

Bill No. 1234-03

No. 35-03-RE

A RESOLUTION

Resolution of the Council of the County of Allegheny adopting the North Side Stadium Area Tax Increment Financing Plan presented by the Urban Redevelopment Authority of Pittsburgh, and making certain findings.

Whereas, Pennsylvania's Tax Increment Financing Act, 53 P.S. § 6930.1 et seq. (the "Act"), provides local taxing bodies 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 County and to present such Proposal to the County for its consideration; and

Whereas, the County has previously adopted Resolution No. 22-03-RE, Bill No. 1110-0303 endorsing the concept of a TIF plan for financing of certain improvements in portions of the North Shore Stadiums Redevelopment Area, requesting the Authority to prepare a detailed TIF proposal and designating the County's representative to work with the Authority, the City of Pittsburgh (the "**City**") and the School District of Pittsburgh (the "**School District**") toward the development and implementation of such a TIF plan; and

Whereas, the City and the School District have also adopted resolutions indicating their respective commitments to participate in a TIF financing plan for the North Shore Stadiums Redevelopment Area; and

Whereas, the Authority, working with the designated representatives of the City, the County and the School District, has adopted and recommended a TIF Plan, in the form of the North Side Stadiums Area TIF Plan, and in accordance with the requirements of the Act; and

Whereas, the Act provides for the cooperation of local taxing bodies in the financing of projects within 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 North Side Stadiums Area TIF District (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 North Side Stadiums Area Tax Increment Financing Plan (the "Project Plan" or "TIF Plan") attached hereto as Exhibit "A", prepared by the Urban Redevelopment Authority of Pittsburgh and filed with the Chief Clerk of Council for financing of certain costs: (1) of constructing (a) a parking garage, and (b) related streetscape improvements; (2) funding necessary debt and interest reserves; and (3) issuance of bonds or notes (collectively, the "TIF Project") in portions of the North Shore Stadiums Redevelopment Area is hereby adopted substantially in such form.

Section 2. The boundaries of the North Side Stadiums Area TIF District shall be as identified in the Project Plan and include only those units of property assessed or assessable for general property tax purposes.

Section 3. The North Side Stadiums Area TIF District is created as of the effective date of the final resolution of the City, and the North Side Stadiums Area TIF District shall continue in existence for a period of twenty years from such date.

Section 4. Tax revenues due, owing, and received by the County from the pledged parcels, to the extent described in the Project Plan, are hereby pledged for the purposes set forth in the Project Plan.

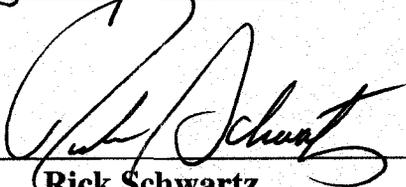
Section 5. The appropriate public officials of the County are hereby directed to take such additional actions in cooperation with the Authority, the City and the School District in furtherance of the implementation of the Project Plan, subject to the County Manager and Solicitor approving the form and content of the TIF Cooperation Agreement and Project Plan.

SECTION 6 *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 7 *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. 1234-03



Rick Schwartz
President of Council

Attest: John Mascio
John Mascio
Chief Clerk of Council

Approved as to form: Charles P. McCullough
Charles P. McCullough
County Solicitor

Chief Executive Office July 15, 2003

Approved: James C. Roddey
James C. Roddey
Chief Executive

Attest: Victoria Spence
Victoria Spence
Executive's Secretary

Attachment "A"

North Side Stadiums Area
Tax Increment Financing Plan

**URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH
NORTH SIDE STADIUMS AREA
TAX INCREMENT FINANCING PLAN**

Outline

1. **TIF District (see attached map).**

2. **Existing Uses** - Surface parking lots

3. **Proposed Improvements between Heinz Field and PNC Park.**
 - \$127,000 million mixed use development in eleven buildings (see attached masterplan).
 Development will include approximately 743,750 sf of office space, 211,400 sf of retail space
 and 350-400 residential units. The development will require the construction of three
 parking garages containing a total of 2,300-2,500 spaces.

4. **Proposed Improvements to be financed with TIF proceeds.**
 - a. Approximately 525 space parking garage on Parcel 10.5 to service residential buildings
 on parcels 10.1,10.2, 10.3 and 10.4.
 - b. Public streetscape improvements to support the parking garage on Parcel 10.5

5. **Estimated Cost of Proposed Improvements**

	<u>525 Spaces</u>	<u>TIF Share</u>
Parking Garage on Parcel 10.5	-	\$9,750,000
Streetscape to support parking garage	-	\$250,000
	\$10,000,000	\$5,000,000

6. **a. Current Fair Market Value of taxable real property in the North Shore Stadium Area TIF District** - \$0

- b. Projected Fair Market Value Following Improvements in the North Shore Stadium Area TIF District** - \$123,600,000

7. **Estimated total real estate tax revenue after completion of the mixed use development**

City	-	\$1,335,107
County	-	\$579,783
School District	-	<u>\$1,720,805</u>
		\$3,635,695

8. **Proposed Term of TIF District** - 20 years

9. **Proposed Distribution of Real Estate Tax Increment**
 50% of the real estate tax increment is pledged as needed to generate
 \$5 million in net proceeds for the Parking Garage on parcel 10.5.

