

Bill No. 1233-03

No. 34-03-RE

A RESOLUTION

Resolution of the Council of the County of Allegheny authorizing, adopting and authorizing participation in a Tax Increment Financing Plan presented by the Urban Redevelopment Authority of Pittsburgh, and Authorizing Related Agreements

Whereas, Pennsylvania's Tax Increment Financing Act, 53 P.S. § 6930 *et seq.* (the "**Act**"), provides local taxing bodies the legal authority to cooperate in providing financing for development of blighted areas within their respective jurisdictions in order to increase the tax base and improve the general economy; and

Whereas, under the Act, the Urban Redevelopment Authority of Pittsburgh (the "**Authority**") is legally empowered to prepare a Tax Increment Financing ("**TIF**") proposal to provide financing for the elimination and prevention of the development or spread of blight within specified tax increment districts located in the City of Pittsburgh (the "**City**"); and

Whereas, the County of Allegheny (the "**County**") by Resolution No. 21-03-RE , Bill No 1108-03 has adopted, and the City and the School District of Pittsburgh (the "**School District**") have each adopted resolutions endorsing the concept of, and agreeing to participate in, a TIF plan for financing a portion of the costs of constructing certain public infrastructure improvements and a parking garage expected to contain approximately 1,500 parking spaces in connection with a mixed use development (the "**TIF Project**") to be located in a portion of the Baum Boulevard/Centre Avenue Redevelopment Area called the Baum/Millvale TIF District (the "**TIF District**"), requesting the Authority to prepare a detailed TIF Proposal and designating the County's representative to work with the Authority, the County, the City and the School District toward development and implementation of a TIF plan with respect to the TIF District; and

Whereas, the Authority, working with the designated representatives of the City, the County and the School District, has adopted and recommended a Tax Increment Financing Plan (the "**Project Plan**") in accordance with the requirements of the Act, which Project Plan, as prepared by the Authority, provides for the financing of a portion of the costs of constructing certain public infrastructure improvements and a parking garage expected to contain approximately 1,500 parking spaces in connection with a mixed use development to be located in a portion the TIF District;

Whereas, the Act provides for the cooperation of the local taxing bodies in the financing of projects within the TIF districts and for the issuance of debt to pay for certain of the costs of implementing such plans; and

Whereas, the County is expected to benefit from the use of tax increments to pay certain project costs within the TIF District by stimulation of private investment, increases in property values, creation of employment opportunities and improvement of surrounding properties.

The Council of the County of Allegheny hereby resolves as follows:

Section 1. The Project Plan prepared by the Urban Redevelopment Authority of Pittsburgh and attached hereto as Exhibit A and incorporated herein providing for financing a portion of the costs of the TIF Project within the TIF District is hereby adopted substantially in such form, and the County, in accordance with the Act, hereby agrees to participate in whole in the TIF District to the extent and as provided for in the Project Plan.

Section 2. The tax revenues due or owing to, or received by the County from the TIF District to the extent described in the Project Plan are hereby pledged, and a security interest therein is hereby granted, to secure the repayment of any debt incurred by the Authority for the purpose of financing the TIF Project.

Section 3. The Chief Clerk or the County Manager is directed to deliver a copy of this resolution to the Mayor of the City of Pittsburgh, as provided in the Act.

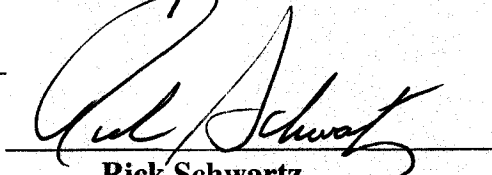
Section 4. The appropriate public officials of the County are hereby directed to take such additional actions in cooperation with the Authority, the City, and the School District in furtherance of the implementation of the Project Plan, including the execution and delivery of a Cooperation Agreement by and among the Authority, the County, the City and the School District, subject to the County Manager and Solicitor approving the form and content of the TIF Cooperation Agreement and Project Plan.

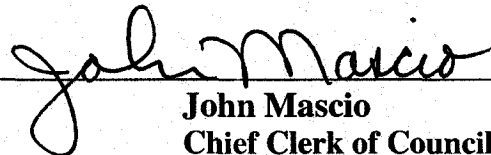
SECTION 5 *If any provision of this Resolution shall be determined to be unlawful, invalid, void or unenforceable, then that provision shall be considered severable from the remaining provisions of this Resolution which shall be in full force and effect.*

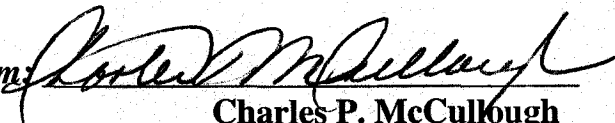
SECTION 6 *Any Resolution or Ordinance or part thereof conflicting with the provisions of this Resolution is hereby repealed so far as the same affects this Resolution.*

Enacted in Council, this 8th day of July, 2003

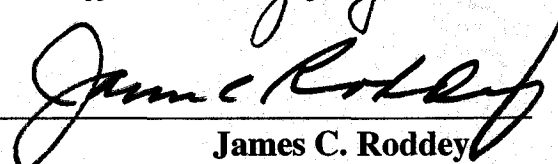
Council Agenda No. 1233-03



Rick Schwartz
President Council

Attest: 
John Mascio
Chief Clerk of Council

Approved as to form: 
Charles P. McCullough
County Solicitor

Chief Executive Office July 15, 2003

Approved: 
James C. Roddey
Chief Executive

Attest: 
Victoria Spence
Executive's Secretary

MEMORANDUM
OFFICE OF THE COUNTY MANAGER

TO: John Mascio
Chief Clerk

FROM: Robert B. Webb *RBW*
County Manager

DATE: June 26, 2003

RE: Requesting County Council Approval

Attached is a Resolution of the Council of the County of Allegheny authorizing, adopting and authorizing participation in a Tax Increment Financing Plan presented by the Urban Redevelopment Authority of Pittsburgh, and Authorizing Related Agreements. This request is submitted by the Department of Economic Development.

