



**PATRICK DOWD**  
MEMBER OF COUNCIL, CITY OF PITTSBURGH



June 5, 2012

Mayor Ravenstahl,

As the Chairperson for the Council's Committee on Intergovernmental Affairs, I am holding your legislation authorizing the creation of the Lower Strip Tax Increment Financing (TIF) District. Your legislation is not ready for introduction or public discussion because: (1) any discussion of the TIF legislation would be premature before the planning process unfolds further, (2) you have not given Council and the public access to all agreements, whether signed or proposed, between the Urban Redevelopment Authority (URA) and the Buncher Company, and (3) it is simply incomplete.

First, no discussion of the TIF legislation should occur until the Planning Commission, the Council, and the public have had the opportunity to discuss and debate Buncher's Preliminary Land Development Plan (PLDP) for the Lower Strip District site. Without an approved PLDP, no one knows what is proposed and on what timeline, which, in turn, makes impossible a productive discussion of whether or not to award the Buncher Company a \$50 million TIF for the site. The PLDP will receive its hearing at the Planning Commission on June 12th.

Second, no discussion of the TIF legislation should occur until you have given the public a full and complete understanding of all the agreements, whether signed or proposed, between the URA and Buncher relative to the Lower Strip District, the Buncher distribution center located between 43rd and 48th Street, and the old Tippins site adjacent to the 62nd Street Bridge. You must help us understand the interlocking agreements and obligations that you have negotiated on behalf of the public.

Currently, Buncher owns the 55 acres of land between Smallman Street and the Allegheny River. You have granted Buncher an exclusive option to purchase the historic Produce Terminal Building. According to your agreement, when Buncher exercises the option to purchase the Produce Terminal, they must renovate it within 24 months. They must also break ground on at least one building with a minimum of 75 residential units. It is my understanding that Buncher is also planning to build an office space at 13th Street and that it has tentative agreements with the City and some of its Authorities to lease this space. Any lease discussions between Buncher and the City and its Authorities should be revealed to the Council and the public.

Currently, Buncher owns a 16-acre distribution center located between 43rd and 48th Street. Once Buncher exercises its option to purchase the Produce Terminal, the URA has 36 months to exercise its exclusive option to purchase this 16-acre site. As you know, this distribution center generates an abundance of truck traffic that has caused serious problems for the residents of Lawrenceville, including damage to property and infrastructures as well as pedestrian injuries.

Currently, the URA owns the old Tippins site adjacent to the 62<sup>nd</sup> Street Bridge. The URA and Buncher have signed an agreement giving the latter an exclusive option to purchase 16 acres of this 22-acre site. The URA plans to retain ownership of that portion of the Tippens site located between the Allegheny Valley Rail line and the Allegheny River. The old Tippens site is ideal for distribution activity because of

its close proximity to major transportation arteries and distance from residences. For this reason, the URA has long supported the desire of Lawrenceville residents to move trucking and distribution activities from Buncher's Central Lawrenceville property to the old Tippins site and surrounding area.

According to the agreements you have negotiated, Buncher would purchase the historic Produce Terminal Building for approximately \$1.2 million. The URA would purchase Buncher's 16-acre distribution center site located between 43rd and 48th Street for approximately \$8 million - approximately \$500,000 per acre of land. Buncher would pay approximately \$1 million for 16 acres of land on the old Tippins site - only approximately \$70,000 per acre.

You should present to Council and the public all the terms and conditions related to all the properties in question. This is especially true given that there will likely be infrastructure needs and desired riverfront enhancements for the redevelopment of the Buncher distribution center between 43<sup>rd</sup> and 48<sup>th</sup> Street as well as the old Tippins site. These costs and who will pay for them must be factored into any public discussion.

Third, no discussion of the TIF legislation should occur until the legislation is actually complete. According to the "Final 5/29/2012" Lower Strip TIF District Plan, you propose awarding Buncher a \$50 million TIF, the proceeds for which would be used for "public improvements and public infrastructure." However, according to your legislation the overwhelming majority of the improvements are not listed. Your TIF Plan details \$9.5 million worth of public improvements, including improvements to 13<sup>th</sup> Street, 15<sup>th</sup> Street, 21<sup>st</sup> Street, 17<sup>th</sup> Street as well as the creation of a concrete "piazza" on 17<sup>th</sup> Street. The remaining \$40.5 million in improvements are listed as "Future Phases of additional public enhancements and riverfront improvements tbd." I assume that by "tbd" you mean "to be determined" but the legislation identifies neither a process for determining those improvements nor a deadline. Until your plan identifies all \$50 million of improvements and a schedule for those improvements, the Lower Strip TIF District Plan is incomplete.

I cannot ask Council to discuss or vote on a plan that awards \$40.5 million to a private firm in return for public improvements that are simply defined as "tbd."

The redevelopment of the land along the Allegheny River has the potential to be one of Pittsburgh's greatest success stories. However, before discussing the merits of the plan, we have to know the plan itself - something impossible in its current state.

Sincerely,



Patrick Dowd  
City Council Member

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