

Urban Redevelopment Authority of Pittsburgh

## **Parking Tax Diversion Application**

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Amended October 10, 2018  
Updated 2026



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Mayor  
City of Pittsburgh

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## **Parking Tax Diversion Approval Process**

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The Urban Redevelopment Authority of Pittsburgh (URA) reviews all submissions for parking tax diversion (PTD) assistance. The process outlined below describes the procedure for approving a PTD. The typical timeline for approval is three to six months, although more complex projects may require more time to review and approve.

- 1. Convene Introductory Meeting with URA Staff Prior to Application Submission**  
Prior to the submission of a PTD Application, prospective applicants should request a meeting with the appropriate URA staff to discuss the concept of the potential project and its scope as well as other potential financing tools available to the URA. No payment is required at this time.
- 2. Submission and Review of PTD Application**  
The URA requires submission of a PTD Application in order to consider an applicant's request for PTD assistance. Applicants are required to demonstrate a financial need for PTD assistance as well as the public benefit of the project. In addition, submission of a p4 narrative will be required and subject to review by URA's p4 Committee. At this time, the p4 narrative will be used to gather information for future use, and will not affect financing determinations.
- 3. Coordinate with Local Community Groups**  
Applicants are required to exercise the steps necessary to demonstrate support for the proposed PTD from the Administration, City council, and local community groups.
- 4. Request PTD Resolution from URA Board of Directors**  
Immediately after approval by the URA Board of Directors, the applicant is required to make an Administrative Fee payment of \$7,500 to the URA.
- 5. Request Resolution to Participate from the City of Pittsburgh**  
City Council will vote whether to participate in the PTD by ordinance or resolution. Half of the Legal Fee is due to the URA upon City Council approval.
- 6. Implement Project**

## **Parking Tax Diversion Application Checklist**

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Complete this checklist by checking the "YES" box if you have submitted the information or the "N/A" box if it is not applicable to your project. Additional information may be requested.

**YES   N/A**

- I. Requirements, Certifications and Disclosures**
- II. Applicant Information**
  - a. A copy your company's organizational documents (i.e. Articles of Incorporation, By-Laws, Partnership Agreement, Fictitious Name Documents, etc.)
  - b. Details if you buy from, sell to, or use the services of any concern in which someone in your company has a significant financial interest.
- III. Project Description**
  - a. Evidence of site control.
  - b. Site maps illustrating the location of the site, site plan details, and its context in the immediate surroundings. Include all relevant details.
  - c. p4 narrative
- IV. Project Financing Information**
  - a. Development budget containing a detailed breakdown of the sources and uses of funds.
  - b. Ten year operating pro forma with a detailed breakdown of projected revenue and expenses.
  - c. Market study.
  - d. Evidence of letters of intent and/or lease agreements with any prospective tenants.
  - e. Copies of all lender commitment letters and/or term sheets detailing the terms and conditions of such.
  - f. Evidence of required project equity.
  - g. Details if applicant, other stockholders or partners ever defaulted on loan obligations or been involved in bankruptcy proceedings.
  - h. Details if your past or present business enterprises ever defaulted on loan obligations or filed for bankruptcy.
  - i. Details if you or your business is involved in any pending or active lawsuits.

## **I. Requirements, Certifications, and Disclosures**

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The following requirements may apply to your PTD assistance through the URA:

1) **Master Plan Consideration**

All PTD applications must be in accordance with the City of Pittsburgh Master Plan (when finalized) and any neighborhood Master Plans that exist for the area of the proposed PTD parcels.

2) **“But-For” Test:**

In order to receive PTD funding for a development, the applicant must demonstrate that that the development would either not take place OR would have unacceptable financial returns without PTD.

3) **Minority- and Women-Owned Business Enterprise Participation**

For PTD Projects, the applicant must include a plan to involve minority- and women-owned business enterprises in a percentage of the net project costs, such as pre-construction costs, design, construction, procurement and post-construction. The URA has set participation goals of 7% for women-owned businesses and 18% for minority-owned business.

