



CITY CLUB APARTMENTS

CBD PITTSBURGH

PITTSBURGH PUBLIC SCHOOLS – SCHOOL BOARD PRESENTATION| 10.10.2022

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The image shows a spacious, modern apartment lobby with an industrial aesthetic. The ceiling features exposed pipes and several pendant lights. A large, light-colored sectional sofa with colorful patterned pillows is in the foreground. In the background, there is a bar area with stools and a large, dark fireplace with a wooden mantel. The floor is made of light-colored wood planks. Large windows on the right side offer a view of the outdoors.

1

About City Club Apartments

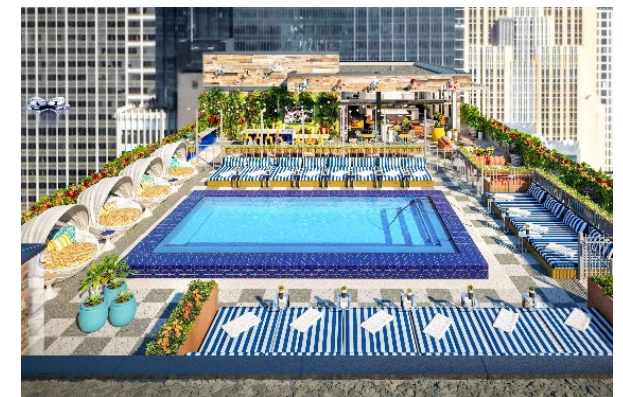
CITY CLUB APARTMENTS



City Club Apartments is the evolution of a company that started over 100 years ago in Detroit. Over the course of 3 generations, we have continued to innovate and deliver the very best in housing.

We lead the industry in developing and managing innovative, urban mixed-use apartment communities. A customer centric, lifestyle brand, City Club Apartments delivers resort class amenities, social programming and time saving services to residents. Design driven and technologically advanced, we are committed to social responsibility, with industry leading wellness and green certification. Our product targets the attitudinal shift in consumers towards lifestyle choices, targeting young urban professionals through to empty nesters, with a unique mix of apartments and penthouses.

As the Developer, Owner and Manager of long-term urban real estate City Club Apartments has a portfolio of approximately 10,000 mixed-use apartments. Please see our website, www.cityclubapts.com.

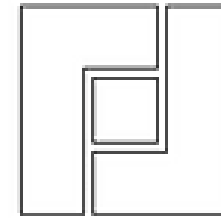


CITY CLUB APARTMENTS PITTSBURGH

DEVELOPMENT TEAM



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An architectural rendering of a modern rooftop lounge. The space features a large glass wall on the left, a ceiling with bird and floral murals, and various seating areas including tables, armchairs, and colorful beanbag chairs. People are shown relaxing and playing foosball. A large number '2' is circled in the center-left.

2

DEVELOPMENT SUMMARY

305 WOOD STREET

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LOCATION

📍 305 WOOD STREET
(WOOD STREET BETWEEN 3RD AND 4TH)

FORMER YWCA HEADQUARTERS

TAX PARCELS 1-H-139 and 1-H-140

OWNED BY CCA CBD PITTSBURGH LLC
PURCHASED 4/7/2022



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EXISTING CONDITIONS

305 WOOD STREET

- Site purchased from YWCA of Pittsburgh, which owned and operated the property since the 1960s
- Lots comprised of approx. 15,600 SF (.35 acre) of land area along Wood Street between Third and Fourth Avenues
- The property's functional obsolescence and vacancy contribute to blighted condition of the Wood Street corridor
- Public transit and other streetscape improvements needed
- **Former owner exempt from payment of real estate taxes**
- 2022 real estate tax assessed values:



Parcel	Land Value	Building Value	Total Value
001-H-00139	\$ 48,980	\$ 241,195	\$ 290,175
001-H-00140	\$ -	\$ 500,000	\$ 500,000
Total	\$ 48,980	\$ 741,195	\$ 790,175

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EXISTING CONDITIONS

305 WOOD STREET



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PROPERTY MARKETING EFFORT RESULTS