Please put on the next agenda for County Council approval.

Thank you.

Luna Square at Baum Blvd. and Woodworth Street, Bloomfield

- Kratsa Properties
- \$115 million mixed use development including parking garage, retail, office, residential condominiums and loft units, two hotels, theatre, and restaurant
- County participation rate of 60%
- Total increment - \$2,410,386; County increment - \$384,384 (60% = 230,630)
- Estimated Bond Issue - \$ 15.6 million to fund parking garage, utilities, and infrastructure
- Available for debt service - \$2,040,860

Attachment "A"

Baum-Millvale TIF District
Tax Increment Financing Plan

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

BAUM - MILLVALE TIF DISTRICT

TAX INCREMENT FINANCING PLAN

Outline

1. **TIF District (see attached map).**
2. **Existing Uses**
 - Vacant businesses
3. **Proposed Improvements at Luna Square.**
 - \$115,000 million mixed use development (see attached masterplan).
Development will include approximately 148,000 sf of office space, 58,000 sf of retail, 2 hotels with 236 rooms, 70 residential units and a 6 screen movie theatre. The development will require the construction of a parking garages containing a total 1,500 spaces.
4. **Proposed Improvements to be financed with TIF proceeds.**
 - a. Parking Garage
 - b. Public Utilities
 - c. Public infrastructure
5. **Estimated Construction Cost of Proposed Improvement**

	<u>Total</u>
a. Parking Garage	-
b. Retail	\$21,537,750
c. Office	\$6,413,550
d. Residential	\$15,503,775
e. Hotel	\$15,610,800
f. Theater	\$13,774,815
g. Restaurant	\$2,716,951
	<u>\$1,145,300</u>
	\$76,702,941
6. **a. Current Fair Market Value of taxable real property in Baum-Millvale TIF district** - \$1,456,200
b. Projected Fair Market Value Following Improvements in the Baum - Millvale TIF District - \$83,414,228
7. **Estimated total real estate tax revenue after completion of the mixed use development**

City	-	\$900,874
County	-	\$391,213
School District	-	<u>\$1,161,126</u>
		\$2,453,213

8. Proposed Term of TIF District 20 years

9. Proposed Distribution of Tax Increment

a. **Real Estate Taxes:** 60% of the increment from selected parcels (see below) is pledged to repay TIF Notes/Bonds.

b. **Parking Taxes from Garage:** 60% pledged to repay TIF Notes/Bonds

10. Estimated Real Estate Tax Increment pledged for construction Notes/Bonds.

a. Estimated total real estate tax revenue:

City	\$900,874
County	\$391,213
School District	<u>\$1,161,126</u>
	\$2,453,213

b. **Estimated real estate tax increment pledged**

Total tax revenue	\$2,453,213
Minus tax base	<u>\$42,827</u>
Tax Increment	<u>\$2,410,386</u>
Minus 40% of increment	<u>\$964,154</u>
Tax Increment to be pledged	\$1,446,232

11. Estimated Parking Tax Increment pledged for Notes/Bonds based on current millage.

Projected Parking Taxes	\$991,050
Less Base	<u>\$0</u>
Increment	\$991,050
Minus 40% of increment	<u>\$396,420</u>
Tax Increment to be pledged	\$594,630

12. Estimated real estate taxes generated from total project based on current millage.

	<u>Current</u>	<u>Increment</u>
City	\$15,727	\$885,147
County	\$6,830	\$384,384
School District	<u>\$20,270</u>	<u>\$1,140,855</u>
TOTAL	<u>\$42,827</u>	\$2,410,386

	<u>Increment To TIF Debt</u>	<u>Increment To Taxing Body</u>	<u>Total</u>
City	\$ 531,088	\$354,059	\$885,147
County	\$ 230,630	\$153,754	\$384,384
School District	<u>\$ 684,513</u>	<u>\$456,342</u>	<u>\$1,140,855</u>
TOTAL	\$1,446,232	\$964,154	\$2,410,386

13 Other Benefits

- a. Approximately 845 jobs brought to neighborhood
- b. Increases the value of abandoned properties.
- c. Approximately \$3.4 million in new real estate and parking taxes created.

14 Estimated Note/Bond Amounts	-	\$16.7 million
15 Estimated Funds Available for Project	-	\$13.3 million
16 Estimated Taxable Interest Rate	-	7.1%
17 Estimated TIF District Creation Date		July 29, 2003
18 Estimated Note/Bond Issue Date		November, 2003
19 Revenue for Note/Bond Payment		
a. 60% of Real Estate Tax Increment from pledged parcels -		\$1,446,231
b. 60% of parking tax increment -		<u>\$594,629</u>
TOTAL		\$2,040,860

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

BAUM MILLVALE TAX INCREMENT FINANCING PLAN

May 2003

I. INTRODUCTION

A. Background on Kratsa Properties Luna Square proposal

The location of the proposed Luna Square development is within the Baum Boulevard / Centre Avenue corridor, so named because of the parallel roadways that stretch from Craig Street in Oakland eastward to the Penn Circle in East Liberty. This corridor has seen rapid growth during the past several years and the Luna Square development will both continue this growth and benefit from past growth.

