

# URA Board Agenda



Date/Time: Thursday May 21, 2020 at 2:00 PM

Web Access: <https://zoom.us/j/98691651817>

Dial In: +1 929 205 6099 ID# 986 9165 1817

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## URA Special Board Meeting AGENDA "A"

1. Roll Call
2. Public Comment
3. Announcements
  - a. Briefing and presentation of the Developers' Obligation for Public Infrastructure and Other Improvements utilizing the Lower Hill LERTA Retained Amount (Formerly the Lower Hill Development Fund). *(page 3)*
  - b. Briefing and presentation of the Greater Hill District Neighborhood Reinvestment Fund Guidelines and the Term Sheet providing for initial funding of approximately \$8,000,000 to be deposited at the real estate closing for Block G-1. *(Page 4)*
  - c. Briefing and presentation regarding the Hill District Housing Reinvestment Account funded by Parking Tax Diversion and the Term Sheet providing for initial funding of approximately \$3,000,000 to be deposited at the real estate closing for Block E. *(pp. 5-6)*
4. Development Services (Pages 7 through 11)
  - a. Lower Hill – Block G-1 (FNB Tower) – Buccini/Pollin Group, Inc. *(pp. 7-9)*
    - i. Preliminary approval of Lower Hill Developer LLC (or an affiliated entity) as a redeveloper for the take down of Block G-1 (a portion of Block 2-C, Lot 401), in the 3rd Ward ("Take Down Tract #10").
    - ii. Preliminary approval of a Conceptual Development Plan for the take down of Block G-1 (a portion of Block 2-C, Lot 401), in the 3<sup>rd</sup> Ward ("Take Down Tract #10").
  - b. Amendment of Resolutions Nos. 356, 357, 358, 359, 360, and 365 (2019) to extend the expiration dates from May 10, 2020, to December 10, 2020. Extension of Previous Lower Hill Resolutions. *(pp. 10-11)*



5. Business Solutions (*Pages 12 through 13*)
  - a. Authorization to enter a Memorandum of Understanding (MOU) or related agreement with Partner4Work (P4W) to provide a First Source Hiring Center for workforce, small business, and related support in the Lower Hill (*pp. 12-13*)



# Director's Report

**To:** URA Board of Directors

**From:** Susheela Nemani-Stanger, Director of Neighborhood Development

**Cc:** Greg Flisram, Executive Director

**Date:** May 21, 2020

**Re:** Agenda Item 3a: Briefing and presentation of the Developers' Obligation for Public Infrastructure and Other Improvements utilizing the Lower Hill LERTA Retained Amount (Formerly the Lower Hill Development Fund)

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## ***Background***

Under the Lower Hill LERTA Cooperation Agreement, the URA was directed to split the real property taxes owed (a maximum of \$250,000 from the City, County and School District, respectively, on each parcel) into two equal funds for a period of 10 years post-development:

- i. 50% of the real property taxes would fund the Greater Hill Reinvestment Fund, which would be used to invest in projects in the Greater Hill District
- ii. 50% of the real property taxes would fund the Lower Hill Development Fund, which would be used to invest in infrastructure and other improvements to the Lower Hill District and Greater Hill District.

## ***Lower Hill LERTA Retained Amount Guidelines (Formerly Lower Hill Development Fund Guidelines)***

The structure of the Lower Hill Development Fund has changed pursuant to a Term Sheet dated October 18, 2019, executed among Pittsburgh Arena Real Estate Redevelopment LP (the "Optionee" or "PAR"), SEA and the URA, and a Letter Agreement executed by the URA, the City of Pittsburgh, Allegheny County, and the School District. Now, in accordance with the Term Sheet and the Letter Agreement, PAR shall retain 50% of the real property taxes that were supposed to be deposited in a Lower Hill Development Fund ("Retained Amount"). As such, there will be no Lower Hill Development Fund and instead 50% of PAR's real estate property taxes will be abated as the Retained Amount.

These Retained Amount Guidelines establish PAR's obligations relating to the infrastructure and other improvements to the Lower Hill Site and the Greater Hill District that were originally to be paid using the Lower Hill Development Fund. The permitted uses and the requirement of approval by URA apply to the Retained Amount as it would have applied to amounts held in a Lower Hill Development Fund. The use, approval and oversight of the Retained Amount shall be in accordance with the LERTA legislation, the LERTA Cooperation Agreement and these Guidelines.

**Note:** The presentation pertaining to the Retained Amount Guidelines is a non-voting item. This presentation does not officially adopt these guidelines. Staff expects to seek approval of the guidelines at the June meeting.



