

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

**TAX INCREMENT FINANCING
PROGRAM GUIDELINES**

2026



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PURPOSE

The objective of this document is to provide guidance on the processes and requirements related to the formation, development, and implementation of Tax Increment Financing (TIF) districts within the City of Pittsburgh.

The URA serves multiple roles related to administration and implementation of TIFs, including:

- Managing the TIF application process for all proposed TIF districts located within the City of Pittsburgh.
- Coordinating with all relevant parties throughout the TIF application, creation, and implementation processes.
- Serving as Taxing Bodies' (*i.e.*, the City of Pittsburgh, the County of Allegheny, and Pittsburgh Public Schools) agent for all tax diversion programs, including TIF.
- Coordinating the implementation of TIFs according to TIF plans, and
- Serving as the conduit to enable approved applicants to take advantage of TIF related financing as permitted by the TIF Act.
 - Note: It is the responsibility of each Applicant to work with the URA to identify the nature of the financing (whether a bank loan, bond issue or some other type of financing) and the specific provider of the financing (the bank, bond purchaser, underwriter or some other type of provider)

PROGRAM DESCRIPTION

The URA's Tax Increment Financing Program was created to enable the use of TIF to foster large-scale redevelopment within the City of Pittsburgh. TIF is used to leverage private development to finance projects where traditional and other types of public financing are insufficient to ensure the project's completion. TIF utilizes future increased tax revenues generated by a development project to pay for eligible project costs. As a result, TIF enables the completion of projects that further the City's economic development goals such as:

- Producing quality, full-time jobs for City residents.
- Increasing the City's tax base.
- Leveraging substantial private investment.
- Improving the City's infrastructure, and
- Providing positive benefits to communities within the City.

The URA's TIF program is governed by the Commonwealth of Pennsylvania's Tax Increment Financing Act (TIF Act)¹, as amended, which is detailed in the Appendix. The TIF Act allows all or a portion of the incremental real estate tax revenue generated by certain development projects

¹ P.L. 465, No. 113, 53 P.S. Section 6930.1, et seq.

within a specific TIF district to be used to finance public or private improvements associated with said development projects. The incremental increase in real estate taxes resulting from developments and improvements within the district are used to support a revenue bond or note issued by an authority created under the Urban Redevelopment Law², such as the URA. Although other legislation may allow for the leverage of tax increment from non-real-estate taxes, the URA will only pursue the potential diversion of real estate and parking taxes in a request to the three taxing bodies.

All projects utilizing TIF funds are subject to the requirements, processes, and policies described below. The URA Board of Directors reserves the right to waive any guidelines it deems appropriate to the extent permissible under the TIF Act, as amended.

REQUIREMENTS

Tax Increment Financing is only to be used in projects where traditional private and other types of public financing are insufficient for project completion. The projects must have positive impacts on the neighborhood in which it will be built and on the City of Pittsburgh. The projects must complement existing commercial and residential development in the City.

The following section outlines the requirements governing the TIF program. ‘General Requirements’ are those of the TIF Act. ‘Sponsorship Requirements’ are those which govern the URA’s participation in and sponsorship of TIF districts. As the agent for the Three Taxing Bodies, the URA is responsible for enforcing all requirements. It is the responsibility of an applicant to identify any change in requirements as dictated by the URA.

GENERAL REQUIREMENTS

TIF Districts must be contiguous geographic areas³ within certified Redevelopment Areas through the process set forth in the Urban Redevelopment Law. The boundaries of the TIF District must contain whole units of property assessed for general property tax purposes. Prior to the dissolution of a TIF district, no governing body may grant exemptions under the Local Economic Revitalization Tax Assistance (LERTA) Act of 1977⁴.

Under the Act, eligible TIF projects include commercial, industrial, and residential development. Any costs associated with the development of these projects are eligible to be financed with TIF including capital costs (construction, rehabilitation, demolition, acquisition of land, buildings and machinery), financing costs, professional services, administrative costs, relocation, organizational costs and costs associated with the creation and implementation of the TIF project⁵.

² P.L. 991, No. 385, 35 P.S. 1701, et seq.

