

Winter 2011

POSITIVELY PITTSBURGH

An Advertising Supplement To The Pittsburgh Business Times

'TECH' TOWN:

How Technology is Transforming our Neighborhoods



Luke Ravenstahl, Mayor, City of Pittsburgh

Letter from the **MAYOR & URA**

Over the past 30 years, Pittsburgh has transformed itself from a one industry town to one with a diversified global economy focused on creating next generation products and technologies. Through strong partnerships, strategic investment, and place creation, we have been able to develop the support network necessary to nurture and grow the high tech industry.

In 2009, the City, URA and many civic partners, including Pittsburgh Central and Keystone Innovation Zones, Landmarks Community Capital Corporation, Allegheny County, Neighborhood Business Inc., State Senator Wayne Fontana, and the Heinz Endowments, launched a portfolio of loan products to provide capital to emerging technology companies. These financing tools, like the Pittsburgh Entrepreneur Fund, help tech companies move from formation and commercialization to growth and sustainability. The creation of “place” for these leaders of the new economy has been a purposeful partnership with community, business and government.

Last year, the URA and Greater Oakland Keystone Innovation Zone established a fund to help health-science entrepreneurs with early stage business planning and incorporation. And in December, the Mayor’s Technology Task Force convened for the first time. Composed of education, business and nonprofit leaders, the task force will work together to attract and grow high-tech ventures, and make policy recommendations for improving the City’s technology climate.

While we have come a long way, we are committed to continue the work needed to grow our neighborhoods, making them places where entrepreneurs and big businesses alike can find success. Our communities offer investors and businesses valuable personal growth opportunities, as well as the chance to become part of something larger – an inspired, creative workforce, a new regional economy and a heightened global profile. We invite you to learn more about these opportunities and partner with us in Pittsburgh’s continuing transformation.

Sincerely,

Luke Ravenstahl
Mayor, City of Pittsburgh

Rob Stephany, Executive Director
Urban Redevelopment Authority



Rob Stephany, Executive Director,
Urban Redevelopment Authority



Finding **meaningful opportunities** in Pittsburgh's tech community.

When community development organizations like the Urban Redevelopment Authority of Pittsburgh invest in places and neighborhoods, they do so with the intention that, "if you build it, they will come."

Successes like Bakery Square, Eastside, South Side Works and others have proven to be more than mere fields of dreams – they have acted as magnets to attract and keep young talent in our area.

But it's people like Gene Wilson and his wife, Cathy, who bring that dream full-circle by living, working, and donating their talents back into the community to which they have been drawn. Gene, a New Jersey native, made his way to the city to attend the University of Pittsburgh where he earned a bachelor's degree in computer science and later a master's in software engineering from Carnegie Mellon University.

After graduating, there were many reasons why he decided to stay – he had family here and really grew to like the city. Having grown up just outside New York City, he appreciated Pittsburgh's size. "Cities like New York are just too huge to deal with on a day-to-day basis," he says, "at least for me."

He knew he could find meaningful opportunities in Pittsburgh's growing tech community and its many university spin-offs.

Wilson landed a position at Transarc, a CMU spin-out that later was purchased by IBM, and went on to work at Panasas, a leader in high

performance parallel storage for business-critical applications. He has worked for four years at Panasas, for the past year in quality assurance. Professionally he has found the technology industry here to be both big enough and small enough – big enough to provide great opportunity, yet small enough to become part of a network that is supportive of one another.

Located in the Cardello Building on Reedsdale Street, his office is situated just off the West End Bridge. Before he moved to the neighborhood, Wilson enjoyed going out for walks at lunchtime and would stroll around Allegheny Commons and the Mexican War Streets. "I really fell in love with the North Side," he says.

So he and Cathy decided to make the move from the suburbs to the city. They found a house in Allegheny West that was about 150 years old, had been owned by the same family for nearly 100 years, and was a relative bargain.

"In any other city, a house like this would have been way more expensive," Gene says. While it had been maintained, it had not been updated, so the Wilsons have started on a mission to bring the structure up to 21st century standards.

Now the former suburbanites enjoy being close to downtown, and Gene can walk to his office in the nearby Cardello Building, a facility that has benefited from URA support.

