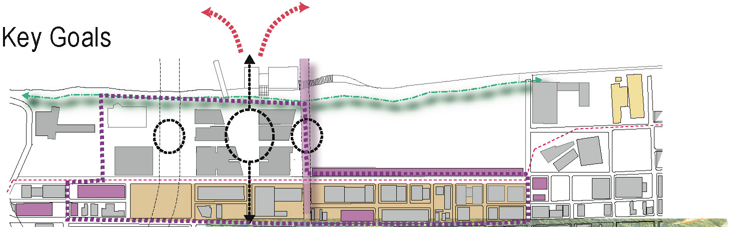
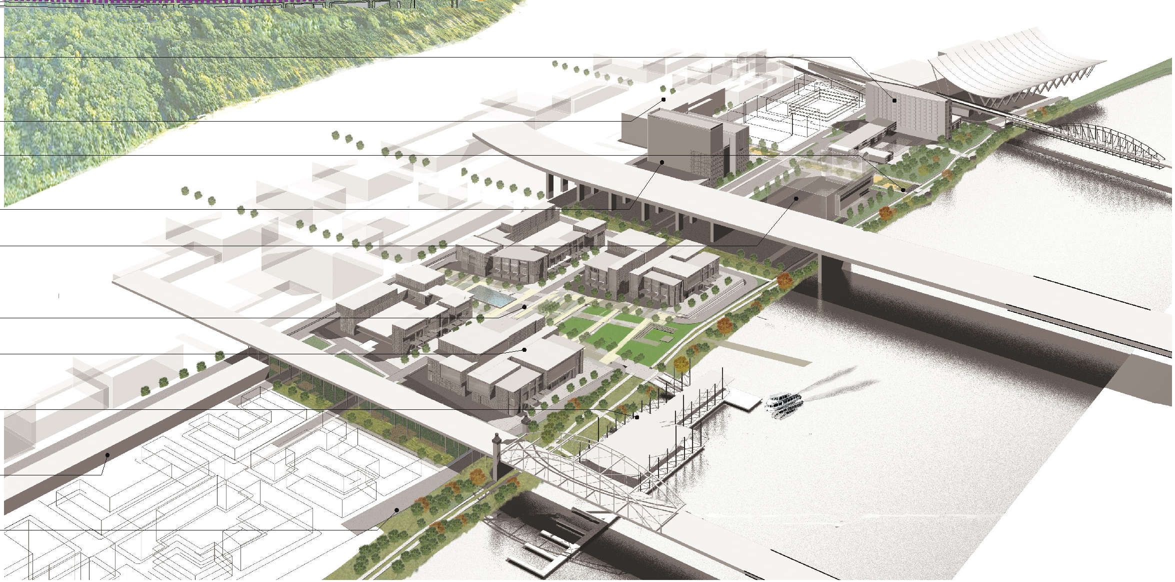
DESTINATION ALLEGHENY

Key Goals





Convention Hotel

Heinz History Center

Urban Garden

Office Tower

Seagate Tower

Anchor Point Plaza

Mixed - Use

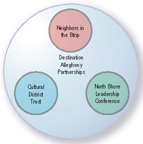
Marina and Ferry Stop

16th St. Bridge

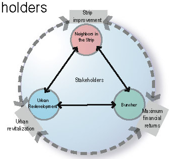
Adaptive Re-Use

Three Rivers Park

Partners

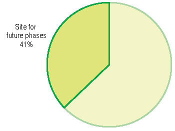

Neighbors in the Strip
Destination Allegheny Partnerships
Cultural District Trust
North Shore Leadership Conference

Stakeholders


Strip improvement
Neighbors in the Strip
Stakeholders
Urban Redevelopment
Buncher
Urban revitalization
Maximum financial returns

