

The Junction

A 240 Unit Multi-Family Transit-Oriented Development Project



Pittsburgh, PA



Fore Property Company

Contact:
Chris New
cnew@foreproperty.com
407.345.9931



Fore Property Company

Washington

2600 Virginia Avenue, NW Ste. 715
Washington, DC 20037
(202) 965-1224 telephone
(202) 351-9102 facsimile

September 12, 2013

Jeffrey Naftal
Borough Manager
Borough of Dormont
1444 Hillside Avenue
Dormont, PA 15216

Re: RFDP – Dormont Junction Transit-Oriented Development Project

Dear Mr. Naftal:

On behalf of Fore Property Company (FORE), I am pleased to submit our proposal in response to the RFDP for the Dormont Junction Transit-Oriented Development Project. We propose to develop “The Junction”, designed as a 240-unit contemporary LEED – qualified apartment community.

As requested in the RFDP, this submittal includes five (5) bound hard copies and one (1) electronic copy on CD of our complete proposal. An additional bound hard copy is being delivered to Mr. Michael Cetra at the Port Authority of Allegheny County. Also per the RFDP, we respectfully submit two (2) copies of our most recent financial statements confidentially under separate cover.

Christopher New and I are the FORE principals with the authority to legally bind and act on behalf of the company. Chris is the project partner and primary contact:

Chris New
Vice, President, Regional Partner
Fore Property Company
3000 Marta Circle
Kissimmee, FL 34741
(407) 491-3439 – mobile
(702) 835-5278 – fax
cnew@foreproperty.com

We look forward to working with you on this exceptional transit-oriented development.

Sincerely,

James P. Sullivan
Vice President
Fore Property Company

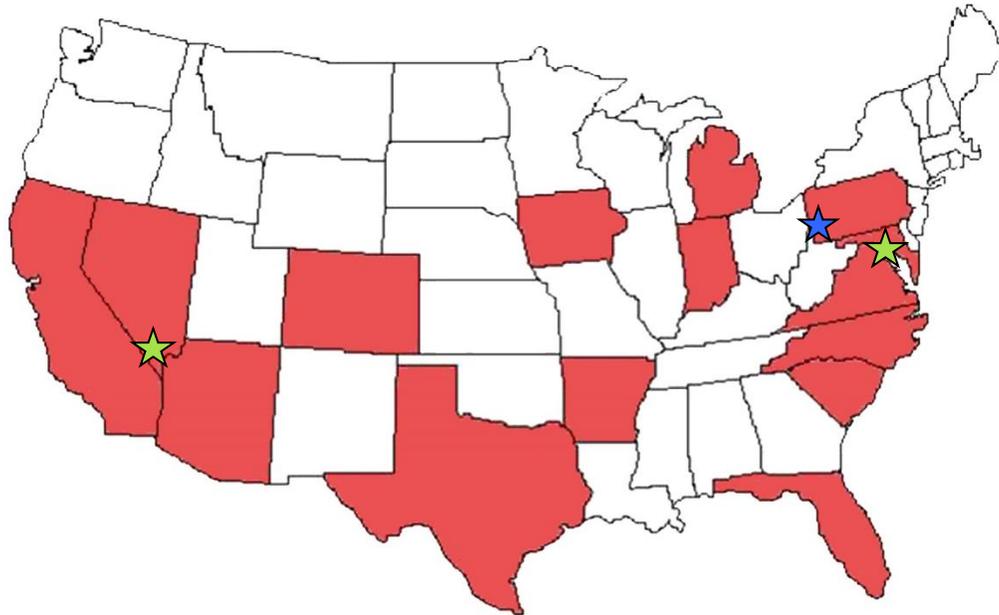
Cc: Michael Cetra, Port Authority



I. Development Team

Fore Property Company (FORE) is pleased to submit our proposal to develop “The Junction” a 240 unit luxury, LEED designed, apartment complex at the Dormont Junction T stop. We believe that our vision for the Dormont Junction Transit-Oriented Development Project will provide (i) a much needed eco-friendly community for this submarket, and (ii) increased ridership on the Port Authority transit lines by the residents and their guests, and (iii) increase traffic efficiency at the West Liberty Avenue and Biltmore Avenue intersection. Thus providing value for all stakeholders involved in the process. .

FORE has been developing, building and managing quality apartment communities for more than 35 years. We have corporate offices in Washington, DC and Las Vegas, NV, with regional offices throughout the country overseeing efforts in 37 cities, across 16 states. Our local market knowledge combined with the entrepreneurial spirit of our development team has been a key to our success in developing more than 19,000 apartment homes.



FORE Corporate Office – West

1741 Village Center Circle
Las Vegas, NV 89134
702.562.6050

FORE Corporate Office – East

2600 Virginia Avenue, NW, Ste 715
Washington, DC 20037
202.965.1224

FORE is a fully integrated real estate company, providing its own construction through CANV Construction and property management services through FPC Management. FORE has more than 185 staff members involved in all phases of real estate activity. Our team is highly skilled in market analysis, land acquisition, development, design, government processing, construction, debt and equity financing, marketing, property management, asset management and disposition. This breadth of skill sets and combination of services makes FORE uniquely suited to successfully develop the Dormont Junction TOD project.



Unlike many of our competitors, Fore has maintained a continuity of operations and staff through multiple real estate cycles. Despite the Great Recession of 2008, the FORE team has successfully closed and begun construction on new Transit Oriented Development projects including Groveton Green a 226 unit project located in Maryland, 1050 Broadway a 260 unit project located in Denver and Riverscape a 220 unit project located in Portland, Oregon. Groveton Green is a 4/5 story split project in which we interacted with Baltimore County, 1050 Broadway is a wrap project in which we interacted with Denver County and Riverscape is a podium project in which we interacted with Multnomah County. Both Groveton Green and 1050 Broadway are located near transit lines and Riverscape is conveniently located near bus lines. All of these projects were completed as JV partnerships with institutional debt and equity partners. The table below highlights these projects and the successful construction and lease up of our recent market rate properties.

Luxury Apartment Community	Developed	Units
Coldwater – Phoenix, AZ	2006-07	301
Rapallo – Orlando, FL	2006-08	350
4 Marta – Gainesville, FL	2007-09	204
Mirabella – Phoenix, AZ	2007-10	715
The View – Reno, NV	2008-09	308
The Trails – Reno, NV	2008-10	300
Quest – Las Vegas, NV	2008-10	310
Greenhaven – Dallas, TX	2008-10	216
Groveton Green – Baltimore, MD	2011 –2013	226
1050 Broadway – Denver, CO	*2012 –	260
Belle Haven – Charlotte, NC	*2012 -	216
Riverscape – Portland, OR	*2013 -	220
Six-Year Development Total		3,626

*Under construction; completion 2014

CANV General Contractor

FORE's general contracting arm CANV has built all the units developed and owned by FORE throughout the country. CANV provides a range of services including project planning, cost estimating/bidding, contracting and construction management. It is involved at all stages of the development process including the: review and qualifying of land; initial design and cost analysis; finalization of construction documents; day-to-day construction overview and administration; and securing the building certificates of occupancy.



