

**TERM SHEET OF**

**BLOCK G1 and G4**

**REINVESTMENT COMMITMENTS**

June 8<sup>th</sup>, 2021 (the "Effective Date")

- Parties:** Hill Community Development Corporation ("CDC") and Lower Hill Developer LLC ("Developer").
- Background:** Developer seeks to redevelop Blocks G1 and G4 ("Option Premises") as described in Developer's Final Land Development Plan ("FLDP") consistent with the terms of that certain Community Collaboration and Implementation Plan ("CCIP") and pursuant to the Block G1 / G4 Letters of Intent to the Urban Redevelopment Authority of Pittsburgh ("URA") and the Sports & Exhibition Authority of Pittsburgh and Allegheny County ("SEA") #10 and #11 ("Project").
- Purpose:** The Parties desire to identify and clarify their respective responsibilities and commitments related to the Project.
- Developer Obligations:** Developer affirms its continued good faith efforts to align development activities with its affirmations to CCIP (please see Exhibit A) and the Amended and Restated Comprehensive Option Agreement ("Option Agreement") and, as follows:
- i. CCIP Focus Area 1 - M/WBE Inclusion
    - a. Developer is implementing its M/WBE Plan (please see Exhibit B) for professional services, construction services and property operations.
    - b. Hired local / diverse design professionals to advance 1<sup>st</sup> Phase pre-development activities consistent with inclusive procurement goals.
    - c. Developer built and is managing a growing database of minority- and women-owned businesses and has shared the database with other developers/agencies across the region to expand opportunities for identified consultants and contractors.
    - d. Hired eHoldings, a qualified 3<sup>rd</sup> party M/WBE consultant with experience in local procurement and supplier diversity services, to support M/WBE outreach and contracting. Hired EMSDC,

CONFIDENTIAL

the Eastern Minority Supplier Development Council, to extend M/WBE outreach to regional and national minority owned companies.

- e. Developer collaborated with the CCIP Executive Management Committee (EMC) on the November 2020 RFQ release targeted to minority-owned businesses by vetting submissions, responding to recipients, creating summaries for EMC Board and completing a webinar outlining procurement path forward.
  - f. Facilitate M/WBE participation in ownership by securing a significant equity investment from Clay Cove Capital.
- ii. CCIP Focus Area 2 – Local Inclusion / Workforce Development
- a. Developer is working with Partners4Work and supporting the creation of a First Source Hiring Center near the Project premises for the benefit of workers and contractors to better connect Hill District residents to employment opportunities.
    - i. The arrangement with Partner4Work includes funding for (1) at least two Intro to the Trades pre-apprenticeship classes timed to coincide with the planned construction schedule and (2) pre-employment job training programs connecting operators to applicants for building service and hospitality jobs within the redevelopment.
    - ii. While development activities are ongoing, Developer has committed to funding First Source Center operations for at least 10 years at budget levels agreed to with the Partner4Work MOU.
  - b. Developer will accelerate commencement of Partner4Work commitments by paying for the costs to establish the First Source Center in the Hill District, which is expected to cost \$100,000.
  - c. Developer has itself pursued job creation goals by hiring prominent project directors. Developer recently hired a Director of Community, Arts and Culture and hired a long time Hill District resident for the new position.
  - d. Developer, PAR and its vendors will prioritize new employment opportunities for Hill District residents. New jobs will be filled by considering and interviewing for employment candidates that are Hill District residents, with a goal of 10%.

- i. The Development team will share its workplace goals with prospective tenants
  - ii. Developer and PAR will use its workforce partner, the First Source Center, as well as other sources, to identify eligible Hill District candidates with appropriate background, qualifications and experience for the positions offered.
  - iii. Developer and PAR will notify the First Source Center of job openings and provide job descriptions including special requirements. The Center will refer qualified Hill District residents from its database.
  - iv. To monitor our success in achieving reinvestment goals in the Lower Hill, Developer will produce an annual report on its hiring and other economic impact goals.
- iii. CCIP Focus Area 3 – Inclusionary Housing
  - a. Developer is working with First National Bank to monetize 25% of any Parking Tax Diversion generated from the Option Premises and/or Parcel E for direct investment in the Greater Hill Housing Stabilization Fund, to provide for an immediate investment in the Middle and Upper Hill District at the time of closing on the construction financing instead of incremental amounts being realized over time.
  - b. The Final Land Development Plan does not include any housing in the mixed-use tower on Block G1.
- iv. CCIP Focus Area 4 – Communication and Tracking
  - a. Developer is collaborating with the CCIP EMC on compliance and communications requirements.
  - b. Developer will continue using multiple channels for outreach and regular reporting including website updates, regular public meetings, newsletters, social media, etc
  - c. Developer has established editing capabilities for CCIP EMC to manage a “community” section of the Lower Hill website, subject to collaboration protocols and scope of services.
- v. CCIP Focus Area 5 – Wealth Building
  - a. Clay Cove Capital, a minority owned business, has made a

multi-million-dollar investment in the Project.