Kratsa Properties, or an entity to be formed (the "Developer"), is planning a \$115 million mixed use development called Luna Square on an underutilized site along the PAT Busway in Bloomfield. When completed Luna Square is expected to involve a total of six buildings that will include approximately: 58,000 sf of retail, 8,800 sf of restaurant, 148,000 sf of office, 236 hotel rooms, 50 condominium apartments, 20 loft apartments, a six-screen cinema and a parking garage with 1,500 spaces. These development numbers may change depending upon market conditions and other factors.

The Luna Square development brings significant benefits to the City and the neighborhoods of Bloomfield, Shadyside and Oakland in the way of jobs, taxes and services as detailed in this Plan. Unfortunately, the topography of the site is such that as it exists, there is a scarcity of developable land. In order for the development to be built over an existing valley, a parking garage "platform", or area to build on, will bridge over the valley to connect the Baum Boulevard elevation to Cypress Street.

Therefore, the necessary first activity in the Luna Square development will be the construction of a 1500 space parking garage platform (the "Parking Garage"), which will provide a number of benefits. The first benefit is the that the platform will provide for the Luna Square development and all of the tax revenues, jobs, etc., that will come from that development. Additionally, the garage will provide an estimated 600 parking spaces for public use (the "Public Spaces"); these public parking spaces will support other development occurring in the Baum Centre corridor. Building the larger parking garage will enable the

City to benefit from not only the economic impacts of the Luna Square development, but also use this development to support the further development of the corridor.

To insure that at least 600 spaces will be made available to the public, the Developer will be obligated to convey the Public Spaces to the Pittsburgh Economic and Industrial Development Corporation (PEIDC) upon completion of the garage. The URA will apply TIF proceeds of approximately \$11.1 million to the cost of the spaces through the PEIDC. The Public Spaces will remain taxable, will be available to the public and will support other developments in the corridor.

B. Baum / Millvale Tax Increment Financing Project

Upon designation of the Baum / Millvale Tax Increment Financing (TIF) district encompassing portions of the Baum Boulevard / Centre Avenue Redevelopment Area (see enclosed map on page 15), the URA will issued taxable Bond(s)/Note(s) generating proceeds totaling approximately \$16.7 million of which approximately \$13.3 million will be available for direct Project costs. These net proceeds will be divided, generally, between the construction of the parking garage and public infrastructure improvements.

The Bonds/Notes will be repaid by 60% of the real estate tax increments realized by the School District of Pittsburgh, the City of Pittsburgh and Allegheny County and by 60% of the parking tax increment realized by the City of Pittsburgh. As described above, the mixed use project will include two hotels totaling 236 rooms, 58,000 square feet of retail, 148,000 square feet of office, 20 loft apartments and 50 townhouse condominiums, a 6 screen movie theatre and a 8,800 square feet restaurant.

C. Baum Boulevard / Centre Avenue Redevelopment Area

The proposed Luna Square development is located in the Baum Boulevard / Centre Avenue Redevelopment Area (map on page 15). The Baum Boulevard / Centre Avenue Redevelopment Area was certified as blighted in January of 2003 as a result of findings in the Baum Boulevard / Centre Avenue Study Area Basic Conditions Report dated December 2002.

II. PROPOSED IMPROVEMENTS FINANCED WITH TIF PROCEEDS

The proceeds of the taxable Bond(s)/Note(s) are expected to be approximately \$16.7 million. After paying costs of issuance and setting aside required reserves (including for capitalized interest during construction), approximately \$13.3 million will be available for direct project costs. Of that amount, approximately \$11.1 million will be used to finance a portion of the costs of developing the Parking Garage, which development cost includes construction costs, site development costs and other soft costs. This \$11.1 million is the estimated cost of developing the Public Spaces that would be leased/purchased by the PEIDC. Total development costs of the Parking Garage will be approximately \$27.75 million. The balance of the development costs for the Parking Garage will be covered by the Developer. The balance of the net TIF proceeds will be used to pay for approximately \$2.2 million in public infrastructure costs. The public infrastructure costs include:

A.	Public access road & sidewalks	\$672,000
B.	Street lighting	\$312,500
C.	Landscaping	\$269,600
D.	Main sanitary trunk	\$244,000
E.	Water line main	\$185,600
F.	New public sanitary line	\$183,000
G.	Public storm drainage	\$158,700
H.	Public traffic signal	\$104,000
I.	Proportional share of earthwork & site work	<u>\$ 75,000</u>
	TOTAL	\$2,204,400

III. IMPACT ANALYSIS

The economic impact of the Luna Square Development is detailed on pages 11-13.

IV. ESTIMATED PROJECT COSTS & METHOD OF FINANCING

A. TOTAL PROJECT COSTS

CONSTRUCTION COSTS

1. Parking Structure	\$21,537,750 *
2. Retail	\$ 6,413,550
3. Office	\$15,503,775
4. Loft Apartments	\$ 5,610,000
5. Townhouse Condos	\$10,800,000
6. Hotel	\$13,774,815
7. Theater	\$ 2,716,951
8. Restaurant	<u>\$ 1,145,300</u>
Total Construction Costs	\$75,557,641

* When prorated acquisition, site development and soft costs are included, the estimated development cost for the Parking Garage totals approximately \$27.75 million

OTHER DEVELOPMENT COSTS

1. Acquisition	\$ 6,827,040
2. Site Development Costs	\$20,381,637
3. Fees/Closing Costs/ Appraisals	\$ 3,752,360
4. Tap Fees/Permits/Bonds	\$ 2,501,574
5. Site amenities	\$ 1,000,000
6. Contingency	<u>\$ 5,336,620</u>

Total Development Costs \$39,799,231

TOTAL PROJECT COSTS \$115,356,872

ESTIMATED SOURCE OF FUNDS

1. Developer financing	\$102,056,872
2. Tax Increment Financing	<u>\$ 13,300,000</u>

TOTAL SOURCES \$115,356,872

B. Tax Increment Financing

1. Bond/Note Amount(s)

The Tax Increment Finance (TIF) Bond(s) and/or Note(s) to be issued to fund a portion of the costs of the Baum / Millvale TIF Project will be serviced by:

60% of the School District, City and County incremental real estate taxes on all parcels within the TIF District estimated to be \$1,446,232 annually and 60% of the City incremental parking taxes estimated to be \$594,630 annually.