The Cardello Building owners worked with the URA to clean up an adjacent former mill site, paving the way for purposeful building renova-

tions and creating clean safe environment for tenants and their employees. The URA acquired the former steel plant property and cleared the site.

Aside from the many conveniences of their Allegheny West location, the Wilsons also have come to love not just their neighborhood, but their neighbors as well.

"The North Side in general, and especially Allegheny West, is full of wonderful people," he says. "When my wife and I moved here, we were embraced by the neighborhood." The neighbors even organized a block party in their honor to welcome them to the street.

In return, the Wilsons have been giving back to the community through their involvement with the Allegheny West Civic Council. Gene has served for two years as editor of the organization's newsletter and continues to manage the group's website.

He and Cathy, who also works in the technology field, worked to develop an e-commerce site, an online ticketing system, for the group's hugely popular house tours.

"People in the neighborhood have fixed up their houses so amazingly well that people are willing to pay money to see them – hopefully ours will be that way soon."

And the couple intend to stay in the neighborhood for the long haul – "I definitely don't see any reason to move. With the lifestyle we can have here and the cost of living being so much less expensive, it's hard to beat the quality of life."

Where Investment Meets the Neighborhood

'TECH' TOWN



South Side Slopes. Photography by John Altdorfer

Technology, emerging technology companies, and the facilities where they are located have helped to create a new economy for the City of Pittsburgh and stimulate economic development throughout our neighborhoods.

When you think about places that are attracting emerging technology companies and highly skilled workers to our region, like SouthSide Works, Pittsburgh Technology Center, and Google's new home – Bakery Square, you most likely are thinking about places that exist in large part because of the creativity and investment facilitated by leaders from community, business and government, including the Urban Redevelopment Authority of Pittsburgh (URA).

These developments have reinvigorated neighborhoods like the South Side, Lawrenceville, East Liberty, Downtown and many others that are attracting people and new businesses. And that is no accident.

"It takes a proactive and dedicated consortium of private, public and community interests

to come together to realize the creation of great places," says Tom Link, manager of the URA's Business Development Center. "The URA, through financing and the vast expertise of its ardent staff, has been an important partner in the continuing realization of Pittsburgh's new economy."

That investment has paid off, and the numbers speak for themselves in considering the positive economic impact these developments have spurred and tax revenue they generate.

The URA reports that public investment in the SouthSide Works, Pittsburgh Technology Center and Bakery Square has leveraged over \$823 million in direct private investment into these projects and created over 6,000 permanent jobs. These centers alone pay about \$5 million annually in real estate taxes.

Where Investment meets the Neighborhood

The City's purposeful strategy of place creation has been a catalyst for hundreds of companies to start, grow and create jobs.

"This investment and these companies

combine to create invigorated communities – that means new economic vitality and quality of life for neighborhoods and business districts," says Link. "From the new resident who buys a house and invests in their neighborhood, to the neighborhood small business that experiences a growing customer base to the tax coffers that find new revenues, the technology economy has touched all aspects of our city life."

Today Pittsburgh is competing globally for companies and highly-skilled workers, many of whom want to live, work and play in the same place. Neighborhoods that have been revitalized through large scale developments like SouthSide Works and Bakery Square, have become a strong recruitment tool for these companies and their talented employees. Major corporations like retail giant American Eagle and Google have recognized their employees' desires for urban lifestyles and moved and expanded their operations into these newly created places.



Max Fedor, President & CEO, BioSafe, in his office at the Pittsburgh Technology Center. Photography by John Altdorfer

Investing in Pittsburgh – and the future.

Since 2008, the URA has directly invested \$1.9 million in startup and growing high tech companies through its loan programs, such as the Pittsburgh Entrepreneur Fund, and through its investment in the Pittsburgh Central and Greater Oakland Keystone Innovation Zones.

URA financing leveraged an additional \$9.3 million in capital for Pittsburgh-located startups and early stage companies.

Why Pittsburgh?

One of Pittsburgh's many success stories, BioSafe, a company transitioning from startup to commercialization stage, manufactures and sells an antimicrobial polymer, HM 4100.

BioSafe's technology has a wide range of applications from consumer products like sports equipment to medical products like surgical masks. Its method of kill does not promote drug resistance and is not toxic to humans or animals, making it a promising candidate for skin and food contact applications. The BioSafe polymer is a proprietary compound that is an additive for many plastics in use today, with superior physical properties and economic benefits.

