



Briefing presentation to Pittsburgh Public Schools
Business and Finance Committee
February 3, 2025

For Discussion Purposes Only

Agenda

01

TAX DIVERSION CASE STUDY

02

**MANCHESTER - CHATEAU
TRID OVERVIEW**

03

ESPLANADE

04

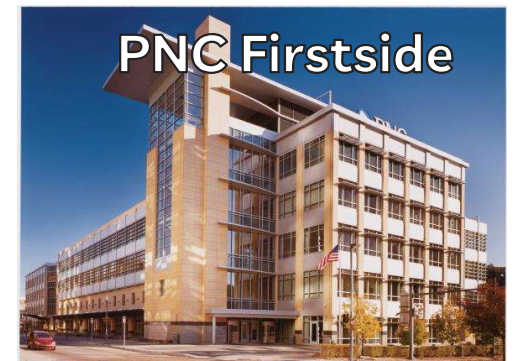
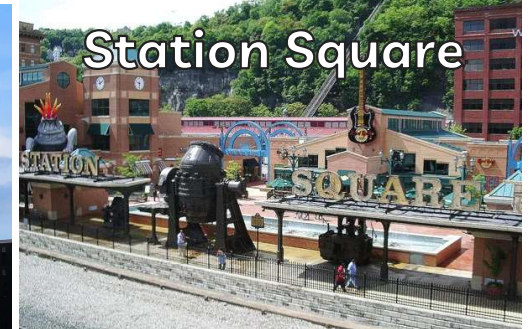
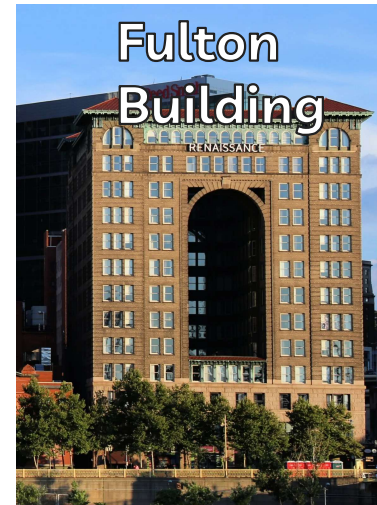
**COMMUNITY IMPROVEMENTS
& INFRASTRUCTURE**

05

CONCLUSION

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CASE STUDY: LONG-TERM IMPACT OF SELECTED TAX DIVERSIONS



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WHAT OUR TAX DIVERSIONS FUND

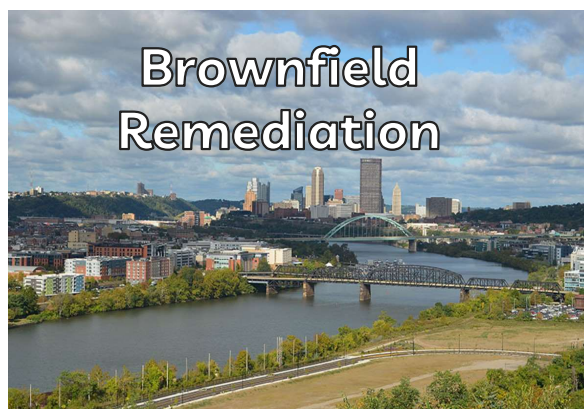


Image credits: Compass, Lynda Self, Roadway Construction Service, URA

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**FOSTERING
GROWTH.
DELIVERING
STABILITY.**

30

Since 1993, the Three Taxing Bodies have invested in Pittsburgh's economic vitality through participation in 30 tax diversions.

10

An analysis of the eight retired Tax Diversions on slide 3 shows a 10x increase in assessed values from pre-Tax Diversion to post-Tax Diversion.

