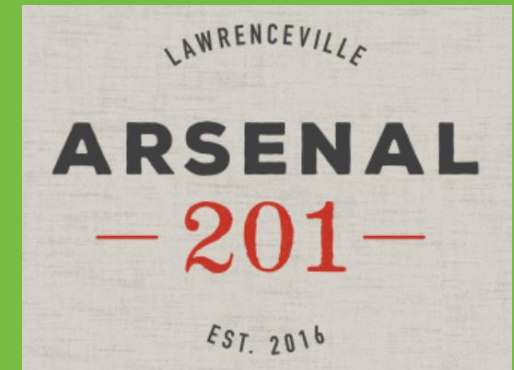


Arsenal 201 - LERTA Request to Pittsburgh Public School Board



Multifamily Development

Arsenal 201
3925 Butler St
Pittsburgh, PA 15201



125 39th Street, Bldg. 3, Pittsburgh, PA 15201

MILHAUS.COM

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Executive Summary

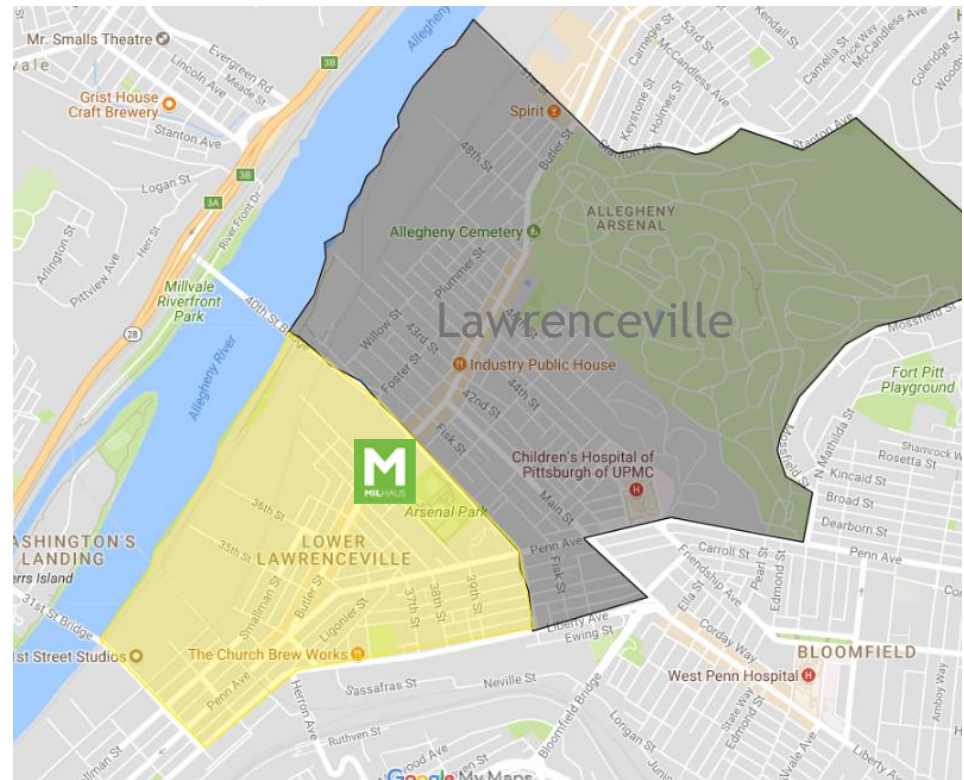
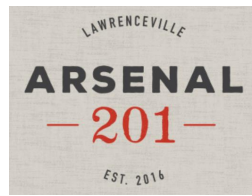
The Arsenal 201 investment opportunity is a planned 343-unit multi-family project located in the desirable historic neighborhood of Lawrenceville in Pittsburgh, PA. The project is a block away from the popular Butler Street, 5 minutes from the Strip District and 8 minutes from the central business district.