If you fail to comply with the foregoing program requirements as described in sections 1, 2 and 3, where applicable, you will be liable for liquidated damages equal to the subsidy you will receive from the City of Pittsburgh.

4) **Limiting Environmental Impact**

You must mitigate any adverse effects your project may have on the natural or built environment where your project:

- a) is in a floodplain;
- b) involves an historic landmark or is in an historic district;
- c) is a potential noise generator or air polluter.

5) Prevailing Wage

Construction on your project shall be subject to regulations that:

- a) require you to employ contractors and subcontractors that are approved by the Department of Labor;
- b) require your contractors and any subcontractors to pay the applicable state prevailing wage rates to construction employees on the project (unless Federal Davis-Bacon Act applies);
- c) require your contractors to regularly submit to the URA payroll report forms and other documentation.

6) Fees

The following non-refundable fees apply to all parking tax diversions:

- Administrative Fee – \$7,500 payable at time of application.
- Legal Fee – Outside Counsel – \$15,000 deposit. Half due at City Council approval, half due at Closing.
- Legal Fee – URA Counsel – Up to \$15,000.
- Closing Fees\* - 2% of issuance amount.
- Annual Admin and Trustee Fee:
  - URA Admin Fee: Years 1-5 \$25,000, Years 6-20 Fee Schedule Determined at Closing
  - The Trustee fee is determined based on URA's current TRID Trustee

I / We certify:

- 1) That all information in this application and the Exhibits is true and complete to the best of my/our knowledge and is submitted to URA, for the purpose of obtaining credit and in order to induce the URA to grant a loan, or to participate with a lending institution in a loan to our/my company.
- 2) That I/we have received a copy of the URA PTD Guidelines and all City of Pittsburgh Ordinances involving PTD financing.
- 2) That I/we will not discrimination on the basis of race, color, sex, religion, marital status, disability, age, sexual orientation or national origin.
- 3) That I/we do not have a business relationship (as stockholder, partner, member, agent, representative or employee) or family relationship with any person who is or who was, within one (1) year prior to the date of this application, an employee of the URA.

All applicants for loans or grants from the Urban Redevelopment Authority of Pittsburgh are requested to disclose if they are employees or related to employees of the URA or the City of Pittsburgh.

If you are an employee or related to a City or URA employee, a formal Conflict of Interest waiver must be presented to the URA's Board of Directors. If the source of funding for your URA financing is the U.S. Department of Housing and Urban Development (HUD), then you must also submit a formal Conflict of Interest waiver to City Planning and to HUD for approval.

PLEASE CHECK AND COMPLETE APPROPRIATE BOX

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|--|--|
| <input type="checkbox"/>   | That I am an employee of the:<br>_____ City of Pittsburgh _____ Department<br>_____ URA of Pittsburgh                                    |
| <input type="checkbox"/>   | That I am related to (Employee's name) _____ an employee of the:<br>_____ City of Pittsburgh _____ Department<br>_____ URA of Pittsburgh |
| My relationship to the employee: Spouse, Father, Mother, Daughter, |  |

- 4) That I have not offered and shall not offer anything of value including a promise of future employment or contract to any person currently employed by the URA.

- 5) That I/we or the company with which I/we am/are an officer, director, stockholder or owner is/are not presently indebted to, nor is/are a borrower or guarantor of any outstanding loan ("loan" means, but is not limited to, any sum of money lent, including any cash advance, line of credit or check credit account) made, funded or guaranteed by, any private financial institution, entity or individual or any federal, state or local agency, other than the information provided herein or represented in this application and am not in default. of any of the obligations listed herein .
  
- 6) Criminal Disclosure  
That no proprietor, partner, director or shareholder of the business has been convicted of a felony within the past five (5) years.
  
