Briefing presentation to Pittsburgh Public Schools
Business and Finance Committee
April 7, 2025

For Discussion Purposes Only

Agenda

01 TAX DIVERSION CASE STUDY

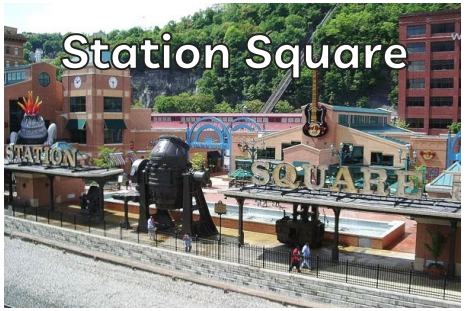
02 MANCHESTER - CHATEAU TRID OVERVIEW

03 ESPLANADE

04 COMMUNITY IMPROVEMENTS & INFRASTRUCTURE

05 CONCLUSION

CASE STUDY: LONG-TERM IMPACT OF SELECTED TAX DIVERSIONS



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.

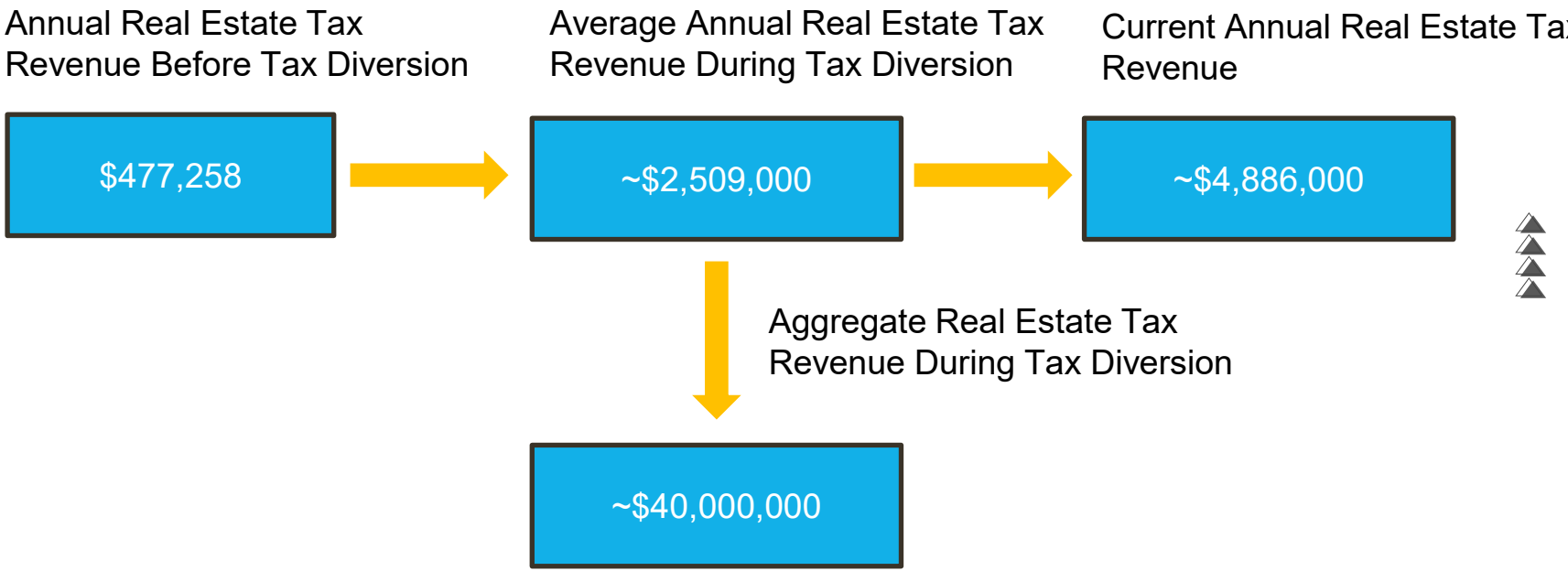
$435,633,458

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.

