

Morrow Park City Apartments

LERTA Request to the Pittsburgh Public Schools

December 2, 2013



VILLAGEGREEN

Lifestyle for Rent

Morrow Park City Apartments

Baum Boulevard and Liberty Avenue

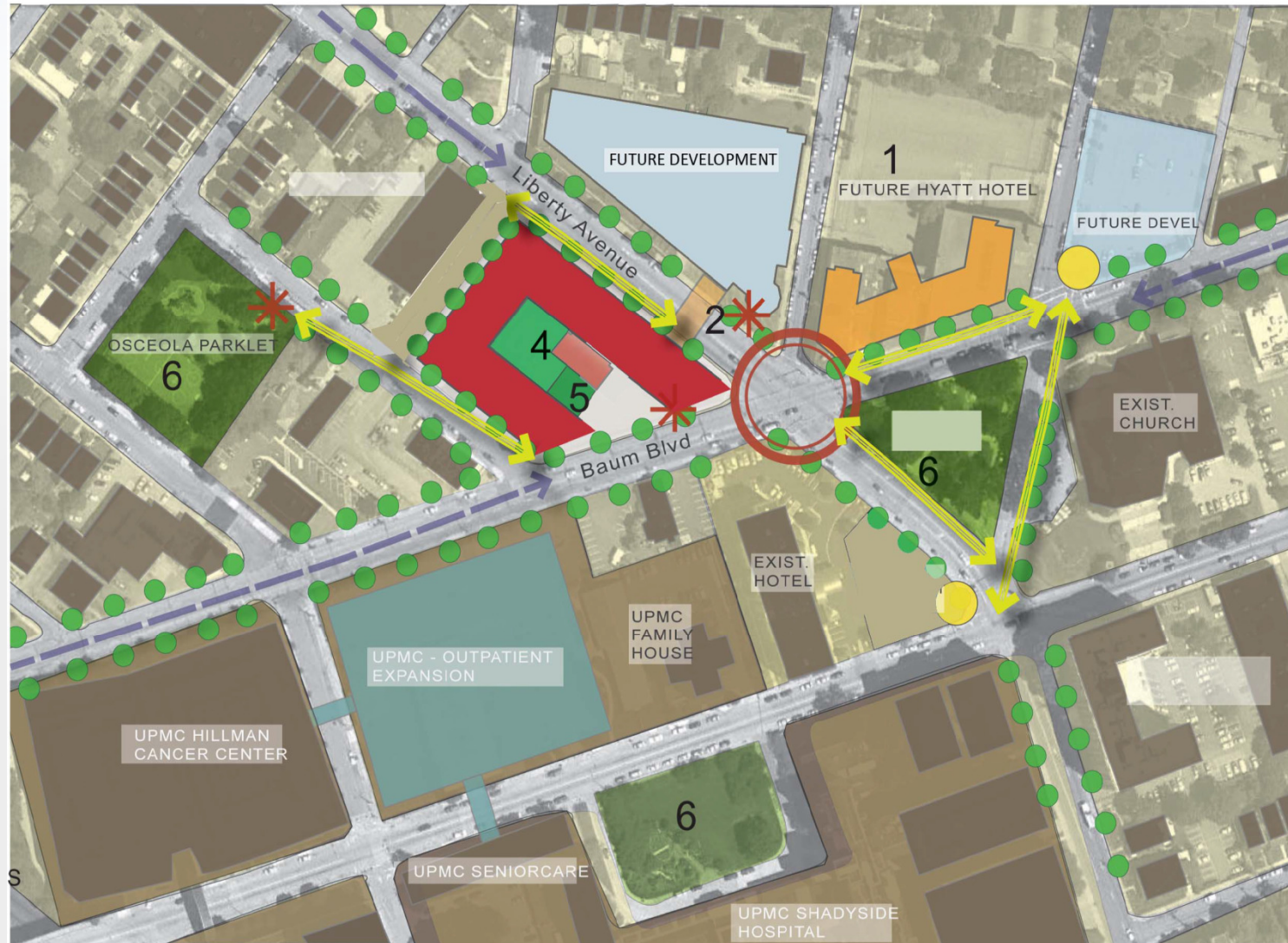


VILLAGEGREEN Lifestyle for Rent



Morrow Park City Apartments

Baum Boulevard and Liberty Avenue



Morrow Park City Apartments

Project Facts



Total Development Costs: \$46,000,000

Apartment Units: 210

**Floors: 6 Above Ground
 2 Below Ground (Parking)**

Gross Square Feet: 273,093

Rationale for LERTA

- The site was formerly Don Allen Chevrolet which was closed in 2008 and currently provides a limited amount of tax revenue (2013: \$10,538).
- Estimated earned income tax (EIT) benefit of \$2,223,311 during 10-year LERTA period.
- The school district will receive \$489,602 in real estate tax revenue during the ten year LERTA period and \$207,716 annually thereafter.
- Anticipate up to 30 percent of the units to be leased by out of town or suburban residents.