The URA provided a total of \$200,000 in funding from its Entrepreneur Fund, helping the company to grow. That support and investment is something Max Fedor, BioSafe president and CEO, sees as just one of the many advantages to operating in Pittsburgh.

"It comes down to access," Fedor says, "the town, the talent, the universities, and creating a sense of growth."

Fedor, who previously was an executive in residence at the Pittsburgh Life Science Greenhouse, says BioSafe's location in South Oakland, close to the many universities, is advantageous. Being centrally located, the company can draw from the university environment, tapping stu-

dents to assist in lab functions as well as marketing and also be accessible to employees who live in a number of surrounding neighborhoods.

"It's nice being in close proximity," Fedor says. "I think it would be harder if we were in an outlying area." Often the firm will utilize university labs as well as Downtown labs, so their current location is key to their success.

Bringing it Home

While new places like SouthSide Works and Bakery Square, among others, have realized the benefits of the City's support and investment, becoming large economic drivers in their

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neighborhoods, surrounding neighborhoods and infrastructure also are realizing these benefits. One such example recently occurred in the South Side Slopes.

The South Side Local Development Company (SSLDC) and South Side Slopes Neighborhood Association, partnered with the Community Technical Assistance Center (CTAC) to help them complete a South Side Slopes property condition survey.

"SSLDC called us because they had a Day of

Caring when nearly 200 volunteers from DeLoite Consulting would be in the neighborhood to help," explains Karen Brean, CTAC executive director. "They were struggling to come up with a project and wanted to make the most of the opportunity."

The immediate issue was figuring out how to organize, educate and maximize use of the volunteer core.

"They realized they would have a lot of volunteers who probably didn't have expertise in property data collection," explains Shelley Harnett, who helped to coordinate the project.

Realizing that most of the volunteers would likely have smartphones, CTAC started to look for ways that the volunteers could use their own phones to conduct the property condition survey – so they developed a blog-type website where instructions for the volunteers were posted and where the volunteers could look for answers to their questions.

Volunteers hit the streets conducting an overview of building and lot conditions, and identified properties for intervention. That information was delivered to landlords and the city so that appropriate action could be taken.

"This is just one example of the potential to work with local firms to develop applications that are specific to neighborhoods' needs," says Harnett. "There is a lot more potential for partnerships."

YOUNG ENTREPRENEUR: Jessica Trybus

Founder and CEO of Etcetera Edutainment

Young entrepreneurs like Jessica Trybus, founder and CEO of Etcetera Edutainment, a company that develops game-based training simulations for large corporations, recognize the many benefits, both professional and personal, of living and working in Pittsburgh.

A Pittsburgh native, Trybus left to work in the Silicon Valley for three years, but returned to her hometown about 10 years ago. She founded Etcetera Edutainment in 2005 after earning her master's degree from Carnegie Mellon University's Entertainment Technology Center.

When she and her husband, also a Pittsburgher, returned to town, she really wasn't thinking about pursuing an advanced degree, but found herself drawn to the CMU program. "It gave me a whole different lens on Pittsburgh," says Trybus.

When Trybus started her company, she realized there were many advantages to being located here – cost of living, the cost of starting an enterprise, and community support. "Everyone here is accessible and helpful," she says, "and everyone seems to want you to win."

That support and encouragement included a \$200,000 loan from the Urban Redevelopment Authority of Pittsburgh's Entrepreneur Fund, which has helped the company to grow its business by supporting sales and marketing efforts.

When Trybus started her company, she realized there were many advantages to being located here – cost of living, the cost of starting an enterprise, and community support.

Already experts on the technology and development side of the business, Trybus explains that the company needed to work on understanding how to market and sell their products.

Etcetera Edutainment's stated mission is to become a leader in virtual training software for industry safety and education. Products developed by the company are utilized for training in industrial safety, healthcare, education and more.

She says the company has utilized the URA funds to bring on sales and marketing staff and to develop a sales model for their products. "These funds are giving us a runway until we get the traction we need," Trybus says.

Support of technology startups, like Etcetera Edutainment, has been a priority for the URA.

