

MEMORANDUM OF UNDERSTANDING

BY AND BETWEEN

CENTRAL NORTHSIDE NEIGHBORHOOD COUNCIL (hereinafter “CNNC”), a Pennsylvania non-profit corporation organized and existing under the laws of the Commonwealth of Pennsylvania, located at 1310 Arch Street, Pittsburgh, Pennsylvania 15212

AND

NORTHSIDE LEADERSHIP CONFERENCE (hereinafter “NSLC”), a Pennsylvania non-profit corporation organized and existing under the laws of the Commonwealth of Pennsylvania, located at 4 Allegheny Center, Suite 601, Pittsburgh, Pennsylvania 15212

AND

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH (hereinafter “URA”), a Pennsylvania redevelopment authority, located at 200 Ross Street, Pittsburgh, Pennsylvania 15219

REGARDING THE GARDEN THEATER BLOCK DEVELOPMENT PROJECT

OCTOBER _____, 2008

WITNESSETH:

WHEREAS, CNNC is a publicly supported, tax-exempt, non-profit organization whose primary purpose is dedicated to sustaining a diverse community, enhancing the lives for all residents and ensuring a sense of community cohesiveness by developing affordable housing, advocating for neighbors’ needs, promoting quality of life and providing a public forum in the Central Northside neighborhood of Pittsburgh;

WHEREAS, NSLC is a publicly supported, tax-exempt, non-profit organization whose primary purpose is as a coalition of Northside community-based organizations, committed to addressing mutual concerns through a united approach in order to promote and enhance the vitality, quality of life and image of Pittsburgh’s Northside.

WHEREAS, NSLC and CNNC intend to form a Joint Venture Entity (“JVE”) in order to manage development of the structures in the Federal North block including The Garden Theater- 10-12 West North, The Masonic Hall- 18 West North, The Bradberry-1112 Reddour, 8 West North, and 6 West North.

WHEREAS, the URA is a Pennsylvania redevelopment authority which serves to generate, stimulate and manage growth and development in the City of Pittsburgh and has the final legal responsibility for the selection of a developer for URA owned property and the expenditure of public funds for the redevelopment;

WHEREAS, the URA owns a total of twelve (12) parcels on the Northside of Pittsburgh in a block bound by North Avenue, Reddour Street, Eloise Street, and Federal Street (hereinafter known as “ The Garden Theater Block”), which were purchased as part of the Federal North Redevelopment Project;

WHEREAS, the URA will be providing an amount not to exceed TWENTY FIVE THOUSAND DOLLARS (\$25,000.00) to Master Planning/Market Analysis activities regarding The Garden Theater- 10-12 West North, The Masonic Hall- 18 West North, The Bradberry-1112 Reddour, 8 West North, and 6 West North. The JVE will be providing EIGHTY FIVE THOUSAND DOLLARS (\$85,000.00) to Master Planning/Market Analysis activities.

WHEREAS, the URA as an economic development agency is interested in moving forward with actions that will lead to the redevelopment and occupancy of properties in the Garden Theater block to the extent economically feasible and sustainable in as timely a way as possible;

WHEREAS, the URA, as a public agency, cognizant of its fiduciary responsibility, will assess the viability of reusing existing structures in the Garden Theater block prior to making substantial investments in these structures;

And, **WHEREAS**, the URA has granted the JVE a 6 month exclusive negotiation period to conduct master planning activities during which the following activities will take place;

