

Wilkins Area Industrial Development Authority Waterfront Apartments Tax Increment Financing Plan

I. Developer Background

Continental Real Estate Companies (“Continental” or the “Developer”) is a multidisciplinary, national developer and builder of commercial real estate projects. Continental was established in 1973 and has developed over 100 real estate projects in the multi-family housing, hospitality, office, industrial, retail, and mixed-use sectors worth more than \$2.5 billion. Continental was an original partner in the redevelopment of The Waterfront, including the Lowes Theater and regional commerce center. Continental will continue its redevelopment efforts adding needed density and high-quality housing units to The Waterfront. For more information on Continental visit <https://www.continental-realestate.com/about/>.

II. Proposed Development

Continental plans to redevelop approximately 4 acres located at 185 W. Waterfront Drive, Homestead, and 201 W. Waterfront Drive, West Homestead (the “Project Site”) into a 266-unit multi-family apartment development constructed above a 350-space parking garage (the “Project”). A 20-year tax increment finance (“TIF”) incentive is requested from the Borough of Homestead, the Borough of West Homestead, the County of Allegheny (the “County”) and the Steel Valley School District (collectively, the “Taxing Bodies”) to offset the costs of the parking garage and public infrastructure improvements associated with the Project, including trail relocation, utility connections, roadway connections and stormwater management (the “TIF Improvements”). The total cost to develop the Project is approximately \$90 million.

The Waterfront Apartments TIF District (the “TIF District”) will leverage a portion of the incremental real estate tax revenue generated from the Project to finance the majority of the costs to construct the TIF Improvements.

III. Project Budget

Project Sources of Funds

Senior Lender	\$ 50,100,000
TIF Bond Proceeds	12,465,000
Commercial PACE Loan	5,125,000
Developer Equity	<u>22,333,688</u>
Total Sources of Funds	\$ 90,023,688

Project Uses of Funds

Land Acquisition	\$ 6,100,000
Demolition and Site Preparation	1,000,000
Apartments Hard Costs	56,100,000
Parking Garage Hard Costs	10,000,000
Public Infrastructure and Utilities	750,000
Other Site Costs	250,000

General Conditions	2,100,000
Soft Costs and Professional Fees	6,076,210
Financing Costs	3,600,000
Contingency	1,300,000
TIF Bonds Capitalized Interest & Servicing Fees	1,461,278
TIF Bonds Cost of Issuance	662,950
TIF Bonds Debt Service Reserve	<u>623,250</u>
Total Uses of Funds	\$ 90,023,688

IV. TIF District Details and Existing Property Conditions

The Project and proposed TIF District is currently located within the boundaries of the original The Waterfront TIF District (see *Appendix A: TIF District Maps*), a 266-acre site originally created by the County in 1998 but whose existence has since been terminated. The Waterfront TIF District was bounded on the north by the Monongahela River and on the south by active freight rail lines and spanned across the three boroughs of Homestead, West Homestead and Munhall on the former U.S. Steel Homestead Works plant, which closed in 1980. The Park Corporation acquired the property in 1988 and completed the demolition and preparation of the property for redevelopment. The property was then transferred to a joint venture between Park Corporation and Continental Real Estate Companies in 1998 for the development of The Waterfront. The master plan for The Waterfront originally included the construction of approximately 2.5 million square feet of big-box retail, specialty retail, restaurant, office space and 510 multi-family residential units.

The first phase of The Waterfront began in 1998; to date, the redevelopment of The Waterfront includes approximately 765,000 square feet of retail and restaurant space, 490,000 square feet of office space, three hotels and 235 multi-family apartment units.

Overall, The Waterfront has been a successful development. The existing apartments are nearly fully leased, all but 25,000 square feet of office space is leased, only two small retail spaces and one restaurant in the Town Center are vacant and all three hotels remain in operation. However, the restaurants along the river have not performed in the same fashion as the rest of the development. Multiple restaurants have closed, buildings have been razed and others have changed concepts but still struggle.

The proposed TIF District will be created from two parcels along the river that are currently a surface parking lot, remnants from a razed restaurant that was closed 10 years ago and a vacant restaurant. The Project will re-utilize these underperforming properties and add 266 residential units to The Waterfront, increasing the total number to approximately 500 units, which was originally contemplated as part of The Waterfront master plan.

As in the predecessor Waterfront TIF District, the proposed Waterfront Apartments TIF District will be located on the border of boroughs of Homestead and West Homestead (the “Boroughs”), with a portion of the development located in each Borough. Unlike its predecessor district, the TIF District will be established by the two Boroughs rather than the County. As such, the TIF District will actually be comprised of two tax increment financing

districts, one in each Borough, but will be governed jointly and uniformly in accordance with a single Intergovernmental Cooperation Agreement (the “Cooperation Agreement”) among the Taxing Bodies and the Wilkins Area Industrial Development Authority (the “IDA”), a public instrumentality of the Commonwealth of Pennsylvania (the “Commonwealth”) established under the Pennsylvania Economic Development Financing Law, Act of August 23, 1967, P.L. 251, as amended. The IDA will issue TIF Revenue Bonds (the “TIF Bonds”) to fund on- and off-site infrastructure, soft costs, and a portion of the parking garage.