CANV works with local and national suppliers and subcontractors to ensure that each budget item has multiple qualified bids. To ensure quality, CANV is led by our Senior Vice President of Construction and regional Vice Presidents who operate locally and closely with our development / acquisition teams. CANV has been the general contractor on both LEED Silver and LEED Gold designed projects.

Property Management

FORE's property management arm, FPC Management, currently manages 9,000 apartments for our account and two communities for third parties under a fee management arrangement.

A key to FORE's success is its unwavering commitment to improving the underlying value of each property under management. FPC Management achieves success in this field through its management structure, marketing, employee training, and routine property maintenance. Combined, these factors ensure the delivery of the highest quality living experience for FORE's residents.

FORE's Regional Property Managers each typically oversee the operation of six properties. This ratio enables them to focus on fewer communities and provide better property oversight. FPC Management utilizes some of the multifamily industry's most sophisticated computer reporting systems (Yardi, Yield Star), which allows our Regional Property Managers to gather, analyze, and respond to real time property level generated data.

FPC Management pays particular attention to training community level employees—Community Managers, Leasing Associates, and Maintenance Technicians. FPC Management utilizes interactive online training, in-person management training, as well as regular performance reviews to equip property level personnel with the essential skills to deliver on the firm's vision for its communities. The firm's training assures that all community employees can and will create the high-quality living experience that FPC Management communities are recognized for. The marketing team builds upon FPC Management's recognition for high quality living by utilizing all forms of media to further relay this commitment to quality to potential residents. FPC Management's commitment to marketing and employee training, results in optimal property performance for FORE and third parties.

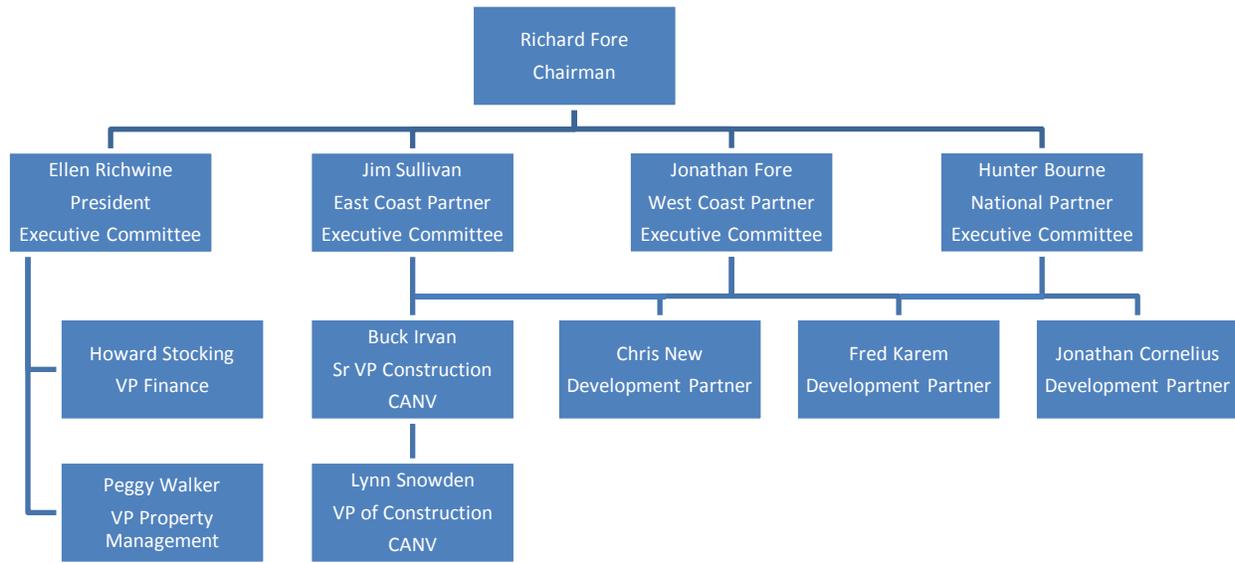
- Lease-Up
- Marketing
- Surveys
- Compliance
- Maintenance
- Staffing
- IT Support

In the end, Property Management is about the people. That is why the satisfaction of our residents is our highest priority. To reach this end, FORE hires and retains the most talented and personable property management professionals in the industry.



Fore Property Company Management Structure

The FORE Management Team has been working together for several decades. This collegial and long history means that they work seamlessly together in the development process, applying lessons learned as they move the projects and the company forward.



The backgrounds and experience of the individuals who will be involved in various aspects of this development project are summarized below.

RICHARD L. FORE has served as Chairman of Fore Property Company since 1994 and President of CANV Construction since 1978. Prior to founding Fore Property Company and the Fore Partnership/Lincoln Property Company, Richard Fore was an official of the U.S. Department of Housing and Urban Development. Subsequently he served on the U.S. Presidential Housing Commission. He is co-founder and past president of the National Multi Housing Council, the apartment industry’s most prestigious trade association.

Mr. Fore’s comprehensive knowledge of the real estate industry has led him to being widely quoted in many publications, such as U.S. News and World Report and the Wall Street Journal. He has lectured extensively as the featured speaker before national and regional organizations, including the Urban Land Institute and Building Industry Association.

ELLEN RICHWINE is President of FORE, with overall asset management responsibility for the company portfolio. She started her career with the Fore Partnership of Lincoln Property Company as a Division Controller, moving to Controller and to Vice President of Finance. She has been responsible for all accounting, taxation, equity syndication, investor relations, refinancing and asset management activities for the FORE portfolio. She has also served as a court appointed Receiver



for third party owners in various jurisdictions. Before coming to Lincoln Property Company, she was Accounting Manager for Weil & Company of Santa Monica, California. She graduated cum laude from California State University Northridge and is a Certified Public Accountant.

HUNTER BOURNE is a National Partner and Vice President at FORE, responsible for financing and new development and acquisition activities. He started his real estate development career with the Fore Partnership of Lincoln Property Company more than 25 years ago. He subsequently became Executive Assistant to the Assistant Secretary of Housing (Federal Housing Commissioner) at the U.S. Department of Housing and Urban Development and later was the Director of Multi-Family Mortgage Backed Securities at FNMA in Washington, DC. Mr. Bourne also served as Vice President for Development at Oxford Development Company. He has taken on a number of assignments as a Due Diligence Manager for the Resolution Trust Corporation examining financial institutions.