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



Manchester - Chateau TRID

Fall 2024

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Image Source: Engage Pittsburgh

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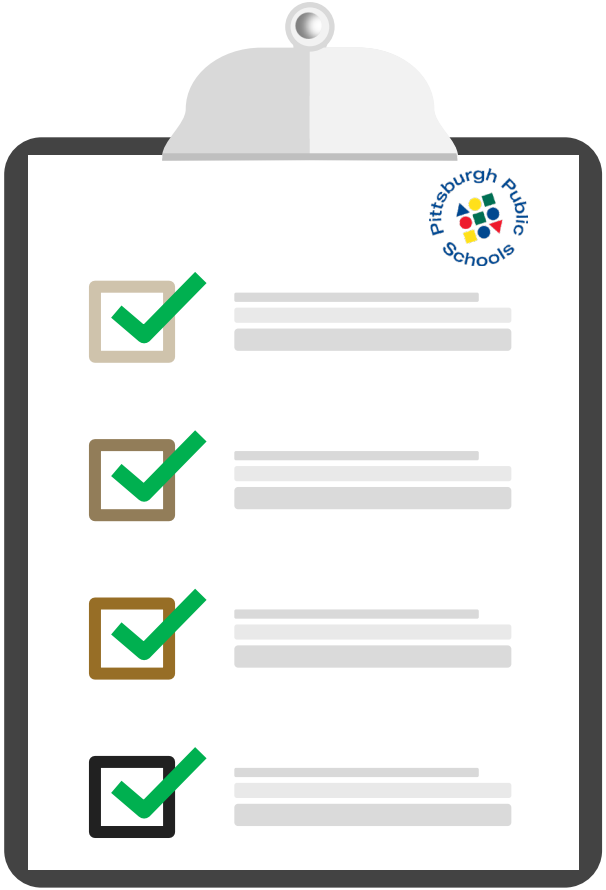