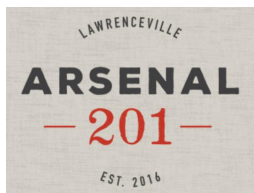
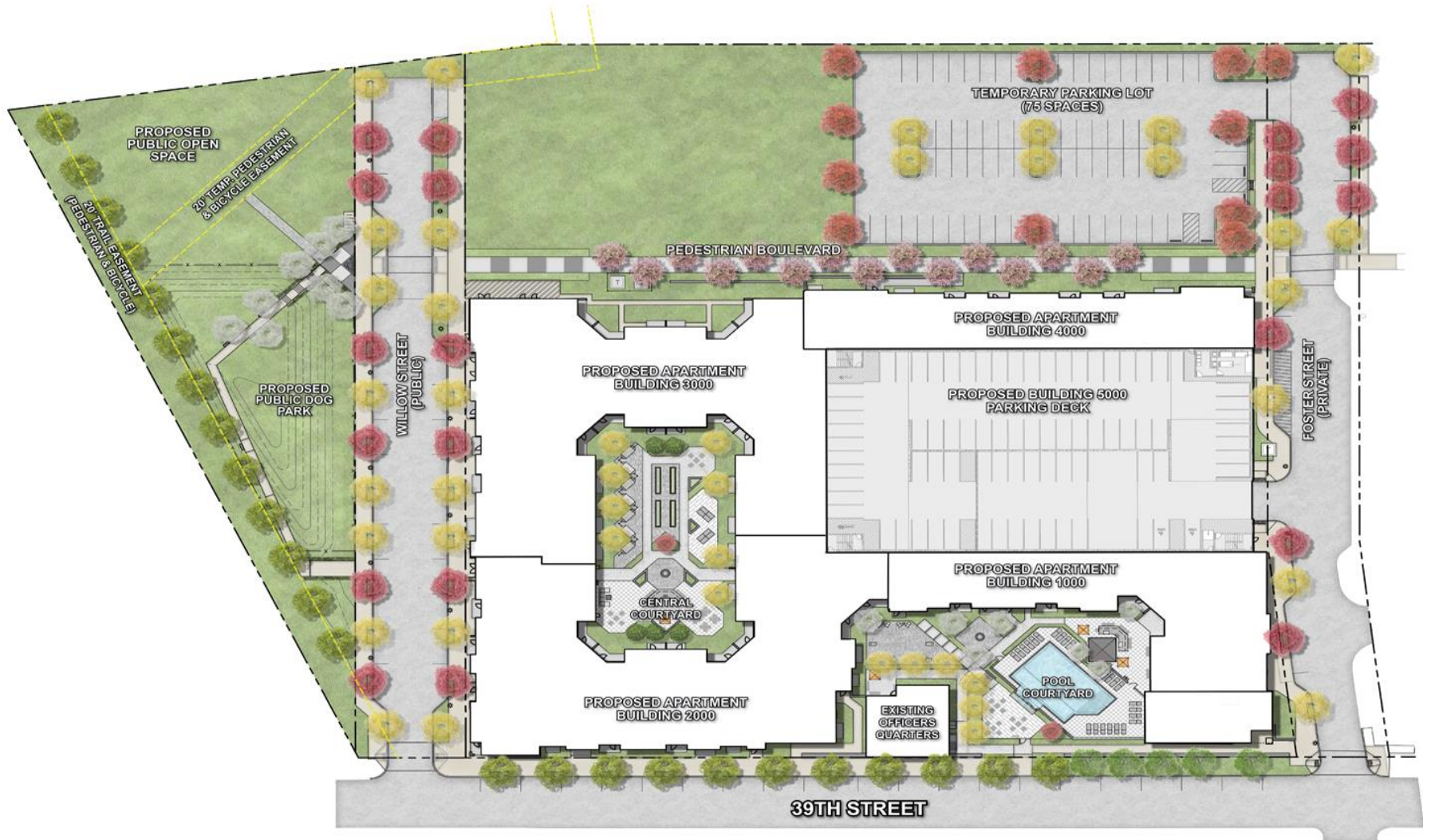
SITE AND LOCATION HIGHLIGHTS