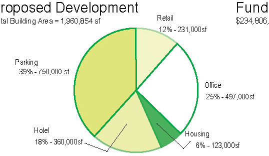
Site Utilization

Total site area = 53.60 acres



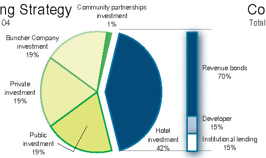
Proposed Development

Total Building Area = 1,960,854 sf



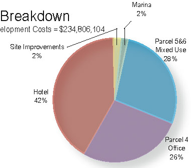
Funding Strategy

$234,806,104

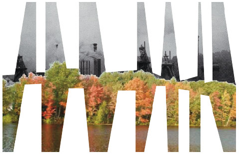


Cost Breakdown

Total Development Costs = $234,806,104



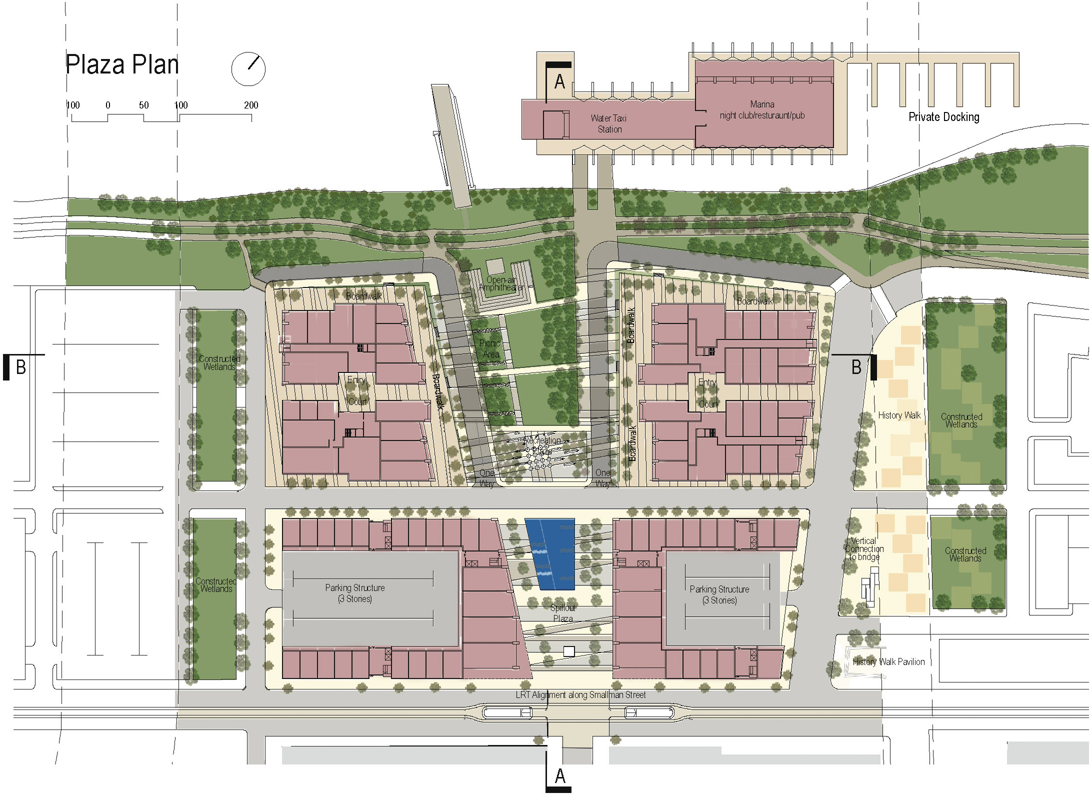
Nature Context - 1820's



Destination Context - 2006

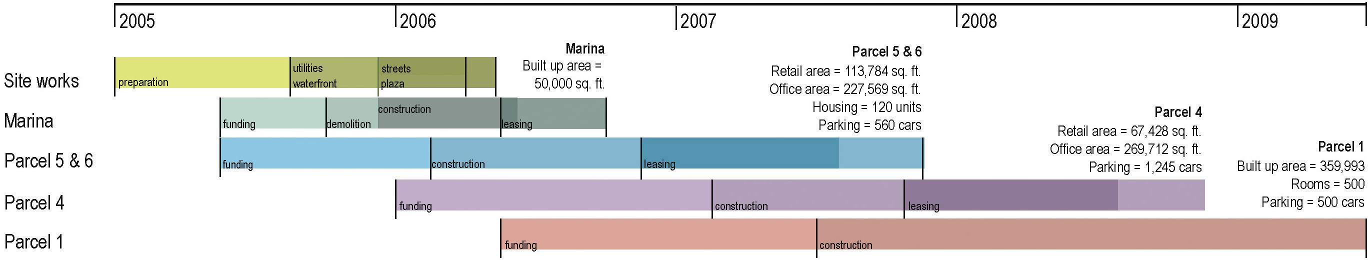
Industrial Context - 1880's

Plaza Plan



100
0
50
100
200
A
Water Taxi Station
Marina night club/resturaunt/pub
Private Docking
Open-air Amphitheater
Boardwalk
Picnic Area
Entry Court
Boardwalk
Recreation
One Way
One Way
Boardwalk
Boardwalk
Entry Court
B
B
Constructed Wetlands
Constructed Wetlands
History Walk
Constructed Wetlands
