

December 23, 2019

Ms. Marimba Milliones
President and CEO
Hill Community Development Corporation
2015 Centre Avenue
Pittsburgh, PA 15219

Ms. Felicity Williams
Programs and Policy Manager
Hill Community Development Corporation
2015 Centre Avenue
Pittsburgh, PA 15219

**RE: Design Review Panel Submission
 Lower Hill Redevelopment Plan
 Block E Project Narrative**

Dear Ms. Milliones and Ms. Williams,

On behalf of our entire development team, Lower Hill Developer LLC – an affiliate of The Buccini/Pollin Group – respectfully submits this Design Review Panel (DRP) package for the proposed Block E project in the Lower Hill Redevelopment site. The materials are submitted for the review of the DRP at its earliest regular meeting.

We believe that no other project of this scale has been developed in the City with the scope of community partnership benefits that this development team is committed to delivering. The development team has presented this project to the Community Collaboration and Implementation Plan Executive Management Committee (CCIP EMC) and to the general public at advertised open community meetings on May 15, 2019 and July 16, 2019. The development team has affirmed its commitment to meeting the recorded Community Collaboration and Implementation Plan (CCIP) objectives in these meetings and by way of the initial Letter of Intent and Take-Down Notice to the Sports and Exhibition Authority (SEA) and Urban Redevelopment Authority of Pittsburgh (URA).

The Block E project will be developed and constructed in partnership with the Greater Hill District community and will be consistent with the established goals for community participation and ownership identified in the CCIP. The CCIP framework was developed with extensive community input and participation, thereby establishing the framework for realizing the Lower Hill redevelopment project impact to the community and providing an outline for community engagement. A summary of the project specific M/WBE goals, local workforce goals, wealth building initiatives and Reinvestment Fund capital infusion can be found in the section below on *Community Partnership Benefits*.

The Block E mixed-use project is a critical component for the entire Lower Hill Redevelopment. We have secured user interest in a number of commercial Leases and Letters of Intent, and must deliver mission-critical parking infrastructure. The Block E project parking garage is therefore the catalyst for future development and investment throughout the entire Hill District. The addition of a live music venue, ground level retail and the inclusion of City public safety services enhances the basic function of the planned Block E parking structure to create a dynamic mixed-use anchor for the Lower Hill.

The Greater Hill District, with strategic adjacencies with major transportation arteries, is the in the middle of the centers of commerce in the City. The Lower Hill is the gateway to the Greater Hill District commercial corridors. The Block E project serves as a cornerstone of Greater Hill District transportation/commerce connections. The Block E project is vital to reestablishing vibrancy to the historic Lower Hill community.

The project will feature:

- a +/- 90,000 square foot live entertainment venue (under roof) with adjacent outdoor amphitheater having a combined 6,500-person capacity for ticketed events
- +/- 17,500 square feet of ground floor commercial space including a suite delivered in turnkey fashion (and rented for \$1 per year) for qualified, entrepreneurial businesses to help meet community wealth building objectives
- +/- 285,000 square feet of parking (approximately 850 parking spaces)
- +/- 34,000 square feet of entertainment / retail on floors 2 and 3 along Wylie Avenue
- The garage will include a public safety facility (Rescue 2 / EMS 14) on its Bedford Avenue elevation subject to agreement on final requirements and specifications with the City of Pittsburgh and the Department of Public Works

The \$120MM, mixed-use project features a steel-structured live entertainment venue with capacity for 3,300 people in an enclosable theater and up to 3,200 people on the adjacent private open-air lawn. The venue – as described in an **executed, confidential Letter of Intent** with an industry-leading live entertainment company – is acoustically separated from a concrete podium parking and retail structure below and a multi-story retail liner. The podium structure will feature a public parking facility with a capacity of up to 850 parking spaces that the developer will construct consistent with the Parking Demand Analysis previously submitted to the Authorities. Much of this parking capacity would exist across three below-grade parking decks, which allow for greater density on this block and more vibrancy/placemaking at street level – at the expense of greater construction cost premiums to the development team.

Street level retail/commercial space will be located on Wylie Avenue and Logan Street, as shown on the illustrative plans on subsequent pages. A portion of the ground floor commercial space along Wylie Avenue (up to 1,200 square feet) will be reserved for entrepreneurial tenants supported by programs (such as Catapult) administered by the URA consistent with the objectives of the Community Collaboration and Implementation Plan.

