

Development Activities Meeting Report (Version: 12/20/2019)

This report created by the Neighborhood Planner and included with staff reports to City Boards and/or Commissions.

Logistics	Stakeholders
Project Name/Address: Lower Hill G1 + G4	Groups Represented (e.g., specific organizations, residents, employees, etc. where this is evident): Hill CDC, applicant team, elected officials, significant number of stakeholders and residents from Hill District, Downtown, other adjacent areas, others by Facebook Live.
Parcel Number(s): 2-C-401	
ZDR Application Number: DCP-ZDR-2021-00265	
Meeting Location: Virtual (Zoom)	
Date: 3/15/2021	
Meeting Start Time: 6:10 p.m. (Applicant start 7:00 p.m.)	Approx. Number of Attendees: ~200
Applicant: Team including Bomani Howze and Chris Buccini (BPG, developer), Dr. Kimberly C. Ellis (cultural legacy historical consultant), Amachie Ackah (Clay Cove, investor), Lisa Dugan (UpStudio, (landscape architect), Howard Graves (Graves Design Group, architect), Vaki Mawema (Gensler, architect)	
Boards and/or Commissions Request(s): FLDP approval from the Planning Commission	

How did the meeting inform the community about the development project?

Ex: Community engagement to-date, location and history of the site, demolition needs, building footprint and overall square footage, uses and activities (particularly on the ground floor), transportation needs and parking proposed, building materials, design, and other aesthetic elements of the project, community uses, amenities and programs.

Please note: Prior to the applicant presenting, the RCO gave a significant presentation which is summarized in the Other Notes section near the end of this report. The RCO said the presentation will be posted online later in the week. The summary defines many of the acronyms that are used in the Q&A notes below (e.g., CCIP, PLDP, etc.).

Initial speaker, Bomani Howze, introduced himself, that he is born and raised in the neighborhood, committed life to giving others pathways out of poverty, believes in the project. Introduces the development team and their goal of good stewardship of the neighborhood. Multiple members of the team are from or based in the Hill District. Dr. Kimberly Ellis then presented the history of the neighborhood, that African Americans were the original residents of the Hill before immigrants came there. Presented that Hill District residents protested after the arena was built because very little of what was promised was provided. Noted that August Wilson wrote this history into multiple plays. Howard Graves oriented attendees to the Lower Hill, how it has been disconnected from the rest of the Hill District, and how the new project proposes to reconnect it through new open space and returning some of the historic streets. Presented renderings of what the open space will look like and briefly how it will be used. Bomani then presented the Community Impact and Development Catalyst elements of the project including that 60% of the tax revenues from the site will go to the Hill District, goal for 45% MWBE participation, and how they are currently doing against these goals. Vaki Mawema then presented their 20-Minute Equity-Driven Neighborhood Strategy, what this means. Planning approach is to reestablish Wylie Ave as the open space and pedestrian centerpiece of the area, connector from Middle Hill through site to Cap Park and Downtown. Commercial activity focused on Logan Street and Centre Ave. Bowmani then presented the Conceptual Masterplan for the Wylie Ave open space. Dr. Ellis presented her work incorporating

African-American elements on the Cap Park including specific Hill District historic figures and the creation of a fictional Hill District girl who experiences the park as part of the public art. The team showed some of the activities they see happening in the Wylie Ave open space including a rendering that shows the grand lawn with the FNB tower and views of Downtown. Renderings show view from Crawford Ave looking to Downtown, aerial image looking down Wylie Ave to illustrate how they are restitching the community. Peter Stubb then presents the site plan showing G4 and G1 areas together, area for kiosks, other uses. Lisa Dugan presented the landscape proposals with intermediate terraces that overcome topography, consistent with Pittsburgh City Steps character. Central set of steps connects Logan Street to Washington Place. Renderings show seating areas around the FNB tower. Described the goal of having a unified experience for everyone as part of their accessibility work. Additional renderings show the building, noted that it's a 26-story tower with office and retail, seeking LEED Silver certification, that open space is handling stormwater. Noted that the building is transparent at the base, so people will be able to see into the activities of the building. Building design is a series of glass frames that connects to the skyline. Louvered façade for ventilation. Amachie Ackah presents their interest in investing in this site, his history as a third generation Pennsylvanian, desire to be part of the Hill District, invest throughout the Hill District. Noted that the developer is ready to sign a term sheet that has been presented to the DRP. Chris Buccini presented that BPG is proud to assemble the team, take on this project, mend broken connections. Then opened it up for questions.