2. Pledged Revenues

With respect to the School District, City and County, 60% of the real estate tax increments from the Pledged Parcels (all of the parcels in the TIF District are pledged), as defined by the lot and block designations below, will be used to support the TIF Bond(s)/Note(s). In addition, with respect to the City, 60% of the parking tax increments from the Pledged Parcels, as defined by the lot and block designations below, will be used to support the TIF Bond(s)/Note(s).

3. Pledged Parcels

The following parcels are being pledged in respect to their real estate tax increments:

<u>Owner</u>	<u>Lot & Block</u>
McKean Properties	51-J-238
McKean Properties	51-K-180
5101 Baum Blvd Part'ps, LP	51-K-238
5101 Baum Blvd Part'ps, LP	51-K-240
5101 Baum Blvd Part'ps, LP	51-K-248
5101 Baum Blvd Part'ps, LP	51-K-249
5101 Baum Blvd Part'ps, LP	51-K-250

NOTE: McKean Properties and 5101 Baum Boulevard Partnerships are partners in the Luna Square development.

4. Provisions for Unused TIF Bond/Note Proceeds

Any TIF Bond(s)/Note(s) proceeds which remain after financing the construction of the parking garage and the public infrastructure costs are expected to be used toward prepayment of the TIF Bond(s)/Note(s) as permitted. The URA does not anticipate that the TIF Bond/Note proceeds will exceed the parking garage and public infrastructure costs.

5. Tax Base for Purpose of Increment Calculation

Subject to the provisions of the Tax Increment Financing Act (53 P.S. §6930.1 et seq.), the taxable market value of the Pledged Parcels and millage rates as of the date of the creation of the District will be used as the "base" for calculating base taxes and the real estate tax increment. The Taxing Bodies will continue to receive real estate taxes applicable to this base market value throughout the term of the TIF District. The base for this period is as illustrated on the schedule entitled Baum-Millvale TIF District; TIF Analysis – Kratsa Properties on page 14.

6. Actual Tax Increment in Excess of Assumed Increment

Any increases in tax revenues from the Pledged Parcels, attributable solely to an increase in assessed value over and above that determined necessary to pay debt service on the TIF Bond(s)/Note(s), will be distributed pro rata to the taxing bodies in proportion to the then-current millages.

Any increases in tax revenues from the Pledged Parcels, attributable to increased millage above the current millage by any of the taxing bodies, will be distributed to the Taxing Body that increased the millage rate.

7. Interest Earnings

Any investment earnings on funds held by the Trustee or Lender for TIF Bond(s)/Note are expected to be used towards debt service, including payment of capitalized interest and prepayment of the TIF Bond(s)/Note(s) as permitted.

8. Financial Details

The illustrative Tax Increment Financing Analysis on page 14 is intended to describe the expected financing assumptions.

It is expected that the Baum Boulevard / Millvale Avenue TIF District will be established in July 2003. The TIF Bond(s)/Note(s) are projected to be issued in September 2003. The Project is expected to be complete by the 4th Quarter of 2005.

In order to reduce the cost associated with the issuance of debt, the Developer, or a related entity acceptable to the URA, through a Minimum Payment Agreement(s), will guarantee the entire annual minimum real estate and parking taxes and other payments necessary to pay off the TIF Bond(s)/Note(s).

The specific terms and structure of the TIF Bond(s)/Note(s) will be determined at the time of issuance. However, it is contemplated that the TIF Bond(s)/Note(s) will be amortized over an approximate 18 year term, beginning in 2006.

Construction period interest, if any will be funded as capitalized interest from the TIF Bond(s)/Note(s) proceeds.

The various assumptions associated with the financing are the best currently available. Many of these assumptions may change, including the interest rate to be paid on the TIF Bond(s)/Note(s), the cost of issuance, the interest rate to be earned on the various sources, the security for the TIF Bond(s)/Notes(s), and the timing on the commencement of the tax increments. Credit enhancement, such as a letter of credit or insurance and/or other financing structures, such as variable rate or compound interest loans, will be obtained or utilized for the TIF Bond/Note(s) to the extent they are available privately or in the market place and they are cost effective. The TIF Bond(s)/Note(s) are contemplated to be issued as taxable instruments. That legal determination will also have an impact on the interest rates and the proceeds to be received.

The specific uses for various sources of funds may be interchanged as necessary to efficiently fund the total project. It is currently anticipated that TIF Bond(s)/Note(s) proceeds will be used to pay construction costs, but may be also be used for related soft costs.

The URA may be reimbursed for the costs of the TIF Project through a pass through of the pledged real estate and parking increments, over time, instead of from proceeds of Bonds or Notes.

V. MAPS OF TIF DISTRICT, EXISTING USES AND CONDITIONS AND PROPOSED IMPROVEMENTS

The map on page 10 shows the boundaries of the Baum / Millvale TIF District.

