

# Allegheny County Tax Increment Financing Program Project Evaluation 2012



ALLEGHENY COUNTY  
ECONOMIC DEVELOPMENT

Prepared By:  
Allegheny County Economic Development

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## Introduction

Tax Increment Financing (TIF) is one of the most effective tools to encourage private investment and the revitalization of under-developed properties within Allegheny County (the 'County'). TIF utilizes a portion of future real property tax revenues to finance improvements necessary to facilitate new development in these areas. Incremental increases in real property tax revenues within a specific TIF District, over a term up to 20 years, can pay for eligible public costs related to that development. TIF provides a means to increase investment, expand the economic base, increase employment opportunities and contribute to the redevelopment of blighted and underutilized property.

The Allegheny County TIF Program exists pursuant to the Commonwealth of Pennsylvania Tax Increment Financing Act of July 11, 1990 (the 'Act') and is administered by the Redevelopment Authority of Allegheny County (the 'Authority'). As of December 2012, the Authority administers eight TIF District's throughout the County<sup>1</sup>. The Act mandates the Authority prepare a TIF Plan for approval by the municipality creating the TIF District and the other taxing bodies within the proposed district. TIF Plans include the proposed development plans and associated costs, proposed improvements funded with TIF and their cost and fiscal effects on local taxing bodies.

This evaluation assesses the Allegheny County sponsored TIF projects and their affect on the properties within the County, including the private investment, job creation and fiscal impacts.

## Summary

Allegheny County Economic Development has prepared this report to evaluate each TIF District against the projections originally included in the approved TIF Plans. Aggregate information on the TIF District's administered by the Authority appears in the table below.

<b>Allegheny County TIF Districts</b>	
<b>Base Assessed Value</b>	\$26,285,090
<b>2012 Assessed Value</b>	\$697,323,471
<b>Base Annual County Real Property Taxes</b>	\$143,655
<b>Annual Incremental Real Property Taxes Retained by County (2012)</b>	\$1,841,689

The 2012 assessed value of real property within the TIF Districts has increased 2,653% over the base assessed values at their times of creation. In 2012, the incremental County real property taxes retained by the County were 1,185% greater than the base County taxes collected.

Approximately \$30.8 million of total County real property taxes have been collected within the TIF Districts since 1998. As a result of development within the TIF Districts, the County has retained a total of approximately \$12.6 million of new incremental real property tax revenue over this period. The County would have only collected \$1.9 million of base real property tax revenue from the TIF Districts had these developments not occurred. From 1998 to 2012, approximately \$16.3 million of incremental real property tax revenue has been diverted from the County to repayment of TIF debt.

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<sup>1</sup> Although the County participates in many TIF District's created by the City of Pittsburgh, those projects are not included within this report. Only TIF Districts created by the County or administered by the Authority are evaluated herein.

Of the \$135 million gross TIF debt issuances approximately \$110 million has been made available for construction of the improvements necessary to facility development projects proposed the in TIF Plans. The difference between the gross issuance and net proceeds available covers capitalized interest, debt service reserve funds, legal fees, consulting costs and fees associated with establishing the TIF District and executing the necessary financings for the project. Over \$2 million of County real property tax revenue was diverted to repayment of this TIF debt in 2012. On average, approximately 57% of total incremental County real property taxes generated within the TIF Districts have been diverted to TIF repayment. This public investment has leveraged an estimated \$900 million of private funds and created approximately 11,400 jobs within the County.

## **Report Methodology**

Individual project evaluation reports are provided for each of the eight TIF District's administered by the Authority in chronological order by creation date. Each report includes the following information:

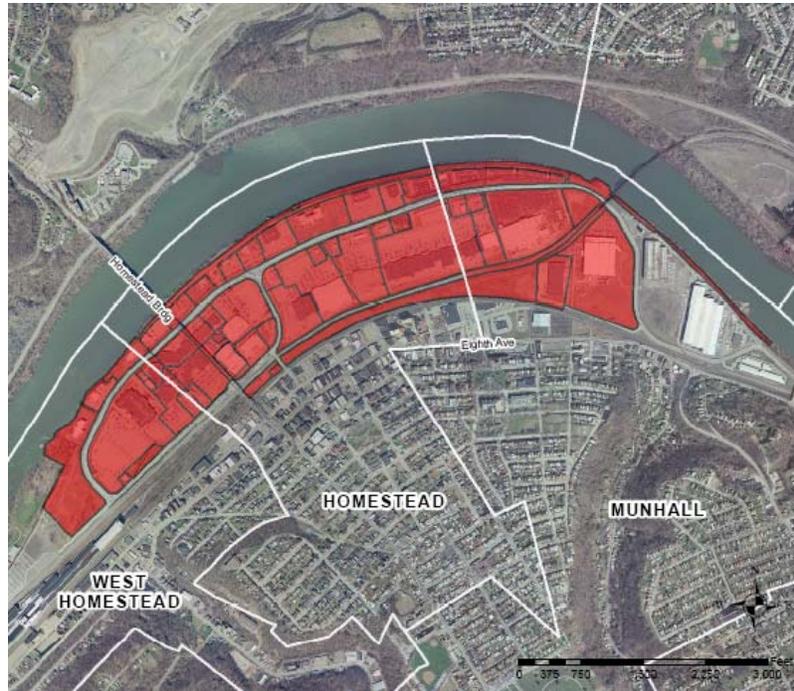
- Background information - County Council District, creation date, location, prior land use and tax parcel map
- Project Description - planned development, project costs, major tenants, occupancy/vacancies rates
- TIF Funded Improvements - construction funded via TIF proceeds
- Assessed Value within TIF District - annually over life of the TIF District (actual versus projected)
- County Real Property Tax Analysis - real property taxes retained by the County and diverted to TIF repayment annually over life of the TIF District (actual versus projected)
- Job Creation and Other Benefits – jobs created by industry (actual versus projected) and additional benefits of the development

Specific project information including development plans, current tenants and vacancy rates were acquired from annual status report forms submitted by project developers at the request of the Authority, as well as from CoStar Commercial Real Estate Database. The County Treasurer's Office provided information on historical/current assessed values and County real property taxes for the various TIF Districts. Employment data were provided by Pennsylvania Department of Labor & Industry and local government municipalities.

## The Waterfront

**County Council District (Member):** 11<sup>th</sup> – Barbara Daly Danko

In September 1998, the Waterfront Tax Increment Financing District was created in cooperation with the Boroughs of Munhall, Homestead and West Homestead and the Steel Valley School District. The 266 acre site is bordered on the north by the Monongahela River and south by active rail lines. The site is the location of the former US Steel Homestead Works closed in 1980. The Park Corporation purchased the property in 1988 and commenced demolition and preparation of the site for development.



### Project Description:

In 1998, the property was transferred to a joint venture of the Park Corporation and Continental Real Estate Companies (Continental). The Waterfront was contemplated as a 2.5 million square foot mixed-use development within four districts as detailed below:

Stacks District – 105,000 square foot movie theater and approximately 437,300 square feet of specialty retail in a Town Center concept. Twelve renovated smokestacks were also preserved on-site.

Railroad District – Regional big-box commercial center of approximately 764,000 square feet.

River District – Approximately 283,500 square feet of office space and 510 residential rental units.

Historic District – Approximately 338,700 square feet of flex office space.

Development within the four districts was to be phased over six years as determined by market factors.

	<b>Private Development Costs</b>	<b>Public Infrastructure</b>	<b>TOTAL</b>
<b>Estimated Project Costs</b>	\$273,782,700	\$31,954,074	<b>\$305,736,774</b>

Continental completed the first phase of the project in 1999 with the Lowes Theater and regional commercial center. Anchor tenants within the center include Giant Eagle, Target, Best Buy, Lowes Home Improvement and Dicks Sporting Goods. In 2001, the Town Center opened with various specialty retailers and restaurants taking occupancy. A residential component was added with the 235 apartments of The Residence at The Waterfront. A 90 room Courtyard by Marriot opened in 2002. Over 490,000 square feet of office space has been constructed to date including facilities for Eat 'n Park Restaurants and GAI Consultants. In October 2006, US Steel opened a 120,000 square foot LEED certified research and technology center on their former steelmaking site.

Continental sold the retail and entertainment components of the project in 2003 to Inland Retail Real Estate Trust Inc. (Inland) of Illinois. Cleveland based Developers Diversified Realty acquired these components as part of a deal including over 300 of Inland's properties in 2006. In October 2012, Chicago-based M&J Wilkow Ltd. and its partner Los Angeles-based BIG Shopping Centers USA acquired a 765,000-square-foot retail portion of the Waterfront for \$112 million from DDR Corp.

The current occupancy for the mall is approximately 97%.