# Director's Report

**To:** URA Board of Directors

**From:** Susheela Nemani-Stanger, Director of Neighborhood Development

**Cc:** Greg Flisram, Executive Director

**Date:** May 21, 2020

**Re:** Agenda Item 3b: Briefing and presentation of the Greater Hill District Neighborhood Reinvestment Fund Guidelines and the Term Sheet providing for initial funding of approximately \$8,000,000 to be deposited at the real estate closing for Block G-1.

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## ***About the Greater Hill District Reinvestment Fund***

As part of the Lower Hill LERTA financing structure, the Greater Hill District Neighborhood Reinvestment Fund ("Reinvestment Fund") was established to attract funding and generate revenue for implementing the goals, objectives, strategies, and process outlined in the Community Collaboration and Implementation Plan (CCIP). The principal activity and purpose of the Reinvestment Fund is to attract investment in or provide financing for development projects, and funding other community needs on the 28-acre site (as defined in the CCIP) and elsewhere in the Greater Hill District geographic area. On a yearly basis, all property owners on the site are required to contribute half of the abated real estate taxes on buildings to the Reinvestment Fund. The Reinvestment Fund will be a segregated, restricted account held and administered by the URA. Monies in the Reinvestment Fund may be used for administration of the CCIP; activities and efforts of the CCIP and the Greater Hill District neighborhoods; and project development within the Greater Hill District. Details of the Reinvestment Fund can be found in the Greater Hill District Neighborhood Reinvestment Fund Guidelines.

## **Upfront Monetization at Block G-1 Closing.**

The developer has secured loan terms to provide upfront monetization of the Reinvestment Fund and to bridge the projected real estate tax proceeds to be generated by Block G-1 so that the Reinvestment Fund can begin to commit loans and grants in 2020 or 2021. First National Bank (FNB) has provided a term sheet where it proposes to enter into a loan agreement with the Block G-1 development entity for approximately \$8M to source the Reinvestment Fund at closing on Block G-1 for the amount expected to be contributed to the Reinvestment Fund by the Block G-1 development over 10 years.

**Note:** The presentation pertaining to the Reinvestment Fund Guidelines is a non-voting item. This presentation does not officially adopt these guidelines. Staff expects to seek approval of the guidelines at the June meeting.



# Director's Report

**To:** URA Board of Directors

**From:** Jessica Smith Perry, Director of Housing, Lending and Investments

**Cc:** Greg Flisram, Executive Director

**Date:** May 21, 2020

**Re:** Agenda Item 3c: Briefing and presentation regarding the Hill District Housing Reinvestment Account funded by Parking Tax Diversion and the Term Sheet providing for initial funding of approximately \$3,000,000 to be deposited at the real estate closing for Block E.

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## **Hill District Housing Reinvestment Account funded by the Parking Tax Diversion**

The Greater Hill District has an aging housing stock which needs rehabilitation. Many low to moderate-income homeowners need help repairing their homes. Additionally, there are numerous landlords in the Hill District that need low interest loan products in order to repair occupied affordable rental units. Housing affordability, preservation and stabilization of the neighborhood's crumbling owner-occupied and rental housing stock need to be addressed while new development is coming to the 28-acre site in the Lower Hill District. To this end, URA staff has committed to exploring a **Hill District Housing Reinvestment Account** ("Reinvestment Account") that could be tailored to the Hill District's unique history and housing needs.

Up to 25% of the Parking Tax Diversion associated with the 28-acre development could be pledged toward the Reinvestment Account.

## **Upfront Monetization at Block E Closing**

The developer has secured loan terms to provide upfront monetization of Reinvestment Account and to bridge the projected Parking Tax proceeds to be generated on Block E so that the Reinvestment Account can begin to commit loans and grants in 2020 or 2021. First National Bank (FNB) has provided a term sheet where it proposes entering into a loan agreement with the Block E development entity for approximately \$3M to source the Reinvestment Account at closing on Block E for the amount expected to be contributed to the Reinvestment Account by the Block E development over the term of the parking tax diversion. The funds could be held at the URA and/or a lending institution such as the Hill District Credit Union. The URA will disburse the funds in the form of low-interest loans and/or grants. The developer of the parking garage will provide the guarantee for the loan.



A summary of the transaction as it relates to Block E is as follows:

1. The Developer of the Parking Garage enters into a loan agreement with First National Bank for \$3M.
2. First National Bank deposits the funds with the URA or a local lending institution.
3. The Developer of the Parking Garage guarantees the repayment of the loan.
4. The URA and/or local financial institution begins to operate the program and makes loans and/or grants in accordance with program guidelines.
5. The loan is repaid over a 21-year term as the Parking Tax proceeds become available to repay the loan.