The map on page 15 shows existing land use and the map on page 9 shows the preliminary site plan for the Luna Square development.

VI. PROPOSED ZONING CHANGES

The parcels in the Baum / Millvale TIF District are zoned UI, "Urban Industrial" and LNC, "Local Neighborhood Commercial". There are no zoning changes necessary for this development in the Baum / Millvale TIF District. A map showing the zoning districts is included on page 16.

VII. ESTIMATED NON-PROJECT COSTS

The Luna Square development, exclusive of the public components of the parking garage and public infrastructure, will be completed without any TIF financing or other public subsidy.

VIII. PROPOSED RELOCATION STATEMENT

The Developer has acquired privately the parcels that make up the site. Previous occupants on these parcels included 1 business and 3 residences. The Urban Redevelopment Authority was not involved in the site assembly.

Businesses and residents that previously occupied the site can apply for financing under the URA's business development and residential lending programs for assistance in reestablishing at other locations.

IX. 1% NEIGHBORHOOD DEVELOPMENT FEE

As per City of Pittsburgh Ordinance No. 28 enacted in December, 1998, the developer, from its own funds, will be required to pay a 1% fee to be expended by the Urban Redevelopment Authority and to be used for neighborhood development in the City of Pittsburgh.

X. 1% SCHOOL DEVELOPMENT FEE

As per Pittsburgh School Board Resolution No. 12 approved on May 26, 1999, the developer, from their own funds, will be required to pay a 1% fee to be expended by the Pittsburgh School Board and to be used for school development in the City of Pittsburgh.