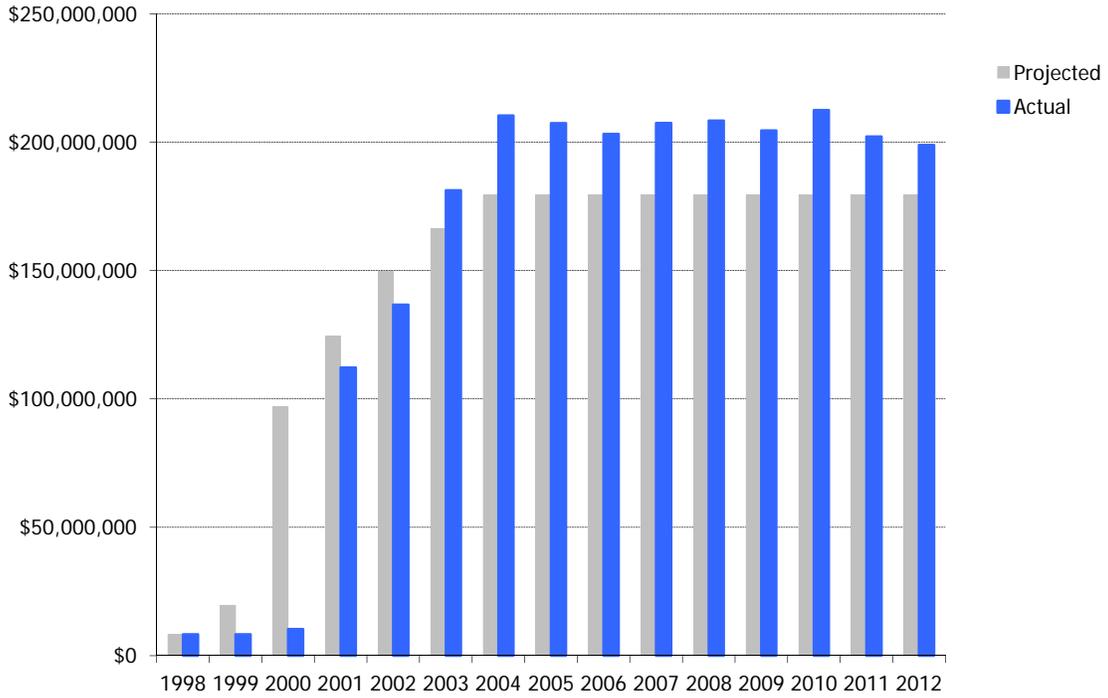
**TIF Funded Improvements:**

Of the \$29 million gross TIF issuance approximately \$25 million has been available for construction of the primary and secondary improvements detailed in the TIF Plan. The primary improvements were those necessary, at a minimum, to support the proposed development. Additional secondary improvements were dependent upon the pace of development and availability of funding. Primary public infrastructure constructed included the reconstruction of Amity Street to 8<sup>th</sup> Avenue and the on-site spine roadway, Waterfront Drive. Utility service was also extended into the site along this roadway. The riverfront was improved complete with a trail connecting to the development site via a pedestrian bridge.

The TIF Plan also contemplated various secondary on-site and off-site public improvements. The existing ramp off the Homestead Grey's (High-Level) Bridge was upgraded and a structured parking facility was constructed to provide additional parking for a prototype Kaufmans (Macys) department store and the Town Center. Various other additional pedestrian improvements around the Town Center were also completed.

In 1999, Allegheny County approved Amendment Number 1 to the original TIF Plan authorizing a pledge of additional real property tax revenues to fund the cost of an easement necessary for extension of West Drive via construction of a flyover bridge crossing the CSX railroad tracks. The Boroughs and School District opted out of participation in this supplemental action. Construction of the West Bridge was to improve vehicular access to the development site from the west. The proposed bridge was never constructed due to insufficient funds and escalating construction costs. In accordance with the intended use of funds to improve western access to the site, Allegheny County authorized an alternative in 2006. Funds in the amount of approximately \$2 million were reallocated to improve the existing 7<sup>th</sup> and 8<sup>th</sup> Avenue intersection in West Homestead and perform associated public infrastructure improvements. The intersection and streetscape improvements were completed in 2009.

**Assessed Value within TIF District:**



The 2012 assessed value of property within the TIF District is approximately \$199 million, \$19.6 million or 10% higher than the projected 2012 value in the original TIF plan. This represents a 2,289% increase from the 1998 base assessed value of \$8,325,848.

**County Real Property Tax Analysis:**

During the term of the TIF District, Allegheny County receives real property taxes attributable to the first \$60,000 per acre of assessed value for each pledged parcel (Base/Phase I taxes). A portion of incremental County real property taxes are then pledged to repayment of the TIF debt per the TIF Plan. Allegheny County may receive a portion of the increment following payment of debt service and distribution to the Maintenance and Main Street Development Funds. Approximately \$6.9 million of property tax revenue has been generated by the project and retained by the County while approximately \$4.3 million has been utilized to pay debt service on the TIF obligations.

<b>Real Property Taxes Retained</b>	<b>Projected</b>	<b>Actual</b>
1998	\$52,453	\$52,453
1999	\$117,322	\$52,453
2000	\$351,051	\$82,325
2001	\$337,417	\$110,599
2002	\$408,318	\$276,621
2003	\$498,311	\$479,654
2004	\$555,425	\$632,778
2005	\$555,425	\$600,823
2006	\$555,425	\$601,338
2007	\$555,425	\$638,734
2008	\$555,425	\$637,650
2009	\$555,425	\$637,858
2010	\$555,425	\$707,039
2011	\$555,425	\$625,703
2012	\$555,425	\$755,849
<b>TOTAL</b>	<b>\$6,763,697</b>	<b>\$6,891,931</b>

<b>Real Property Taxes Diverted</b>	<b>Projected</b>	<b>Actual</b>
1998	-	-
1999	-	-
2000	\$190,246	\$174,048
2001	\$322,816	\$415,640
2002	\$379,663	\$364,540
2003	\$368,814	\$370,428
2004	\$371,048	\$353,845
2005	\$371,048	\$371,825
2006	\$371,048	\$351,454
2007	\$371,048	\$334,305
2008	\$371,048	\$339,749
2009	\$371,048	\$321,377
2010	\$371,048	\$291,211
2011	\$371,048	\$296,496
2012	\$371,048	\$349,924
<b>TOTAL</b>	<b>\$4,600,971</b>	<b>\$4,334,934</b>

**Job Creation and Other Benefits:**

Approximately 3,683 full time jobs have been created within the TIF District, below the projections at full build-out included in the TIF Plan.

<b>Job Creation (FTE)</b>	<b>Projected</b>	<b>2012</b>
Retail Trade	3,000	1591
Accommodation and Food Services	360	1209
Professional, Scientific, and Technical Services	2,130	448
Other Services		435
<b>Total</b>	<b>5,490</b>	<b>3,683</b>

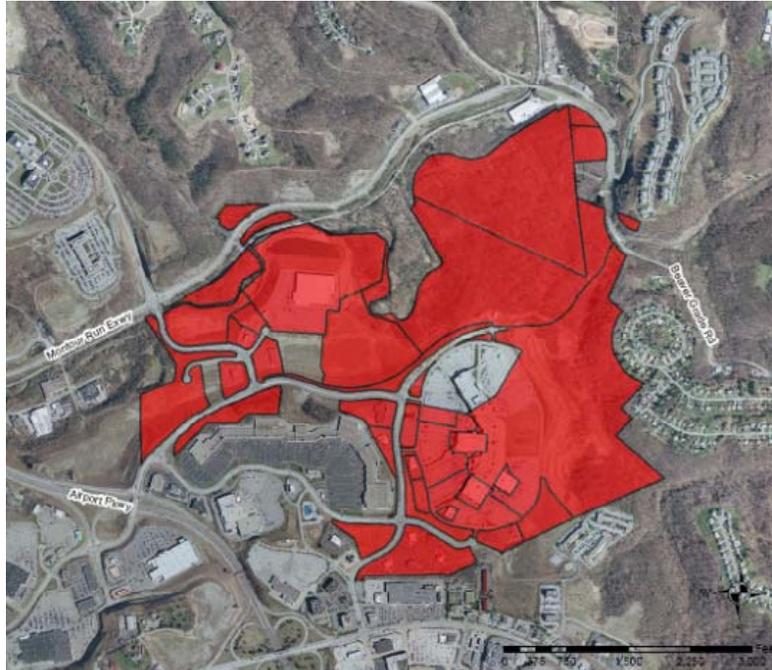
*Source: PA Department of Labor & Industry, 2nd Quarter 2012*

The TIF Plan also included provisions whereby a portion of incremental tax revenues would be redistributed for additional community benefits. Any tax revenues remaining following payment of Base/Phase I taxes and debt service on the TIF obligations would return to the taxing bodies for the Maintenance and Main Street Development Funds. For the term of the TIF District, up to \$120,000 annually is made available to the Boroughs to cover the cost of maintenance of public roadways constructed either within the TIF District or those providing direct access. Further, up to \$100,000 is made available to the Boroughs and Allegheny County annually for fifteen years to fund redevelopment activities along 8<sup>th</sup> Avenue (PA Route 837). This money has been used to make streetscape improvements, support after school learning programs, and provide loans to expand local businesses.

