

# POSITIVELY PITTSBURGH

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**/// EAST LIBERTY IS  
BOOMING**



*“The City of Pittsburgh and URA, along with other governmental and non-profit agencies, is committed to working with the East Liberty stakeholders to realize their shared vision for revitalization.”*

## Letter from the **MAYOR & URA**

Over the past decade, East Liberty has returned itself to a healthy residential and business destination of choice. This transformation didn't happen by accident, but with thoughtful strides taken by community, business and government.

Thousands of community members, development professionals, investors, and business and government leaders, came together to capture a collective vision for the neighborhood, which now serves as a road map for East Liberty's future.

This team approach to revitalization has led East Liberty to realize success evidenced by increased home values and homeownership, as well as a changed commercial marketplace. Mixed retail development projects have seen national retailers such as Whole Foods, Borders, Trader Joes and Home Depot locate here.

The success of these projects and businesses has attracted the attention of national retailer, Target, who will open the only urban style store in the region next year in East Liberty. Not only will this project create hundreds of jobs for community residents, it will also provide an outlet for quality, affordable goods.

This neighborhood offers investors and developers valuable opportunities with its close proximity to major economic engines like the University of Pittsburgh, Carnegie Mellon University, UPMC hospitals and the burgeoning biotech industry. Connections between adjacent neighborhoods and development sites will be formed through public investments into large scale infrastructure improvements.

The City of Pittsburgh and URA, along with other governmental and non-profit agencies, is committed to working with the East Liberty stakeholders to realize their shared vision for revitalization.

We invite you to learn more about this evolving neighborhood, and to find your perfect opportunity to partner with us in its continued transformation.

Sincerely,

Luke Ravenstahl  
Mayor, City of Pittsburgh

Rob Stephany, Executive Director  
Urban Redevelopment Authority



# TAKING A BITE OUT OF EAST LIBERTY

In East Liberty, diners can take a culinary journey around the globe without ever leaving the neighborhood.

An emerging “restaurant row” offers tempting cuisine to please nearly every palate. The diverse ethnicities represented in the bustling restaurant district harken back to East Liberty’s multi-ethnic roots.

Now restaurant-goers may sample authentic Ethiopian cuisine in two different venues, indulge in sweet or savory crepes at Paris 66, sample pan-Asian delicacies from around the Pacific Rim at Plum, and much more, from Mediterranean, to Caribbean, to regional American cuisine and others.

Some of the early pioneers of East Liberty’s vibrant restaurant scene include James Wallace, owner of Abay, the area’s first Ethiopian restaurant, and Justin Strong, owner of the Shadow Lounge, which opened in close proximity to already established spots along the Shadyside border like Buffalo Blues and Casbah.

When Wallace, a former attorney, opened his restaurant six years ago, many of his colleagues questioned his decision and wondered how he could make a go of a restaurant offering a cuisine that was not established in the market in a neighborhood that was perceived as being dangerous and violent.

But Wallace believed in his vision. He had been a patron at the Shadow Lounge and became friendly with owner Justin Strong. He thought about how that establishment was helping to improve the nightlife of the neighborhood, and the city.

Well-traveled and well-educated, Wallace made a decision to stay in Pittsburgh, but he realized that if he was going to stay here he wanted to do something “cool” and progressive.

“The nightlife scene here was not so cool, and there was no Ethiopian food. I thought I could be the first in a neighborhood that had a lot of potential.” At that time, there were few business incentives and programs in place for him to leverage, except for a façade program to help with the building itself. He chose to move forward with his enterprise and funded it privately, purchasing the site in June 2003 and opening one year later.

“I thought I was taking a calculated risk,” he explains. That risk has paid off. As development continues to improve the vitality of the neighborhood, both commercially and residentially, restaurants and other independent businesses are realizing the benefits.

“Six years ago, East Liberty needed a restaurant,” says Rob Stephany, executive director for the Urban Redevelopment Authority of Pittsburgh. “Now you can go the neighborhood and choose from a variety of places to eat.”

Stephany credits that neighborhood accomplishment to strong public/private partnerships. The URA has supported restaurants in the area through direct investment as well as by investing in the real estate in which many restaurants are located.

One of the neighborhood’s newer establishments, Paris 66, which opened in June 2009, has received such support from the URA. Owner Frederic Rongier says he utilized a \$10,000 grant to help him improve the façade of his historic building, which is believed to be one of the oldest in East Liberty, helping to transform the site into an authentic French bistro.