The developer anticipates a mid-2020 ground breaking and a late-2021 delivery of the building core and shell, permitting initial tenant occupancy to occur by the first quarter of 2022.

Community Partnership Benefits

The **project promotes many of the goals of the CCIP**, including the redevelopment of Block E to facilitate opportunities for minority- and women-owned business enterprises to participate in the pre-development, construction and operation of the mixed-use building.

- Projected **\$5.3MM for Hill District Reinvestment fund** (50% off-site LERTA)
- The 20th year of the approved Parking Tax Diversion (\$2.2MM) from the Block E parking facility will be directed into **the Pittsburgh Housing Opportunity Fund**. This 20-year funding stream

promotes the housing affordability goals of the CCIP, notable for a proposed project that does not include housing.

- The developer and its contractors plan to achieve approximately **30% participation in all contracted work by M/WBE firms.**
- In addition, the redevelopment will provide **employment opportunities** to residents of the Greater Hill District.
- The proposed **public safety facility** will provide critical public services to replace an obsolete facility located Downtown.
- The commercial space set aside for qualified, entrepreneurial businesses will help meet community **wealth building objectives.**
- The development of a live music venue at this important intersection builds on the **legacy of live music along Wylie Avenue** and to the Greater Hill District and the Greater Pittsburgh community.
- Additional investments by the Optionee include (1) **workforce development/capacity building** in coordination with Partner4Work (2) proposed **recreational and vocational upgrades to the Ammon Center** and (3) future introductions and coordination between the music venue operator and the operators of the New Grenada Theatre.

Sustainability

The project will be a mixed-use development and will be consistent with applicable LEED-ND requirements under the PLDP and the Option Agreement. The garage will offer bicycle storage options, electric vehicle charging and the block already features UBER/LYFT pickup areas to reduce traffic.

Preliminary Land Development Plan (PLDP)

This initial phase of development is consistent with the overall vision for a mixed-use Master Plan. The concept plans are generally consistent with the approved PLDP for the Block E portion of the Lower Hill Redevelopment Site, which was the result of a lengthy and inclusive planning process, where a wide range of contributors worked collaboratively to lay the groundwork for this gateway to the Greater Hill District. The Block E concept plans comply with permitted uses and Minimum and Maximum Heights identified in the applicable provisions of the SP-11 District. The team is in the process of preparing a Project Development Plan as well as an amended PLDP for the Block E project.

Conclusion: Renewed Connections and Energy

The proposed Block E project will be the catalyst to restore commercial vibrancy in the Lower Hill and be an important part of the redevelopment plan to reconnect the Greater Hill District to the Golden Triangle. The new retail suites will attract vibrant operators – including local, startup tenants – that will welcome patrons to the Greater Hill District. The Parking Garage will be a shared-use, public facility supporting commercial, retail and event parking demands on the overall Lower Hill Redevelopment site and PPG Paints Arena. The project, with its energetic mix of uses, will create an **active hub of energy for the entire Lower Hill district.** The ground floor retail will renew vibrancy along Logan Street and Wylie Avenue.

This project also boosts the interconnected vision for the entire mixed-use district. The block's urban design gestures and focus on connection promise to make these ground-up developments more hospitable and welcoming. The way the development team has envisioned the edges of the district speak directly to efforts to make the project feel inviting. Blurring the lines between the mixed-use blocks and the fabric of

LOWER HILL REDEVELOPMENT – BLOCK E
DRP SUBMISSION – COVER PAGES, PROJECT NARRATIVE AND EXHIBITS

the Greater Hill District will create transparency -- as opposed to a walling off. The master planning motto of **“create better; invite all; celebrate together”** is at the core of this project for Block E.

Again, we believe that no other project of this scale has been developed in the City with the scope of community partnership benefits that this development team has committed to delivering. We look forward to discussing the project further at your upcoming board meeting.

Sincerely,



Boris Kaplan
Vice President of Development
The Buccini / Pollin Group

cc: William Sittig, Esq.
Tracey McCants Lewis, The Pittsburgh Penguins

1. Project Executive Summary and Self-Evaluation Form

2. Project Team Information

Lower Hill Developer LLC is an affiliate of The Buccini/Pollin Group, Inc. (“Buccini/Pollin” or “BPG”), a privately-held, full-service real estate acquisition, development, and management company with offices in Washington, DC, Wilmington, DE, Philadelphia, PA and Baltimore, MD. Formed in 1993, Buccini/Pollin develops and acquires hotel, office, residential, retail and parking properties. Buccini/Pollin is headquartered and established in the Mid-Atlantic and Northeast region and continues to grow into other parts of the United States.

