

# WEXFORD DEVELOPMENT, LLC

801 West Baltimore Street, Suite 505  
Baltimore, Maryland 21201

July 9, 2019

## **VIA EMAIL ONLY**

Oakland Planning and Development Corporation  
235 Atwood Street  
Pittsburgh, PA 15213  
Attn: Wanda Wilson  
[wwilson@opdc.org](mailto:wwilson@opdc.org)

Re: 3440 Forbes Avenue Development; Community Benefits Proposal

Dear Wanda:

Thank you for OPDC's community benefits proposal dated July 3, 2019 (the "Proposal"). Wexford sincerely appreciates the ongoing dialogue with OPDC regarding the Oakland residential neighborhood's concerns and needs. While Wexford may disagree with OPDC's characterization of Wexford's proposed development of 3440 Forbes Avenue in the Proposal, Wexford is very much interested in reaching a mutually acceptable agreement with OPDC to ensure that community needs are being met and that OPDC is able to support the development at the Zoning Board of Adjustment hearing scheduled for July 11, 2019.

The Proposal relies heavily on Wexford's ability to take certain tax credits for its contributions to OPDC's requested programs. While it may be true that the requested contributions for youth programming through the Educational Improvement Tax Credit ("EITC") and for the Neighborhood Assistance Program ("NAP") are eligible for a considerable tax credit, because of the nature of Wexford's business structure and financing, the benefits of the tax credits cannot be fully realized. As an alternative, Wexford explored whether there might be a market for the syndication of such tax credits to 3<sup>rd</sup> parties who would have an eligible tax liability, but unfortunately determined that to be unlikely.

Nevertheless, Wexford remains committed to contributing to OPDC's suggested programs. For instance, Wexford has already provided a commitment letter for a \$100,000 grant to the NAP Special Program Priorities, which is not contingent on this development moving forward. Should the development move forward, and as the building becomes fully operational, Wexford might generate sufficient tax liability to realize a tax credit benefit, and is committed to exploring alternatives to allow the use of tax credits. To be clear though, the property and the building at 3440 Forbes Avenue will certainly still be subject to real estate taxes, which will be paid by Wexford.

While Wexford's Pennsylvania tax situation is unknown, if the development moves forward and OPDC asserts its support of the development at the Zoning Board of Adjustment

hearing and before the Planning Commission, Wexford will provide community support as outlined below. Wexford believes that the proposal aligns with OPDC's proposal outlined in its May 22, 2019 email to Pete Cramer of Wexford and can be accomplished successfully without the use of tax credits. In response to the Proposal, Wexford counter-proposes the following:

1. **Support for youth programming in Oakland:** a flat grant of \$120,490 over two years. This sum is calculated based upon the increase in FAR requested by Wexford. We've applied a rate of \$1.00 per square foot times the FAR above zoning, for the total \$120,490 over two years. .

2. **Support for neighborhood programming:** a flat grant of \$50,000 to launch and support a farmer's market in Oakland that is accessible to and supportive of all of Oakland's residents and visitors, and to support community programming that creates a vibrant Oakland in which neighbors thrive

3. **Support for affordable housing in Oakland:** a flat grant of \$120,490. This too is based upon the FAR request. \$100,000 of this amount has already been committed by Wexford to go to the Neighborhood Assistance Program (NAP). The balance of \$20,490 would be contributed to the Oakland Community Land Trust.

4. **Creation of an attractive public realm:** Wexford will provide a setback along Forbes Avenue to enhance the pedestrian experience, market a portion of the retail space for a full-service restaurant and will also provide open space between the neighboring hotel and 3440 building.

5. **Complimentary community access to the District Hall meeting space:** complimentary meeting space to be arranged on a first-come, first-served basis, no more than 4 times per month.

6. **A transportation demand management strategy:** Wexford's strategy will accommodate the parking needs of building occupants and visitors, make parking available to the community when possible and encourage the use of modes of transportation other than the automobile. Bicycle parking will be a component of the garage, and Wexford will explore valet opportunities when appropriate. Wexford commits to a \$2,500 annual contribution towards residential permit parking enforcement.

7. **Collaboration between Wexford and OPDC on employment opportunities:** Wexford will work with OPDC to encourage placement of qualified applicants in permanent full-time jobs with benefits in the on-going operations of the building.

8. **An MBE and WBE design and construction hiring strategy:** Wexford will use an MBE and WBE design and construction hiring strategy in collaboration with Wexford's subcontractors and consultants.

9. **Regular meetings throughout the design and construction process:** Wexford will meet with OPDC regularly in order to provide updates on the projects and solicit feedback.

Wexford is excited to begin its long-term partnership and collaboration with the entire Oakland community. Due to the timing of Wexford's Zoning Board of Adjustment hearing, Wexford's community benefits offer to OPDC in this letter pertains only to the development at 3440 Forbes Avenue. Wexford intends to continue to develop properties in the Oakland neighborhood to fully realize the potential of the Pittsburgh Innovation District. As such, Wexford believes that a larger district-wide comprehensive community benefit plan for all Oakland interest groups is appropriate and will be better for Oakland long-term. While the promises in this letter will be kept, Wexford anticipates that any community benefit agreement agreed to regarding 3440 Forbes will ultimately be absorbed into any future district-wide plan.

Sincerely,  
WEXFORD DEVELOPMENT, LLC

Joseph A. Reagan, Jr., AIA  
Northeast Region Executive  
Senior Vice President