

LERTA Request to Pittsburgh Public School Board



Emerald on Centre

Oxford's Past Projects with PPSB



The Hub at 3 Crossings, Strip District



2501 Smallman Street at 3 Crossings, Strip District

Oxford's Past Projects with PPSB



View from Sidney Street, Hot Metal Flats, South Side



Common Area Lounge, Hot Metal Flats, South Side

Emerald on Centre

- ❑ Total Development Cost: **\$33,050,000**
 - ❑ Construction Jobs: **135**
 - ❑ Median Wages: **\$58,240**
 - ❑ **Floors: 5**
 - ❑ **RSF: 105,000 SF**
 - ❑ **Residential Units: 172**
 - ❑ **Parking Spaces: 150**
 - ❑ **Minimum LEED Silver**
 - ❑ **Current City Tax Revenue: \$296,696**
 - ❑ **Current County Tax Revenue: \$185,633**
 - ❑ **Current School Tax Revenue: \$386,175**
- Estimated first 11 years of operation:
Real Estate, Sales, and Earned Income Taxes*



Emerald on Centre

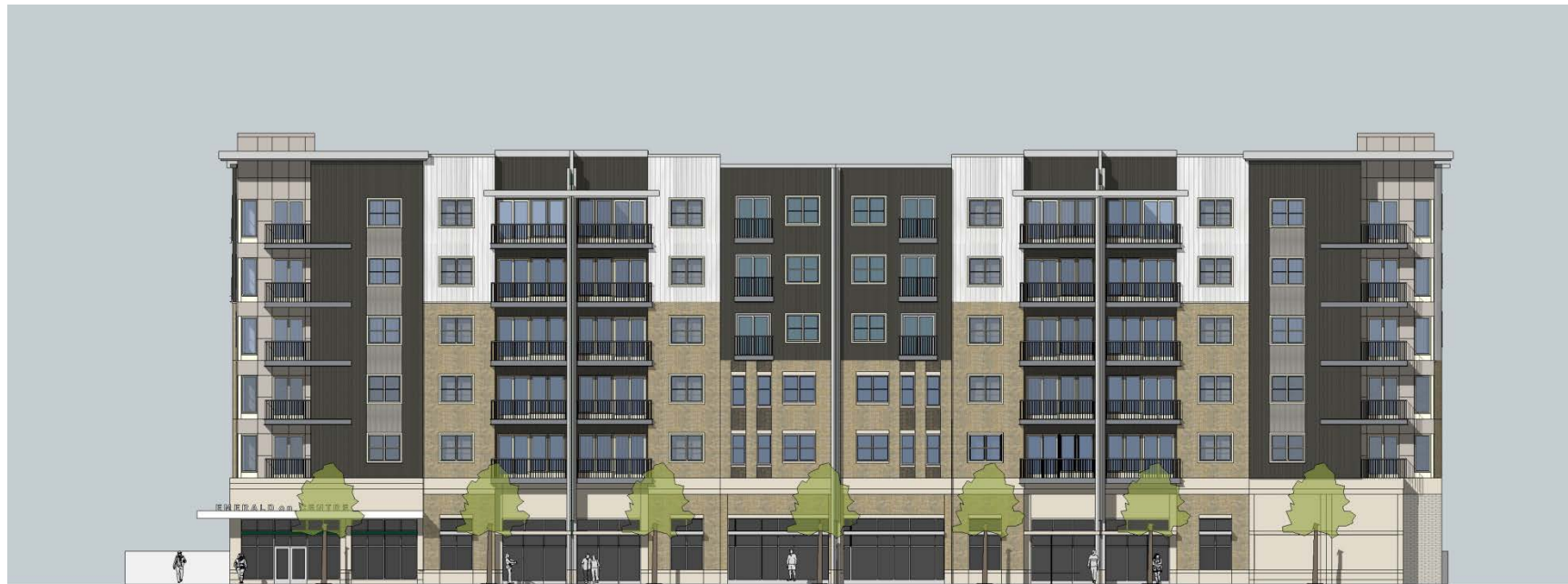


Emerald on Centre looking East on Centre Avenue



Emerald on Centre looking West on Centre Avenue

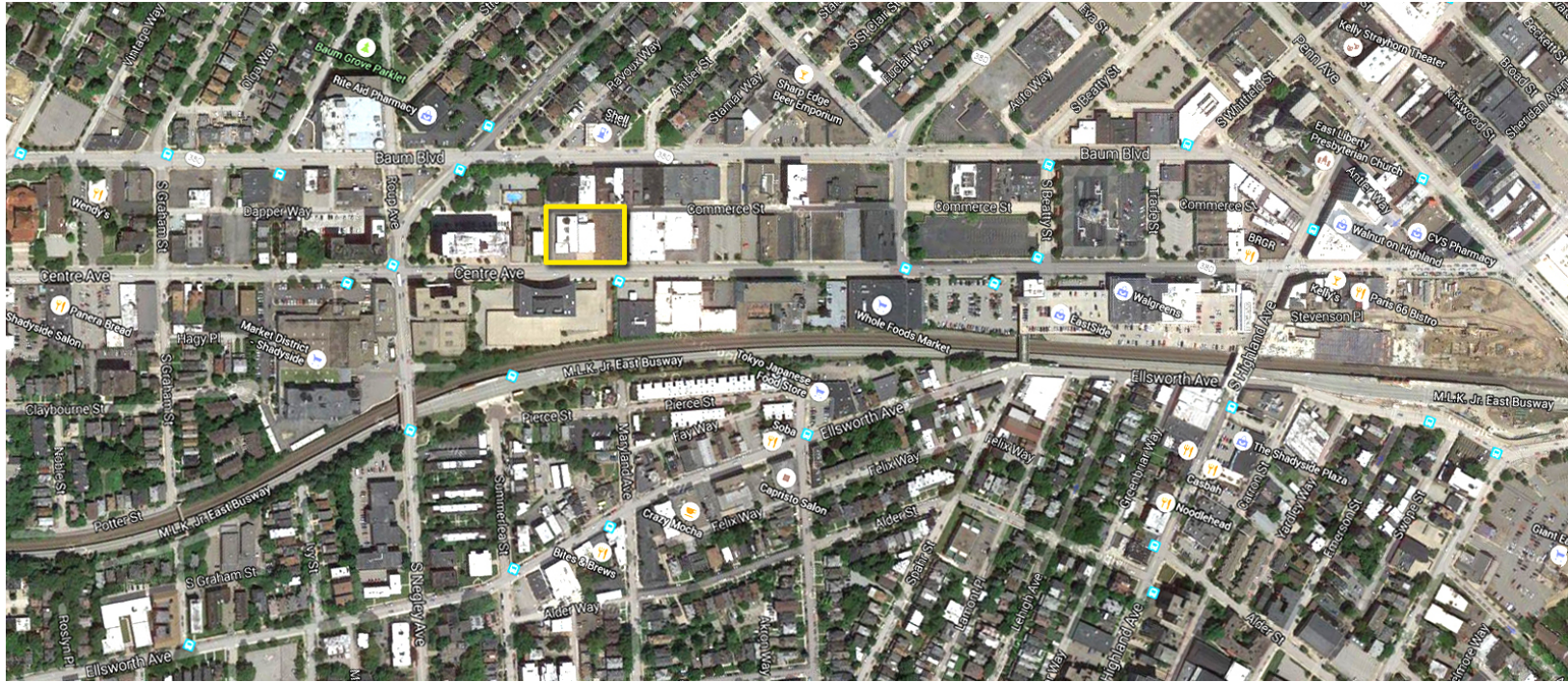
Emerald on Center



Site Plan



Site Plan and Neighborhood



Project Description

- ❑ The project is a proposed **172-unit** multi-family market rate housing project located at **5739 Centre Ave, Pittsburgh, PA.**
- ❑ The building consists of:
 - ❑ **44,960 SF** of parking
 - ❑ **105,000 SF** of apartments/amenities and
 - ❑ **10,000 SF** for **First Floor Activation Spaces** such as a **Fitness Center, Bike Storage, a Bike Shop, Retail Space** and a **Leasing Center.**
- ❑ This development will capture **two levels of parking** with one level at grade and one level below grade.