"Because of what we do, the URA is creating an infrastructure and opportunity for young entrepreneurs and technology companies to play, stay and attract others," says Rob Stephany, executive director. "It is critical that we support young entrepreneurs and their companies, and have support in place for more advanced companies as well, so they



can take their products to the larger market place."

Besides the community and financial support the company has received, Trybus says quality of life is another large consideration for building and keeping her company in town.

"This is the best place to be," she says of the company's offices in the Strip District's Crane Building. "The space is wonderful and conducive to collaboration, and the building owners are great."

A long-standing local treasure, the Strip District itself has been reinvigorated in recent years due in large part to the development efforts of the URA.

Some of the amenities Trybus and her staff now enjoy are being able to bike to work, something especially important to the type of young talent the company is looking to recruit. And, the lively neighborhood is accommodating to employees' lifestyle needs with coffee shops, grocers, restaurants and more just steps away.

"It has a really nice community feel, and people are happy because things are so accessible. You don't have to get in your car and drive somewhere to get something to eat."

It's that sense of community the URA is striving to help create, and something the organization hopes that young entrepreneurs and highly-skilled workers will embrace.

"Our goal is not only to provide financial support for young startups but also to develop the facilities and neighborhoods in which they are located," says Stephany. "It's building a cluster of talent by creating wealth and knowledge in the community." Stephany says.

THE HISTORY OF THE PITTSBURGH TECHNOLOGY CENTER



Pittsburgh Technology Center grounds before and after. Photography courtesy of RIDC

The latest wave of large scale “Brownfield” redevelopment in the Pittsburgh region began in the 1980’s as the site formerly owned by the J&L Steel Corporation, and later by the LTV Corporation, was redeveloped through the public-private partnership of the Urban Redevelopment Authority and the Regional Industrial Development Corporation of Southwestern Pennsylvania (RIDC). This project is now commonly referred to as the Pittsburgh Technology Center.

This redevelopment has served as a model for adaptive reuse of former-industrial property for the next generation of riverfront projects in Southwestern Pennsylvania as well as similar efforts worldwide. Undertaken at a time when the term “Brownfield” was not part of the real estate development vernacular, this project is heralded today by many as one of the most critical urban economic development efforts of its time.

As the decade of the 80’s began, the LTV Steel Corporation had ceased its steel making operations located on the 48 acre site located on the northern bank of the Monongahela in the City of Pittsburgh. They had contracted with the Park Corporation of Cleveland to sell the equipment, demolish the buildings and develop the property. They began their task of removing and selling many of the assets of the steel making facility, but as time passed, fears developed around the possible existence of unknown environmental issues. Concerned over the potential liability of taking on a project of this scope, Park became open to discussions with other parties to carry out this complex challenge. With no model to follow, the City was unsure who to bring to the table. Mayor Richard Caliguiri, noticed the success that RIDC was having in their suburban developments and asked that RIDC consider looking at the site

along Second Avenue. RIDC and the URA devised a plan to undertake this very important economic development effort.

Given the proposed extended period of site preparation, RIDC asked that the URA own the property. RIDC then contracted to remediate and remove the remainder of the structures and begin master planning the site for future development. At the same time, MetalTech Corporation, who had acquired a number of acres directly from the LTV Corporation, was building their sheet steel galvanizing operation on the western end of the site. Once fully cleared, the property sat for an extended period as the fears of subsurface environmental issues worked against the property’s marketability. Carnegie Mellon University President Robert Mehrabian, a chemist by trade, decided to conduct a study to determine what existed in the soil and how to mitigate the issues associated with it. The study concluded that there were isolated areas of environmental substances, but that it wasn’t wide scale and that there was no migration of the constituents into the adjacent river. If the existing soils could be left undisturbed, there would be no harm. This included a plan for the off-site disposal of any soils that would be disturbed by the future foundations for the new development. RIDC then concluded that if the site elevation was raised by 4 to 6 feet, that all future utilities and infrastructure could be placed on site and still meet the criteria of the CMU plan. The URA then provided clean fill and excavation from all city projects to the site.