## Robinson Mall and Peripheral Development

**County Council District (Member):** 4<sup>th</sup> – Michael J. Finnerty

In December 1999, the Robinson Mall and Peripheral Development Tax Increment Financing District was created in cooperation with the Township of Robinson and Montour School District. The 420 acre site is generally bounded by the intersection of the Steubenville Pike (PA Route 60) and the Parkway West (Interstate 376) to the south along with the municipal boundary of North Fayette and Moon Township to the north. The site was previously undeveloped land adjacent to the Robinson Town Center. An existing Kaufmans (Macys) Department Store on the Mall site was not included in the TIF District.



### Project Description:

The Mall at Robinson was developed by a partnership between Forrest City Commercial Group, Inc. and Zamagias Properties. Development of the peripheral sites included this partnership as well as The Edward DeBartolo Corporation. The project marked the next phase of retail development west of the City of Pittsburgh along the Parkway West (Interstate 376). Building upon the success of the 670,000 square foot Robinson Town Center completed ten years earlier, additional development was expected to capitalize on continued growth within the Pittsburgh International Airport Corridor in western Allegheny County. The Mall at Robinson was contemplated as a 770,000 square foot enclosed mall, 56,000 square feet of outparcels and over 1.2 million square feet of development along the periphery.

	Private Development Costs	Public Infrastructure	TOTAL
<b>Estimated Project Costs</b>	\$244,738,116	\$34,374,629	<b>\$279,472,745</b>

Opened in fall 2001, the two-story, 870,000 square foot, Mall at Robinson includes over 150 retail stores and restaurants. Anchor tenants include Macys, JC Penny, Sears and Dicks Sporting Goods. Approximately 20,000 square feet of outparcels have been constructed to date. Within the periphery of the site, approximately 60 acres have been developed featuring Costco Wholesale, Aldi Supermarket and various restaurants.

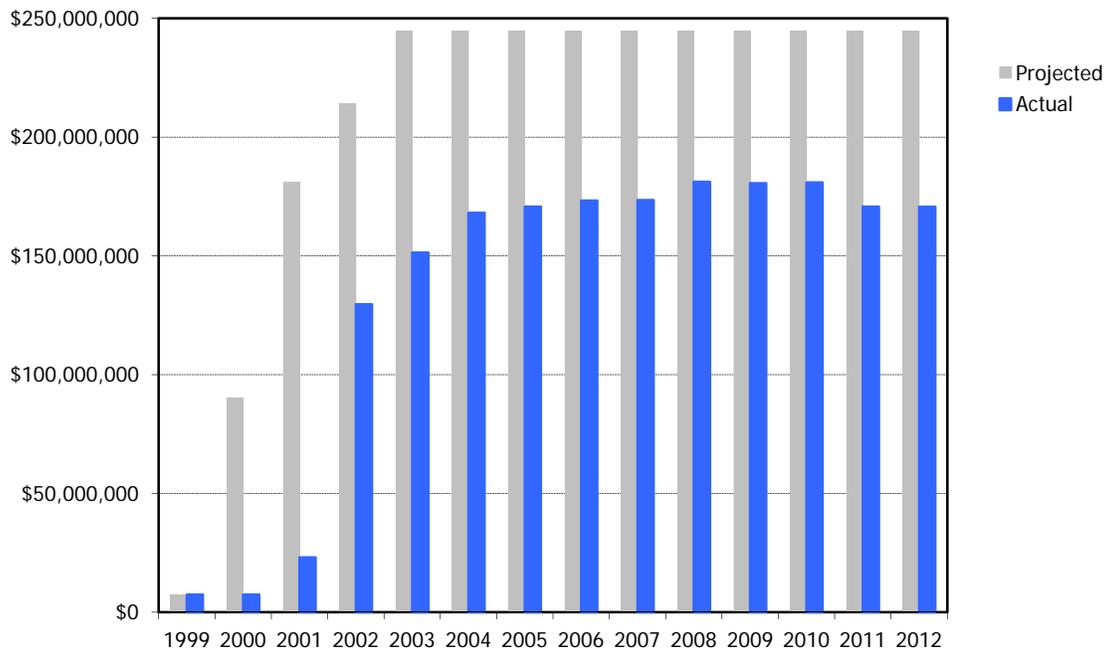
The current occupancy for the mall is approximately 98%.

**TIF Funded Improvements:**

Of the \$28 million gross TIF issuance approximately \$24 million was made available for construction of the improvements detailed in the TIF Plan. Separate series of obligations for the Robinson Mall and peripheral development were issued in 2000 to finance these improvements. The first tranche issued for the Mall portion of the project included both taxable and tax-exempt series. TIF proceeds were utilized for construction of the internal roadway system that allowed direct access to the Mall from both the interchange with Interstate 376 to the West and the Steubenville Pike to the South. Roadway improvements included the acquisition of necessary rights of way, construction and utility extensions.

The TIF Plan also contemplated various public and private improvements associated with development along the periphery of the Mall. A separate TIF debt issuance for these improvements also included both taxable and tax-exempt series. Taxable improvements included grading for the peripheral roadways, relocation of a gas transmission line and the provision of additional electrical service. The two tax-exempt series financed portions of roadway construction (extension and widening), traffic signalization and the extension of sanitary/storm sewers and water lines. Additional roadway improvements to Park Manor Boulevard, Robinson Center Drive and Robinson Town Center Boulevard were completed.

**Assessed Value within TIF District:**



The 2012 assessed value of property within the TIF District is approximately \$170.7 million. Though lower than the projections, this represents a 2,210% increase from the 1999 base assessed value.

### County Real Property Tax Analysis:

Per the TIF Plan, 55% of incremental County real property taxes are pledged to repayment of the TIF debt. Approximately \$4.3 million of property tax revenue has been generated by the project and retained by the County while approximately \$4.6 million has been utilized to pay debt service on the TIF obligations.

<b>Real Property Taxes Retained</b>	<b>Projected</b>	<b>Actual</b>
1999	\$45,672	\$34,025
2000	\$280,218	\$34,025
2001	\$538,448	\$54,085
2002	\$632,051	\$288,576
2003	\$718,952	\$352,487
2004	\$718,952	\$366,610
2005	\$718,952	\$365,701
2006	\$718,952	\$377,497
2007	\$718,952	\$377,391
2008	\$718,952	\$395,049
2009	\$718,952	\$392,184
2010	\$718,952	\$393,270
2011	\$718,952	\$372,261
2012	\$718,952	\$540,717
<b>TOTAL</b>	<b>\$8,685,909</b>	<b>\$4,343,878</b>

<b>Real Property Taxes Diverted</b>	<b>Projected</b>	<b>Actual</b>
1999	-	-
2000	\$286,667	-
2001	\$602,281	\$52,518
2002	\$716,245	\$309,572
2003	\$822,898	\$388,647
2004	\$822,898	\$406,579
2005	\$822,898	\$418,967
2006	\$822,898	\$419,886
2007	\$822,898	\$419,756
2008	\$822,898	\$441,340
2009	\$822,898	\$437,837
2010	\$822,898	\$438,317
2011	\$822,898	\$412,639
2012	\$822,898	\$411,169
<b>TOTAL</b>	<b>\$9,834,173</b>	<b>\$4,557,227</b>

Within the TIF District, approximately \$541,000 of annual County real property taxes (including base) are currently generated annually. This represents a 1,489% increase from the 1999 base County real property taxes. Although actual revenues are less than projected due to lower

assessed values within the TIF district, pledged TIF revenues are sufficient to pay debt service on the bond issuance related to the Mall.

**Job Creation and Other Benefits:**

<b>Job Creation (FTE)</b>	<b>Projected</b>	<b>2012</b>
Retail Trade		1631
Accommodation and Food Services		993
Other Services		237
<b>Total</b>	<b>5,455</b>	<b>2,861</b>

*Source: PA Department of Labor & Industry, 2nd Quarter 2012*

Approximately 2,861 full time jobs have been created within the TIF District. While these estimates are below the projections at full build-out included in the TIF Plan, further commercial activity on other undeveloped parcels would bring the job creation figures closer to the projections.

## Brentwood Towne Square

**County Council District (Member):** 6<sup>th</sup> – John F. Palmiere

In October 1999, the Brentwood Towne Square Tax Increment Financing District was created in cooperation with the Borough of Brentwood and Brentwood School District. The 10 acre site is located off PA Route 51 near the intersection with Brownsville Road in the area of the County commonly referred to as the South Hills. The site was previously occupied by two mostly vacant local shopping centers and one outparcel restaurant.



### Project Description:

Acquired in 1998, Frontier Associates planned to redevelop the site into a mixed-use town center in partnership with ECHO Real Estate Services (ECHO). Brentwood Towne Square was contemplated as a 190,000 square foot retail and office development constructed in three phases. The initial phase was to include demolition of a portion of the existing shopping center so that a new access road, a 20,000 square foot retail building (Building B) and a 16,000 square foot US Post Office Bulk Mail facility could be constructed. Construction of an 83,000 square foot mixed-use facility (Building A) during the second phase would commence following demolition of the remaining portion of the shopping center. The final phase was to include the 75,000 square foot Giant Eagle anchoring the development along with several outparcels.