The Blight Designation Resolution will be prepared by the Boroughs with the assistance of Developer’s legal counsel.

V. Improvements to be Financed with TIF Bond Proceeds

Tax Increment Financing

The IDA will issue TIF Bonds to fund on- and off-site infrastructure, soft costs, and a portion of the parking garage. TIF Bonds are expected to be issued in the par amount of \$12.465 million netting approximately \$9.72 million in project proceeds (based on tax year 2023 millage rates).

Pledged Parcels

Parcel Number	Address	Owner*
0089-H-00055-0000-00	185 W. Waterfront Drive	M&J Big Waterfront Town Center II LLC
0089-M-00301-0000-00	201 W. Waterfront Drive	M&J Big Waterfront River Parcel I LLC

*Continental expects to purchase the Pledged Parcels on or before February 29, 2024.

Current Assessed Value and Tax Base for Purpose of Tax Increment Calculation

The taxable market value for each of the Pledged Parcels as of the date of the creation of the TIF District will be used as the “base” for the purpose of calculating the tax base with respect to such Pledged Parcel. As a result, the Taxing Bodies will continue to receive the base taxes from each of the Pledged Parcels throughout the term of the TIF District. Additionally, taxes generated from the first \$240,000 of incremental value per acre from the Project, estimated to be \$40,078 annually, will be used to compensate the Taxing Bodies (the “Up-front Compensation”). The base taxes and Up-front Compensation are illustrated in **Appendix B: TIF District Tax Analysis**.

Projected Assessed Value

Base Real Estate Assessed Value of Project Parcels	\$ 1,569,300
Projected Incremental Assessed Value of Project Parcels	<u>27,690,700</u>
Projected Total Assessed Value of Project Parcels	\$ 29,260,000

Pledged Revenue

The Project is expected to generate an annual tax increment in excess of \$1.1 million by calendar year 2027 (upon completion and full valuation, and based on participation by all of the Taxing Bodies: the Boroughs, the School District and the County), which equates to approximately \$23 million over the term of the TIF District (using the current millage rates and an annual assessed value inflation factor of one percent; see **Appendix C: Public Finance**

Bond Model). The annual incremental tax revenue generated from the Project after the distribution of the Up-front Compensation to the Taxing Bodies will be pledged to service the debt issued to finance a portion of the TIF Improvements (the “Pledged Increment”). The Pledged Increment is expected to generate a bond issuance that will net approximately \$9.72 million to finance the TIF Improvements and facilitate the development of the Project.

In conjunction with the creation of the TIF District, the Boroughs will create the Waterfront Apartments Neighborhood Improvement District (the “NID”) whereby the Waterfront Apartments Neighborhood Improvement District Management Association (the “Management Association”) will be authorized by the Boroughs to levy and collect special financing assessments (the “Special Assessments,” together with the Pledged Increment, the “Pledged Revenue”) pursuant to the Pennsylvania Neighborhood Improvement District Act (73 P.S. 831 *et seq.*, the “NID Act”). The Special Assessments will be equal to the annual TIF Bond debt service and administrative fees (the “Bond Service Charges”); the Special Assessments will act as a “back-stop” for the Bond Service Charges such that a Special Assessment will be owed for the deficiency amount, if any, between the Pledged Increment and annual Bond Service Charges. Please note that due to the development being located in two separate municipalities, the NID will actually consist of two separate neighborhood improvement districts, one in each Borough, but both sharing the same Management Association and operating jointly and in unison.

The Pledged Revenue shall be applied to either: (a) directly toward the costs of the TIF Improvements (as defined in the Tax Increment Financing Act, 53 P.S. §§ 6930.1 *et seq.*, the “TIF Act”); or (b) indirectly, to the support and service of debt incurred to finance said capital costs, together with related costs. In either event, the Pledged Revenue will be applied until the earlier of (i) the cumulative and aggregate amount of such Pledged Revenues, applied directly or indirectly, has produced the funds necessary to pay for such capital improvements, or satisfy the debt incurred to finance said capital improvements, or (ii) the expiration/termination of the TIF District.

TIF Bonds will be used to fund or partially fund the following costs:

- Public improvements including relocating a pedestrian trail;
- Construction of the parking garage;
- On-site infrastructure improvements including utility connections, roadway connections and stormwater management; and
- Soft costs related to TIF-eligible improvements.

