Special Board Meeting

May 21, 2020

Today’s URA Board meeting will begin at approximately 2:00 p.m.

During the meeting, attendees may submit questions to the Board via Zoom Q&A.
I. General

• Roll call

• Public comment

• Recap: May 14, 2020 URA Board Meeting
Public Comment

Submitted via:
Email: publiccomment@ura.org
Website: bit.ly/URABoard

Public comments closed at 1:00 p.m. today.
Recap: May 14, 2020 Board Meeting

Key Points:

• Board voted to briefly delay preliminary approval on Block G1, proposed to be a new headquarters for First National Bank Corp. (FNB), and other items related to the Lower Hill development.

• The brief delay allowed for a review of developer’s most recent submissions to ensure commitments made were reasonably viable.

• Pittsburgh Penguins announced a halt to their developments Thursday evening.

• URA Board and staff remain committed to advancing both the project and the Hill District's redevelopment in a way that keeps pace with the rest of the City.
II. Announcements

- Explanation of Neighborhood Benefits
- Lower Hill Briefings & Presentations
Explanation of Neighborhood Benefits

- Community Capital Investment
- First Source Hiring Center
- Ongoing Commitments
- First National Bank – Existing Neighborhood Relations
## Neighborhood Benefits & CCIP Goals

<table>
<thead>
<tr>
<th>COMMITMENT</th>
<th>CCIP GOAL TARGETED</th>
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<tbody>
<tr>
<td><strong>Community capital investment</strong></td>
<td>• MWBE Inclusion</td>
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<td>to fund housing and economic development and</td>
<td>• Inclusionary and Homeownership Housing Programs</td>
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<td>affordable housing activities in the Greater</td>
<td>• Wealth Building Initiatives</td>
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<td>Hill District</td>
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<td><strong>First source hiring center</strong></td>
<td>• Job Creation, Local Inclusion, and Workforce Development</td>
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<td>to support well-paying job opportunities</td>
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<tr>
<td><strong>Ongoing commitment to the community</strong></td>
<td>• Job Creation, Local Inclusion, and Workforce Development</td>
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<td>Hill District rec2tech</td>
<td>• Cultural and Community Legacy Initiatives</td>
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<td>Improved recreations facilities</td>
<td>• Wealth Building Initiatives</td>
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<td>Current Call public Art Instillation</td>
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<tr>
<td>New Hill District Catapult MWBE small business</td>
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<td>incubator</td>
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<td>These are reasonably viable commitments made by</td>
<td>• Coordinated Community Development must continue in earnest.</td>
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<td>the developer at this preliminary stage in the</td>
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<td>project.</td>
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BENEFITS OVERVIEW

These are reasonably viable commitments made by the developer at this preliminary stage in the project. Coordinated Community Development must continue in earnest.
Community Capital Investment

PUBLIC INVESTMENT:

Blocks G Local Economic Revitalization Tax Assistance (LERTA)

Block E Parking Tax Diversion (PTD)

PUBLIC BENEFIT:

+ $8 Million Contribution to the Greater Hill Reinvestment Fund

+ $3 Million Contribution to Hill District Housing Reinvestment Account

= $11 Million Investment

(Upfront payment to made by the developer at closing)
Community Capital Investment
$8 Million invested in the Greater Hill Reinvestment Fund

Potential Uses:
Supporting 6 transformative Centre Ave. developments, spearheaded by local, MBE firms & Hill District businesses, as approved by URA’s Board in February

Clockwise from Top Right:
Current Conditions & Conceptual Plans: Amani Christian CDC; Studio Volcy; Big Tom’s Barber Shop
Community Capital Investment
$8 Million invested in the Greater Hill Reinvestment Fund

Potential Uses:
Supporting 6 transformative Centre Ave. developments, spearheaded by local MBE firms & Hill District businesses, as approved by URA’s Board in February

Clockwise From Top Right:
• MOKA Art Gallery plans to transform the vacant lot behind their gallery into a community green space for music and art enjoyment.
• Current Conditions & Conceptual Plans: Salon XO & Bridging the Gap Development; The Sankofa Group
Community Capital Investment
$8 Million invested in the Greater Hill Reinvestment Fund

Potential Uses:
New Granada Square Redevelopment
Community Capital Investment
$3 Million invested in Hill District Housing Reinvestment Account

Potential Uses:

• Repairs to Owner Occupied & Tenant Occupied Affordable Housing Units

• Legal Assistance Regarding Tangled Title Resolution and Will Creation

• Small Neighborhood Infrastructure Projects
First Source Hiring Center

In Partnership with Partner4Work, a First-Source Hiring Center, to be located within the Hill District, will provide Hill District Residents with access to:

• Well-paying union construction jobs on the Lower Hill site
• Job opportunities throughout the region
• Small Business support
• BankWork$, Fund My Future & BizFit Programs
• Agreement signed by PAR and P4W
Ongoing Commitments

Developer Commitments:

• Hill District rec2tech
• Improved recreations facilities
• Current Call public Art Instillation
• New Hill District Catapult MWBE small business incubator

Status:

• Walter Hood contract is completed
• URA Construction Team has begun working with City and PAR to develop and finalize a scope for Ammon Recreation renovations. (Impacted by COVID-19 but scheduled to resume)
• Negotiations with Macedonia Church are on-going (Impacted by COVID-19 but scheduled to resume)
First National Bank
Existing Neighborhood Relationship

- Monetizer of the $11 Million LERTA and PTD-derived Hill District Economic and Housing Development funds

- Other FNB Investments in the Hill District:
  - Construction Lender on the conversion of the Centre Ave. YMCA Building into 74 units of Affordable Housing
  - Construction Lender on the Miller Street Apartment Development
  - Support of Hill Affordable Homeownership Programs
  - Positive working relationship with Hill District Federal Credit Union
FNB Community Impact Plan

• Monetize $8M of LERTA
• Expand FNB partnership with the Hill District Federal Credit Union
• Monetize $3M of the Parking Tax Diversion (PTD)
• Small Business Loan Partnership
• Neighborhood Partnership Program (NPP)
• Community programming & special initiatives
## FNB Community Impact Plan & CCIP Goals

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<th>COMMITMENTS</th>
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| **Monetize $8M of LERTA to seed the Greater Hill Reinvestment Fund (GHRF)** | • Received term sheet  
• To be controlled by community-informed guidelines  
• Community-led advisory board  
• On track to disburse with Block G-1 closing | • MWBE Inclusion  
• Inclusionary and Homeownership Housing Programs  
• Wealth Building Initiatives |
| **Expand FNB partnership with the Hill District Federal Credit Union to increase capacity of existing institutions** | • Continuing discussions  
• Hill District Federal Credit Union leadership pleased with progress | • Cultural and Community Legacy Initiatives  
• Wealth Building Initiatives |
| **Monetize $3M of the Parking Tax Diversion (PTD) for the Hill District Housing Reinvestment Account** | • Received term sheet  
• Community to help shape guidelines  
• On track to disburse with Block E closing | • Inclusionary and Homeownership Housing Programs |
### FNB Community Impact Plan (continued)

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<td>Partnership with URA to serve as a Small Business Loan Partner</td>
<td>• Discussing ways to formalize</td>
<td>• Wealth Building Initiatives</td>
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<td>• Particular focus on Centre Avenue development lending</td>
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<tr>
<td>Strengthening community partnership through Neighborhood Partnership Program (NPP)</td>
<td>• FNB working to identify Hill District community development partner for NPP</td>
<td>• Coordinated Community Development Strategies</td>
</tr>
<tr>
<td>Community programming (wealth building) and special initiatives</td>
<td>• Partners assembled by FNB to build programs to boost community access bank accounts and financial education. • Community discussions are ongoing.</td>
<td>• Wealth Building Initiatives</td>
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This community impact plan is a great starting point for continued coordination with the community to be fully realized.
Briefings & Presentations

- Lower Hill LERTA Retained Amount Guidelines
- Greater Hill Neighborhood Reinvestment Fund Guidelines
- PTD-Funded Hill District Housing
- Reinvestment Account – Preserving Housing Affordability
Briefing: Lower Hill LERTA
Retained Amount Guidelines

(No Board Vote)

Key Points:

• Establishes policies & procedures for the Retained Amount ("Lower Hill Development Fund")

• Purpose of fund is to support infrastructure & other improvements to Lower Hill site & the Greater Hill District that were originally going to be paid using the Lower Hill Development Fund

• Eligible uses for consideration:
  o Public infrastructure improvements
    ▪ Publicly-owned & dedicated structures and facilities
  o Redevelopment activities
    ▪ Affordable housing
    ▪ Public, urban open space
Briefing: Greater Hill Neighborhood Reinvestment Fund Guidelines
(No Board Vote)

Key Points:

• Establishes policies & procedures for the fund & its community-driven advisory board

• Purpose of fund is to attract funding & generate revenue to implement the goals, objectives, strategies, & process in the CCIP

• Eligible uses of the fund include:
  • Administration, activities, & efforts consistent with the CCIP
  • Recurring revenue initiatives under community control
  • Funding for Hill District Institutional Preservation
  • Matching funds to leverage local, state, & federal programs
Briefing: PTD-Funded Hill District Housing Reinvestment Account – Preserving Housing Affordability