	Private Development Costs	Public Infrastructure	TOTAL
<b>Estimated Project Costs</b>	\$21,300,213	\$4,968,433	<b>\$26,268,646</b>

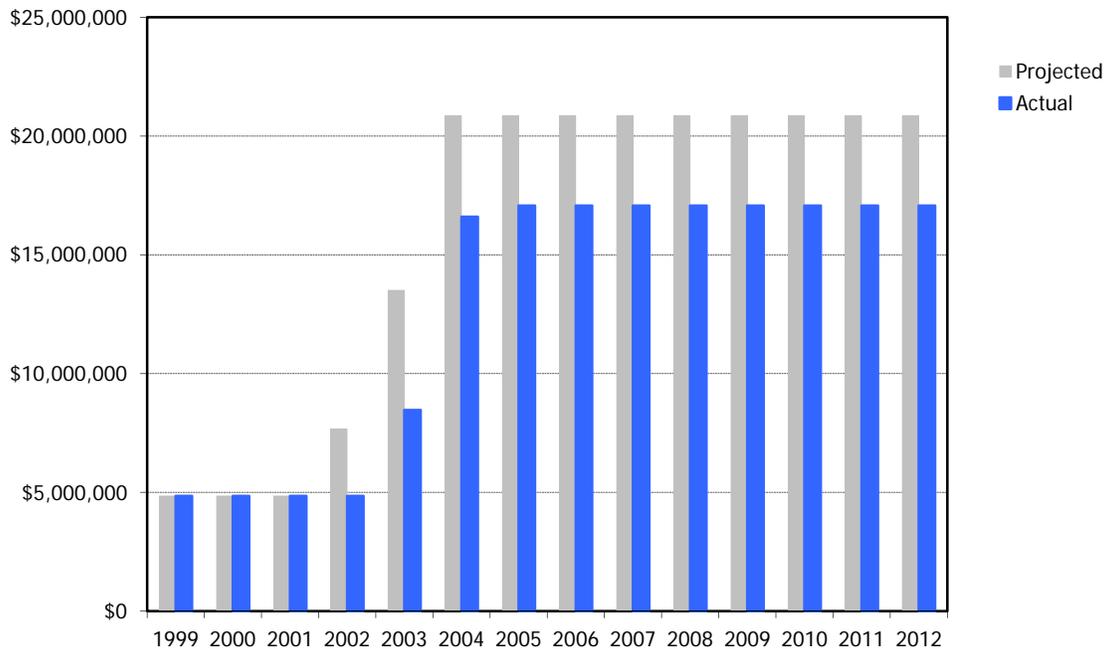
The project was constructed in conjunction with the phases outlined in the TIF Plan. ECHO opened the supermarket anchored community town center in 2003 including a 72,500 square foot Giant Eagle, 61,000 square feet of retail space and 44,000 square feet of office/service

space. Brentwood Towne Square features a 3-story 88,000 square foot mixed-use facility (including the US Post Office), a 17,000 square foot multi-tenant retail strip center and several outparcel's. The development includes over 30 specialty retail, restaurant, service oriented and office tenants. The current occupancy for the shopping center is approximately 94%.

**TIF Funded Improvements:**

Of the \$4 million gross TIF issuance approximately \$3.8 million was made available for construction of the improvements detailed in the TIF Plan through separate taxable and tax-exempt series of obligations. TIF proceeds from the tax-exempt tranche were utilized to construct a connector road from PA Route 51 to Brownsville Road, sidewalk reconstruction and a portion of a retaining wall. Site preparation including demolition, earthwork, on-site utility extensions, parking facilities and the remainder of the retaining wall were financed via the TIF proceeds from the taxable series.

**Assessed Value within TIF District:**



The 2012 assessed value of property within the TIF District is approximately \$17 million. This represents a 252% increase from the 1999 base assessed value.

**County Real Property Tax Analysis:**

Incremental County real property taxes are pledged to repayment of the TIF debt per the TIF Plan. During the first three years following approval of the TIF Plan, all incremental real property taxes were retained by the County. In year four following approval, the County diverted 60% of incremental real property taxes with this percentage increasing to 82% for all remaining years of the TIF District (5-20). Approximately \$522,302 of property tax revenue has been generated by the project and retained by the County while approximately \$359,543 has been utilized to pay debt service on the TIF obligations.

<b>Real Property Taxes Retained</b>	<b>Projected</b>	<b>Actual</b>
1999	\$30,552	\$30,552
2000	\$30,552	\$30,552
2001	\$30,552	\$30,552
2002	\$39,172	\$30,552
2003	\$43,872	\$33,728
2004	\$43,872	\$38,560
2005	\$43,842	\$38,936
2006	\$43,872	\$38,936
2007	\$43,872	\$38,936
2008	\$43,872	\$38,936
2009	\$43,872	\$38,936
2010	\$43,872	\$38,936
2011	\$43,872	\$38,936
2012	\$43,872	\$55,252
<b>TOTAL</b>	<b>\$569,548</b>	<b>\$522,302</b>

<b>Real Property Taxes Diverted</b>	<b>Projected</b>	<b>Actual</b>
1999	-	-
2000	-	-
2001	-	-
2002	-	-
2003	\$62,791	\$5,168
2004	\$62,791	\$37,754
2005	\$62,791	\$39,526
2006	\$62,791	\$39,526
2007	\$62,791	\$39,526
2008	\$62,791	\$39,526
2009	\$62,791	\$39,526
2010	\$62,791	\$39,526
2011	\$62,791	\$39,526
2012	\$62,791	\$39,940
<b>TOTAL</b>	<b>\$627,910</b>	<b>\$359,543</b>

Within the TIF District, approximately \$55,252 of annual County real property taxes (including base) are currently generated. This represents an 81% increase from the 1999 base County real property taxes. Given the actual revenues are less than projected; an annual deficit exists for the TIF debt service payment. This shortfall is covered by the project developer per a minimum payment agreement included in the financing closing documentation.

**Job Creation and Other Benefits:**

Approximately 697 full time jobs have been created within the TIF District, above the projections at full build-out included in the TIF Plan. Additional job creation is expected as occupancy of the center increases.

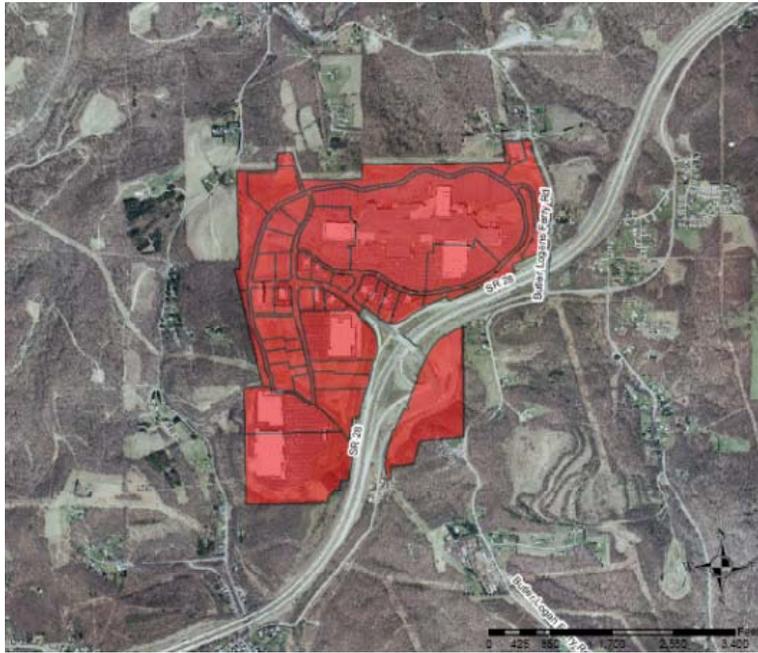
<b>Job Creation (FTE)</b>	<b>Projected</b>	<b>2012</b>
Retail Trade	489	295
Health Care and Social Assistance	-	159
Other Services	90	243
<b>Total</b>	<b>579</b>	<b>697</b>

*Source: PA Department of Labor & Industry, 2nd Quarter 2012*

## Frazer Mills

**County Council District (Member):** 3<sup>rd</sup> – James Burn, Jr.

In December 2002, the Frazer Mills Tax Increment Financing District was created in cooperation with the Township of Frazer and Deer Lakes School District. The 340 acre site lies directly adjacent to PA Route 28 approximately 15 miles northeast of downtown Pittsburgh. Previously undeveloped, the site lacked direct access to PA Route 28 and featured no internal roadways or utilities.