³ See Section 6930.3.

⁴ See Section 6930.9.

⁵ See Section 6930.3.

SPONSORSHIP REQUIREMENTS

The following requirements govern the URA's participation in and sponsorship of TIF districts:

- All development projects must comply with all applicable local plans, ordinances and codes per the requirements of the Act.
- Commercial and industrial development projects must leverage private investment, create and sustain high quality, full-time jobs for City residents, generate positive economic impacts for the City and generate sufficient tax revenue to offset increased municipal infrastructure and service costs.
- Residential developments must increase housing options, including affordable housing, available to City residents. Additionally, the increase in housing options must create a net increase in affordable for-sale or rental housing units. Residential developments that bring new residents into the City should balance that increase in new residents with tax revenue to support additional service requirements (both municipal and educational).
- Priority will be given to projects that use TIF revenues to support public infrastructure improvements⁶ necessary to facilitate private investment that benefits the public. The Pennsylvania Prevailing Wage Act will apply to the construction of all public infrastructure supported by TIF funds.
- The diversion of incremental property tax revenues will only be to the extent necessary to make a development viable and at a maximum rate of 60%. Those developments that are located in targeted areas, create significant economic impacts, or feature elements of sustainable design that exceed the requirements of a LEED Silver rating may be eligible to receive a maximum diversion rate of 75%.
- The Applicant must include a plan detailing how it intends to meet or exceed the URA's Minority and Women-Owned Business Enterprise (MWBE) goals of 18% and 7%, respectively. MWBE participation is measured as percentage of the overall net project costs, including pre-construction costs, design, construction, procurement and post-construction. The Applicant should submit an MWBE narrative with its TIF application.
- The Applicant must include a plan detailing how it intends to meet or exceed the URA's Minority Workforce Inclusion (MWI) goal of 12%. MWI participation is measured as percentage of the overall net project costs, including pre-construction costs, design, construction, procurement and post-construction. The Applicant should submit an MWI narrative with its TIF application.
- Pursuant to Pittsburgh City Council Resolution #27 enacted on October 26, 1999 and Chapter 201.11 of the Pittsburgh City Code, the Applicant must develop a "Hiring Plan". That Plan must have, as its goal, achieving a workforce which is comprised of at least

⁶ For purposes of this document, "public infrastructure" will be generally defined as those publicly owned and dedicated structures and facilities on which the continuance and growth of a community depend, including, but not strictly limited to, streets, roadways, road surfaces, bridges, tunnels, easements, right-of-ways, structured public parking facilities, public sanitary and storm water sewers, curbs, sidewalks, public water/power/cable conduits and public drainage structures. Privately owned infrastructure that serves the public interest will also be considered.

50% City residents within the first five-year period following the commencement of business operations.

- The Applicant must include a plan to incorporate sustainable best practices into all aspects of the project from site preparation through construction and operation of buildings and site infrastructure. Pursuant to sub section 915.06 of Pittsburgh’s City Code, TIF projects must obtain a LEED silver rating level.
- The Applicant must engage relevant local community groups, whether incorporated or not, to participate in the evaluation of proposed developments. Where applicable, meetings will be held to provide the opportunity for community groups to interact directly with project applicants.
- The Applicant may be required to enter into a Funding Agreement, Development Agreement, or a combined Funding and Development Agreement with the URA whereby the URA agrees to finance improvements constructed by the Applicant and the Applicant agrees to incorporate project elements required by the URA.
- The Applicant must provide documentation of site control. This documentation must satisfy the URA’s standards.

TIF CREATION PROCESS^{7,8}

TIF ORIENTATION MEETING

Prior to submitting a TIF Application, the Applicant should contact the URA and schedule a formal TIF Orientation Meeting so that URA Staff can review the TIF process, requirements and related taxing body ordinances, as well as answer any questions the Applicant may have about the TIF program.

TIF APPLICATION

The Applicant will prepare and submit a TIF Application (Attachment A) to the URA for consideration. This form requires:

- A written narrative of the proposed development,
- A preliminary site plan and rendering,
- A summary of the financing sources,
- A description of the proposed private and public improvements
- An estimate of the amount of TIF request, and
- A justification for TIF assistance.

