compliance monitoring.
  - On an annual basis, URA departments are required to meet and/or exceed 18% MBE and 7% WBE utilization on all funds used to procure goods and services by the URA.
  - The URA requires project owners, developers, borrowers, and contractors to demonstrate good faith effort to meet and/or exceed the City of Pittsburgh’s goal of 18% for Minority Business Enterprises (MBEs), 7% Women Business Enterprises (WBEs) , and 12% Minority Workforce Inclusion (MWI) for any contract reaching the aforementioned thresholds. Waivers are only available in instances where a clear demonstration of good faith effort has been made to meet each goal.

Programmatic Accomplishments to Date

Examples of the MWBE Program’s accomplishments are:

- Increased internal viability and external visibility of the program;
- Greater oversight in the development of MWBE plans for large-scale projects;
- Raised the bar for the good faith effort standard;
- Aided in the design and implementation of a micro-loan fund and technical assistance framework needed to address the working capital and business development needs of small and diverse firms;
- Revamped the URA’s façade and home renovation contractor programs to include more MWBE firms;
- Greater accountability to MBE and WBE firms by ensuring that such firms are utilized on contracts as proposed in MWBE plans;
- Implemented technological improvements to ensure MWBEs receive timely notification of bid opportunities;
- Began providing developers with an independently curated list of certified MBE and WBE firms to increase MWBE participation on URA contracts; and
- Facilitated and attended several workshops and networking events designed to increase the social capital of MWBEs and to also connect MWBEs with revenue generating opportunities.

There was no discussion among the Members.

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

**RESOLUTION 213 (2018)**

RESOLVED: That adoption of the MWBE Program Policies and Procedures is hereby approved.

14. MWBE and Prevailing Wage Compliance

- a. Engagement of B2GNow to provide software as a service for a one-time implementation fee up to \$30,000.00 and an ongoing annual license fee not to exceed \$45,000.00.

Mr. Rubinstein requested Board approval of the above item.

Ms. Diamonte Walker, Manager of the Authority's MWBE Program stated that B2GNow is an IT solution expected to streamline the workflows of MWBE and compliance staff, reduce the amount of paper we're printing and allow for better monitoring and reporting of MWBE participation to provide better the URA with a better understanding of which projects/contracts are compliant vs. non-compliant. The modules requested are not available under the City's B2GNow account, but are essential to the proper management of the URA's MWBE, workforce inclusion and compliance-related operations.

We are requesting approval to enter into contract with B2GNow for a one-time implementation fee not to exceed \$30,000.00 and an ongoing annual maintenance fee not to exceed \$45,000.00.

Funding for this project will be provided from the Administrative Revolving Account (ARF).

<b>Software Function</b>	<b>Potential Impact to Operations</b>
Baseline System & Vendor Management module	Unlimited number of licenses to provide access to staff, project owners, contractors and subs.
Contract Compliance Module	Would replace the current system which relies upon first class mail and Word documents. Our response rate from developers and general contractors is currently less than 50%. Use of this module should increase the response rate and eliminate compliance reporting delays/errors caused by manual calculations. It better enables on demand reporting and real time contract monitoring to address poor MWBE participation early on.
Utilization Plan Module	Would replace the current MWBE Plan Excel spreadsheet to centralize the MWBE plan review and approval process. This module is integrated with the compliance module to allow real time tracking of actual MWBE utilization in accordance with projected plan.
Workforce Management module	Would allow for centralized tracking of the new workforce inclusion goal without using external forms and spreadsheets.
Prevailing Wage / Certified Payroll module	Will streamline the work of compliance specialists and managers. Will reduce the amount of paper copies distributed and received through first class and overnight mail. This system is currently used by numerous general contractors we currently work with.
Connection to Pennsylvania Unified Certification Program directory (No additional cost)	Provided at no additional cost.

Mr. Williamson asked about the prevailing wage piece. Ms. Walker answered that this system has an MWBE program compliance and utilization module that will capture certain certified payroll through a centralized system. Mr. Rubinstein stated that currently, there are manual processes in place that have significant timeframes, and the process will become faster with this system in place. Mr. Williamson asked if this prevailing wage piece can be used for both construction and post construction requirements. Ms. Walker answered that those are questions that will be addressed if this item is passed today. Ms. Walker stated that this system will also include a workforce utilization module that will capture diversity data of developers. Mr. Hobbes stated that this system will assist in timely reporting and enforcement of MWBE plans. Mr. Lavelle asked if a cooperation agreement could be executed between the City of Pittsburgh and the Authority to include City access. Ms. Walker stated that the City of Pittsburgh has this system platform, but not the modules in place to service the Authority needs. Mr. Lavelle asked about a timeline of installation. Ms. Walker answered sixty days.

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

**RESOLUTION NO. 214 (2018)**

RESOLVED: That engagement of B2GNow to provide software as a service for a one-time implementation fee up to \$30,000.00 and an ongoing annual license fee not to exceed \$45,000.00., payable from the Administrative Revolving Account (ARF), 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.

**AGENDA "B"**

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

1. Little Mendelson, P.C.
  - a. Amendment of Agreement with Little Mendelson, P.C, for employment law services for an increase of \$25,000.00, for a total Agreement amount not to exceed \$100,000.00.