- 1) Market Feasibility Study and Master Planning. The goal of the market feasibility study (hereinafter “study”) shall be to complete the initial research needed to create an economically viable and sustainable strategy to restore and reprogram the Garden Theater Block. The JVE shall contract with a consultant to undertake a study of The Garden Theater Block in accordance with the following provisions. The goals of the study will be to place community needs and desire in a market context, and to explore creative market solutions for the re-use of the Garden Theater and the surrounding properties that include the The Garden Theater- 10-12 West North, The Masonic Hall- 18 West North, The Bradberry-1112 Reddour, 8 West North, and 6 West North; known hereafter as the “The JVE Properties.”
 - a) The study shall:
 - i) Evaluate the development site and consider uses that shall allow for the strongest potential development, both in terms of financial success and as a community asset;
 - ii) Review and comment on developers’ proposals for The JVE Properties submitted during the study process.
 - iii) Be completed with reference to strong and contemporary market data, including the recently completed *Market Value Analysis* data (The Reinvestment Fund) supported by the URA;
 - iv) Refer to neighborhood context explicitly highlighting market opportunities, identifying risk factors and compatible and incompatible development occurring in and around Garden Theater Block;
 - v) Project the financial outcomes of development choices for The JVE Properties;
 - vi) The JVE will conduct site visits to several successful models in other cities when determining end uses for the area;
 - vii) Take into account the goals of the URA to develop the highest standard projects with the greatest ability to be sustained over the longest term using public resources to leverage private investment; and
 - b) In conducting the study, the consultant shall meet with area service providers (i.e. Salvation Army and Light of Life Rescue Mission) and contiguous property owners to assess their plans for changes to services, expansion, relocation, and renovation to existing buildings.
 - c) The report shall include;
 - i) a narrative on the market analysis;
 - ii) recommendations for uses of the buildings supported by market analysis;
 - iii) projected operating proformas;

- iv) recommendations for schematic architectural and environmental studies including access and transit issues, necessary to arrive at projected construction costs and more definitive proformas;
 - v) a projection of potential public and private investment.
- d) The JVE shall provide drafts of the report, at such times specified in an agreed upon schedule.
 - e) The JVE will meet with the URA to discuss draft report.
 - f) Activities conducted during the 6 month exclusive negotiating period will include not only a market feasibility study but other master planning activities with the purpose of developing a community-based and economically viable vision for the redevelopment of the properties.
 - g) At the end of the study period, the JVE shall give two (2) paper copies of the report to the URA. This will be delivered by **March 31, 2009**.
 - h) The URA will be providing up to \$25,000.00 to support contracts for consultant work in regards to the Market Feasibility study and Master Planning activities. The JVE will be providing \$85,000.00 to support contracts for consultant work in regards to the Market Feasibility study and Master Planning activities.
- 2) Architectural
- a) The JVE will hire an architectural firm.
 - i) The JVE reserves the right to hire separate firms for master planning as described in the previous section and the work described in this section.
 - ii) The URA will have approval over the selection of the architect, the scope of work to be contracted, and the fee for services.
 - iii) The URA will be solely responsible for building stabilization and water proofing work items necessary to make the JVE Properties impervious to water penetration and further decay. The URA will make best efforts to complete any necessary work before the 2008-2009 Winter season. The URA will fund the first phase of architectural work up to \$50,000.00 over and above the aforementioned stabilization and water proofing work.
 - iv) The architect will be contracted to provide;
 - (1) Existing conditions of structures and, if needed, architectural specifications for stabilization to secure the Garden Theater and other buildings in The JVE Properties as is necessary;
 - (2) Participate in and provide support to master planning activities for The JVE Properties;
 - (3) If appropriate given master planning recommendations, create façade renovation specifications and drawings for The Garden Theater and potentially the Masonic Hall and other buildings as necessary. In addition, the contractor may be asked to provide a certain level of renovation specifications to the interior of either the Garden Theater, or the Masonic Hall and the other buildings in the Garden Theater block as necessary. Subject to funding availability and the approval of the URA.
 - (a) The architect will provide cost estimates on the façade renovations, as well as the shell renovations, with prices for different degrees of interior renovations.