On behalf of its principals, investors and financial partners, Buccini/Pollin has acquired or developed real estate assets having a value in excess of \$5.0 billion, including 40 hotels, 6 million square feet of office and retail space, 15 major residential communities, and multiple entertainment venues, including PPL Park, home of the Philadelphia Union Major League Soccer team and the 76ers Fieldhouse, home of the Philadelphia 76ers minor league affiliate Delaware Blue Coats.

Through a group of affiliated companies, including PM Hotel Group (hotel operating company), BPG360 (office property management), Virtus Realty Advisors (commercial leasing), BPG Residential Services LLC (residential property management and leasing), and BPGS Construction LLC (construction management), the principals of BPG oversee all aspects of project acquisitions, finance, development, construction, leasing, operations and disposition for its portfolio properties.

Key Employees:

Christopher F. Buccini

Mr. Buccini is co-President of Buccini/Pollin Group, Inc. ("BPG") a privately-held, real estate investment, development and management company. Mr. Buccini lead's the firm's investment management platform, Corten Capital, and is a director of PM Hotel Group, Inc, a hotel management company with over 3,500 rooms under management. In addition, Chris co-founded and is co-owner of Major League Soccer's Philadelphia Union.

H. Wesley Schwandt

Mr. Schwandt is President of BPGS Construction, a full-service Construction & Development Management company with offices in Wilmington, Delaware and Washington, D.C. The primary function of BPGS is to oversee all construction and development related activities for Buccini/Pollin, Buccini/Pollin Real Estate Services, and select third party clients. Mr. Schwandt brings his individual focus to each project undertaken, bringing a leadership role throughout the process with ownership, designers, and the end user.

Boris Kaplan

Mr. Kaplan is Vice President for Development Management, focusing on acquisitions, pre-development services, approvals and asset management. Mr. Kaplan has development management responsibilities for Buccini/Pollin's mixed-use projects in Philadelphia and Pittsburgh. He has overseen BPG's for-sale residential communities as well as mixed-use projects along the Market Street commercial corridor in Wilmington, Delaware and the sports-anchored redevelopment of the riverfront in Chester, Pennsylvania.

Sarah Lamb

Ms. Lamb is the Vice President of Design and Marketing at Buccini/Pollin Group. Her responsibilities cover a wide range of tasks, including designing and overseeing building upgrades across BPG's portfolio of properties, conceptualizing floor plans for potential tenants, tenant fit-out design, working with

architects and construction teams on various construction projects, as well as the design and implementation of marketing materials for BPG and its subsidiaries.

Karl Wagner

Mr. Wagner is a Partner of Corten Real Estate where he leads the investment process for all non-hospitality investments. Since joining the Organization in 1999, Mr. Wagner has focused on sourcing, structuring and capitalizing new acquisition, development and debt investments. In addition, Mr. Wagner manages recapitalizations and dispositions within the Organization's existing portfolio working closely with the asset management team. He has been responsible for over \$2B of capitalizations including equity, debt, mezzanine and tax credit financings for over 5 million square feet of commercial space and 1,500 residential units.