10. **Estimated Real Estate Tax Increment pledged for Notes/Bonds for the construction of Parking Garage 10.5 based on current millage.** - \$546,421

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

	<u>Current</u>	<u>Increment</u>	<u>Total</u>
City	\$0	\$1,335,107	\$1,335,107
County	\$0	\$579,783	\$579,783
School District	\$0	\$1,720,805	\$1,720,805
TOTAL	\$0	\$3,635,695	\$3,635,695

	<u>Increment To TIF Debt</u>	<u>Increment To Taxing Body</u>	<u>Total</u>
City	\$200,658	\$1,134,449	\$1,335,107
County	\$87,137	\$492,646	\$579,783
School District	\$258,626	\$1,462,179	\$1,720,805
TOTAL	\$546,421	\$3,089,274	\$3,635,695

12. **Overall Real Estate Tax Participation Rate: 15%**

13. **Other Benefits**

- a. Approximately 3,600 jobs brought to the North Shore
- b. Creation of approximately 720 new jobs.
- c. Fulfillment of 40 year goal of development to complement stadiums on the North Shore.
- d. Completion of the development of a near downtown district to complement and strengthen the Golden Triangle.

14. **Estimated Note/Bond Amounts** - \$5,600,000

15. **Estimated Funds Available for Project** - \$5,000,000

16. **Estimated Taxable Interest Rate** - 5.97%

17. **Estimated TIF District Creation Date** July 29, 2003

18. **Estimated Note/Bond Issue Date** December, 2004

19. **Estimated Revenue for Note/Bond Payment**

50% of Real Estate Tax Increment from parcels pledged for Parking Garage on Parcel 10.5. Continental or a related entity or tenant will guarantee real estate tax payments for a period of 18 years beginning on or about March 1, 2006. - \$546,421

SCHEDULE FOR PROPOSED 2003 TIF PLAN APPROVALS

INITIAL RESOLUTIONS

URA

Inducement Resolution February 13, 2003

City

Send Legislation March 4, 2003
Introduce Legislation March 11, 2003
Committee Discussion March 19, 2003
Final Vote March 25, 2003

School

Pre-meeting February 28, 2003
Business Committee March 3, 2003
Agenda Review March 19, 2003
Legislative Meeting March 26, 2003

County

First Reading April 1, 2003
Budget & Finance Committee April 24, 2003
Second Reading May 6, 2003

TIF COMMITTEE MEETING May 14, 2003

FINAL RESOLUTIONS

URA

Board approval of TIF Plan June 12, 2003

City

Send Legislation May 20, 2003
Introduce Legislation May 27, 2003
Committee Discussion June 4, 2003
Hearing Advertisement June 5, 2003
Hearing July 8, 2003
Committee Discussion July 23, 2003
Final Vote July 29, 2003

School

Pre-meeting * May, 2003
Business Committee June 2, 2003
Agenda Review June 18, 2003
Legislative Meeting June 25, 2003

County

First Reading June 3, 2003
Budget & Finance Committee To be determined
Second Reading June 17, 2003

* Scheduled sometime in the week before the Business Committee meeting and includes Jean Fink, Floyd McCrea and Darlene Harris.

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

NORTH SIDE STADIUMS AREA TAX INCREMENT FINANCING PLAN

May, 2003

I. INTRODUCTION

A. Background on the Continental Real Estate Proposal to construct a mixed-use development between PNC Park and Heinz Field on the City's North Shore

The Pittsburgh Steelers and the Pittsburgh Pirates (collectively, the Teams) have an agreement with the Sports and Exhibition Authority (SEA) to develop the 25 acre area between PNC Park and Heinz Field (the Project Area). In 2002 the Teams and the SEA selected Continental Real Estate Companies (Continental) to develop this area.

Continental has proposed to build a \$127 million mixed use development in eleven buildings (see proposed masterplan on page 10). Continental will lease development parcels from the Teams as they are ready to begin developments. The development, which will bring approximately 3,600 jobs to the North Side, is expected to include approximately 743,750 sf of office space, 211,400 sf of retail space and 350-400 residential units (the kind, number, size of buildings and locations may change before actual development). The development will require the construction of three parking garages containing a total of 2,300-2,500 spaces to replace existing surface parking that will be eliminated by the development. One of the garages, the garage on parcel 10.5 (the Parking Garage) containing a total of approximately 525 spaces, will need a substantial amount of subsidy and will be built by the URA. This garage will support the four residential buildings that Continental will build in the southeastern section of the Project Area adjacent to PNC Park. TIF financing will be needed to fill the financing gap for this garage. The SEA is expected to build the other two parking garages.

Proximity to the Golden Triangle makes the Project Area very attractive. Companies that would locate will, in many cases, be City businesses needing to expand. Without these sites, they would most likely have to find suburban greenfield sites for their expansion needs and the City would lose jobs. Development here will also fill a longtime need to more fully utilize this area on the North Shore and complement the stadiums that have been built there. The area

on the North Shore east of Federal Street has been fully developed and the City is now focusing on development between the Stadiums. After full buildout the three taxing bodies would benefit from approximately \$3.6 million in new annual real estate taxes. After pledged increment is deducted, the net annual increase would be approximately \$3.1 million (see calculations on page 12).

Continental expects to complete the buildings in stages, with the first building to start in 2003. This first building, which will be built on the Allegheny Riverfront on parcel 15 (see plan on page 10), will be a six-story, 180,000 square foot new headquarters for Equitable Resources. Equitable will occupy 150,000 square feet in the five upper floors of the building and the 30,000 square feet on the first floor will be reserved for restaurants and other retail development. Continental expects to start construction on the building in August and to complete it by the end of 2004.

In December, 2002, the City's Planning Commission approved Continental's masterplan for the Project Area. Continental will present separate Project Development Plans for each proposed building to the Planning Commission as designs are completed.

In order to use Tax Increment Financing, the City completed a Basic Conditions Report and the City's Planning Commission certified the Project Area as the North Shore Stadiums Redevelopment Area in March, 2003.

B. 2003 North Side Stadiums Area Tax Increment Financing Project

TIF financing is needed in order to build one of the three parking garages needed for Continental's mixed use development. This parking garage, referred to as the Parking Garage, will be located on parcel 10.5, as indicated on the masterplan on page 10. It will support residential development in the eastern component of Continental's development bounded by the Ft. Duquesne Bridge ramp, General Robinson Street, PNC Park and the riverfront park. The residential developments will be built on parcels 10.1, 10.2, 10.3, and 10.4 (see the masterplan on page 10). The size of the Parking Garage will depend on various factors including the actual number of apartments built and the unit mix.

