



## Text File

**Introduced:** 8/31/2018

**Bill No:** 2018-0829, **Version:** 3

**Committee:** Committee on Intergovernmental Affairs

**Status:** Passed Finally

Resolution approving a Tenancy in Common Agreement between the City of Pittsburgh, Housing Authority of the City of Pittsburgh, and Urban Redevelopment Authority of Pittsburgh, with respect to 420 Boulevard of the Allies.

**WHEREAS**, pursuant to that certain Purchase and Sale Agreement dated as of July 11, 2018 between 420 Allies, LLC, a Delaware limited liability company and City Co-Owner, HACP Co-Owner and URA Co-Owner, as Buyer, each of City Co-Owner, HACP Co-Owner, and URA Co-Owner intend to acquire as tenants-in-common an undivided interest in the property located at 420 Boulevard of the Allies, Block 1-M, Lot 150 in the 1st Ward, City of Pittsburgh, Commonwealth of Pennsylvania, together with the improvements thereon and certain fixtures, equipment and personal property related thereto; and

**WHEREAS**, City Co-Owner, HACP Co-Owner and URA Co-Owner have entered into that certain Financing Cooperation Agreement effective as of August 1, 2018 (the "Financing Cooperation Agreement") to set forth their understanding of their respective rights and duties related to the acquisition of the Property, the Pre-Closing Authorizations, the Financing Legislation and the Financing Security (as such terms are defined in the Financing Cooperation Agreement); and

**WHEREAS**, the Financing Cooperation Agreement contemplates that City Co-Owner, HACP Co-Owner and URA Co-Owner would execute a tenant-in-common agreement to specify their respective ownerships, duties and responsibilities as set forth on the Draft Operating Pro Forma attached as Exhibit D to the Financing Cooperation Agreement; and

**WHEREAS**, City Co-Owner, HACP Co-Owner, and URA Co-Owner desire to set forth certain agreements regarding (i) the Property and their co-ownership in the Property, (ii) the redevelopment, management, operation, financing and use of the Property, and (iii) certain other agreements regarding their rights and interests with respect to the Property.

**Be it resolved by the Council of the City of Pittsburgh as follows:**

**Section 1.** The Mayor and the Director of Finance, on behalf of the City of Pittsburgh, are hereby authorized to enter into a Tenancy In Common Agreement between the City of Pittsburgh (City), Housing Authority of the City of Pittsburgh (HACP), and Urban Redevelopment Authority of Pittsburgh (URA), with respect to 420 Boulevard of the Allies. The Tenancy In Common Agreement shall: ~~be in a form approved by the City Solicitor.~~

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- a. Be filed with the City Clerk;
- b. Be in a form approved by the City Solicitor;
- c. Be subject to approval by City Council if amended, renewed, or otherwise changed;
- d. Be in adherence to the purpose of the note issuance for a government facility for the duration of the life of the note; and**
- e. Be in adherence to the purpose of the Financing Cooperation Agreement for the duration of the life of the Financing Cooperation Agreement.**

Section 2. As a condition of this authorization, a Tenancy in Common Agreement shall:

- a. Unless stipulated elsewhere in this Section, require City Co-Owner, HACP Co-Owner, and URA Co-Owner to dedicate any revenue derived from leases at the property to expenses, including, but not limited to:
  - 1. Repairs and maintenance;
  - 2. Security;
  - 3. Utilities;
  - 4. Administration;
  - 5. Insurance;
  - 6. Janitorial;
  - 7. Management fees;
  - 8. Payroll associated with expenses enumerated in this Section; and
  - 9. Capital expenses described in Section 2(d) of this Resolution

unless authorization otherwise is received from each Co-Owner's respective governing body;

- b. Establish a dedicated contribution mechanism by which each entity shall, according to each's percentage use of the property, pay into a fund that shall be used for operating expenses;
- c. Contain provisions requiring that each Co-Owner remain financially liable for operating expenses that exceed the available funds for uses described herein in the event that space belonging to that Co-Owner,

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pursuant to the Financing Cooperation Agreement, is leased to an entity that is not a Co-Owner, with said leasee unable to meet the financial obligations required of them according to percentage use.

d. Establish a Capital Investment Fund (CIF) for the long-term capital maintenance of the building structure and its essential components, so as to ensure its future integrity and safe operation. Appropriate expenditures shall include, but not be limited to:

1. HVAC repair and replacement;
2. Elevator reconditioning and replacement;
3. Roof repair and replacement; and
4. Other large-scale capital expenses as deemed necessary by the City to clearly preserve the safe, continued operation of the property.

Funds derived from telecommunication leases at the property shall be deposited in their entirety into the CIF as received. Other funds received from leasing space in common or advertising revenue shall be proportionately deposited into the CIF until the total amount of revenue is equal to Fifty Thousand Dollars (\$50,000) annually.