



March 2, 2016

Mr. Matthew Galluzzo  
Executive Director  
Lawrenceville Corporation  
Ice House Studios  
100 43<sup>rd</sup> Street, Suite 106  
Pittsburgh, PA 15201

Ms. Lauren Byrne  
Executive Director  
Lawrenceville United  
4839 Butler Street  
Pittsburgh, PA 15201

Dear Matt and Lauren:

Thank you for working with us to ensure that the Arsenal Terminal project is a success. Milhaus Development, LLC's affiliate Butler and 40<sup>th</sup>, LLC ("Milhaus") understands and appreciates your roles and truly believes that the project will only succeed if it addresses concerns of the Lawrenceville community. This letter describes the commitments Milhaus will fulfill to answer the concerns and issues you previously raised with us.

As a starting point, the project will require special exception approval from the City of Pittsburgh Zoning Board of Adjustment. The hearing for that special exception approval will take place on March 3, 2016. At the hearing, Milhaus will make a part of the record its agreement and commitment to do all of the following, expecting the ZBA would condition its approval of the project on:

1. Public Spaces

- Providing a public "pedestrian way" running through the center of the site from Butler Street to the northerly end of the property, open at all hours as a public amenity for both the project and Lawrenceville residents; the pedestrian way will be developed from Butler Street to the Foster Street extension into the site as part of Phase 1 of the project with the balance of the pedestrian way completed as part of subsequent phases as the project progresses.
- Creating a public green space/park at the northerly end of the property of approximately one acre in size. The public green space/park will be finished to act as an attractive and functional end point to the "pedestrian way," and as a connecting point to extensions through others' properties to the Allegheny River.



- Installing streetscape improvements consistent with the Lawrenceville neighborhood and as described in the Masterplan Design Guidelines reviewed by the Department of City Planning, CDAP and to be presented to the ZBA at the hearing.
- Sponsoring and installing an upgraded public transit shelter designed to be consistent with the project's streetscape along the Butler Street edge of the site in cooperation with the Port Authority of Allegheny County.

## 2. Historic Preservation

- Preserving and adaptively re-using the "Officers' Quarters" along the 39<sup>th</sup> Street side of the project, including removing later additions not consistent with original construction. The work to re-use the Officers' Quarters and remove the later additions will occur after Phase 1 is completed. Please refer to the enclosed Exhibit A depicting the original Officers' Quarters building that will be preserved and re-used.
- Preserving the "stone wall" around the perimeter of the site and incorporating it into the streetscape and landscaping plans for the project; it is recognized that some portion of the wall will be removed to accommodate the extension of Foster Street into the site, but only the minimum length of wall necessary for the extension of Foster Street and associated sidewalks will be disturbed and any stones removed for that purpose will be relocated and re-erected at a space elsewhere within the project site.

## 3. Landscape Design

- The landscaping plan and installation will be substantially consistent with the ReLeaf Lawrenceville Plan and the Pittsburgh Urban Forest Master Plan which exemplify nationally recognized BMP's; for this effort Milhaus will consult directly with Tree Pittsburgh and City Forestry Division. Most important considerations are meeting species diversity requirements, reducing infrastructure conflicts, high quality trees at install and providing adequate soil volumes for trees to grow to mature sizes.

## 4. Streets and Connectivity

- Extending Foster Street from 39<sup>th</sup> Street to the pedestrian way during Phase 1 of the project, and during subsequent phases up to but not farther than the 40<sup>th</sup> Street boundary of the site, with the extension to be designed and built at Milhaus' cost to City of Pittsburgh specifications; Milhaus' site plan will accommodate a later connection of Foster Street to 40<sup>th</sup> Street, but the justification for such a connection requires additional traffic studies to be paid for by others.



- Extending Willow Street, as a publically dedicated street, from 39<sup>th</sup> Street to the 40<sup>th</sup> Street boundary of the site with the extension to be designed and built at Milhaus' cost to City of Pittsburgh specifications during Phase 2 of the project. The connection of this extension of Willow Street from below the 40<sup>th</sup> Street Bridge to the east requires action by the City of Pittsburgh and Allegheny County to relocate the existing County Public Works facility and any construction costs for the extension beyond the property line would be paid for by others. Milhaus will coordinate construction of the extension of Willow Street with the City of Pittsburgh and is prepared to accelerate its construction contingent upon lease terminations and project logistics.
- Dedicating a fourteen (14') foot wide easement along the property line adjacent to the Allegheny Valley Railroad right of way to allow for the later extension of the "Green Boulevard" pedestrian and bicycle trail; costs of improving the easement area to be determined at a later date in coordination with the City of Pittsburgh and Lawrenceville Corporation but Milhaus' commitment at this time extends only to dedicating the necessary land, not a monetary contribution.
- In an effort to mitigate parking impacts on adjacent residential streets, Milhaus agrees that its tenants will not be eligible to receive residential permit parking permits from the Parking Authority of Pittsburgh for areas of Lawrenceville that are currently or may become permitted parking areas in the future, and will provide incentives for car-free tenants that may include zip car credits, discounted Port Authority bus passes, and more.