JAMES P. SULLIVAN is Partner and Vice President at FORE and is responsible financing of new projects and refinancing of existing assets, as well as oversees FORE's East Coast operations. Mr. Sullivan plays an integral role with FORE's capital markets and the integration of operations amongst the development, construction, property management teams. He has also been actively involved on the design of FORE's LEED Silver project and is currently a partner on FORE's next LEED Gold project. Prior to joining FORE, Mr. Sullivan was Project Director for Boston Pacific, a consulting and investment services firm. There he was responsible for evaluating over \$9 billion in power contracts and reviewing and standardizing procurement processes. Mr. Sullivan holds a B.A. in Economics from Princeton University and an M.B.A from Duke University's Fuqua School of Business. He is a member of the Urban Land Institute.

CHRISTOPHER L. NEW will be the Managing Partner for this development opportunity. Chris is a Partner and Vice President of FORE, and responsible for development activities and acquisition in the Southeast and Mid-Atlantic. Mr. New has developed over 4,500 units in 33 communities located in 9 states and the Commonwealth of Puerto Rico. Prior to joining FORE, he was Vice President of Picerne Development Corporation. Mr. New began his professional career with Brown and Caldwell, a national environmental engineering consulting and design firm, where he practiced as a Civil Engineer with project management responsibilities for various multi-million dollar projects throughout Florida. He has extensive experience in multifamily real estate development and a diverse background in design, construction, scheduling, budgeting and finance. Mr. New graduated from the Samuel Ginn College of Engineering at Auburn University with a B.S. in Civil Engineering.

PEGGY REHFUS-WALKER is Vice President of Property Management, responsible for Property Management Operations, Client and Owner relations, new client business and employee development. She oversees the portfolio operations including coordinating with various regional property managers to ensure all components of site operations are properly managed and supported. She also develops strategic operating plans for each property, and advises owners on annual budgets and marketing plans. Prior to joining FORE, Ms. Walker was Vice President for Dominion Management, where her responsibilities included acquisitions and property operations for all new communities. Prior to Dominion, she was Director of Operations at NRP Management, where she was responsible for oversight of 55 properties in the Midwest, Southeast and Southwest.



Ms. Walker is designated as a Certified Occupancy Specialist (COS), Housing Credit Certified Professional (HCCP), IREM Certified Property Manager (CPM) and IREM Accredited Residential Manager (ARM).

W.H. BUCK IRVAN is Vice President of Construction and has been involved with CANV, the construction arm of Lincoln Property Company and FORE, for more than 18 years. He has more than 40 years of experience in the construction and real estate industry. From 1972 to 1976, Mr. Irvan was employed as a custom homebuilder and regional multi-family developer. He served as a manager with Ryan Homes, a national home building company, from, 1976 to 1979. His scope of work included land development, single family homes, multi-family development, offices, warehouses, retail stores, condominiums and industrial building. Subsequently, Mr. Irvan was Vice President of Realty Industries, Inc., producing more than 1,500 residential units. Mr. Irvan has also operated his own construction company, which focused on residential and commercial building, consulting and construction management.

LYNN SNOWDEN is Vice President of Construction and has been turning plans and visions into reality for the last 25 years. After graduating from Texas A&M University in 1988 with a Bachelor of Science degree in Building Construction, Lynn began his career as an estimator for a national multi-family owner/developer/builder. He has been involved in all aspects of multi-family residential construction including estimating, budgeting, bidding, on-site supervision, project management and development. Prior to joining Fore, he was a Senior Partner and President of Construction for a national multi-family development and construction organization.

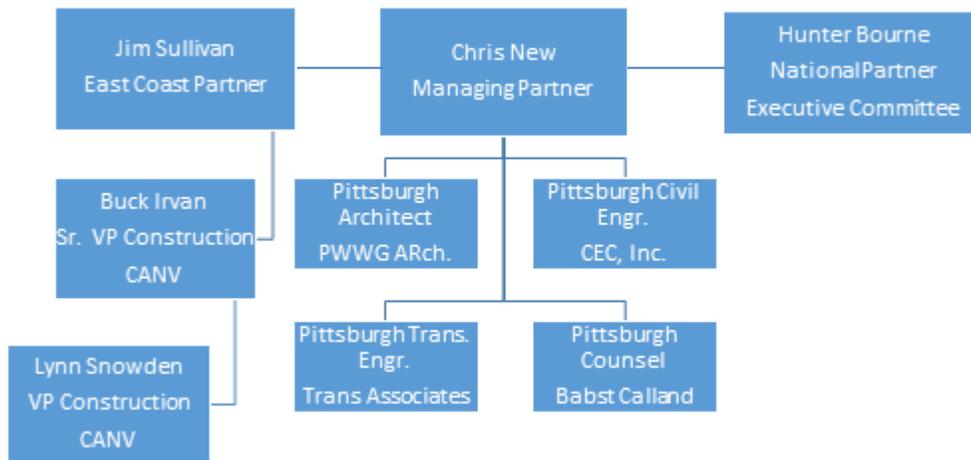
Mr. Snowden has been involved in variety of different multi-family developments. From affordable garden style to urban mid-rise to high end mixed use mid-rise developments, he has been involved in over 40 projects and 12,500 units throughout his career. His varied multi-family portfolio has been spread out over several states including Colorado, Texas, Kansas, Arizona, Indiana, Arkansas, Tennessee, North Carolina, Maryland and Florida.



FORE Project Team

The development of FORE's proposed project would be managed by Chris New, working with the FORE principals and consultant team members as depicted below.

Dormont Junction Team



Consultant Team Members

FORE has assembled a solid group of exceptional local consultants for this project to ensure that its design, engineering and execution are compatible with existing plans and regulations, and complement the surrounding community. This Pittsburgh base team includes:

Perfido Weiskopf Wagstaff + Goettel (PWWG)

Architect

PWWG was founded in Pittsburgh in 1975 and focuses on multifamily residential design as one of its three areas of specialization. It has long been committed to sustainable design – 11 of its 14 professional staff are LEED AP. PWWG is currently doing the master planning and architectural design of the 20-acre East Liberty business district, the transit-oriented anchor of the “EastSide” development for The Mosites Company. Kevin Wagstaff, AIA, LEED AP, is the lead principal for the FORE project.