The uses of the Hill District Housing Reinvestment Account will include:

1. Repair to owner-occupied and tenant-occupied housing units
2. Legal assistance regarding Tangled Title resolution and Will creation
3. Small neighborhood infrastructure projects

**Note:** The presentation is for information purposes only. This presentation does not officially adopt guidelines. URA staff has drafted guidelines and will be meeting with community members to discuss prior to submitting the guidelines to the URA Board for review.



# Director's Report

**To:** URA Board of Directors

**From:** Susheela Nemani-Stanger, Director of Neighborhood Development

**Cc:** Greg Flisram, Executive Director

**Date:** May 14, 2020

**Re:** Agenda Item 4: Development Services

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## Development Services Agenda Item Overview

### 4A. Lower Hill – Block G-1 (FNB Tower)– Buccini/Pollin Group, Inc.

- i. Preliminary approval of Lower Hill Developer LLC (or an affiliated entity) as a redeveloper for the take down of Block G-1 (a portion of Block 2-C, Lot 401), in the 3rd Ward (“Take Down Tract #10”).
- ii. Preliminary approval of a Conceptual Development Plan for the take down of Block G-1 (a portion of Block 2-C, Lot 401), in the 3<sup>rd</sup> Ward (“Take Down Tract #10”).

### Authorization Request

At the April 14, 2020, Board meeting, staff briefed the Board on Take Down Notice #10 received from Lower Hill Developer, LLC. The URA is now seeking preliminary approval of the redeveloper and the redeveloper’s Conceptual Development Plan. This authorization is subject to receipt and staff review and approval of all attachments to the Take Down Notice.

### About the Project

Lower Hill Developer LLC, which is an affiliate of The Buccini/Pollin Group, Inc. (BPG), plans to construct a 26-story mixed-use tower that will include approximately 382,000 square feet of office space; approximately 35,000 square feet of retail; and approximately 100 structured parking spaces. The future headquarters of First National Bank (FNB), the proposed tower will be adjacent to the new Cap Park above I-579, which will provide pedestrians who work and shop in the Central Business District easy access to the site, with additional commercial amenities for residents in the nearby Greater Hill District. Two floors of structured parking will serve the tower’s commercial tenants and visitors.

- Project costs are budgeted at approximately \$200 million.
- The project will be developed in conformance with applicable LEED-ND requirements.
- BPG has selected Gensler to design the building. Construction will be overseen by BPGS Construction.



Block G-1 (a portion of Block 2-C, Lot 401) comprises approximately 1.34 acres of the larger block bounded by Bedford Avenue to the north, Logan Street to the east, Wylie Avenue to the south, and Washington Place to the west. The property is owned by the Sports & Exhibition Authority of Pittsburgh and Allegheny County (SEA).

The development team has been engaged with the CCIP Executive Management Committee since August 2019. The team also submitted the Block G-1 project to the Hill CDC's Development Review Panel (DRP) in early January 2020 and presented to the DRP on April 1, 2020. The DRP's initial scoring of the project was below a passing score; however, the DRP invited the team to meet with them again on May 6, 2020, to review the scoring and explore solutions that would bring the project into closer alignment with DRP goals. The development team is committed to working through the DRP process.

Anchor tenant FNB has committed to a Community Impact Plan that currently includes:

- Monetizing the off-site LERTA for the Greater Hill Reinvestment Fund;
- Expanding FNB's existing relationship with Greater Hill Federal Credit Union;
- Monetizing the public portion (25%) of the approved Block E Parking Tax Diversion for the URA's Hill District Housing Reinvestment Account;
- Partnership with URA to serve as Small Business Loan Partner;
- Strengthening community partnerships through the Neighborhood Partnership Program; and
- Community wealth building and special initiatives programming.