### Project Description:

The development was contemplated to include a super-regional mall/entertainment center and retail power center along the periphery. The Galleria at the Pittsburgh Mills was developed by Maryland based retail/entertainment center developer The Mills Corporation (The Mills). The 1.1 million square foot enclosed mall was to feature traditional anchors, specialty retailers and several entertainment venues. Johnstown based Zamias Services, Inc (Zamias) developed The Village at the Pittsburgh Mills adjacent to the mall facility. The power center was planned to include over 600,000 square feet of ancillary big-box retail, specialty retail, restaurant, hotel and office space.

	Private Development Costs	Public Infrastructure	TOTAL
<b>Estimated Project Costs</b>	\$226,756,300	\$58,315,400	<b>\$285,071,700</b>

Opened in summer 2005, the Galleria at Pittsburgh Mills includes over 1.1 million square feet of retail and entertainment space divided into themed neighborhoods corresponding to various Pittsburgh landmarks and cultural icons. Anchor tenants include the Macys, Sears, Dicks Sporting Goods, H&M, JC Penney and a Cinemark IMAX multiplex theater. The enclosed mall also features over 200 retail, entertainment and restaurant establishments. Approximately 925,000 square

feet has been developed along the periphery of the site anchored by a Wal-Mart Supercenter, Sam's Club, Lowes Home Improvement, Best Buy and PetSmart. The Village at Pittsburgh Mills also features additional retail strips with smaller boxes and specialty retailers/services, a Springhill Suites hotel and various restaurants.

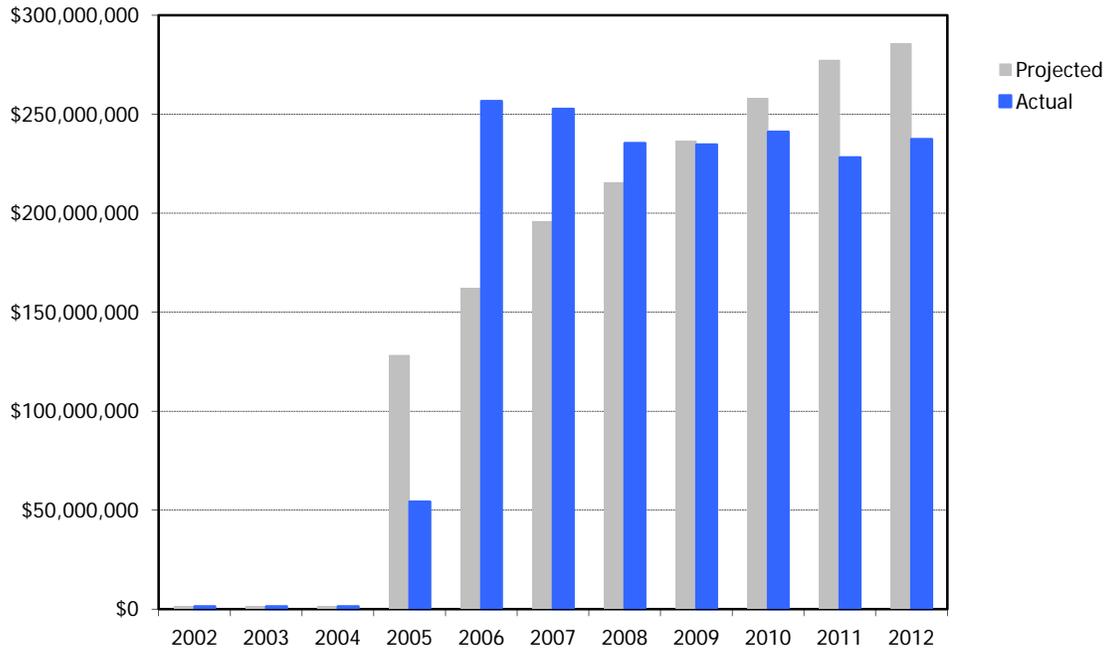
The current occupancy for the shopping center is approximately 85%.

**TIF Funded Improvements:**

Of the \$50 million gross TIF issuance approximately \$44 million was made available for construction of the improvements detailed in the TIF Plan. A full-access interchange off PA Route 28 marked the primary public infrastructure financed via TIF proceeds. Construction of the interchange included the bridge overpass, access ramps off the highway, earthwork/excavation, retaining wall, storm sewage, lighting, signage and traffic signalization. Significant off-site improvements to Tawney Run Road, Butler Logan Road, Murray Hill Road, Yutes Run Road and Riddle Run Road were also completed including intersection improvements, roadway widening and new signalization. Additional off-site improvements included installation of a sewage system connecting to the Upper Allegheny Joint Sanitary Authority, local water tower improvements, relocation of electrical service poles, wetland mitigation and improvements to 2 miles of Deer Creek.

On-site improvements focused on the interior public roadways necessary to access the development site from the new interchange off PA Route 28. Construction of the internal access road system included Pittsburgh Mills Boulevard from the interchange, a connection from Butler Logan Road, a circulation road around the mall, circulation roads throughout the outparcels, earthwork/excavation, lighting, signage and traffic signalization. Additional on-site improvements included deep valley storm sewer bypass lines, storm water retention ponds and extension of main truck lines providing water, sanitary sewer, gas and electrical service to the development site.

**Assessed Value within TIF District:**



The 2012 assessed value of property within the TIF District is approximately \$237 million. This represents a 17,378% increase from the 2002 base assessed value.

**County Real Property Tax Analysis:**

75% of incremental County real property taxes are pledged to repayment of the TIF debt per the TIF Plan. Approximately \$2.1 million of property tax revenue has been generated by the project and retained by the County while approximately \$6.1 million has been utilized to pay debt service on the TIF obligations.

<b>Real Property Taxes Retained</b>	<b>Projected</b>	<b>Actual</b>
2002	\$6,242	\$6,242
2003	\$6,242	\$6,242
2004	\$6,242	\$6,242
2005	\$154,398	\$61,556
2006	\$193,496	\$299,553
2007	\$235,502	\$295,012
2008	\$251,145	\$275,519
2009	\$275,519	\$274,305
2010	\$301,128	\$281,713
2011	\$323,570	\$267,331
2012	\$333,324	\$336,203
<b>TOTAL</b>	<b>\$2,086,810</b>	<b>\$2,109,919</b>

<b>Real Property Taxes Diverted</b>	<b>Projected</b>	<b>Actual</b>
2002	-	-
2003	-	-
2004	-	-
2005	\$444,742	\$184,667
2006	\$561,761	\$879,933
2007	\$678,781	\$866,311
2008	\$753,436	\$807,832
2009	\$826,557	\$804,190
2010	\$903,385	\$826,412
2011	\$970,711	\$783,267
2012	\$999,973	\$989,884
<b>TOTAL</b>	<b>\$6,139,347</b>	<b>\$6,142,497</b>

Within the TIF District, approximately \$336,203 of annual real property taxes (including base) was retained by the County in 2012. This represents a 5,286% increase from the 2002 base County real property taxes.

**Job Creation and Other Benefits:**

Approximately 2,930 full time jobs have been created within the TIF District, well above the projections at full build-out included in the TIF Plan.

<b>Job Creation (FTE)</b>	<b>Projected</b>	<b>2012</b>
Retail Trade	2,237	1,735
Accommodation and Food Services	-	870
Other Services	-	325
<b>Total</b>	<b>2,237</b>	<b>2,930</b>

*Source: PA Department of Labor & Industry, 2nd Quarter 2012*

Within the Galleria at Pittsburgh Mills, the project developer constructed space for a new Township facility, including space for a new Township police force, to replace the deteriorated structure that formerly housed municipal operations. A portion of incremental tax revenues are redistributed for additional community benefits. From 2006 until expiration of the TIF District, annual payments are made to defray increased costs associated with the provision of municipal services including the maintenance of the public roadways and public safety.

## Mount Nebo Pointe

**County Council District (Member):** 2<sup>nd</sup> – Jan Rea

In January 2003, the Mount Nebo Pointe Tax Increment Financing District was created in cooperation with the Township of Ohio and Avonworth School District. The 79.7 acre site is located at the intersection of Mount Nebo Road and Camp Horne Road immediately adjacent to Interstate 279. Previously undeveloped, the site was owned by Allegheny General Hospital and planned for use as a medical complex.



### Project Description:

Mount Nebo Pointe was contemplated as a 327,000 square foot multi-tenant retail center with an additional 98,000 square feet of ancillary retail and office space and a 118 room hotel on the periphery.

