Special Board Meeting

October 18, 2019

Urban Redevelopment Authority of Pittsburgh
General & Agenda

• Roll Call
• TEFRA Hearing for Lemington moved to 10th Floor Conference Room
• Recap of the October 10, 2019 Regular Board Meeting
• Lower Hill Impact Highlights
• Lower Hill Public Investment/Public Benefit Overview
• Public Comment
• Lower Hill Board Resolutions
• Adjourn
TEFRA Hearing for Lemington moved to 10th Floor Conference Room
Recap of 10/10/2019 Regular Board Meeting

After long and thoughtful public deliberation at the October 10 Board Meeting on action items related to the Lower Hill redevelopment, the Board made the decision to delay voting until the community had additional time to review the proposed items.

The URA Board is convening today's Special Board Meeting to consider Lower Hill items that will begin catalyzing investment in the Lower and Greater Hill District and yield beneficial returns to the Hill District community and general public.
Equitable Impact Highlights in Term Sheet (RECAP)

- Hill District-born MBE development team – Intergen
- Early capitalization of the Greater Hill District Reinvestment Fund
- Achieving more Affordable housing with HACP financing
- Affordable retail space for Hill businesses – Catapult Program
- Sustainable wage workforce development opportunities – Partner4Work
- More centrally located first responders – Rescue 2
- Critical improvements to the Ammon Recreation Center for Hill District families
- Preserving the Hill's cultural legacy – completion of Curtain Call project

Commitment to a Brighter Future
Lower Hill – Public Investment and Public Benefit Overview

- Public Subsidy and Public Benefit (Projections)
- URA's Direct Subsidy Contribution
Public Subsidy vs. Public (Estimated Valuation)

<table>
<thead>
<tr>
<th>Public Investment</th>
<th>Direct Public Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-Site LERTA</td>
<td>Off-Site LERTA</td>
</tr>
<tr>
<td>$40.03 M</td>
<td>$40.03 M</td>
</tr>
<tr>
<td>Parking Tax Diversion</td>
<td>Savings on Public Garage Obligation</td>
</tr>
<tr>
<td>$24.32 M</td>
<td>$47.00 M</td>
</tr>
<tr>
<td>Housing Subsidies</td>
<td>Rescue 2 Station</td>
</tr>
<tr>
<td>$7.00 M</td>
<td>$1.20 M</td>
</tr>
<tr>
<td>Contribution to Parking Structure</td>
<td>Catapult Storefront</td>
</tr>
<tr>
<td>$3.00 M</td>
<td>(does not include costs)</td>
</tr>
<tr>
<td>Air Rights</td>
<td>$0.40 M</td>
</tr>
<tr>
<td>$6.30 M</td>
<td>Catapult Rent</td>
</tr>
<tr>
<td></td>
<td>$1.20 M</td>
</tr>
<tr>
<td><strong>Total public investment</strong></td>
<td>Ammon Center Rehab</td>
</tr>
<tr>
<td><strong>$80.65 M</strong></td>
<td>$1.00 M</td>
</tr>
<tr>
<td></td>
<td>Development of 3+ acres public open space</td>
</tr>
<tr>
<td></td>
<td>$6.00 M</td>
</tr>
<tr>
<td></td>
<td>Curtain Call Completion</td>
</tr>
<tr>
<td></td>
<td>$1.00 M</td>
</tr>
<tr>
<td></td>
<td><strong>Total public benefit</strong></td>
</tr>
<tr>
<td></td>
<td><strong>$97.83 M</strong></td>
</tr>
</tbody>
</table>

Enables greater levels of housing affordability

To be used for infrastructure, public realm, and redevelopment improvements

These are early stage projections and are subject to change.

Investment in the Greater Hill District Reinvestment Fund to rebuild the Hill
URA Lower Hill Subsidy Contribution

### Project Element | URA Subsidy
---|---
Assignation of Air Rights (Block E) | $6.30 Million (61%)
Parking Garage (Block E) | $3.00 Million (29%)
Housing Affordability | $1.00 Million (10%)

Grand Total | $10.30 Million (100%)
Public Comment
AGENDA
URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH
SPECIAL BOARD MEETING
OCTOBER 18, 2019 @ 1:00 PM
WHEREFRET ROOM

- Roll Call
- Recap of the October 10, 2019 Regular Board Meeting
- Public Comments