Civil & Environmental Consultants, Inc. (CEC)

Civil Engineer

Headquartered in Pittsburgh, this 23-year-old firm provides services in civil engineering and real estate development, environmental engineering, ecological studies, waste management and water resources. It has grown to include 16 offices in nine states. CEC provided comprehensive civil engineering and site development services for the current redevelopment at the Dormont Junction Mall adjacent to the Port Garage and project site. CEC also provided utility infrastructure investigation services for the area surrounding the East Liberty transit stop as part of the Pittsburgh Transit Revitalization Investment District program. Stephen Donaldson, P.E., P.L.S., is the lead principal for the FORE project.



Trans Associates

Transportation Engineer

Trans Associates is a civil engineering consulting firm that specializes in transportation, providing full services during transportation project development, design, and construction. Headquartered in Pittsburgh, it has offices in Harrisburg and State College, Pennsylvania, and Columbus, Ohio. Trans Associates was retained to perform a detailed evaluation of the transportation impacts of the proposed Eastside and Transit Oriented Development development/transportation modifications in the East Liberty section of Pittsburgh. Mark Magalotti, P.E. and founder, is the lead principal for the FORE project.



Babst Calland

Legal Counsel

Babst Calland is a regional law firm based in downtown Pittsburgh with branch offices in State College, PA, Charleston, WV, Akron, OH and Sewell, NJ (outside of Philadelphia). The firm has broad experience and delivers quality legal services to corporations, closely-held businesses and municipalities. Formed in 1986 with seven attorneys, Babst Calland began as a boutique firm focusing on environmental regulatory law, expanding to some thirteen practice areas today. Blaine Lucas is the lead principal for the FORE project.





FORE Relevant Projects

Unlike many of the apartment developers across the country, FORE was able to weather the Great Recession and began developing new apartment communities when many of our competitors were unable to secure debt and equity financing because of their historic problems. FORE's newest developments, Groveton Green in Owings Mills, MD, 1050 Broadway in Denver and Riverscape in Portland, OR are particularly relevant because they:

- are transit-oriented development projects
- demonstrate our ability to close on ground-up deals with institutional partners
- involve similar site and design issues, such as physical site limitations and parking structures
- are targeted toward similar demographics

Groveton Green, Baltimore

Groveton Green is a 226-unit Class A, LEED Gold designed ground-up apartment development in a designated growth area (Owings Mills) for Baltimore County, MD. Groveton Green is positioned as the premier eco-friendly, transit-oriented, luxury apartment community in Owings Mills, MD. It is less than a half mile from the METRO and only 20 minutes from Towson and downtown Baltimore. The project is a four- and five-story split design with the 226 units divided among three buildings. The onsite amenities include:

- resort-style swimming pool and deck
- 8,600 SF state-of-the-art clubhouse
- modern fitness center with the latest fitness equipment
- deluxe media room
- bar lounge, cafe and fireplace terrace
- a game room, a poker room & a Great Room
- dog wash



FORE began construction on this \$36 million project last June with financing provided by Fore Property as the General Partner.

As a LEED-designed project located near a transit line, Groveton Green appeals to Generation Y professionals, renters in their 20's and 30's. The resulting lower operating expenses, cleaner living, and overall lesser impact on the environment provide significant added value to these residents. Residents also have GE's Clean Steel energy star appliances, energy star lighting, ceiling fans, and low VOC paints (just a few sample features). The apartment units are approximately 40% more energy efficient than those in buildings built to 2004 code.



1050 Broadway, Denver

1050 South Broadway is a 260-unit Class A LEED Silver designed multifamily community in Denver, Colorado. FORE began construction on this \$45 million project last year, with financing secured by Fore Property as the General Partner.

The site is at the northeast corner of Mississippi Avenue and Broadway, strategically located between the City's two primary employment corridors. It is within walking distance (500 yards) of two light rail stations; Broadway Station (right) to the northwest and Louisiana Station to the southeast.

Amenities include a clubhouse with a community room, a full-body fitness center with many choices of cardiovascular, strength and flexibility equipment as well as a yoga stretching area, a cyber-café with full-service business center and a guest suite for residents' use. Exterior amenities include a pool and spa, and several intimate courtyards with common seating areas and barbeque centers.



Given the size constraints of the site, FORE designed the four stories of apartments to wrap around a parking structure. A very modern design was incorporated to complement the surrounding neighborhood and light rail system, as shown in the elevations below:



West Elevation



Riverscape, Portland

FORE Property's most recent project is Riverscape, a 220-unit Class A LEED Gold designed multifamily community in Portland, Oregon. FORE began construction on this \$45 million project this year, with financing secured by Fore Property as the General Partner.

The site is located a block off the water between NW Front Avenue and NW Riverscape Street. It is located in the Pearl District and is a ½ mile walk from the Northrup and 14th Streetcar stop.

Amenities include a leasing center and clubhouse with a community room, a full-body fitness center with many choices of cardiovascular, strength and flexibility equipment as well as a yoga stretching area, and a cyber-café with full-service business center. There will also be a roof top deck for social gatherings.



FORE designed the four stories of apartments above a one level on grade or two level (one floor below grade) podium garage. A very modern design was incorporated to complement the surrounding neighborhood, as shown in the elevations below:





Financial Capability

FORE is an expert in financial engineering constantly adapting to changing market conditions. For example:

- Pre-1986, our projects included market rate and bond refinancing
- FORE was then able to finance projects using FHA insurance programs.
- FORE has worked with multiple state housing finance agencies and local municipalities to secure various funds to finance projects.
- FORE has accessed high quality institutional equity partners and a range of debt lenders (banks, insurance companies, and Fannie Mae).

FORE currently has a mature foundation of approximately 9,000 units being held for periods ranging from the moderate term to the long term.

Financial References

Wayne P. Robertson (lender)
PNC
One PNC Plaza
249 Fifth Avenue
Pittsburgh, Pennsylvania 15222
(412) 762-8452
wayne.robertson@pnc.com

Peter Sibilias (equity)
J.P. Morgan Asset Management
270 Park Avenue, 7th floor
New York NY 10017
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Ken Carl
PNC Real Estate Banking
(561) 962-4118
kenneth.carl@pnc.com

Michael Noulas (equity)
Guardian Life Insurance Company
7 Hanover Square, H-20-C, New York, NY
10004
(212) 598-8219
Michael_Noulas@glic.com

Kim Kittle (lender)
Bank of Texas
5956 Sherry Lane, Suite 701
Dallas, TX 75225
(214) 987-8842
kkittle@bankoftexas.com

Government References

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Baltimore County Councilmen
400 Washington Avenue
Towson, MD 21204
(410) 887-3196



Financial Statements

As called for in the RFDP, Fore Property Company is submitting its financial statements confidentially under separate cover.