- Greenspace and Dog Park Open to Public
- 30 Parking Spaces Available to school district
- 35 Affordable Units
- Willow Street will be connected through the site
- Arsenal Officer Quarters renovated
- Public Parking Spaces Created

OVERALL DEVELOPMENT SUMMARY

- The project is located in the heart of Lawrenceville, “America’s Coolest Neighborhood” according to *Time Magazine*
- Leasing on Phase 2 is slated for Summer 2021 - three months before opening in the Fall of 2021





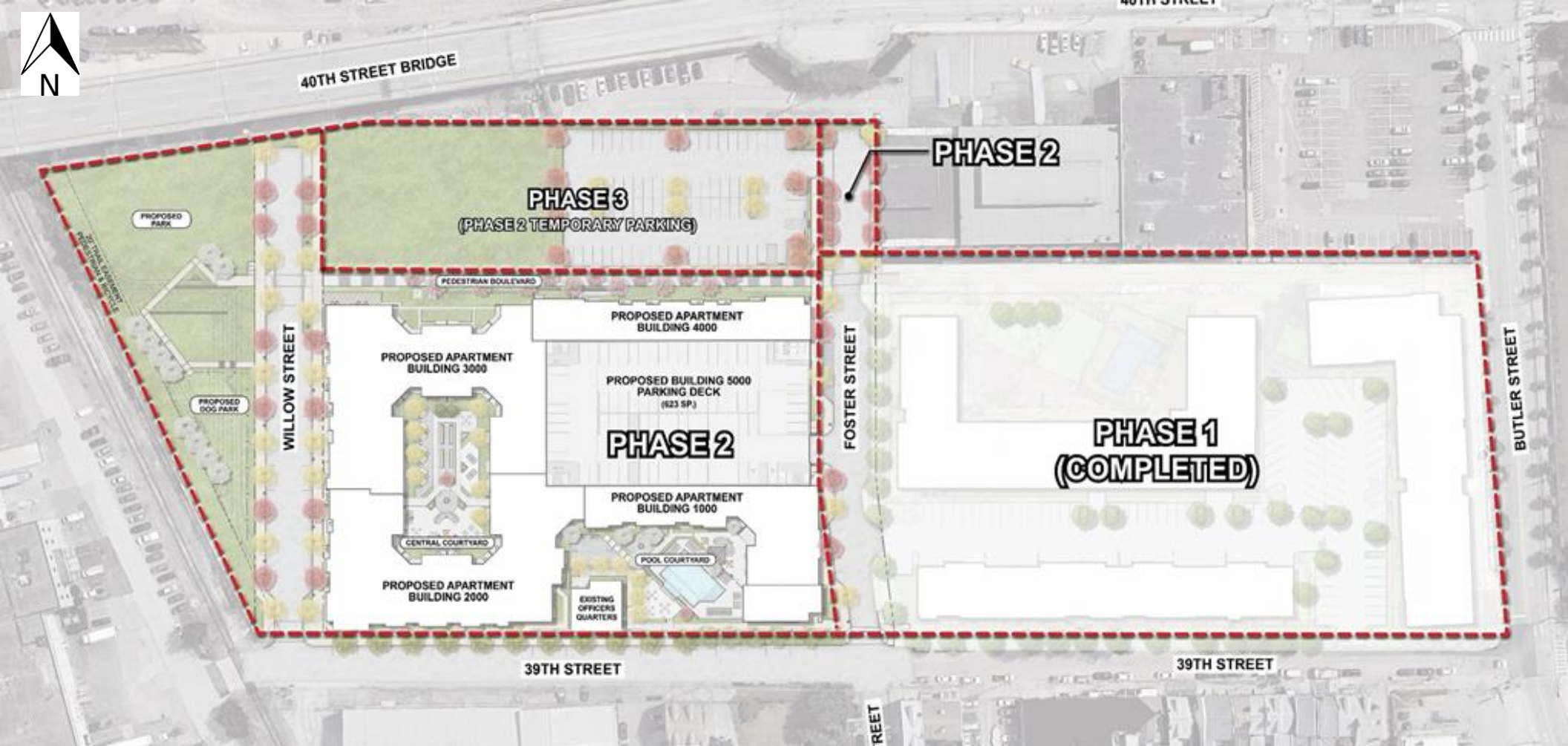
Arsenal 201- Phase 2 Site Plan



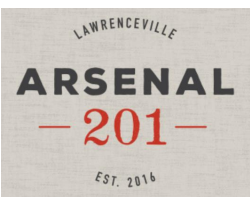
Arsenal 201

- ▶ Total Development Cost: \$75,000,000
- ▶ Construction Jobs: 250
- ▶ Median Wages: \$60,000
- ▶ Floors: 5
- ▶ Residential Units: 343
- ▶ Parking Spaces: 343
- ▶ Current Tax Revenue (First 10 Years): \$219,973.20
- ▶ Total School Tax Revenue (First 10 Years): \$2,513,656.25
- ▶ Difference: \$2,293,683.05



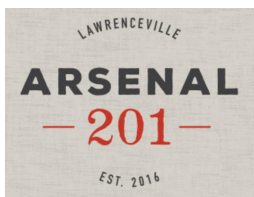


Arsenal 201 Site Plan



Arsenal 201

- ▶ The project is a proposed 343- unit multi-family market rate housing project located at 3922 Foster Street, Pittsburgh, PA.
- ▶ The building consists of:
 - ▶ 325,233 sf of residential apartments/ amenities
 - ▶ 152,062 sf of parking
- ▶ The development will have a parking garage implemented into the design of the site