Input and Responses

Questions and Comments from Attendees	Responses from Applicants
The following questions were from attendees to the RCO before the applicant presented.	
Are we voting tonight as part of the Development Review Panel (DRP)? If the community supports the project, do they have to wait until the DRP makes a determination?	RCO: No, this is out of order with the DRP process, so we won't be voting tonight. We will continue to work with the applicant through the DRP process.
How will the Planning Commission use the comments tonight?	RCO: They will have to thoroughly review all the comments as they make their determination.
If the Planning Commission feels that this DAM is sufficient, will they overrule the DRP process?	RCO: We are still going through the DRP process with the applicant. There are many additional steps in the process in addition to the Planning Commission. An additional response from the RCO via the Zoom chat notes that other steps include board votes by the Sports and Exhibition Authority and the Urban Redevelopment Authority.
What is the reason the development team isn't following the DRP? Any compelling reason that they are not following this process?	RCO: The development team told Hill CDC that their timeline requires them to have the meeting tonight and they need this meeting to happen. This is based on the timeline they've set for themselves and the project.
How are they going to satisfy the RCO that they are truly following the Hill District Plan for integration of residents into this project and not a bunch of outsiders?	RCO: That's the question at hand. We're utilizing the law to hold the meeting and they are utilizing the law to hold the meeting to meet their timeline. The Hill CDC has them going through the DRP to ensure alignment. They are proceeding none-the-less, but we hope they will follow the DRP process. They will have a public hearing at the Planning Commission. Our hope is that we can figure out a way to get this project in alignment before it gets to Planning Commission.
Will the developer be given another meeting to present? I don't think 20 minutes is enough time for them to adequately present.	RCO: That's what we usually give developers, but we will be generous on timing. Additionally, they will have to come to another community meeting once they get to that stage in the DRP process.

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The following questions were from attendees to the applicant during and after their presentation.	
What is the rent/lease price for space in the Block G1 tower?	The asking rent will be in the upper \$30 per square foot.
How many local resident businesses will have space in the Block G1 and G4 development?	Hard to say right now, trying to create rents at different scales. Pandemic has hit African-American community very hard. G1 is largely an office tower, some ground floor retail space. This tower and FNB's commitment to being here in spite of pandemic gives BPG an anchor tenant to kick off the project, first phase of the LERTA will be going into the neighborhood. Block E we're building an emergency response center and Catapult incubator space. Also spending \$6-7 million on the open space as per agreement they will be donating to a not-for-profit who will be managing it including many different kiosks. Going to have permanent, temporary, and seasonal spaces in addition to retail in the buildings. \$26 million of LERTA will come from revenues of the building and go back into the Middle and Upper Hill, that's the key thing about this building, G1. The term sheet for the project identifies \$36 million investment in the community, goes to grants to businesses in the Greater Hill District.
What types of businesses will occupy this building?	FNB is the initial tenant, 160,000 sf of the building. First floor will have small retail shops. In the early stages of the design.
Presentation said you were planning to break ground in June, did I misunderstand that? In order to do that, you would have to be at 90% of the design of the building. Where are you currently?	Goal would be to start construction this summer, correct. We're probably at 40-50% but moving very rapidly. Have window of opportunity for FNB to move into the building from 6-7 leases throughout the country that cannot be extended. Puts the project in jeopardy. To be clear, we have one tenant right now, FNB, which is half the space of the building. Also unusual to have an investor and lender, and way to monetize the LERTA in a way that gets the funds to the Hill District on day one instead of waiting years.
How is this building going to benefit all Hill District residents in terms of parking and employment?	For employment, we are giving ourselves very aggressive MWBE goals on the construction of the project, first phase is over 1,000 construction jobs. Already awarded 41% of contracts to MWBE firms. Partnership signed the CCIP agreement which will also put them in a position to hire people from the community. The total project is mixed use with office tower, parking garage, entertainment venue creates more jobs. PJ Dick on the project has had recent success at hitting similar MWBE targets.
Heard opportunity and possibility, every time commitment was used there was no definition of what that was. No mention of the name Penguins, noted the revenue they have brought in even during the pandemic. Any numbers the community has asked were percentages not total dollars. Makes sense for why the project hasn't passed the DRP. What is the commitment to completing the DRP, providing numbers and figures?	That's the reason we wrote a line-by-line summary term sheet to explicitly spell out the dollar values so there is transparency. Will post the term sheet so you can see all the specifics you are requesting. Only so much we can cover in 20 minutes.