Vertical Connection to bridge
Constructed Wetlands
Parking Structure (3 Stories)
Spillout Plaza
Parking Structure (3 Stories)
History Walk Pavilion
LRT Alignment along Smallman Street
A

Development Timeline



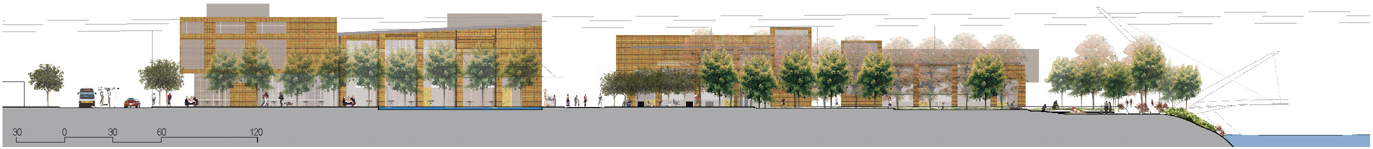
Marina
Built up area =
50,000 sq. ft.

Parcel 5 & 6
Retail area = 113,784 sq. ft.
Office area = 227,569 sq. ft.
Housing = 120 units
Parking = 560 cars

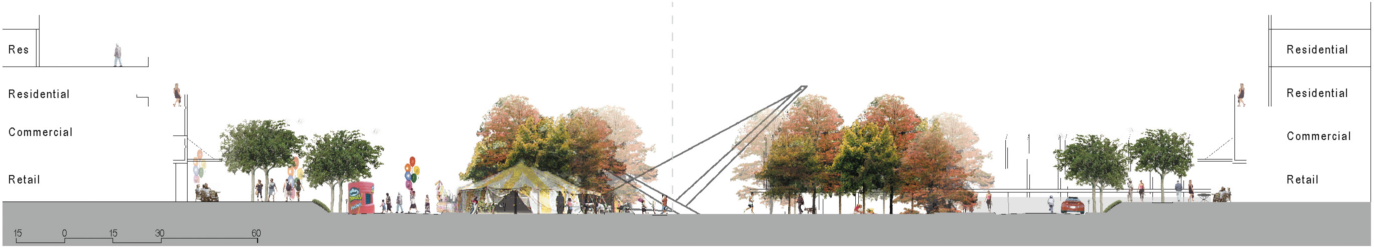
Parcel 4
Retail area = 67,428 sq. ft.
Office area = 269,712 sq. ft.
Parking = 1,245 cars

Parcel 1
Built up area = 359,993
Rooms = 500
Parking = 500 cars

Plaza Sections

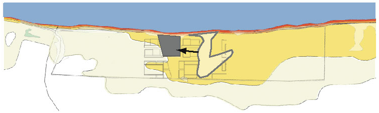

30
0
30
60
120

Section AA

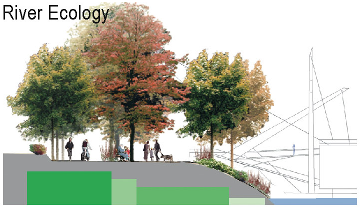

Res
Residential
Commercial
Retail
Residential
Residential
Commercial
Retail
15
0
15
30
60