Justification for LERTA

- ❑ The **Project** location, size and configuration requires structured and subsurface parking.
- ❑ Increased land values in the **East Liberty** section of Pittsburgh have increased total development costs.
- ❑ East Liberty currently has a **shortage** of public parking.
- ❑ The size of the site **requires that parking is located below grade**, which significantly increases development costs.
- ❑ Parking and Access from Commerce Way will **alleviate traffic congestion** on Centre Avenue and will help address the overall parking issue and traffic flow on Centre Avenue.
- ❑ The project has substantial **bicycle parking** and access to **public transportation**.

Justification for LERTA

The project is not economically feasible and cannot proceed without this tax abatement:

- Project hard costs are **\$27,284,444**.
- The assessed value is **\$18,749,435**.
- The gap of **\$8,535,009** is bridged by:
 - A Gaming and Economic Development Fund Grant (**GEDF**)
 - A Strategic Investment Fund loan
 - A LERTA Tax Benefit

Justification for LERTA

- ❑ The **Project** site has been on the market for **25 Months** as vacant retail space with no activity.
- ❑ The **Project** will generate improvements on the surrounding infrastructure.
- ❑ The **School District** will receive **\$521,891** in real estate tax revenue during the ten-year **LERTA Abatement Period**, and
- ❑ Thereafter **\$215,726** per year (subject to valuation and millage rate adjustments).
- ❑ The **Project** would generate an additional **\$932,307** in tax revenue for the School District during the **LERTA Period** (property and earned income).
- ❑ Oxford commits to **payment of transfer taxes** upon sale of property.

Residential Annual School Tax Generation

Annual School Property Tax Generation			
Parcel	2014 Assessed Value	2014 School Millage Rate	Current Taxes
84-E-266	280,300	9.84	2,758
84-E-268	550,000	9.84	5,412
84-E-270	500,300	9.84	4,923
Total	1,330,600		13,093

Annual Earned Income Tax Generation		
1 - BR Units		160
2 - BR Units		12
3 - BR Units		0
Total Units		172
Total BR		184
Tenants Per BR		1.15
% Occupancy		95%
Number of Tenants		201
% from Outside the City of Pittsburgh		30%
Number of Tenants New to the City of Pittsburgh		60
Average Income*		\$45,280
Total Earned Income		\$2,730,656
Earned Income Tax	2%	\$54,613

*http://www.bls.gov/oes/current/oes_pa.htm (PA professional occupation annual wages)

School Projected				School Existing			
Year	Gross Property Taxes	LERTA	Net Property Taxes w/LERTA	Gross Property Taxes	LERTA	Net Property Taxes w/o LERTA	School Benefit
Year-1	197,420	(184,327)	13,093	13,093	-	13,093	(0)
Year-2	197,420	(184,327)	13,093	13,093	-	13,093	(0)
Year-3	197,420	(165,894)	31,526	13,093	-	13,093	18,433
Year-4	203,342	(171,224)	32,118	13,486	-	13,486	18,632
Year-5	203,342	(152,199)	51,143	13,486	-	13,486	37,657
Year-6	203,342	(152,199)	51,143	13,486	-	13,486	37,657
Year-7	209,443	(137,445)	71,998	13,890	-	13,890	58,108
Year-8	209,443	(137,445)	71,998	13,890	-	13,890	58,108
Year-9	209,443	(117,810)	91,633	13,890	-	13,890	77,743
Year-10	215,726	(121,580)	94,146	14,307	-	14,307	79,839
Ten Year Total	\$2,046,341	(\$1,524,450)	\$521,891	\$135,716	-	\$135,716	\$386,175
Year-11 and Forward	\$215,726	-	\$215,726	\$14,307	-	\$14,307	\$201,419
Total School Tax Generation Over 10 Years				\$932,307			

Questions and Answers