All of the above commitments are appropriate for the ZBA to impose as conditions to a special exception approval for the project. Besides what is described above, Milhaus agrees that it will continue its best, good faith efforts, to support efforts on:

#### 1. Downtown Circulator

- If plans for a downtown circulator shuttle system come to fruition, Milhaus will engage with you and the planning agencies to provide pick-up/drop-off locations within the project site, most likely via the Willow Street extension. The Foster Street extension may also act as a possible route for the shuttle but only if traffic studies by others support a full connection to 40<sup>th</sup> Street. Milhaus will also favorably respond to requests for public statements or support regarding the benefits of such a shuttle system.

#### 2. Parking Infrastructure

- Milhaus will cooperate with Lawrenceville Corporation and Lawrenceville United and potential neighborhood users to investigate and determine whether some portion of the Arsenal Terminal site might serve as a temporary parking area for neighborhood parking needs. Besides resolving issues of timing (e.g., how long the temporary parking might be available because of Milhaus' construction schedule), this effort may require investment by other users in the neighborhood



if City of Pittsburgh regulations require installation of screening, lighting, storm water controls or other features not within the Milhaus project's budget.

- Milhaus will continue to engage Lawrenceville Corporation, Lawrenceville United, the City of Pittsburgh Urban Redevelopment Authority, the Pittsburgh Public Parking Authority and others to determine whether a public parking garage could be developed on the Arsenal Terminal site. This effort requires resolution of several issues including, but not limited to, how Milhaus is to be compensated for providing land (this may involve combining guaranteed use of the garage with other forms of compensation for the land), whether access to and from a garage is feasible given existing street configurations (traffic and engineering studies by others will be needed), and how any "lost" density could be accommodated elsewhere on the Arsenal Terminal site (this may require later support for modifications to original approvals). It is to be recognized, however, that to maintain its development schedule for the site a decision to proceed with the garage must be reached before June 30, 2017, as Milhaus likely will not be in a position to hold the proposed site of the garage available after that time. Both parties acknowledge that the real estate under consideration for a proposed parking garage solution is illustrated on Exhibit B.

### 3. Affordable/Work-Force Housing

- A diverse and equitable housing strategy is a clear priority for the neighborhood. Milhaus will continue to pursue an affordable/work-force housing component in a later phase of the project. We acknowledges the regional standard for affordable rental housing, which requires households earning 50% of Area Median Income spend only 30% of their income on housing costs. Milhaus has initiated discussions with an affordable housing developer already, and will continue those discussions hoping an economically viable arrangement will be made. Milhaus will keep the community apprised of those discussions.

### 4. Community benefits and partnerships

- Milhaus will continue to work with Lawrenceville Corporation and Lawrenceville United to identify community-supported initiatives they can support at Pittsburgh Arsenal Pre-K-5 and Pittsburgh Arsenal 6-8, and opportunities to source employment opportunities for new jobs created by constructing the new project and within the project site through the Lawrenceville Works! Program.

### 5. Future Phases

- Milhaus will continue to work with Lawrenceville Corporation and Lawrenceville United through project design and implementation. Milhaus will provide a construction management plan to the community and will provide regular updates to Lawrenceville Corporation and Lawrenceville United on construction updates for distribution to affected residents and businesses.



- Milhaus will participate in the Lawrenceville community process in order to report out to the community should any changes be made to the original site plan and masterplan and in the event that any commercial tenants require a Pennsylvania Liquor License and/or zoning variances or special exceptions.

We trust this letter assures you and the Lawrenceville community of Milhaus' commitment to address those issues and concerns that have arisen during the community's review of the Arsenal Terminal project. We are happy to meet with you to answer questions or discuss any further.