PITTSBURGH PUBLIC SCHOOLS SCORE CARD

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

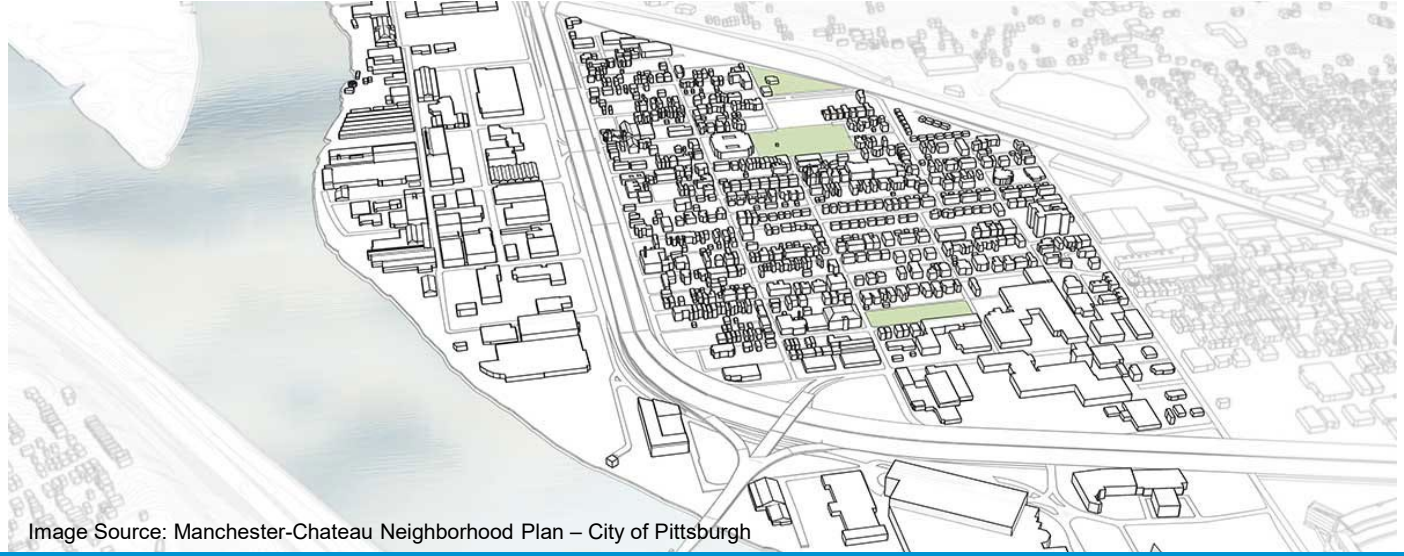

Image Source: Manchester-Chateau Neighborhood Plan – City of Pittsburgh

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.

COMMUNITY PROCESS

PIATT COMPANIES

THE SEAL OF THE CITY OF PITTSBURGH - 1816 - BENIGNO NUMINE -

Pittsburgh Regional Transit

MANCHESTER Citizens Corporation

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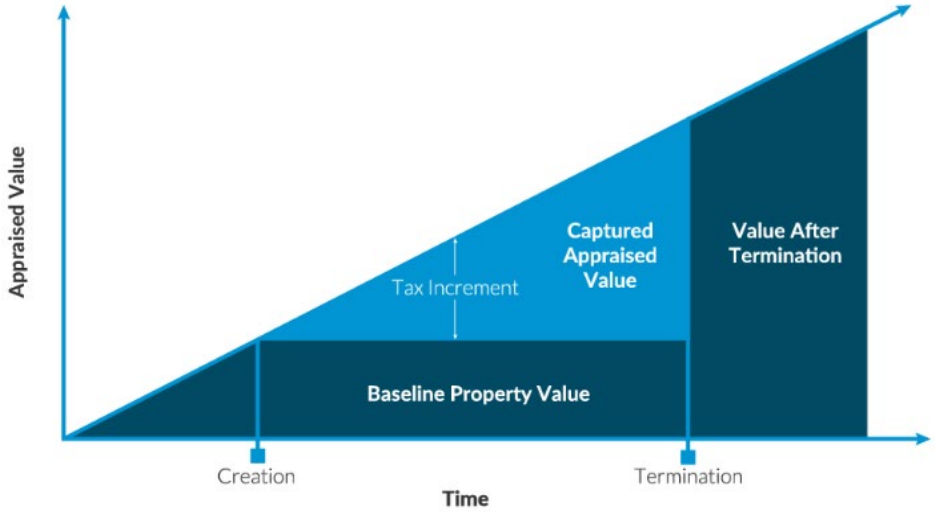
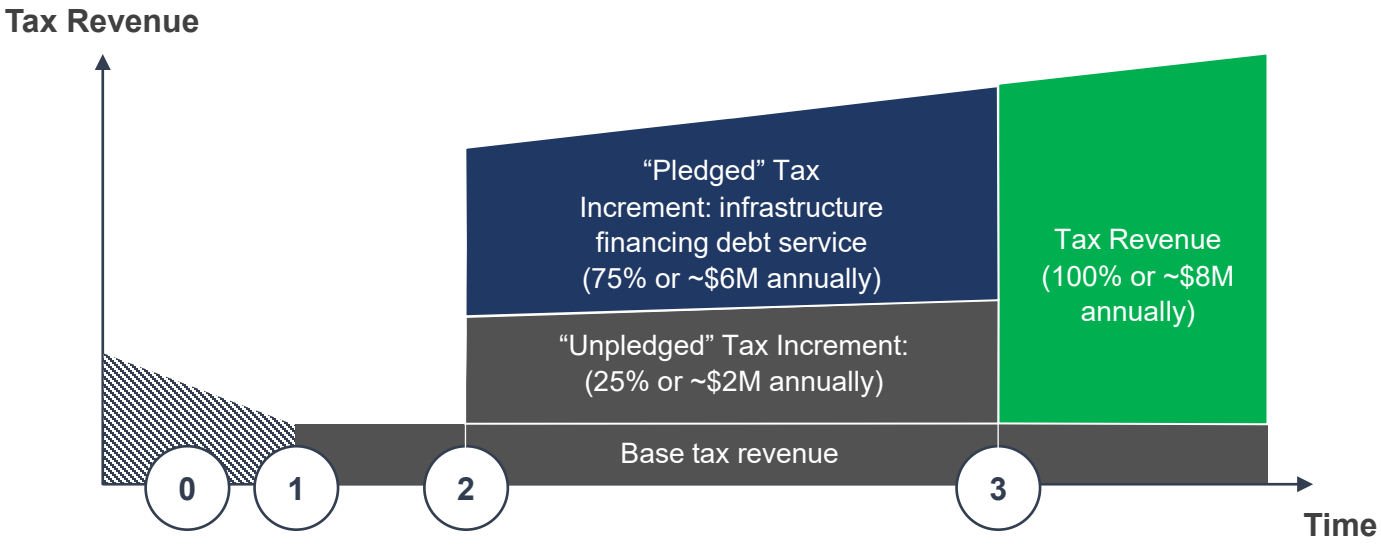
How does TRID work?