Estimated Sources of Funds for TIF Improvements

Net TIF Bond Proceeds	\$ 9,717,522
Developer Equity	<u>2,032,478</u>
Total Sources of Funds for TIF Improvements	\$ 11,750,000

Estimated Uses of Funds for TIF Improvements

Demolition	\$ 100,000
Site Preparation	900,000
Utility Connections	250,000

Roadway Connections	150,000
Pedestrian Trail Relocation	100,000
Stormwater Management	250,000
Parking Garage Hard Costs	<u>10,000,000</u>
Total Uses of Funds for TIF Improvements	\$ 11,750,000

Funding the TIF Bonds

The Developer will be requesting that the IDA issue tax-exempt TIF Bonds that will be purchased and funded by third-party lenders.

The TIF Bonds will be secured by and payable from the Pledged Increment generated by the Pledged Parcels and, to the extent that the Pledged Increment is insufficient, the Special Assessments levied on the Pledged Parcels in accordance with the provisions of the Rate and Method of Apportionment (the “Special Assessment Apportionment”) included in the Waterfront Apartments Neighborhood Improvement District Plan that will be adopted by the Boroughs as part of the ordinances establishing the NID; the TIF Bonds will be issued in a principal amount and with interest rates so as to provide 1.10x debt service coverage. The Pledged Parcels will be subject to an annual Special Assessment outlined in *Appendix D: Special Financing Assessment Schedule*. The Special Assessment will be levied across the Pledged Parcels pro rata based on acreage per the Special Assessment Apportionment (54.7% applied to parcel no. 0089-M-00301-0000-00 and 45.3% applied to parcel no. 0089-H-00055-0000-00). Invoices to collect the Special Assessments will not be sent to parcel owners in any year (and the Special Assessments will not be payable) unless the sum of the Pledged Increment generated from the Pledged Parcels in such year is less than the amount of the current Special Assessment due (an amount equal to the sum of debt service and administrative expenses). If, however, the Pledged Increment is not sufficient, the owner(s) will be required to make a payment (the “Annual Payment”) to the NIDMA equal to the difference between the Pledged Increment actually collected and the amount of the Special Assessment levied on the parcels in the NID. The Annual Payment will be levied pro rata across each of the Pledged Parcels based on the acreage in the same manner as the initial levy of the Special Assessment per the Special Assessment Apportionment.

Provisions for Unused TIF Bond Proceeds

Any TIF Bond proceeds that remain after completing the TIF Improvements may be used for other TIF eligible improvements or payment of any related costs, including Bond Service Charges, within the TIF District.

Tax Increment in Excess of Assumed Increment

In order to sell the TIF Bonds, projected purchasers will require the projected Pledged Increment to exceed the annual scheduled Bond Service Charges by at least 10% (the “Excess TIF Payments”); the Excess TIF Payments (after funding the TIF Bonds Debt Service Reserve up to 10% of the par issuance and annual Parking Garage Maintenance Reserve) will be shared pro rata among the Taxing Bodies based on the then current millage rates, with the compensation to the Boroughs further adjusted based on acreage. The projected Excess TIF Payments are illustrated in *Appendix B and Appendix C*. All Excess TIF Payments, including any excess that is greater than the amount projected in *Appendix B and Appendix C*,

attributable to an increase in assessed value or increased millage above the current millage rates for each of the Taxing Bodies will be distributed pro rata based on the then current millage rates, with compensation to the Boroughs split based on acreage.

Interest Earnings

Any interest earnings on the Debt Service Reserve Fund will be applied towards Bond Service Charges, including payment of capitalized interest and prepayment of the TIF Bonds as permitted.

Financial Details

The Waterfront Apartments TIF District is scheduled to be established in Q2 2024. To add further security for the TIF Bonds, the Pledged Parcels will be included within the NID and will be subject to the annual Special Assessments outlined in *Appendix D*. The Special Assessment amount will be equal to the annual Bond Service Charges.

The specific terms and structure of the TIF Bonds will be determined at the time of issuance. Based on a Q2 2024 Project commencement date, the TIF Bonds will be issued on or around May 1, 2024. It is contemplated that the TIF Bonds will be issued through a private placement of the debt, at a market rate of interest with an amortization schedule to be determined and final maturity date not later than 20 years after the creation of the TIF District.

TIF Bond proceeds may be used to pay construction period interest (capitalized interest), a required debt service reserve, as well as costs of the TIF Improvements. The TIF Bonds may be issued on a taxable or tax-exempt basis.

Estimated Non-Project Costs

Non-Project costs outlined in *Appendix E: Costs of Issuance*, include the IDA issuance fee, legal fees, placement agent fee, financial advisory fees, trustee fee and fees for preparing the Market Study, Development Impact Study and TIF Plan.