1. Term Sheet

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

Director’s Report

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

According to the term sheet, if Housing Authority of the City of Pittsburgh (HACP) funds are utilized for the development of the residential units, the affordability will be set forth under applicable federal and HACP requirements for twenty (20) years.
A. Authorization to **Execute a Term Sheet** with Pittsburgh Arena Redevelopment LP (“PAR”) and the Sports & Exhibition Authority of Pittsburgh and Allegheny County (“SEA”).
TERM SHEET FOR PROPOSED DEVELOPMENTS

October 18, 2019 (the “Effective Date”)

1. Parties:
   Pittsburgh Arena Real Estate Redevelopment LP (“Optionee”), the
   Sports & Exhibition Authority of Pittsburgh and Allegheny County
   (“SEA”) and the Urban Redevelopment Authority of Pittsburgh
   (“URA”). SEA and URA may be referred to collectively as “Seller”.
   Optionee and Seller may be referred to collectively as the “Parties”.

2. Background:
   Option Agreement. Pursuant to that certain Amended and Restated
   Comprehensive Option Agreement dated June 20, 2018 (the
   “Option Agreement”), Seller granted to Optionee redevel-
   opment option rights with regard to a site comprising approximately 21.50
   developable acres of land located in the Lower Hill District of
   Pittsburgh, Pennsylvania, as more particularly described in the
   Option Agreement (the “Option Premises”). Capitalized terms used
   and not defined in this Term Sheet have the meaning given such
   terms in the Option Agreement.

   Block E Development. Optionee has proposed Take Downs on the
   following portions of the Option Premises: a portion of Block F
   designated as “Parcel F-1”, a/k/a Take Down Tract #5; a portion of
   Block F designated as “Parcel F-2”, a/k/a Take Down Tract #6;
   Block E, a/k/a Take Down Tract #7; and a portion of Block G
   designated as “Parcel G-1”, a/k/a Take Down Tract #10. With
   regard to Take Down Tract #7 on Block E, Optionee and its
designated redeveloper Lower Hill Developer LLC (the “Block E
Redeveloper”) have proposed constructing, owning, and operating a
structured parking facility with associated retail and music venue
premises on Block E (the “Block E Structured Parking”).
The proposed Block E Structured Parking differs in certain material
respects from the Parking Garage described in Section 7.2 of the
Option Agreement due to a number of factors, including but not
limited to complexity of construction, embedding a portion of the
Block E Structured Parking underground, timing of delivery, and
control of future parking revenue.

Block B Development. Pursuant to Letters of Intent #8 and #9, each
dated April 18, 2019, Optionee has proposed Take Downs on the
following portions of the Option Premises: Block B and a portion
of Block C.
Preliminary Approval of Buccini/Pollin Group, Inc. as Block E’s Redeveloper

B. Preliminary approval of Buccini/Pollin Group, Inc. (“BPG”) (or an affiliate) as a redeveloper for the take down of Block E, in the 3rd Ward
Preliminary Approval of PBG’s Conceptual Development Plan for Block E

C. Preliminary approval of a Conceptual Development Plan for the take down of Block E (Block 2-C, Lot 406), in the 3rd Ward
BPG’s Preliminary Conceptual Development Plan Renderings for Block E
D. Presentation of a Parking Tax Diversion ("PTD") Plan with the City of Pittsburgh and execution of a Cooperation Agreement with the City of Pittsburgh for a PTD Plan if approved by the City

E. Authorization to execute a funding agreement and related PTD documents with Buccini/Pollin Group, Inc. (or an affiliate)

F. Authorization to execute all financing documents, including Trustee documents, required in connection with the PTD
G. Preliminary approval of **Intergen Lower Hill Initial Phase, LLC** ("Intergen") (or an affiliate) as a redeveloper for the take down of all or portions of Parcels A1, A2, B1, B2, 3, and 4, in the 3rd Ward, designated by the redeveloper as “Parcel B”
Preliminary Approval of Intergen’s Conceptual Development Plan for Block B

H. Preliminary approval of a Conceptual Development Plan for the take down of all or portions of Parcels A1, A2, B1, B2, 3, and 4, in the 3rd Ward, designated by the redeveloper as “Parcel B”

- Preliminary plans call for 288 rental mixed-income units in:
  - A six-story, 167-unit building (including 34 affordable units)
  - A 12-story, 121-unit building (including 24 affordable units)
Intergen’s Preliminary Conceptual Development Plan
Renderings for Block B