305 WOOD STREET

ywca

YWCA Marketing Effort Results

5000+ packages were sent out to potential buyers

22 parties signed an NDA to receive the full OM

4 parties toured the building

3 parties submitted offers

City Cub Apartments only viable offer

Pittsburgh, Pennsylvania

JLL

Marketing Results
JLL

305 Wood Street, Pittsburgh, PA 15222



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PROPOSED DEVELOPMENT PROGRAM

Develop a first-class, high-rise apartment community with retail activation of the streetscape including a fitness/health club to address blighted/distressed condition and attract more residents following the decline of business utilization Downtown

- Adaptive reuse of existing, functionally obsolete building
- Funding contributions to public improvements including sidewalk, right-of-way, and bus stop
- Utilization of existing adjacent parking garage owned by Pittsburgh Parking Authority
- 100% union building trade labor commitment with general contractor PJ Dick
- Project to be LEED certified, wellness rated, technology rated and ESG compliant, including MWBE plan for construction to meet or exceed Allegheny County policy levels
- Commitment to offer at least 10% (approx. 30 units) for affordable housing to be occupied by households earning at or below fifty percent (50%) of the area median income consistent with the City's LERTA "Program Enhancement Guidelines" with a mix of studio, 1BR and 2BR units



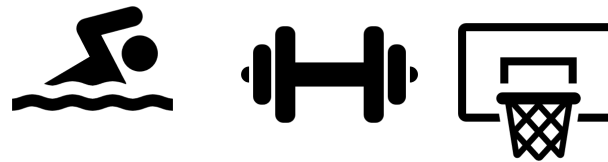
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PROPOSED DEVELOPMENT PROGRAM



300

**Apartments &
Penthouses**



**State of the Art Health
Club**



Restaurant

Apartments

- Approximately 300 apartment and penthouse units
- Commitment to offer at least 10% (approx. 30 units) for affordable housing to be occupied by households earning at or below fifty percent (50%) of the area median income

Restaurant

- 5,000 SF restaurant on the corner of Wood St and Fourth Ave - Pittsburgh restaurant owner/operator
- Indoor/outdoor space on the first and second floor

Health Club

- Previous YWCA health club on lower levels 1 and 2, including the swimming pool and basketball court, will become a state-of-the-art modern health club with new fitness equipment, saunas, a barre and yoga studio, Pilates, basketball, swimming and personal training.
- Health club will be open to the public with day passes for hotel, business, tourism, and memberships available for those who live and work in downtown Pittsburgh.

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PROPOSED DEVELOPMENT PROGRAM

INTERSECTION OF 4TH/WOOD

NEW 2 LEVEL RESTAURANT WITH
OUTDOOR DINING

STREETSCAPE IMPROVEMENTS

WINDOWS ADDED TO EXISTING
FACADE



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PROPOSED DEVELOPMENT PROGRAM

WOOD STREET (EXISTING ENTRANCE)

RENOVATED HEALTH CLUB



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PROPOSED DEVELOPMENT PROGRAM