Truly yours,

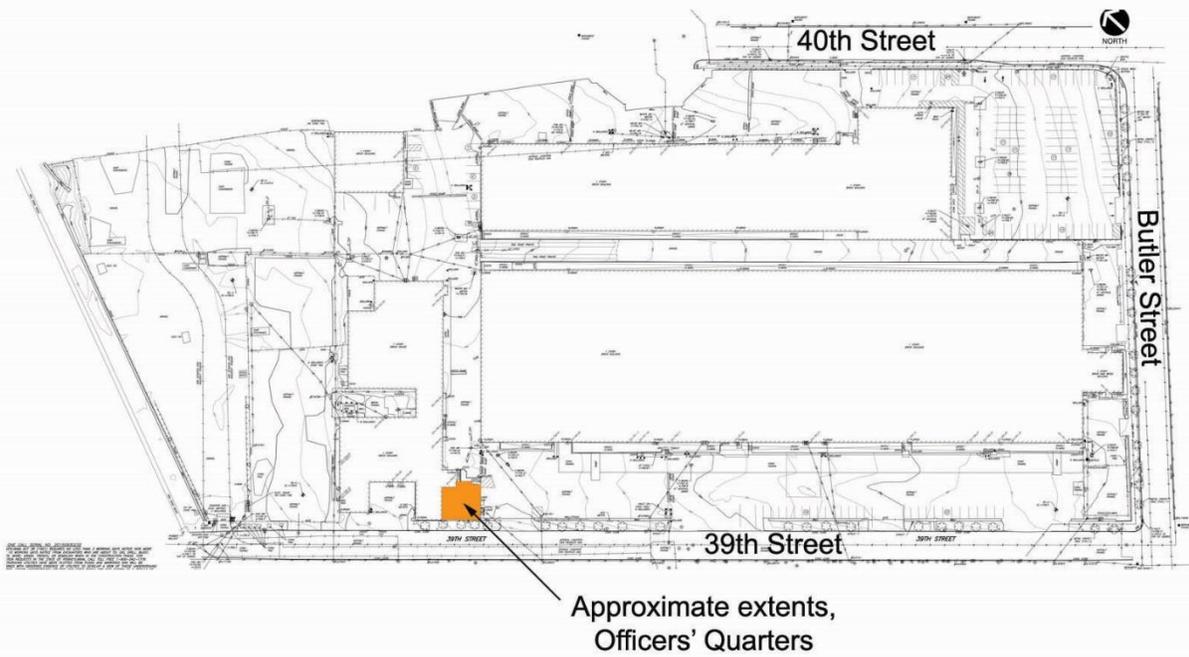
BUTLER AND 40TH, LLC,  
an Indiana limited liability company

By: MH Investment Management I, LLC,  
an Indiana limited liability company,  
its Manager

  
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Tadd M. Miller, Manager



Exhibit A



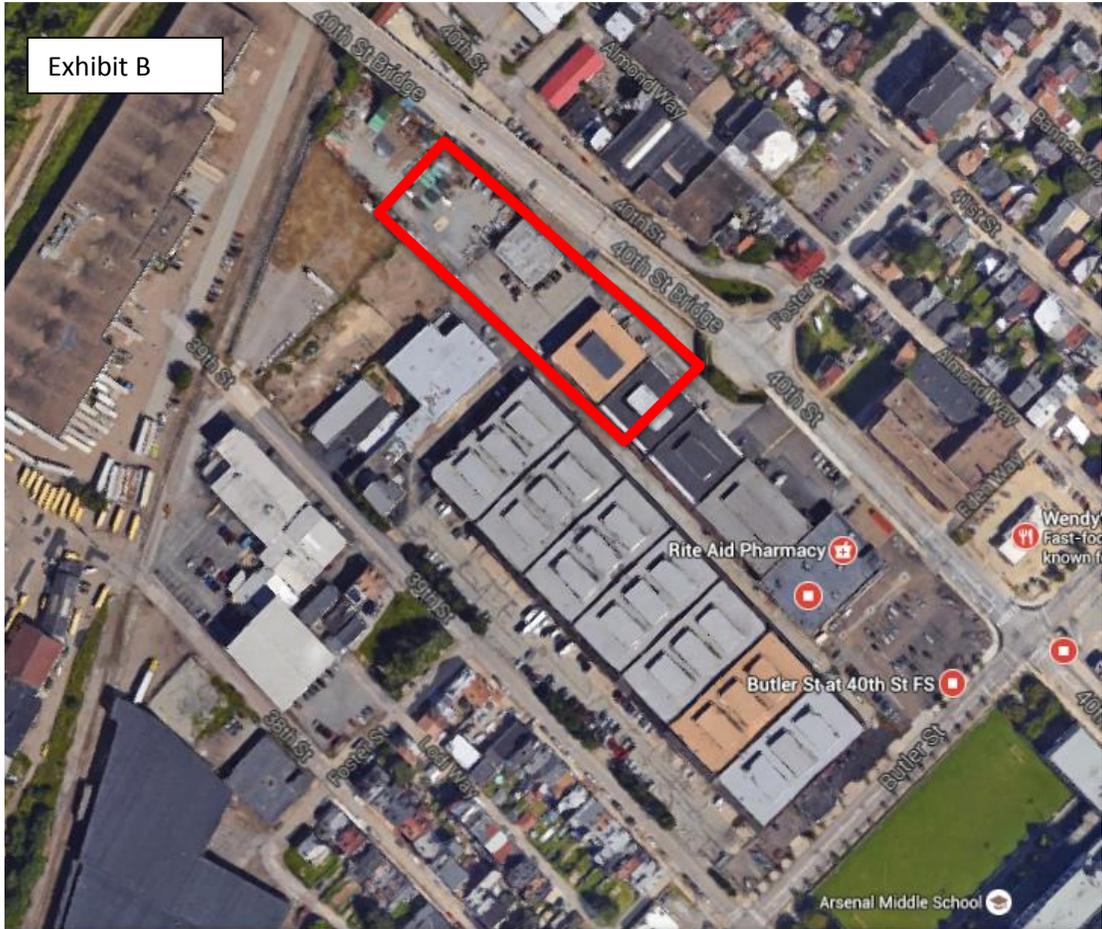


Exhibit B