Submission of the TIF Application must be accompanied by:

- An MWBE narrative,

⁷ See Section 6930.5.

⁸ The outlined procedure relates to new requested TIFs, or an amendment to an existing TIF Districts, such as the removal of a pledged or unpledged parcel, or other related actions.

- An MWI narrative,
- An indemnification letter (a form of which is attached to the application),
- Predevelopment expense deposit,
- The application fee.

URA REVIEW

The TIF Application will be evaluated by the URA to determine project eligibility. In addition to these guidelines, the Applicant is expected to comply with any TIF Policy or Guideline adopted by Allegheny County, the City of Pittsburgh, and the Pittsburgh Public School Board.

COMMITMENT LETTER

Upon approval of a TIF application, the URA will issue a commitment letter specifying the terms by which the URA will advance the TIF process.

COMMUNITY ENGAGEMENT

The Applicant is expected to coordinate with relevant local community groups regarding support for their project. Furthermore, TIF projects should work to achieve goals articulated in neighborhood plans, as applicable. Applicants are encouraged to obtain and submit letters of support from local community groups.

PROJECT DEVELOPMENT ACCOUNT

An account will be established for the payment of service fees incurred during the TIF process (e.g. Economic Impact Study, Financial Advisor, etc.). The predevelopment expense deposit of \$35,000 is due before the inducement resolution is sent to the Three Taxing Bodies. Please note that additional payments may be required, as needed. Additional predevelopment payments will be made by Applicant as contract negotiations with acquired consultants are determined. Predevelopment payments shall be made to the URA before the URA signs any consultant contract. If a TIF does not occur, the remaining balance will be refunded six-months after all relevant TIF fees are paid.

ECONOMIC IMPACT STUDY

If the project is deemed eligible, the URA will engage a consultant at the Applicant's expense to perform an Economic Impact Study which will estimate the anticipated impact of the development including the private investment, job creation and fiscal impacts. This expense may be reimbursable to Applicant upon closing of TIF financing from the proceeds of that financing.

FINANCIAL ADVISOR

While the URA serves in the role of a conduit which enables the Applicant to take advantage of the TIF financing structure permitted by the Act, the URA is not responsible for securing the financing and its credit is not pledged as security for the financing. It is the responsibility of the

Applicant to identify (1) the nature of the financing (whether a bank loan, bond issue or some other type of financing) and (2) the specific provider of the financing (the bank, bond purchaser, underwriter or some other type of provider). At the URA's discretion, a financial advisor may be solicited by the URA at the Applicant's expense. This expense may be reimbursable to Applicant upon closing of TIF financing from the proceeds of that financing.

TIF COUNSEL

Legal counsel will be engaged by and will report to the URA at the Applicant's expense. This expense may be reimbursable to the Applicant upon closing of TIF financing from the proceeds of that financing. The Applicant should retain its own legal counsel during the TIF process. The Applicant is encouraged to retain legal counsel that is experienced in matters of real estate tax law.

BLIGHT DESIGNATION

If the proposed TIF District is not located in an existing Redevelopment Area⁹, a basic conditions report will be prepared for a study area containing the proposed development. The City of Pittsburgh Planning Commission must designate and certify an area to be in need of redevelopment pursuant to the provisions of the Urban Redevelopment Law. At the Applicant's expense, the URA will solicit a consultant to complete the basic conditions report via a Request for Proposal (RFP) process and manage that consultant's contract. This expense may be reimbursable to the Applicant upon closing of TIF financing from the proceeds of that financing.

INDUCEMENT RESOLUTION

The URA will adopt an Inducement Resolution to declare its official intent to issue a taxable or tax-exempt obligation in the future.

RESOLUTION OF INTENT

The City, County, and School District will consider non-binding resolutions of intent designating representatives to the TIF Committee and authorize the URA to prepare a detailed TIF Plan that will be presented for future consideration.