Community Impact Item	Status
1. Monetizing the LERTA to create the Greater Hill Reinvestment Fund (GHRF) and Hill District Housing Reinvestment Account.	Term sheets received and on track to disburse with the closing of Block G parcel. Fund will be governed by program guidelines and a community-run advisory board. (\$8M)
2. Expanding FNB's Existing Partnership with the Hill District Federal Credit Union to Increase Capacity of Existing Institutions	Hill Credit Union leadership is in active discussions and is pleased with progress being made.
3. Monetize 25% Parking Tax Diversion (PTD) for Hill District Housing Reinvestment Account.	Term sheets received and on track to disburse with the closing of Block E parcel. Program guidelines to be developed (\$3M).
4. Partnership with URA to serve as a Small Business Administration Loan Partner	URA actively discussing ways to formalize a small business lending partnership. Particularly for Centre Avenue development lending partnership.
5. Strengthening Community Partnership, through Neighborhood Partnership Program	FNB is actively working to identify a willing Hill District community development partner for NPP.
6. Community Programming (Wealth Building) & Special Initiatives	FNB has assembled a suite of partners to develop pathways to access basic, free or low-cost financial institution transaction accounts and financial education, through several programs,





**Resolutions for Agenda Item 4A**

**RESOLUTION NO. \_\_\_\_ (2020)**

RESOLVED: That preliminary approval of Lower Hill Developer LLC (or an affiliated entity) as a redeveloper for the take down of Block G-1 (a portion of Block 2-C, Lot 401), in the 3rd Ward (“Take Down Tract #10”) is hereby approved. This item is contingent on the URA receiving all required attachments to the Take Down Notice.

**RESOLUTION NO. \_\_\_\_ (2020)**

RESOLVED: That preliminary approval of a Conceptual Development Plan for the take down of Block G-1 (a portion of Block 2-C, Lot 401), in the 3<sup>rd</sup> Ward (“Take Down Tract #10”) is hereby approved. This item is contingent on the URA receiving all required attachments to the Take Down Notice.



# Director's Report

**To:** URA Board of Directors

**From:** Susheela Nemani-Stanger, Director of Neighborhood Development

**Cc:** Greg Flisram, Executive Director

**Date:** May 21, 2020

**Re:** Agenda Item 4: Development Services

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## Development Services Agenda Item Overview

**4B. Amendment of Resolutions Nos. 356, 357, 358, 359, 360, and 365 (2019) to extend the expiration dates from May 10, 2020, to December 10, 2020. Extension of Previous Lower Hill Resolutions.**

### Authorization Request

Several of the Lower Hill resolutions (including preliminary approval of Lower Hill Developer LLC as redeveloper of Block E; preliminary approval of the Conceptual Development Plan for Block E; authorization to advance a Parking Tax Diversion Plan and related cooperation, funding, administrative fee, a trustee agreements; and authorization of a loan commitment with Intergen Lower Hill Initial Phase LLC) that were approved in October 2019 were based on previous development schedules and were to expire if closing did not occur by May 10, 2020. An extension is needed in order to allow the URA to continue to advance these Lower Hill developments and initiatives.



**Resolution for Agenda Item 4B**

**RESOLUTION NO. \_\_\_\_ (2020)**

RESOLVED: That Resolutions Nos. 356, 357, 358, 359, 360, and 365 (2019) are hereby amended to extend the expiration dates from May 10, 2020, to December 10, 2020. Extension of Previous Lower Hill Resolutions.



# Director's Report

**To:** URA Board of Directors

**From:** Thomas Link, Director Business Solutions

**Cc:** Greg Flisram, Executive Director

**Date:** May 21, 2020

**Re:** Agenda Item 5: Business Solutions

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## Business Solutions Agenda Item Overview

**5A. Authorization to enter a Memorandum of Understanding (MOU) or related agreement with Partner4Work (P4W) to provide a First Source Hiring Center for workforce, small business, and related support in the Hill District.**

### Authorization Request

This authorization would allow the URA and Partner4Work to collaborate on a First Source Hiring Center for workforce, small business support, and other services to the Hill District.

The First Source Hiring Center will provide physical space with regular hours staffed by Partner4Work and URA professionals to ensure connection to workforce and small business resources for residents.

Partner4Work is the workforce development organization that connects funding, expertise and opportunities for employers, jobs seekers, agencies, and policy makers to develop a thriving workforce in Pittsburgh. Partner4Work's services include connecting job seekers with employment opportunities, helping businesses find talent, and other resources for community and residents. Partner4Work will dedicate professional staff to the First Source Hiring Center.

The URA will provide professional staffing to the First Source Hiring Center, including a Workforce Liaison who will be charged with ensuring connection to quality job opportunities through projects and programs, and Business Solutions professionals to ensure connection to small business resources.



**Resolution for Agenda Item 5A**

**RESOLUTION NO. \_\_\_\_ (2020)**

RESOLVED: That an agreement with Partner4Work (P4W) to provide support related to a First Source Hiring Center, and general support for workforce, small business, and related matters in the Hill District is hereby approved, and the Executive Director, Deputy Executive Director and or Chief Financial Officer, on behalf of the Authority, is hereby authorized to execute an 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.