Real Estate Tax Determination

In the future, the current system of real estate taxation may be revised and/or reassessments or other changes in the real estate assessment system may occur. Accordingly, the Cooperation Agreement executed in connection with the issuance of any TIF Bonds likely will provide that, upon the occurrence of such event, such document(s) will be interpreted in a manner which takes all relevant changes into account in order to preserve the intended economic results and expectations of the parties as the date of the TIF Plan including, but not limited to, the expectations that the minimum amount required to pay the Bond Service Charges will be available for such purpose and that all amounts in excess of such minimum amount will be available for the other uses described herein.

VI. Market Analysis

Market Conditions

Over the last three years in the Pittsburgh Market, the majority of new multi-family units have been developed in the Downtown Submarket due to the proximity of major employers and

downtown entertainment options. Developers have focused on constructing 4- & 5-star communities with high-end amenities to attract residents.

The Project is located in the South Allegheny Submarket, the largest multi-family submarket within Pittsburgh. The South Allegheny Submarket offers an affordable alternative to living downtown while providing easy access to nearby dining and entertainment options, namely The Waterfront development. This submarket remains in demand which is attributed to the location being desirable to residents working at nearby universities and school districts. The South Allegheny Submarket has maintained an average rent growth of 4.1% over the last three years and has an overall vacancy rate of only 5.7%. The average vacancy rate of 4- & 5-star communities is currently 7.9% in the submarket, but this is due to multiple projects being completed within the calendar year and still in lease up.

Project Location

The Project is located approximately seven miles from downtown Pittsburgh and within five miles of UPMC Health System's main campus, the University of Pittsburgh, Carnegie Mellon University and Duquesne University. The location provides close proximity for residents that work downtown or are employed by these universities and healthcare providers, which account for most of the significant employment bases in the Pittsburgh Metropolitan Statistical Area. Located within The Waterfront development, the Project will provide residents direct and walkable access to various shopping, dining and entertainment options.

Product Type

The Project is expected to be classified as a 4- or 5-star community based on the planned unit finishes and resident amenity spaces. This higher-end product will attract residents that currently commute to their respective bases of employment; notably, to the areas identified in the above paragraph. The primary competitor for the Project will be the original Waterfront Apartments located to the east within The Waterfront development. Despite being classified as a 3-star community, the original Waterfront Apartments have a 97% occupancy rate with an average monthly effective rent of \$1,847/unit. The Project will be the newest asset in the submarket once completed; the monthly rent rates are expected to reflect an estimated 10% premium compared to the original Waterfront Apartments as it will be an enhanced product. Additionally, the Project will be a competitive and more affordable alternative to comparable properties in the Downtown Submarket while offering similar community amenities and local entertainment options.

VII. Development Impact Analysis

During construction, the Project is expected to create approximately 600 temporary construction jobs, with an average labor cost of approximately \$60/hour. This equates to a total labor cost of approximately \$45,000,000 during construction.

Upon completion of the Project, the Developer expects to add 3-4 full-time equivalent employees and 1-2 part-time equivalent employees directly associated with the operations of the Project. The Total Annual Payroll is expected to exceed \$300,000, which is exclusive of contracted services and management costs.

Additionally, upon completion, the Project will contain 266 multi-family apartment units totaling 370 bedrooms; assuming an average stabilized occupancy of 95% and just one full-time equivalent job per bedroom equates to 352 full-time employees residing at the Project Site. Using the 2021 average per capita income of \$70,580 for Allegheny County (ref: U.S. Bureau of Economic Analysis, Per Capita Personal Income in Allegheny County, PA), the annual earned income at the Project Site would be roughly \$24,844,160. At a one percent tax rate, the Project Site will generate approximately \$248,441 in earned income taxes annually.

VIII. Proposed Changes to Zoning, Local Plans, Ordinances and Codes

The Developer has received the following variances for the Project:

- Dimensional Variance to allow for 266 residential units; and
- Parking Variance to allow for 20% of the spaces dedicated for compact vehicles.

All other aspects of the Project are in compliance with local zoning and code.

IX. Approval Process for Tax Increment Financing District

The information presented below outlines the procedures necessary to create the TIF District, as established in the TIF Act.

1. The IDA acting through the Developer will make a formal presentation to the governing bodies of the Boroughs, School District, and the County. The presentation will include a description of the proposed boundaries of the TIF District, the tentative plans for the development or redevelopment of the TIF District, and an estimate of the general impact of the proposed TIF District on the property values and tax revenues.
2. The Boroughs and School District will designate a representative to meet with the IDA to discuss the TIF Plan and the TIF concept and will notify the IDA of its designated representative. Representatives of the TIF Committee shall also be included in the discussion of the TIF Plan and the TIF concept. The IDA's representative will meet with the designated representatives to discuss the creation of the TIF District, the boundaries of the TIF District, development within the TIF District, the tax increment that the taxing bodies would contribute to the tax increment fund, tax collection for the TIF District, and any other matter relevant to the proposed TIF District.
3. The IDA will cause a TIF Plan to be prepared for the TIF District, which TIF Plan will include a recommendation of the boundaries of the TIF District and will submit the TIF Plan to the Taxing Bodies.
4. The Boroughs will hold at least one public hearing at which interested parties are

afforded a reasonable opportunity to express their views on the concept of TIF, on the proposed boundaries, on the proposed adoption of a TIF Plan for the TIF District and the benefits to the affected municipalities.