Rongier, who lives nearby in Highland Park, was a fan of East Liberty and a frequent patron at the nearby Kelly’s Bar & Lounge and the former Red Room, now Spoon.

“When I bought the building, I didn’t know East Liberty was going to change so much,” he says. Improvements such as the two-way traffic patterns and additional big-box retailers came as a welcome surprise.

Speaking to the neighborhood’s once prestigious, then troubled past, Rongier says. “It’s like back to the future here. It’s very exciting to me to see that everything is changing and people are excited that we are here.”



# YOU CAN GO HOME AGAIN

East Liberty has rolled out the community's welcome mat for new residents – individual and corporate.

Once the preferred shopping destination and address for some of the city's wealthiest residents, East Liberty has survived through decades of decline to emerge as a rejuvenated neighborhood where new housing and commercial opportunities are resurrecting the community and elevating it to its former prestige.

One of the key elements of the community's rejuvenation is housing. The towering high-rises that once loomed over the neighborhood have come down, revealing views of East Liberty's historic landmarks and new developments. Penn Circle, which served more as a barricade rather than the attraction the ill-fated Urban Renewal plan of the 1960s intended, is being converted back to a two-way traffic pattern, allowing residents and visitors easier access to all the neighborhood has to offer.

Those run-down, sub-standard housing units are being replaced with variety of mixed-income housing opportunities developed by a mosaic of public and private partnerships dedicated to promoting home ownership and quality rentals

that will build the strength of the community, its market and its residents.

## A PROUD YET TROUBLED HISTORY

At one time, East Liberty was a retail destination that rivaled downtown. Until the 1950s, it was the third largest downtown in Pennsylvania, just behind Philadelphia and Pittsburgh, according to East Liberty Development (ELDI). But as changing market forces took their toll on the community and the Urban Renewal plan was set in motion – the intended revitalization actually had the opposite effect and exacerbated the community's troubles, explains Nate Cunningham, director of real estate development for ELDI.

"East Liberty hit bottom," he says, "and was one of the worst neighborhoods in terms of vacancies, crime and overall perception."

A decade ago, East Liberty had more than 1,500 units of poorly managed housing, including public and privately-owned, according to Rob Stephany, executive director of the Urban Redevelopment Authority of Pittsburgh. Now

that portfolio is significantly smaller.

Planning has been a key to that success. The neighborhood's long history serves as an essential element to future planning, according to Cunningham.

"We can learn from the past and see what succeeded and what has not succeeded and what parts of the community have survived well." And that, Cunningham explains, will help stakeholders in the planning process to determine what will create long-term value.

## THE TIPPING POINT

East Liberty is realizing renaissance that had eluded some of its neighboring communities.

"There are a few things that have always worked in East Liberty's favor," explains Cunningham. A strong demographic profile is at the top of the list.

There are 365,000 people living within a 10 minute drive of East Liberty, according to ELDI. The median annual income among those households is \$85,000, which is significantly higher



**TOP:** Volunteers plant trees along East Liberty Boulevard.

**BOTTOM:** Mayor Luke Ravenstahl alongside residents and volunteers in East Liberty.

*“All of us are making this happen...”*

*Partnership is why this is happening. We are always open to make new partnerships so we can complete our plan.”*

#### **PARTNERSHIP**

Much of the success in East Liberty’s renaissance lies in strategic partnerships, according to Myers, and ELDI continues to seek new ones. Key to that success, Myers explains, is to match the right opportunity with the right partner. “We work with a wide variety of partners, from small-scale house flippers to large developers who are working on tax credit projects. ELDI reaches across to find deals that are appropriate for each one of them, to find the best partner for the project.”

For instance, ELDI partnered with Open Hand Ministries, an organization that offers a comprehensive approach to home ownership for low-income families. One beneficiary of that support purchased a house in the area for \$50,000. A few years later, a Google transplant looking for an energy-efficient home from which he could bike to work built a new house next door for \$315,000. It is one example of how mixed income housing can serve to build equity in the neighborhood.

“It creates value for all and it all starts in the planning,” explains Cunningham.

#### **A BRIGHT FUTURE**

Developer Steve Mosites, Jr., president of The Mosites Co., the force behind Eastside, says that he sees housing as a big growth segment in East Liberty over the next five years. Part of the Eastside III development calls for 80 units of loft-style housing.

Mosites anticipates that there will be an increase in demand for housing in the area, especially after the opening of Target.

TCB is continuing to work with the URA to pursue development on the south side of the street from East Liberty Place toward Whole Foods and plans to develop 75 units of housing along with retail space at East Liberty Place South.