II. Project Concept

The Junction is conceived as a five-story courtyard apartment building built upon a parking structure "podium" that is largely below grade. The first floor of the apartment building is set at the street level of West Liberty Avenue so that the primary building entrance will face West Liberty and provide a strong pedestrian connection to the shopping street. In addition to the apartment building entrance, a portion of this street front level along West Liberty is devoted to retail space. A second apartment building entrance is located at the north end of the building facing Raleigh Avenue, just east of the Dormont Junction station. This will be the entrance used by residents commuting by light rail.



The podium building consists of three non-ramped levels of parking containing a total of 500 parking spaces, plus a wing extending to the northwest that contains additional apartments on the upper two levels and service space on the lowest level. The podium building is built into the hillside and more than 50% below grade. At West Liberty Avenue it is completely below grade, while at the north end the upper two stories are above grade. Thus the total visible height of the combined structure varies from five stories on West Liberty to seven stories on Raleigh.

Each of the three parking levels contains approximately 166 spaces, has its own entrance, and functions independently. The lowest level will exclusively serve the Port Authority transit station and has a vehicle and pedestrian entrance directly opposite the T station. The vehicle entrance for the T parking level also incorporates a turn-around and drop off area for "kiss and ride" commuters, plus five handicap and short-term parking spaces. The middle and upper level are accessed from Biltmore Avenue. The middle level will have 100 spaces available for public use and the remaining spaces will serve the apartment building. The top level will exclusively serve the apartment building. In addition to the structured parking, the proposal includes the creation of on-street parallel parking along Park Boulevard in the vacated bus lane. All garage traffic utilizes Biltmore, rather than Park or Raleigh, in order to minimize impact on the adjacent residential neighborhood.



The 240 unit apartment building is configured to result in a mix of unit one, two and three-bedroom units, all with excellent daylight and views. Some units are oriented into the central courtyard and others face the neighborhood and more distant views to the northwest. The courtyard serves as a central common amenity for the apartment residents and will provide



opportunities for both impromptu and programmed socializing. Indoor amenity spaces such as a fitness room, lounge and conference room will be located around the courtyard.

The exterior of the building is differentiated and enlivened with varied massing, parapet lines, window patterns and materials to add human scale and visual vitality to the building.

The project will be designed and built with sustainable principles and practices to create a healthy living environment, minimize energy consumption, and use materials responsibly. The project will seek LEED Silver certification from the US Green Building Council.



Site Plan Features

The FORE team sought to achieve a number of objectives in the site design for The Junction, as demonstrated in the following concept sketches.

1) The apartment community is conceived as a building wrapped around a green courtyard set over a parking structure. Additionally, a courtyard area and a pool exist on the Park Boulevard side of the property. The form relates to the orientation of both the garage and the light rail line, presenting a face to both the T station to the west and West Liberty Avenue to the southeast.

2) The apartment community entrance off Biltmore Avenue utilizes the existing curb cut, brings visitors directly into the garage, providing a convenient entrance to the building. The bus lane on Park Boulevard will be repurposed and this will allow for Biltmore Avenue to be expanded to three lanes, realigning the Biltmore Avenue and West Liberty Avenue intersection

3) A combination of retail, building amenities and the lobby mark an entrance to the property on West Liberty Avenue. A minor amount of surface parking is provided on Park Boulevard to serve visitors to the apartments and the retail space.

4) Three elevator banks provide convenient access from the courtyard, located atop the podium, to the pool located at street level on the Park Boulevard side of the building. Additionally, green space wraps the majority of the apartment structure.