Notice of the public hearing will be published in accordance with the terms of Sunshine Act (P.L. 388 No. 84) and said notice will be provided by first class mail, postage prepaid, to the Taxing Bodies. This notice will be provided not less than 30 days before the date of the public hearing.

5. In order to create a TIF district and adopt a TIF Plan, the Boroughs will adopt, not earlier than three weeks after the public hearing described in (4) above, a resolution or ordinance creating the TIF District pursuant to the TIF Act.
6. The governing bodies of the Taxing Bodies will, by ordinance or resolution, agree to participate or opt not to participate in whole or in part in the TIF District. Such ordinances or resolutions are to be adopted, with a copy thereof delivered to the Boroughs, on or before the date on which the public hearing described in (4) above is held.
7. The Borough may, at any time, subject to the provision of Section 6930.6(c) of the TIF Act, adopt an amendment to a TIF Plan which will be subject to approval in the same manner as the original TIF Plan.

X. Relocation Statement

The Project parcels and/or existing structures are vacant; relocation of tenants does not apply.

Appendix A: TIF District Maps

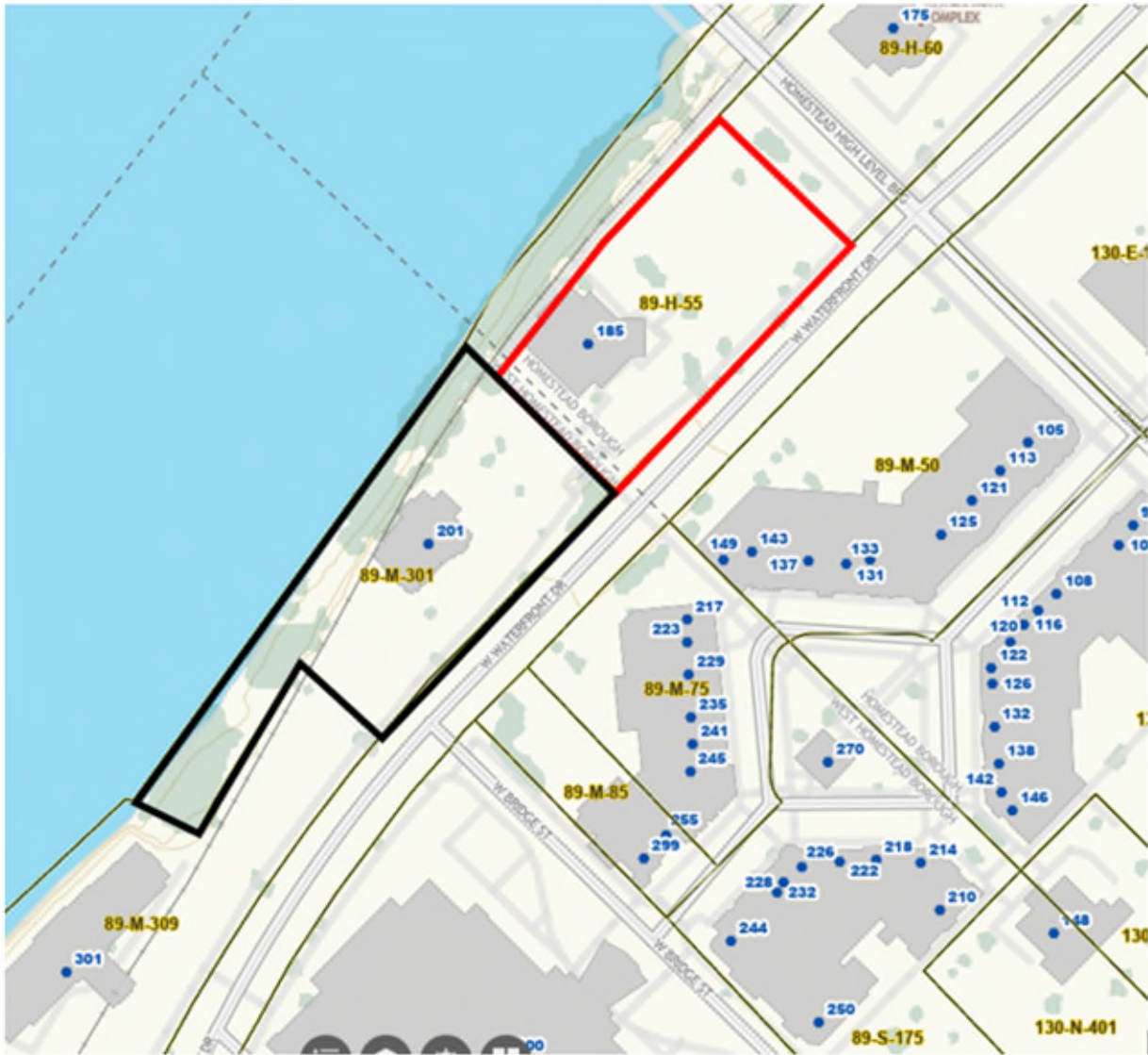
The Waterfront TIF District





From: Allegheny County Tax Increment Financing Program Project Evaluation 2015, ACED

Appendix A: TIF District Maps (continued)

Waterfront Apartments TIF District



-  Borough of Homestead
-  Borough of West Homestead

Appendix B: TIF District Tax Analysis

Waterfront Apartments TIF District Tax Analysis

Real Estate Taxes*	Steel Valley School District	Homestead	West Homestead	Allegheny County	Total Taxes
Millage Rate	25.9600	13.3300	8.8000	4.7300	
Base Annual Tax Revenue	\$ 40,739	\$ 17,846	\$ 2,028	\$ 7,423	\$ 68,036
Total Tax Increment (100%)	\$ 755,519	\$ 177,398	\$ 141,557	\$ 139,035	\$ 1,213,509
Up-front Contribution to Taxing Bodies	25,046	5,823	4,646	4,563	40,078
TIF Bonds Debt Service and Fees	690,945	160,629	128,177	125,893	1,105,644
Excess Payments to Taxing Bodies	53,222	12,373	9,873	9,697	85,165
Total Tax Revenue	\$ 796,258	\$ 195,244	\$ 143,585	\$ 146,458	\$ 1,281,545
Annual Revenue to Taxing Bodies	\$ 119,007	\$ 36,042	\$ 16,547	\$ 21,683	\$ 193,279

**Based on projected calendar year 2032 tax payment; calendar year 2032 is the first year the Taxing Bodies will receive the full amount of projected Excess Payments (10% Debt Service Reserve projected to be fully funded in calendar year 2031).*

Taxable Assessed Value

Base Real Estate Taxable Assessed Value	\$ 1,569,300
Projected Incremental Taxable Assessed Value	\$ 27,690,700
Projected Total Taxable Assessed Value	\$ 29,260,000