“We really have to hope our approach this time will have a positive change,” says Dudukovich. “We hope time treats us better than the past.” As ELDI continues its mission to build a stronger community, Myers looks to continued success with partnerships: “All of us are making this happen. Partnership is why this is happening. We are always open to make new partnerships so we can complete our plan.”

than that of the city (\$28,000) or county as a whole (\$50,000).

“East Liberty exists in an interesting axis of poverty and wealth,” says Cunningham. And community leaders are dedicated to making sure that there is opportunity for quality housing across that spectrum.

“The Housing Authority has done a remarkable job of repositioning mixed income housing in East Liberty,” says Stephany. “The community, tenants, and developers in East Liberty did a remarkable job of figuring out how to reposition.”

#### **A SUCCESS STORY**

It may seem as though the rebirth came to the neighborhood suddenly, but the benefits that are beginning now to show are the result of a concerted planning effort that started nearly 15 years ago, explains Maelene Myers, executive director of ELDI.

“We started with an energized community to plan for the future,” she says.

One of the organizations that is invested in the community’s future is The Community Builders (TCB), a national non-profit that specializes in redeveloping multi-family properties. In the mid-1990s, there were 600 units of troubled, HUD-assisted housing in East Liberty, says Tamara Dudukovich, regional director of development for TCB.

The neighborhood’s former highrises, the three HUD-subsidized Federal American properties, were operated by an absentee landlord who was not interested in maintaining or reinvesting in the properties, she explains, and that led to run-down conditions, increased crime and a negative effect on the neighborhood.

One of TCB’s first projects was the former Pennley Park Apartments, a 300-unit building at Penn and Negley with substantial vacancies. Now Pennley Place, a mixed income development, it has served as a catalyst for change, according to Dudukovich, who says the organization is working incrementally to develop similar housing stock.

Another TCB effort, East Liberty Place North, a mixed-income property that sits on the site of the former East Mall Apartments, opened in the summer offering 54 units situated above 11,000 square feet of commercial space.

“Now we have well-managed, mixed-income housing combined with market-rate units in the heart of the neighborhood,” says Stephany. And those units are in high demand with some keeping long wait-lists.

“It’s verification that this great, authentic, diverse neighborhood is very competitive” he says. “People want to move here for the walkability, the diversity and the urban feel. Great things are happening.”

# BOOMING BUSINESS

When Target opens its doors in East Liberty next summer, it will be keeping good company.



Other national retailers who have set up shop in the neighborhood are among their companies' top performing locations.

East Liberty Development (ELDI) reports that retailers like Whole Foods and Home Depot are some of their chains' highest volume locations. In its first year of operation, Whole Foods nearly doubled its anticipated revenue and Home Depot continues to be one of the company's highest yielding stores.

Home Depot was the first of the big-box retailers to land in the neighborhood, opening in 1999 on an abandoned Sears site, but that opening was not without controversy.

"It landed like a UFO," says Rob Stephany, executive director of the Urban Redevelopment Authority of Pittsburgh. "It was disconnected from the main street, but it did bring people back to East Liberty and changed the dynamic of people's perspective."

Home Depot was not the economic driver officials had hoped it would be, according to Stephany. But it did mark the start of things to come for the neighborhood, which now is being resuscitated by new commercial and residential development.

Another pivotal accomplishment for East Liberty's shopping corridor was the opening of Whole Foods at Eastside in 2002, which Stephany says unleashed the viability of the neighborhood from a retail perspective.

Developer Steve Mosites Jr., president of the Mosites Co., refers to Eastside as a "zipper development" connecting the formerly down-trodden East Liberty with the tonier Shadyside neighborhood. "Our goal was to blur the lines," says Mosites, "and I think the community has done that."

Initially, Mosites explains, his company was looking for a site for Whole Foods, but when the site was found, Whole Foods was not interested without knowing what the plan was for future development in the area. And, one of Whole Foods' requirements was two-way traffic patterns in front of the store.

Mosites credits the partnership efforts of ELDI, Streetworks, the city and other supporters for banding together to make the project work and joined forces to get the road project designed, financed and constructed within one year.

Other successes followed, including Bakery Square, the mixed-use development that has enlivened Penn Avenue and now is home to Google. Eastside also has continued to expand into multiple phases stretching through the neighborhood to the new Target site, which is already under construction and creating local employment opportunities.

The boom created by the success of these neighborhood developments and their national names are continuing to draw shoppers to the neighborhood and elevating independent

locally-owned shops and enterprises.