	Private Development Costs	Public Infrastructure	TOTAL
Estimated Project Costs	\$37,664,873	\$5,900,000	<b>\$43,564,873</b>

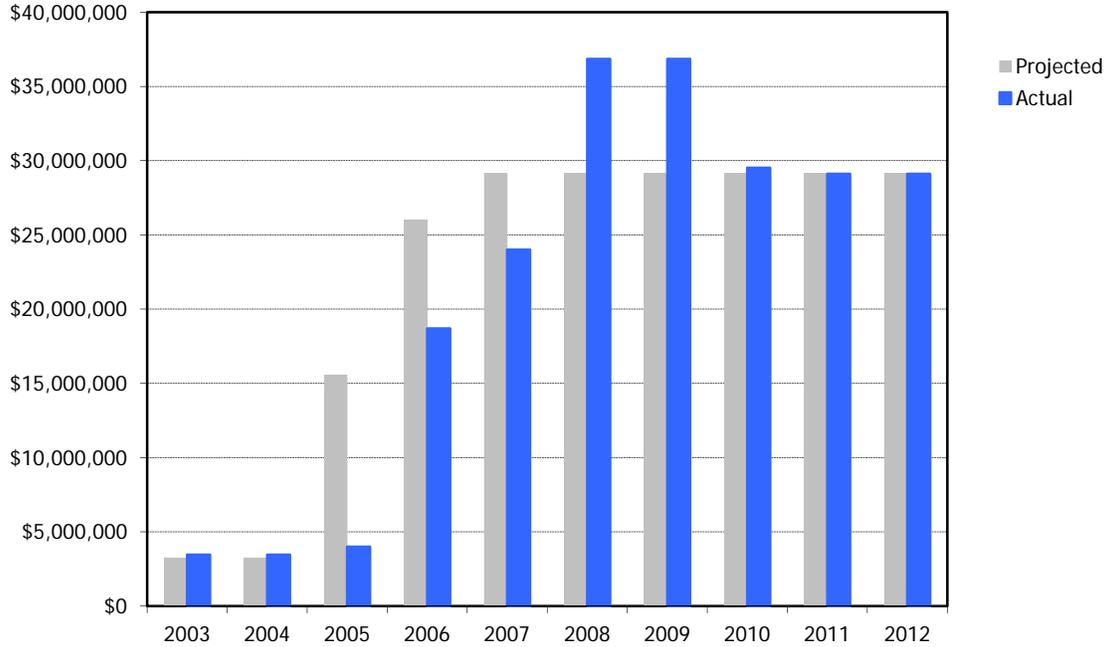
Developers Diversified Realty (DDR) opened the project in spring 2005 featuring big-box retail buildings, a multi-tenant strip center and bank. Anchor tenants include Target, Sam's Club and the Sportsman's Warehouse (which has subsequently closed) in addition to the various specialty retailers in the center. The 4.5 acre parcel originally planned for the hotel has been sold to a local developer who recently constructed a 32,000 square foot medical office facility.

Mt. Nebo Pointe is currently 80% occupied.

**TIF Funded Improvements:**

Of the \$7 million gross TIF issuance approximately \$5.85 million was made available for construction of the improvements detailed in the TIF Plan. Public infrastructure constructed included significant off-site improvements to Mount Nebo, Camp Horne and Lowries Run Roads including new signalization. Additionally, water and sanitary sewage services were extended to the site. Environmental mitigation included enhancement of wetlands and streams impacted by development of the site.

**Assessed Value within TIF District:**



The 2012 assessed value of property within the TIF District is approximately \$29.1 million. This represents a 741% increase from the 2003 base assessed value.

**County Real Property Tax Analysis:**

60% of incremental County real property taxes are pledged to repayment of the TIF debt per the TIF Plan. Approximately \$522,620 of property tax revenue has been generated by the project and retained by the County while approximately \$497,642 has been utilized to pay debt service on the TIF obligations.

<b>Real Property Taxes Retained</b>	<b>Projected</b>	<b>Actual</b>
2003	\$15,000	\$16,233
2004	\$15,000	\$16,233
2005	\$54,000	\$17,115
2006	\$63,000	\$44,653
2007	\$63,000	\$53,858
2008	\$63,000	\$77,975
2009	\$63,000	\$77,493
2010	\$63,000	\$64,011
2011	\$63,000	\$63,260
2012	\$63,000	\$91,789
<b>TOTAL</b>	<b>\$525,000</b>	<b>\$522,620</b>

<b>Real Property Taxes Diverted</b>	<b>Projected</b>	<b>Actual</b>
2003	-	-
2004	-	-
2005	\$19,000	\$1,324
2006	\$59,000	\$42,630
2007	\$71,000	\$56,437
2008	\$71,000	\$92,613
2009	\$71,000	\$91,889
2010	\$71,000	\$71,667
2011	\$71,000	\$70,541
2012	\$71,000	\$70,541
<b>TOTAL</b>	<b>\$504,000</b>	<b>\$497,642</b>

Within the TIF District, approximately \$91,800 of annual County real property taxes (including base) was retained in 2012. This represents a 465% increase from the 2003 base County real property taxes.

**Job Creation and Other Benefits:**

Approximately 543 full time jobs have been created within the TIF District (below are the projections at full build-out included in the TIF Plan). Additional job creation is expected when occupancy stabilizes, the remaining outparcels are developed and the office facility is fully occupied. This estimate was offered by Ohio Township using municipal service tax collected from on-site employees.

<b>Job Creation (FTE)</b>	<b>Projected</b>	<b>2012</b>
Retail Trade	700	460
Other Service	125	83
<b>Total</b>	<b>825</b>	<b>543</b>

*Source: Ohio Township, 2nd Quarter 2012*

## Clinton Industrial Park

**County Council District (Member):** 4<sup>th</sup> – Michael J. Finnerty

In June 2005, the Clinton Industrial Park Tax Increment Financing District was created in cooperation with the Township of Findlay and West Allegheny School District. The approximately 150 acre site is located adjacent to the Pittsburgh International Airport (PIT) off the Clinton Exit of Interstate 376. The property within the TIF District is owned by the Allegheny County Airport Authority (ACAA) and was tax-exempt prior to private development. These parcels, including any publicly dedicated rights-of-way, were subdivided and demarcated in accordance with applicable tenant land leases as taxable real property (or tax-exempt rights-of-way) with Allegheny County Property Assessment, Appeals and Review. The TIF District was created to facilitate the preparation of shovel-ready development sites in the PIT Airport Corridor, a key development strategy for Allegheny County.



### Project Description:

The ACAA undertook the Clinton Industrial Park project in an effort to address the lack of shovel-ready development sites and limited inventory of large Class A warehouse/distribution space in the PIT Airport Corridor. Such capacity allows the region to compete nationally for private investment. Five sites were prepared for lease to private developers for buildings generally ranging in size from 200,000 to 500,000 square feet. With infrastructure estimated at over \$18 million, the project includes preparation of sites to facilitate the development of approximately 1,500,000 square feet of warehouse/distribution space.

	Private Development Costs	Public Infrastructure	TOTAL
<b>Estimated Project Costs</b>	\$60,000,000	\$18,646,127	<b>\$78,646,127</b>

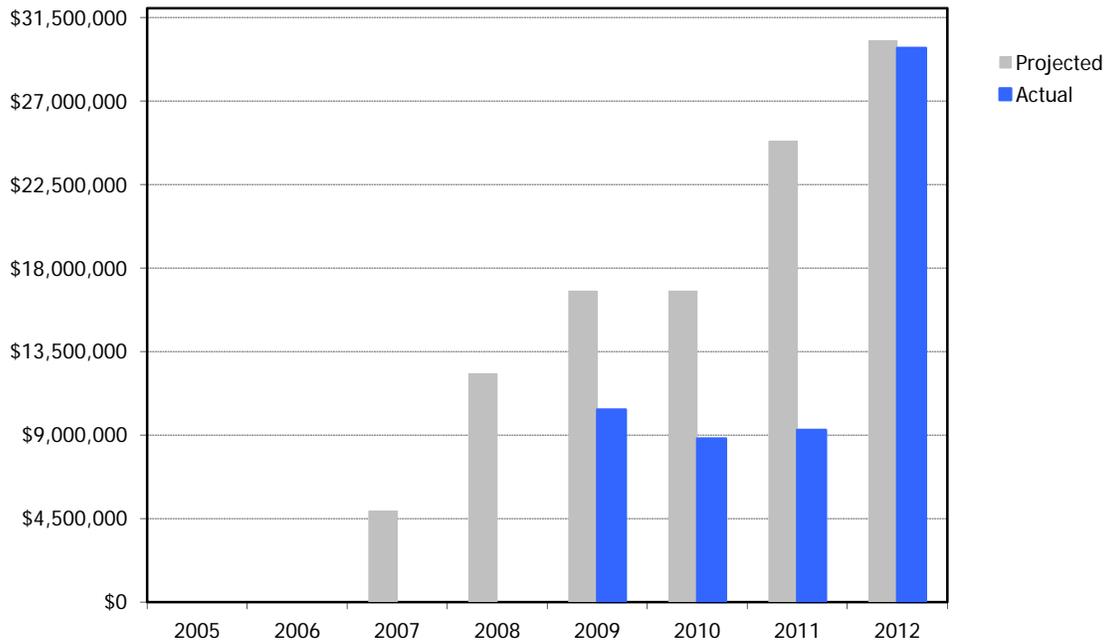
The ACAA completed site development and public infrastructure for the Clinton Commerce Park in 2006. Knepper Press currently occupies a 100,000 square foot headquarters for their commercial printing operation within the development. The Knepper facility was completed in spring 2008. Flabeg Corporation, a German-owned glass and mirror manufacturer, leased a 200,000 square foot office and manufacturing facility until their bankruptcy in 2013. Fedex and American Tire Company have also moved onto the Clinton Site occupying close to 400,000 square feet in a Buncher Company owned building, creating additional jobs in Allegheny County.