Floodplain Management

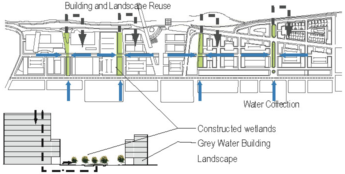
10	10 year floodplain : Highest ecological value for plant and wildlife. Vegetation absorbs water, collects debris and reduces erosion
10-50	10 - 50 year floodplain : Some ecological / habitat value with some structures with low investment
50-100	50 -100 year floodplain : Structures in this zone to follow FEMAregulations for building
100-500	100 - 500 year floodplain



River Ecology



Stormwater Constructed Wetland System


Building and Landscape Reuse
Water Collection
Constructed wetlands
Grey Water Building
Landscape

Typological Context

Phase 1 - Funding Distribution

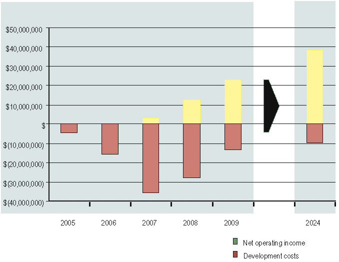
	Site Works	Marina	Parcel 5&6 Mixed Use	Parcel 4 Office	**Parcel 1 Hotel	Total
PUBLIC FUNDING						
City of Pittsburgh	Restricted Grant of $40,000,000					
Municipal Revenue Bonds			$ 16,350,818	$ 15,362,512	$ 69,622,099	$101,335,429
Tax Increment Financing	$ 4,742,645					$ 4,742,645
Urban Redevelopment Authority Grant			$ 1,000,000	$ 500,000		$ 1,500,000
Pittsburgh Brownfield Enterprise Zone Grant				$ 1,000,000		$ 1,000,000
Pittsburgh Parking Authority			$ 500,000	$ 544,026		$ 1,044,026
						$109,622,099
Allegheny County						
Port Authority Transit Fund		$ 1,375,000	$ 500,000	$ 500,000		$ 2,375,000
						$ 2,375,000
State of Pennsylvania						
Department of Transportation		$ 500,000	$ 750,000	$ 298,640		$ 1,548,640
						$ 1,548,640
U.S. Federal Government						
EPA Brownfield Redevelopment Incentive			$ 520,164	$ 229,836		$ 750,000
						$ 750,000
PRIVATE FUNDING						
Buncher Company			$ 22,891,145	$ 21,507,516		$ 44,398,661
Hotel Developer					$ 14,919,021	$ 14,919,021
Institutional Lending			$ 22,891,145	$ 21,507,516	$ 14,919,021	$ 59,317,682
						$118,635,365
COMMUNITY PARTNERSHIPS FUNDING						
Seagate Technologies						
Energy Efficient Research Grant		$ 937,500				$ 937,500
Carnegie Mellon University						
Energy Efficient Research Grant		$ 937,500				$ 937,500
						$ 1,875,000
Total Public Funding						$114,295,739
Total Private Funding						$118,635,365
Total Community Partnerships Funding						$ 1,875,000
Total Overall Funding						**$234,806,104**