h:\dev\home\baumcentre\lunasquare\tif plan

PO

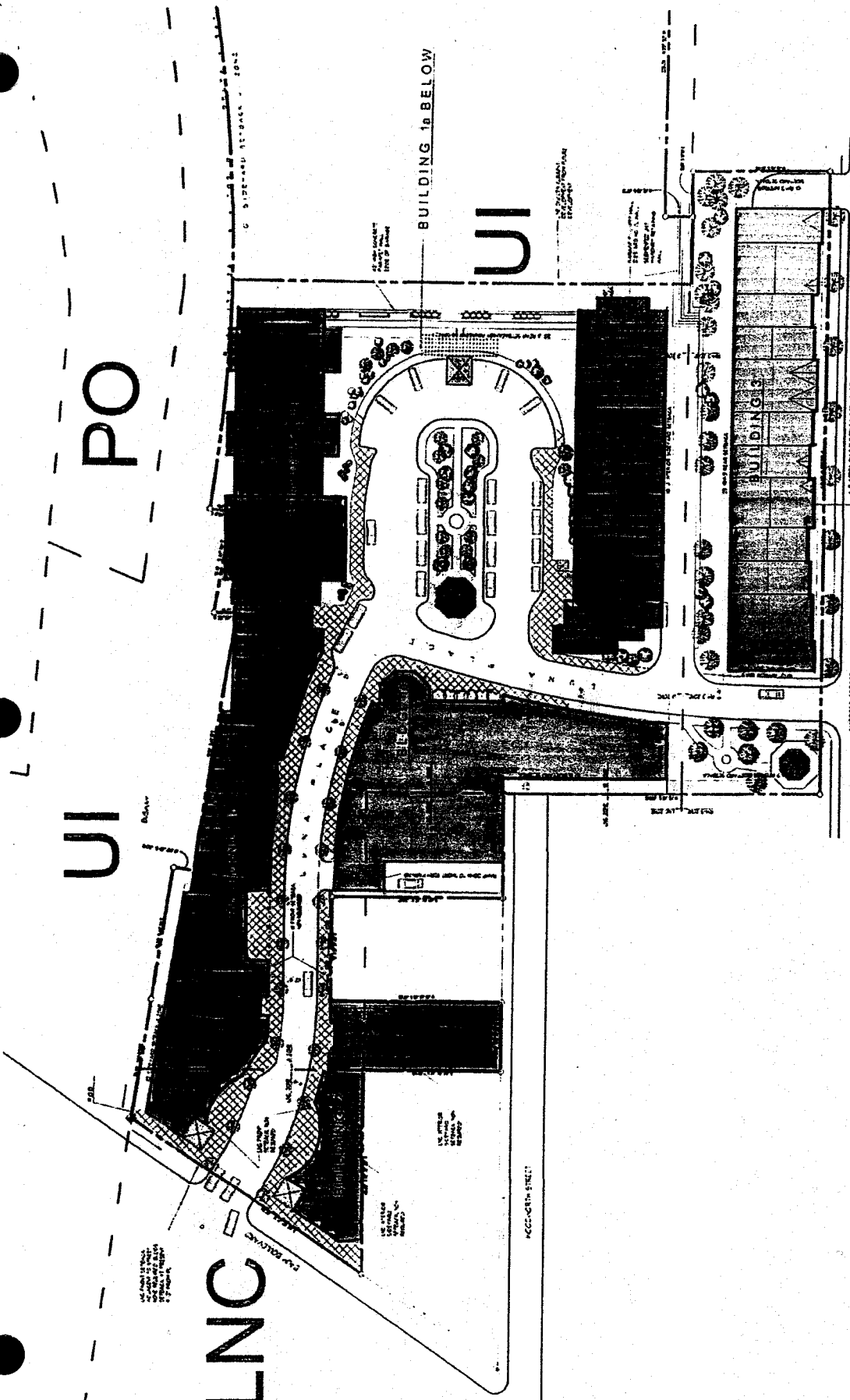
UI

LNC

UI

RM-3

SITE PLAN WITH ZONING DISTRICTS AND SETBACKS



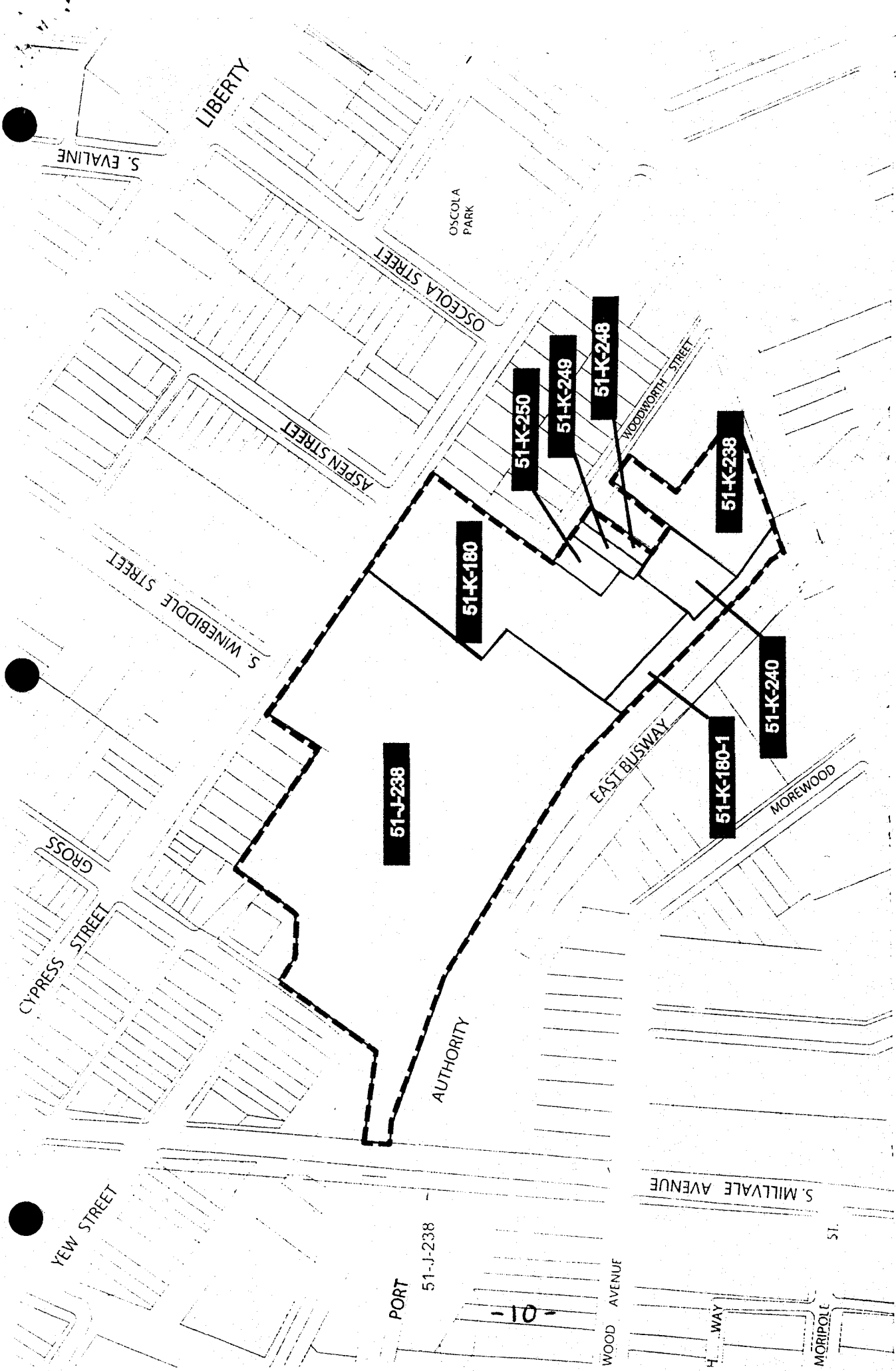


Exhibit A
District Boundary Map
 Baum / Millvale Tax Increment Financing District

ECONOMIC IMPACT ANALYSIS

Luna Square

I. Impact of Construction of Commercial, Residential and Parking Garage

Total Construction Costs: \$115,356,872

A. Employment Impact

	<u>Labor Hours</u> (per \$1,000 const.)	(a)	<u>Total</u> <u>Labor Hours</u>	<u>Full-time</u> <u>Equivalent Jobs</u>	(b)
On-site Construction	9.4		1,084,355	542	
Off-site Construction	1.5		173,035	87	
Manufacturing	7.9		911,319	456	
Trade, Transportation, etc.	5.3		611,391	306	
All other sectors	1.5		173,035	87	
TOTAL EMPLOYMENT				1,478	

B. Income Impact

	<u>Total</u> <u>Labor Hours</u>	<u>Average</u> <u>Hourly Earnings</u>	<u>Total</u> <u>Earnings</u>
On-site Construction	1,084,355	\$22.00	\$23,855,810
Off-site Construction	173,035	\$22.00	\$3,806,770
Manufacturing	911,319	\$16.00	\$14,581,104
Trade, Transportation, etc.	611,391	\$10.00	\$6,113,910
All other sectors	173,035	\$11.00	\$1,903,385
TOTAL EARNINGS			\$50,260,979

Disposable Income	@	80%	\$40,208,783
Personal consumption expenditures	@	92%	\$36,992,080

C. Expenditure Impact

	<u>Fraction of</u> <u>Total consumption</u>	<u>Expenditures</u>
Shopping goods	17.1%	\$6,325,646
Convenience goods	23.2%	\$8,582,163
Other consumption	59.7%	\$22,084,272
		<u>\$36,992,081</u>

(a) Using 1993 Labor Hour figures.

