The URA is here for Pittsburgh.

Fostering sustainable prosperity for all

Pittsburgh Public Schools (PPS)
Business & Finance Committee
May 1, 2023

ura | Urban Redevelopment Authority of Pittsburgh











Agenda

1. URA Intro
2. PPS: Investment Partner
3. Downtown: Need for Stimulus
4. Downtown Abatement Program
5. Closing / Questions



About Us

The URA is the City of Pittsburgh's economic development enterprise. We are committed to building a prosperous and equitable economy for all of Pittsburgh. We help bridge public and private interests to invest in financially viable equitable developments that promote housing affordability, economic mobility, entrepreneurship and neighborhood revitalization. Our work creates and sustains quality jobs, thriving neighborhoods, healthy communities and sustainable businesses for the benefit of all Pittsburghers.







Mission

To foster sustainable prosperity across all of Pittsburgh.

Vision

Pittsburgh's economic well-being is grown and shared equitably, and all communities are empowered with effective social and financial resources to thrive.

Board of Directors

Meet the diverse and talented individuals helping guide the URA forward.



Kyle Chintalapalli, Chair

Chief Economic Development Officer, City of Pittsburgh



R. Daniel Lavelle, Vice-Chair

Councilman, City of Pittsburgh District 6



Sara Innamorato, Treasurer

District 21 Representative, PA House of Representatives



Lindsay Powell, Member

Workforce Strategies Director, InnovatePGH



Sam Williamson, Member

32BJ SEIU WPA District Director

URA Executive Leadership Team



Susheela Nemani-Stanger
Executive Director



Jennifer Wilhelm
Chief Operations Officer



Damara Carter
Chief Financial Officer



Tom Link
Chief Development Officer



Quianna Wasler
Chief Housing Officer



Tanika Harris
Director of Communication &
Community Relations



David Geiger
Senior Advisor



Shannon Barkley
Senior Legal Counsel

PPS: Investment Partner

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Thank you – critical investment partner to improve our city

- **Safe investment: Healthy Tax Increment Investment Portfolio**
  - **0% default rate**
  - **Conservative use of tax increment tool: 1.7% of Pittsburgh's real estate tax base is in TIF districts**
- **New tax revenue from retiring investments:**
  - **By 2027, approximately $140 mil + in assessed value from the portfolio will be 100% returned to 3TB**
  - **Resulting in approximately $1.4 mil in annual real estate taxes to the Pittsburgh Public Schools**
- **Multiplier affect: 9x increase in assessed real estate value**



Downtown: Need for Stimulus

Downtown: Need for Stimulus

Lingering, long term, impacts of COVID19 require stimulus to reinvigorate our Downtown

Downtown Pittsburgh has not recovered from the devastating impact of COVID19.

Seismic shifts in office demand put the future of Downtown Pittsburgh at significant risk.

Small businesses have lost substantial portions of their customer base and are being forced to close.

Large portions of office towers risk going empty.

Economic Stimulus is needed to bring new residents, small businesses, and jobs.

Downtown Post-Pandemic Stats

Daily foot traffic is at approximately **64%** of pre pandemic levels.

Downtown employment is approximately **50%** of pre pandemic levels, with **46,000** less average daily workers.

Rising office vacancy rates and **negative** absorption rates indicate continued struggles in office demand.

Demand for mixed income Housing shows strength- Downtown Conversion Program pilot has **$100mil + project** pipeline.

Downtown Abatement Program

Downtown Abatement Program

One-time, limited, by-right program by all 3TB for Downtown Pittsburgh

Program Summary

- Mirror the City's existing public benefits for an enhanced abatement:
  - Owner-Occupied Residential: 10% of units affordable @ or below 80% AMI.
  - Rental Residential: 10% of units affordable @ 50% AMI or 60% of units affordable @ 80% AMI.
  - Commercial Developments: Net increase of 50 or more full-time equivalent positions.

- The benefit would include up-to a $250K exemption per year, for 10 years, for each of the 3TB.

- Abatement application window would only be open for 3 years.

Benefit

Powerful tool to help stabilize and strengthen Downtown.

Can be paired with other economic stimulus programs such as Conversion Program and other incentive programs.

Cooperation across 3TB sends strong message and commitment to economic engine of our region.

Exponentially increase the value of the abatement.

Ease the process of applying for the abatement.

Make approvals more uniform and predictable.

Incentivize developers to act NOW, while limiting financial impacts to the 3TB through use of sunset provision.

Downtown Abatement Program

Existing City of Pittsburgh Real Estate Tax Abatement Overview

Exhibit A: City of Pittsburgh Real Estate Tax Abatement Program Overview

Project Type	Abatement Type	Standard Abatement	Enhanced Abatement	Legislation
Owner-occupied residential/for-sale development	Assessment reduction	· 3-year assessment reduction · Up to $175,000 per year	· 10-year assessment reduction · Up to $250,000 per year if: · A residential for-sale or owner-occupied property is in a CDBG-eligible location **OR** · A multi-unit for-sale or owner-occupied development includes at least 10% of units affordable to and occupied by households at or below 80% AMI	Chapter 265
Commercial residential (rental or otherwise not occupied by the owner)	Tax credit	· 3-year tax credit · Up to $125,000 per year	· 10-year tax credit · Up to $250,000 per year if: · A residential property not to be occupied by the property owner includes at least 10% of its units affordable to and occupied by households at 50% AMI **OR** · A residential property not to be occupied by the property owner includes at least 60% of its units affordable to and occupied by households at 80% AMI	Chapter 267
Industrial, commercial, or other business structures	Tax credit	· 3-year tax credit · Up to $125,000 per year	· 10-year tax credit · Up to $250,000 per year if the project creates at least 50 full-time jobs	Chapter 267

Thank you

Susheela Nemani-Stanger
Executive Director