Questions and Comments from Attendees	Responses from Applicants
<p>Is it possible to deliver the term sheet for Block G1 and G4 separately? Block E is not going through Planning Commission right now. Can you disaggregate this so we can see what's going through now.</p>	<p>Yes, we will separate them. Internally, we look at them as one since we're doing them all together.</p> <p>RCO: We received the term sheet on Friday, so haven't been able to review it yet.</p>
<p>Most of the presentation has been about design, but most of the issues raised by the Hill CDC are about impacts to the community. Please cover these, the census tract change, impacts to the community due to opportunity zone change.</p>	<p>Believe opportunity zone investments are a great catalyst for community development, looking to do more of these investments in the Hill District. At least 10 years of capital is committed to the community, not flipping buildings. The investor is an impact investor, takes long-term partnerships to transform neighborhoods. Looking forward to having this partnership with the Hill District over more than the next decade. The more projects they do, the longer their partnership. Please send us any questions you have about opportunity zone investments.</p> <p>The opportunity zone investment program has existed for two years, and BPG did one of the first ones for a sports center that has created a lot of jobs for the community and also provided children place to be part of / engage. Would love to give a tour of that investment to people from the Hill District. Never could have happened without opportunity zone law.</p>
<p>Who are Clay Cove's investors?</p>	<p>Many long-term investors in company, but opportunity zone investors are interested investment for a purpose, and specifically this community. Want to be part of righting the wrongs and investing in the cause. Can't give specific names due to FCC laws, but these are people who are aligned with you and your hopes.</p>
<p>What MBE firms are you looking to work with in terms of construction?</p> <p>We want to redevelop people, not just the buildings, want to be part of the initiative if possible.</p> <p>We are doing this work already.</p>	<p>Have a longer presentation to provide on this, but briefly, we have the largest MBE database in the city. Have contracted with eHoldings to make sure we have an intake process so that you can fill out basic information, then we do assessment for your company to understand what you need, send you to partners.</p> <p>Want to make sure we are making connections to the pipeline starting with Pittsburgh Public Schools to get into the trades, business administration, finance, engineering.</p> <p>We'll make those connections to make sure we have full access to that kind of participation.</p>
<p>Is the project under an agreement that requires union contractors or will non-union contractors be able to participate?</p>	<p>Working on this issue for years, union contracts can often mean others don't get to participate. Met with unions to make sure that those in the unions have ascending tract to build a union business. Also want to look at non-union businesses that can't afford capital investments to become a union business, how can we support them and allow them to participate. Want to create packages of primes and smaller MBE firms. Some will be union and some will not. This was meeting with top union leadership. Want to hit CCIP numbers for MWBE goals both union and non-union.</p>
<p>Design looks like another downtown building (multiple comments).</p>	<p>No time provided to respond.</p>

Questions and Comments from Attendees	Responses from Applicants
<p>Your words are great, very emotional but that has no place in business decision, this is about putting pen to paper and making a contract. What are you willing to do to establish a contract to create long-term (not two-year) benefits to the community – real dollars that will change lives, improve communities. Black people have been lied to for centuries. What will you put into a contract that can be backed by a court of law.</p>	<p>Built a firm based on strategy, not emotion. What you're saying is music to my ears, need to be thoughtful, strategic, investors. We have a 12-year commitment, have signed the CCIP, we believe in long-term commitment and partnerships. Did this before opportunity zones. Very proud to bring investments to this area. You're right that African-Americans have been on the wrong end of investment, this is why I went to business school. Need to have investment firms that are looking to have impacts in our communities. We are 100% minority owned firm, 90% minority employees. Invested 10s of millions of dollars, want to do so here. I'm here as a partner, if you want to build a partnership, that's why I'm here, for true impact investments. We wanted this meeting so we could talk to you. Need to communicate with you directly. Want to break bread with you.</p> <p>The Hill CDC has created something unique with the CCIP, and its brilliant. Never seen more ambitious community reinvestment criteria. Drew us to this project. Excites us to be part of something so transformational.</p>
<p>BPG and Clay Cove are only two of the investors in the project, curious that we haven't heard from Penguins and FNB.</p>	<p>No time provided to respond.</p>
<p>Commercial space beyond kiosks is essential.</p>	<p>No time provided to respond.</p>
<p>Give Hill CDC great credit for the work they've done. Just don't want to see what happened in East Liberty happen on the Hill. However, wanted to say that in January, there was a RFQ for professional services from the development group. Worked hard to respond to that request and it seems that there isn't a true intent to engage other professionals, civil engineers like my firm? Just hearing construction. There are professional people beyond this small enclave that has already been selected.</p>	<p>We've seen your work, we'll have some conversations about it. We want to be holding more detailed conversation with the community about phased opportunities, open call for professional services to be welcomed to the site. Want to engage you, not lip service. Close to moving to the next phase, you'll be hearing from me. Provided email to attendees.</p>
<p>Good to see all of the Hill District firms working on the project. Is the signed CCIP going to be submitted to the Planning Commission as part of the approval? If not, and you are asking us to have faith and we as a community have no way to enforce you doing what you said you were going to do. As past Planning Commissioner and Zoning Board of Adjustment member, I know it must be attached. That's the important aspect. When you are doing housing, getting various tax funds, and you offer affordable housing and a percentage of that, there is always an end date on the affordability after which they become market rate. This is long-range</p>	<p>Members of our partnership signed the CCIP which is binding to all of us as developers of the site. Will take years to build it all out. There is a separate residential development firm doing the housing. We also signed a term sheet for Block E. Submitted a term sheet for Block G1 and G4. Would like to sign once we know the community is on board with that. Can't speak to the housing, but do know there is affordability as part of that.</p> <p>Duly noted about attaching the CCIP to the submission for Planning Commission.</p> <p>RCO: Hill CDC sued to get the CCIP and LERTA because the Penguins had refused to attach the CCIP to the Planning Commission approval. "Commercially reasonable efforts" is what applies to this project, standard of the CCIP agreement. Penguins have already used this</p>