Once the site had been prepared, and RIDC commissioned the design and construction of the primary road work through the property. Carnegie Mellon and the University of Pittsburgh chose to lead the way and be catalysts for what is now known as the Pittsburgh Technology Center

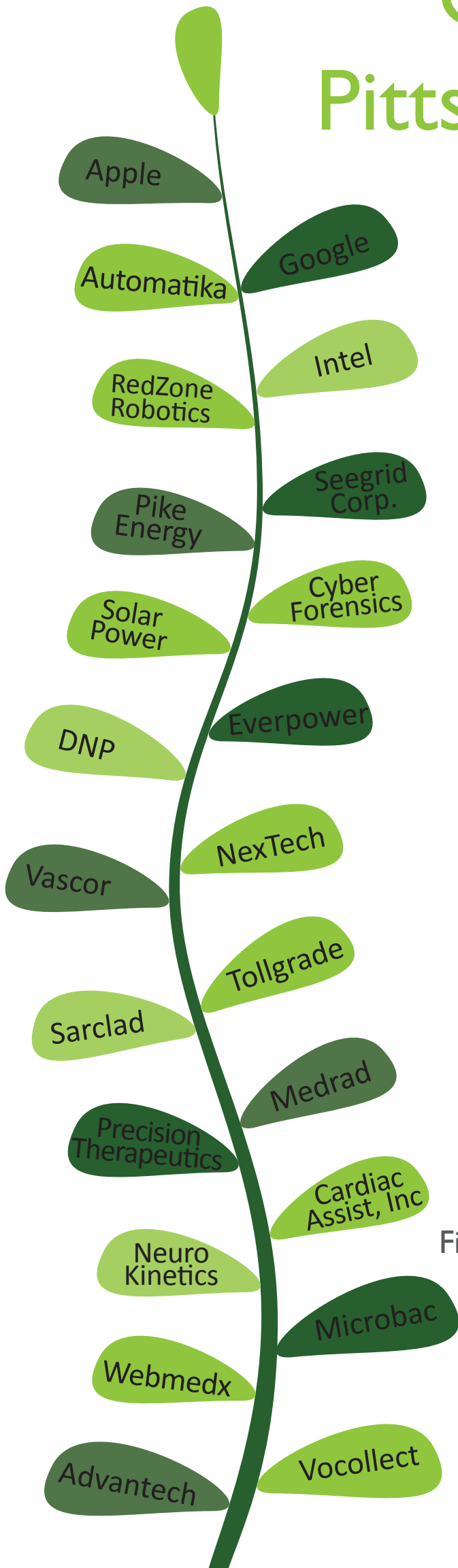
(PTC). Constructed in 1991 was the Carnegie Mellon Research Institute building. The University of Pittsburgh followed with the second building, the Center for Biotechnology and Bioengineering, which was completed in 1992. This activity spurred others to consider the site because of the proximity to the City of Pittsburgh and Oakland. New life had come to this once proud steel making location.

In 1991, RIDC learned of a local company that was considering a move of their research activities to South Carolina. RIDC convinced the leadership at Union Switch and Signal to remain here in Pittsburgh and as an incentive put together a competitive package to finance, build and lease 175,000 square feet in the third building on the site. The URA assisted by building a much needed multi level parking structure to support the growth of Union Switch. Today Union Switch and Signal employs approximately 500 people on site.

In 1995, RIDC built a second building known as 2000 Technology Drive which houses The Pittsburgh Technology Council, The Technology Collaborative, Innovation Works, Catalyst Connection and Pike Energy Solutions. The PTC site now has just 7.5 acres left for development.

Today, the Pittsburgh Technology Center represents one of the most successful planned inner city industrial developments for R&D as well as a prosperous adaptive reuse of a former steel site. It has paved the way for additional projects such as the Collaborative Innovation Center on the campus of Carnegie Mellon University. The PTC serves as a driver for further repurposing of real estate properties from Pittsburgh’s previous industrial revolution for use in the city’s technology-driven economic future.

Growing the future of Pittsburgh in our facilities



RIDC is proud to have helped cultivate these firms and firms like them in our facilities, growing the technology and R&D sectors that represent the future of the Pittsburgh economy.

Aiding in the diversification and growth of the region's economy with research and technology has been a key component of RIDC's development since its inception in 1955.

From local start-ups to global technology giants, RIDC provides real estate solutions to help the region leverage our university, corporate and technology assets.

Find out how we can help your company at www.ridc.org



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