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.



Current Annual Tax Revenue

$83,642

Projected Annual Tax Revenue with Esplanade Development

~$8 million

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)**

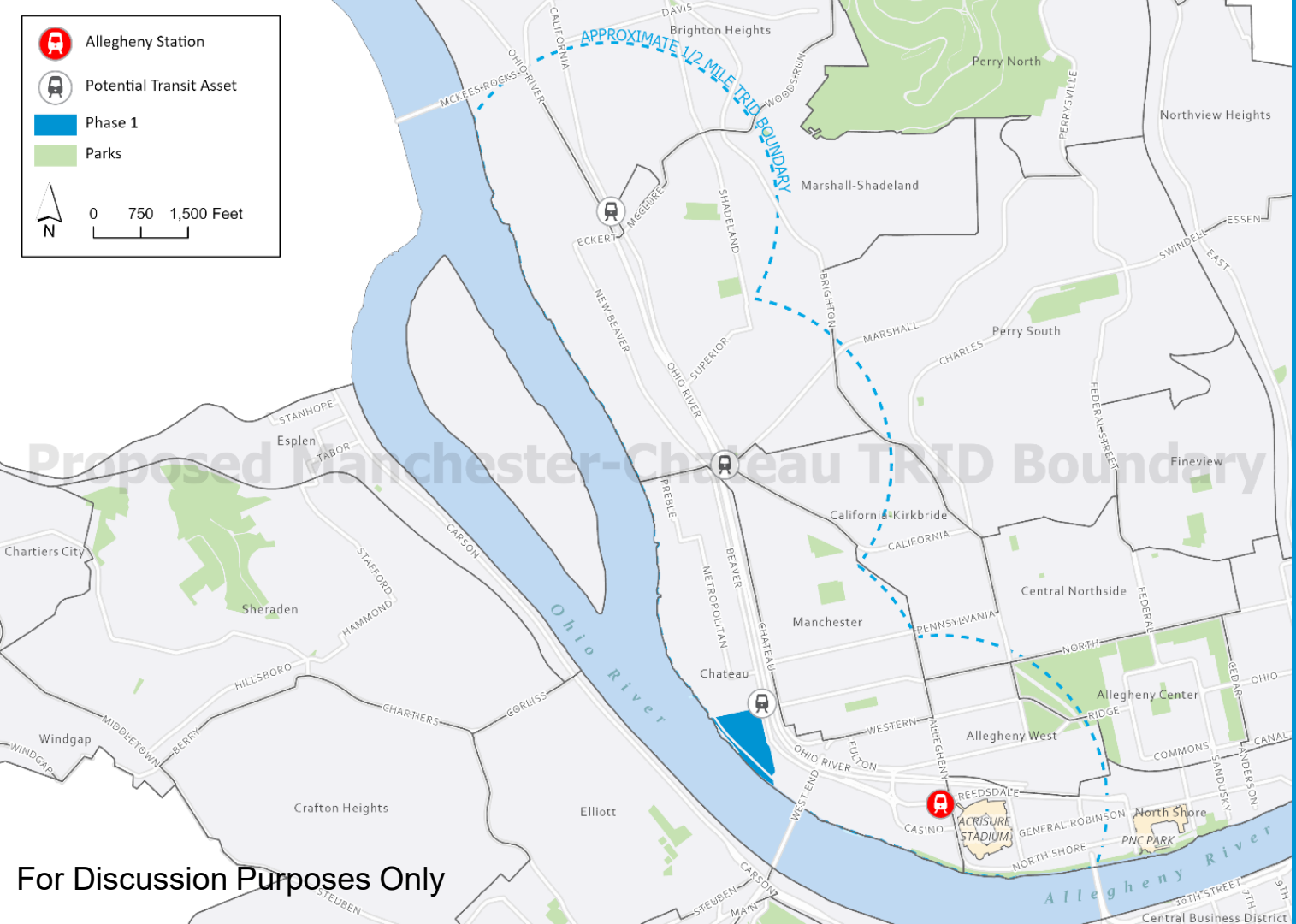
2 Completed improvements generate new annual tax increment ("increment"): **~$8,000,000 annual incremental taxes resultant of new investment by Esplanade Development (at projected full build out)**