TIF PLAN:

The TIF Plan¹⁰ must include the following:

- Background on the project Applicant,
- Description of the proposed development,

⁹ See Section 6930.2 (a)(1) wherein an area is defined as blighted if any one of the following conditions exist: "(i) the unsafe, unsanitary, inadequate or overcrowded conditions of the area; (ii) inadequate planning of the area or excessive land coverage by the buildings thereon; (iii) the lack of proper light and air and open space; (iv) the defective design and arrangement of the buildings; (v) faulty streets or lot layout; (vi) economically or socially undesirable land uses."

¹⁰ See Section 6930.5

- Reference to the redevelopment area,
- Estimated costs of the proposed development (including public infrastructure),
- Market analysis of the proposed development,
- Economic and fiscal impact of the proposed development (during construction and at build-out),
- Employment impact of the proposed development (during construction and at build-out),
- Improvements to be financed with TIF proceeds,
- TIF amount,
- Pledged parcels within TIF District,
- Current assessed value and tax base,
- Projected assessed value,
- Projected pledged revenue,
- Provisions for insufficient TIF revenues and excess tax increment,
- Other financial details of the TIF,
- Estimated non-project costs,
- Maps of the TIF District and existing property conditions,
- Proposed changes to all applicable local plans, ordinances and codes,
- Statement on community engagement,
- Statement of M/WBE participation,
- Statement of MWI participation,
- Statement of sustainability goals,
- Statement of proposed method for relocation,
- TIF District establishment date, and
- Duration of TIF District.

TIF COMMITTEE

Representatives from the URA and the taxing bodies will form the TIF Committee. The URA will present the draft TIF Plan to the TIF Committee for review. The second part of the public approval process (the Resolutions to Participate) will be initiated if the TIF Committee decides to recommend the TIF Plan following this evaluation.

RESOLUTION TO PARTICIPATE

The taxing bodies will by ordinance or resolution, agree to participate in or opt out of the TIF District. Such ordinance or resolution will be adopted and a copy of the ordinance or resolution must be delivered to the governing body creating the district prior to or on the date on which the public hearing is held¹¹.

PUBLIC HEARING

¹¹ See Section 6930.5(a)(7)

The City shall hold at least one public hearing at which time interested parties are afforded a reasonable opportunity to express their views on the concept of TIF, the proposed creation of a TIF District and its boundaries, the proposed TIF Plan, and the benefits to the City. The public hearing must adhere to the requirements of the Sunshine Act of 1986, as amended¹². Notice of the public hearing shall be advertised in a newspaper of general circulation not less than 30 days before the date of the hearing and shall be provided by first class mail to the governing body of any municipality or school district that levies property taxes within the proposed TIF District¹³.

TIF DISTRICT CREATION

Not earlier than three weeks after the public hearing, the City will adopt a resolution which accomplishes the following:

- Describes the boundaries of the TIF District.
- Creates the TIF District as of a given date.
- Assigns a name to the TIF District.
- Contains findings in accordance with the Act, including:
 - The TIF District is a contiguous geographical area,
 - Improvement of the area is projected to enhance the value of the real property in the TIF District,
 - The aggregate value of equalized taxable property of the TIF District, plus all existing Districts, does not exceed 10% of the total value of equalized taxable property within the sponsoring municipality,
 - The TIF District as a whole has not experienced adequate growth and development by private enterprise and would not reasonably be anticipated to be adequately developed without the adoption of the TIF Plan,
 - A feasible method for the relocation of displaced residents or businesses, if necessary,
 - The TIF Plan conforms to the Neighborhood Master Plan, if any,
 - The TIF Plan will afford maximum opportunity for the rehabilitation of the TIF District by private enterprise, and
 - The TIF District is a blighted area containing characteristics of blight as described in the Urban Redevelopment Law and the project to be undertaken is necessary to eliminate such blighting conditions.

COOPERATION AGREEMENT

A Cooperation Agreement between the URA and the affected taxing bodies will be executed at or before closing of the TIF.

¹² 65 P.S. Section 701, et seq.