- (4) The implications for Historic Tax Credit eligibility in any renovation plans will be addressed.
 - v) The JVE will have contracted with the architect(s) for services described in this MOU within 45 days. The master planning and recommendations for façade and interior renovation and stabilization work will be completed five months from execution of architects contract. The URA will cover all costs associated with the architectural façade and stabilization work with funding separate from the \$25,000 mentioned in page 2 of this MOU. The JVE will cover all costs associated with master planning for the Garden Theater Block buildings.
- 3) Construction- In the event that the JVE and the URA decides to proceed with façade and/or core and shell renovations of the Garden Theater and Masonic Hall;
 - a) It is to be determined who will manage the construction of renovations at The Garden Theater, the Masonic Hall and other buildings, as appropriate.
 - b) The scope of the renovations will be determined at a later date. Factors in determining scope include; recommendations from the Master Planning; any leasing/sale/operating opportunities present at the time that the scope of work is created; and the availability of funding to implement improvements.
 - c) The JVE and the URA will coordinate budgeting and fundraising activities for the renovation and operation of The Garden Theater and The Masonic Hall.
 - d) It is to be determined who will manage the construction of any renovations. The appropriateness of these activities will be determined in January 2009, upon completion of the master planning activities. It will be determined who will fund the construction of improvements.
 - 4) Building Preservation
 - a) The URA will oversee building maintenance and preservation activities in accordance with its fiduciary responsibility as a public agency. The safety of the general public will be the most important determining factor in decisions regarding building preservation.
 - b) The URA will evaluate the cost of maintaining buildings that have little or no viability and for which there is not current interest from developers.
 - c) The URA will work with the JVE to weigh the cost of preserving structures against other options for the property. To the extent that is economically practical, the URA will try to keep all options open. Because URA is responsible for the prudent expenditure of public money, the final decision on whether to preserve or demolish a structure will be the URA's.
 - d) The URA will pay for all appropriate building preservation costs during the exclusive negotiation period.
 - e) The pros and cons of implementing improvements at the risk of losing Historic Tax Credits, will be determined by the URA and the JVE.
 - 5) Exclusive Negotiating period activities: The JVE will conduct master planning activities for the properties aforementioned in the preamble of this agreement. Those activities include:
 - a) Exploring and proposing interim uses of street level storefronts for informal gallery, performance or meeting space, and for interim exterior art installations. Approval will be subject to bureau of building inspection approvals and URA approval, which will not be unreasonably withheld.

- b) Proposal Review-The review of submitted proposals, letters of interest, and informal inquiries regarding the Garden Theater block during the study period, and/or solicitation of proposals at the completion of the feasibility study will be governed by the following;
 - i) The URA will share any inquiries regarding properties aforementioned in the preamble of this agreement.
 - ii) The JVE will attend bimonthly meetings at the URA. The JVE will update the URA on any developer/tenant cultivation occurring during the exclusive negotiating period.
- c) At or before the conclusion of the exclusive negotiating period or its extension as discussed below in paragraph 6(d), it is anticipated that one or more formal disposition proposals consistent with the master plan will be submitted to the URA.

6) Other Provisions.

- a) Both parties agree to coordinate any public relation efforts and media releases. Any public relations and/or media releases that occur that are not agreed to by all parties will constitute a breach of this agreement and will be cause to make agreement null and void. It is understood that a community planning process is public so any information deemed reasonable and not pertaining to specific developers, deals, or financials that are not formalized will be shared. The resulting press coverage from any public forum can not be monitored. Formal inquiries of the JVE from the press should be communicated with the URA upon immediate contact.
- b) This Agreement constitutes the sole agreement between the parties concerning the Garden Theater Block project, and may not be amended except in writing signed by both parties. This Agreement shall be governed by the laws of the Commonwealth of Pennsylvania regardless of the place of its execution or performance, and shall extend to and be binding upon the parties hereto and their successors and assigns.
- c) The URA will apprise the JVE of all outside formal meetings with tenants, consultants, and developers. The JVE will apprise the URA of all outside formal meetings with tenants, consultants, and developers.
- d) Attached to this MOU is a chart outlining milestones to be met within the SIX (6) month negotiation period with the JVE and the URA. If milestones are adequately met, then an extension of the SIX (6) months may be necessary and will be granted upon review by the URA. In the event that milestones are not adhered to and it is the reasonable recommendation of the URA that the SIX (6) months not be extended than this MOU will terminate upon that expiration. This Memorandum of Understanding shall terminate either SIX (6) months from its date or from its extended date that is approved by the URA.
- e) Any party to this Memorandum of Understanding may terminate it on the occurrence of a breach of any provision by any other party and the failure of the breaching party to cure within 30 days of written notice.

WITNESS THE DUE EXECUTION OF THIS MEMORANDUM EFFECTIVE THE DATE AND YEAR ABOVE WRITTEN.

Central Northside Neighborhood
Council

By: _____
Bill Buettin
President, CNNC

Urban Redevelopment Authority
of Pittsburgh

By: _____
Rob Stephany
Executive Director

Northside Leadership Conference

By: _____
Mark Fatla
Executive Director

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