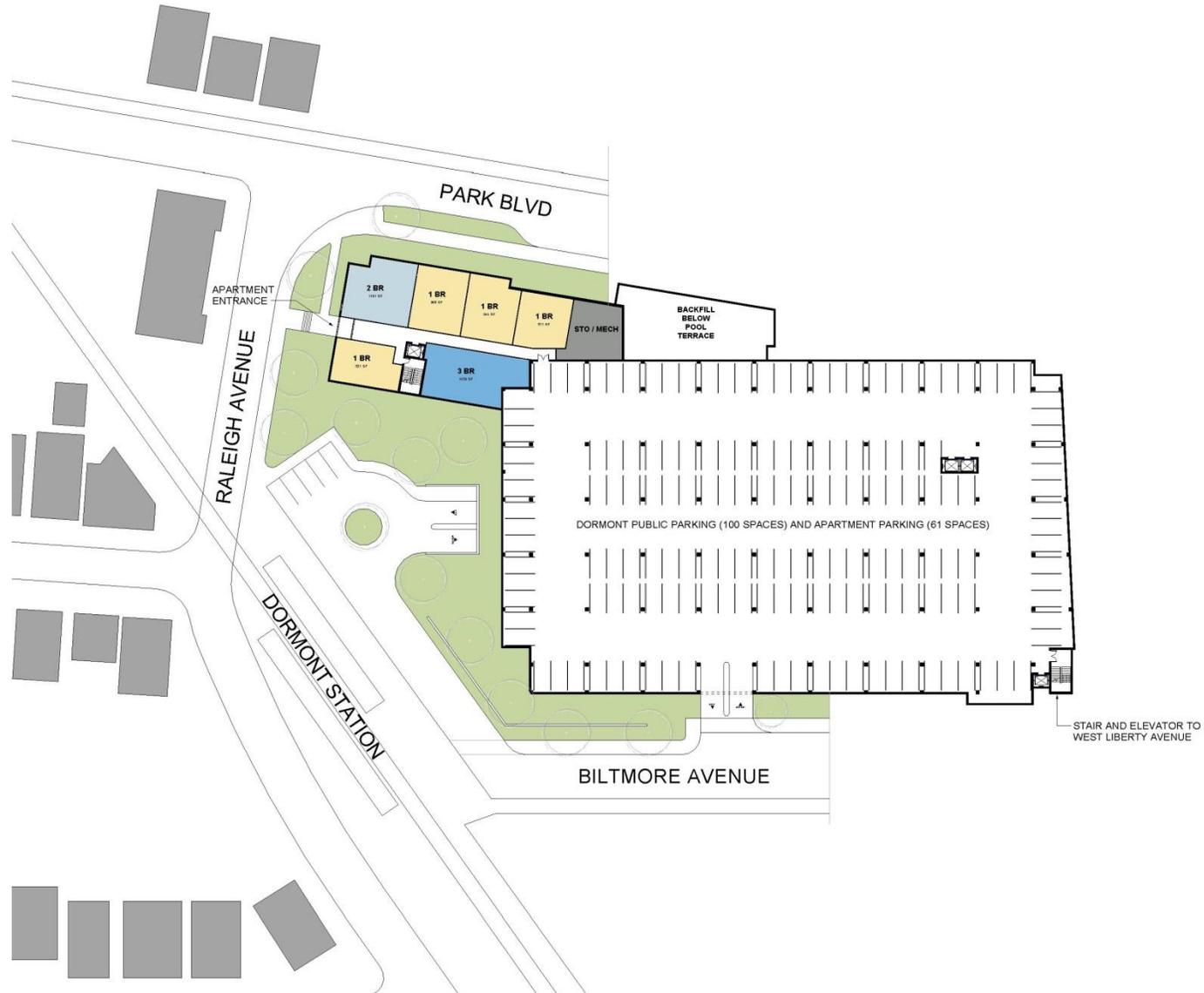
SAMPLE FLOORPLATES

PODIUM LEVEL 1





PODIUM LEVEL 2





PODIUM LEVEL 3





UPPER BUILDING LEVEL 1





Upper Building Levels 2-5





Dormont Junction: Traffic and Parking Management

The Fore project will have an integrated traffic and parking management plan that will work in collaboration with current T station operations. The development will utilize the existing site driveway entrance approximately half way down Biltmore Avenue as the primary access. Parking will primarily be located within a 3 story podium parking structure that will be constructed on the site.

This plan will maximize the development potential of the site and fully integrate the traffic and pedestrian features of the PAT station and garage to create a true "Transit Oriented Development" for the property. A critical aspect of this management plan will also be the maximization of use of the T by tenants of the site. The following is a brief description of the traffic and parking management plans as well as a plan to encourage patronage of the T system by tenants of the development.

Traffic Management Plan

As part of this project we intend to mitigate traffic impacts of the site development by creating an additional lane on Biltmore Avenue. This will also involve the realignment of the intersection of Biltmore and West Liberty and allow for an extra lane to accommodate cars exiting the T station, to reduce delays. This will accommodate traffic waiting to pick people up from the T station and exiting the garage. This realignment should allow for more efficient traffic operations at the intersection.

It is anticipated that this improved intersection will be controlled by a new traffic signal installation at the intersection. Increased traffic volumes due to the site development are anticipated to warrant the traffic signal. This new traffic signal will be integrated into the current traffic signal system on West Liberty Avenue. The cost for this traffic signal and the widening of Biltmore will be part of the project development costs.

The traffic plan will also include the repurposing the existing bus lane on Park Boulevard, creating a number of on-street parking spaces on Park Boulevard in the process. These spaces could be used for either retail patrons or residents holding parking permits.

The traffic accessing the T station will have use of a turnaround at the end of Biltmore Avenue, adjacent to the T station for drop offs and pick-ups. Traffic studies conducted for this proposal indicate that a maximum of five parking spaces are needed to accommodate drop offs and pick-ups for the station.

Additionally, Biltmore Avenue will provide access into a garage entrance opposite the T station. Users of the apartment building and retail will be able to take advantage of either the aforementioned garage entrance or a garage entrance created via the existing curb cut approximately half way down Biltmore Avenue. The site has been designed to accommodate all of these users through the driveway with the internal traffic circulation plan. A separate access will be provided for patrons of the retail area on West Liberty Avenue.



Parking Management Plan

The Junction is designed to provide approximately 500* parking spaces onsite. Primary parking for T users will be 166 parking spaces on the lower level opposite the T station, providing the most convenient access for T users. Parking on the middle level will be a mix of users of the T, residents of the apartment complex, and retail users, and the upper level will be 166 parking spaces reserved for residents of the apartment complex.

Retail parkers will be provided a separate parking area with the required 100 parking spaces. However, it is anticipated that this may be more spaces than are needed to serve the site and adjacent retail demand. As many of these spaces may not be utilized during the daytime period, they may be made available to T patrons, thus increasing the available spaces for those patrons. These users will be permitted to utilize either entrance to the garage on Biltmore Avenue. Additionally, a small number of surface parking spaces will be created at the end of the turnaround intended for 15 minute parking.

In summary, this proposed parking management plan will maximize the use of the property for development area, utilize a podium garage as a parking resource, provide and maintain efficient traffic flow, mitigate traffic impacts for the development on the site, and utilize a small number of surface parking spaces primarily for visitors to the apartment building and those waiting to pick up at the T.

Site Tenant Transit Utilization

One major aspect of the site development marketing plan will be to encourage commuters that use the T system to rent units in the development. This will increase the T system utilization to the benefit of PAT and create a true transit-oriented development. To encourage this type of public transit use, the Junction concept plan includes the following features:

- Visitors to the tenants of the development will also be encouraged to use the T system, through provision of bicycle racks for those traveling by bicycle and by allowing tenants to purchase transit tickets for visitors.
- Tenants will be encouraged to purchase monthly transit passes when they sign a lease at the Junction.
- We believe there are many ways that FORE, the Borough of Dormont and the Port Authority can work together to encourage ridership, including some form of discounted monthly pass purchase through payment of their monthly rent. We are open to ideas during final lease negotiations with PAT.

*Fore is examining options ranging from 482 to 500 parking spaces



Project Conditions: Local Land Use Approvals

Primary local land use authority over the project will rest with the Borough of Dormont. This will require compliance with the standards and limitations set forth in the Borough's Zoning Ordinance. The Zoning Ordinance's current residential density limitations will not permit a development of sufficient scale to financially support the infrastructure necessary to accommodate the parking requirements of the Port Authority, the nearby commercial district and the development itself. Relief from certain off-street parking, area and bulk and other requirements of the Zoning Ordinance also may be necessary. Fore believes that rather than seek what would be a significant number of variances, the better approach would be for the Borough to amend its Zoning Ordinance to reflect the unique nature of and development opportunities available at this site. Although it will be up to the Borough to determine the appropriate nature and scope of any amendments, some form of Transit Oriented Development Overlay District may provide the necessary flexibility to accommodate the needs of both the development and the community.

Project Conditions: Existing Utility Infrastructure

Water:

Provider: Pennsylvania American Water
300 Galley Road
McMurray, PA 15317
(724) 743 - 3108
Contact: Jeffery Maze

There is no waterline currently serving the subject development area, however service can be extended from West Liberty Avenue (S.R. 3069). There is an existing 10" Pennsylvania American Water line on the east side of West Liberty Avenue, running adjacent to the subject property. It is anticipated that a new tap to the 10" waterline on West Liberty Avenue will be required.

Sewer:

Provider: Borough of Dormont
1444 Hillsdale Avenue
Pittsburgh, PA 15216
(412) 561-8900
Contact: Jeff Naftal

There is no sanitary sewer line currently serving the subject development area, however there is an existing 8" sanitary sewer line running along Boyd Way and Bitmore Avenue. It is anticipated that a new tap will be required to serve the proposed development.