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



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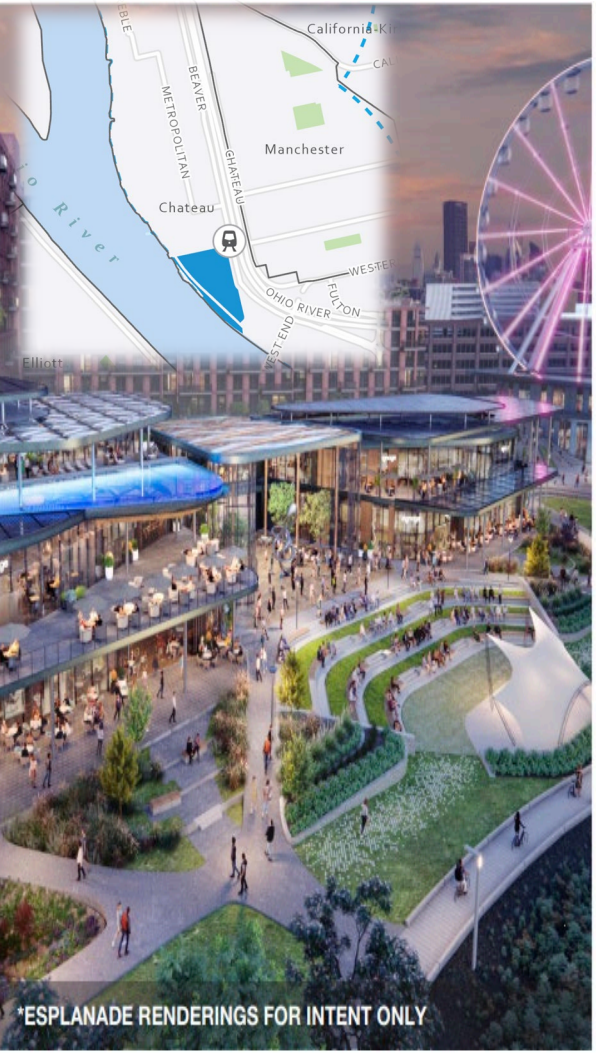
Esplanade Development