INTERSECTION OF 3RD/WOOD

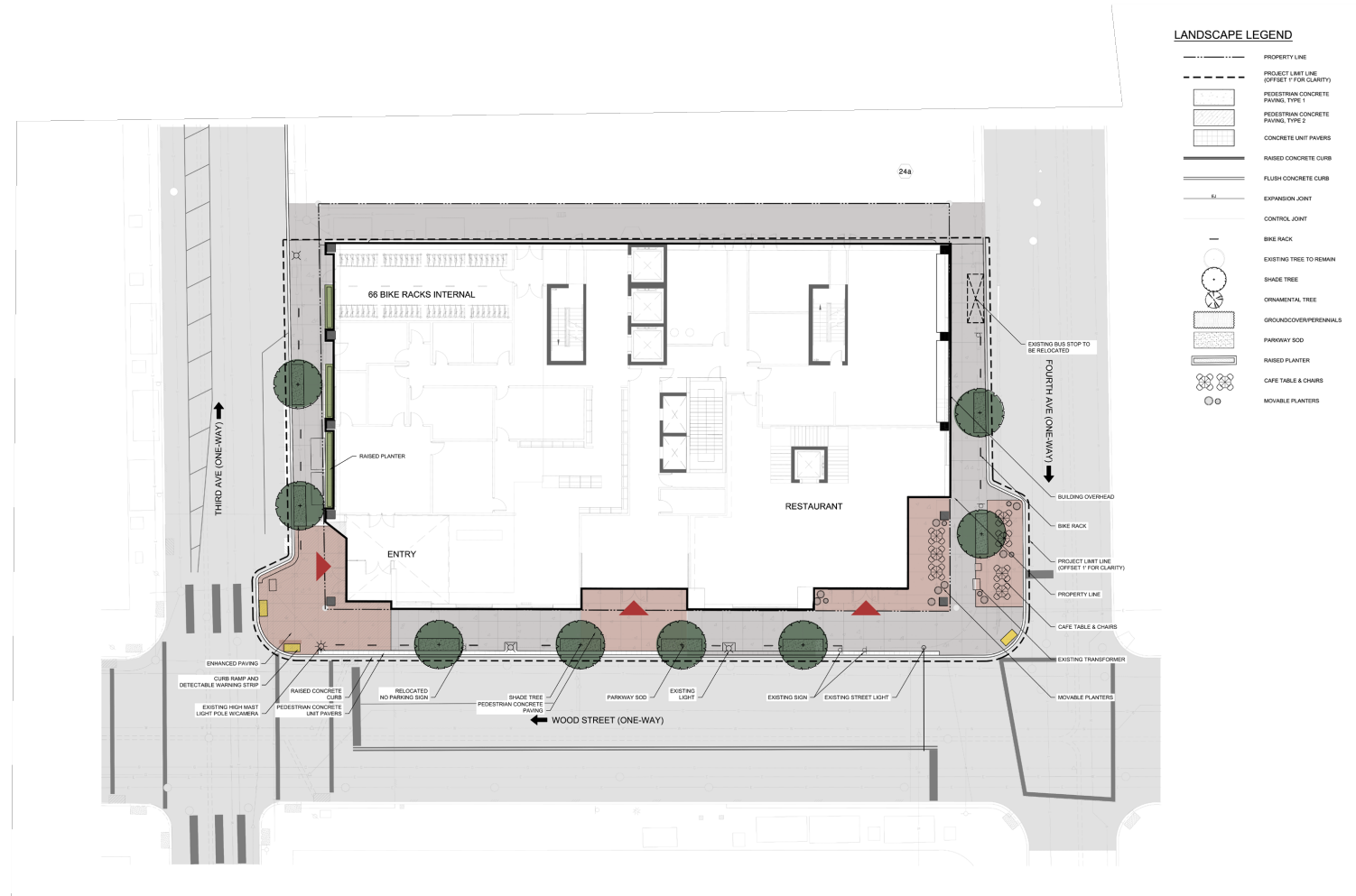
APARTMENT ENTRANCE

VIEW LOOKING UP 4TH



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SITE PLAN





3 INVESTMENT AND COMMUNITY BENEFITS

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SKYLINE VIEW



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INVESTMENTS IN THE COMMUNITY

Stimulate Private Investment

- Create 300 residences to attract an estimated 430 new residents that will work and consume goods and services Downtown and surrounding areas
- Revitalize retail with restaurant and health/fitness club serving the public

Support Affordable Housing

- Commitment to provide 10% of apartment units at rents not more than 50% AMI (30 Units)
- An additional 1% will be offered at 80% AMI (3 Units)

Improve Surrounding Properties and Increase Property Values

- Development of first-class improvements to eliminate blight, improve and activate streetscape
- Project anticipated to elevate current standard for Downtown residential quality of life, attracting further competitive investment

Creation of Employment Opportunities

- Est. \$66MM+ construction to create 200+ high-quality, 100% union construction jobs
 - Proposed commitment to escrow \$100,000 designated for minority training programs in union building trades if the 13% MWDBE goal is not achieved
- Retail operations est. to create over 20 full-time equivalent jobs
- Apartment operations estimated to create additional 10 full-time equivalent jobs
 - Commitment to hire 25% minority employees

Investment in Education

- Donation pledge of \$10,000 per year to The Pittsburgh Promise for at least the duration of the LERTA.