(b) Using 2,000 hours per year as a measure for full time equivalent.

ECONOMIC IMPACT ANALYSIS

Luna Square

II. Impacts from Operations

A. Income Impacts

	<u>Employees / 1000 SF (FTE Jobs)</u>	<u>SF</u>	<u>Total Employees</u>	<u>Average Annual Income</u>	<u>Total Annual Income</u>
Office Employees	4	147,655	590	\$70,000	\$ 41,300,000
Retail Employees:					
Restaurant	6	8,810	50	\$25,000	\$ 1,250,000
Theatre	0.35	24,700	10	\$14,750	\$ 147,500
Shops	3	58,305	170	\$21,800	\$ 3,706,000
Hotel Employees	0.25	79,200	20	\$30,000	\$ 600,000
Parking Garage	0.02	693,000	15	\$27,500	\$ 412,500
				TOTAL INCOME...	\$ 47,416,000

Disposable Income	80%	\$ 37,932,800
Consumption Expenditures	92%	\$ 34,898,180

B. Expenditure Impact

	<u>Fraction of Total consumption</u>	<u>Expenditures</u>
Shopping goods	17.1%	\$ 5,967,590
Convenience goods	23.2%	\$ 8,096,380
Other consumption	59.7%	\$ 20,834,210
		TOTAL... \$ 34,898,180

C. Retail Sales

	<u>Sales per Square foot</u>	<u>Square footage</u>	<u>Total Retail Sales</u>
Restaurant	\$ 350	8,810	\$ 3,083,500
Theatre	\$ 65	24,700	\$ 1,605,500
Shops	\$ 275	58,305	\$ 16,033,880
			TOTAL... \$ 20,722,880

**ECONOMIC IMPACT ANALYSIS
Luna Square**

III ESTIMATED ANNUAL INCREMENTAL TAXES

Type of Tax

Wage Tax - City	\$ 47,416,000	0.35		
				Payroll Estimated percentage living in City
	\$ 16,595,600	1.00%		Payroll Subject to Tax Tax Rate - City
	\$ 165,960			Estimated Annual City Wage Tax

**20 year Impact without Cost
of Living Adjustment**

\$ 3,319,200

Wage Tax - School District	\$ 47,416,000	0.35		
				Payroll Estimated percentage living in City

\$ 16,595,600
2.000%

Payroll Subject to Tax
Tax Rate - School District

\$ 331,910

Estimated Annual School Wage Tax

**20 year Impact without Cost
of Living Adjustment**

\$ 6,638,200

**BAUM MILL VALLEY DISTRICT
TIF ANALYSIS - KRATSA PROPERTIES**

05/23/03

Assumptions:

- 1) Real Estate tax participation (City) 60%
- 2) Real Estate tax participation (County) 60%
- 3) Real Estate tax participation (School Board) 60%
- 4) Parking tax participation 60%

Current FMV Tax Base (as of 4/28/2003) \$1,456,200

Projected FMV \$83,414,228

Projected Annual R.E. Tax Increment
 Total New Taxes \$ 2,404,148
 Less: Current Taxes \$ 42,827
Tax Increment \$2,361,321
 Less: 40% Distribution to 3TB \$944,528.48
 Real Estate Tax Increment Pledged \$1,416,793

Projected Annual Parking Tax Increment
 Total New Taxes \$991,050
 Less: Current Taxes \$
Tax Increment \$991,050
 Less: 40% Distribution to City \$396,420
 Parking Tax Increment Pledged \$594,630

TOTAL TAX INCREMENT PLEDGED \$2,011,423

Real Estate Tax Analysis				
	Millage	Current	Increment	Total
City	0.0108	\$15,727	\$885,147	\$900,874
School District	0.01392	\$20,270	\$1,140,856	\$1,161,126
County	0.00469	\$6,830	\$384,383	\$391,213
Total Taxes		\$42,827	\$2,410,386	\$2,453,212
Total Taxes at 2% Discount	\$	41,970	\$ 2,362,178	\$ 2,404,148

Summary of Tax Allocations at 2% Discount for pledged parcels			
	TIF	To Taxing Body	Total
CITY (Real Estate)	\$520,466	\$353,142	\$873,609
SCHOOL DISTRICT	\$670,823	\$455,161	\$1,125,985
COUNTY	\$226,017	\$153,355	\$379,373












TIF Note/Bond	
Gross Annual Cash Flow Available	\$2,011,423
Less: Annual Fees	\$20,000
URA Administrator	\$4,500
Trustee Fee	\$3,000
Audit	\$3,000
Annual Cash Flow Available for Note/Bond	\$1,983,923
Annual Cash Flow after Coverage Factor (1.25X)	\$1,587,138
Financing Cash Flow	\$1,587,138
Interest Rate	7.100%
Term (single annual payment)	20 Years
Gross Note Amount Available	\$16,684,269
Less:	
Issuer (URA) Fee (@ 1%)	\$166,843
Bond Counsel Fees	\$35,000
Underwriters Fee	\$208,553
Miscellaneous Bond Costs of Issuance	\$150,480
Capitalized Interest (Est.)	\$1,751,846
Debt Service Reserve Fund	\$1,100,000
Net Proceeds Available for Project	\$13,271,545



**Baum Boulevard - Centre Avenue
Proposed Redevelopment Area
Existing Land Use Map**

Prepared For: Urban Redevelopment Authority of Pittsburgh
200 Ross Street, Pittsburgh, Pennsylvania 15219