**Gas:**

Provider: Columbia Gas
251 W. Maiden Street
Washington, PA 15301
(800) 440-6111
Contact: New Business Development Department

There is no gas service currently serving the subject development area, however service can be extended from West Liberty Avenue (S.R. 3069). There is an existing 3" Columbia Gas line on the east side of West Liberty Avenue and an existing 6" Columbia Gas line on the west side of West Liberty Avenue. It is anticipated that a new tap will be required to serve the proposed development.

Provider: Equitable Gas
225 North Shore Drive
Pittsburgh, PA 15212
Contact: Mr. Rocky Saporito

There is no gas service currently serving the subject development area, however service can be extended from West Liberty Avenue (S.R. 3069). There is an existing 12" Equitable Gas line on the west side of West Liberty Avenue and a 6" Equitable Gas line on Park Boulevard. It is anticipated that a new tap will be required to serve the proposed development.

Electric:

Provider: Duquesne Light Company
2841 New Beaver Avenue
Pittsburgh, PA 15233
Contact: Mr. Kim Titley

There are existing overhead electric lines running adjacent to Bitmore Avenue and West Liberty Avenue (S.R. 3069).

**Communication:**

Provider: Verizon
201 Stanwix Street, 4th Floor
Pittsburgh, PA 15222
(412) 237-2294
Contact: Tim Westover

There is an existing communication line running along West Liberty Avenue (S.R. 3069). It is currently not known what type of communication line is located in the trench.

Stormwater Management:

Based upon a review of existing documents and aerial imagery, there does not appear to be a stormwater management facility serving the current site. There are existing catch basins and storm pipes on site to collect and convey generated storm water runoff; however, there are no Best Management Practices (BMPs) on site to address stormwater detention, volume, and quality requirements. Stormwater detention facilities to serve the proposed development will be required to be constructed. They must be designed in accordance with PADEP and Borough of Dormont standards and are required to be approved by the Borough of Dormont.

It is anticipated that the proposed project will encompass over an acre of development, and a National Pollutant Discharge Elimination System (NPDES) permit will be required for the project. This permit requires that stormwater volume, in addition to rate, be mitigated for a project site. The NPDES permit requires that 20% of the existing impervious surface be considered as meadow for the runoff calculations. Since the site is mostly impervious today, the change from a paved parking lot to a multifamily residential development may result in the addition of adequate pervious surfaces to negate the need for additional volume reduction measures. The NPDES review process will be performed by the Allegheny County Conservation District (ACCD) and typically takes several months to obtain approval.



Preliminary Milestone Schedule

Date	Anticipated Milestone
September 2013	Submission of Response to RFDP
October 2013	Recommendation Decision by Borough of Dormont and Port Authority to Management of Successful Respondent to RFDP
January 2014	Enter into exclusive lease negotiation period
January 2014	Commence Development Due Diligence and Design
March 2014	Present Schematic Design for stakeholder comments; review and approval to the Borough of Dormont and the Port Authority
July 2014	Present Final Construction Documents for review and approval to the Borough of Dormont and the Port Authority
August 2014	Submit for all necessary Development and Building Permits
September 2014	Pull all Development and Building Permits, execute lease with the Borough of Dormont and the Port Authority and begin Construction
January 2015	Commence Marketing Campaign and Preleasing
March 2015	Begin Lease-up
October 2015	Complete Construction
December 2015	Complete Lease up with stabilized occupancy

Over the course of construction we will endeavor to relocate parking and traffic on site in a safe manner in order to minimize the disruption to patrons of the Dormont Junction transit line. In Fore's extensive previous experience we have always strived to cause as little disruption to communities as possible, in as safe a manner as possible.



III. Financial Analysis

As with all of our projects, FORE has taken a team approach in underwriting the proposed project. In order to provide a full-detail market analysis and economic proforma, we have called upon our:

- Development team, in conjunction with the local architects and engineers, to determine the best practical design elements
- General contracting team to estimate the construction costs
- Property management team to analyze the area expenses and rents

In working with the local architect we have been able to site 240 apartment units in the following configuration. Based on the market rents and area income levels, we have determined the best practical rents that could be achieved at this site. The table below summarizes our unit assumptions.

Unit Mix - Detail							
Name/ Type	Units	Sq.Ft.	No. of Bedrooms	% of Mix	Base Rent	Gross Monthly Potential Revenue	Rent per Sq.Ft.
Studio	0	-	-			\$ -	-
1 Br / 1 Ba	173	800	1	72.1%	\$ 1,379	\$ 238,567	1.72
2 Br / 2 Ba	51	1,010	2	21.3%	\$ 1,599	\$ 81,549	1.58
3 Br / 2 Ba	16	1,300	3	6.7%	\$ 1,799	\$ 28,784	1.38

The total project size, exclusive of the garage, is estimated to be 215,180 square feet, which includes a roughly 6,000-square-foot modern clubhouse.

We estimate that the total development cost for this project will be \$39.8 million, of which \$25.9 million will be funded by debt and \$13.9 million will be funded by equity. Based upon our experience and discussions with institutional equity and debt partners, we believe that this structure is financeable and achievable in today's marketplace. Of the \$39.8 million in total development costs, approximately \$30.9 million are construction-related expenses.

Yearly Rent Proposal

FORE would propose a 52-year lease with five 10-year extension options. The lease payment for the site and use of the parking garage is proposed to be \$188,845 per year. The lease payment will remain at \$188,845 for the first five years and will increase 3% every five years thereafter. We based the calculation of the lease payment upon an estimated land value and what we believe is reasonably financeable given our recent track record with institutional debt and equity sources.



Pro Forma

As requested, the following table reflects our project assumptions, cost estimates and operating expenses, including salaries, utilities, real estate taxes, etc. that are projected for this site.