\$435,633,458

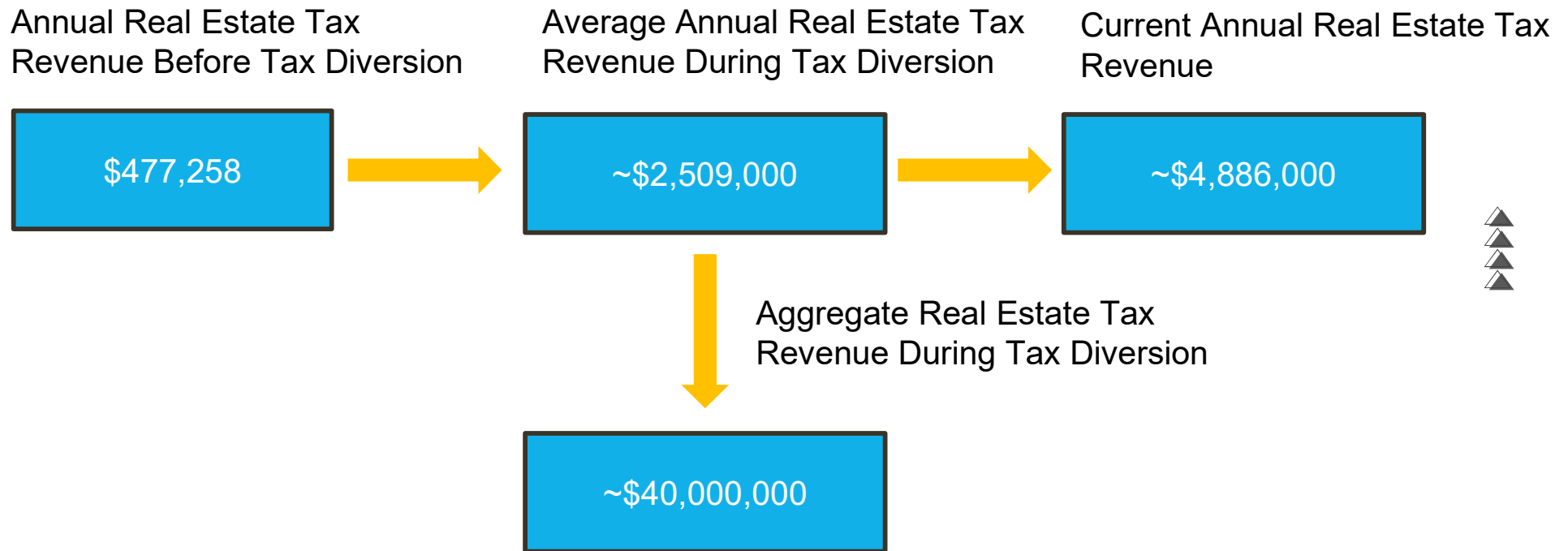
The increase to the real estate tax base from these eight retired tax diversions.

4,100

The estimated number of jobs created or retained by these eight retired tax diversions.

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Pittsburgh Public Schools – Real Estate Tax Impact from the Analysis of Eight Retired Tax Diversions



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Manchester - Chateau TRID

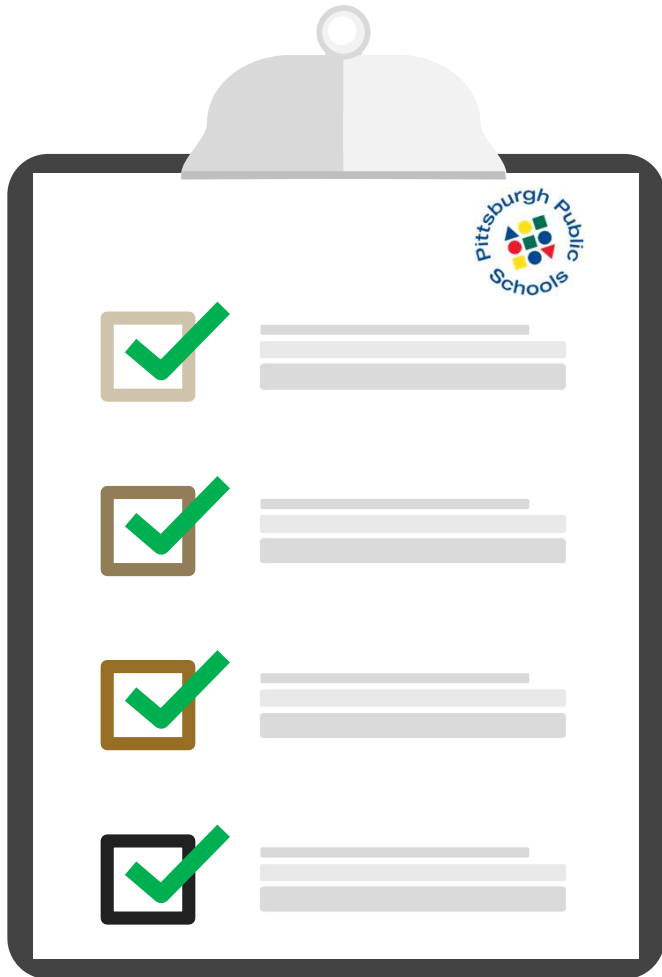
Fall 2024

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Image Source: Engage Pittsburgh

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PITTSBURGH PUBLIC SCHOOLS SCORE CARD

- 1**
 - Public Infrastructure Investment
 - Elimination of Blight
 - “But for”, the Esplanade project would not occur
- 2**
 - Increased Property Tax Revenue
 - Catalyst for New Private Investment
- 3**
 - Creation of new permanent jobs
 - Creation of construction and MWBE jobs
 - Retaining and relocating current businesses
- 4**
 - Taxing Bodies will receive current base taxes + 25% incremental tax revenue