Target, situated in phase five of EastSide, will be one of fewer than 10 elevated urban locations offering parking underneath the store, with a full line of merchandise and products, according to Mosites.

He anticipates that Target will change the shopping patterns in the neighborhood and that will help other stores by bringing more customers to the area. Also, he expects that other stores will want to be situated nearby and this will help to strengthen the community.

"Because of that success, people are coming into the neighborhood to shop," says Nate Cunningham, director of Real Estate development for ELDI.

Maelene Myers, executive director for ELDI, calls the performance of the large retailers in the neighborhood "amazing" and asserts, "East Liberty used to be a regional draw and it will be again."

Local independent enterprises also are benefiting from the new connections and the draw of the larger big-name businesses. Frederic Rongier, whose Paris 66 bistro opened in June 2009, credits Mosites and the EastSide development for much of the neighborhood's success. "Mosites has really changed the area, starting with Whole Foods. They did such a good job. Thanks to him, the whole community has changed."



## DOLLAR BANK & EAST LIBERTY: *NEIGHBOR-TO-NEIGHBOR*

The relationship between Pittsburgh's East Liberty neighborhood and Dollar Bank is emblematic of the nature of Pittsburgh's oldest bank and the nation's largest mutual savings bank.

"We work very hard to understand our region's people and their needs," explains Mona Generett, Dollar Bank's VP for Community Development. "We also feel that we have a unique responsibility and the capacity to help meet those needs, especially the needs of city neighborhoods like East Liberty."

A well-respected commercial real estate lender, Dollar Bank is often asked to take the lead on a number of sophisticated urban development projects. Over the years, the bank has worked with federal, state and local governments to help reclaim abandoned steel mill sites and retool former school buildings into apartments specially designed for senior citizens.

Three recent projects in East Liberty illustrate the bank's sophistication and creativity used to help older communities revitalize themselves.

**Urban Prototype Homes:** Partnering with the Pennsylvania Housing Finance Agency and Pittsburgh's Urban Redevelopment Authority (URA) along with support from the Heinz Endowments, Dollar Bank made a loan to East Liberty Development Inc. (ELDI) to build six single-family homes in the 700 block of Euclid Ave. Priced between \$216,000 and \$299,500, these homes incorporate green designs that annually save the homeowners 40% on their energy bills and are intended to be replicated in urban communities across the country.

**East Liberty Place North:** Again working with the URA, Dollar Bank made a multi-million dollar loan to the non-profit developer, The Commu-

nity Builders, to construct a 54-unit apartment building with first-floor retail in the 5800 block of Penn Ave. Key to the success of this project was the acquisition of federal low-income housing tax credits.

**Dads House:** Working with the Federal Home Loan Bank and the URA, Dollar Bank made a loan and an equity investment to construct rental units in four buildings located on Clair Blvd. and East Liberty Blvd. Some of these units will house

A well-respected commercial real estate lender, Dollar Bank is often asked to take the lead on a number of sophisticated urban development projects.

homeless men from Safe Haven. Low income housing tax credits were also an important part of this project.

"The best way to insure success with urban revitalization projects is to make sure we work with local community groups like ELDI, who have a good understanding of the community's needs, have designed a strategic plan for their community and possess the expertise to see that plan through," explained Generett.

"Buildings alone however, do not make a neighborhood," Generett observed. "From our earliest days, Dollar Bank has always focused on people."

Dollar Bank was the first bank to recognize the



need to provide credit counseling to low- and moderate-income borrowers who had been shut out of the mortgage market because of poor credit. Participants in the bank's award winning Credit Enhancement Program are told 'not yet' instead of 'no.' As a result, thousands of people have been able to break the cycle of poverty and become homeowners.

Generett has been a pioneer in her own right. More than a dozen years ago, she concluded that female heads of households had a unique set of hurdles beyond simply financial that were preventing them from becoming homeowners. "These women had been told all their lives by family, friends and neighbors that 'Honey there's nothing you can do about your situation,' Generett said. "If we gave them the information and the encouragement, I believed that many of these women could overcome those extra hurdles too." Thousands of women have attended Dollar Bank's annual 'Mortgages for Mothers' seminar and become homeowners. "The motivational stories of women cleaning up their credit and moving from public housing to their own homes makes all the hard work worthwhile," she explained.

"I believe that part of our advantage is that we are a mutual institution without the push and pull of stockholders to distract us from our mission," Generett continued. "Whether we deal with individuals, businesses or non-profits," she said. "We approach every relationship neighbor-to-neighbor."

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# What's the value of a Dollar?

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