Rationale for LERTA

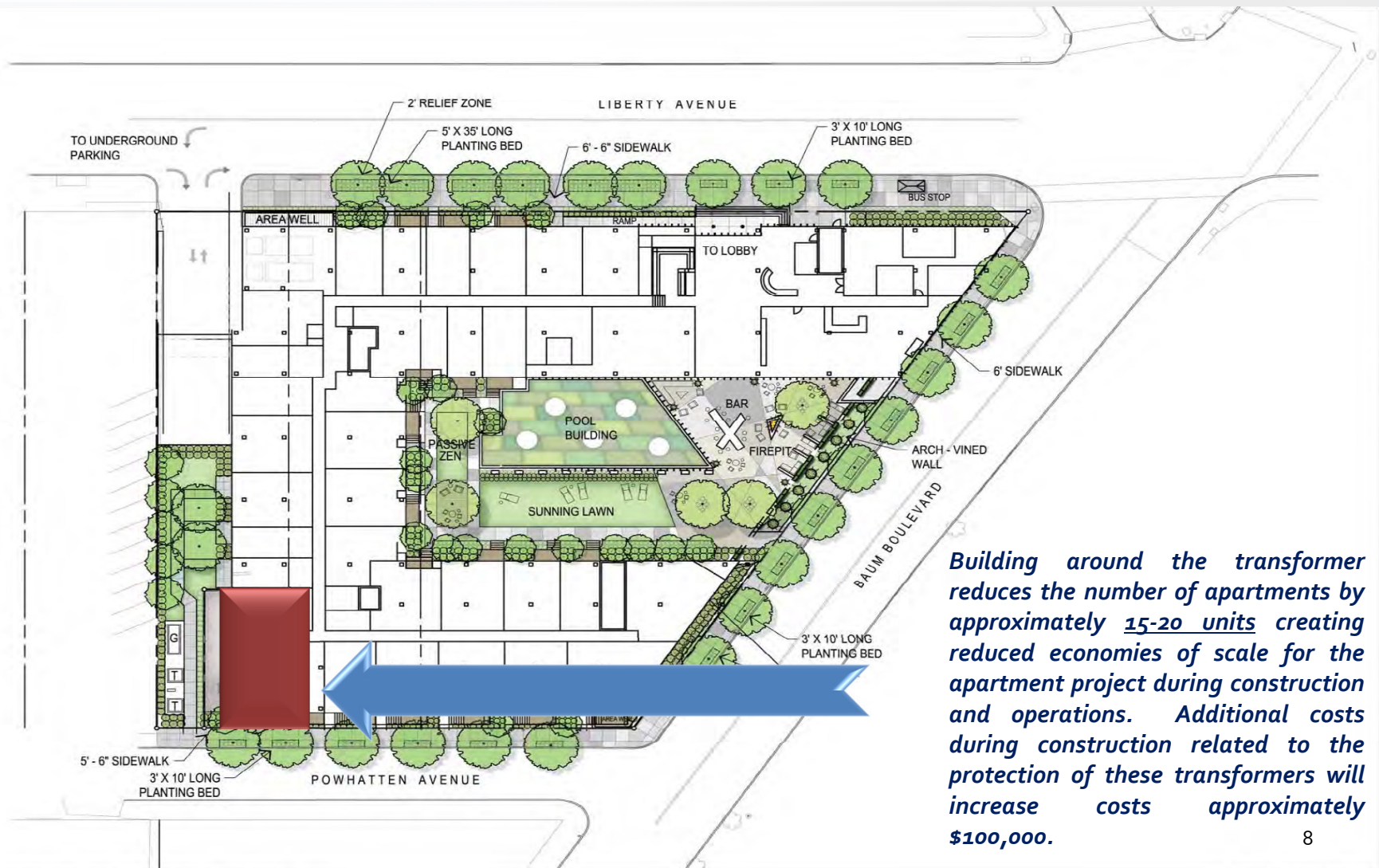
- The project has received full zoning and entitlement approvals including unanimous community support from the Bloomfield Community Council, Baum Centre Initiative, Bloomfield Development Corporation and Friendship Preservation Group and is ready to proceed in early 2014 subject to approval of the LERTA tax benefit.
- Project will generate approximately 400 construction related jobs including on-site and office duties.
- Local consultants and contractors will be utilized, including portions of Minority/Women owned business and Union trades.

Rationale for LERTA

Site Specific Issues Result in Decreased Rentable Square Footage and Increased Costs

- **Reduces Amount of Rentable Square Footage by 7%-10%**
- **Construction costs are an estimated \$3,650,000 higher due to site specific issues**

Duquesne Light Transformer



Building around the transformer reduces the number of apartments by approximately 15-20 units creating reduced economies of scale for the apartment project during construction and operations. Additional costs during construction related to the protection of these transformers will increase costs approximately \$100,000.

Rationale for LERTA

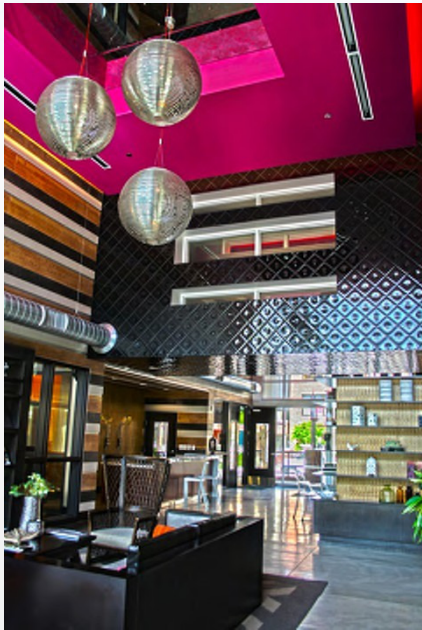
- **Foundation Design**
 - *Foundation and underground parking garage designed around high bedrock table and low bearing capacity soil add approximately \$3,475,000 to costs*
- **High Water Table**
 - *Temporary construction de-watering will be necessary as well as permanent de-watering systems which will add approximately \$75,000 to the cost of the project.*
- **Sub-Surface Obstructions**
 - *Current information is insufficient about any obstacles that will need to be removed such as old building foundations and underground tanks which is estimated to add \$100,000 to the cost of the project*

Projected Real Estate Tax Benefit Pittsburgh Public Schools

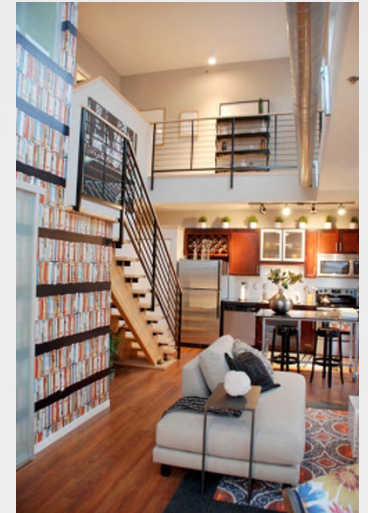
	Current	Projected	Proposed	School District	Taxes Based on	Taxes Based on	Additional	EIT	Total
Year	Assessed Value	Assessed Value ⁽¹⁾	Abatement	Tax Rate	on Proposed Abatement	Current Assessed Value	Taxes Post-Completion	Tax Benefit	Tax Benefit
2015	\$ 1,092,000	\$ 21,000,000	100%	0.97%	\$ 10,538	\$ 10,538	\$ -	\$ 198,450	\$ 198,450
2016	\$ 1,092,000	\$ 21,000,000	100%	0.97%	\$ 10,538	\$ 10,538	\$ -	\$ 203,411	\$ 203,411
2017	\$ 1,092,000	\$ 21,000,000	90%	0.97%	\$ 29,749	\$ 10,538	\$ 19,211	\$ 208,497	\$ 227,708
2018	\$ 1,092,000	\$ 21,000,000	90%	0.97%	\$ 29,749	\$ 10,538	\$ 19,211	\$ 213,709	\$ 232,920
2019	\$ 1,092,000	\$ 21,000,000	80%	0.97%	\$ 48,960	\$ 10,538	\$ 38,422	\$ 219,052	\$ 257,474
2020	\$ 1,092,000	\$ 21,000,000	80%	0.97%	\$ 48,960	\$ 10,538	\$ 38,422	\$ 224,528	\$ 262,950
2021	\$ 1,092,000	\$ 21,000,000	70%	0.97%	\$ 68,171	\$ 10,538	\$ 57,634	\$ 230,141	\$ 287,775
2022	\$ 1,092,000	\$ 21,000,000	70%	0.97%	\$ 68,171	\$ 10,538	\$ 57,634	\$ 235,895	\$ 293,528
2023	\$ 1,092,000	\$ 21,000,000	60%	0.97%	\$ 87,383	\$ 10,538	\$ 76,845	\$ 241,792	\$ 318,637
2024	\$ 1,092,000	\$ 21,000,000	60%	0.97%	\$ 87,383	\$ 10,538	\$ 76,845	\$ 247,837	\$ 324,682
Total					\$ 489,602	\$ 105,378	\$ 384,224	\$ 2,223,311	\$2,607,536
Post - Abatement (Year 11 and Beyond)									
	\$ 1,092,000	\$ 21,000,000	0%	0.99%	\$ 207,716	\$ 10,801	\$ 196,915	\$ 250,377	\$ 447,292

(1) Per Appraisal Dated October 2013

Village Green - Previous Projects



Village Green - Previous Projects



Village Green - Previous Projects