**Hotel will be owned by the City of Pittsburgh in partnership with a Hotel Developer.

Phase 1 - Financial Projections

	2005	2006	2007	2008	2009	2024	
Site Work							
Site improvement costs	$ 3,082,719	$ 1,659,926					
Net cash flow	$ (3,082,719)	$ (1,659,926)					
NPV of cash flow	$ (4,465,991)						
Marina							
Net operating income		$ 153,620	$ 629,843	$ 645,589	$ 661,729	$ 958,381	
Equity contribution	$ 1,312,500	$ 2,437,500					Terminal value
Net cash flow	$ (1,312,500)	$ (2,283,880)	$ 629,843	$ 645,589	$ 661,729	$ 958,381	$ 6,229,475
NPV of cash flow	$ (229,694)						
IRR	18.74%						
Parcel 5 & 6 - Mixed Use							
Net operating income			$ 2,361,499	$ 9,682,147	$ 9,924,200	$ 14,373,201	
Debt services			$ 2,465,703	$ 2,465,703	$ 2,465,703	$ 2,465,703	
Equity contribution		$ 11,445,572	$ 11,445,572				
Net cash flow		$ (11,445,572)	$ (11,549,777)	$ 7,216,443	$ 7,458,497	$ 11,907,498	$ 77,398,737
NPV of cash flow	$ 12,070,767						
IRR	30.66%						
Parcel 4 - Office & Parking							
Net operating income				$ 2,152,883	$ 8,826,819	$ 12,783,866	
Debt services			$ 2,316,667	$ 2,316,667	$ 2,316,667	$ 2,316,667	
Equity contribution			$ 10,753,758	$ 10,753,758			Terminal value
Net cash flow			$ (13,070,425)	$ (10,917,542)	$ 6,510,152	$ 10,467,199	$ 68,036,796
NPV of cash flow	$ 6,884,724						
IRR	27.09%						
Parcel 1 - Convention Hotel							
Net operating income					$ 3,555,127	$ 10,297,769	
Debt services			$ 4,903,385	$ 4,903,385	$ 4,903,385	$ 4,903,385	
Equity contribution			$ 3,729,755	$ 7,459,511	$ 3,729,755		Terminal value
Net cash flow			$ (8,633,140)	$ (12,362,896)	$ (5,078,013)	$ 5,394,384	$ 35,063,497
NPV of cash flow	$ (7,544,063)						
IRR	11.61%						
Phase 1 - Overall Financials							
Net operating income		$ 153,620	$ 2,991,342	$ 12,480,619	$ 22,967,876	$ 38,413,217	
Debt services			$ 9,685,755	$ 9,685,755	$ 9,685,755	$ 9,685,755	
Equity contribution	$ 4,395,219	$ 15,542,998	$ 25,929,086	$ 18,213,269	$ 3,729,755		Terminal value
Net cash flow	$ (4,395,219)	$ (15,389,378)	$ (32,623,499)	$ (15,418,405)	$ 9,552,366	$ 28,727,462	$ 186,728,505
NPV of cash flow	$ 6,715,744						
IRR	21.95%						

Phase 1 - Cash Flows



Assumptions

Development - Assumptions	
Land	
Assessed value per sf	$13.89
Retail	
Avg occupancy	95.00%
Avg rental rate per sf per year	$19.15
Development costs per sf	$110.00
Operating costs per sf per year	$3.00
Office	
Avg occupancy	82.00%
Avg rental rate per sf per year	$19.25 - $22.00
Development costs per sf	$125.00
Operating costs per sf per year	$3.00
Housing	
Avg occupancy	90.00%
Avg rental rate per sf per month	$1.25 - $1.50
Development costs per sf	$75.00
Operating costs per sf per month	$0.30
Hotel	
Avg occupancy rate	70.00%
Avg daily rate	$119.00
Development costs per room	$180,000.00
Operating expenses (% of revenues)	76.00%
Cost of capital	20.00%
Annual increment in rental rates & operating costs	2.50%

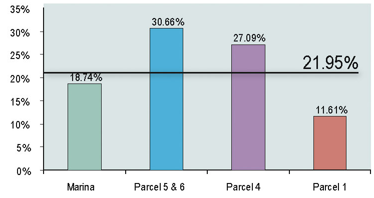
PHASE 1

Heritage Walk to Heinz History Center

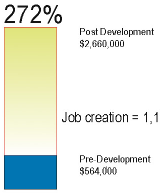
Smallman St. Looking West at Plaza Entry

Plaza Boardwalk

Expected IRRs by Parcel



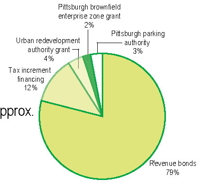
Tax Increment

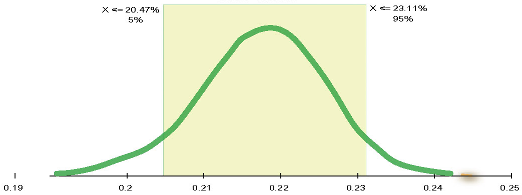


Job creation = 1,150 approx.

City Financial Contribution

Total = $40,000,000



Probability Distribution of IRR