In order to generate \$5 million in net proceeds for the Parking Garage and related streetscape improvements (the "Streetscape"), the TIF Proposal includes a pledge of 50% of the incremental real estate taxes from development on Continental's parcels (the "Pledged Parcels" – see map on page 11) . As illustrated on page

12, this proposed pledge of real estate taxes equates to only 15% of the expected real estate tax increment for the entire Continental development. Pledged real estate taxes will not exceed the amount needed to generate \$5 million in net proceeds for the Parking Garage and Streetscape. Parcels would be pledged as they are developed by Continental until there is sufficient projected fair market value and tax increment to support a financing that would generate \$5 million in net proceeds for the Parking Garage and Streetscape. That \$5 million would fill the financing gap on the 525 space garage, as indicated on page 5. The balance of the development costs for the Parking Garage would be funded through conventional financing.

Upon designation of the North Side Stadiums Area Tax Increment Financing (TIF) District in the North Shore Stadiums Redevelopment Area (see map on page 13), the URA will issue taxable Bond(s)/Note(s) totaling approximately \$5.6 million, from which approximately \$5 million in net proceeds (following costs of issuance and debt reserves) will be available for direct Parking Garage and Streetscape costs. The URA is expected to build, own and operate the Parking Garage, whose total cost is estimated at approximately \$10 million (see budget breakdown on page 5).

The use of tax increment financing is necessary to make this Project economically feasible. The Project Area cannot be developed without the construction of parking garages to replace the surface parking which currently supports PNC Park and Heinz Field. Since North Shore parking rates will only support a portion of the financing needed for the Parking Garage, it cannot be built and the residential portion of Continental's development cannot proceed without the financing provided through the TIF.

C. North Shore Stadiums Redevelopment Area

Continental's proposed developments, including the Parking Garage, are located within the North Shore Stadiums Redevelopment Area (see map on page 13). This Redevelopment Area, No. 62, was certified as blighted and designated a Redevelopment Area in March of 2003 by the City's Planning Commission as a result of findings in the North Shore Stadiums Study Area Basic Conditions Report dated February, 2003. This area is seen as important because it lies between PNC Park and Heinz Field and because of the longtime need to realize its development potential. The area is part of the Stadium Redevelopment Area, which was certified in 1961. The Stadium Area Redevelopment Plan expires at the end of 2003.

II. PROPOSED IMPROVEMENTS FINANCED WITH TIF PROCEEDS

The expected \$5 million in net TIF proceeds is estimated to be divided \$4.75 million for the Parking Garage and \$250,000 for streetscape to support the Parking Garage (Streetscape). The total development costs of the Parking Garage, including the Streetscape, are estimated to total approximately \$10 million (see budget on page 5). The balance of the costs will be covered by conventional debt (see sources and uses on page 5).

III. IMPACT ANALYSIS

The economic impact of Continental's development is detailed on pages 14-16.

IV. ESTIMATED PROJECT COSTS AND METHOD OF FINANCING

A. Overall Continental Development

USES OF FUNDS:

Construction	\$99,060,000
Miscellaneous Soft Costs	<u>\$27,940,000</u>
Total Uses	\$127,000,000

SOURCES OF FUNDS:

Developer Financing	\$127,000,000
Total Sources	\$127,000,000

B. TIF Project: Construction of Parking Garage on Parcel 10.5

USES OF FUNDS

Parking Garage Construction	\$7,312,500
Soft costs	\$2,437,500
Streetscape	<u>\$ 250,000</u>
TOTAL USES	\$10,000,000

ESTIMATED SOURCE OF FUNDS

Conventional Financing	\$5,000,000
Tax Increment Financing	<u>\$5,000,000</u>
 TOTAL SOURCES	 \$10,000,000

C. Tax Increment Financing

Bond/Note Amount(s)

Approximately \$5,600,000 in order to raise \$5,000,000 in net proceeds

2. Pledged Revenues

50% of the School District, City and County incremental real estate taxes on Pledged Parcels as illustrated on page 11 and as defined by the lot and block designations below. The total of pledged taxes needed is estimated to be \$546,421.

3. Pledged Parcels*

<u>Owner</u>	<u>Lot & Block</u>	<u>Continental Parcel #</u>
Stadium Authority	Part of 8-F-180	4
Stadium Authority	Part of 8-J-10 & 20	7.1
Stadium Authority	Part of 8-J-10 & 20	7.2
Stadium Authority	Part of 8-K-1	10.1
Stadium Authority	Part of 8-K-1	10.2
Stadium Authority	Part of 8-K-1	10.3
Stadium Authority	Part of 8-K-1	10.4
Stadium Authority	Part of 8-J-10 & 20	12
Stadium Authority	Part of 8-J-20	13
Stadium Authority	Part of 8-K-1	14
Stadium Authority	Part of 8-K-1	15

*To be acquired by the Teams and leased to Continental.

4. Provisions for Unused TIF Bond/Note Proceeds

Any TIF Bond/Note proceeds which remain after financing the development of the Parking Garage and Streetscape are expected to be used towards prepayment of the TIF Bond(s)/Note(s) as permitted. The URA does not, however, anticipate that the TIF Bond/Note proceeds will exceed the costs of developing the Parking Garage and Streetscape.

5. Tax Base for Purpose of Increment Calculation

Subject to the provision 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 real estate tax increment. Since the Pledged Parcels are currently owned by the SEA and tax-exempt, the tax base is zero.

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(s) are expected to be used towards the payment of debt service, including payment of capitalized interest and prepayment of the TIF Bond(s)/Note(s) as permitted under the Trust Indenture.