Appendix C: Public Finance Model

Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
I. Pledged Revenues												
Tax Increment Financing (Projected Gross Amounts, 1% annual inflation)												
Waterfront Apartments (Boro's & County)	\$ -	\$ -	\$ 431,447	\$ 435,762	\$ 440,119	\$ 444,521	\$ 448,966	\$ 453,455	\$ 457,990	\$ 462,570	\$ 467,196	\$ 471,868
Waterfront Apartments (Steel Valley School District)	-	-	-	718,851	726,039	733,299	740,632	748,039	755,519	763,074	770,705	778,412
Annual TIF Subtotal	\$ -	\$ -	\$ 431,447	\$ 1,154,612	\$ 1,166,158	\$ 1,177,820	\$ 1,189,598	\$ 1,201,494	\$ 1,213,509	\$ 1,225,644	\$ 1,237,901	\$ 1,250,280
Bond Revenues												
Tax-Exempt Bonds Capitalized Interest	\$ 372,159	\$ 744,319	\$ 344,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capitalized Interest Earnings (3.50%)	25,572	31,606	9,051	-	-	-	-	-	-	-	-	-
Debt Service Reserve Earnings (3.50%)	10,907	23,091	25,005	26,438	30,119	33,910	37,711	41,599	43,628	43,628	43,628	43,628
Tax-Exempt Bonds Debt Service Reserve Liquidation	-	-	-	-	-	-	-	-	-	-	-	-
Bond Revenue Subtotal	\$ 408,639	\$ 799,016	\$ 378,855	\$ 26,438	\$ 30,119	\$ 33,910	\$ 37,711	\$ 41,599	\$ 43,628	\$ 43,628	\$ 43,628	\$ 43,628
Total Pledged Revenues	\$ 408,639	\$ 799,016	\$ 810,303	\$ 1,181,051	\$ 1,196,278	\$ 1,211,731	\$ 1,227,310	\$ 1,243,093	\$ 1,257,137	\$ 1,269,272	\$ 1,281,528	\$ 1,293,907
II. Waterfall for Pledged Revenues												
(1) Tax Compensation Amounts:												
a) Homestead Borough Compensation	\$ -	\$ -	\$ 5,823	\$ 5,823	\$ 5,823	\$ 5,823	\$ 5,823	\$ 5,823	\$ 5,823	\$ 5,823	\$ 5,823	\$ 5,823
b) West Homestead Borough Compensation	-	-	4,646	4,646	4,646	4,646	4,646	4,646	4,646	4,646	4,646	4,646
c) Allegheny County Compensation	-	-	4,563	4,563	4,563	4,563	4,563	4,563	4,563	4,563	4,563	4,563
d) Steel Valley Compensation	-	-	-	25,046	25,046	25,046	25,046	25,046	25,046	25,046	25,046	25,046
(2) Debt Service on TIF Bonds												
a) Principal and Interest on Tax-Exempt TIF Bonds	358,369	716,738	716,738	998,400	1,010,863	1,026,456	1,040,038	1,056,463	1,070,588	1,082,413	1,091,938	1,104,019
b) Administrative Expenses on Tax-Exempt TIF Bonds	8,791	17,581	17,581	17,400	17,019	16,597	16,131	15,619	15,056	14,444	13,781	13,066
c) TIF Administrative Expenses on TIF Bonds	-	-	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
d) NID Administrative Expenses on TIF Bonds	5,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
(3) Excess to Debt Service Reserve (up to 10% of par)	36,479	54,697	40,952	105,173	108,319	108,600	111,063	57,967	-	-	-	-
(4) Annual 350 Space Parking Garage Maintenance Fund (\$75/space)	-	-	-	-	-	-	-	26,250	26,250	26,250	26,250	26,250
(5) All Remaining TIF Revenue Amounts:												
a) Homestead Borough Compensation	-	-	-	-	-	-	-	3,881	12,373	12,507	13,000	13,147
b) West Homestead Borough Compensation	-	-	-	-	-	-	-	3,097	9,873	9,980	10,374	10,491
c) Allegheny County Compensation	-	-	-	-	-	-	-	3,042	9,697	9,802	10,189	10,304
d) Steel Valley Compensation	-	-	-	-	-	-	-	16,696	53,222	53,798	55,919	56,553
Total Waterfall Deposits	\$ 408,639	\$ 799,016	\$ 810,303	\$ 1,181,051	\$ 1,196,278	\$ 1,211,731	\$ 1,227,310	\$ 1,243,093	\$ 1,257,137	\$ 1,269,272	\$ 1,281,528	\$ 1,293,907
III. Debt Coverage Analysis												
Tax-Exempt Bonds Debt Service Coverage Ratio (1.10x Minimum)	Capitalized Interest Period		1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10
IV. Reserve Balances												
Debt Service Reserve Balance	\$ 659,729	\$ 714,426	\$ 755,378	\$ 860,551	\$ 968,870	\$ 1,077,469	\$ 1,186,533	\$ 1,246,500	\$ 1,246,500	\$ 1,246,500	\$ 1,246,500	\$ 1,246,500

Appendix C: Public Finance Model (continued)

Year	2036	2037	2038	2039	2040	2041	2042	2043	2044	Total
I. Pledged Revenues										
Tax Increment Financing (Projected Gross Amounts, 1% annual inflation)										
Waterfront Apartments (Boro's & County)	\$ 476,566	\$ 481,352	\$ 486,166	\$ 491,027	\$ 495,938	\$ 500,897	\$ 505,906	\$ 510,965	\$ 516,075	\$ 8,978,805
Waterfront Apartments (Steel Valley School District)	786,196	794,058	801,999	810,019	818,119	826,300	834,563	842,909	851,338	14,100,073
Annual TIF Subtotal	\$ 1,262,763	\$ 1,275,410	\$ 1,288,164	\$ 1,301,046	\$ 1,314,057	\$ 1,327,197	\$ 1,340,469	\$ 1,353,874	\$ 1,367,413	\$ 23,078,877
Bond Revenues										
Tax-Exempt Bonds Capitalized Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,461,278
Capitalized Interest Earnings (3.50%)	-	-	-	-	-	-	-	-	-	66,230
Debt Service Reserve Earnings (3.50%)	43,628	43,628	43,628	43,628	43,628	43,628	43,628	43,628	43,628	795,938
Tax-Exempt Bonds Debt Service Reserve Liquidation	-	-	-	-	-	-	-	-	623,250	623,250
Bond Revenue Subtotal	\$ 43,628	\$ 43,628	\$ 43,628	\$ 43,628	\$ 43,628	\$ 43,628	\$ 43,628	\$ 43,628	\$ 666,878	\$ 2,946,695
Total Pledged Revenues	\$ 1,306,410	\$ 1,319,038	\$ 1,331,792	\$ 1,344,674	\$ 1,357,684	\$ 1,370,825	\$ 1,384,097	\$ 1,397,501	\$ 2,034,290	\$ 26,025,573
II. Waterfall for Pledged Revenues										
(1) Tax Compensation Amounts:										
a) Homestead Borough Compensation	\$ 5,823	\$ 5,823	\$ 5,823	\$ 5,823	\$ 5,823	\$ 5,823	\$ 5,823	\$ 5,823	\$ 5,823	\$ 110,628
b) West Homestead Borough Compensation	4,646	4,646	4,646	4,646	4,646	4,646	4,646	4,646	4,646	88,278
c) Allegheny County Compensation	4,563	4,563	4,563	4,563	4,563	4,563	4,563	4,563	4,563	86,704
d) Steel Valley Compensation	25,046	25,046	25,046	25,046	25,046	25,046	25,046	25,046	25,046	450,821
(2) Debt Service on TIF Bonds										
a) Principal and Interest on Tax-Exempt TIF Bonds	1,118,369	1,129,844	1,138,444	1,153,881	1,165,869	1,179,263	1,193,775	1,204,263	1,851,750	22,408,475
b) Administrative Expenses on Tax-Exempt TIF Bonds	12,291	11,453	10,553	9,584	8,541	7,419	6,213	4,919	2,125	256,163
c) TIF Administrative Expenses on TIF Bonds	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	190,000
d) NID Administrative Expenses on TIF Bonds	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	5,000	200,000
(3) Excess to Debt Service Reserve (up to 10% of par)										
	-	-	-	-	-	-	-	-	-	623,250
(4) Annual 350 Space Parking Garage Maintenance Fund (\$75/space)										