¹³ See Section 6930.5(a)(5)

ISSUANCE OF DEBT

The URA will issue the TIF obligations. While the URA serves in the role of a conduit which enables the Applicant to take advantage of the TIF financing structure permitted by the Act, **the URA is not responsible for securing the financing and its credit is not pledged as security for the financing.** The Developer is responsible for seeking TIF financing. If the Applicant intends to self-finance a TIF, an origination fee of 3% of the gross note proceeds will apply, in lieu of a debt issuance fee. For more information, see the attached TIF Fee Schedule. It is the responsibility of the Applicant to identify (1) the nature of the financing (whether a bank loan, bond issue or some other type of financing) and (2) the specific provider of the financing (the bank, bond purchaser, underwriter or some other type of provider). The URA will review the terms and determine if the terms are favorable enough to be presented to the URA Board of Directors for approval.

Termination

A TIF District will terminate when the positive tax increments are no longer allocable to the TIF District or the City, by resolution, dissolves the TIF District, providing no bonds or notes for the District remain outstanding¹⁴.

APPLICATION REVIEW & EVALUATION PROCESS

A complete TIF Application package shall include:

- The TIF Application Form,
- An MWBE narrative,
- An MWI narrative,
- An executed indemnification letter,
- Predevelopment expense deposit, and
- Payment for the application fee.

The following criteria will be used to evaluate the TIF Application:

ECONOMIC AND FISCAL IMPACT OF THE NEW DEVELOPMENT

The number, type, and wages of the employment to be created, impact on competition and neighboring businesses and projected tax revenue.

DEMONSTRATION OF NEED FOR TIF

The Applicant must submit a signed affidavit to the TIF Application certifying that the project cannot proceed without the TIF and provide supporting documentation justifying the need for and the amount of financing requested. The amount of public infrastructure required to

¹⁴ See Section 6930.8

facilitate the development must be provided. Applicants may be required to provide a justification based on profit, return on investment or other measure deemed appropriate.

VALUE ADDED

The extent to which the development will add value to the local economy and avoid shifting of resources within the City. Also, applicants must quantify the extent to which the development satisfies an unmet demand for a product or service in the region.

PRIVATE INVESTMENT LEVERAGE

The ratio of private to public investment must be such that the use of public funds is justified for private development TIF proceeds shall be used to fund **no more than 10% of total project costs**. Exceptions may be granted in cases where proceeds are used to fund public infrastructure.

DEVELOPMENT TYPE (E.G., COMMERCIAL, INDUSTRIAL, RESIDENTIAL, OR MIXED-USE)

Development types that will be given higher preference include those featuring 1) The development of new office, high technology, manufacturing facilities that are more likely to create high wage jobs, and therefore have a significant economic impact on the regional economy and 2) Those that embrace sustainable design practices. The URA will take into consideration the number and types of jobs the Project is expected to generate within the TIF and the City and the degree to which the Applicant will hire workers living in the City.

OCCUPANCY LEVELS

The Applicant should demonstrate that facilities financed by the URA will reach at least fifty percent occupancy within one year of the issuance of a Certificate of Occupancy.

DEVELOPMENT LOCATION

The development must be consistent with the goals and objectives outlined in the PLANPGH Comprehensive Plan (when approved), and all applicable local plans, ordinances and codes. Developments within strategic investment areas or those featuring significant elements of sustainable design will receive greater weight during the evaluation. Developments demonstrating greater levels of accessibility to public transit facilities will be given higher priority.

APPLICANT'S RELEVANT DEVELOPMENT EXPERIENCE

The ability of the Applicant to undertake and complete the project, provide the relevant TIF guarantees or credit enhancements necessary to support the requested financing and the risk associated with the overall development of the project (i.e. amount of pre-leased space, the market feasibility of the project) will also be considered. The URA will also consider whether the Applicant would be able to secure additional funding for the Project should there be cost overruns or if additional phases of the Project are contemplated.

10% CAP

The aggregate value of equalized taxable property of the district, plus all existing tax increment districts, shall not exceed 10% of the total equalized taxable property within the municipality. The URA will take into account the total value of tax increment financing districts in the City of Pittsburgh relative to the 10% cap when considering new TIF proposals.