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



DEVELOPMENT BENEFITS

Job Creation

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

Mixed Use Development

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

Affordable Housing

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

Tax Generation

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

MWBE Involvement

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

Riverfront Activation

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

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PROJECTED ECONOMIC IMPACT

$600 MILLION
15-ACRE MIXED-USE DEVELOPMENT

7,100 JOBS
SUPPORTED IN SW PENNSYLVANIA OVER THE SIX-YEAR, TWO-PHASE CONSTRUCTION PERIOD

$640.3 MILLION
CONTRIBUTION TO THE AREA'S GROSS REGIONAL PRODUCT

$1.1 BILLION
GENERATION OF ADDITIONAL SPENDING OVER & ABOVE CONSTRUCTION EXPENDITURES

4,500 JOBS
ESPLANADE WILL SUPPORT WHEN COMPLETED & STABILIZED

$880 MILLION
IN ANNUAL SPENDING ON A DIRECT, INDIRECT & INDUCED BASIS

$491.2 MILLION
CONTRIBUTION TO REGIONAL ECONOMY

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.

CONSTRUCTION PHASING

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

Site Predevelopment → **Vertical Phase A** → **Vertical Phase B**

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Esplanade Vertical Construction Phase A

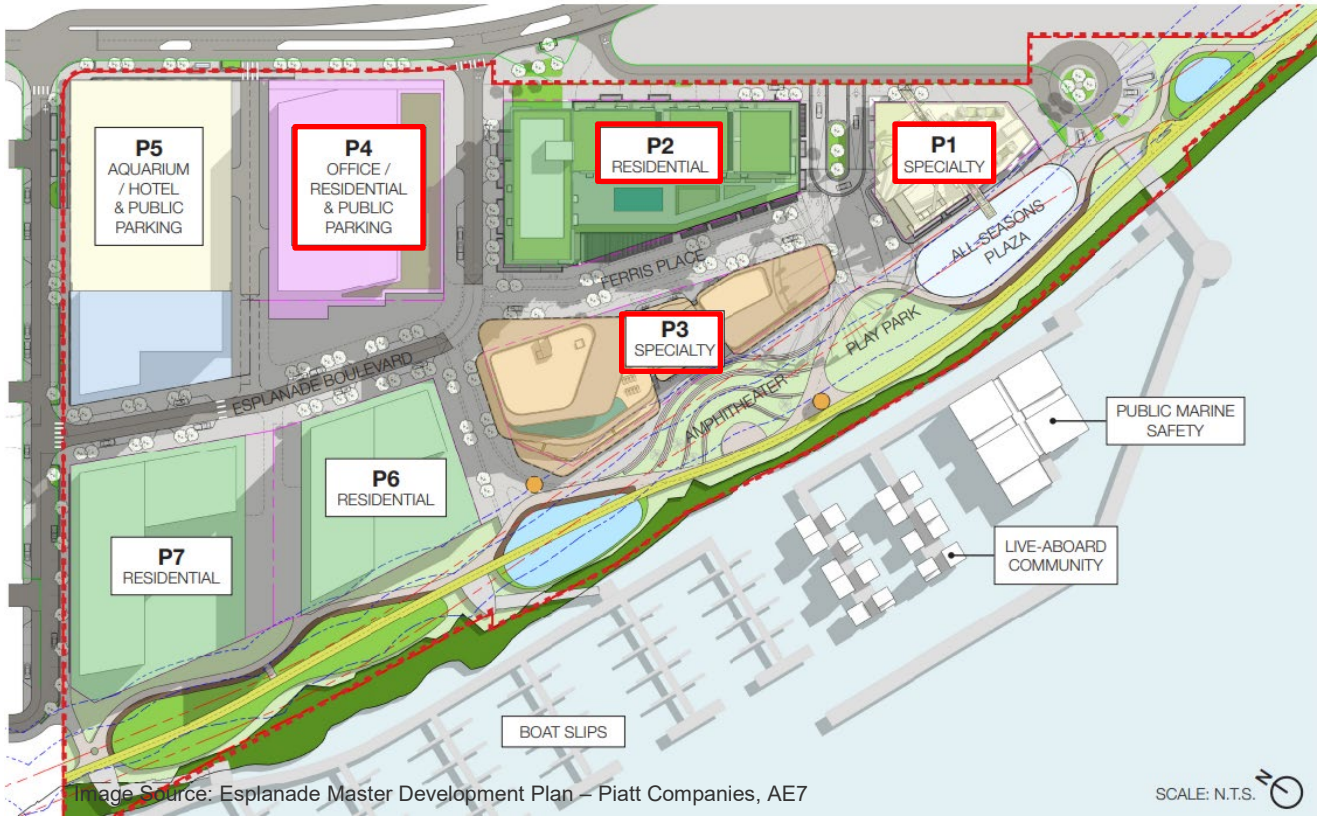

Image Source: Esplanade Master Development Plan – Piatt Companies, AE7