8. Financial Details

The illustrative Tax Increment Financing Analysis on page 17 is intended to describe the expected financing assumptions.

It is expected that the North Side Stadiums Area TIF District will be established in July, 2003. The TIF Bond(s)/Note(s) may be issued in phases with the first expected to be issued by the end of 2004. The Parking Garage and Streetscape may be completed in phases with the first phase to be complete by the end of 2005.

In order to reduce the costs associated with the issuance of the debt, Continental, a related entity or entities acceptable to the URA, or a tenant or tenants of Continental acceptable to the URA, through a Minimum Payment Agreement(s), may guarantee the entire annual minimum real estate tax and other payments necessary to pay off the TIF Bonds/Notes and cover annual costs.

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 eighteen (18) year term, beginning in 2006.

Construction period interest, if any, may 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 costs of issuance, the interest rate to be earned on the various sources, the security for the TIF Bond(s)/Note(s) and the timing on the commencement of the tax increment. 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(s)/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.

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 the development costs for the Parking Garage (to include construction and soft costs) and the Streetscape.

If Bond(s)/Note(s) are not issued, the URA may be reimbursed for the costs of the TIF Project out of the pledged real estate increment, over time.

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

The map on page 13 shows the boundaries of the North Side Stadiums Area TIF District and the boundaries of the North Shore Stadiums Redevelopment Area.

The map on page 18 shows existing land use and the map on page 10 shows the proposed masterplan for Continental's North Shore mixed use development.

VI. PROPOSED ZONING CHANGES

The parcels in the North Side Stadiums Area TIF District are zoned DR-B (Downtown Redevelopment). Zoning variances and/or special exceptions will be sought from the City's Zoning Board of Adjustment for portions of the mixed use development. Continental is currently seeking a variance to the "Floor Area Ratio" requirement to increase said ratio from 3:1 to 7.5:1 for the entire 25 acre Project Area. Continental is also seeking a special exception for the Equitable Resources building on parcel 15 to allow for additional off-site parking in a perimeter area. Additional zoning variances and/or special exceptions will be pursued, as and when necessary, to facilitate the implementation of the development. The zoning map is included on page 19.

VII. ESTIMATED NON-PROJECT COSTS

Continental's development, estimated to cost approximately \$127 million, will be completed without any TIF financing or other public subsidy.

VIII. PROPOSED RELOCATION STATEMENT

ALCO Parking currently operates SEA's surface parking lot on parcel 10.5 where the URA will build the Parking Garage. The SEA will be moving ALCO to another surface parking lot outside the TIF District when the URA is ready to begin construction on the Parking Garage.

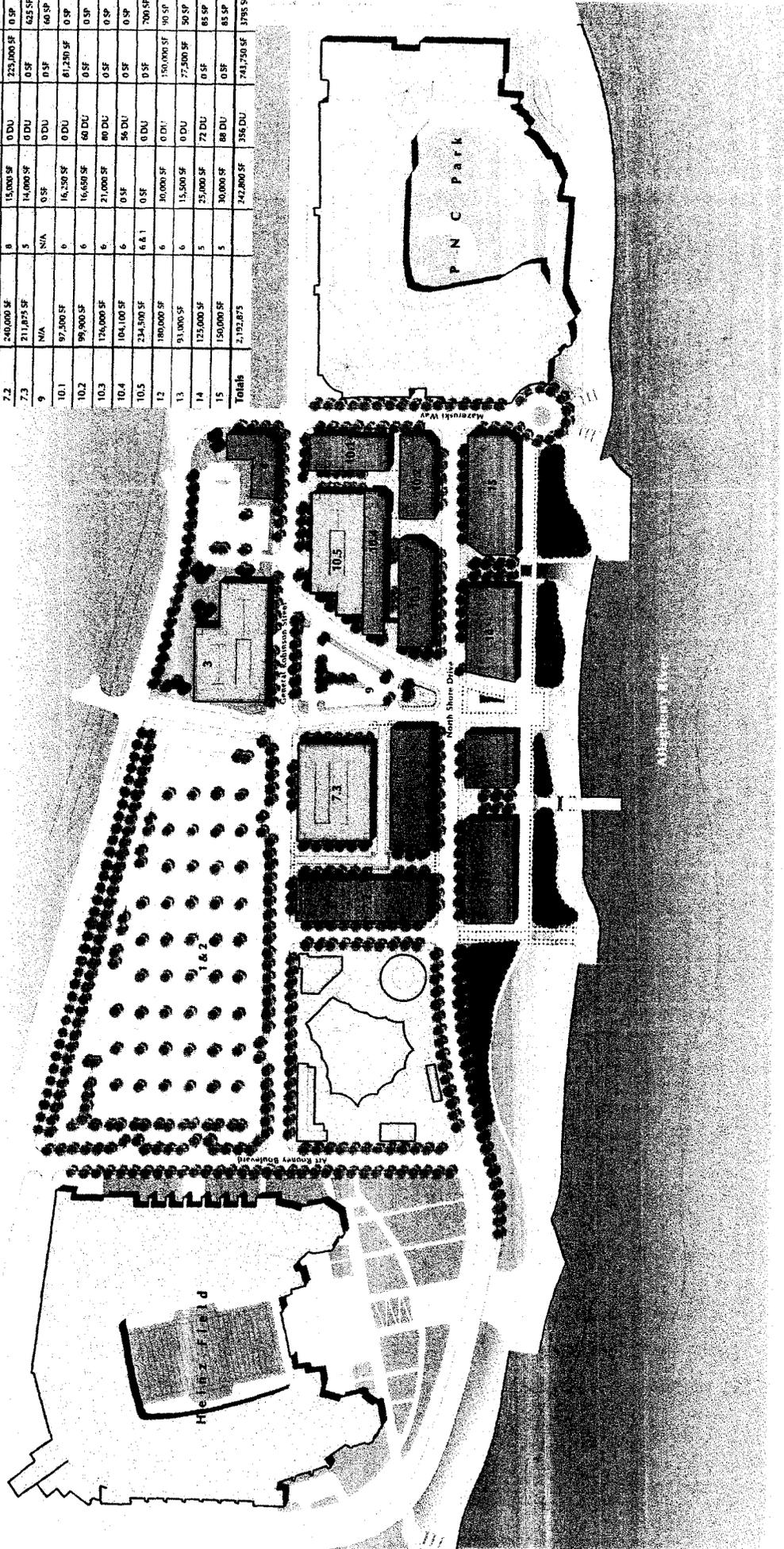
IX. 1% NEIGHBORHOOD DEVELOPMENT FEE

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.