- 7) Authorizations  
That I/we authorize the URA to investigate my/our/the company's loan or credit history and to obtain any information deemed pertinent in reviewing this application and determining whether or not to grant a loan. I/we further authorize disclosure of all financial information submitted in connection with this application to/from the financial institution(s) considering or agreeing to participate in the loan. I/we consent to such disclosure as is deemed necessary in the course of investigation and disclosure to any such financial institution.
  
- 8) Effect of Non-Disclosure  
That I/we acknowledge that my application may be summarily rejected if any information I have supplied is false or misleading.
  
- 9) Waiver of Claims Against the URA and its Consultants  
As consideration for any managerial and technical assistance that may be provided, I/we waive any and all claims against URA and/or its consultants, including, but not limited to, any claims against the Loan Review Committee.
  
- 10) Assurance of Compliance with URA PTD Guidelines  
That I/we give the assurance that I/we/the company will comply with the requirements that apply to this loan application and the Tax Increment Financing Guidelines, under which this application is made. A copy of said Guidelines is attached hereto, made part hereof and incorporated herein as Exhibit A.
  
- 11) Citizenship Status  
That all owners, directors, shareholders and principals of applicant's business are citizens of the United States of America or have lawful permanent resident status. If not, state the citizenship of the applicable party and basis under which the applicable party is admitted into the United States of America, i.e. type of Visa - \_\_\_\_\_. (Proof of citizenship status will be required.)



## II. Applicant Information

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This section is intended to provide basic information about the entity applying for PTD assistance.

Applicant Name

Applicant Address

Employment Identification Number (EIN)

Contact Name

Contact Title

Phone

Email

### Project Ownership Information

List the names of all owners or entities having a 20 percent or greater financial interest in the project. All owners may be asked to provide personal financial statements.

Name

Title

Address

Ownership Percentage

Project Role

### III. Project Description

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This section is intended to provide an overview of the project. Please keep answers to each question under 1,200 characters (including spaces). Supporting documentation may be included as attachments.

Project Name

Property Owner

Project Address

Neighborhood

Lot and Block Numbers

#### 1. Project Narrative

Provide an overview of the project in narrative format. The summary must include the following information:

- Description of the current location, including current uses and site condition
- Proposed improvements, including a use type breakdown with appropriate units (ex: office square footage, structured parking units, hotel rooms)
- Description of improvements, including new construction or renovation
- Public infrastructure required and associated costs
- Proposed use of PTD funds

#### 2. Project Timeline

A comprehensive project timeline is required. Include anticipated dates for site acquisition, community engagement, closing, construction start and completion, as well as other project milestones. Multi-phase projects must include details for each phase. The timeline should also identify any critical or time-sensitive dates as well as any time constraints facing the Applicant.

#### 3. Public Benefits

Fully describe the public benefits that can be realized by the completion of this project. Projects with a high degree of public benefits are typically more likely to receive PTD assistance.

Examples of public benefits include, but are not limited to the following:

- Creation of new permanent jobs
- Preservation or creation of affordable housing
- Creation of new retail choices in an underserved neighborhood
- Rehabilitation of a historic building
- Catalyst for new private investment in a neighborhood
- Re-occupancy of a vacant building
- Elimination of blight

- Incorporation of sustainable design practices
- Increased sales tax revenue
- Increased property tax revenue
- Job training opportunities
- Construction of improvements to public infrastructure

This statement should include qualitative examples of public benefits as well as quantifiable and measurable outcomes of the short-term and long-term benefits to the neighborhood and to the City of Pittsburgh.

**4. Site Control**

Please describe your controlling interest of the site, including expiration dates for options or leases. If control has not been secured, state when you expect to do so.

**5. Relevant Experience**

Describe your experience with undertaking and completing similar projects as well as any experience with tax increment financing.

**6. Compliance with Master Plan(s)**

Describe how this project will comply with the Pittsburgh Master Plan (when approved) and (if applicable) any neighborhood master plans affecting the project.

**7. Community Engagement Plan**

Provide a statement on the project's plan for community engagement.

**8. Preliminary M/WBE Plan**

Describe the project's plan for meeting or exceeding the URA's M/WBE goals. The URA strives to achieve a goal of eighteen percent (18%) minority and seven percent (7%) female participation in construction contracts and purchases.

**9. Preliminary Sustainability Plan**

Describe the project's plan for incorporating sustainable design best practices into all aspects of the project from site preparation through construction and operation of buildings and site infrastructure.

**10. p4 Narrative**

p4 Performance Measures are a tool that informs alignment of real estate development projects to the City's commitment to sustainable and equitable practices. You will be required to submit

a p4 narrative to clarify how the project aligns with these goals. At this time, the p4 narrative will be used to gather information for future use, and will not affect financing determinations.

## IV. Project Financing Information

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This section is intended to provide an understanding of the financial viability of the project while clearly justifying the need for the requested PTD assistance.

### 1. Sources and Uses of Funds

Identify the sources of funds used to finance the project. Please include typical sources such as equity, lender financing, mezzanine financing, government financing, other anticipated types of public assistance, and any other types or methods of financing. Describe the sources of equity. Include a term sheet for lender financing, if available.

Summarize the uses of funds. General categories to be identified include: acquisition and related site costs, hard construction costs, and a breakdown of soft costs.

### 2. Request for PTD Assistance

Specifically state the amount of PTD assistance that is necessary to make this project possible. Also specify the budgeted costs that will be funded using PTD assistance. Please note that private parking investments are not an eligible uses of PTD funds. Also note that the diversion of incremental parking tax revenues will only be to the extent necessary to make a development viable and at a maximum rate of 60%. Projects that demonstrate certain criteria may be eligible for a maximum participation rate of 75% (see program guidelines).

### 3. Analysis of Financial Need

Each applicant must include financial analyses that demonstrate the need for PTD assistance. Two analyses must be submitted: one without PTD assistance and one with PTD assistance. The applicant must indicate the minimum return or profit the applicant needs to proceed with the project and the rationale for this minimum return or profit. At its discretion, the URA may hire an independent advisor to verify the accuracy of these analyses. The analyses will necessarily differ according to the type of project that is being developed.

Rental Property – For project involving the rental of space by the developer to tenants (tenants include offices, retail stores, industrial companies, and households), an internal rate of return on equity must be computed with and without PTD assistance. State all assumptions to the analyses.

For Sale Residential – Show profit as a percentage of project costs (minus developer fee and overhead and minus sales commission and closing costs, which should be subtracted from gross sales revenue). Other measures of profitability may be submitted, such as profit as a percent of sales revenue.

Mixed Use Commercial/For Sale Residential – Provide either separate analyses for each component of the project or include in the revenue sources for the for-sale portion, the sale value of the commercial component based on the net operating income of the commercial space at stabilization. Indicate how the sale value was derived.

Owner-Occupied Commercial – For projects, such as “big-box” retail projects, provide copies of the analyses that the company used to determine the amount of PTD assistance that would be needed to allow the company to meet or exceed the company’s minimum investment threshold(s) for proceeding with the project.

Competitive Projects – In instances where the City is competing with other jurisdictions outside the region for the project (e.g. corporate headquarters, new manufacturing plant, etc.), present detailed analyses that demonstrate the capital and operating cost differential between the proposed location(s) in Pittsburgh and the locations outside the City that are being seriously considered by the applicant.

**4. Increment Projections**

Include projections of the incremental parking taxes that will be generated by this project for the remaining life of the PTD. Clearly identify all assumptions considered in these projections.

**5. Market Impact Analysis**

Provide an analysis of the market that the proposed project will be entering, including the expected demand for the project’s services/products, current providers of those services/products within the City of Pittsburgh, and the projected impact of this project on that market.