CERTIFIED MINORITY OR WOMEN BUSINESS ENTERPRISE (MBE/WBE) PARTICIPATION

Preference will be given to Applicants that are MBE/WBE certified in the Commonwealth or use MBE/WBE certified subcontractors in the construction of the Project.

MINORITY WORKFORCE INCLUSION (MWI) PARTICIPATION

The Applicant should submit a narrative detailing how it intends to meet or exceed the URA's MWI participation goals.

PROJECT'S DEMAND UPON CITY SERVICES

The Applicant should provide information detailing how it will offset the increased demand for City services such as utilities, public safety, and public works required for its Project as well as the impact on the Pittsburgh Public School District.

LOCALLY OR DOMESTICALLY SOURCED MATERIALS

Preference will be given to Applicants whose project plans involve the use of local or domestically sourced materials.

OTHER RELEVANT CRITERIA

Additional development criteria will be considered at the discretion of the URA.

FINANCIAL TERMS

PARTICIPATION OR DIVERSION

In order to permit the taxing bodies to realize some immediate benefit from the development and to divert only that portion of the tax increment which is necessary to support a proposed project, the affected taxing bodies will be requested to participate in the TIF by pledging a limited percentage of the anticipated tax increment to the TIF. The rate of participation, or diversion rate, is one factor that will determine the amount of TIF that will be provided to a project. Another factor affecting the amount of TIF is the anticipated incremental assessed value of the proposed development. The Participation or Diversion rate which is established for a project will depend upon the anticipated impact of the project and will be set after the URA is satisfied that the Applicant has exhausted attempts at securing other funding.

TERM

The term of any and all borrowing shall be at maximum the length of the TIF designation, which is by statute a maximum of 20 years. Any debt obligations financed with the tax increments must be retired within this time period. Shorter TIF terms are encouraged to the extent financially feasible.

INTEREST RATE

The interest rate is dependent upon the conditions of the capital and/or financial markets and the credit enhancement, if any, provided for debt obligations.

SECURITY & DEBT SERVICE

The Applicant will be required to execute a Minimum Payment and Covenant Agreement in which the Applicant's parent company or other guarantor of sufficient net worth will serve as security for the TIF financing. A Minimum Payment and Covenant Agreement may not be required in cases of self-financing. Letters of credit, bond insurance or some other acceptable form of credit enhancement may be required as additional security for the obligation. TIF Bonds/Notes will not be supported by general obligations of the City or the URA. Other taxing bodies may choose to support the bond issue, although this should not be expected.

TAX APPEALS WITHIN TIFS DISTRICTS

Furthermore, the Minimum Payment and Covenant Agreement will include a provision limiting an owner's ability to appeal their real estate tax assessment during the term of the TIF district. While a Minimum Payment and Covenant Agreement may not be required in cases of self-financed TIFs, the owner's ability to appeal their real estate tax assessment during the term of the TIF District will be limited.

MINIMUM PROJECT SIZE/BOND ISSUE

Because of the costs associated with the TIF process and the issuance of debt obligations, the minimum project size, as determined by estimated total project costs, is \$20 million. The minimum TIF financing amount is \$2 million. The Executive Director of the URA may approve exceptions in cases where alternative financing is unavailable.

TAXABLE AND TAX-EXEMPT ISSUES

The improvements financed with the proceeds of a TIF Bond may be publicly owned. If publicly owned and considered to be public improvements (benefiting more than one property owner), the project may qualify for tax-exempt financing.

FEES

Various fees apply for deliverables throughout the process. The TIF Fee Schedule is attached to the TIF Application and outlines the fees incurred.

REPORTING COMMITMENTS

URA JOBS REPORT

For the duration of the TIF District, the Applicant must submit an annual update on jobs within the development and must provide up to date job information upon the URA's request. Upon the completion of the project, the Applicant will have five years to meet its pre-development employment goals. The TIF Applicant and/or related entity shall be required to submit a plan to the City of Pittsburgh for achieving a workforce which is comprised of at least 50% City Residents within the five year period following the commencement of business operations, and an affidavit of commitment to achieve this employment plan.¹⁵ The TIF Recipient must utilize CareerLink prior to TIF implementation. If TIF funds are used in the private development, any shortfall in actual versus estimated jobs may result in monetary damages that would be specified in the Funding Agreement. For a blank copy of the report, see Appendix C.

