

SPECIAL BOARD MEETING
NOVEMBER 22, 2013

URBAN REDEVELOPMENT AUTHORITY
OF PITTSBURGH

AGENDA "A"

1. Gardens at Market Square Tax Increment Financing
 - a. Authorization to execute all financing documents required in connection with the Gardens at Market Square Tax Increment Financing note issuance.

Director's Report

On June 13, 2012, the Board took action to adopt the Gardens at Market Square Tax Increment Financing (TIF) Plan and Cooperation Agreement authorization for this project. Since that time, the Authority has been working with TriState Capital Bank and the developer on the structure of an issuance of obligations by the Authority as either TIF bonds or TIF notes (TIF Notes) for the purpose of providing funds to carry out redevelopment efforts within the TIF District.

Authorization is sought at this time to allow the Authority to execute the issuance documents associated with the TIF Notes, including but not limited to execution of the Indenture, the Note Purchase Agreement, the Minimum Payment Agreement and the Funding Agreement, and the execution and delivery of such other instruments and documents as shall be necessary to carry out the TIF Plan in accordance with the Act and required in connection with the issuance of the TIF Notes.

Project details:

The Gardens at Market Square (Project) will be located at 218 – 240 Forbes Avenue. The 18-story development will include 120,000 square feet of office space, 23,000 square feet of retail space, and a 176-room Hilton Garden Inn limited-service hotel. A 330 space public parking garage will be constructed in order to meet the current demand of business owners and residents. The project will encompass what is currently seven separate parcels, owned by the URA. The entire development, including infrastructure improvement, is estimated to cost \$100,000,000.

Loan Amount: \$8,636,370

Uses:

Parking Garage	\$5,744,485
Fourth & Forbes PSI	\$1,613,977
Wood Street PSI	\$250,000
Forbes Avenue Improvements	\$500,000
A portion of TIF Fees	\$116,651
Capitalized Interest	\$411,257

Term: 18.5 years

Interest Rate: 8.0%

Repayment: Pledged tax revenues equal to 65% of the incremental real estate taxes attributable to the Project payable to the City of Pittsburgh, School District of Pittsburgh and County of Allegheny and 65% of the parking taxes payable to the City of Pittsburgh with respect to the Project to service the Note(s).

Collateral: First priority security interest in the URA's rights under its various TIF-related documents, including, but not limited to the Title-Insured Minimum Payment Agreement signed by Millcraft Investments and its related affiliates, Trust Indenture and Funding Agreement.

Developer Principal:

Lucas Piatt
Millcraft Investments, Inc. & Affiliates
Chief Operating Officer
95 West Beau Street, Suite 600
Washington, PA 15301

TIF Lender:

David J. Rudolph
TriState Capital Bank
Senior Vice President
One Oxford Centre
301 Grant Street, 27th Floor
Pittsburgh, PA 15219