Michael J. Hare

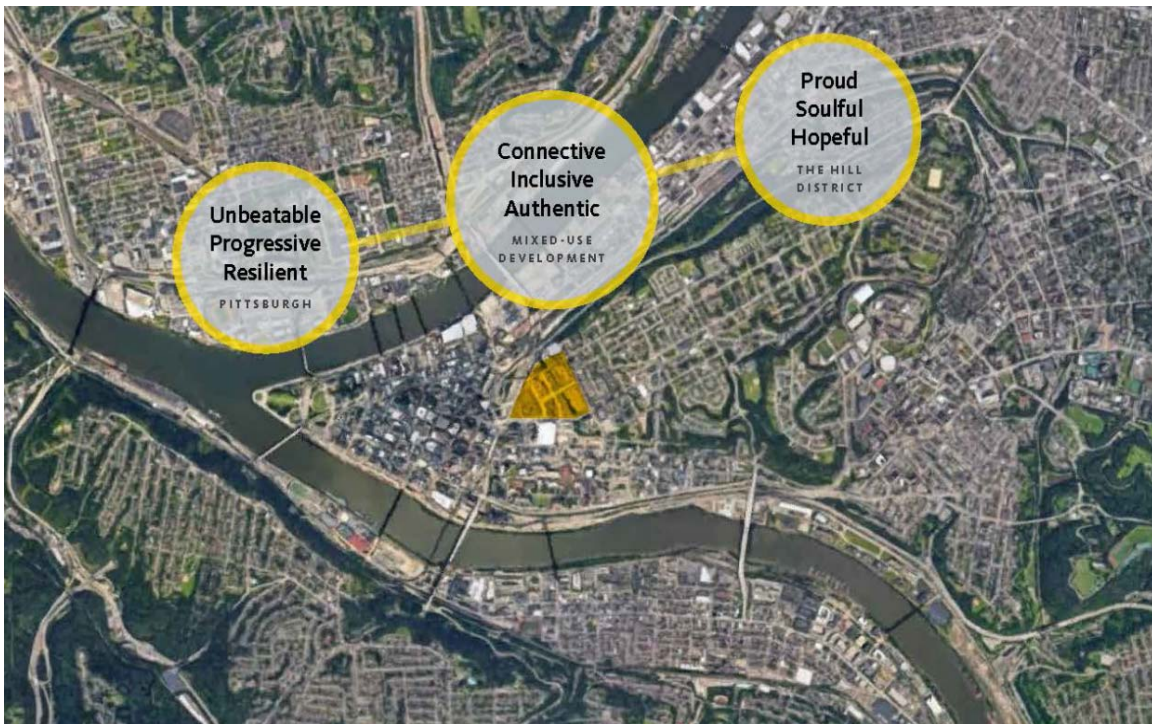
Mr. Hare joined Buccini/Pollin Group in March 2008 as Executive Vice President for Development. His responsibilities include development management, public investment, government relations, multi-jurisdictional entitlement and external communications. Prior to joining the Buccini/Pollin Group, Mr. Hare served as the Deputy Director of the Riverfront Development Corporation of Delaware (RDC), where he helped lead the \$1 billion transformation of the Wilmington Riverfront from 1995-2008. Mr. Hare was employed by the Delaware Economic Development Office starting in 1989 serving as a Senior Development Specialist prior to being assigned to the RDC by Governor Thomas R. Carper in September, 1995. Mr. Hare served on the Wilmington City Council as an At-Large Member where he served on the Finance, Housing, and Licenses and Inspection Committees.

Matt Corace

Mr. Corace is Senior Project Development Manager for BPGS Construction and has over 15 years of experience managing the design and construction of complex mixed-use projects. A native of Pittsburgh, he received his undergraduate degree from the University of Pittsburgh and will lead initial community engagement and inclusive procurement efforts during pre-development. Mr. Corace is a fourth-generation builder who grew up in around the construction industry. Mr. Corace has extensive hands on experience across a spectrum of trades, having worked as a carpenter, mason and operator for a land construction company.