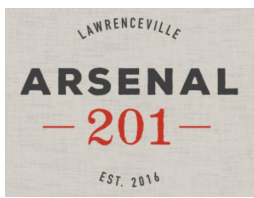


Justification for LERTA

- ▶ The Project offers affordable housing for 10% of units (35 units)
 - ▶ This was not in place when we originally purchased the land
- ▶ Cost of Arsenal Cannonball Remediation
- ▶ Costs of loan, construction and expenses have risen tremendously
- ▶ Cost of Greenspace and Dog Park
- ▶ Finishing and Connecting Willow Street to provide to the city
- ▶ Adding Parking Garage to accommodate Parking (30 School Parking Spaces)

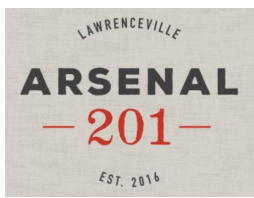
Inclusionary Zoning/ Affordable Housing

- ▶ Milhaus is committed to developing 35 affordable housing units
 - ▶ 60% of the Area Median Income
- ▶ These 35 units are broken down by the following unit types:
 - ▶ Micro: 4
 - ▶ Studio: 8
 - ▶ 1 BR: 16
 - ▶ 2 BR: 7
- ▶ As a result of providing these affordable units, Milhaus has committed to a reduction in gross revenue of an estimated \$455,676 annually



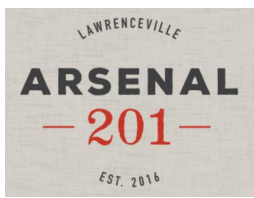
MBE/WBE/ Union Goals

- ▶ Milhaus' goal is to have at least 8% MBE/WBE/ Union Contractor Construction Participation.
- ▶ Arsenal Phase 1 currently employs 5 minorities out of a total staff of 7 people. Our company will continue to strive for diversity in our hiring practices.