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REAL ESTATE TAX ESTIMATES

Projected Increases to Tax Revenue

- Prior ownership of the property was historically exempt from payment of real estate taxes.
- Based on comparable assessment data indicating approximately \$150,000/apartment, the developer estimates that upon completion the assessed value will increase to approx. \$47.5 million.
- Upon such reassessment, the project will generate new real estate taxes estimated to total \$3.9 million over the requested 10-year LERTA period including approx. over \$2,150,000 for the School District \$1,275,000 for the City, and \$450,00 for the County.
- Following expiration of the 10-year LERTA, annual real estate taxes are anticipated to total more than \$1 million including approx. \$466,000/yr for the School District, \$375,000/year for the City and \$220,000/year for the County.
- It is projected that the Pittsburgh Public School District will benefit from approximately \$80,000 of Earned Income Taxes on construction jobs to complete the project.
- Owner also projects that the School District will benefit from an estimated \$250,000/year of Earned Income Taxes on permanent jobs directly retained or created (estimated based on average wages of \$20.00/hour) and indirectly from new residents at the project (estimated based on an average salary of \$56,000/year).

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LERTA REQUEST

- Based on the project's plan to develop a mixed-use apartment building with 10% of the total units offered at not more than 50% of AMI, the project qualifies for the City of Pittsburgh's Section 267 LERTA enhanced program guidelines that provide a 10-year, 100% abatement of real estate taxes (up to \$250,000/year).
- The School District previously participated in this program along with the City without separate approval but changed their policy in 2022 to require discretionary review.
- The project developer is requesting that the School District consider participation in the same program as previously participated with the City at 100% abatement for 10 years (up to a maximum of \$250,000/year) or alternatively in a declining abatement from 100% to 60% over a 10-year period (reducing 10% every two years).
- Due to construction cost increases that are persisting in the current inflationary market conditions, as well as the owner's commitment to affordable housing, the project developer estimates a \$4+ million gap in the project's financial feasibility after maximizing debt and equity investment.
- The project developer has requested or is in the process of requesting various state and local incentives including discretionary grant programs (including PA Redevelopment Assistance Capital Program, DCED's Enterprise Zone program, and Allegheny County's Gaming Economic Development Tourism Fund) in addition to the requested LERTA from the City, School District and County.
- Due to the reduced revenue from affordable housing component and the higher interest expense from increasing interest rates, this projects financial returns are insufficient to support the investment risks involved with moving forward with the project but for participation of the LERTA from all 3 taxing bodies.

