

Minutes of the Regular Board Meeting of the Urban Redevelopment Authority of Pittsburgh, Wherrett Memorial Board Room, 13<sup>th</sup> Floor, John P. Robin Civic Building, 200 Ross Street.

April, 14 2016 – 2:00 P.M., E.S.T

Members Present: Messrs. Acklin, Ferlo, Lavelle, Mme. Hall-Russell.

Member Absent: Gainey

Staff Present: Messrs. Rubinstein, Short, Kaminski, Svoboda, Thomas, Link, Pawlak, Miller, Clark, Alessio, Deshler, Lahaie and; Mmes. Straussman, Saladna, Ellerbee, Wasler, Madden, Smith Perry, Schenck, McPhee, Thomas, Nemani-Stanger, Taylor, Birru, Segal, and Schacht.

Mr. Acklin called the Meeting to order and declared a quorum present.

1. Executive Session

Mr. Acklin stated that an Executive Session was held on April 14, 2016, at 1:30 P.M. in the Executive Conference Room, for the purpose of a personnel matter.

2. Retirement

Mr. Rubinstein acknowledged the retirement of Maribeth Hook. Ms. Hook held the position of a Landscape Architect for 26 years with the Authority. He said that she was a pioneer in the practice of green sustainability, which has been adopted as a part of our overall culture. In recognition for services a plaque was given to Ms. Hook. Mr. Ferlo wanted to recognize Ms. Hook's volunteer work for the community, and also thank her for the work she has done with the Community Sustainable Garden Project for Penn State.

3. LEED Green Associate

Mr. Rubinstein acknowledged Evan Miller as the newest LEED Green Associate, having obtained the required certification.

4. General

The Minutes of the Regular Board Meeting of March 10, 2016 were approved as written and previously distributed.

5. Strip District-Produce Terminal:

- a. Redevelopment Proposal and form of disposition contract by sale or lease for Block 9-D, Lot 200 in the 2<sup>nd</sup> Ward (the Produce Terminal) to McCaffery Interests, Inc. or a related entity for \$2,500,000.00.

Mr. Rubinstein requested Board approval of the above item.

Mr. Rubinstein, the Executive Director, stated that in early 2014, Fourth Economy Consulting ("FEC") was engaged by the Mayor's office and the Urban Redevelopment Authority ("URA") to assist in the search for and evaluation of redevelopment alternatives for the Produce Terminal, Block 9-D, Lot 200, located along Smallman Street between 16<sup>th</sup> and 21<sup>st</sup> Streets in the Strip District. It was the desire of the Administration to seek options that limited the need for the building's full or partial demolition while offering uses that presented viable financial and operational strategies. It was also critical that proposer's plans were compatible with and added value to the neighborhood and surrounding development plans.

In September 2014, after a public meeting and following proposal review by a team of individuals representing Council District 7, the Department of City Planning, FEC, the Office of the Mayor, and several departments at the URA, the Board of this Authority approved exclusive negotiations with McCaffrey Interests, Inc., or a related taxable entity, for the sale of Block 9-D, Lot 200 in the 2<sup>nd</sup> Ward. The Board also approved exclusive negotiations (subject to the agreement with McCaffery Interests) with Michael Rubino, or a public market tenant entity to be formed, for the sale of the same property.

At its meeting of July 9, 2015, the Board rescinded the resolutions authorizing exclusive negotiations with McCaffery Interests, Inc., and with Michael Rubino. Also at this meeting, the Board authorized exclusive negotiations with McCaffery Interests, Inc. and Pittsburgh Gateways for the redevelopment of the Produce Terminal. McCaffery Interests and Pittsburgh Gateways have conducted thorough due diligence and have had on-going negotiations directed towards developing a program of uses for the Produce Terminal. At this time, McCaffery Interests, Inc., with the consent of Pittsburgh Gateways, has submitted a Redevelopment Proposal Package as the sole redeveloper for this property. Authorization is now requested to accept the Proposal and enter into a disposition contract with McCaffery Interests, Inc., or a related entity, for the conveyance and development of the Produce Terminal.

McCaffery is proposing to redevelop the Produce Terminal as a mixed use development including open format office, retail, and 19 live/work units with two pedestrian passages linking Smallman Street to the Allegheny River. The estimated development costs are \$66,000,000 and included significant necessary upgrades to the utilities servicing the Produce Terminal.

Prior to the sale of this property, the proposed development will again be presented to the URA Board for approval of final working drawings, evidence of financing and for authorization to execute a deed.

Principal:  
Dan McCaffery  
McCaffery Interests, Inc.  
875 North Michigan Avenue, Suite 1800  
Chicago, IL 60611  
PH: 312-944-3777

Dan McCaffery, of McCaffery Interests, Inc., was present. Mr. McCaffery stated that his vision is simple. He said that the building is gorgeous, but extremely long. He stated that this building is roughly 1600 hundred feet long, and they are looking to implement the opportunity to provide a new parking facility in the back to service commercial office spaces. He said that the office spaces should appeal to today's millennium being the high tech industry that is happening in the Strip District. He said that the middle of the building is large with high ceilings. He said that the public will be focused on Smallman Street. He listed potential users, not including the tenants, that will include merchant shops, a mix of market places, restaurants, and food services. He stated that the difficulty lies in leasing space to vendors or users when they do not have any ownership of the building. He said that they have been trying to complete this project for a little over two years. He demonstrated on the map that the blue spaces would be live/work lofts. He gave an example of an architect or a lawyer who would like to have a small unit upstairs to live in. He said that there will be a front door appearance to the small office spaces. He acknowledged the Society of Contemporary Craft, and intends to keep this tenant. He sees adding more office space in the higher part of building, and proposed certain solutions to Smallman Street. He stated that a walkway is needed that would make the front door accessible. He pointed out that the dock will be extended 12 feet so that the prime pedestrian way on that side of Smallman Street will be elevated. He pointed out that cars will be parked parallel with a smaller pedestrian way, just enough to allow access to the stairs and ramps that will lead to the upper level so the docks will not have to be torn out. He wants to respect the historic nature of the building, and will not interfere with the ceiling trusts. He said that historians want, and would like to see this remain consistent by not breaking up the building, but would not mind the penetrations as long as the stability in the elevation is kept the same.

Janet McCall, Executive Director of The Society for Contemporary Craft, was present. Ms. McCall stated that for 45 years their non-profit arts organization has engaged the public in creative experiences through contemporary craft. She said that for 30 years they have called the Produce Terminal their home. They have offered unique art experiences for more than 145,000 people a year most at little or no costs. During their history they have presented more than 250 exhibits of cutting edge work by more than 2,000 culturally diverse renowned and emerging artists. They are a leader in the field, and are renowned nationally and internationally for their high quality exhibits that travel across country. She stated that they are recognized for their innovation and have launched the careers of talented young artists. The organization has won awards for excellence, and has been recognized in national media such as the Huffington Post. They have an annual economic impact of 3.9 million. They are excited at the prospect for redevelopment of the Produce Terminal, and have been heartened by the Mayor's vision for the potential of the Terminal's future. They have understood that the Mayor believes, as they do, that this new

proposal will keep the building as a public asset for the entire community. They initially chose the Produce Terminal building as their home because of its location and the diversity of the neighborhood that attracts visitors from all over the region and beyond. Over the years they have invested \$1.5 million to improve their space. As the City is being redeveloped, this project will bring together diverse people from different backgrounds around creative experiences. She said that they have been told that they are the cultural anchor of the Produce Terminal building, and have been reassured by many people that the vision for the redevelopment will include them, but no one will tell them what that means. They are happy to serve as the cultural anchor, and strongly desire to remain in their current location. She said that in order to do so under the current certain terms and conditions, there is no provision that assures the terms and conditions can be met. They have been patient in allowing the process to work, but as they get closer to the end of their lease in December of 2018, she feels their organization's future is at risk. She feels their organization is in danger of losing their home of 30 years, where hundreds of thousands of people have visited and benefited from what their organization has to offer. They have been asked by the developer to write a letter of support for their proposal. However, the developer stated that they had not yet given much thought to the terms of the organization's lease, and were not able to share specific details. She said that it is important they are included in the disposition agreement to protect their future. They respectfully ask the Authority to grant approval of this proposal conditioned upon the developer reaching a reasonable deal with them in the next 60 days, and requiring them to report back to the Authority. Their annual rent expense exceeds \$100,000.00 a year which represents approximately 10% of their annual operating budget. As a small but impactful organization they cannot afford to be subjected to soaring rental rates in the Strip District. They look forward to remaining a cultural anchor as they have been over the past 30 years, and to working with the Authority and McCaffery as plans are finalized.

Mr. Acklin said from his prospective this proposal that the Authority has presented will maintain the historical integrity of this building. He stated that they have heard the concerns of the community loud and clear in recent discussions. He applauded the development team for keeping the historical nature that generations of people have come to the Strip District to see. With respect to the activation of Smallman Street, there will be discussions today about the how much public equity will be going into this, and how the foundation community will commit to investing in the build out of Smallman Street. He said that Mr. McCaffery has done some hard work and spent money trying to understand how Smallman Street can be reconfigured. He said that as of right now this is a fairly dangerous place, and for this type of use there will need to be more work of creating pedestrian access on Smallman Street, 21<sup>st</sup> Street, and access to the Riverfront. He feels that a platform has been created with a developer that is willing to engage in discussions. He feels that with regard to the process, this is a very different type of proposal than was seen in the original RFP. He recalled early last year when the RFPs came back, and Mr. McCaffery proposed a housing development, and at the time felt that was the best use. He stated that what lead to today's development was a comprehensive process through a number of factors such as engagement with the community, the foundation community largely through Pittsburgh Gateways, and working with Mr. McCaffery's understanding of what this building could be. He feels the internal meetings lead to the proposal today in Mr. McCaffery's approach to the Produce Terminal. He stated that the first thing they were trying to nail with this proposal

is recognizing that this a complimentary development to what is happening on Penn Avenue. He stated that Penn Avenue is an organic public market which has brought people here on Saturday mornings and has for generations. He said from a programming perspective, there has been change in the Strip District regarding housing. He said this is one of the largest growing residential communities in the City, and the amenities that Mr. McCaffery is looking at will also service the residents who live around that area. This will be a destination for restaurants and public food centric investment. There is a lot of excitement and things we can do to make this a development truly worthy of the Produce Terminal.

Mr. Ferlo feels this a positive move forward. He has significant concerns, and wants to clarify the resolution today that would be legally consummating the final action. He asked about the final drawings. Mr. Rubinstein said that this proposal will come back to the Board for the final action to convey this property via lease. Mr. Ferlo is concerned about the details of the actual lease, and the historical preservation of the Terminal building. He is excited about the outcome of the historical preservation to this building. He is concerned about the financial aspect of what the developer says they are going to accomplish. He questioned the significant amount of money that will be invested by the private sector, and wondered about the cumulative total for a potential TIF. He is also concerned about what is mentioned regarding the GED application and a possible CITF application that is smaller. He thought there was previous understanding by the foundation community working through Pittsburgh Gateways of a \$7,000,000.00 commitment, and does not know whether these monies will be transferred to the Authority, developer or the City. He wants to know the financial reality of what this project entails that will withstand the laudable goals made by the Mayor, Chairman, and the community. He feels this building has been an albatross to the Authority and the taxpayers for more than a decade. He respects the Contemporary Craft folks who have been a very exciting part of this building, and acknowledged their issue of remaining in the Produce Terminal. He has impact issues about the Penn Avenue corridor in the changes that will be made. He said that the character of the Strip District rests on 21<sup>st</sup> Street and up. He said there is a lot of sensitive issues with the building's design, historical preservation, and what the character of the street will be. He acknowledged McCaffery Interests as a good developer that also has significant investments. He is concerned about the actual budget, the private sector investment, and the bank financing. Mr. Acklin stated that he shares Mr. Ferlo's concerns about having sustainable businesses, financing, and the impact. Mr. Ferlo wanted to know why the Authority still has ownership of the Produce Terminal, and why this building cannot be turned over to the developer. Mr. Acklin explained that according to Pennsylvania Law, a long term lease is taxed as if it was owned. Mr. Acklin stated that there are buildings all over the City that are ground leases and outright sales. Mr. Rubinstein stated that over the next 6 months, the Authority will be looking at the numbers, gathering pricing and developing a funding strategy which might be a TIF, and applying for state funding and other sources. He stated that the Authority submitted a funding application last year to the Redevelopment Assistant Capital Program. Mr. McCaffery stated that he was under the impression that the RFP was going to be awarded 18 months ago. He stated that they have been working on this for the past 2 ½ years. He stated that they have been coming into Pittsburgh to meet with the City and residents in the Strip. He stated that their capacity to redevelop this building is going to be difficult because of its size. He said that they have been meeting with

various lenders and found a lot of funding interest in Pittsburgh including the Union Pension Fund. He said that \$60M-\$70M should cover the entire investment including a lot of the public infrastructure. He stated that Mr. Ferlo acknowledged Mr. McCaffery's vision, but reminded him that this will require a lot of public investment primarily toward the Smallman Street side.

RESOLUTION NO. 98 (2016)

RESOLVED: That the Redevelopment Proposal submitted by McCaffery Interests, Inc. for Block 9-D, Lot 200 in the 2<sup>nd</sup> Ward (the Produce Terminal), and execution of a disposition contract by sale or lease with McCaffery Interests, Inc. or a related entity for \$2,500,000.00 are hereby approved, and the Executive Director, Acting Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute said disposition contract and related documents, and the Secretary or Assistant Secretary is authorized to attest same and affix the seal of the Authority thereto.

6. Lower Strip District - Smallman Street Produce Terminal - GEDF Grant Application for Phase 1 Smallman Street Improvements Project:
- a. Authorization to file an application and enter into a contract with the Redevelopment Authority of Allegheny County for an Allegheny County Gaming Economic Development Fund (GEDF) grant in the amount of up to \$500,000 for Phase 1 Smallman Street Improvements, alongside the Produce Terminal.
  - b. Authorization to enter into a Subgrant Agreement with McCaffery Interest, Inc. or a related entity.
  - c. Authorization to enter into an Administrative Fee Agreement with McCaffery Interest, Inc. or a related entity.

Mr. Rubinstein requested Board approval of the above items.

Mr. Rubinstein stated that the Authority is seeking authorization to apply to the Redevelopment Authority of Allegheny County (RAAC) for a \$500,000.00 Allegheny County Gaming Economic Development Fund (GEDF) grant to be used to fund a portion of the overall engineering, inspection and potentially Phase 1 construction of Smallman Street roadway and related public space improvements (PSIs), alongside the Produce Terminal property.

The overall roadway and public space improvement project will seek to increase safety, improve the pedestrian experience and enhance circulation while also retaining the unique character of the Smallman Street. It is our intent to fix the known deficiencies of the current conditions by advancing a thoughtful character approach and improve the public realm. The improvements will enhance conditions for existing businesses and accommodate new development. Future phases would address additional improvements to the south side of Smallman Street and other

needed interventions. It is anticipated that the Phase 1 improvements would be undertaken by the URA and coincide with the Produce Terminal redeveloper's timeline.

Once engineering commences, we will have a better sense of overall costs, however preliminary cost estimates for Smallman Street Phase 1 engineering and construction range from \$5M to \$8M. The requested \$500,000 GEDF grant will be used to fund the overall engineering, as well as any initial construction and inspection costs.

No discussion among the Members.

Upon approval by Hall-Russell, seconded by Mr. Lavelle and unanimously carried, the following resolutions were adopted.

#### RESOLUTION NO. 99 (2016)

RESOLVED: That application to the Redevelopment Authority of Allegheny County for an Allegheny County Gaming Economic Development Fund (GEDF) grant for an amount not to exceed \$500,000.00, to be used for the Phase 1 Smallman Street improvements alongside the Produce Terminal, is hereby approved, and the Executive Director, Acting Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute an application therefor, and the Secretary or Assistant Secretary is authorized to attest same and affix the seal of the Authority thereto; and it is

RESOLVED FURTHER: That acceptance of an Allegheny County Gaming Economic Development Fund (GEDF) grant from the Redevelopment Authority of Allegheny County for an amount not to exceed \$500,000.00, to be used for the Phase 1 Smallman Street improvements alongside the Produce Terminal, is hereby approved, and the Executive Director, Acting Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute a grant agreement and related documents therefor, and the Secretary or Assistant Secretary is authorized to attest same and affix the seal of the Authority thereto.

#### RESOLUTION NO. 100 (2016)

RESOLVED: That an Allegheny County Gaming Economic Development Fund subgrant to McCaffery Interests, Inc., or a related entity, in an amount not to exceed \$500,000.00, to be used for the Phase 1 Smallman Street improvements alongside the Produce Terminal, is hereby approved, and the Executive Director, Acting Executive Director or Director of Finance, on behalf of the Authority, is authorized to execute a subgrant agreement therefor, to include an administrative fee payable to the Authority, and the Secretary or Assistant Secretary is authorized to attest same and affix the seal of the Authority thereto.

7. East Liberty:

- a. Redevelopment Proposal and form of disposition contract by sale for that portion of Block 83-P, Lot 165 in the 11th Ward that includes the structure known as the Detective Building to Schoolhouse Electric & Supply Co. or a related entity for \$250,000.00.

Mr. Rubinstein requested Board approval of the above item.

Mr. Rubinstein stated that at its meeting of November 2015, the Board of this Authority authorized exclusive negotiations with Schoolhouse Electric & Supply Co. for the renovation of the Detective Building at 206 N. Euclid Avenue in East Liberty, 11th Ward. Authorization is now requested to accept the Proposal and enter into a disposition contract with Redeveloper, or a related entity, for the conveyance of the property. Prior to closing, the property will be subdivided with approximately 25,900-square-foot conveyed to Redeveloper, and the URA retaining the remainder for reconnection of Harvard Street as part of the larger Mellon's Orchard South development.

Founded over 13 years ago by Brian Faherty in Portland, Oregon, Schoolhouse Electric & Supply Company is a privately held, 120 employee design and light manufacturing and assembly company. Schoolhouse's product lines include US made light fixtures and home accessories direct to consumers and direct to businesses.

Schoolhouse has been scouting the East Coast and mid-Atlantic regions for an expanded headquarters and operations to fulfill increased and growing demand in these markets. Schoolhouse believes Pittsburgh to be the ideal strategic location for this expansion given Pittsburgh's access to markets, access to talent, robust manufacturing supply chain and affordable cost of living and cost of business. Schoolhouse envisions bringing up to 50 jobs over the next 3 years to Pittsburgh through this expansion. The range of job opportunities will require a variety of wage and skill levels—including designers, light assembly, customer care, retail and back office employees.

Schoolhouse's Portland, Oregon operation is housed in an owner occupied historic rehab of a 1910 industrial warehouse in Portland's historic Pearl district. Further, Schoolhouse's founder and owner, Brian Faherty, has extensive experience in commercial real estate development including rehabilitation of vacant and historic properties.

Schoolhouse proposes a renovation of the four-story structure that will include basement distribution space, ground-floor retail and coffee shop, and second- through fourth-floor creative office space. The renovated building is also planned to contain a design library and community space. The estimated cost of construction is \$7M.

Prior to the sale of this property, the proposed development will again be presented to the URA Board for approval of final working drawings, evidence of financing, and for authorization to execute a deed.

Schoolhouse Electric & Supply Co. is an Oregon business corporation having a mailing address of 2181 NW Nicolai Street, Portland, OR 97210. Brian Faherty is the founder and owner.

Mr. Acklin stated that this a building that has sat for a long time, and had envisioned this as demolition until Brian Faherty and his team came into town and presented their proposal.

Mr. Brian Faherty, CEO of Schoolhouse Electric & Supply Company, was present. Mr. Faherty stated that this building was previously the AAA Motor Club headquarters for Western Pennsylvania. He said that there is a little loading dock on the rear of the building, and there is a two-way conveyor belt going down into the basement which will be an asset for their distribution needs. The building will have a ground floor which will include a retail shop, coffee shop and a design library that will be open to the public. There will be a lobby for the upper floors which will include office space. He said that they are going to brand the entire building so when you walk into the main floor or on the upper floors the makeup will be the same. He said the drive-thru in front of the building is going to be removed and replaced as a store front. There will be public seating out front, and they will incorporate their green water retention system into the landscape architecture. He said they are really excited about locating to Pittsburgh. Mr. Acklin wanted to know more about their business. Mr. Faherty stated that they are lighting and housewares manufacturer. He said the business started by his discovery of cast iron molds in upstate New York. He bought the molds and sent them to Morgantown West Virginia where they are manufactured by David Lynch, who is one of their biggest vendors. Right now they are sending containers of glass from Morgantown to Portland. He said that transportation was expensive, and they really needed an East Coast distribution point. He said they are excited about what is happening in Pittsburgh and East Liberty. His company will put people to work and hopefully enlarge their supply chain infrastructure. Ms. Hall-Russell asked about the employment potential. Mr. Faherty said that besides making light fixtures, which is where they started, they have added clock assembly. He said there would be 30-50 jobs created over the next 3 to 4 years. Those jobs will include retail, distribution, design, and sales. Mr. Ferlo asked if there will be an opportunity for other companies to be subleased in that building. Mr. Faherty stated that they have spoken with a company called the Beauty Shop about space. Mr. Faherty said that this is the first time their company has opened in a new City within the past ten years.

Upon approval by Mr. Ferlo, seconded by Mr. Lavelle and unanimously carried, the following resolution was adopted.

RESOLUTION NO. 101 (2016)

RESOLVED: That the Redevelopment Proposal submitted by Schoolhouse Electric & Supply Co. for that portion of Block 83-P, Lot 165 in the 11th Ward that includes the structure known as the Detective Building, and execution of a disposition contract by sale to Schoolhouse Electric & Supply Company for \$250,000.00 are hereby approved, and the Executive Director, Acting Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute said disposition contract and related documents to effectuate said sale, and the Secretary or Assistant Secretary is authorized to attest same and affix the seal of the Authority thereto.

8. Central Business District:

- a. Redevelopment Proposal and form of disposition contract by sale for Air Pocket Estates A-1 and A-2, Block 2-A, Lots 127-A-1 and 127-A-2 in the 2nd Ward to Smithfield Oliver Phase 2 Partners, LP for \$2,225,000.00.

Mr. Rubinstein requested Board approval of the above item.

Mr. Rubinstein stated that at its meeting of May, 2015, the Board of this Authority approved the final drawings, evidence of financing, and execution of a deed for the sale of a portion of the URA owned parcels located at 339 & 347 Fifth Avenue and 513 Smithfield Street (the former Saks Building, the former Wendy's Building, and a vacant lot), in the 2nd Ward, to Smithfield Oliver Partners, LP ("Phase 1 Developer") for the development of a parking garage containing approximately 600 parking spaces, over ground-floor retail space. Prior to closing on this transaction, the URA parcels were subjected to a Declaration of Air Space Parcels creating a lower parcel and air rights parcels. On September 25, 2015, the URA and Phase 1 Developer closed on the lower parcel. The URA retained air rights parcels. The air-rights parcels are known as Air Pocket Estates A-1 and A-2. At closing on the lower parcel, the URA and Smithfield Oliver Phase 2 Partners, LP ("Phase 2 Developer") executed an option agreement providing the right to purchase the air-rights parcels for \$2,250,000. Phase 1 Developer has begun construction of the planned parking garage and retail space within the lower parcel, and Phase 2 Developer has now submitted a Redevelopment Proposal Package for the air-rights parcels, notifying the URA that it desires to execute the option for the air-rights parcels. At this time, we are requesting that this Board accept Phase 2 Developer's Proposal, and we are requesting authorization to enter into a Disposition Contract with Phase 2 Developer.

Phase 2 Redeveloper is proposing a mixed use project consisting of 62 market rate rental units and an approximately 161 room luxury lifestyle hotel. The total estimated cost of the Phase 2 project is \$61,100,000. The rental units will range in size from 430 square foot micro units to 885 square foot 2 bedroom units, with energy star appliances, solid surface countertops, washer/dryers in each unit, and low flow toilets. Amenities will include a fitness center, private meeting rooms, and a rooftop deck.

Prior to the sale of this property, the proposed Phase 2 development will again be presented to the URA Board for approval of final working drawings, evidence of financing, and for authorization to execute a deed.

Smithfield Oliver Phase 2 Partners, LP has a mailing address of 95 West Beau Street, Suite 600, Washington, PA 15301. Millcraft Investments, Inc. and McKnight 513 Smithfield Associates II, LP are its equity owners.

Brian Walker, of Millcraft Investments, was present. Mr. Millcraft said on behalf of his partners how nice it is to be here again to present another project. He said they are excited about this Phase II project. He said that the \$61.1M dollars, on top of the \$35.7M profit generated from Phase I, will make this project even more exciting. He said that the bustling atmosphere of Smithfield Street makes the success of this project even more evident. This project will be a 161 room luxury lifestyle hotel with a minimum of 62 apartments. He said that 16% will be micro-units ranging from 440 square feet, 55% will be one bedroom units that will be approximately 600-800 feet, and the remainder will be two bedroom units of up to 850 square feet. Phase I will be completed around April of 2017, at which time Phase II should be under construction. He said that their goal once Phase I is completed is to roll into Phase II which is now being evaluated, and we should be looking at a completion date of late 2018.

Mr. Acklin thanked Mr. Walker for his commitment to this project. He said Phase II is an option agreement, which was heavily negotiated. He said there was City money conveyed to the parking tax diversion, which was contingent on this being done. He said this was a developer that said they were committed to this project, and if this was not completed the tax payers would get their money back which was significant, and they have kept their word. He said that Phase II was about justifying from our perspective putting parking tax revenue back into housing or additional development.

Mr. Ferlo asked about the tax deferral time line for the parking taxes. Mr. Walker stated that it would be 20 years after being placed in service, and that was on the life alone. The projection shows that it probably will mature early. Mr. Ferlo asked how many stories will be in the upper Phase II project. Mr. Walker said that in the Phase I project there will be street retail, 7 stories of parking with 580 spaces, and on top of the transfer slab there will be 10 stories, 4 of which will be apartments, and 6 stories will be the hotel. Mr. Ferlo asked if that would alter the parking requirement for the planning commission to meet the residential units. Mr. Walker said nothing will change on any requirements for Phase I, and what did change is some of the foundations. Mr. Ferlo thought that originally part of the emphasis for the parking garage was the increased need for Mellon Bank and other major employers in the corridor, and asked if there will be a gap of parking garage spaces. Mr. Acklin asked what the split of private and public parking will be on this Phase I. Mr. Walker said that everything will be open to the public. Mr. Ferlo wanted to know what the parking gap will be since adding a Phase II. Mr. Walker said that they were always planning to add something to the top, and are looking at 160 apartments, and plans for condominiums and a minimum of one space per tenant. He said they are going to have discussions with MCN and PNC for their parking needs. He is aware of the parking needs for

downtown, which made it critical for them to build this parking garage with availability on the residential side. He said that McKnight Realty needs the parking spaces for their major project. Mr. Ferlo asked if the Zoning Code was being met. Mr. Walker assured Mr. Ferlo that the Zoning Code requirements were up to date. He also said they presented their preliminary concept to the Planning Commission and the Zoning Board a year ago. Mr. Rubinstein said that we are seeing less of a need for parking because of the shared economy with Uber and Zip cars. Mr. Walker said that the residential rates are more affordable than partial rates through the parking tax, but that we are seeing a trend of individuals living downtown not having cars. He said the modern business traveler will want this hotel. Mr. Lavelle asked where the entrance was for the hotel apartments. Mr. Walker said the main entrance will be off of Fifth Avenue. He said this project will create over 150 jobs. He said this will have a \$2.5M economic impact annually, and over \$2.0M of one-time revenue. He said that they have done studies of economic impact analysis, and shared preliminary drafts with the Authority that will be revised in the next few weeks.

Upon approval by Mr. Lavelle, seconded by Ms. Hall-Russell and unanimously carried, the following resolution was adopted.

#### RESOLUTION NO. 102 (2016)

RESOLVED: That the Redevelopment Proposal submitted by Smithfield Oliver Phase 2 Partners, LP for Air Pocket Estates A-1 and A-2, Block 2-A, Lots 127-A-1 and 127-A-2 in the 2<sup>nd</sup> Ward and execution of a disposition contract by sale for the sum of \$2,225,000.00 are hereby approved, and the Executive Director, Acting Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute said disposition contract, and the Secretary or Assistant Secretary is authorized to attest same and affix the seal of the Authority thereto.

#### 9. Larimer/East Liberty Choice Neighborhood Parks:

- a. Ratification of filing of an Application and authorization to enter into a Contract with the Pennsylvania Department of Conservation and Natural Resources (DCNR) and/or the Bureau of Recreation and Conservation (BRC) for DCNR Community Conservation Partnership Program (C2P2) Grant Funds for Larimer/East Liberty Park and Open Space implementation in the amount of \$250,000.00.
  - i. Cooperation Agreement with the City of Pittsburgh for the administration of the funds.
  - ii. Authorization to commit \$250,000.00 of Larimer Choice Neighborhood and/or Larimer City funds as the required match for the application.
- b. Authorization to file an Application with and enter into a Contract with the Pennsylvania Department of Community and Economic Development and/or the Commonwealth Financing Authority for a Greenways, Trails, and Recreation Program grant of up to \$250,000 for the construction of a new park near the intersection of Larimer Avenue and Station Street.

- i. Cooperation Agreement with the City of Pittsburgh for the administration of the funds.
- ii. Authorization to commit \$37,500 of Larimer Choice Neighborhood and/or Larimer City funds as the required match for the application.
- c. Authorization to file an Application with and enter into a Contract with the National Recreation and Park Association for a Great Urban Parks Campaign Grant for Larimer/East Liberty Park and Open Space Plan implementation in the amount of up to \$575,000.00.
- d. Authorization to amend URA Board Resolution No. 49 (2015) to include the Housing Authority of the City of Pittsburgh, the Pittsburgh Water and Sewer Authority, the City of Pittsburgh and the Authority as parties to the cooperation agreement relating to ownership and maintenance of the Larimer/East Liberty public parks.

Mr. Rubinstein requested Board approval of the above items.

Ms. Smith Perry, from the Housing Department stated that the neighborhoods of Larimer and East Liberty are the site of a Federal Choice Neighborhoods Implementation Grant award in the amount of \$30 million for the comprehensive redevelopment of the Choice Neighborhoods area. The comprehensive redevelopment will focus on three core goals/components: housing, people, and neighborhood. Parks planning and development is a key strategy in the neighborhood component, which seeks to address issues of vacant land, public infrastructure needs, and greening/park goals.

As part of the planning process for Choice Neighborhoods a network of parks was recommended as a strategy. A robust community and stakeholder process led by Wallace Roberts & Todd (WRT) is underway to design this parks and open space system and is now in conceptual design. The conceptual park design evokes themes of Nature, Water, and Play with a focus on equitable and sustainable design.

The first park phase, or Zone A, has been identified as the three acre site at the corner of Larimer Avenue and Station Street in the East Liberty neighborhood. This site is currently owned by the Authority and is adjacent to the McCormack Baron Salazar (MBS) 85-unit phase 1 mixed income development currently under construction.

Item 1: Authorization is being requested to ratify the submission of an application in the amount of \$250,000 for funds to support the construction of the phase A park. DCNR Community Conservation Partnership Program (C2P2) Grant Funds support planning and development of local community parks. Applications were due on April 13, 2016.

Authorization is also requested to enter into a cooperation agreement with the City of Pittsburgh for the administration of the funds and to commit \$250,000 of Larimer Choice Neighborhood and/or Larimer City funds to serve as the required match.

Item 2: The Authority is seeking authorization to apply to the Commonwealth of Pennsylvania Department of Community and Economic Development (DCED) and/or the Commonwealth Finance Authority (CFA) for a Greenways, Trails, and Recreation Program (GTRP) grant in the amount of \$250,000 to support construction of the phase A park.

Authorization is also requested to enter into a cooperation agreement with the City of Pittsburgh for the administration of the funds and to commit \$37,500 of Larimer Choice Neighborhood and/or Larimer City funds to serve as the required match.

Item 3: The Authority is seeking authorization to apply to the National Recreation and Park Association for a Great Urban Parks Campaign Grant in the amount of up to \$575,000 to support construction of the phase A park. The Great Urban Parks Campaign seeks to fund projects that utilize green infrastructure to positively affect environmental change in underserved low-income communities and communities of color.

Item 4: Authorization is also requested to amend URA Board Resolution No. 49 (2015) to include the Housing Authority of the City of Pittsburgh (HACP) and the Pittsburgh Water and Sewer Authority (PWSA) as parties to the Cooperation Agreement with the City of Pittsburgh. Future parks space in Zones A and B is currently owned by the URA and HACP. It is anticipated that the City of Pittsburgh will own and maintain this future park space as each is developed. PWSA may also be involved in the park maintenance. The City of Pittsburgh Department of City Planning and Department of Public Works and PWSA have been active participants in the park design process.

Stanley Holbrook, of the Larimer Consensus Group, was present. Mr. Holbrook stated that it had been a robust community engagement process, and they want the park as part of the original vision plan.

Mr. Ferlo asked if Alcosan needed to be involved. Emily Mitchell, from Economic Development, answered the question by stating that they have not had any deep conversations with Alcosan, but they have been present at public meetings, and are aware of this project. Ms. Smith Perry stated that at this point in time, Alcosan has not been at the table long enough to be involved, but the Authority may need to amend this in another year. Mr. Ferlo stated that the Authority has committed \$400,000.00 to Wallace, Roberts and Todd (WRT). Ms. Smith Perry confirmed Mr. Ferlo's statement. Mr. Ferlo questioned the additional monies in this item. Ms. Smith Perry stated that the original \$400,000.00 was to pay WRT for the design work, and this additional money is for construction costs. She also stated that WRT will not see any of this additional money being added to this project.

Upon approval by Mr. Lavelle, seconded by Ms. Hall-Russell and unanimously carried, the following resolutions were adopted.

RESOLUTION NO. 103 (2016)

RESOLVED: That the submission of an application to the Pennsylvania Department of Conservation and Natural Resources (DCNR) and/or the Bureau of Recreation and Conservation (BRC) for a DCNR Community Conservation Partnership Program (C2P2) grant in an amount up to \$250,000.00 for Larimer/East Liberty park and open space implementation is hereby ratified; and it is

RESOLVED FURTHER: That the acceptance of Community Conservation Partnership Program (C2P2) grant funds from the Department of Conservation and Natural Resources (DCNR) and/or the Bureau of Recreation and Conservation (BRC) for an amount up to \$250,000.00 for Larimer/East Liberty park and open space implementation is hereby approved, and the Executive Director, Acting Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute a grant agreement and related documents therefor, and the Secretary or Assistant Secretary is authorized to attest same and affix the seal of the Authority thereto.

RESOLUTION NO. 104 (2016)

RESOLVED: That the commission of \$250,000.00 of Larimer Choice Neighborhood funds as the required match for the (DCNR) grant application is hereby approved.

RESOLUTION NO. 105 (2016)

RESOLVED: That a cooperation agreement with the City of Pittsburgh for the administration of the Department of Conservation and Natural Resources (DCNR) and/or the Bureau of Recreation and Conservation (BRC) for DCNR Community Conservation Partnership Program (C2P2) grant funds in an amount up to \$250,000.00 is hereby approved, and the Executive Director, Acting Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute said cooperation agreement, and the Secretary or Assistant Secretary is authorized to attest same and affix the seal of the Authority thereto.

RESOLUTION NO. 106 (2016)

RESOLVED: That application to the Pennsylvania Department of Community and Economic Development and/or the Commonwealth Financing Authority for a Greenways, Trails and Recreation Program grant in an amount up to \$250,000.00 for the construction of a new park near the intersection of Larimer Avenue and Station Street is hereby approved; and it is

RESOLVED FURTHER: That the acceptance of a Greenways, Trails and Recreation Program grant from the Commonwealth of Pennsylvania Department of Community and Economic Development and/or the Commonwealth Financing Authority for an amount up to \$250,000.00 for the construction of a new park near the intersection of Larimer Avenue and Station Street is hereby approved, and the Executive Director, Acting Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute a grant agreement and related

documents therefor, and the Secretary or Assistant Secretary is authorized to attest same and affix the seal of the Authority thereto.

RESOLUTION 107 (2016)

RESOLVED: That the commission of \$37,500.00 of Larimer Choice Neighborhood funds as the required match for the Greenways, Trails and Recreation Program grant application is hereby approved.

RESOLUTION NO. 108 (2016)

RESOLVED: That a cooperation agreement with the City of Pittsburgh for the administration of the Greenways, Trails and Recreation Program grant in an amount up to \$250,000.00 is hereby approved, and the Executive Director, Acting Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute said cooperation agreement, and the Secretary or Assistant Secretary is authorized to attest same and affix the seal of the Authority thereto.

RESOLUTION NO. 109 (2016)

RESOLVED: That the submission of an application to the National Recreation and Parks Association for a Great Urban Parks Campaign grant in an amount up to \$575,000.00 for Larimer/East Liberty park and open space implementation is hereby approved; and it is

RESOLVED FURTHER: That the acceptance of a Great Urban Parks Campaign grant from the National Recreation and Park Association for an amount up to \$575,000.00 for Larimer/East Liberty park and open space implementation is hereby approved, and the Executive Director, Acting Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute a grant agreement and related documents therefor, and the Secretary or Assistant Secretary is authorized to attest same and affix the seal of the Authority thereto.

RESOLUTION NO. 110 (2016)

RESOLVED: That the amendment of Resolution No. 49 (2015) to include the Housing Authority of the City of Pittsburgh, the Pittsburgh Water and Sewer Authority, the City of Pittsburgh and the Authority as parties to the cooperation agreement addressing ownership and maintenance of the Larimer/East Liberty public parks is hereby approved.

10. Manchester - Columbus Square Phase IV:

- a. Amendment of Resolution No. 240 (2015) to increase the UDAG Program Income Fund (UPIF) Loan Agreement with MCC-MCS, LLC from \$170,500.00 to \$446,278.00

Mr. Rubinstein requested Board approval of the above item.

Ms. Smith Perry stated that authorization is requested to amend resolution No. 240 (2015) to increase the UDAG Program Income Fund (UPIF) loan agreement with MCC-MCS, LLC from \$170,500.00 to \$446,278.00

Columbus Square entails the new construction of 31 units of single family market rate homes in the Manchester neighborhood on a 4.3 acre brownfield site formerly owned by the Thomas & Betts Company. Since site acquisition in December 2006, the developer has remediated the site, completed comprehensive public infrastructure improvements and developed 14 homes in the prior three (3) phases. Thirteen of the 14 homes have been sold.

A phase 4 financing plan was approved by the Authority at the August 13, 2015 Board meeting. The financing plan contemplated participation by four (4) lenders. One of the four lenders will no longer be participating in this phase of the development. The Authority and the Northside Community Development Fund (NSCDF) have been asked to increase their respective funding amounts to replace the fourth lender. A revision of Resolution No. 240 (2015) is being requested to increase the Urban (Development Action Grant) Program Income Fund (UPIF) loan funds from the previously approved \$170,500.00 to \$446,278.00. The Authority and NSCDF will share a first lien position (on a pro-rata basis) on all but the model unit.

Details of the development are as follows:

|              |  |
|--------------|--|
| Developers:  | Manchester Citizens Corporation<br>LaShawn Burton Falk, Executive Director<br>1319 Allegheny Avenue<br>Pittsburgh, PA 15233<br><br>Flinn Development and Consulting Services, LLC<br>Sally Flinn, principal<br>5285 Range Drive<br>Pittsburgh PA 15236 |
| Location:    | 1215, 1219, and 1223 Columbus Avenue,<br>1704 Fulton Avenue (model unit)   |
| Ward:        | 21 <sup>st</sup> Ward (Manchester)   |
| Description: | Phase 4 (4 units) of 31 unit market rate new construction infill houses on a 4.3 acre former brownfield site.  |
| Architect:   | Devlin Architecture<br>Douglas Devlin, Principal<br>Gulf Tower, 707 Grant Street, Suite 2900   |

Pittsburgh, PA 15219

General Contractor: Residential Development & Construction, Inc.  
John Deklewa, Principal  
1273 Washington Pike, Suite 201  
Bridgeville, PA 15017

Total Development Costs: \$1,303,600

Sales Prices 2 @ \$249,900; 1 @ \$264,900  
Model Unit - \$339,900

URA Financing Sources:

UPIF Loan \$ 446,278  
PHCF Grant \$ 199,000 (previously approved)  
Total URA Financing \$ 645,278

Other Financing Sources:

NSCDF Construction Loan \$ 310,000  
Slovak Bank Loan for Model \$ 265,000  
Deferred Costs \$ 83,322  
Total Other Financing \$ 658,322

Authority Financing for Review:

\$ 446,278 UPIF loan: 3% interest rate, (24) month term.

Program Benefit:

Redevelopment of a former brownfield to productive use and increasing the City's tax base. A number of the homes will be affordable to households with incomes at or below 115% of AMI.

Real Estate Loan

Review Committee:

Loan increase to be presented at the April 13, 2016 Real Estate Loan Review Committee.

EORC Review Committee:

Approved at the August 19, 2015 Equal Opportunity Review Commission Meeting.

Mr. Ferlo asked if this is still a loan. Ms. Smith Perry answered that this will still be a loan. Mr. Ferlo asked why Bridgeway Capital withdrew. Ms. Smith Perry stated that Bridgeway Capital had asked for specific guarantees from the different development entities. She said that the other lenders, including the Authority and the Northside Fund, in the past three phases had not required those guarantees, and asked if the Authority could initiate the loan without this

requirement. Mr. Lavelle stated that there was a meeting that he was not able to attend, but had spoken to the appropriate parties, and is very comfortable with this project.

Sally Flinn, from Sally Flinn Consulting was present. Ms. Flynn stated that they appreciate the Authority's support on behalf of the partners as well as the thirteen residents that are currently living there. She stated that they have one additional house left, and it is currently their model home. She stated they are anxious to get this underway.

Upon approval by Mr. Ferlo, seconded by Ms. Hall-Russell and unanimously carried, the following resolution was adopted.

#### RESOLUTION NO. 111 (2016)

RESOLVED: That Resolution No. 240 (2015) is hereby amended to increase the UDAG Program Income Fund (UPIF) Loan Agreement with MCC-MCS, LLC from \$170,500.00 to \$446,278.00, and the Executive Director, Acting Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute an amendment to said loan agreement, and the Secretary or Assistant Secretary is authorized to attest same and affix the seal of the Authority thereto.

#### 11. Real Estate Loan Review Committee Member – Appointment of new member:

1. Approval is requested to add the following member to the Authority Real Estate Loan Review Committee:
  - Samuel Su, Manager of Strategic Initiatives, Pittsburgh Community Reinvestment Group.

Mr. Rubinstein requested Board approval of the above item.

Ms. Smith Perry stated that the above appointment will fill a vacancy on the Authority Real Estate Loan Review Committee (RELRC). The RELRC reviews Housing Department and Center for Innovation and Entrepreneurship real estate development loan requests and acts as an advisory committee to URA staff and board.

Samuel Su is the Manager of Strategic Initiatives at Pittsburgh Community Reinvestment Group (PCRG).

There was no discussion among the Members.

Upon approval by Mr. Ferlo, seconded by Ms. Hall-Russell and unanimously carried, the following resolution was adopted.

RESOLUTION NO. 112 (2016)

RESOLVED: That the appointment of Samuel Su, Manager of Strategic Initiatives of the Pittsburgh Community Reinvestment Group, to the Authority's Real Estate Loan Review Committee is hereby approved.

12. Uptown –Request for Proposal – Lot F:

- a. Authorization to issue a Request for Proposals for the sale of Lots 2-H and Blocks 108, 110, 111-A, 111-B, 112, 113, 114, 115, 116, 117, 118, 119, 120, 120-A, 120-B, 121-A, 121-B, 2-H-122, commonly referred to as Lot F in the 3<sup>rd</sup> Ward.

Mr. Rubinstein requested Board approval of the above item.

Mr. Rubinstein stated that authorization is requested to issue a Request for Proposal for the sale of Lots 2-H and Blocks 108, 110, 111-A, 111-B, 112, 113, 114, 115, 116, 117, 118, 119, 120, 120-A, 120-B, 121-A, 121-B, 2-H-122, commonly referred to as Lot F. The goal of the RFP is to select a firm to redevelop these vacant sites, currently used as a surface parking lot, into a high-quality structured parking garage using all of the available parcels bordered by Colwell Street, Stevenson Street, Our Way and Pride Street. The site may also include a portion of Colwell Street once half of the street is vacated via quit claim deed. This additional space will allow for a more efficient double bay garage configuration.

Demand for parking has increased in the Uptown neighborhood as a result of the loss of surface parking at the nearby 28-Acres site. Therefore, the URA is looking to increase the parking on Lot F above and beyond its current capacity with a structured parking garage. Existing tenants on the surface parking lot will be given preference with respect to parking in the new structured parking garage including the opportunity to purchase ownership of spaces.

Mr. Ferlo asked how many spaces there are. Mr. Rubinstein responded that there are approximately 100 spaces and that he would obtain information about the price. Mr. Ferlo asked about the RFP. Mr. Rubinstein stated that the RFP had not yet been drafted. Mr. Rubinstein stated that there is a limitation on the cost and the amount of traffic flow. Mr. Ferlo asked about the Zoning Code, and if there is a need to go back to the Planning Board with changes. Mr. Rubinstein said he would look into it, but believes the parameters are permitted by the Zoning Code, and does not anticipate changing them. Mr. Rubinstein stated that the Authority is only issuing the RFP, and will not be building the parking garage. Mr. Acklin asked about Lot E and if there is an update. Mr. Rubinstein stated that there is authorization for exclusive negotiations with NRG. Mr. Acklin asked if there was a time frame on that. Ms. Schenck, from Economic Development, said that NRG submitted a proposal package, but one component was missing relating to the site plans and is expected this May.

Upon approval by Mr. Ferlo, seconded by Mr. Lavelle and unanimously carried, the following resolution was adopted.

RESOLUTION NO. 113 (2016)

RESOLVED: That the issuance of a Request for Proposals for the sale of Lots 2-H and Blocks 108, 110, 111-A, 111-B, 112, 113, 114, 115, 116, 117, 118, 119, 120, 120-A, 120-B, 121-A, 121-B, 2-H-122, commonly referred to as Lot F, in the 3<sup>rd</sup> Ward is hereby approved.

13. Central Business District - The Gardens at Market Square/Tower Two-Sixty:

- a. Authorization to execute an amended Note and related financing documents in connection with the Gardens at Market Square Tax Increment Financing issuance.

Mr. Rubinstein requested Board approval of the above item.

Mr. Rubinstein stated that on November 20, 2013, the Board held a Special Board Meeting to allow for the execution of all financing documents required in connection with the Gardens at Market Square Tax Increment Financing Note issuance. Since that time, the project has been constructed and just recently received their occupancy permit for the parking garage, office tower and the Hilton Garden Inn hotel. As a result, Millcraft Investments, Inc., or a related entity, and TriState Bank intend to enter into a SWAP arrangement to lower and lock the interest rate on certain debt that is currently secured by the pledged tax increment.

To enable TriState Bank to lower and lock in the interest rate, authorization is sought at this time to allow the Authority to execute an amended TIF Note and related documents. This will allow the replacement of the current high fixed rate (which was variable until 12/17/2015, and is now fixed at 8%) for a lower variable rate. Separately, Millcraft Investments, Inc., or a related entity, will enter into a swap transaction, exchanging the new variable rate debt for fixed rate debt at a rate below the current 8% fixed rate. The three taxing bodies will benefit from this savings because it will reduce the annual debt service, and allow for the TIF note to be satisfied sooner at which time 100% of the increment will go to the taxing bodies.

The URA is not a party to the swap transaction, has no interest rate risk, and has no liability on the Note. The amended Note remains non-recourse to the URA and is payable only from increment and the minimum payment agreement. Thus, there is no risk to the URA or the taxing bodies in this transaction.

Developer Principal:

Lucas Piatt  
Millcraft Investments, Inc. & Affiliates  
Chief Operating Officer

95 West Beau Street, Suite 600  
Washington, PA 15301  
Phone: 724-229-8800  
TIF Lender:  
David J. Rudolph  
**TriState Capital Bank**  
Senior Vice President  
One Oxford Centre  
301 Grant Street, 27<sup>th</sup> Floor  
Pittsburgh, PA 15219  
T: 412-304-0316

Mr. Ferlo asked if the term will change on the original TIF. Mr. Rubinstein said it would not, but this will allow a quicker payoff so that the taxing bodies will receive the increment sooner rather than later. Mr. Ferlo asked what the rate was. Mr. Rubinstein said it was 6.2%.

Upon approval by Mr. Ferlo, seconded by Mr. Lavelle and unanimously carried, the following resolution was adopted.

RESOLUTION NO. 114 (2016)

RESOLVED: That the amendment of the TIF Note and related financing documents in connection with the Gardens at Market Square Tax Increment Financing issuance is hereby approved.

14. New Markets Tax Credits:

- a. Authorization to make a loan to a subsidiary of Pittsburgh Urban Initiatives, LLC, (PUI) in an amount not to exceed \$1,500,000.00 to fund the New Markets Tax Credit (NMTC) loan fund to an amount of approximately \$2,100,000.00.
- b. Authorization to provide a NMTC recapture guarantee to the NMTC equity investor, PNC Bank.

Mr. Rubinstein requested Board approval of the above items.

Mr. Tom Link, Director of the Center for Innovation & Entrepreneurship stated that PUI is a URA sponsored Community Development Entity (CDE) with a purpose of receiving and deploying Federal NMTC into Pittsburgh economic development projects.

The NMTC program was established by Congress in 2000 to spur new or increased investments into operating businesses and real estate projects located in low-income communities. The NMTC program attracts investment capital to low-income communities by permitting individual and

corporate investors to receive a tax credit against their Federal income tax return in exchange for making equity investments into eligible job creating projects.

Since 2010, PUI has received \$138,000,000.00 in NMTC allocation awards. PUI has allocated NMTC to a variety of job creating and community serving developments in the City of Pittsburgh. These include the East End Cooperative Ministry Community House, the Energy Innovation Center, Ace Hotel, Wood Street Commons, 201 Stanwix Street, Highmark Stadium, Oak Hill Commons, Hill Grocery Store, Gardens at Market Square, Eastside TOD, Oliver Building, 7800 Susquehanna Street, City of Asylum, the Animal Rescue League, and the New Markets Loan Fund (Proud Company -317 S. Main Street). PUI NMTC investments have leveraged over \$233,000,000 in total project costs and have created over 2,500 jobs.

In January, 2014, the URA Board of Directors approved funding that mirrors this request for the creation of the New Markets Loan Fund- a revolving loan fund using NMTC equity.

In August, 2015, Pittsburgh Urban Initiatives Sub-CDE 12, LP, used those funds to make a loan to the Proud Company (317 South Main Partners, LP), in the amount of \$1,920,000.00. This loan included the URAs leveraged loan as well as equity raised through the NMTC structure of \$528,400.00. Those tax credits were purchased by an investor, PNC Bank. The loan facilitated the redevelopment of the long vacant 317 S. Main Street in the West End neighborhood of the city into the new home for the expansion of the Proud Company's headquarters and operations. The Proud Company is a technology service provider and process coating company (through its acquisition and merger with the Miller Process Coating Company). With the expansion, the Proud Company will employ 35-40 people at 317 S. Main Street property in the West End over the next 3 years. The project completed just this month, with the Proud Company taking occupancy this week (the week of April 11<sup>th</sup>).

This action will allow the URA to fund a new PUI RLF Investment Fund, LP, by making an additional economic development loan of up to \$1,500,000.00 and that will leverage approximately \$600,000 in private NMTC equity to create a new approximately \$2,000,000 loan fund that utilizes the benefits of the NMTC program to support small business expansion in the City of Pittsburgh.

This action meets multiple URA and PUI goals:

1. Provides difficult to raise, low cost of capital financing for job creating small businesses expansion in the City of Pittsburgh.
2. Creates jobs.
3. Increases the City's tax base through improvement of real estate and creation of jobs
4. Meets the US Treasury's goal of the NMTC program to directly impact job creating small businesses.
5. Supports PUI's mission to create jobs and utilize the NMTC program in concert with the US Treasury's goals.
6. Improves the quality of PUI's applications to the US Treasury for additional NMTC by operating a program in direct concert with goals and mission of the NMTC program.

The NMTC investor's economic benefit of this transaction is the use of NMTCs they receive. In order for the NMTC investor to use these NMTCs, the loan fund must invest in a manner compliant with NMTC rules and regulations. To that end, the NMTC investor is requiring, in exchange for not requiring repayment of their \$600,000 equity investment or any other yield from the loan fund that the URA and PUI guarantee the equity used by the loan fund not be recaptured. If a recapture event would occur, the NMTC investor would lose their economic benefit and in turn would act on the guarantee to have their equity repaid plus penalties. At maximum, this guarantee could trigger a \$780,000 repayment (\$600,000 initial equity plus penalties associated with the cost of unwinding the economic benefit).

The URA's risk is limited to two specific trigger events:

1. The failure to close 85% of the loan funds within 12 months of NMTC equity issuance, or failure to keep a sufficient dollar amount of loans outstanding during the NMTC compliance period. (Trigger a)
2. That the loan fund does not make loans to Qualified Low Income Businesses (QALICB) (Trigger b)

These risks will be mitigated as follows:

1. Trigger 'a' will be mitigated by minimum loan terms of 7.5 years (the NMTC recapture period is 7 years from loan closing). This mitigates the risk of having to redeploy proceeds within the 7 year compliance period. While there is a risk that loans would be prepaid, this will be mitigated by having stiff prepayment penalties. Further, should a loan be prepaid, the URA/PUI has 12 months to redeploy the funds to another QALICB. Finally, the loan terms are extremely attractive with low interest rates and significant interest only periods.
  - a. The risk that the Loan Fund could not deploy 85% of the loan program funds within 12 months of the NMTC equity closing will be mitigated by underwriting potential borrowers prior to the NMTC equity closing and ensuring that a loan closing is imminent as evidenced by an agreed upon, executed, term sheet, receipt of a substantial commitment fee, and agreed upon loan documents. This will provide near certainty that the loan will close and the proceeds will be deployed imminently after the NMTC equity closing. Further, the loan fund is being structured to be limited to up to 4 individual initial borrowers. This mitigates the risk of not being able to deploy 85% of the loan fund within 12 months of NMTC equity closing.
2. Trigger 'b' will be mitigated by assuring that the loan fund borrowers are QALICBs. This is achieved by a variety of steps, including pre-screening of applicants to ensure QALICB compliance and a 3<sup>rd</sup> party tax opinion for each borrower prior to a loan closing that opines that the borrower is a QALICB. QALICB is largely defined by the geography of the borrower (i.e. must be located in an eligible NMTC census tract), the borrower is not a

non-qualifying business (i.e. golf courses, farms, massage parlors, sun tanning parlors, racetracks, strictly residential housing, casinos, etc. are not eligible to receive NMTC benefits), and that the borrower is an active QALICB (i.e. the services and gross revenues being rendered and earned are in a qualified low-income community).

The recapture risk will be split evenly between the URA and PUI. Thus, the URA's maximum recapture risk is limited to \$390,000.00. Further, the steps and processes put in place by PUI and the URA make the likelihood of recapture extremely low.

The NMTC loan fund will make up to 4 loans and create a minimum of 50 jobs with its initial investment. The NMTC loan fund terms will be up to 10 years, ~3.0% fixed rate, appropriate collateral and guarantees and compliance with NMTC eligibility requirements.

URA and PUI staff have been vetting URA business financing deal pipeline for potential small business expansion deals to utilize this fund. Staff has identified two initial deals that should be able to close by 3rd quarter 2016. URA and PUI staff fully anticipate being able to close financings for the entire fund by 1<sup>st</sup> quarter 2017.

The URA's existing capacity to originate, underwrite and service loans will be utilized to execute the NMTC loan fund, including utilization of the URA's Business Loan Review Committee and URA staff.

The NMTC loan fund guidelines are attached. The NMTC loan fund has been approved by the Board of Directors of Pittsburgh Urban Initiatives, LLC.

|                                |   |
|--------------------------------|---|
| Borrower Principal             | Pittsburgh Urban Initiatives, LLC<br>200 Ross Street<br>Pittsburgh, PA 15219  |
| Location                       | N/A   |
| Description                    | Revolving Loan Fund   |
| Authority Financing:<br>Amount | up to \$1,500,000.00  |
| Interest Rate                  | between 3.0% and 4.5%   |
| Term                           | up to 14 years  |
| Program Benefits               | New job creation, new taxes, leverage of NMTC program to create new source of capital for Pittsburgh small businesses. Meet the mission |

of the NMTC program to invest in small businesses.

Loan Review Committee

to be reviewed at the April 20, 2016 Business Loan Review Committee

The funding source for the URA loan will be UDF State repayments, Enterprise Revolving Loan Fund and/or Pittsburgh Development Fund.

Mr. Acklin asked if legal opinions are sought in terms of risk on this. Mr. Link answered yes that outside counsel is used. Mr. Acklin asked in terms of the economic impact is this considered to be an anti-poverty type program. Mr. Link answered yes. Mr. Acklin asked if there is a judgment. Mr. Rubinstein answered that it is a community impact. Mr. Acklin asked if the Authority is assuming the risk of a guarantor. Mr. Link stated the Authority assumes half of the risk and PUI assumes the other half. Mr. Acklin asked if we already have that risk under its current operation and how this operates, and what the magnitude of the increase is. Mr. Link answered that the Authority currently has that risk and that the increased amount to the URA will be \$390,000.00.

Upon approval by Mr. Ferlo, seconded by Ms. Hall-Russell and unanimously carried, the following resolutions were adopted.

RESOLUTION NO. 115 (2016)

RESOLVED: That a loan to a subsidiary of the Pittsburgh Urban Initiatives, LLC (PUI) for an amount not to exceed \$1,500,000.00, payable from the UDF State repayments, Enterprise Revolving Loan Fund and/or the Pittsburgh Development Fund, for funding the New Markets Tax Credit (NMTC) Loan Fund is hereby approved, and the Executive Director, Acting Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute a loan agreement and related documents therefor, and the Secretary or Assistant Secretary is authorized to attest same and affix the seal of the Authority thereto.

RESOLUTION NO. 116 (2016)

RESOLVED: That the Authority's provision of a New Markets Tax Credit (NMTC) recapture guarantee to the New Markets Tax Credit equity investor, PNC Bank, is hereby approved.

15. Bloomfield - 4800 Penn Avenue:

- a. CDIF Community Development Investment Fund (CDIF) Grant Agreement with Bloomfield-Garfield Corporation in the amount of up to \$50,000.00 for the development at 4800 Penn Avenue in Bloomfield.

Mr. Rubinstein requested Board approval of the above item.

Mr. Link stated that authorization is requested to approve a \$50,000 CDIF grant to Bloomfield Garfield Corporation (BGC) for the Penn-Mathilda mixed-use development. The project is the culmination of almost a decade of attempts by community interests to address a badly-blighted portal as one approaches the Garfield-Friendship commercial district from the west. For decades, a collection of rundown garages at 4800 Penn greeted visitors as they entered the corridor where S. Mathilda Street intersects with Penn.

Despite many community led efforts, the property sat vacant and tax delinquent for many years.

In 2013, ACTION-Housing, after searching the city for a site to build what they envisioned as a very special, mixed-use project, settled on the property at 4800 Penn. Working with the BGC and neighboring residents, ACTION Housing managed to settle the liens against the property and prepare a plan for development that had the following objectives:

- 1) Demolition of the garage structures and removal of an underground fuel storage tank that were hampering the re-use of the property;
- 2) Design of a 3-story apartment complex geared primarily for veterans of recent military conflicts;
- 3) Design of four commercial storefronts at street level that would engage the community, through the BGC, in securing smaller entrepreneurs or organizations as tenants, along with a fourth space that would allow the BGC to have tenants who needed space on only a temporary or periodic basis;

Of the thirty-nine apartments that the building offers, half, or 20, are reserved for the population of veterans in the Pittsburgh region. The rest are available to the general public. All of the units are affordable to folks earning up to 60% of the median household income for the region.

In addition to managing the four commercial storefronts, ACTION has asked the Bloomfield-Garfield Corporation (BGC) for help in raising financing for the commercial portion of the project. The BGC embarked on a campaign in 2014-15 that succeeded in raising \$700,000 in equity financing from two philanthropic sources, so that 1) commercial lease rates are affordable to neighborhood-oriented entrepreneurs, and 2) space can be reserved for use by the building's tenants for special events and for programming held in conjunction with other nonprofits or arts' groups in the community.

The commercial aspect of the development will build off of the BGC's 24-year track record in managing similar properties, many of them mixed-use, in the Penn Avenue corridor. The BGC is in the process of negotiating multi-year leases, providing some architectural design assistance to one prospective tenant, and assisting all tenants in finding the funds necessary to ready their space for occupancy,

The BGC is seeking a \$50,000 grant from the Urban Redevelopment Authority to invest as equity into the project to fund build-out of the street-level storefronts.

ACTION-Housing, Inc. has overseen the construction of the 3-story building at Penn Ave. and S. Mathilda St. and will be responsible for leasing and managing the 33 one- and 6 two-bedroom apartments, when finished, to military veterans along with other members of the general public.

Lease rates on the 6,500 square feet of first-floor commercial space will vary from \$12 per square foot to \$16 per square foot, with the higher rate for the retail space at the corner of Penn Ave. and S. Mathilda. Typically, new commercial space of this nature in the East End rents for \$22 per square foot or more.

The BGC has pledged that once the project achieves consistent, positive cash flow, any excess revenue spun off from the leasing of the commercial storefronts will be dedicated to other vital programming in the Penn Avenue corridor to continue its revitalization.

Details of the development are as follows:

|                         |  |
|-------------------------|--|
| Developer:              | ACTION-Housing, Inc<br>611 William Penn Place<br>Pittsburgh, PA 15219                      |
| Project Manager:        | Bloomfield-Garfield Corporation<br>Rick Swartz<br>5149 Penn Avenue<br>Pittsburgh, PA 15224 |
| Location:               | 4800 Penn Avenue (Corner of Penn & Mathilda) Bloomfield                                    |
| Description:            | Commercial tenant fit out and FF&E.  |
| Total Development Cost: | \$11,636,586   |

|                    |                        |                       |
|--------------------|------------------------|-----------------------|
| Financing Sources: | URA                    | \$1,400,000 (Housing) |
|                    | URA CDIF               | \$50,000              |
|                    | Bridgeway Capital      | \$800,000             |
|                    | Heinz Endowments       | \$700,000             |
|                    | Tax Credit Equity      | \$8,840,094           |
|                    | Deferred Developer fee | <u>\$46,492</u>       |
|                    | Total:                 | \$11,636,586          |

Program Benefit: This development will help prevent blight and strengthen the market in the Friendship and Garfield corridor. Job creation. Provide low cost commercial space for local entrepreneurs and small businesses.

Funding source will be City Paygo, Major Projects.

Rick Swartz, of Bloomfield-Garfield Corporation was present. Mr. Swartz stated that there are four store fronts, and that they have raised \$700,000.00 through foundation funding to underwrite the improvement for the commercial store fronts that will be on ground level. He said that Action Housing added an additional \$600,000.00 to fill the commercial space. He thought the project was coming to completion, and they would have enough money left in the contingency fund to be able to handle the balance of the build out on the fourth store front, but have come up short. He also said that the Authority had no investment to date in the ground floor.

Mr. Ferlo wanted to compliment Action Housing, as well as Bloomfield-Garfield Corporation, for the development of this site.

Upon approval by Mr. Lavelle, seconded by Ms. Hall-Russell and unanimously carried, the following resolution was adopted.

RESOLUTION NO. 117 (2016)

RESOLVED: That a CDIF Community Development Investment Fund grant to Bloomfield-Garfield Corporation for an amount not to exceed \$50,000.00, payable from City Paygo, Major Projects funds, for the development of 4800 Penn Avenue in Bloomfield, is hereby approved, and the Executive Director, Acting Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute a grant agreement therefor, and the Secretary or Assistant Secretary is authorized to attest same and affix the seal of the Authority thereto.

16. Larimer:

- a. Rescission of Resolution No. 232 relating to the sale of Block 124-J, Lot 246 in the 12<sup>th</sup> Ward to Fiore of Pittsburgh, LLC.
- b. Final drawings, evidence of financing, and execution of deed for the sale of Block 124-J, Lot 19 (formerly Block 124-J, Part of Lot 246) in the 12<sup>th</sup> Ward, to Fiore of Pittsburgh, LLC, for \$1.00.

Mr. Rubinstein requested Board approval of the above items.

Ms. Kyra Straussman, Director of Real Estate stated that at its meeting of August 13, 2015, the Board of this Authority authorized the sale of property located at 427 Larimer Avenue (formerly known as 413 Larimer Avenue) to Fiore of Pittsburgh, LLC, for renovation of the existing structure and new construction to the rear of the building. The building will be used for office space that can be rented and/or be used for public/community services. The estimated cost of the renovation is \$493,902. Since the date of the August 13, 2015 meeting, the redeveloper's plans have changed to exclude the addition to the existing structure. Also, since that time, the County has allocated a new Block and Lot designation for the property. The property being conveyed is now known as Block and Lot No. 124-J-19 (formerly Block 124-J, Part of Lot 246).

Fiore of Pittsburgh, LLC, is an Ohio limited liability company with an office at 4249 Easton Way, Suite 220, Columbus, OH 43219. Keith B. Key Enterprises, LLC, with Keith B. Key as President and CEO, is the sole member of the company.

Jennifer DiNardo, of KBK was present. Ms. DiNardo wanted to thank the Authority for hanging in there with them through this process. She said that while they were contemplating different designs concepts, they are now ready to move forward with the drawings completed. She said they were interested in maintaining the Fiore Meats sign, but the Zoning Code would not permit them to do so because that business is no longer in operation.

Ms. Straussman wanted to acknowledge the hard work of Collette O'Leary from the Housing Department on this project and working with Jennifer to put this deal together.

Mr. Ferlo wanted to thank KBK and the Authority staff for their hard work on this project. He stated that saving and completing this building is important. He wanted to thank the KBK initiative in doing wrap around social services.

Upon approval by Mr. Ferlo, seconded by Mr. Lavelle and unanimously carried, the following resolutions were adopted.

**RESOLUTION NO. 118 (2016)**

**RESOLVED:** That Resolution No. 232 (2015), relating to the sale of Block 124-J, Lot 246 in the 12<sup>th</sup> Ward to Fiore of Pittsburgh, LLC, is hereby rescinded.

**RESOLUTION NO. 119 (2016)**

**RESOLVED:** That the sale of Block 124-J, Lot 19 (formerly Block 124-J, Part of Lot 246) in the 12<sup>th</sup> Ward to Fiore of Pittsburgh, LLC., for the sum of \$1.00 is hereby approved, and the Executive Director, Acting Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute a deed and all documents necessary to effectuate said sale, and the Secretary or Assistant Secretary is authorized to attest same and affix the seal of the Authority thereto.

17. Homewood:

- a. Authorization to acquire the following publicly-owned property for \$1.00 plus costs:

| <u>Ward</u>      | <u>Block/Lot</u> | <u>Address</u>         |
|------------------|------------------|------------------------|
| 13 <sup>th</sup> | 125-H-225        | 7010 Forest Way        |
| 13 <sup>th</sup> | 125-H-233        | 7007 Frankstown Avenue |
| 13 <sup>th</sup> | 125-H-234        | 7009 Frankstown Avenue |
| 13 <sup>th</sup> | 174-P-301        | 7512 Kelly Street      |
| 13 <sup>th</sup> | 174-P-302        | 7514 Kelly Street      |
| 13 <sup>th</sup> | 174-P-303        | 7516 Kelly Street      |
| 13 <sup>th</sup> | 174-P-304        | 7518 Kelly Street      |
| 13 <sup>th</sup> | 174-P-305        | 7520 Kelly Street      |
| 13 <sup>th</sup> | 174-P-315        | 7589 Kelly Street      |
| 13 <sup>th</sup> | 174-P-316        | 7587 Kelly Street      |
| 13 <sup>th</sup> | 174-P-317        | 7585 Kelly Street      |

Mr. Rubinstein requested Board approval of the above item.

Ms. Kyra Straussman stated that we are herein requesting authorization to acquire the above-listed properties which are owned by the Three Taxing Bodies by virtue of Treasurer's Sale for tax-delinquency. The properties are being acquired for conveyance to a limited partnership to be formed by Allegheny Housing Rehabilitation Corporation (AHRCO) for a scattered-site affordable housing development in the Homewood neighborhood. The property at 7009 Frankstown Avenue contains a vacant structure while the remaining parcels are vacant land. The requested properties, which contain a total land area of approximately 40,180 square feet, will be acquired for \$1.00, plus costs, using Homewood Project Funds.

There was no discussion among the Members.

Upon approval by Mr. Ferlo, seconded by Mr. Lavelle and unanimously carried, the following resolution was adopted.

RESOLUTION NO. 120 (2016)

RESOLVED: That the acquisition of the publicly-owned properties listed below for \$1.00 plus costs is hereby approved, and the Executive Director, Acting Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute all documents required for said acquisition, and the Secretary or Assistant Secretary is authorized to attest same and affix the seal of the Authority thereto.

| <u>Ward</u> | <u>Block/Lot</u> | <u>Address</u> |
|-------------|------------------|----------------|
|-------------|------------------|----------------|

|                  |           |                        |
|------------------|-----------|------------------------|
| 13 <sup>th</sup> | 125-H-225 | 7010 Forest Way        |
| 13 <sup>th</sup> | 125-H-233 | 7007 Frankstown Avenue |
| 13 <sup>th</sup> | 125-H-234 | 7009 Frankstown Avenue |
| 13 <sup>th</sup> | 174-P-301 | 7512 Kelly Street      |
| 13 <sup>th</sup> | 174-P-302 | 7514 Kelly Street      |
| 13 <sup>th</sup> | 174-P-303 | 7516 Kelly Street      |
| 13 <sup>th</sup> | 174-P-304 | 7518 Kelly Street      |
| 13 <sup>th</sup> | 174-P-305 | 7520 Kelly Street      |
| 13 <sup>th</sup> | 174-P-315 | 7589 Kelly Street      |
| 13 <sup>th</sup> | 174-P-316 | 7587 Kelly Street      |
| 13 <sup>th</sup> | 174-P-317 | 7585 Kelly Street      |

18. Hill District:

- a. Authorization sell the following properties to the City of Pittsburgh for \$1.00:

| <u>Ward</u>     | <u>Block/Lot</u> | <u>Address</u>      |
|-----------------|------------------|---------------------|
| 5 <sup>th</sup> | 10-D-310         | 701 Wandless Street |
| 5 <sup>th</sup> | 10-D-313         | 2855 Orbin Street   |
| 5 <sup>th</sup> | 10-D-314         | 2851 Orbin Street   |
| 5 <sup>th</sup> | 10-D-318         | 2837 Vincennes Way  |
| 5 <sup>th</sup> | 10-D-327         | 2835 Orbin Street   |
| 5 <sup>th</sup> | 10-D-329         | 2851 Vincennes Way  |
| 5 <sup>th</sup> | 10-D-333         | 2826 Orbin Street   |

Mr. Rubinstein requested Board approval of the above item.

Ms. Kyra Straussman stated that we are requesting authorization to convey the above-listed properties to the City of Pittsburgh for \$1.00. These properties, which contain a total of approximately 56,441 square feet, have historically been used as a park, known as Vincennes Parklet, and have been maintained by the City Parks Department. Due to past and present use as a community amenity, the properties are more appropriately owned and managed by the City.

Mr. Acklin asked what the zoning status is on these properties. Ms. Straussman answered that she thinks they have residential zoning and are not park zoned, but she would obtain that information. Mr. Acklin asked Ms. Straussman to bring that information to the next disposition meeting.

Upon approval by Mr. Ferlo, seconded by Ms. Hall-Russell and unanimously carried, the following resolution was adopted.

RESOLUTION NO. 121 (2016)

RESOLVED: That the sale of the properties listed below to the City of Pittsburgh for \$1.00 plus costs is hereby approved, and the Executive Director, Acting Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute a deed and all documents required to effectuate said sale, and the Secretary or Assistant Secretary is authorized to attest same and affix the seal of the Authority thereto:

| <u>Ward</u>     | <u>Block/Lot</u> | <u>Address</u>      |
|-----------------|------------------|---------------------|
| 5 <sup>th</sup> | 10-D-310         | 701 Wandless Street |
| 5 <sup>th</sup> | 10-D-313         | 2855 Orbin Street   |
| 5 <sup>th</sup> | 10-D-314         | 2851 Orbin Street   |
| 5 <sup>th</sup> | 10-D-318         | 2837 Vincennes Way  |
| 5 <sup>th</sup> | 10-D-327         | 2835 Orbin Street   |
| 5 <sup>th</sup> | 10-D-329         | 2851 Vincennes Way  |
| 5 <sup>th</sup> | 10-D-333         | 2826 Orbin Street   |

19. East Liberty:

- d. Final drawings, evidence of financing, and execution of deed for the sale of Block 83-R, Lot 77, in the 11<sup>th</sup> Ward, to East Liberty Development, Inc., for \$3,000.00.

Mr. Rubinstein requested Board approval of the above item.

Ms. Kyra Straussman stated that at its meeting of December 10, 2015, the Board of this Authority accepted the Redevelopment Proposal and authorized execution of a Disposition Contract with East Liberty Development, Inc. (ELDI), for the sale of property located at the corner of Rodman Street and Collins Avenue in East Liberty for construction of a single-family dwelling. At this time, we are requesting authorization to execute a deed for conveyance of the property to ELDI, subject to staff review and approval of final working drawings and evidence of financing. The property, which is a vacant lot containing approximately 3,870 square feet, was to be sold for \$1,500.00 based on a value of \$1,500.00-per-dwelling-unit to be constructed on the lot. Since that time, ELDI has decided to use the land for construction of a two-unit structure, which has increased the selling price to \$3,000.00. Total development costs are estimated at \$5.7M. This construction is in connection with ELDI's contract with the Housing Authority of the City of Pittsburgh to develop 21 units of affordable housing in East Liberty.

East Liberty Development, Inc., is a nonprofit organization with a mailing address at 100 Sheridan Square, #4, Pittsburgh, PA 15206. Maelene Myers is the Executive Director.

Ms. Smith Perry stated that this is a scattered site development to serve as relocation options for Choice Neighborhoods. She said it is the new construction of 21 semi scattered units and a few of them go into Highland Park, East Liberty Edgewood and Larimer. She said once the units

are built they will be sold to the Housing Authority to become part of their portfolio, and then become permanent replacement housing units.

Mr. Ferlo stated that there were other lots or dilapidated homes, and asked if there were opportunities for these parcels. Ms. Smith Perry said that ELDI has approached some of the privately owned residents, but this was the only publicly accessible lot for them that is right across from Fairfield Glen. Mr. Ferlo stated that he knows of houses that are for sale in Highland Park, and asked if the Housing Authority is interested in buying any of them for rental purposes. Ms. Smith Perry answered yes and he should contact David Weber.

Upon approval by Ms. Hall-Russell, seconded by Mr. Lavelle and unanimously carried, the following resolution was adopted.

RESOLUTION NO. 122 (2016)

RESOLVED: That the execution of a deed and all documents necessary to effectuate the sale of Block 83-R, Lot 77 in the 11<sup>th</sup> Ward to East Liberty Development, Inc. for the sum of \$3,000.00 is hereby approved, and the Executive Director, Acting Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute said deed and all such documents, and the Secretary or Assistant Secretary is authorized to attest same and affix the seal of the Authority thereto.

20. Shadyside

- a. Authorization to advertise for bids for construction of a pervious pavement path in Mellon Park.

Mr. Rubinstein requested Board approval of the above item.

Mr. Marty Kaminski, Director of Engineering and Construction stated that this project will consist of the installation of a bicycle-pedestrian path through Mellon Park approximately 300 feet long, of which approximately 75 feet will be a new connection to Bakery Square Boulevard. This new connection would address a missing link between the park and the new bicycle-pedestrian infrastructure within Bakery Square 2.0, allowing bicycles to avoid using Penn Avenue in this area.

As the proposed path will pass through a stand of mature trees, the URA plans to use Flexi-Pave, a permeable, flexible material that would reduce any potential impact on tree roots. This project will be viewed as a test of the material for the City, with potential use in the future on sidewalks and trails.

City Bond Funds; PA Greenways, Trails, and Recreation Program Grant Funds and/or other sources will be used for this work.

Mr. Ferlo asked who owns this property. Mr. Kaminski answered stating that this is City owned. Mr. Acklin mentioned how muddy that area is, and that there is water leakage. Mr. Kaminski stated that there is has been a water leak at this location for a long time, and the City is working on it.

Mr. Ferlo asked how much this will cost the Authority. Mr. Kaminski stated that we are in the beginning stages of design right now. Mr. Ferlo and Mr. Acklin asked why the Authority is doing this. Mr. Kaminski stated that this was supposed to be done by Public Works and never materialized. Mr. Rubinstein stated that we did not want to lose the PA Greenways, Trails, and Recreation Program Grant Fund money. Mr. Ferlo asked to confirm the use of pervious pavement and not porous concrete. Mr. Kaminski confirmed the use of pervious pavement. Mr. Ferlo stated that he had learned the problem with porous concrete is that unless it is vacuumed and maintained, it will not work. Mr. Kaminski stated that the purpose of using pervious pavement is not to kill tree roots. He said that with conventional asphalt you are required to dig further into the ground, and dig up the roots. Mr. Ferlo said that they also put pavers in which is different than porous asphalt. Mr. Kaminski stated that this is a product they are going to try which could be a pilot program if it works. He said that this only involves about 75 feet, and it will not be a huge loss if it does not work.

Upon approval by Mr. Ferlo, seconded by Ms. Hall-Russell and unanimously carried, the following resolution was adopted.

#### RESOLUTION NO. 123 (2016)

RESOLVED: That the advertising for bids for construction of a pervious pavement path in Mellon Park is hereby approved.

21. Lawrenceville:

- a. Authorization to advertise for bids for Shoppes at Doughboy – Site Preparation Contract No. 2.
- b. Authorization to solicit proposals for construction management/ construction inspection of Shoppes at Doughboy Site Preparation Contract No. 2.
- c. Authorization to advertise for bids for 62<sup>nd</sup> Street Industrial Park – Site Preparation Contract No. 3.

Mr. Rubinstein requested Board approval of the above items.

- a. Mr. Kaminski stated that authorization is being requested to advertise for bids for Shoppes at Doughboy – Site Preparation Contract No. 2. The proposed work will include the construction of a parking lot for the Shoppes at Doughboy and Engine House 25. The Shoppes at Doughboy is a new mixed-use development, consisting of apartments, commercial space and

office space. Engine House 25 is home to the Roberto Clemente Museum. This project will act as a gateway to the Lawrenceville neighborhood.

b. Authorization is requested to solicit proposals from engineering and construction management firms to provide construction management and inspection services for Shoppes at Doughboy Site Preparation Contract No. 2. Firms will be selected to receive the RFP based on their qualifications that were previously submitted to the URA Engineering and Construction Department via the Request for Qualifications that was issued in March of 2014.

CITF and/or other sources will be used for this work.

c. Authorization is requested to advertise for bids for 62<sup>nd</sup> Street Industrial Park Site Preparation Contract No. 3. The proposed work will include installation of turning lanes, traffic signals, pedestrian signals and crosswalks, parking pad construction and completion of the industrial park entrance road/Butler Street intersection.

The URA previously partially prepared the 14 acre 62<sup>nd</sup> Street Industrial Park Site for reuse via various contracts. A signalized intersection is needed for safe ingress and egress of tractor trailers accessing the site. Completion of the intersection should improve the site's attractiveness to potential developers.

Lawrenceville Project Funds, CITF, RACP and/or other sources will be used for this work.

Mr. Ferlo said that according to an ordinance from City Council, the Belgian Block from the back alley way was to be removed, placed on pallets and brought to Public Works for reuse. Mr. Kaminski stated that was the first he had heard of this, but would check into it for Mr. Ferlo. The City Code states that when a street is dug up, one may not take the block.

Upon approval by Mr. Ferlo, seconded by Mr. Lavelle and unanimously carried, the following resolutions were adopted.

**RESOLUTION NO. 124 (2016)**

**RESOLVED:** That the advertising for bids for the Shoppes at Doughboy Site Preparation Contract No. 2 is hereby approved.

**RESOLUTION NO. 125 (2016)**

**RESOLVED:** That the solicitation of proposals from engineering and construction management firms to provide construction management and inspection services for the Shoppes at Doughboy Site Preparation Contract No. 2 is hereby approved.

RESOLUTION NO. 126 (2016)

RESOLVED: That the advertising for bids for 62<sup>nd</sup> Street Industrial Park Site Preparation Contract No. 3 is hereby approved.

22. Scattered Sites:

- a. Authorization to amend the Agreement with CDR Maguire for PADOT program management assistance services to increase the amount by \$25,000.00, for a total amount not to exceed \$35,000.00.

Mr. Rubinstein requested Board approval of the above item.

Mr. Kaminski stated that authorization is being requested to amend the Agreement with CDR Maguire to provide additional PADOT program management assistance services for the procurement, design, construction and reimbursement processes for several projects located throughout the City. The URA originally entered into an Agreement with CDR Maguire dated July 8, 2015 in the amount of ten thousand dollars (\$10,000.00) for PADOT Program Management Assistance services which was primarily used for the Station Street/Euclid Avenue (formerly Penn Circle) two-way conversion project. This amendment to the Agreement for a total agreement of an amount not to exceed thirty five thousand dollars (\$35,000.00) will provide Program Management Assistance services to support the Station Street/Euclid Avenue project and the Beaver Avenue two way conversion project as well as other potential projects that may be funded through PADOT.

CDR Maguire is located at D.L. Clark Building, 6<sup>th</sup> Floor, 503 Martindale Street, Pittsburgh, PA 15212 and Mr. Michael Moorman, P.E. is the Vice President.

Funding for this Amendatory Agreement is through various sources.

There was no discussion among the Members.

Upon approval by Mr. Ferlo, seconded by Mr. Lavelle and unanimously carried, the following resolution was adopted.

RESOLUTION NO. 127 (2016)

RESOLVED: That amendment of the Agreement between the Authority and CDR Maguire dated July 8, 2015 for PADOT program management assistance, for an increase of \$25,000.00, payable from various sources, for a total Agreement amount not to exceed \$35,000.00, is hereby approved, and the Executive Director, Acting Executive Director or the Director of Finance, on behalf of the Authority, is hereby authorized to execute an amendment therefor, and the Secretary or Assistant Secretary is authorized to attest same and affix the seal of the Authority thereto.

23. Civic Building:

- a. Agreement with Sota Construction Services, Inc. for the Urban Redevelopment Authority Restroom Renovations, Floors 6 and 10 through 13 - \$111,300.00.

Mr. Rubinstein requested Board approval of the above item.

Mr. Kaminski stated that authorization is requested to enter into an Agreement with Sota Construction Services, Inc. for the Urban Redevelopment Authority Restroom Renovations, floors 6 and 10 through 13. The project was publicly bid by the URA and four (4) bids were received for this project. The project consists of replacement of existing plumbing fixtures and valves with automatic low-flow types, and replacement of existing lighting fixtures with LED type energy saving types. In addition, selected restroom accessories will be replaced, the existing marble will be cleaned and the walls repainted.

Sota Construction Services, Inc. is located at 80 Union Avenue, Pittsburgh, PA 15202 and Mr. Ernie Sota is President.

Funding will be through ARF funds.

There was no discussion among the Members.

Upon approval by Mr. Lavelle, seconded by Ms. Hall-Russell and unanimously carried, the following resolution was adopted.

RESOLUTION NO. 128 (2016)

RESOLVED: That the engagement of Sota Construction Services Inc. for the Urban Redevelopment Authority restroom renovations at 200 Ross Street on Floors 6 and 10, 11, 12, and 13 for an amount not to exceed \$111,300.00, payable from Administrative Revolving Fund (ARF), is hereby approved, and the Executive Director, Acting Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute an agreement therefor, and the Secretary or Assistant Secretary is authorized to attest same and affix the seal of the Authority thereto.

24. Shadyside/Larimer:

- a. Authorization to enter into an agreement with Walnut Capital Management, Inc. to pay for intersection improvements at Penn Avenue and Reizenstein Way - \$15,092.00.

- b. Authorization to enter into a cooperation agreement with the City of Pittsburgh for reimbursement of costs of intersection improvements at Penn Avenue and Reizenstein Way - \$7,546.00.

Mr. Rubinstein requested Board approval of the above items.

a. Mr. Kaminski stated that authorization is requested to enter into an Agreement with Walnut Capital Management, Inc., (Walnut Capital) to pay for a portion of the costs associated with the removal and replacement of a small section of pavement at the intersection of Penn Avenue and Reizenstein Way. The work includes removal of the existing roadway pavement, new 10" thick concrete pavement and new striping. The total cost of the work is \$22,638.00 and will be shared equally among Walnut Capital, the City of Pittsburgh and the URA. The work will be performed by Walnut Capital's contractor and the URA will pay Walnut Capital for the URA's share of the cost and that of the City. The URA will in turn seek reimbursement for the City's share of the cost via a cooperation agreement.

Funding for the Agreement will be from East Liberty City Bond Funds.

b. Authorization is requested to enter into a cooperation agreement with the City of Pittsburgh for intersection improvements at Penn Avenue and Reizenstein Way as discussed in the item above.

There was no discussion among the Members.

Upon approval by Mr. Ferlo, seconded by Ms. Hall-Russell and unanimously carried, the following resolutions were adopted.

#### RESOLUTION NO. 129 (2016)

RESOLVED: That the engagement of Walnut Capital Management Inc. for intersection improvements at Penn Avenue and Reizenstein Way for an amount not to exceed \$15,092.00, payable from East Liberty City Bond funds, is hereby approved, and the Executive Director, Acting Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute an agreement therefor, and the Secretary or Assistant Secretary is authorized to attest same and affix the seal of the Authority thereto.

#### RESOLUTION NO. 130 (2016)

RESOLVED: That a cooperation agreement with the City of Pittsburgh for reimbursement by the City to the Authority for intersection improvements at Penn Avenue and Reizenstein Way in the amount of \$7,546.00 is hereby approved, and the Executive Director, Acting Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute said cooperation agreement, and the Secretary or Assistant Secretary is authorized to attest same and affix the seal of the Authority thereto.

25. 2016 HOME Cooperation Agreement with the City of Pittsburgh – Up to \$1,691,816.00.:

Mr. Rubinstein requested Board approval of the above item.

Mr. Tom Short, Director of Finance stated that authorization is requested to enter into a Cooperation Agreement with the City of Pittsburgh to provide for the transfer of up to \$1,691,816.00 for the Federal HOME program for use by our Department of Housing.

HOME funds will be utilized for the funding of non-profit and for-profit developers for the acquisition and construction of rental housing primarily for low and moderate income households and special populations. Up to \$290,880 will be utilized for the City of Pittsburgh's match in the Larimer East Liberty Choice Neighborhoods Phase 2.

In addition, funding provides grant and financial assistance for the development's new or substantially rehabilitated for-sale housing units city wide. Up to 10 % in Program Administration applies to this award and any Program Income related to any loan repayments.

We anticipate up to 210 housing units (45 units HOME) will be completed as a result of these allocations.

There was no discussion among the Members.

Upon approval by Mr. Lavelle, seconded by Ms. Hall-Russell and unanimously carried, the following resolution was adopted.

RESOLUTION NO. 131 (2016)

RESOLVED: That a cooperation agreement with the City of Pittsburgh for the transfer to the Authority of 2016 Federal HOME program funds in the amount of \$1,691,816.00 is hereby approved, and the Executive Director, Acting Executive Director or Director of Finance, on behalf of the Authority, is authorized to execute said cooperation agreement, and the Secretary or Assistant Secretary is authorized to attest same and affix the seal of the Authority thereto.

26. Amendment to Agreement with Maher Duessel, Certified Public Accountants for an increase of \$12,000.00, for a total amount not to exceed \$128,820.00:

Mr. Rubinstein requested Board approval of the above item.

Authorization is requested to amend the existing agreement with Maher Duessel for an increase in the amount of \$12,000.00 for additional audit work.

This work includes an expanded detailed audit of the URA-owned parking garages at Southside Works and the Pittsburgh Technology Center in the amount of \$9,500.00; and the required Federal audit of the Phase 3 Liberty Park HUD Upfront Grant in the amount of \$2,500.00.

Currently Maher Duessel is under contract to complete the URA Financial audit and Federal Single Audit in the amount of \$116,820.00 per year. This contract will be amended for up to \$128,820.00 which includes the garages and Upfront Grant. The funding sources for the increase will come from garage revenues at both Southside Works and PTC, and the Upfront Grant.

Maher Duessel, CPAs, is located at: 503 Martindale Street, Suite 600, Pittsburgh, PA 15212, Mr. David Duessel, President

There was no discussion among the Members.

Upon approval by Mr. Ferlo, seconded by Mr. Lavelle and unanimously carried, the following resolution was adopted.

#### RESOLUTION NO. 132 (2016)

RESOLVED: That amendment of the Agreement with Maher Duessel dated March 7, 2016, to provide for additional audit services for the parking garages located at the Southside Works and the Pittsburgh Technology Center (PTC) and for the Phase 3 Liberty Park HUD Upfront Grant, for an increase of \$12,000.00, payable from garage revenues at Southside Works and PTC and from the Upfront Grant, for a total Agreement amount not to exceed \$128,820.00, is hereby approved, and the Executive Director, Acting Executive Director or the Director of Finance, on behalf of the Authority, is hereby authorized to execute an amendment therefor, and the Secretary or Assistant Secretary is authorized to attest same and affix the seal of the Authority thereto.

#### 27. East Liberty

- a. Authorization to solicit proposals for engineering services for design of a surface parking lot on Block and Lot Number 83-P-230.

Mr. Rubinstein requested Board approval of the above item.

Mr. Rubinstein stated that authorization is requested to solicit proposals for the design of a surface parking lot on URA owned property located at 5910 Harvard Square, bounded by Harvard Square, N. Beatty Street and Ansley Street. The proposed design will be for a shared use parking lot. The design is intended to accommodate a limited number of daytime public parking spaces, with the balance of the daytime spaces reserved for private use. In the evening, the entire lot will be used by a private operator.

Firms will be selected to receive the RFP based on their qualifications that were previously submitted to the URA Engineering and Construction Department via the Request for Qualifications that was issued in March of 2014.

Funding for this design work will be from Leased Land Funds.

Mr. Ferlo asked about the hotel use. Mr. Rubinstein answered that it is currently being leased.

Mr. Rubinstein also stated that the RFP for the Authority is to design a parking lot to accommodate both users.

Upon approval by Mr. Ferlo, seconded by Mr. Lavelle and unanimously carried, the following resolutions was adopted.

RESOLUTION NO. 133 (2016)

RESOLVED: That solicitation of proposals for engineering services for the design of a surface parking lot on Block and Lot Number 83-P-230 is hereby approved.

The Members reviewed the items on Agenda "B". Upon motion made by Mr. Ferlo, seconded by Mr. Lavelle. and unanimously carried, the following resolutions were adopted:

AGENDA "B"

REAL ESTATE

1. South Side Works

RESOLUTION NO. 134 (2016)

RESOLVED: That Resolution No. 416 (2009) approving the Redevelopment Proposal, Disposition Contract, Final Working Drawings, Evidence of Financing, and execution of a Deed for sale of Block-29-N, Lot 152 in the 16<sup>th</sup> Ward to 29<sup>th</sup> Street Associates, LP is hereby rescinded.

2. Summerset – 9 Mile Run

RESOLUTION NO. 135 (2016)

RESOLVED: That execution of a Certificate of Completion for MRRC Summerset II, L.P for Lots 292, 237, and 238 in Phase 2C, (residential construction, 1646 Shelburne Lane, 1631 and 1635 Biltmore Lane) and return of the Good Faith Deposit are hereby approved.

3. Perry South

RESOLUTION NO. 136 (2016)

RESOLVED: That execution of a Certificate of Completion for Oakglade Realty Capital Partners, LP for Block 46-J, Lot 322 in the 26<sup>th</sup> Ward, (residential/commercial rehabilitation, 2246 Wilson Avenue) and return of the Good Faith Deposit are hereby approved.

4. Perry South

RESOLUTION NO. 137 (2016)

RESOLVED: That the Redevelopment Proposal submitted by Cory and Jennifer Cope for Block 23-B, Lot 174, in the 25<sup>th</sup> Ward (Sideyard-1668 Perrysville Avenue) and execution of a disposition contract by sale to Cory and Jennifer Cope for \$500.00 are hereby approved, and the Executive Director, Acting Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute said disposition contract and related documents to effectuate said sale, and the Secretary or Assistant Secretary is authorized to attest same and affix the seal of the Authority thereto.

5. East Liberty

RESOLUTION NO. 138 (2016)

RESOLVED: That the amendment of Resolution No. 289 (2015) to change the purchase price for acquisition of Block 83-P, L Lot 225 in the 11<sup>th</sup> Ward from the Pittsburgh Parking Authority from "fair market value" to \$1,000,000.00 is hereby approved.

6. Manchester

RESOLUTION NO. 139 (2016)

RESOLVED: That execution of a Certificate of Completion for Renaissance Housing FP 1, LP for Block 22-R, Lots 186B and 186C, in the 21<sup>st</sup> Ward (Sideyard-1106-1108 Bidwell Street) is hereby approved.

7. Lower Lawrenceville

RESOLUTION NO. 140 (2016)

RESOLVED: That consent to the agreement between Lola Partners, LLC and A2 Holdings, LLC for the assignment and conveyance of Lola Partners LLC's right, title, and interest in the properties located in the 6<sup>th</sup> Ward of the City of Pittsburgh and identified as Block 49-N, Lots 3 and 4 in the Contract for Disposition by and between Lola Partners, LLC and the Authority, dated December

17, 2013 is hereby approved, and the Executive Director, Acting Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute a consent to said assignment agreement, and the Secretary or Assistant Secretary is authorized to attest same and affix the seal of the Authority thereto; and it is

RESOLVED FURTHER: That amendment of the Contract for Disposition by Sale of Land for Private Redevelopment by and between Lola Partners LLC and the Authority dated December 17, 2013 is hereby approved, and the Executive Director, Acting Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute an amendment to said Contract for Disposition, and the Secretary or Assistant Secretary is authorized to attest same and affix the seal of the Authority thereto.

8. Central Business District

RESOLUTION NO. 141 (2016)

RESOLVED: That the extension of the exclusive negotiations period with McKnight Realty Partners, LLC or an entity to be formed until May 12, 2016, for the sale of Block 1-D, Lot 183 in the 2<sup>nd</sup> Ward (604 Liberty Avenue) is hereby approved:

HOUSING

1. 2014-2015 Larimer Choice Neighborhoods Cooperation Agreement with the City of Pittsburgh

RESOLUTION NO. 142 (2016)

RESOLVED: That Resolution No. 206 (2015) is hereby amended to increase the amount of the 2014 Capital Bond Funds Cooperation Agreement with the City of Pittsburgh for the Larimer Choice Neighborhood Initiative from \$290,880.00 to \$472,680.00.

RESOLUTION NO. 143 (2016)

RESOLVED: That Resolution No. 205 (2015), which states that the Authority will enter into a 2014-2015 Community Development Block Grant (CDBG) Cooperation Agreement with the City of Pittsburgh for the Larimer Choice Neighborhoods Initiative for the amount of \$181,800.00, is hereby rescinded.

2. Larimer/East Liberty - Choice Neighborhood Homeowner Assistance Program (CNHAP)

RESOLUTION NO. 144 (2016)

RESOLVED: That amendment of the Choice Neighborhood Homeowner Assistance Program Guidelines, originally approved by Resolution No. 41 (2016), to state that “the façade improvements are considered a community improvement” is hereby approved.

ENGINEERING AND CONSTRUCTION

1. Hill District

RESOLUTION NO. 145 (2016)

RESOLVED: That Resolution No. 88 (2016) is hereby amended to increase the amount of the agreement with Plavchak Construction Company, Inc. from \$79,220.00 to an amount not to exceed \$95,420.00.

LEGAL

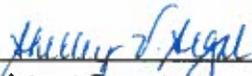
LEGAL

1. Saul Ewing LLP

RESOLUTION NO. 146 (2016)

RESOLVED: That amendment of the Agreement between the Authority and Saul Ewing LLC, dated August 1, 2015, for an increase of \$21,300.00 payable from ARF for a total agreement amount not to exceed \$60,000.00, for legal services relating to general and specific labor and employment matters is hereby approved, and the Executive Director, Acting Executive Director or Director of Finance, on behalf of the Authority, is hereby authorized to execute an amendment to said agreement, and the Secretary or Assistant Secretary is authorized to attest same and affix the seal of the Authority thereto.

There being no further actions to come before the Members, the Meeting was adjourned.

  
\_\_\_\_\_  
Assistant Secretary