_No Board Vote_

**Key Points:**

**Goal:**
- Seed the Hill District Housing Reinvestment Account (HDHRA)

**HDHRA Funding:**
- Monetization of up to 25% of the Lower Hill Redevelopment Parking Tax Diversion
- Loan needed to bridge the PTD proceeds so that the HDHRA can begin to commit grants and loans in 2020
- Developer will capitalize the fund
- Community will define the guidelines
Briefing: PTD-Funded Hill District Housing Reinvestment Account – Preserving Housing Affordability

(No Board Vote)

Key Points:

Potential Eligible Uses:

1. Repairs to Owner Occupied & Tenant Occupied Affordable Housing Units
2. Legal Assistance Regarding Tangled Title Resolution and Will Creation
3. Small Neighborhood Infrastructure Projects
4. Hill District Housing Program Initiatives

Next Step: Begin engaging the community on the creation of guidelines.
III. On Today’s Voting Agenda

• Development Services

• Business Solutions
Development Services

• Lower Hill – Block G-1 (FNB Tower) – Buccini/Pollin Group, Inc.
  • Preliminary approval of the redeveloper for the take down of Block G-1
  • Preliminary approval of a Conceptual Development Plan for the take down of Block G-1

• Amendment of Resolutions to extend the expiration dates of Previous Lower Hill Resolutions from May 10, 2020, to December 10, 2020
Lower Hill: Approval of Developer and Conceptual Development Plan

Lower Hill Option Agreement Take Down Process

Developer (PAR) URA/SEA

1st Board Action - Enter into letter of intent and supplemental information, Take Down Notice and supplemental information, MWBE plan, workforce utilization plan, sustainability plan, and economic impact report.

NOTE – Conceptual Development Plan = Letter of Intent and supplemental information, Take Down Notice with $500,000 Good Faith Deposit

NOTE – Option Agreement currently requires Equal Opportunity Review Commission (EORC) review, goals are 25% minority and 10% women.

Board Action - Approval of Developer and Conceptual Development Plan

Developer (PAR) URA/SEA

Final Drawings (100%)

Final Financing

NOTE – Workforce Utilization Goals in Option Agreement are 25% minority and 10% women.

Board Action - Final Board Approval of Developer and project authorization to execute disposition contract and to execute deed

Developer (PAR) URA/SEA

Closing Documents include Disposition Contract, deed, assignment, and standard closing documents.

Closing

Construction start

Periodic Construction & MWBE Spending Reports

Construction completion

Inspection, Cost Certification, validate Compliance with MWBE/MWI Plans
Lower Hill: Approval of Developer and Conceptual Development Plan

Action(s)

Preliminary Developer Approval
What this means:
Provides initial approval for the developer Buccini/Pollin Group, Inc. to purchase a part of the Lower Hill site
• As a condition of the purchase, Buccini/Pollin Group, Inc. must follow rules laid out in a separate Option Agreement

Preliminary Approval of Conceptual Development Plan
What this means:
• Provides initial approval of the developer’s conceptual plans (drawings) for the site, which currently include a 26-story mixed-use tower with:
  o 382,000 square feet of office space
  o 35,000 square feet of ground floor retail
  o 112 spaces of structured parking
• The board will approve final “shovel ready” drawings at a future meeting
Lower Hill: Approval of Developer and Conceptual Development Plan

Additional Project Info

Total Project Costs: approximately $200 million

- 26-story mixed-use office tower containing:
  - 434,000 square feet office space
  - 20,000 square feet retail
  - 110 structured parking spaces

Other funding sources:
- Private debt and equity investment
- LERTA

Development Team:
- The Buccini/Pollin Group, Inc., Gensler Architects, Pittsburgh Penguins

URA providing preliminary approval:
- Developer must present to URA board again for final approval of development
Extension of Lower Hill Block E closing deadlines & previous Lower Hill Resolutions

Amendment of previous Resolutions (2019) to extend the closing deadlines

What this means:

- Previously, the URA agreed to assist Buccini/Pollin Group, Inc. with applying for public financing

- Developer sought a parking tax diversion, which means parking taxes generated on the site could potentially be diverted from the City to the developer to construct parking

- The agreement to provide assistance originally expired on May 10, 2020 but the URA is voting to extend the expiration date to December 10, 2020
Business Solutions

- Memorandum of Understanding (MOU) with Partner4Work
First Source Hiring Center Memorandum of Understanding

**Action(s)**

MOU with Partner4Work to leverage URA support for the First Source Hiring Center and workforce / small business-related support in the Lower Hill

**What this means:**

- Activation of the First Source Hiring Center can begin in earnest upon execution of the MOU
- Creation of a First Source Hiring Center located within the Hill District will provide Hill District residents with access to:
  - Well-paying union construction jobs on the Lower Hill site
  - Job opportunities throughout the region
  - Small Business support
  - BankWork$, Fund My Future and BizFit Programs