Development Costs				
Use of Funds	Total	Per Unit	PSF	% of Total
Acquisition	260,000	1,083	1.23	0.7%
Soft Costs	5,882,283	24,510	27.92	14.8%
Hard Costs (Divs 1-16 & Contingency)	30,901,640	128,757	146.65	77.5%
Associated Fees	2,816,636	11,736	13.37	7.1%
Total Development Costs	39,860,559	166,086	189.17	100.0%

Growth Rate Assumptions				
Description	2013	2014	2015	Beyond
Income	2.0%	3.0%	3.0%	3.0%
Expenses	2.0%	3.0%	3.0%	3.0%
Vacancy Rate	5.0%	5.0%	5.0%	5.0%
Mgmt Fee (rate)	3.0%	3.0%	3.0%	3.0%

Operating Income (Stabilized)				
	2013	PUPA	% of EGI	2018
Gross Potential Rent	\$ 4,307,040	\$ 17,946	101.9%	\$ 4,944,564
Income Adjustments	\$ (215,352)	\$ (897)	-5.1%	\$ (247,228)
Net Rental Income	\$ 4,091,688	\$ 17,049	96.8%	\$ 4,697,336
Other Income	\$ 136,860	\$ 570	3.2%	\$ 157,117
Effective Gross Income	\$ 4,228,548	\$ 17,619	100.0%	\$ 4,854,453
Expenses				
Salaries & Related	\$ 264,000	\$ 1,100	6.2%	\$ 303,077
Marketing	\$ 42,000	\$ 175	1.0%	\$ 48,217
Maintenance	\$ 141,600	\$ 590	3.3%	\$ 162,559
Management Fees	\$ 126,856	\$ 529	3.0%	\$ 145,634
Administrative & General	\$ 42,000	\$ 175	1.0%	\$ 48,217
Utilities	\$ 132,000	\$ 550	3.1%	\$ 151,539
Taxes	\$ 480,000	\$ 2,000	11.4%	\$ 551,049
Insurance	\$ 42,000	\$ 175	1.0%	\$ 48,217
Other Pshp Expenses	\$ 12,000	\$ 50	0.3%	\$ 13,776
Capital Expenditures	\$ 48,000	\$ 200	1.1%	\$ 48,000
Total Expenses	\$ 1,330,456	\$ 5,544	31.5%	\$ 1,520,284
Land Lease	\$ 188,845	\$ 787		\$ 188,845
Net Operating Income	\$ 2,709,247	\$ 11,289	64.1%	\$ 3,145,324

Key Dates	
Land Under Contract	Oct-13
Pre-Dev Period	11
Closing/Construction Start	Sep-14
Construction Duration	22
Construction End	Jun-16
Total Development Period	33
First Units Occupied (mnths)	16
First Units Occupied (Date)	Jan-16
Absorption Rate	18
Post Const Lease Up Period	6
Stabilized Date	Jan-17
Total Leasing Period	12



Tax Increment Financing (TIF)

To finance the project, we would expect a TIF to cover two thirds the cost of the garage to a total of \$10,035,498, which equates to two thirds of \$25,000 per space multiplied by 500 spaces, or \$12,500,000, plus \$2,523,200 which is the cost for site work and a retaining wall that will be necessary to construct a garage of this size on the site. We understand that a TIF committee is being assembled to analyze options as to how to implement a TIF district and would work with them accordingly.



IV. Marketing Approach

We see the following economic factors as indicators of an increase in demand for the type of apartment community we propose for the Junction:

- The Generation Y population represents approximately 80 million individuals, many of whom have delayed household formation due to the recession. Therefore, there is a “bulge” of demand greater than that implied by the simple population numbers.
- The national homeownership rate has dropped 4%, adding 4 million more people to the renter pool. Homeownership has lost credibility as an investment, as Gen Y sees their parents’ plan of wealth-building through homeownership reduced to tatters.
- Gen Y is more social, internet savvy and focused on activities, which implies a desire to live in apartment community with a full range of amenities rather than a detached house.

FORE’s marketing concept for the Junction will promote the benefits of living in a luxury 240-unit, LEED-designed, residential community integrated with the convenience and efficiency of Port Authority’s transit line at the Dormont Junction T stop. Our marketing team will promote the benefits of living at the Junction with a hassle-free, traffic-free 30-minute commute throughout the T system, but primarily to areas like Steel Plaza where many of our future residents will work (e.g., Mellon Center) and play (e.g., Consol Energy Center). Additionally, we intend to spend approximately \$100,000 on transit passes to hand out to new tenants during lease up to enhance and encourage ridership of the T.

Based on more than three decades of experience, FORE believes that relatively affluent, college educated, 24- to 38-year-old professionals will be attracted to the Junction. Singles, roommates, mingles, and recently married couples will be the primary demographic, but there will be some married couples with children that will take advantage of the area’s great school system.

Based on those demographics, FORE will market to the resident base that places a premium on:

- The ability to read, text and/or work on the T
- Convenient access to cultural and entertainment venues along the light rail corridor
- Green features, both in terms of LEED building design elements and the inherent green aspect of public transportation

We are targeting the residents who commute downtown and want the ease of access of the light rail system.

In addition, given the extremely social nature of the majority of our target market demographic, we envision many guests visiting the Junction residents will use the adjacent garage or light rail at night and on weekends.



Target Employment Centers

Many residents living at the Junction will be working for employers such as Del Monte, PNC Bank, University of Pittsburgh Medical Center, Consol Energy, University of Pittsburgh, Duquesne University, Carnegie Mellon, and the various businesses, educational and healthcare institutions in and around the Downtown, North Shore and Oakland areas. Our marketing team will reach out to these companies and initiate a preferred employer program providing various incentives to live at the Junction, thus enhancing the likelihood of ridership on the T light rail line. It is noted that the University of Pittsburgh and other educational institutions already have employee transit pass programs through the Port Authority, which will make the Junction location more attractive to their employees.

While we anticipate that a majority of our residents will be commuting via the light rail, we realize that some residents will be commuting along to the I-79 and I-279 corridors, which have major employment centers. These centers are within a 20- to 30-minute commute. We will draw from the employers such as those located in South Side Works, Engineering firms, American Eagle Outfitters, Health Care providers, Bayer Corporation, Alcoa, Allegheny Technologies, Westinghouse, Heinz Company and many others. These residents will obviously love the use of a covered parking facility located at our site given the harsh winters Pittsburgh can experience. While these commuters may drive to their work destinations, they will take advantage of the many cultural and entertainment venues directly accessible by the T system.

Entertainment

Again, the targeted demographic is primarily Generation Y, who is extremely social, enjoys attending sporting events, viewing theater and live music, and going to restaurants and clubs. As the overall transit system will connect the residents to Heinz Field, PNC Park, Consol Arena, or simply heading to theaters, restaurants and entertainment venues downtown or to Southside, we believe that joint advertising plan with the Port Authority should highlight the benefits of living at the Junction. For example, the move-in package that every resident receives should include the detailed schedules and maps of the transit system, and annual pass or ConnectCard subscription forms.



Target Advertisements

In addition, FORE envisions a marketing plan with the Port Authority including utilizing various floor ads at various T stops and outdoor panel ads located at key stations (an example is shown below).

The Port Authority's transit system is integral to marketing life at the Junction. If selected, FORE would look forward to working with the Port Authority and the Borough of Dormont in identifying joint marketing opportunities beyond those discussed above, including the potential web-based advertisements and fare pass sign up forms, or even electronic train arrival and departure notifications in our lobby or our clubhouse.



This proposal is contingent upon receiving the necessary government approvals to develop and build a 240 unit project on this site.