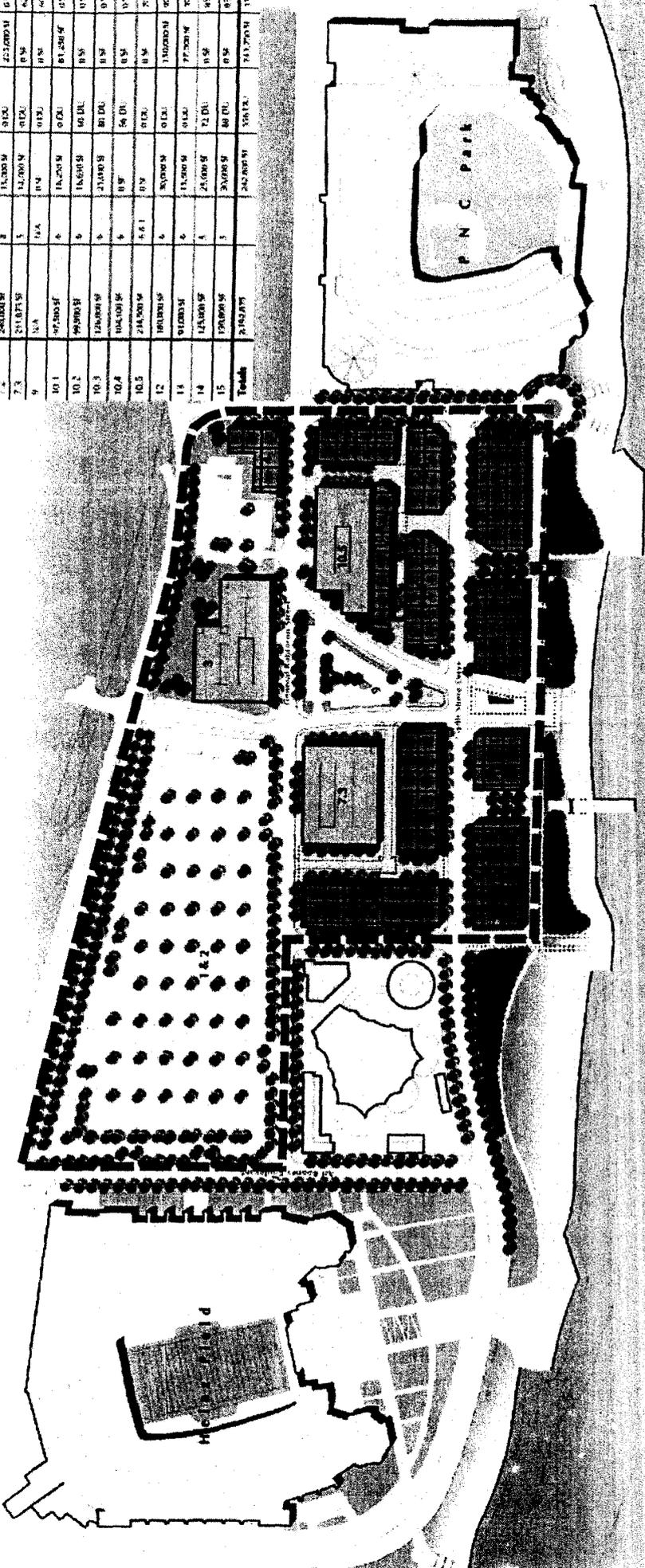
X. 1% SCHOOL DEVELOPMENT FEE

As per Pittsburgh School Board Resolution No. 12 approved on May 26, 1999, the developer, from its 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.

Block Number	Total Building Square Footage	Stories	USE: Retail	USE: Residential	USE: Office	USE: Parking
1 & 2	N/A	N/A	0 DU	0 DU	0 SF	1000 SP
3	279,000 SF	6	17,000 SF	0 DU	0 SF	1000 SP
4	12,000 SF	1	12,000 SF	0 DU	0 SF	100 SP
7.1	240,000 SF	8	30,000 SF	0 DU	210,000 SF	0 SP
7.2	240,000 SF	8	15,000 SF	0 DU	225,000 SF	0 SP
7.3	211,875 SF	5	14,000 SF	0 DU	0 SF	625 SP
9	N/A	N/A	0 SF	0 DU	0 SF	60 SP
10.1	97,500 SF	6	16,250 SF	0 DU	81,250 SF	0 SP
10.2	59,800 SF	6	16,600 SF	60 DU	0 SF	0 SP
10.3	126,000 SF	6	21,000 SF	80 DU	0 SF	0 SP
10.4	104,100 SF	6	0 SF	56 DU	0 SF	0 SP
10.5	234,500 SF	6 & 1	0 SF	0 DU	0 SF	700 SP
12	180,000 SF	6	30,000 SF	0 DU	150,000 SF	90 SP
13	91,000 SF	6	11,500 SF	0 DU	77,500 SF	50 SP
14	123,000 SF	5	25,000 SF	72 DU	0 SF	85 SP
15	150,000 SF	3	30,000 SF	88 DU	0 SF	85 SP
Totals	2,192,875		242,800 SF	356 DU	744,750 SF	1795 SP