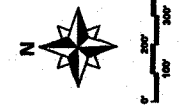
Map Legend

-  Residential Use
-  Public Use
-  Commercial Use
-  Semi-Public Use
-  Mixed Res. / Commercial
-  Educational Use
-  Vacant Land / Building
-  Light Industrial Use
-  Park / Open Space
-  Parking Lot / Garage
-  Redevelopment Area Boundary

Urban Design Ventures
Community Planning Consultants

Urban Design Ventures, LLC, 6668 Howe Street, Pittsburgh, PA, 15222



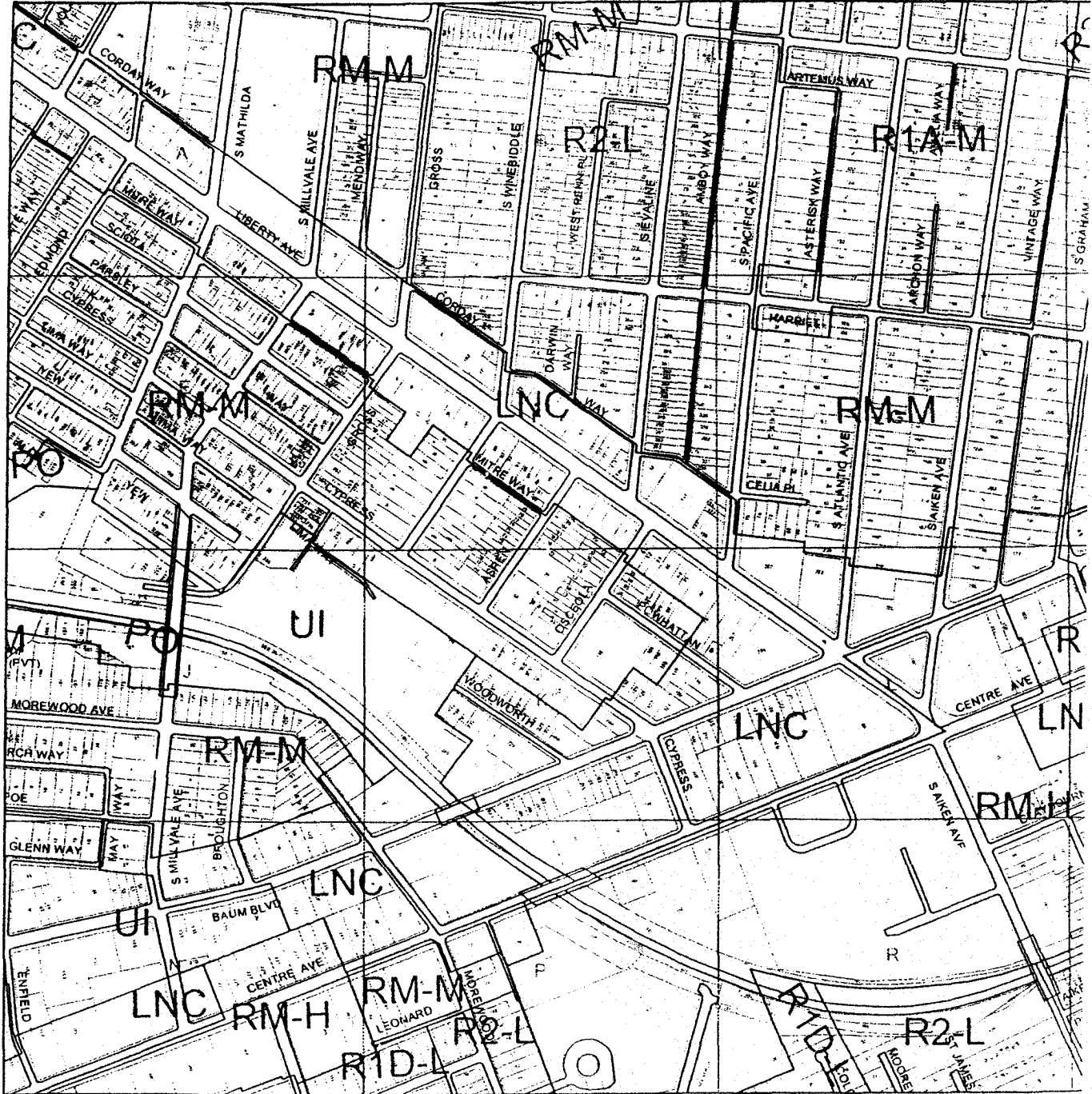


Urban Design Ventures
Community Planning Consultants
Urban Design Ventures, LLC, 8808 Howe Street, Pittsburgh, PA, 15222

- Map Legend**
- Residential Use
 - Commercial Use
 - Mixed Res. / Commercial
 - Vacant Land / Building
 - Public Use
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**Baum Boulevard - Centre Avenue
Proposed Redevelopment Area
Existing Land Use Map**
Prepared For: Urban Redevelopment Authority of Pittsburgh
200 Ross Street, Pittsburgh, Pennsylvania 15219

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26

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Map 51

December 2002

1" = 200'

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MEMORANDUM
OFFICE OF THE COUNTY MANAGER

TO: John Mascio
Chief Clerk

FROM: Robert B. Webb *RBW*
County Manager

DATE: June 26, 2003

RE: Requesting County Council Approval

Attached is a Resolution of the Council of the County of Allegheny authorizing, adopting and authorizing participation in a Tax Increment Financing Plan for Baum/Millvale TIF District presented by the Urban Redevelopment Authority of Pittsburgh, and Authorizing Related Agreements. This request is submitted by the Department of Economic Development.

Please put on the next agenda for County Council approval.

Thank you.