	26,250	26,250	26,250	26,250	26,250	26,250	26,250	26,250	26,250	367,500
(5) All Remaining TIF Revenue Amounts:										
a) Homestead Borough Compensation	12,991	13,281	14,015	13,784	14,085	14,211	14,206	14,818	14,396	180,694
b) West Homestead Borough Compensation	10,367	10,597	11,163	10,999	11,239	11,340	11,336	11,824	11,487	144,188
c) Allegheny County Compensation	10,182	10,409	10,984	10,803	11,039	11,138	11,134	11,613	11,282	141,618
d) Steel Valley Compensation	55,883	57,126	60,265	59,293	60,585	61,128	61,106	63,738	61,922	777,254
Total Waterfall Deposits	\$ 1,306,410	\$ 1,319,038	\$ 1,331,792	\$ 1,344,674	\$ 1,357,684	\$ 1,370,825	\$ 1,384,097	\$ 1,397,501	\$ 2,034,290	\$ 26,025,573
III. Debt Coverage Analysis										
Tax-Exempt Bonds Debt Service Coverage Ratio (1.10x Minimum)	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	
IV. Reserve Balances										
Debt Service Reserve Balance	\$ 1,246,500	\$ 1,246,500	\$ 1,246,500	\$ 1,246,500	\$ 1,246,500	\$ 1,246,500	\$ 1,246,500	\$ 1,246,500	\$ 623,250	

Appendix D: Annual Special Financing Assessment Schedule

Calendar Year	Parcel Number 0089-M-00301-0000-00 Special Assessment Amount (54.7%)	Parcel Number 0089-H-00055-0000-00 Special Assessment Amount (45.3%)	Total Annual Special Assessment Amount*
2026	\$ 224,007	\$ 185,512	\$ 409,519
2027	566,583	469,217	1,035,800
2028	573,191	474,690	1,047,881
2029	581,490	481,563	1,063,053
2030	588,664	487,505	1,076,169
2031	597,368	494,713	1,092,081
2032	604,787	500,857	1,105,644
2033	610,920	505,936	1,116,856
2034	615,768	509,951	1,125,719
2035	621,985	515,099	1,137,084
2036	629,410	521,249	1,150,659
2037	635,229	526,068	1,161,297
2038	639,441	529,556	1,168,997
2039	647,356	536,110	1,183,466
2040	653,342	541,067	1,194,409
2041	660,055	546,626	1,206,681
2042	667,333	552,655	1,219,988
2043	672,362	556,819	1,229,181
2044	1,022,275	846,600	1,868,875

**Estimated and subject to change*

Appendix E: Costs of Issuance

		Total
Bond Counsel & Developer Counsel Fee (<i>TBD</i>)	\$	145,000.00
Developer FA Fee (<i>DiPerna Advisors</i>)	1.500%	186,975.00
TIF & NID Plan Preparation (<i>DiPerna Advisors</i>)		35,000.00
Placement Agent (<i>TBD</i>)	0.500%	62,325.00
Placement Agent's Counsel Fee (<i>TBD</i>)		15,000.00
Issuer's Fee (<i>IDA</i>)	1.000%	124,650.00
Administrator Fee (<i>TBD</i>)		10,000.00
Solicitor Fee (<i>IDA</i>)		10,000.00
Trustee Acceptance Fee (<i>TBD</i>)		4,000.00
Purchaser Counsel Fee (<i>TBD</i>)		20,000.00
Contingency		50,000.00
Costs of Issuance	\$	662,950.00