**TIF Funded Improvements:**

Of the \$5.5 million gross TIF issuance approximately \$4.6 million was made available for construction of the improvements detailed in the TIF Plan. Public infrastructure constructed includes a new access road to intersect with Clinton Road off Interstate 376. An abandoned deep mine was removed and two sites prepared for development. Utility service was also extended to the sites including relocation of an existing gas line through the site.

The ACAA is also planning a second phase that will extend the access road from its current cul-de-sac and provide access to future development sites (approximately \$2 million). Any additional increment above what is necessary to pay debt service and applicable fees will be held in escrow for this future construction. If market conditions dictate this road extension is not feasible, the amount held in escrow will be used to prepay the outstanding TIF debt per the TIF Plan.

**Assessed Value within TIF District:**



The property within the TIF District is leased by the ACAA from the County and currently tax-exempt. In summer 2008, proper tax identification was issued for the Knepper Press facility allowing the land and building to become taxable during the next tax billing cycle.

### County Real Property Tax Analysis:

75% of incremental County real property taxes are pledged to repayment of the TIF debt per the TIF Plan. Approximately \$74,963 of property tax revenue has been retained by the County while \$224,888 has been utilized to pay debt service on the TIF obligations. The remainder of land is expected to become taxable as private activity commences once parcels are subdivided and leased from the ACAA. In the event revenues are insufficient to service the debt, \$5 million of additional security is provided under the Commonwealth Financing Authority TIF Guarantee Program. The project received the first award in Pennsylvania under the program.

Real Property Taxes Retained	Projected	Actual
2005	-	-
2006	-	-
2007	\$5,628	-
2008	\$14,446	-
2009	\$19,658	\$11,918
2010	\$19,658	\$10,127
2011	\$29,116	\$11,294
2012	\$35,448	\$41,624
<b>TOTAL</b>	<b>\$123,954</b>	<b>\$74,963</b>

Real Property Taxes Diverted	Projected	Actual
2005	-	-
2006	-	-
2007	\$16,885	-
2008	\$43,337	-
2009	\$58,974	\$35,754
2010	\$58,974	\$30,381
2011	\$87,348	\$33,882
2012	\$106,343	\$124,871
<b>TOTAL</b>	<b>\$371,861</b>	<b>\$224,888</b>

### Job Creation and Other Benefits:

Approximately 621 full-time jobs were created in Clinton Industry Park TIF district. This estimate was offered by Findlay Township using municipal service tax collected from on-site employees.

Job Creation (FTE)	Projected	2012
Manufacturing		354
Transportation and Warehousing		223
Wholesale Trade		44
<b>Total</b>	<b>750</b>	<b>621</b>

Source: Findlay Township, year 2012

## Potato Garden Run

**County Council District (Member):** 4<sup>th</sup> – Michael J. Finnerty

In November 2006, the Potato Garden Run Tax Increment Financing District was created in cooperation with the Township of Findlay and West Allegheny School District. The approximately 500 acre site is located to the northeast of the intersection of US Route 22 and PA Route 576 (Findlay Connector of the PA Turnpike's Southern Beltway) in the vicinity of the Pittsburgh International Airport (PIT). The TIF District was created to facilitate the preparation of shovel-ready development sites in the PIT Airport Corridor, a key development strategy for Allegheny County. The construction of the Findlay Connector provided transportation access to land and will encourage development. This TIF project provided sewer and water services to sites in need of this infrastructure.

The Pennsylvania Commonwealth Financing Authority (CFA) approved a grant/loan package from the Water Supply and Wastewater Infrastructure Program (PennWorks) for the Findlay Township Municipal Authority (FTMA) Potato Garden Run Phase I Project (Potato Garden Run Project) in September 2005. The FTMA Potato Garden Run Project involved construction of public infrastructure improvements including the extension of municipal water and sanitary sewer service as well as a construction of a water supply tower. A portion of the cost of the FTMA Potato Garden Run Project was financed utilizing TIF proceeds to repay a \$2.8 million PennWorks loan.

The site was formerly strip-mined by the Aloe Coal Company. Imperial Land Corporation (ILC) owns the property and markets sites for development. In February 2006, Chapman Properties (Chapman) acquired a 300 acre portion of the property for a speculative development project.



### Project Description:

Development contemplated within the TIF District includes approximately 5 million square feet of mixed-use space. Planned uses include light industrial, warehouse, research and development

and ancillary commercial (e.g. retail, lodging, restaurants). The proposed development would make immediate use of the FTMA Potato Garden Run Project and the interchange constructed as part of the Findlay Connector opened in November 2006.

	<b>Private Development Costs</b>	<b>Public Infrastructure</b>	<b>TOTAL</b>
<b>Estimated Project Costs</b>	\$328,832,278	\$15,396,338	<b>\$344,228,616</b>

In the summer of 2010 Chapman Properties broke ground on 300 acres of formerly strip-mined land in Findlay Township located adjacent to PA Route 576 (Findlay Connector). The master development plan for the proposed Chapman Commerce Center (CCC) includes sites up to 50 acres of that can accommodate buildings ranging from 20,000 to 1 million square feet. The development sites can accommodate 2.6 million square feet of industrial, flex, warehouse/distribution, office and ancillary commercial (e.g. retail, lodging, restaurants) space. In addition, six office pad sites will be offered, including four potential campus sites that face the Findlay Connector. CCC is expected to generate over \$200 million in private investment and create 3,600 employment opportunities at full build out.

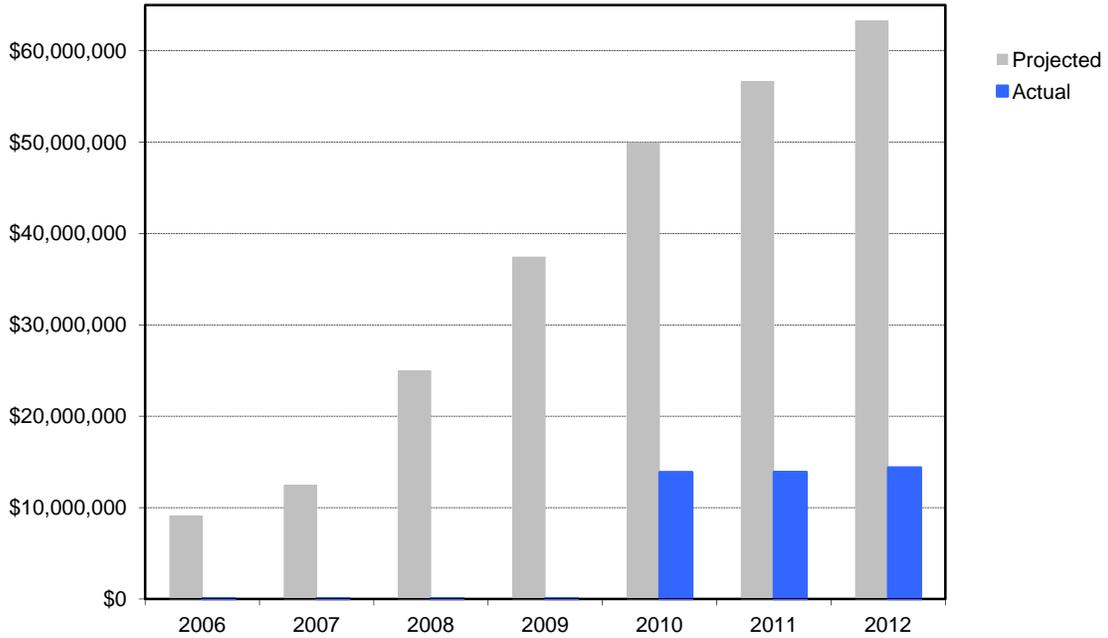
Public infrastructure improvements to be constructed include site preparation, sustainable stormwater management facilities, the extension of utilities, mine reclamation and public access roads. Site preparation, access roads, stormwater and utilities is currently underway. Once sites are prepared in additional phases, building construction will commence per market demand. Future development phases will be built-out per market demand and financing. Office campus sites will be offered as built-to-suit. Chapman is currently underway with infrastructure development & plans to have pad ready sites to develop by summer 2013 if market conditions permit.

Imperial Land Corporation developed the Findlay Industrial Park which consists of 670 acres on Site I and another 100 acres on Site II. The Findlay Industrial Park master development plan includes sites up to 100 acres that can accommodate buildings ranging from 20,000 to 1.5 million square feet. The development sites can accommodate 4 million square feet of industrial, warehouse, office and ancillary commercial (e.g. retail, lodging, restaurants) space. To date, Appliance Dealers Cooperative, Okonite, and ALRO Steel have constructed 153,000 square foot, 83,000 square foot, and 93,000 square foot facilities, respectively, in Findlay Industrial Park.