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

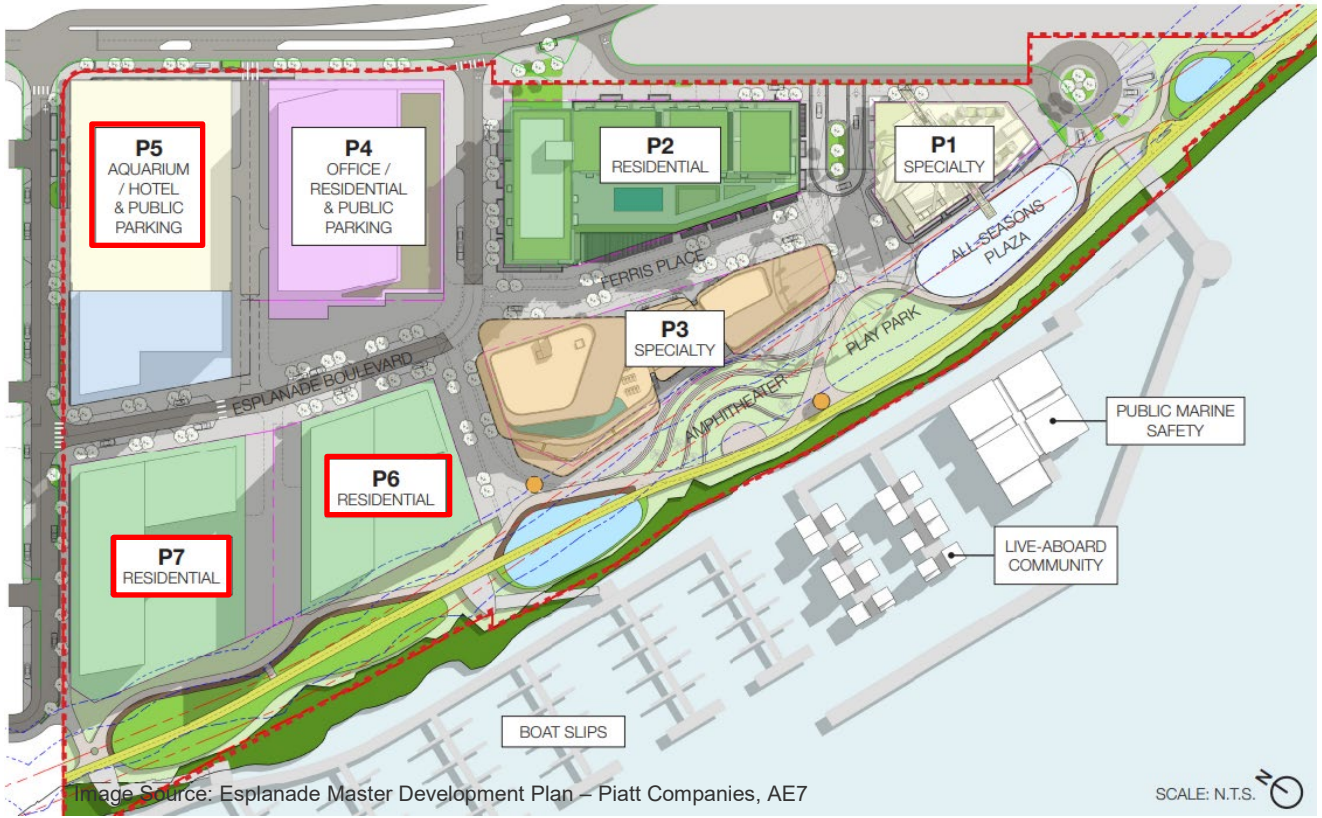

Image Source: Esplanade Master Development Plan – Piatt Companies, AE7

P5 Aquarium & Hotel

P6 Residential & Retail

P7 Residential & Retail

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OFF-SITE PROJECTS

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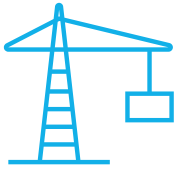
OFF SITE PROJECTS



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	

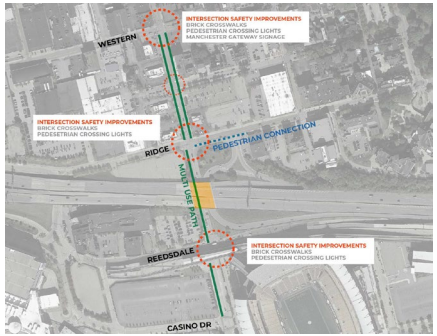
- **Taxing bodies receive 25% of tax increment during TRID term.**
- **Taxing bodies projected to receive $2,179,550 in annual taxes DURING TRID (at full build out).**
- **Taxing bodies are projected to receive an increase of 10,200% to their current tax base for Phase A (current base tax = $83,651)**
- **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.**

HIGHLIGHTED PROJECTS

Beaver Ave Two Way Conversion

Juniata Underpass

Allegheny Avenue Public Space Improvements



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**	

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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Section 5: Anticipated TRID Legislative Schedule (updated 3/31/2025)

Bolded dates indicate a meeting or event has occurred or has been confirmed
Italicized dates indicate the anticipated date a meeting or event will occur

Community & Stakeholder Engagement