Block Number	Total Existing Square Footage	Area (Acre)	U.S. Acres	U.S. Square Feet
1 & 2	1,500,000 SF	34.5	34.5	1,500,000 SF
3	2,000,000 SF	46.0	46.0	2,000,000 SF
4	3,000,000 SF	69.0	69.0	3,000,000 SF
5	4,000,000 SF	92.0	92.0	4,000,000 SF
6	5,000,000 SF	115.0	115.0	5,000,000 SF
7	6,000,000 SF	138.0	138.0	6,000,000 SF
8	7,000,000 SF	161.0	161.0	7,000,000 SF
9	8,000,000 SF	184.0	184.0	8,000,000 SF
10	9,000,000 SF	207.0	207.0	9,000,000 SF
11	10,000,000 SF	230.0	230.0	10,000,000 SF
12	11,000,000 SF	253.0	253.0	11,000,000 SF
13	12,000,000 SF	276.0	276.0	12,000,000 SF
14	13,000,000 SF	299.0	299.0	13,000,000 SF
15	14,000,000 SF	322.0	322.0	14,000,000 SF
Total	140,000,000 SF	3150.0	3150.0	140,000,000 SF



NORTH SHORE MASTER PLAN
PITTSBURGH PENNSYLVANIA

OVERALL PLAN AUGUST 13, 2002

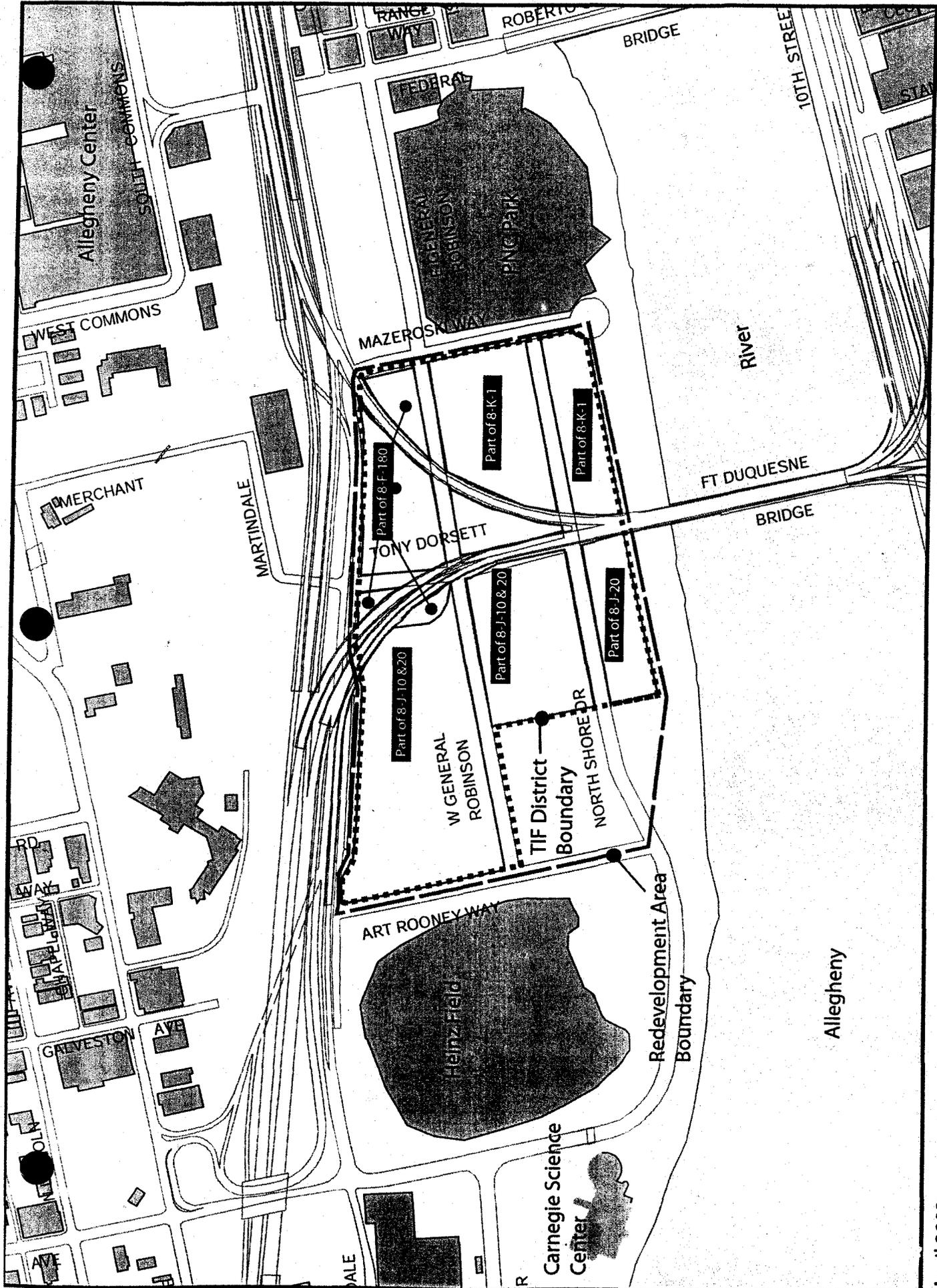
- ■ ■ ■ North Side Stadiums Area TIF District
- ■ ■ ■ Parcels from which Real Estate Tax Increments can be pledged

NORTH SIDE STADIUMS AREA TAX INCREMENT FINANCING PLAN

**ESTIMATED ANNUAL REAL ESTATE TAXES GENERATED FROM TOTAL PROJECT BASED ON CURRENT MILLAGE
AND PROPOSED DISTRIBUTION OF TAX INCREMENT**

