

Forging Our Future with Public-Private Partnerships



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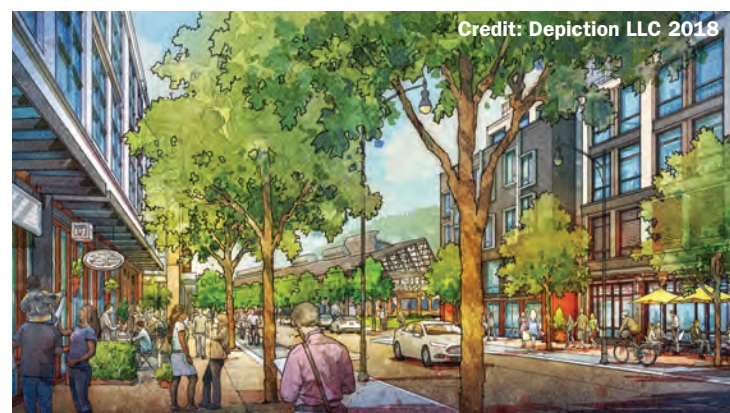
The Pittsburgh region has long sought to leverage public and private sector resources to face its challenges and transform its economy. It is a heritage that dates back 75 years and continues today. Here's a look at some of the partnerships driving the next era of the region's transformation.

Hazelwood Green

In 1998, LTV Steel's coke plant in Pittsburgh's Hazelwood neighborhood. It was the last big steel plant in the city and once shuttered, turned into the city's biggest brownfield. Located in a struggling city neighborhood and impacted by more than a century of heavy industrial use, the 178-acre parcel represented a daunting challenge to return to productive purposes. In the end, it represents one of the region's greatest examples of collaboration.

In 2002, Almono LP was formed by four Pittsburgh foundations to purchase the Hazelwood site from a bankrupt LTV for \$10 million to ensure that a thoughtful, deliberative development plan would be created that would provide maximum benefit. The Regional Industrial Development Corporation (RIDC) cleared and remediated the site, and in 2013 the Preliminary Land Development Plan (PLDP) was approved by the city.

Infrastructure development soon followed, and in 2017 construction began on the first building, a conversion of the former rolling mill building into Mill 19, a three-phase office development. The region's non-profit community stepped up to drive the first phase of Mill 19, a three-story, 94,000-square-foot first building. Carnegie Mellon leased two floors for the Advanced Robotics for Manufacturing Institute and the Manufacturing Futures Initiatives, while Catalyst Connection, which assists smaller and mid-sized



An illustrative vision for Hazelwood Green

manufacturing companies, committed to 8,000 square feet, leaving 24,000 square feet still to be leased. Throughout the process, nearly a dozen public sector entities provided financial assistance and support.

Now it's the private sector's turn with a private company linked to the region's autonomous vehicle industry considering leasing Mill 19's second phase. Meanwhile, an RFQ has been issued to developers to launch development of the next 27 acres.

Hazelwood Green is now set to build upon the successful public-private partnerships that created the Pittsburgh Technology Center and Southside Works and leverage the continuing growth in Oakland to revitalize Hazelwood.