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Manchester – Chateau TRID Goals

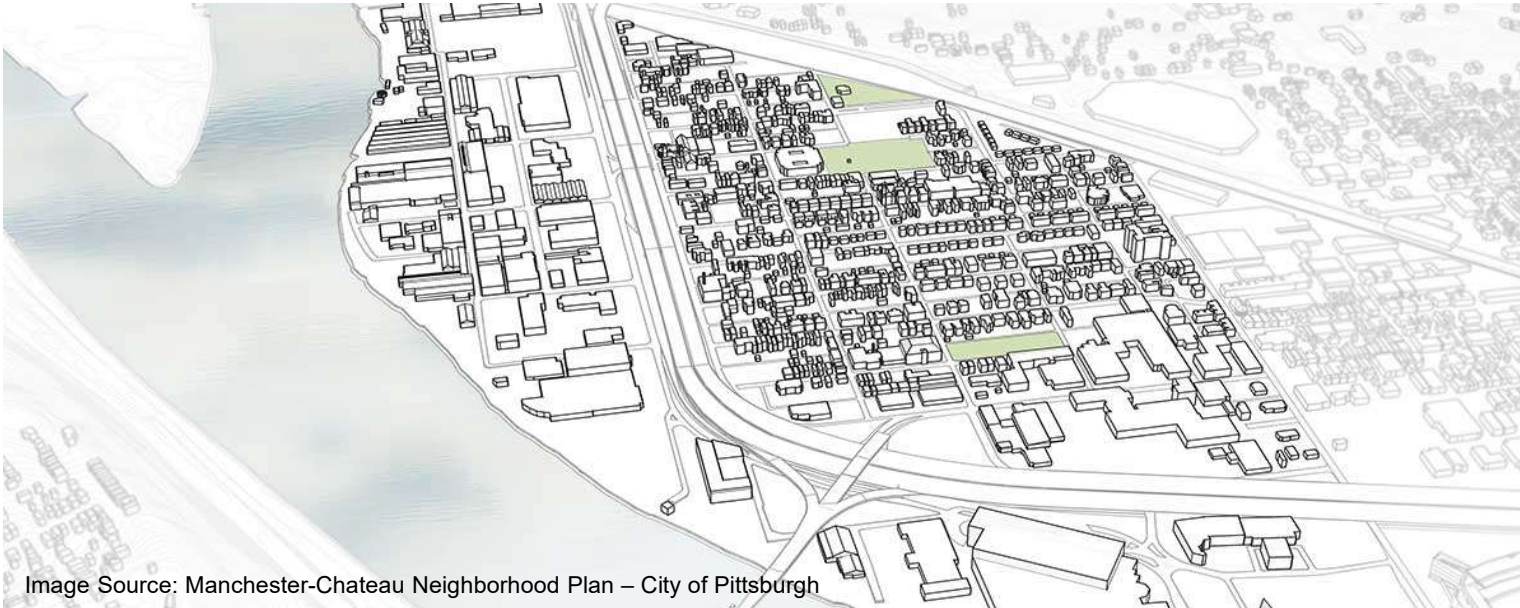


Image Source: Manchester-Chateau Neighborhood Plan – City of Pittsburgh

Reunite Manchester

TRID can be used to address several goals related to using economic and community development to reunite the Manchester and Chateau neighborhoods.

Ensure Esplanade Development

Esplanade is seeking TRID funding to support development of public infrastructure, including necessary utilities and site connectivity, planning, predevelopment and soft costs for the project.

Improve Public Infrastructure and Transportation

Facilitate safer and greener modes of transportation in the study area.

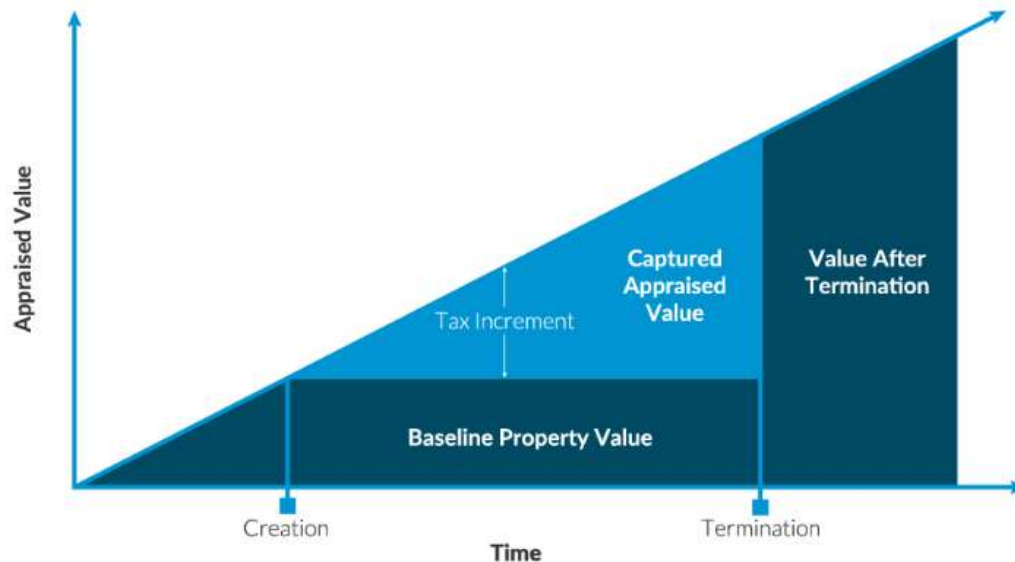
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COMMUNITY
PROCESS

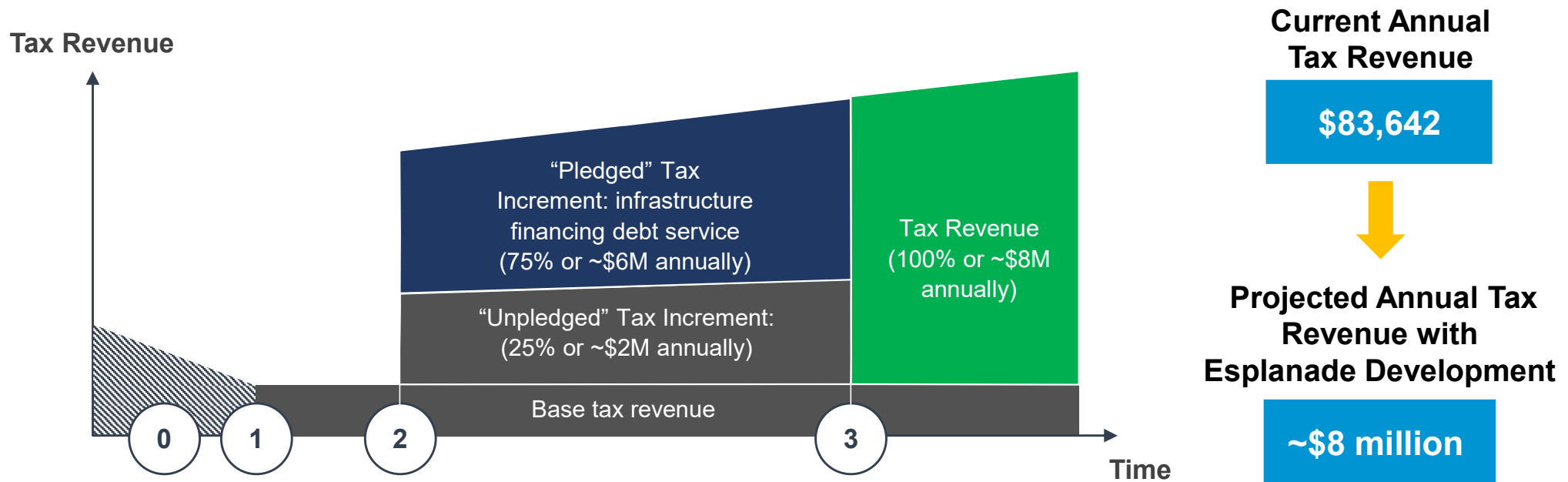
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How does TRID work?



Transit Revitalization Investment District is centered on an existing or planned transit stop or station. Within a TRID boundary, all or a portion of the incremental real estate tax revenue generated by the development(s) in that District can be used to finance public or private improvements associated with transit-oriented development. The incremental increase in real estate taxes resulting from developments and improvements within the district are used to repay debt.

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0

Property values stagnate or decline (“base”) **\$83,651 annual taxes currently for Esplanade parcels**

1

Project with substantial public and private investment unlocked by TRID : **~\$800,000,000 new investment related to Esplanade Development (at projected full build out)**

2

Completed improvements generate new annual tax increment (“increment”): **~\$8,000,000 annual incremental taxes resultant of new investment by Esplanade Development (at projected full build out)**

3

Entire tax increment accrues to taxing bodies in perpetuity at end of TRID term

But for TRID - Esplanade Development does not happen

But for Esplanade - TRID is not feasible

TRID BOUNDARY MAP

 Allegheny Station

 Potential Transit Asset

 Phase 1

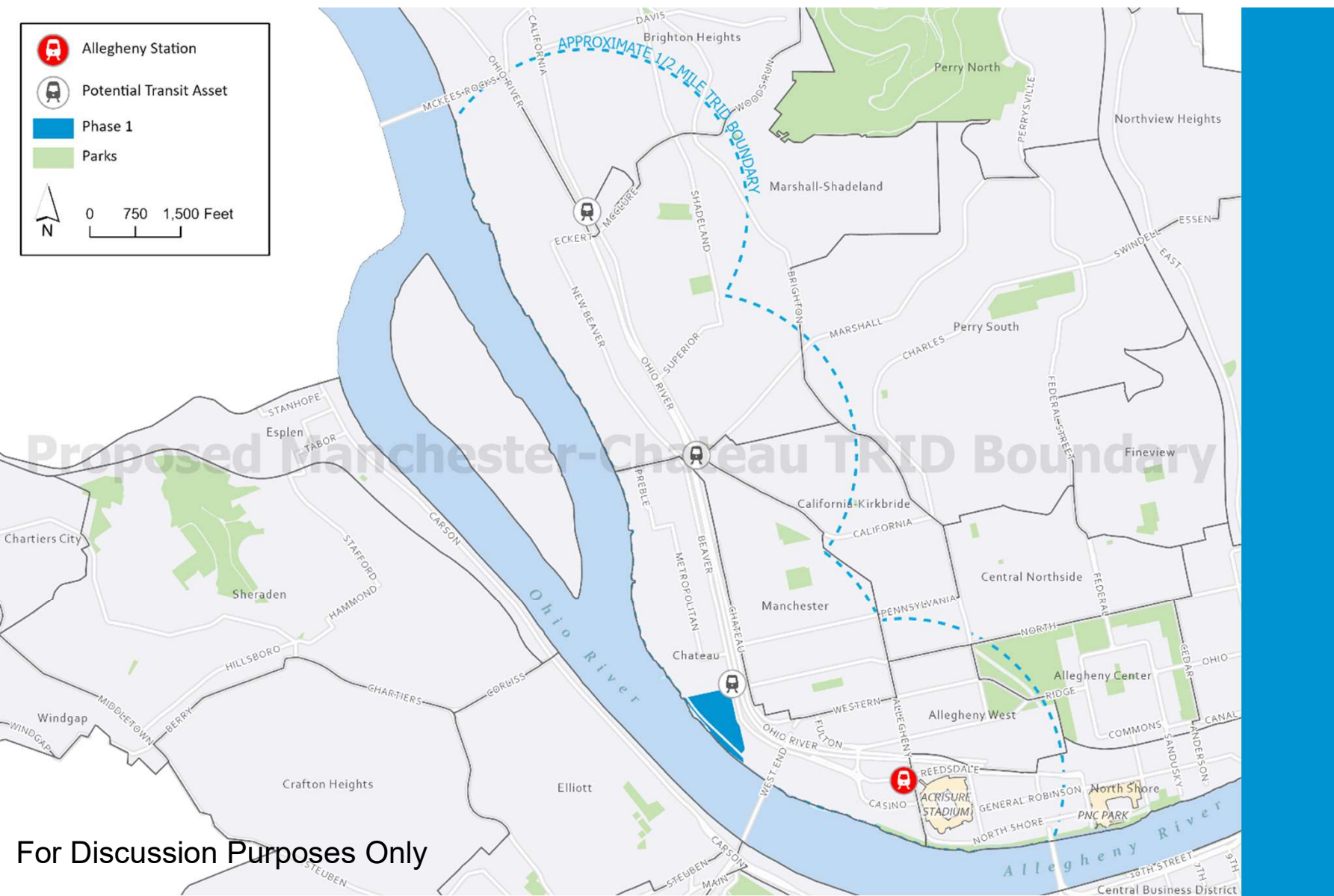
 Parks

 N

0

750

1,500 Feet



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Esplanade Development



Image Source: Esplanade Master Development Plan – Platt Companies, AE7



DEVELOPMENT BENEFITS



Job Creation

~7,100 construction jobs
~4,500 jobs created/retained
by Espalade's tenants



Tax Generation

~\$31,000,000 in new tax
revenues over six-year
construction period.



Mixed Use Development

Retail-destination
development, including local
food vendors, grocery stores,
office space, etc.



MWBE Involvement

Developer is committed to 15%
MWBE goals for all site
development.



Affordable Housing

New housing opportunities
include affordable rental,
market-rate rental, and condo
units.



Riverfront Activation

Sustainable green-space
design will activate the
riverfront and provide further
trail access.

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PROJECTED ECONOMIC IMPACT



In 2022, the Pennsylvania Economy League of Greater Pittsburgh, an affiliate of the Allegheny Conference on Community Development, used the IMPLAN Economic Impact model to determine the impact of Piatt Companies' proposed Esplanade development on the Southwestern Pennsylvania economy.

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CONSTRUCTION PHASING



**Site
Predevelopment**



Vertical Phase A

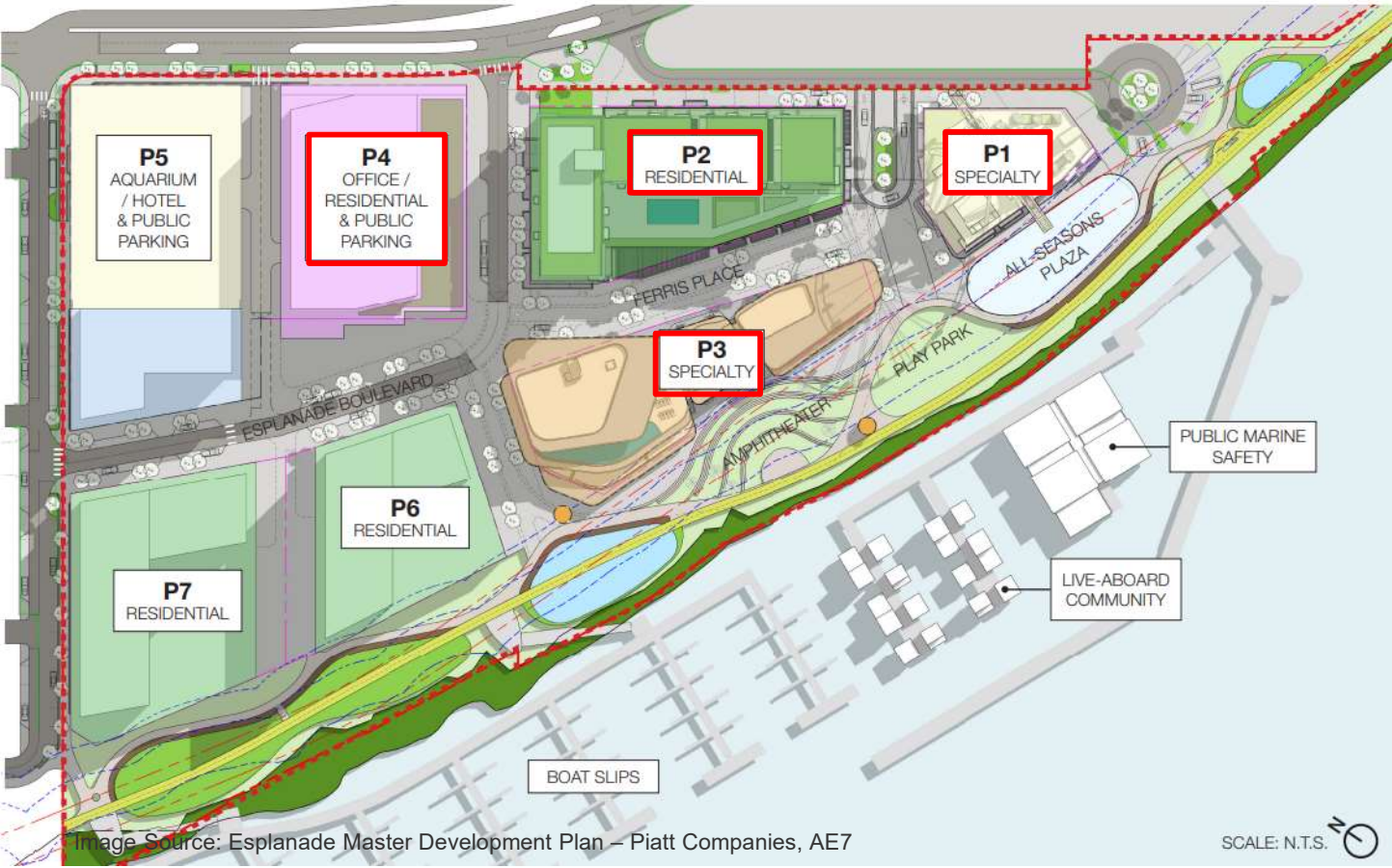


Vertical Phase B



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Esplanade Vertical Construction Phase A



- P1** Ferris Wheel and Visitor Center
- P2** Residential and Parking
- P3** The “Current”
- P4** Office & Site Parking

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Esplanade Vertical Construction Phase B



- P5** Aquarium & Hotel
- P6** Residential & Retail
- P7** Residential & Retail

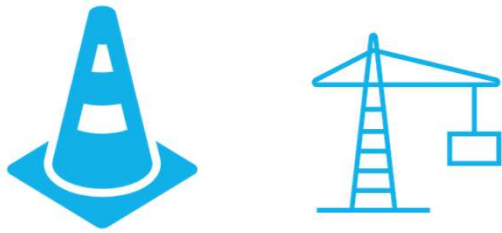
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OFF-SITE PROJECTS

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OFF SITE PROJECTS



Multimodal Connections and Parking Structures

These projects will allow greater access and connection between the Manchester and Chateau neighborhood.

Infrastructure and Public Space Improvements

TRID financing will provide funding to transit related infrastructure improvements and making public spaces more desirable.

Gap Financing for Affordable Housing

Both on and off site, the TRID includes provides affordable housing in market-rate apartment buildings and gap financing for off-site development.

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Manchester & Chateau – Manchester-Chateau Transit Revitalization Investment District

TRID Planned Uses of Funding		
Use	Estimated Amount	Description
Public Space and Public Infrastructure Improvements	\$12,755,299	On- and off-site preparation and public infrastructure
Multimodal Connections and Parking Structures	\$13,404,218	Parking structures, multi-modal improvements
Riverbank Restoration	\$967,123	Heritage Trail riverbank restoration
Affordable Housing	\$25,276,702	On- and off-site affordable housing
Plans and Feasibility Studies	\$1,500,000	Allegheny Station study and others
	\$53,903,342	

- Taxing bodies receive 25% of tax increment during TRID term.
- Taxing bodies projected to receive \$2,179,550 in annual taxes DURING TRID (at full build out).
- Taxing bodies are projected to receive an increase of 10,200% to their current tax base for Phase A (current base tax = \$83,651)
- TRID diverted incremental taxes are allocated towards financing for infrastructure and affordable housing.
- Total TRID Uses - \$53,903,342
- TRID unlocks substantial public / private investment.
- Without TRID, Esplanade Development does not happen, leaving taxing bodies with \$0 new taxes generated.

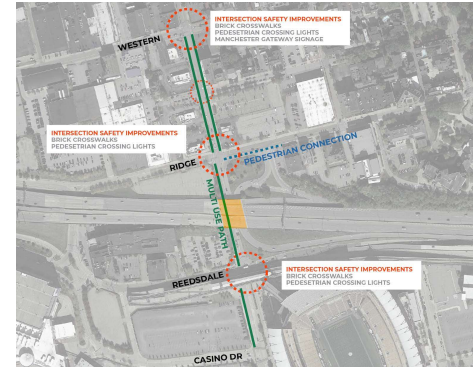
Beaver Ave Two Way Conversion



Juniata Underpass



Allegheny Avenue Public Space Improvements



HIGHLIGHTED PROJECTS

Route 65 Planning Study Implementation



GAP Financing for Affordable Housing



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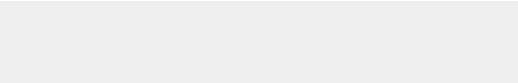
Esplanade Phase A Sources and Uses

Use of Funds	
Description	Cost
URA Acquisition Costs	\$1,500,000
Additional Acquisition Costs	\$12,891,000
Infrastructure	\$52,233,300
Construction	\$224,488,300
Tenant Improvements	\$16,847,100
Soft Costs (inclusive of Interest)	\$73,710,100
FF&E	\$3,702,300
Total	\$385,372,100

Sources of Funds		
Description	Cost	Funding Status
TRID Financing	\$26,550,000	Unsecured
Redevelopment Assistance Capital Program Grant	\$25,000,000	Secured
Transportation Infrastructure Investment Fund	\$10,000,000	Secured
Boating Infrastructure Grant	\$1,500,000	Unsecured
Private Equity	\$71,830,200	Unsecured
Combined Debt	250,491,900	Unsecured
Total	\$385,372,100	



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Projected Pittsburgh Public School Tax Increment

Esplanade Phase A Tax Increment Analysis				
Taxing Body	Current/Base	Total Tax Increment	TRID Projects (75%)	Taxing Bodies (25%)
Pittsburgh Public Schools (Real Estate)	\$14,300	\$984,300	\$738,300	\$246,100
Total Taxes (100%)	\$14,300	\$984,300	\$738,300	\$246,100

Esplanade Phase B Tax Increment Analysis				
Taxing Body	Current/Base	Tax Increment	TRID Projects (75%)	Taxing Bodies (25%)
Pittsburgh Public Schools (Real Estate)	\$22,908	\$1,576,100	\$1,182,100	\$394,000
Total Taxes (100%)	\$22,908	\$1,576,100	\$1,182,100	\$394,000

Current Tax Revenue

\$37,208



Projected Annual Tax Revenue

\$2.5 Million +



Tax Increment Comparison

Esplanade Phase A Tax Increment Analysis				
Taxing Body	Current/ Base	Total Tax Increment	TRID Projects (75%)	Taxing Bodies (25%)
City of Pittsburgh (Real Estate)	\$11,250	\$774,000	\$580,500	\$193,500
Pittsburgh Public Schools (Real Estate)	\$14,300	\$984,300	\$738,300	\$246,100
Allegheny County (Real Estate)	\$6,600	\$454,200	\$340,700	\$113,600
City of Pittsburgh (Parking)	\$0	\$443,200	\$332,400	\$110,800
City of Pittsburgh (Amusement)	\$0	\$656,000	\$492,000	\$164,000
Total Taxes (100%)	\$32,150.00	\$3,311,700	\$2,483,900	\$828,000

Esplanade Phase B Tax Increment Analysis				
Taxing Body	Current/ Base	Tax Increment	TRID Projects (75%)	Taxing Bodies (25%)
City of Pittsburgh (Real Estate)	\$18,013	\$1,239,400	\$929,500	\$309,800
Pittsburgh Public Schools (Real Estate)	\$22,908	\$1,576,100	\$1,182,100	\$394,000
Allegheny County (Real Estate)	\$10,571	\$727,300	\$545,500	\$181,800
City of Pittsburgh (Parking)	\$0	\$457,400	\$343,100	\$114,400
City of Pittsburgh (Amusement)	\$0	\$1,071,500	\$803,600	\$267,900
Total Taxes (100%)	\$51,492	\$5,071,700	\$3,803,800	\$1,267,900

Total Tax Revenue

\$83,642



Projected Annual Total Tax Revenue

\$8 Million+

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TRID Schedules (subject to change)

Community & Stakeholder Engagement (MC Neighborhood Plan and MC TRID)

MCNP Public Open House #1	October 19, 2017
MCNP Public Open House #2	February 21, 2018
MCNP Executive Luncheon	February 22, 2018
MCNP Public Open House #3	May 29, 2019
Release of MCNP	Winter 2019
Launch TRID Public Engagement Plan	April 2021
Community and Stakeholder Interviews	May – July 2021
TRID Planning Study Informational Session	July 17, 2021
TRID Planning Study Community Meeting #1	November 8, 2021
TRID Planning Study Community Meeting #2	November 10, 2021
Release of TRID Planning Study	January 2022
TRID Status Update at MCC Community Meeting	February 21, 2024
MC Community Meeting on Esplanade TRID	January 14, 2025

URA Board Actions Regarding the Sale of URA-Owned Land for the Esplanade Project

URA Board authorizes Exclusive Negotiations	December 14, 2017
URA Board extends Exclusive Negotiations	December 13, 2018
URA Board authorizes Option Agreement	March 19, 2020
URA Board approves Redevelopment Proposal	December 16, 2021
URA Board approves amended Redevelopment Proposal	November 14, 2024

Anticipated Legislative Schedule (subject to change)

URA

Board Approval	November 14, 2024
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Allegheny County

Pre-Meeting	September 23, 2024
First Reading	TBD (Anticipated in Q1 2025)
Economic Development Committee #1	TBD (Anticipated in Q1 2025)
Economic Development Committee #2	TBD (Anticipated in Q1 2025)
Second Reading and Vote	TBD (Anticipated in Q1 2025)

Pittsburgh Public Schools

Pre-Meeting	October 23, 2024
Business Committee #1	December 3, 2024
Business Committee #2	February 3, 2025
Agenda Review	TBD (Anticipated in Q1 2025)
Public Hearing	TBD (Anticipated in Q1 2025)
Legislative Session	TBD (Anticipated in Q1 2025)

City of Pittsburgh

Pre-Meeting	September 25, 2024
Send Legislation	November 15, 2024
Introduce Legislation	November 22, 2024
Committee Discussion #1	December 4, 2024
Post Agenda	February 11, 2025
Public Hearing	February 12, 2025
Committee Discussion #2	TBD (Anticipated in Q1 2025)
Final Vote	TBD (Anticipated in Q1 2025)

Pittsburgh Regional Transit

Board Meeting	TBD (Anticipated in Q1 2025)
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Cooperation Agreement

TBD (Anticipated in Q1 2025)

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School Board Resolutions

**1. Approval of TRID
Implementation Plan**

**2. Authorization to Enter TRID
Cooperation Agreement**



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THANKS

Does anyone have any questions?

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