URA PROJECT REPORT

For single project TIFs, a post-development report shall be provided by the developer after the development had been completed. The report shall contain important project information including project costs, uses of funds and rent roll. For TIF Districts where there will be multiple developments over time, annual update reports will be provided by the developer, as additional development occurs. The annual reports shall contain information in post development report information and planned future developments and their associated costs. These annual reports shall be provided by the developer no later than the 1st of October. The report is included as Appendix D.

TAXING BODY ORDINANCES

TIF Applicant must review all related County, City, and School District ordinances and legislation, referenced and contained within the Appendix. Applicant should direct questions related to specific ordinances/legislation to the relevant taxing body.

¹⁵ See City of Pittsburgh Code 201.11 Ordinance 27

APPENDICES

APPENDIX A. LEGISLATIVE BACKGROUND

The Tax Increment Financing Act of July 11, 1990, as amended, 53 P.S. §6930.1 et seq. (TIF Act), allows for the creation of Tax Increment Financing (TIF) districts. TIF is an additional and alternative financing tool that can be used by a municipality to advance public benefit and good through economic development. TIF allows for financing public facilities and residential, commercial, and industrial development and revitalization. The general goals identified in the TIF Act include:

- Generate new employment opportunities,
- Prevent, arrest, and alleviate blighted, decayed, and substandard areas in municipalities,
- Increase the tax base, and
- Improve the general economy of the Commonwealth of Pennsylvania.

APPENDIX B. FEE SCHEDULE

Fees Incurred During the TIF Process	
TIF Application Fee	\$3,500; non-refundable
Basic Conditions Report (if needed)	Determined based on consultant responses and scope
Financial Advisor (if needed)	Determined based on consultant responses and scope
Impact Study	Determined based on consultant responses and scope
TIF or Bond Counsel (if needed)	Determined based on consultant responses and scope
URA Solicitor Fee	Up to \$45,000
TIF Plan Creation and Legal Review Fee	\$30,000; non-refundable; due after final inducement approval
Project Development Account* Initial Payment Only	\$35,000; not capped; must be replenished if the account balance falls beneath \$10,000

Financing Issuance Costs	
Origination or Debt Issuance Fee ¹⁶	3% of gross amount of taxes estimated to be diverted, or 3% of issuance amount
School District Development Fee	1% of gross note proceeds
City Neighborhood Impact Fee	1% of gross note proceeds
TIF or Bond Counsel (if needed)	Determined based on consultant responses and scope
Trustee Fee (Issuance & Annual) (First annual fee payable at closing)	Determined based on fee schedule of URA's current TIF Trustee

Annual Administrative Fee	
Initial Payment (Non-residential TIFs)	\$35,000

¹⁶ The origination fee applies to self-financed TIF arrangements, including accessing TIF funds on a pay-as-you-go basis. The debt issuance fee applies to TIF financings involving the issuance of debt that is repaid by tax increment.

Annual Payment (Non-residential TIFs)	Years 2-5 \$35,000 per borrowing Years 6-20 Fee Schedule Determined at Closing
Initial Payment (Residential TIFs)	Determined by the number of parcels and owners
Annual Payment (Residential TIFs)	Determined by the number of parcels and owners

NOTES:

- Payment of any fee does not guarantee project approval by the URA.
- The fees notated above are standard fees but may be subject to change for a nonstandard request.
- Application will not be accepted or reviewed until Application Fee is received.
- All above fees can be reimbursed at TIF closing using TIF proceeds.
- Depending on other costs or services related to specific TIF projects, other fees may be applicable. These fees will be disclosed as soon as practicable.
- The URA may require pre-payment of Annual Administrative fees.

*Additional predevelopment payments will be made by Applicant as “Project Development Account” reaches \$10,000 or less. This account will be used by the URA to fund the above “Fees Incurred during the TIF Process” as needed.