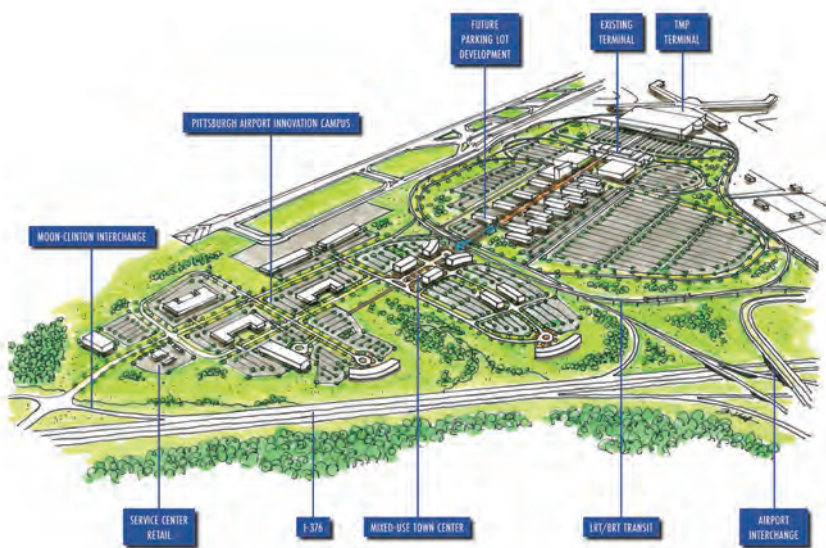
Credit: Richard Kelly / Rivers of Steel

Carrie Furnace

For decades following its 1978 closing, the Carrie Furnaces silently loomed over the Monongahela River. While its companion property across the river was redeveloped into the Waterfront, the 168-acre furnace parcel languished as accessibility was a challenge.

In 2005, the Redevelopment Authority of Allegheny County acquired the parcel from the Park Corp. and began making plans for its revitalization. A 20-acre portion containing the historic furnaces has been turned over to Rivers of Steel which transformed it into a historic attraction and event space. Meanwhile, the county has invested more than \$20 million to clear and remediate much of the remaining land. It was elevated above the 100-year floodplain and most critically a flyover ramp, funded with federal grant money, links the property directly to the Rankin Bridge and Braddock Avenue. Pennsylvania Act 2 clearance has been achieved for 65 acres on the north side of the Monongahela, and RAAC will continue activities on the remaining 15 acres of developable acreage in order to receive Act 2 clearance on all northern parcel this year.

Carrie Furnace, at long last, is ready for private development and is currently going through an RFP process. It promises new opportunities to some of the Mon Valley's most depressed communities.



The Innovation Campus at Pittsburgh International

Visitors to Amsterdam's Schiphol airport can't help but notice the series of high-rise buildings adjacent to the terminals containing hotels and offices of companies such as Microsoft, Danone, Citibank, Reckitt Benckiser, Cargill and Samsung. With a wealth of undeveloped land near southwestern Pennsylvania's premier international airport, a similar concept at PIT seems logical.

In December 2018, ground was broken for the Pittsburgh Airport Innovation Campus (PAIC). The 195-acre site has long been targeted for development, and the Allegheny County Airport Authority plans to

have the first sites prepped by 2020. In all, the authority hopes to have 16 shovel-ready parcels available to developers or possible tenants by 2023 to accommodate 1.4 million square feet in a mix of office space, research and development laboratories and industrial manufacturing, as well as a "town center" with restaurants, retail and other commercial businesses. Future phases will occur on the airport's current parking lots as the development of a new terminal is completed.



Credit: Credit: PIT Airport Flickr

In addition to outstanding highway access, the PAIC will be licensed as a World Trade Center site and located within a foreign-trade zone. That means companies that locate there can import goods, manufacture products and resell them outside the United States while also having relief or exemptions from certain duties and tariffs.

As sites become available, the PAIC will present a unique product that will appeal to private sector developers and tenants competing in the global economy.

The Produce Terminal

Pittsburgh's Strip District can be regarded as a firsthand witness to the transformation of southwestern Pennsylvania. Once a hub of the region's wholesale produce business, the Strip and its old industrial buildings, in recent years, have captured the imagination of developers who moved in with upscale housing developments. What's more, Pittsburgh's growing IT and robotics sector has been smitten by the Strip and its ideal location – a stone's throw away from Oakland and universities like CMU and Pitt. More than 50 IT and robotics companies now call a three-mile stretch of the Strip (a.k.a. "Robotics Row"), home. However, the Strip is best known for its eclectic street market along Penn Avenue, which in the last couple of decades has grown from a Saturday morning diversion into an any-day-of-the-week destination.



When Mayor Bill Peduto took office in 2014, an RFP process was launched to identify a private developer who could preserve and transform this aging structure. Chicago-based McCaffery Interests, which had already made its mark in the Strip District by revitalizing the long-vacant Armstrong Cork Factory, was awarded a lease to redevelop the Produce Terminal.

A \$49.5 million project will transform this building into a mixed-use destination to feature a "food-centric" market, offices, restaurants and other retail. The project's impact will extend well beyond the terminal. Pedestrian pass-throughs will provide direct access to the Allegheny River, and McCaffery has also acquired the 1600 Smallman building across the street and plans to transform it into offices. In the center of it all will be a reconstruction of Smallman Street which will not only improve traffic flow but create a space for public gatherings.