**TIF Funded Improvements:**

Via the CFA PennWorks loan, \$2.8 million was made available for construction of the improvements detailed in the TIF Plan. Public infrastructure constructed included a new 1.5 million gallon water supply tower and extension of service lines from this tower to the ILC and Chapman sites. Sanitary sewer service was also extended along Burgettstown Road to the development sites.

**Assessed Value within TIF District:**



The 2012 assessed value of property within the TIF District is \$14,371,200. At the time of creation of the TIF District, the existing (base) tax parcel and assessed values situation was extremely unclear. For 2006, not all of the TIF parcels were properly assessed or included in an existing tax parcel. Two parcels that did exist contained not only the TIF District but also included additional land that was not included in the boundary outlined within the TIF Plan. The base assessed value within the TIF Plan was estimated due to this situation.

**County Real Property Tax Analysis:**

75% of incremental County real property taxes are pledged to repayment of the TIF debt per the TIF Plan. Site preparation has begun within the TIF District and the estimated base real property tax revenue within the TIF Plan will increase as development occurs on pad ready sites. The Imperial Land Corporation is guaranteeing payment in the event revenues are insufficient to service the debt. To date, \$53,725 in real property tax revenue generated within the TIF District has been retained by the County.

<b>Real Property Taxes Retained</b>	<b>Projected</b>	<b>Actual</b>
2006	\$41,807	n/a
2007	\$45,644	n/a
2008	\$61,230	n/a
2009	\$75,885	n/a
2010	\$90,541	\$16,239
2011	\$98,366	\$16,167
2012	\$106,192	\$20,255
<b>TOTAL</b>	<b>\$519,665</b>	<b>\$53,725</b>

<b>Real Property Taxes Diverted</b>	<b>Projected</b>	<b>Actual</b>
2006	-	-
2007	\$11,551	-
2008	\$55,712	-
2009	\$99,678	-
2010	\$143,643	\$47,917
2011	\$167,120	\$47,700
2012	\$190,596	\$59,964
<b>TOTAL</b>	<b>\$668,260</b>	<b>\$155,582</b>

**Job Creation and Other Benefits:**

Approximately 58 full-time jobs were created in the Potato Garden Run TIF district, below the projections at full build-out included in the TIF Plan. This estimate was offered by Findlay Township using municipal service tax collected from on-site employees.

<b>Job Creation (FTE)</b>	<b>Projected</b>	<b>2012</b>
Wholesale Trade		49
Transportation and Warehousing		9
<b>Total</b>	<b>7,449</b>	<b>58</b>

*Source: Findlay Township, year 2012*

## Northfield Site Phase I

**County Council District (Member):** 4<sup>th</sup> – Michael J. Finnerty

In July 2007, the Northfield Site Phase I Tax Increment Financing District was created in cooperation with the Township of Findlay and West Allegheny School District. The approximately 160 acre site is located adjacent to the Pittsburgh International Airport (PIT) off the International Drive Interchange of Business Interstate 376. The vacant property within the TIF District is currently owned by the Allegheny County Airport Authority (ACAA) and currently tax-exempt. These parcels, including any publically dedicated rights-of-way, are not subdivided, but will be demarcated in accordance with applicable tenant land leases as taxable real property (or tax-exempt rights-of-way) with Allegheny County Property Assessment, Appeals and Review. The TIF District was created to facilitate the preparation of shovel-ready development sites in the PIT Airport Corridor, a key development strategy for Allegheny County.



### Project Description:

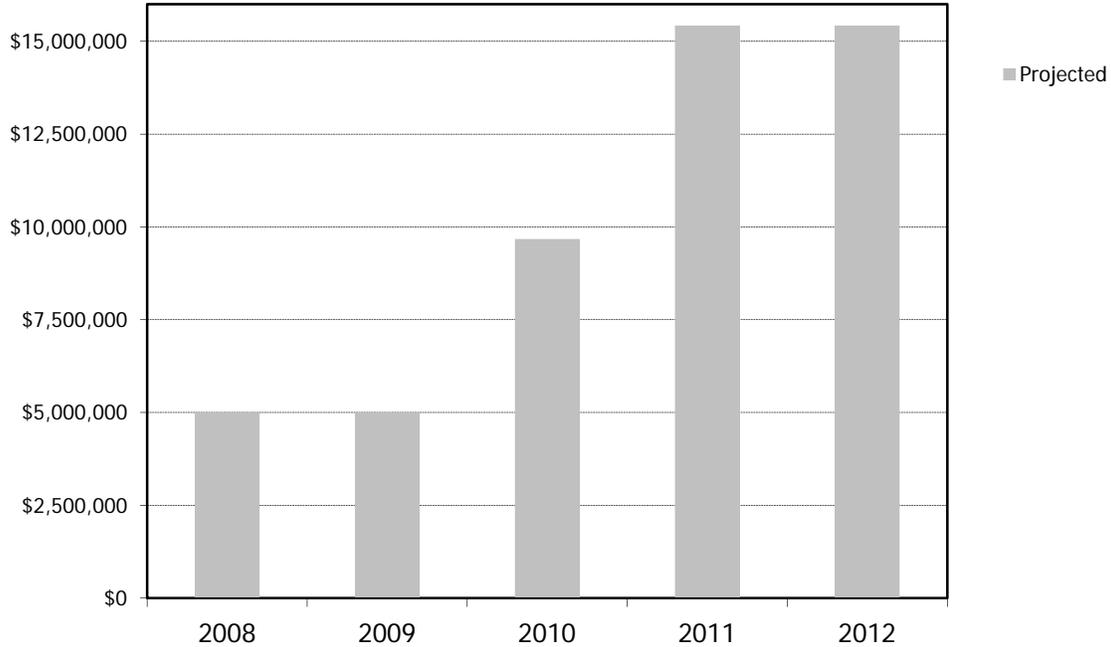
The ACAA is undertaking the Northfield Site Phase I project in an effort to address the lack of shovel-ready development sites and limited inventory of large Class A space. Such capacity will allow the region to compete nationally for private investment. Eight sites will be prepared and leased to private developers who will construct buildings generally ranging in size from 80,000 to 150,000 square feet. With infrastructure estimated at over \$22 million, the project will include preparation of sites to facilitate the development of approximately 900,000 square feet of warehouse/distribution and air cargo space. Grading work, spine road construction and pad development has been completed.

	Private Development Costs	Public Infrastructure	TOTAL
<b>Estimated Project Costs</b>	\$88,600,000	\$22,030,000	<b>\$110,630,000</b>

**TIF Funded Improvements:**

Of the \$5 million gross TIF issuance approximately \$3.25 million was made available for construction of the improvements detailed in the TIF Plan. Public infrastructure constructed includes an access road to intersect with Halverson Drive off of the International Drive Interchange of Business Loop 376. In addition, sanitary sewage service and other utilities were extended to the sites. Compulsory environmental mitigation includes those on-site wetlands and streams impacted by development of the site.

**Assessed Value within TIF District:**



The property within the TIF District is leased by the ACAA from the County and currently tax-exempt.

**County Real Property Tax Analysis:**

75% of incremental County real property taxes are pledged to repayment of the TIF debt per the TIF Plan. Property tax revenue has not yet been generated by the project as no development has occurred within the TIF District. The land is expected to become taxable as private activity commences once parcels are subdivided and leased from the ACAA. In the event revenues are insufficient to service the debt, \$5 million of additional security is provided under the Commonwealth Financing Authority TIF Guarantee Program.

<b>Real Property Taxes Retained</b>	<b>Projected</b>	<b>Actual</b>
2007	-	-
2008	\$5,844	-
2009	\$5,844	-
2010	\$11,331	-
2011	\$18,076	-
2012	\$18,076	-
<b>TOTAL</b>	<b>\$59,170</b>	<b>-</b>

<b>Real Property Taxes Diverted</b>	<b>Projected</b>	<b>Actual</b>
2007	-	-
2008	\$17,530	-
2009	\$17,530	-
2010	\$33,992	-
2011	\$54,227	-
2012	\$54,227	-
<b>TOTAL</b>	<b>\$177,505</b>	<b>-</b>

**Job Creation and Other Benefits:**

No development has yet occurred within the TIF District. Approximately 1,900 full time jobs are expected to be created within the TIF District at full build-out.

<b>Job Creation (FTE)</b>	<b>Projected</b>	<b>2012</b>
Warehouse/Distribution	695	n/a
Office	1,205	n/a
<b>Total</b>	<b>1,900</b>	<b>n/a</b>

Dick's Sporting Goods reached an agreement with the Allegheny County Airport Authority to lease 73 acres at the Northfield Commerce Park and intends to add at least 180,000 square feet of office space at the site by December 2015.

Please direct inquiries to:

Maurice Strul  
Assistant Director  
Redevelopment Authority of Allegheny County  
412.350.1051  
[Maurice.Strul@alleghenycounty.us](mailto:Maurice.Strul@alleghenycounty.us)