APPENDIX C. INDEMNIFICATION LETTER

<<TO BE PRINTED ON APPLICANT LETTERHEAD>>

DATE

Ms. Susheela Nemani-Stanger
Executive Director
Urban Redevelopment Authority of Pittsburgh
412 Boulevard of the Allies, Suite 901
Pittsburgh, PA 15219

Re: Tax Increment Financing Application for ____ (the "Project")

Dear Ms. Nemani-Stanger

On behalf of _____ (the "Applicant"), I am submitting a Tax Increment Financing ("TIF") Application for the above referenced project.

The Applicant understands that many of the terms and conditions of the Urban Redevelopment Authority's (the "Authority") respective rights and responsibilities are set forth in the TIF Program Guidelines, the various agreements between the Authority and the Taxing Bodies, the financing documents and the Developer's Agreement between the Authority and the Applicant.

By submitting the TIF Application, the Applicant is asking the Authority to consider the issuance of its bonds or other debt instruments (the "Obligations") to assist in the financing for our anticipated project. We acknowledge that the proposed financing will be of substantial benefit to our company as the Applicant. As a consequence, we agree to the following conditions, which are in addition to those set forth in the TIF Program guidelines and the other documents named above. Provided the URA has not acted with gross negligence or willful misconduct, the Applicant shall protect, exonerate, defend, indemnify and save the URA and its members, officers, employees, agents and attorneys, harmless from and against any and all costs or liabilities which may arise or have arisen out of this Agreement, the TIF Note and the Development Project, and from all costs, counsel fees, expenses and liabilities incurred in or about the defense of any such claims or actions or proceedings brought thereon, and from and against any and all losses, damages, costs, expenses or liabilities based on personal injury, death or loss or damage to property suffered or incurred by any person, firm or corporation arising out of or attributable to the construction, use, operation or maintenance of the Development Project, from any breach or default on the part of the Developer in the performance of any covenant to be performed pursuant to the terms of this Agreement, or any construction contract, or arising from any act of negligence of any of the Developer or any of the Developer's agents, contractors, subcontractors or employees performing work on or about the Development Project; and from and against all costs, counsel fees, expenses and liabilities incurred in or about the defense of any such claims or actions or proceedings brought thereon.

For the purposes of this letter,

- (a) "Authority" shall mean the Authority, its Board Members, Officers, Agents, and employees and the Urban Redevelopment Authority of Pittsburgh, its officers, employees and agents.
- (b) "Applicant" shall mean the Applicant, its successors and assigns, parent or subsidiary entities, directors, members, officers, employees and agents.

Thank you for the Authority's consideration of this TIF Application.

Very truly yours, APPLICANT/BORROWER

By: Authorized Representative

Enclosure: Check # _____ in the amount of \$10,000 (Non-refundable TIF Application Fee).

APPENDIX D. ANNUAL JOBS REPORT

TIF Projects Annual Jobs Report*

Date:

Years after build-out:

Projected Employment

Full Time Equivalent Jobs*			
	Created	Retained	Total
Construction (if known)			
After Build-Out			
Retail			
Manufacturing			
Office/Management			
Other (please identify):			
Total			
Total number of jobs:			
Number of jobs considered high-tech:			

Actual Employment as of: _____

	Full Time Equivalent Jobs*			# Jobs filled by City residents
	Created	Retained	Total	
Construction (if known)				
After Build-Out				
Retail				
Manufacturing				
Office/Management				
Other (please identify):				
Total				
Total number of jobs:				
Number of jobs considered high-tech:				

Please comment on any discrepancies between projected and actual employment numbers and provide reasoning for those discrepancies.
Total number of full-time employees plus number of employees on part-time schedules converted to a full-time basis.

Appendix E. Post Development/Annual Report Template

Urban Redevelopment Authority of Pittsburgh
TIF Project Post Development/Annual Report Template

Total Project Costs listed by Use: (include private development costs & infrastructure costs beyond TIF)
Final Sources of Funds:
Total Square Feet Developed (by product type):
If Different then Projections within approved TIF Plan Please Explain:
Current Rent Roll:
Planned Future Development & Cost (include available acreage):
Additional Comments:

