**401**

**Fiscal Impact Statement**

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| ***Department*** | Urban Redevelopment Authority - Economic Development Dept. |
| ***Preparer*** | Nick Fedorek |
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| ***Type of Initiative*** | [x]  Legislation | [ ]  Executive Order |
| ***Type of Legislation*** | Other |

**Description of Initiative**

The Smallman Street Tax Increment Financing (TIF) would divert 75% of incremental real estate tax revenue generated as a result of the private redevelopment projects at the 1600 Smallman Street building and the Produce Terminal building within the TIF District.

The Smallman Street TIF note proceeds would fund the public Smallman Street Roadway and Public Space Improvement Project. The purpose of this public project is to increase pedestrian access, safety and circulation within the Strip District neighborhood. Ultimately, the redevelopment of these sites and adjacent sites will result in a dense environment that will attract additional people to the neighborhood. The public agencies involved in the transportation plans for Smallman Street (between 16th and 21st Streets) seek to address the needs of pedestrians by proposing infrastructure improvements that prioritize public safety.

The proposed Smallman Street and related public space improvements will establish orderly and safe traffic patterns, and encourage walkability. While these above-ground improvements are being addressed by the City of Pittsburgh’s Department of Mobility and Infrastructure (DOMI), PWSA will upgrade the underground water and sewer facilities for this important watershed.

A third-party economic impact analysis of the proposed private redevelopment projects estimates that, after full build-out, 645 new full-time equivalent jobs and 766 construction jobs will be created. The projected assessed value of taxable real property following private improvements in the Smallman Street TIF District is expected to meet or exceed $31,000,000.

Estimate of Costs to be partially funded with TIF proceeds:
 Storm Sewers, sanitary sewers, water distribution system $13,000,000
 Public Space Improvements $4,957,709
 Street and related R-O-W Improvements $691,923
 Related Engineering $948,448
 Related Inspection $2,516,379
Total Cost of Infrastructure Improvements $22,114,459

Estimated Sources of Funds for Infrastructure Improvements:
 Pittsburgh Water & Sewer Authority funds $13,000,000
 RACP Grant $4,000,000
 Smallman Street TIF proceeds $3,500,000
 DCED Multimodal Grant $1,000,000
 City of Pittsburgh funds $533,503
 Heinz Endowments/Pittsburgh Gateway Grants $80,956
Total Funding for Infrastructure Improvements $22,114,459

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| ***Total Cost*** | $ 3,258,258 (total requested diversion) |
| ***Frequency of Expenditure*** | [ ]  One-Time | [x]  Multi-Year |
| ***Funding Source*** | [x]  Operating | [ ]  Capital | [ ]  Grant | [ ]  Trust Fund |
| ***Is this item budgeted?*** | [ ]  Yes | [x]  No |

**JDE Account Information**

Not Applicable

**Additional Costs**

Not Applicable

**Impact on City Revenue**

The Smallman Street TIF is projected to yield a TIF loan of $3,500,000, which would fund the public project. The City would divert $162,913 of incremental annual tax revenue generated as a result of redevelopment of the Produce Terminal and 1600 Smallman Street. This impact is estimated to be $3,258,260 over the 20-year term.

-Currently, the City receives $27,646 in annual tax revenue in the TIF District.
-During the TIF period, the City is projected to receive $81,950 in annual tax revenue.
-After the TIF period, the City’s annual tax revenue is projected to be $244,863 annually.

This results in an annual net gain of $217,217 in City revenue, prior to diversion. In the event that more taxes are generated than anticipated, the TIF loan will be paid off early.

**Attachments**

TIF Plan