	<u>Current</u>	<u>Increment</u>	<u>Total</u> <u>Increment</u>	<u>Increment</u> <u>To</u> <u>TIF Debt</u>	<u>Increment</u> <u>To Taxing</u> <u>Body</u>
City	\$0	\$1,334,880	\$1,334,880	\$200,658	\$1,134,222
County	\$0	\$579,684	\$579,684	\$87,137	\$492,547
School District	<u>\$0</u>	<u>\$1,720,512</u>	<u>\$1,720,512</u>	<u>\$258,626</u>	<u>\$1,461,886</u>
TOTAL	\$0	\$3,635,076	\$3,635,076	\$546,421	\$3,088,655

Projected Overall Real Estate Tax Participation Rate: 15.0%



North Shore Stadiums Redevelopment Area and North Side Stadiums Area TIF District

April 2003
 The Urban Redevelopment Authority of Pittsburgh
 (Underlying graphic courtesy of Pittsburgh DCP)

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**ECONOMIC IMPACT ANALYSIS
NORTH SHORE DEVELOPMENT**

I. Impact of Construction of Commercial and Apartment Buildings

Total Construction Costs: \$127,000,000

A. Employment Impact

	<u>Labor Hours (per \$1,000 const.)</u>	<u>Total Labor Hours</u>	(a)	<u>Full-time Equivalent Jobs</u>	(b)
On-site Construction	9.4	1,193,800		597	
Off-site Construction	1.5	190,500		95	
Manufacturing	7.9	1,003,300		502	
Trade, Transportation, etc.	5.3	673,100		337	
All other sectore	1.5	190,500		95	
TOTAL EMPLOYMENT				1626	

B. Income Impact

	<u>Total Labor Hours</u>	<u>Average Hourly Earnings</u>	<u>Total Earnings</u>
On-site Construction	1,193,800	\$15.00	\$17,907,000
Off-site Construction	190,500	\$15.00	\$2,857,500
Manufacturing	1,003,300	\$12.00	\$12,039,600
Trade, Transportation, etc.	673,100	\$10.00	\$6,731,000
All other sectore	190,500	\$11.00	\$2,095,500
TOTAL EARNINGS			\$41,630,600

Disposable Income	@	80%	\$33,304,480
Personal consumption expenditures	@	92%	\$30,640,122

C. Expenditure Impact

	<u>Fraction of Total consumption</u>	<u>Expenditures</u>
Shopping goods	17.1%	\$5,239,461
Convenience goods	23.2%	\$7,108,508
Other consumption	59.7%	\$18,292,153
		\$30,640,122

(a) Using 1993 Labor Hour figures.

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

II. Impacts from Operations

A. Income Impacts

	Employees per 1000 sq. ft. (FTE jobs)	Square footage	Total Employees	Average Annual Income	Total Annual Income
Office Employees	4	743,750	2,975	\$66,000	\$ 196,350,000
Retail Employees	3	211,400	634	\$25,000	\$ <u>15,855,000</u>
TOTAL INCOME					\$ 212,205,000
					\$ 186,740,400
			88%		\$ 171,801,168
			92%		

Disposable Income
Consumption Expenditures

B. Expenditure Impact

	Fraction of Total consumption	Expenditures
Shopping goods	17.1%	\$ 29,378,000
Convenience goods	23.2%	\$ 39,857,871
Other consumption	59.7%	\$ <u>102,565,297</u>
TOTAL		\$ 171,801,168

C. Retail Sales

Sales per Square foot	Square footage	Total Retail Sales
\$ 300	211,400	\$ 63,420,000

III. ESTIMATED ANNUAL INCREMENTAL TAXES

Type of Tax

Wage Tax - City	\$ 212,205,000	Payroll
	<u>0.35</u>	Estimated percentage living in City
	\$ 74,271,750	Payroll Subject to Tax
	1.00%	Tax Rate - City
	\$ 742,718	Estimated Annual City wage Tax

20 year Impact without Cost
of Living Adjustment \$ 14,854,350

Wage Tax - School District	\$ 212,205,000	Payroll
	<u>0.35</u>	Estimated percentage living in City
	\$ 74,271,750	Payroll Subject to Tax
	2.000%	Tax Rate - School District
	\$ 1,485,435	Estimated Annual City wage Tax

20 year Impact without Cost
of Living Adjustment \$ 29,708,700

**NORTH SIDE STYLUMS TIF DISTRICT
TIF ANALYSIS - CONTINENTAL DEVELOPMENT**

05/22/03

Assumptions:

- 1) Real Estate tax participation (City) 50%
- 2) Real Estate tax participation (County) 50%
- 3) Real Estate tax participation (School Board) 50%

Current FMV Tax Base (as of 4/28/2003) \$0

Projected FMV \$37,176,183 (1)

Projected Annual R.E. Tax Increment

Total New Taxes	\$ 1,071,485
Less: Current Taxes	\$ -
Tax Increment	\$1,071,485
Less: 50% Distribution to 3TB	\$535,742
Real Estate Tax Increment Pledged	\$535,742

TOTAL TAX INCREMENTS PLEDGED \$535,742

(1) Parcels would be pledged as they are developed by Continental until there is sufficient projected fair market value and tax increment to support a financing that would generate \$5 million in net proceeds for the Parking Garage and Streetscape.

Real Estate Tax Analysis

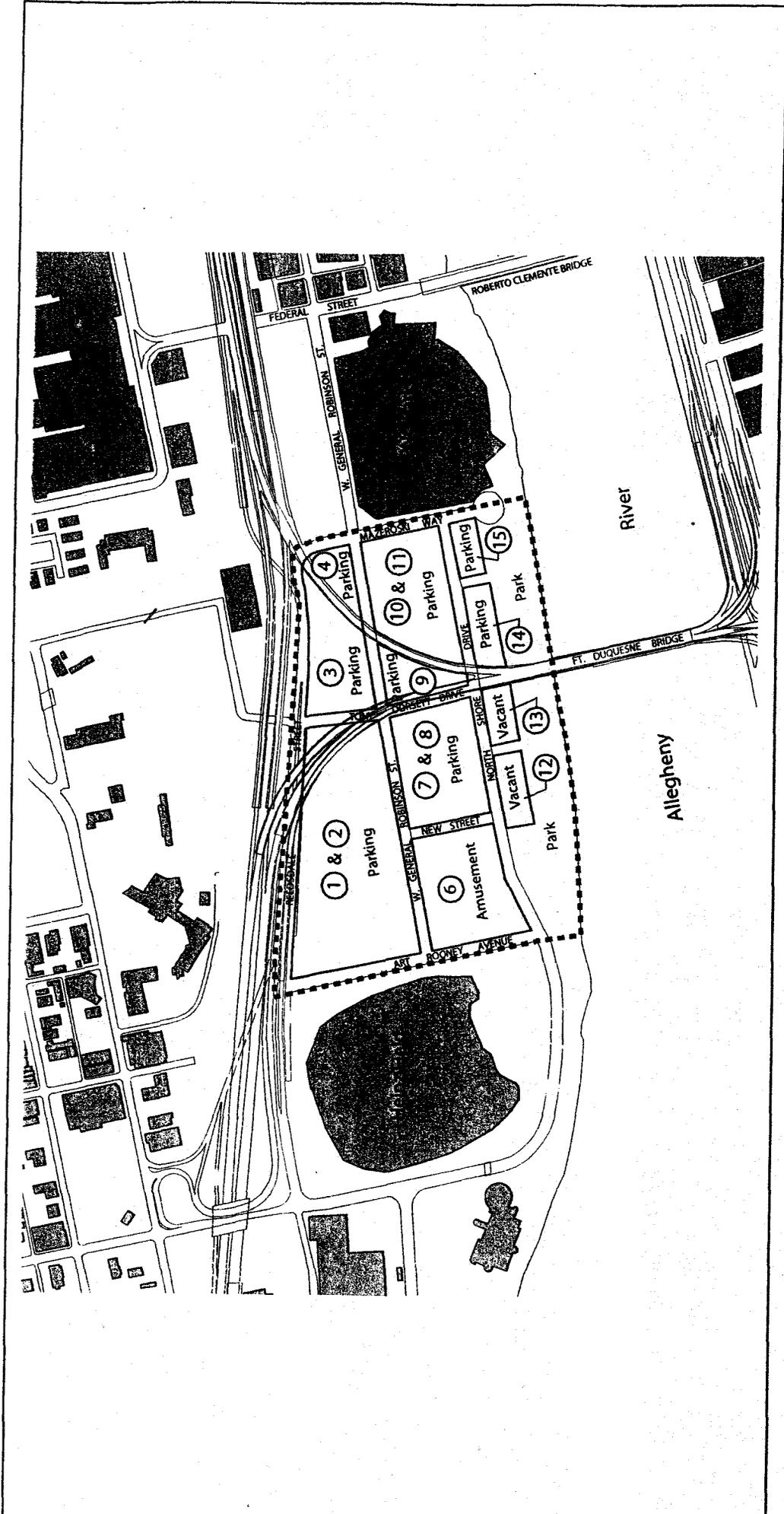
	Millage	Current	Increment	Total
City	0.0108	\$0	\$401,503	\$401,503
School District	0.01392	\$0	\$517,492	\$517,492
County	0.00469	\$0	\$174,356	\$174,356
Total Taxes		\$0	\$1,093,352	\$1,093,352
Total Taxes at 2% Discount		\$ -	\$ 1,071,485	\$ 1,071,485

Summary of Tax Allocations at 2% Discount for pledged parcels

	TIF	To Taxing Body	Total
CITY (Real Estate)	\$196,736.36	\$196,736.36	\$393,473
SCHOOL DISTRICT	\$253,571.31	\$253,571.31	\$507,143
COUNTY	\$85,434.59	\$85,434.59	\$170,869

TIF Note/Bond

Gross Annual Cash Flow Available	\$535,742
Less: Annual Fees	\$20,000
URA Administrator	\$4,500
Trustee Fee	\$3,000
Audit	\$3,000
Annual Cash Flow Available for Note/Bond	\$508,242
Less: Debt Coverage	100%
Interest Rate	5.970%
Term (single annual principal payment)	18 Years
Gross Note Amount Available	\$5,515,464
Less:	
Issuer (URA) Fee (@ 1%)	\$55,155
Bond Counsel Fees	\$35,000
Underwriters Fee	\$41,366
Miscellaneous Bond Costs of Issuance	\$47,500
Capitalized Interest (Est.)	\$336,443
Net Proceeds Available for Project	\$5,000,000



Urban Design Ventures
Community Planning Consultants
Urban Design Ventures, LLC, 5008 Howe Street, Pittsburgh, PA, 15232

Map Legend
 - - - - - Redevelopment Area Boundary
 _____ Parcel Outline
 (1) Parcel Number

**North Shore Stadiums
Proposed Redevelopment Area
Existing Land Use Map**
 Prepared For: Urban Redevelopment Authority of Pittsburgh
 200 Ross Street, Pittsburgh, Pennsylvania 15219

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 Proposed Resolution of the Council of the County of Allegheny adopting the North Side Stadium Area Tax Increment Financing Plan presented by the Urban Redevelopment Authority of Pittsburgh, and making certain findings. This request is submitted by the Department of Economic Development.

Please put on the next agenda for County Council approval.

Thank you.

North Shore Stadiums Redevelopment Area, North Side

- Continental Real Estate Companies
- \$127 million mixed use development for parking garages, office, retail, and residential
- County participation rate of 50% until 5 million in proceeds is reached, 15% after
- Total increment - \$3,635,695; County Increment - \$579,783 (15% = 87,137)
- Estimated Bond Issue - \$5 million
- Available for debt service - \$546,421