Preliminary plans call for 288 all-rental, mixed income units in:

• A six-story, 167-unit building (including 34 affordable units)

• A 12-story, 121-unit building (including 24 affordable units)
Preliminary approval of Intergen and the Lower Hill District Conservancy as the redevelopers of Parcel B1

I. Preliminary approval of Intergen as a redeveloper, and of Lower Hill District Conservancy ("the Conservancy"), a to-be-formed planned community association, for the take down of portions of Parcels A1 and A2, in the 3rd Ward, designated by the redeveloper as "Parcel B1"
Preliminary approval of a Conceptual Development Plan for Parcel B1

J. Preliminary approval of a Conceptual Development Plan for the take down of portions of Parcels A1 (Block 2-C, Lot 403) and A2 (Block 2-C, Lot 301), in the 3rd Ward, designated by the redeveloper as “Parcel B1”
K. Pittsburgh Development Fund (“PDF”) Loan Commitment with Intergen Lower Hill Initial Phase LLC or a related entity, in an amount up to $1,000,000

Intergen will use reasonable efforts to pursue project-based gap subsidy and rental assistance subsidy from the Housing Authority of the City of Pittsburgh (HACP) for affordability for 20% of the units. If Intergen receives gap financing and subsidy through the HACP program, they must abide by federal regulations and HACP policies and rent to households with incomes up to 50% Area Median Income (AMI).
## $1 million Pittsburgh Development Fund ("PDF") Loan Commitment with Intergen

### Preliminary Unit Mix

<table>
<thead>
<tr>
<th></th>
<th>Market</th>
<th>Affordable</th>
<th>Total</th>
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<tbody>
<tr>
<td>Micro</td>
<td>16</td>
<td></td>
<td>16</td>
</tr>
<tr>
<td>Studio</td>
<td>60</td>
<td>19</td>
<td>79</td>
</tr>
<tr>
<td>One BR</td>
<td>105</td>
<td>27</td>
<td>132</td>
</tr>
<tr>
<td>Two BR</td>
<td>49</td>
<td>12</td>
<td>61</td>
</tr>
<tr>
<td>Total</td>
<td>230</td>
<td>58</td>
<td>288</td>
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</table>

### 2019 Area Median Income Limits

<table>
<thead>
<tr>
<th>Household Size</th>
<th>50%</th>
<th>60%</th>
<th>80%</th>
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<tbody>
<tr>
<td>1</td>
<td>$28,000</td>
<td>$33,550</td>
<td>$44,750</td>
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<td>2</td>
<td>$32,000</td>
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<td>3</td>
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<td>4</td>
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<td>5</td>
<td>$43,150</td>
<td>$51,800</td>
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<tr>
<td>6</td>
<td>$46,350</td>
<td>$55,600</td>
<td>$74,150</td>
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$1 million Pittsburgh Development Fund ("PDF") Loan Commitment with Intergen

URA Board approval of the PDF commitment is contingent upon:

- Approval of final working drawings and construction costs
- Approval of an M/WBE plan
- Evidence of financing for all funding sources
- Borrower receiving HACP project based rental assistance and gap financing
- Approval of the PDF loan by URA Real Estate Loan Review Committee
- If the project does not close by May 10, 2020, the PDF commitment will expire
Amendment of the Lower Hill Economic Revitalization Tax Act District Cooperation Agreement

L. Authorization to amend the **Lower Hill Economic Revitalization Tax Act ("LERTA")** District Cooperation Agreement and documentation.

**Notes:**

- Approves changes to an existing Lower Hill LERTA District Cooperation Agreement
- 50% of the “LERTA funding” will be used to pay off a loan that will provide early capitalization the Greater Hill District Reinvestment Fund
- 50% of the LERTA funding will remain on-site for Lower Hill improvements
- “LERTA funding” is an abatement of real estate taxes approved by the City, County, and the Pittsburgh School Board (the “Taxing Bodies”)
- In exchange for keeping 50% of the “LERTA funding,” the Developer shall ensure infrastructure improvements are made and not request City, URA or SEA funding for public infrastructure in the future
Authorization to amend the Lower Hill LERTA Restrictive Covenants

M. Authorization to amend the Lower Hill LERTA Restrictive Covenants
Adjournment

Documents can be downloaded from the Lower Hill website

https://www.ura.org/pages/lower-hill