3. Project Illustrations

Master Plan Images

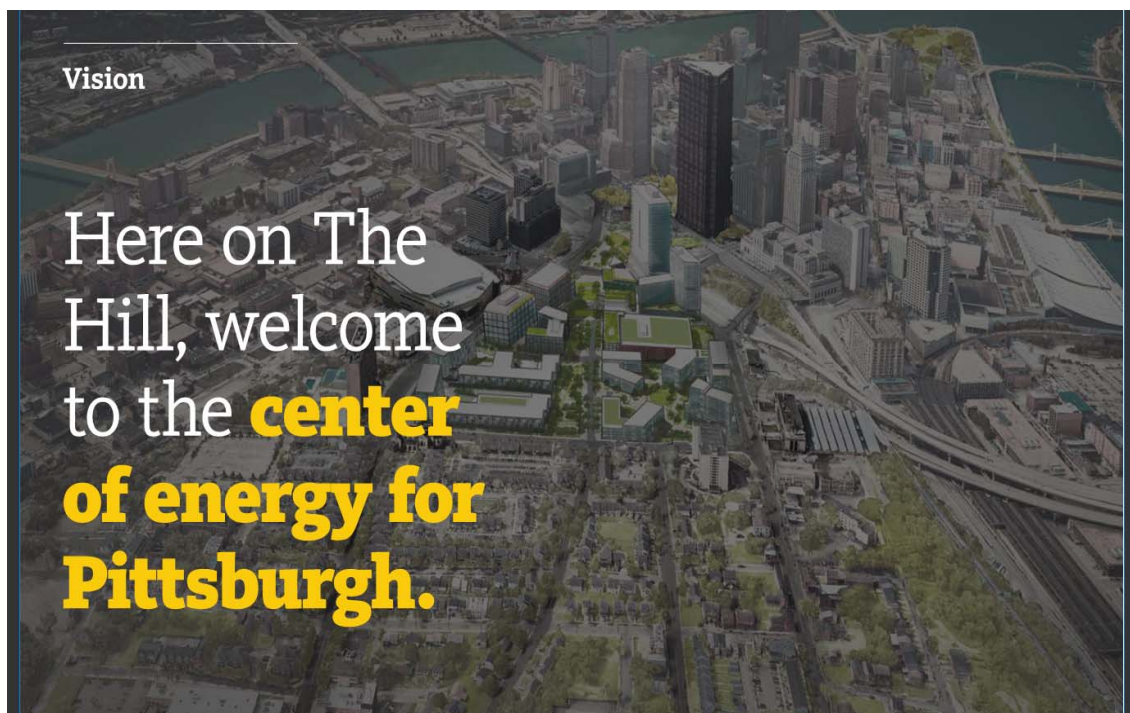


Three Big Ideas Drove the Design of the Master Plan for Redevelopment

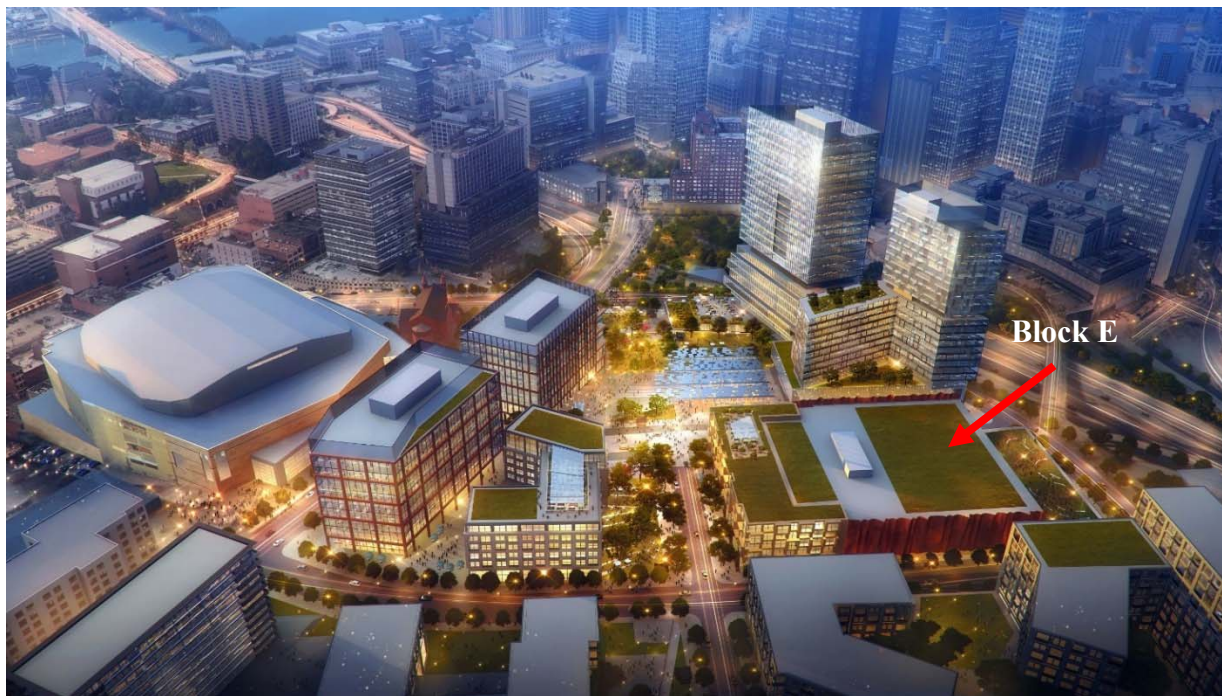


Vision



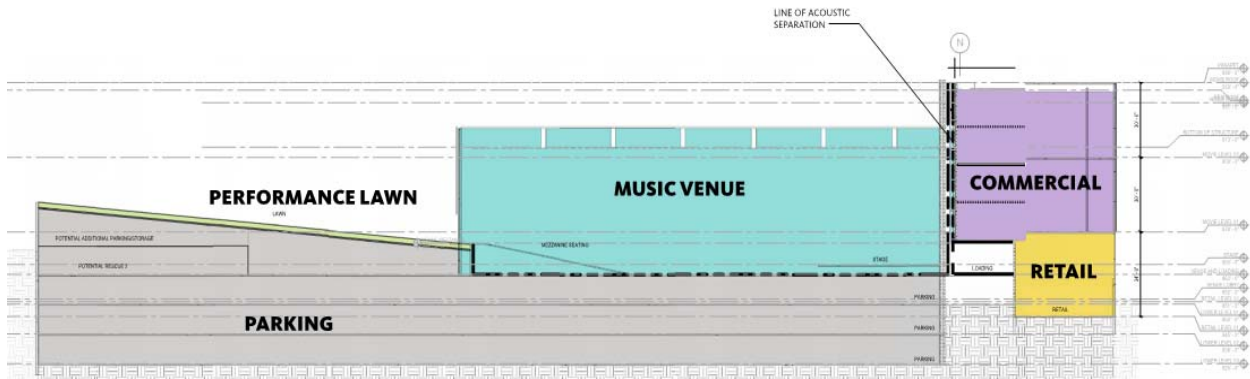
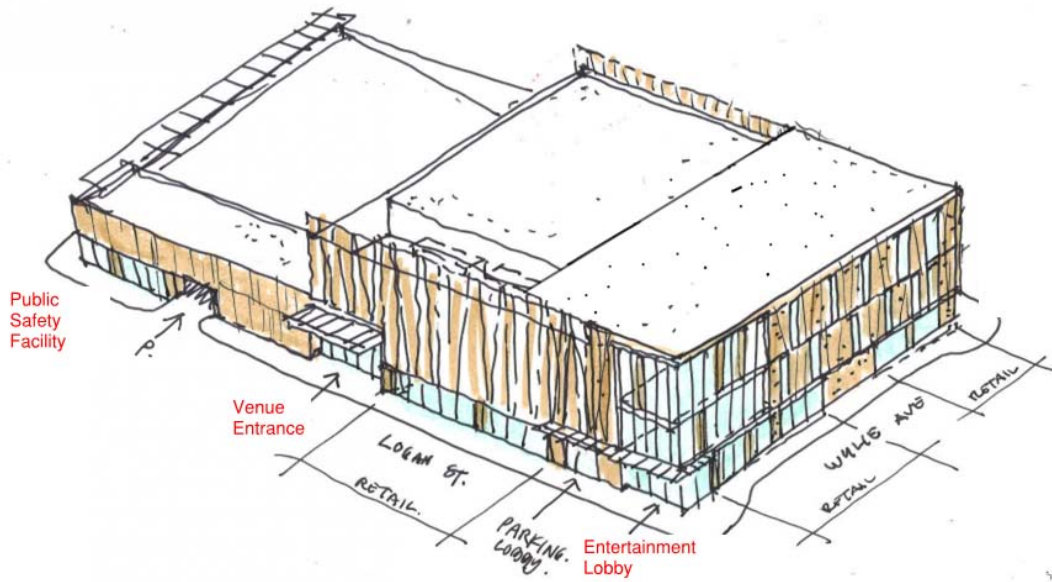


Block E is the Critical Catalyst for the Redevelopment – Plan View and Rendering



Concept Massing Program: Block E

LOWER HILL REDEVELOPMENT – BLOCK E
 DRP SUBMISSION – COVER PAGES, PROJECT NARRATIVE AND EXHIBITS



- VENUE
- COMMERCIAL
- RETAIL
- PARKING

4. Sources / Uses of Funds

Lower Hill Redevelopment - Block E Sources & Uses	
Development Budget	
	<u>Total</u>
Land, Predev. & Settlement	5,587,700
Hard Costs	101,962,572
A&E	4,841,004
Other Soft Costs	12,293,114
Contingency	2,883,498
Total Uses	127,567,888
Sources	
	<u>Total</u>
Debt	85,596,293
Public Investments / Grants	7,000,000
Equity	34,971,595
Total Sources	127,567,888