### **RESOLUTION NO. 215 (2018)**

RESOLVED: That amendment of the Agreement with Littler Mendelson, P.C, dated September 27, 2017, for employment law services, for an increase not to exceed \$25,000.00, for a total Agreement amount not to exceed \$100,000.00, 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. Amendment of Resolution No. 12 of 2018 (January 2018) by increasing the CDBG allocation by \$200,000.00 (from \$4,240,800.00 to \$4,440,800.00) for year 2018-19 consistent with City Council approval.

### **RESOLUTION NO. 228 (2018)**

RESOLVED: That Resolution No. 12 (2018) is hereby amended to increase the CDBG allocation by \$200,000.00 (from \$4,240,800.00 to \$4,440,800.00) for year 2018-19 consistent with City Council approval.

3. 9-Mile Run
  - a. Certificates of Completion for MRRC Summerset II, L.P. for Lots 245 and 246, designated as Block 88-L, Lot 83 in Phase 2C, in the 14<sup>th</sup> Ward, and authorization to return the Good Faith Deposit (residential construction – 1659 and 1661 Biltmore Lane).

### **RESOLUTION NO. 216 (2018)**

RESOLVED: That issuance of a Certificates of Completion to MRRC Summerset II, L.P for Lots 245 and 246, designated as Block 88-L, Lot 83 in Phase 2C, in the 14<sup>th</sup> Ward, and return of the Good Faith Deposit (residential construction – 1659 and 1661 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.

4. Larimer
  - a. Amendment of the March 19, 2018, Agreement with Pfaffmann & Associates, P.C., for architectural services at the Larimer School to extend the term from June 29, 2018, to December 31, 2018, and to increase the total compensation by an amount not to exceed \$20,000.00 to a new total not to exceed \$100,000.00.

### **RESOLUTION NO. 217 (2018)**

RESOLVED: That amendment of the Agreement with Pfaffmann & Associates, P.C., dated March 19, 2018, for architectural services at the Larimer School, to extend the term from June 29, 2018, to December 31, 2018 and to increase the total compensation by an amount not to exceed \$20,000.00 for a new total not to exceed \$100,000.00, 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.

#### 5. General

- a. Agreement for Title Services with Veterans Express Total Services, Inc. for a total amount not to exceed \$45,000.00 for three (3) years.

### **RESOLUTION NO. 218 (2018)**

RESOLVED: That the engagement of Veterans Express Total Services for title services, for an amount not to exceed \$45,000.00, for three (3) years, payable from Residential Land Reserve Fund, Leased Land and various Project funds 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.

#### 6. Shadyside

- a. Certificate of Completion for Montgomery & Rust, Inc. (successor to Cole, Montgomery & Rust, Inc.), for Lot 3B, Unit 14, designated as Block 84-H, Lot 18 of The Village of Shadyside, in the 7<sup>th</sup> Ward, and authorization to return the Good Faith Deposit (residential construction – 100 Denniston Street).

### **RESOLUTION NO. 219 (2018)**

RESOLVED: That issuance of a Certificates of Completion to Montgomery & Rust, Inc. (successor to Cole, Montgomery & Rust, Inc.), for Lot 3B, Unit 14, designated as Block 84-H, Lot 18 of The Village of Shadyside, in the 7<sup>th</sup> Ward, and return of the Good Faith Deposit (residential construction – 100 Denniston Street) 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.

7. Reallocation of up to \$500,000.00 from the PNC FirstSide Parking Tax Diversion funds to the Downtown Façade Restoration program.

**RESOLUTION NO. 220 (2018)**

RESOLVED: That the reallocation of \$500,000.00 from the PNC FirstSide Parking Tax Diversion funds to the Downtown Façade Restoration program is hereby approved.

8. Subgrant/Cooperation Agreement with City of Pittsburgh for \$1,000,000.00 for DCED Multimodal Transportation Fund grant funds for the reconstruction of Smallman Street and other public space improvements.

**RESOLUTION NO. 221 (2018)**

RESOLVED: That a DCED Multimodal Transportation Fund subgrant to the City of Pittsburgh for the reconstruction of Smallman Street and other public space improvements, for an amount not to exceed \$1,000,000.00, is hereby approved, and the Executive Director or Director of Finance, on behalf of the Authority, is authorized to execute a subgrant/cooperation 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.

9. Amendment of resolution No. 392 (2010) by increasing the amount from \$250,000.00 to \$500,000.00 for the Point State Park Trail Mon Wharf Redevelopment Assistance Capital Program (RACP) Commonwealth grant agreement and increasing the amount for the related Cooperation Agreement with the City of Pittsburgh.

**RESOLUTION NO. 222 (2018)**

RESOLVED: That Resolution No. 392 (2010) is hereby amended to increase the amount from \$250,000.00 to \$500,000.00 for the Point State Park Trail Mon Wharf Redevelopment Assistance Capital Program (RACP) Commonwealth grant agreement and increasing the amount for the related Cooperation Agreement with the City of Pittsburgh.

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

  
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Assistant Secretary