- b. Developer and Clay Cove will continue to support minority residents of the Hill with investment opportunities by assisting with financing and development expertise
- c. Development team has grown with direct employment of Hill District residents.
- d. Developer is collaborating with non-profits including Riverside Center for Innovation (RCI) to offer programs to help growing M/WBE firms build critical capacity for contracting and expansion. Development Partners will invest no less than \$50,000 in funding for RCI back office support programs for Hill District businesses.
- e. First National Bank will assist with overall wealth-building goals for the redevelopment by offering line of credit support to small businesses operating in the Hill District, financial literacy programs throughout the Greater Hill District and expanding its programs with the Hill District Federal Credit Union (HDFCU) as per the FNB Community Impact Plan that is part of the Take Down submission.
  - i. FNB has committed to investing an additional \$2M through the URA and Invest PGH to support small and medium size businesses operating in the Hill District with critical programs to enhance their access to capital for expansion.
  - ii. FNB has invested \$100,000 in the Hill District Federal Credit Union.
- f. Developer is supporting the current Catapult cohort in the Hill with donation of materials and in-kind services.
- g. Developer secured \$500,000 in funding for small business kiosks on the parcel G4 Lower Hill open space, to be operated by minority-owned small businesses in concert with small business incubation programs.
- h. Development team is advancing a STEM scholarship plan and offering program support for Career and Technology Education (CTE) at UPREP Milliones High School (PPS)
  - i. Design team member committed to first tranche of STEM scholarships for Hill District students

- ii. The development team, Penguins and leadership of the trades recently met with Pittsburgh Public School's Angela Mike and are pursuing federal funding for expanding opportunities for CTE grads to enter the building trade unions.
  
- vi. CCIP Focus Area 6 – Culture and Legacy
  - a. Developer hired local historian Dr. Kimberly Ellis and architectural consultant Lakeisha Byrd to inform architects, design firms and art curators of the African American history and culture of the Lower and Greater Hill District.
    - i. Developer created the full time position of Director of Community, Arts and Culture for Dr. Ellis.
  - b. Project's design stresses the lost connection along Wylie Avenue. With the development of activated open space along Wylie in the first commercial phase, the Project establishes Wylie Avenue as an important visual, pedestrian, cultural and commercial connector from the Greater Hill to downtown.
  - c. Project re-establishes Wylie Avenue as a critical corridor for reconnecting the Greater Hill to the downtown. Efforts to activate commercial and recreational opportunities along Wylie Avenue are core elements of the plan as approved by Planning Commission
  
- vii. CCIP Focus Area 7 – Coordinated Development Strategies
  - a. Developer will share LERTA monetization proceeds from the Block G1 / G4 development 50-50 with the Greater Hill District Reinvestment Fund (the "Reinvestment Fund") in support of community development priorities in the Middle and Upper Hill District. Monetization will provide for an immediate investment in the Greater Hill District, instead of tax abatements being realized in incremental amounts over 13 years. It is projected that \$7,500,000 will be funded at closing on construction financing of the Block G1 mixed-use tower, which will seed the Reinvestment Fund. Development team will pay LERTA loan closing costs and share any possible residual values in future years 50-50.
  - b. FNB Community Investments: Subject to regulatory standards and underwriting guidelines, FNB is evaluating investments in

the Hill to fund housing and mixed-use initiatives with minority developers in the form of loans, equity and tax credit investments. In past months, FNB has issued 8 senior loan term sheets (additional pending). FNB has also announced a \$5,000,000 Hill District Gap Lending Program which is designed to address financing gaps on community projects with flexible lending parameters for local businesses.

- c. Developer Gap Financing: Developer will provide up to \$400,000 of gap equity required to close first phase of projects that FNB / URA are underwriting in the Greater Hill.
- d. The G4 parcel is being developed as part of a multi-million dollar, destination public open space that benefits the entire community, complementing the overall open space master plan that exceeds Preliminary Land Development Plan requirements.
- e. Development team will jointly pursue co-application infrastructure funding opportunities with public stakeholders in the future and coordinate these joint applications through the URA as per prior agreements. Development team pledges to work together to pursue opportunities aligned with the Biden administration's renewed commitment to investing in infrastructure
- f. FNB has made \$525,000 in recent philanthropic donations to organizations dedicated to the advancement of the Middle and Upper Hill (\$100,000 addressed above with HDFCU, etc) -- with additional grants planned for 2021.
- g. The Hill District will have two representatives on an advisory committee of the Open Space Association Board
  - i. Board of Directors will create a Programming, Operations and Activation Committee not later than the completion of initial open space improvements on Block G4 (also with representatives from Developer, PAR, Commercial Property Owners and Residential Property Owners)
  - ii. This committee will assist the Board with delivering CCIP goals related to small business engagement, M/WBE contracting and cultural/legacy initiatives
  - iii. The representatives will be appointed by Councilman Lavelle or recommendation of the CCIP EMC

**CDC**

**Obligations:** CDC shall cooperate with and support the efforts of Developer to secure all required approvals for the development of the Premises as described in the Final Land Development Plan and Option Agreement. CDC further acknowledges and agrees that Developer's obligations described herein are conditioned upon the Final Land Development Plan being finally approved, upon conditions acceptable to Developer, no later than May 4, 2021 and there being no legal challenges made to the approved FLDP or any permits or approvals related thereto.

(Signatures follow)

Lower Hill Developer LLC

By:   
Name: Christophe FiBuccini  
Title: President

Hill Community Development Corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



**EXHIBIT A**  
**REINVESTMENT SUMMARY TERM SHEET**

**EXHIBIT B**

**M/WBE PLAN (AS OF FEBRUARY 2021)**