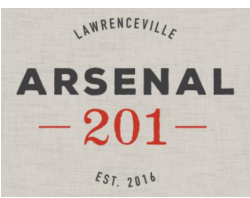
Public Green Space

- ▶ The park and dog park are privately held greenspaces that will be open for the enjoyment of the public.
- ▶ Will be privately owned by Milhaus, it will be maintained as any other Arsenal amenity with expenses being covered in full by Milhaus.



Arsenal Staff Parking Spaces

- ▶ Milhaus is committed to providing up to 30 garage parking spaces, at no cost, for the teachers and staff at Arsenal Middle School during the hours of 7am-5pm Monday through Friday.
- ▶ In addition, Milhaus is creating 40 public parking spaces that can be utilized by the neighborhood.



Justification for LERTA

- ▶ The Project is not economically feasible and cannot proceed without this tax abatement:
 - ▶ Project Costs are: \$75,000,000
 - ▶ The gap of \$3,000,000 will be bridged by:
 - ▶ A LERTA Tax Benefit
 - ▶ A City LERTA Tax Benefit

Justification for LERTA

- ▶ The Project site is currently vacant warehouse buildings
- ▶ The School District will receive \$2,513,656.25 in real estate tax revenue during the ten-year LERTA Abatement Period
- ▶ School District will receive \$607,836.76 per year at Abatement End

Residential Annual School Tax Generation

School Projected				
Year	Total Assessed Value	Gross Property Taxes	LERTA	Net Property Taxes w/LERTA
1	\$ 2,235,500.00	\$ 21,997.32	\$ (19,797.59)	\$ 2,199.73
2	\$ 2,235,500.00	\$ 21,997.32	\$ (19,797.59)	\$ 2,199.73
3	\$ 2,235,500.00	\$ 21,997.32	\$ (17,597.86)	\$ 4,399.46
4	\$ 61,772,028.00	\$ 607,836.76	\$ (250,000.00)	\$ 357,836.76
5	\$ 61,772,028.00	\$ 607,836.76	\$ (250,000.00)	\$ 357,836.76
6	\$ 61,772,028.00	\$ 607,836.76	\$ (250,000.00)	\$ 357,836.76
7	\$ 61,772,028.00	\$ 607,836.76	\$ (250,000.00)	\$ 357,836.76
8	\$ 61,772,028.00	\$ 607,836.76	\$ (250,000.00)	\$ 357,836.76
9	\$ 61,772,028.00	\$ 607,836.76	\$ (250,000.00)	\$ 357,836.76
10	\$ 61,772,028.00	\$ 607,836.76	\$ (250,000.00)	\$ 357,836.76
10 Year Total	\$ 43,911,069.60	\$ 4,320,849.28	\$ (1,807,193.03)	\$ 2,513,656.25
Year 11 and Forward	\$ 61,772,028.00	\$ 607,836.76	\$ -	\$ 607,836.76

School Existing					
Year	Gross Property Taxes	LERTA	Net Property Taxes w/LERTA	School Benefit	
1	\$ 21,997.32	\$ -	\$ 21,997.32	\$ -	
2	\$ 21,997.32	\$ -	\$ 21,997.32	\$ -	
3	\$ 21,997.32	\$ -	\$ 21,997.32	\$ -	
4	\$ 21,997.32	\$ -	\$ 21,997.32	\$ 335,839.44	
5	\$ 21,997.32	\$ -	\$ 21,997.32	\$ 335,839.44	
6	\$ 21,997.32	\$ -	\$ 21,997.32	\$ 335,839.44	
7	\$ 21,997.32	\$ -	\$ 21,997.32	\$ 335,839.44	
8	\$ 21,997.32	\$ -	\$ 21,997.32	\$ 335,839.44	
9	\$ 21,997.32	\$ -	\$ 21,997.32	\$ 335,839.44	
10	\$ 21,997.32	\$ -	\$ 21,997.32	\$ 335,839.44	
10 Year Total	\$ 219,973.20	\$ -	\$ 219,973.20	\$ 2,350,876.08	
Year 11 and Forward				\$ 607,836.76	

Question and Answers