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<p>gentrification of the community. Make sure it's forever otherwise it doesn't really support our community, it's a temporary benefit.</p>	<p>standard to get out of term sheet signed with the URA due to COVID and not meeting their original timeline.</p>
<p>If you want buy-in from all the Hill District partners, why are you going to Planning Commission before you do? There's a history here of too many broken promises. What's the status of the previous undelivered commitments?</p>	<p>Have been working on this project for two years. We reimagined the master plan, met Bomani. Typically come into projects that have been stalled like this one, break them up into smaller pieces and attack them one-by-one. Our strategy is to build the office, use that demand for parking to make the garage work, which has Live Nation venue and public safety uses among others. Have agreement with Live Nation. Have been working with FNB for over a year on this tower. COVID ground things to a halt, changed so many things. It was after FNB was able to trade a company and get their board of directors comfortable that they could commit, but needed to have it built by a certain date to be able to do it. Don't know of another company that would make such a massive investment in their hometown, this is happening because of the care of the company for their community. The larger the tower/project, the larger the LERTA for the community. They came back to us in December/January, and we are now sprinting to get this done by their deadline. Interest rates are also going up daily and risk killing the project. That's why we're here and trying to get to Planning Commission in April.</p>
<p>Can the developers tell/show us an urban neighborhood where they did a project like this before and explain how it benefited the community?</p>	<p>Chris: Wilmington, Delaware is a place where we have continued to make investments over many years. Have worked with mayor, President Biden, senators, everyone there. We're very proud of the schools, affordable housing, market rate housing, largest grocery store in a food desert, live music venue that provides free music education for children, same for sports. City of Wilmington has been a learning ground for us, created 900 jobs for people there. Can connect you to lots of people who will say that we've always done what we've said we will do.</p> <p>Bomani: I went there, took my own tour. Main drag reminded me of Centre Ave, wanted grocery store forever, theater, black businesses destroyed by redlining, needed investors to come in and rebuild it. Should go and take a trip to find out how they did it, what failed.</p> <p>Dr. Ellis: I visited on my own, and was also struck by the similarity between the downtown and the Hill District. The distrust is earned, we all know this history, but the only reason I signed on is because the promises were made and they were clear about meeting and exceeding the CCIP and the signed documents. What's not discussed is the past promises, they didn't start out on the right foot. The real commitment is in the term sheet that was presented to the DRP. The low DRP score was due to the timing, people felt disrespected.</p> <p>RCO: The applicant presented what they wanted tonight and could have presented the term sheet if they wanted instead of the open space. The term sheet was presented to the DRP and it was still given a low score. Seems to be an issue of putting investments under overarching</p>

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	<p>categories instead of specific items of the CCIP which made it unclear how it aligns to the specific items of the CCIP.</p> <p>Chris: I'm trying my best to listen. I appreciate all this feedback we're hearing. Didn't focus on the term sheet tonight because we thought it was important to review what we went over today. Disappointed that the term sheet still falls short because it includes a huge investment relative to the size of the project and what we can do. We'll figure out a way to make it public. Starts with the 50% share of the LERTA going into the community. Tower makes the parking garage work, that will provide parking revenue to the Greater Hill Stabilization Fund. FNB is committed to the Hill, the Hill District couldn't have a better corporate neighbor both because they are local and committed to Pittsburgh, but also they are a bank and can do more to invest and they want to do it in this community. They're already participating in the Centre Ave YMCA project. Ownership group is already contributing \$400,000 for small grants to the community for projects like Big Tom's Barber Shop to bridge the final funding gap. Very proud of the MWBE inclusion, trying to figure out how to get people working this summer, very proud of initial \$5 million in contract to people from the community, MBE and WBE. There are seven focus points in the term sheet. Big investment in the open space, very happy to have Dr. Ellis involved because she always pushes us to do more. Also appreciate that leadership of Hill CDC is pushing too. Thanked all of those who have been involved in the project from the development team, URA, City departments, community, advisory groups, etc.</p>
<p>Seems disingenuous. You're trying hard to connect with us, but you're not responding to the questions we are asking. I don't need to hear your backgrounds, need tangible things from the contract that we can count on. Circumventing the process is insulting.</p>	<p>No response, potentially due to late hour (9 p.m.).</p>
<p>The presentation doesn't address people. Existing commitments are not being addressed/met. No effort to bring people back to the neighborhood, Pittsburgh Public Schools wants to close the Miller School. We need a study, don't have basic stores. Need a timeline that's attached to the term sheet, and all of it needs to be attached to what's presented to the URA board to avoid more unfulfilled commitments. For example, Block B went before the URA before, it's now paused, what happened to those commitments? Nothing you've shown incentivizes people to cross Crawford Street back into the Hill. The opportunity zone is going to affect the AMI. No data from Wilmington to look at for this. If AMI rises, residents won't qualify for help.</p>	<p>No response, potentially due to late hour (9 p.m.).</p>

Questions and Comments from Attendees	Responses from Applicants
<p>Would love to hear someone say that what the community is saying is doable, that the terms would be made public, and will be attached as a legal document so it can be used as a legal document. Want to see a milestone calendar made public so community can hold you accountable. Community is ready for development, but this is only a fraction of what the community is due. Want to hear from the Pens and First National, who have made initial promises that have not been met.</p>	<p>No response, potentially due to late hour (9 p.m.).</p>

Other Notes

RCO walked the attendees through the RCO legislation, their requirements, the Development Review Panel (DRP) process, and that the project has not made it through yet, but that they are required to have the DAM. They followed this with a presentation describing the urban renewal efforts that destroyed the Lower Hill District area as part of the larger US effort to spur redevelopment and create jobs for WWII veterans at the expense of existing communities, most of which were African-American. The loss of buildings was detailed and that most of the investments that were to replace them were not delivered. The history of the current Lower Hill District Preliminary Land Development Plan (PLDP) was also presented by the RCO along with the Community Benefits Agreements (i.e., Community Collaboration and Implementation Plan or CCIP) previously agreed to and relevant litigation. They also discussed the take down of additional sites and importance of this approval. Key themes were presented which highlighted issues the RCO has with how the project is being pursued and what they see as necessary to overcome. Property ownership by the SEA and URA was covered as was the membership on the CCIP Executive Management Committee. The RCO then walked through all of the investments that have been proposed by the Penguins and their current status. In April 2020, Block G1 received failing scores through the DRP against both the Greater Hill District Master Plan and CCIP. March 2021 DRP scores for both plans are lower than they were before because they have been rushed. During the most recent DRP review of the project, the community was made aware that the Penguins had sought to change census tracts in the project area to include the Lower Hill in the Crawford-Roberts census tract instead of the Central Business District census tract. The RCO presented the census tract change request and potential issues. The RCO then presented the history of public funds for recent projects in the Hill District and that Lower Hill projects have been awarded significant public funds through multiple opportunities and often more than other projects in the neighborhood. The presentation ended with the RCO speaking to what the attendees were about to hear from the applicants and how they believe the presentation should be critically examined by attendees. Following the applicant Q&A the RCO described next steps: Planning Commission briefing and hearing, approvals from URA and SEA to transfer ownership of land. Hill CDC will be reviewing the term sheet just received and reporting on that to the community.

Planner completing report: Derek Dauphin