ESTIMATED REAL ESTATE TAXES AND ABATEMENT SCHEDULE

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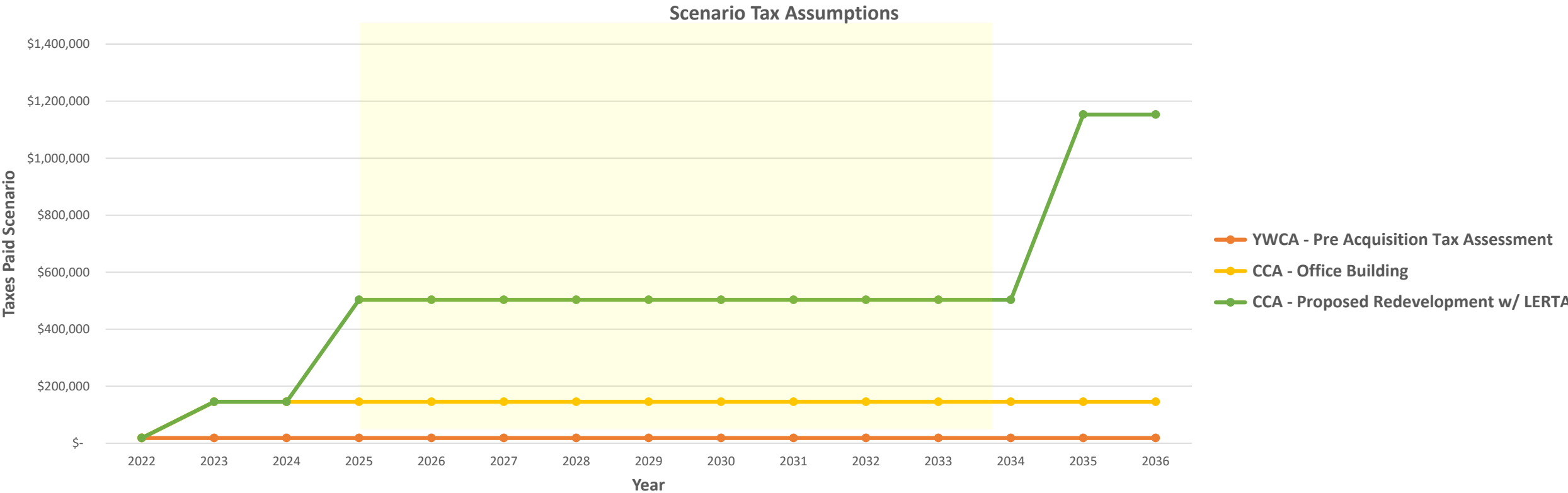
ESTIMATED REAL ESTATE TAX COMPARISON

	Year	LERTA Yr.	Year	YWCA - Pre Acquisition Tax Assessment	CCA - Office Building	CCA - Proposed Redevelopment w/ LERTA
Under Development	1		2022	\$ 18,166	\$ 18,166	\$ 18,166
	2		2023	\$ 18,166	\$ 145,183	\$ 145,183
	3		2024	\$ 18,166	\$ 145,183	\$ 145,183
Proposed LERTA Period	4	1	2025	\$ 18,166	\$ 145,183	\$ 502,996
	5	2	2026	\$ 18,166	\$ 145,183	\$ 502,996
	6	3	2027	\$ 18,166	\$ 145,183	\$ 502,996
	7	4	2028	\$ 18,166	\$ 145,183	\$ 502,996
	8	5	2029	\$ 18,166	\$ 145,183	\$ 502,996
	9	6	2030	\$ 18,166	\$ 145,183	\$ 502,996
	10	7	2031	\$ 18,166	\$ 145,183	\$ 502,996
	11	8	2032	\$ 18,166	\$ 145,183	\$ 502,996
	12	9	2033	\$ 18,166	\$ 145,183	\$ 502,996
	13	10	2034	\$ 18,166	\$ 145,183	\$ 502,996
Post LERTA	14		2035	\$ 18,166	\$ 145,183	\$ 1,152,996
	15		2036	\$ 18,166	\$ 145,183	\$ 1,152,996
	TOTAL			\$ 272,492	\$ 2,050,723	\$ 7,644,485
Residential Tax				\$ -	\$ 1,778,692	\$ 7,372,454
Commercial Tax				\$ 272,492	\$ 272,031	\$ 272,031
TOTAL				\$ 272,492	\$ 2,050,723	\$ 7,644,485
City Taxes				\$ 83,550	\$ 628,781	\$ 2,343,907
County Taxes				\$ 47,250	\$ 355,594	\$ 1,325,550
School Taxes				\$ 134,900	\$ 1,015,230	\$ 3,784,476
Library Taxes				\$ 6,792	\$ 51,118	\$ 190,552
Total Taxes Projected (15 Years)				\$ 272,492	\$ 2,050,723	\$ 7,644,485

Estimated Yearly School Taxes post LERTA: \$499,013

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ESTIMATED REAL ESTATE TAX COMPARISON CONTINUED



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THANK YOU