(MC TRID Planning Study, Reconnecting Communities Grant, MC TRID Implementation Plan)

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**
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**
Release of TRID Planning Study	**January 2022**
TRID Status Update at MCC hosted public community Meeting	**February 21, 2024**
Manchester Community Meeting on Esplanade Development & TRID	**January 14, 2025**
Manchester Neighbors Community Meeting	**February 20, 2025**

Anticipated Legislative Schedule (subject to change)

URA

Board Approval	**November 14, 2024**

Allegheny County

Pre-Meeting	**September 23, 2024**
First Reading	**March 25, 2025**
Economic Dev. Committee #1	*TBD*
Second Reading and Vote	TBD

Pittsburgh Public Schools

Pre-Meeting	**October 23, 2024**
Business Committee #1	**December 3, 2024**
Business Committee #2	**February 3, 2025**
Agenda Review #1	**March 19, 2025**
Public Hearing #1	**March 24, 2025**
Business Committee #3	**April 7, 2025**
Agenda Review #2	April 23, 2025
Public Hearing #2	April 28, 2025
Legislative Session	April 30, 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**
Public Hearing	**February 12, 2025**
Committee Discussion #2	**February 19, 2025**
Final Vote	**February 25,2025**

Port Authority of Allegheny County

Board Meeting	April 25, 2025

Cooperation Agreement	*May 8, 2025*

School Board Resolutions

1. Approval of TRID Implementation Plan

2. Authorization to Enter TRID Cooperation Agreement

THANKS

Does anyone have any questions?