2018-19 Rankings and Accolades

1. Pittsburgh named Top 10 Best Places to Live in U.S. – *Livability*
2. Pittsburgh ranked #2 Safest and Most Affordable City to Live In – *Realtor*
3. Pittsburgh Ranked Among Top Three Best Cities in the U.S. for First-Time Homebuyers – *Lending Tree*
4. Pittsburgh Ranked One of the Best Cities for Jobs – *WalletHub*
5. Pittsburgh Ranked #3 Coolest City to Visit – *National Geographic Traveller*
6. Pittsburgh Named Food City of 2019 – *At&co*
7. Pittsburgh is One of Eight Most Digitally Inclusive Tech Cities – *Brookings Institution*
8. Pittsburgh Named Best City for Jobs – *Glassdoor*
9. Pittsburgh International Airport Ranked #7 best medium-sized airport in North America for passenger satisfaction – *JD Power*
10. Pittsburgh is ranked as the 2nd most livable city in the U.S., 1st in the continental U.S. and 32nd in the world – *Economic Intelligence Unit*
11. Pittsburgh Ranked as One of the Best Cities to Start a Business – *Inc. Magazine*

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Transformative Public-Private Partnerships Region-Wide

Strategic partnerships and their power to re-make and revitalize are benefitting communities around the Pittsburgh region. The following were submitted by some of the region's economic development partners in response to a request for a look into which public-private partnerships have been winners and which are ones to watch.



"Arguably, [one of] the most successful public/private partnership in the greater Pittsburgh region has been **Southpointe I & II**. This groundbreaking development – a result of collaboration between Washington County government and the private sector – has been a model for development in our state and has defined Washington County as a leader in economic growth."

– **Jeff Kotula**, President,
Washington County Chamber of Commerce



"The **Leadership Lawrence County project** was re-launched through a partnership between Lawrence County Regional Chamber of Commerce, Lawrence County Economic Development Corp., UPMC Jameson, Westminster College and the Lawrence County Learning Center. In our initial year, we had 17 students apply to participate. Good leadership programs, such as this one, help shape a community's political process over time, which leads to the ability of economic development organizations to close more deals because the opportunity of a lifetime only lasts for the lifetime of the opportunity."

– **Alex McCoy**, CEO,
Lawrence County Regional Chamber of Commerce



"The **redevelopment and preservation of long-vacant former Detective Agency** building in East Liberty stands out because it gave a long-blighted, non-tax producing, derelict structure new economic and community life. This complex, approximately \$10 million project, took the vision and investment of a new-to-Pittsburgh investor and entrepreneur from Portland, Oregon and combined with local economic development partners who had the creativity and professional expertise to bring together a variety of public tools to execute a truly unique and exciting opportunity. But for all of these ingredients – private risk and vision, economic development expertise and creativity, and community partnership – this project would not have happened. Partners included the East Liberty neighborhood of Pittsburgh, URA, City of Pittsburgh, Schoolhouse Electric, Pittsburgh Urban Initiatives (Federal New Markets Tax Credits CDE), Beauty Shoppe, Wells Fargo Bank and Commonwealth of Pennsylvania – resulted in jobs, taxes, new

"Motivated and skilled economic development professionals need motivated entrepreneurs and private and community partners to make great projects happen."

– **Tom Link**, URA of Pittsburgh

business growth and brought the community inside a building that had been shuttered for years. Today, a local coffee shop (The Bureau) brews coffee next to Schoolhouse Electric's retail space while Schoolhouse utilizes local talent to design new product, and the Beauty Shoppe houses some of the region's most promising growing knowledge-based companies in the floors above."

– **Tom Link**, Director, Innovation and Entrepreneurship,
Urban Redevelopment Authority of Pittsburgh



"The **Critical Infrastructure Workforce Academy™ (CIWA)** was conceptualized in 2017 as a public-private partnership to provide standardized workforce development training to utility workers, government and prospective students entering the utility and energy delivery sectors. The utility distribution industry is a critical part of our nation's infrastructure, and the delivery and distribution of power and services to consumers is in constant and growing demand. This delivery is provided by a highly skilled and widespread workforce

"Resources are limited. As needs are identified and projects prioritized, it is becoming increasingly important to have as many partners as possible to get the job done."

– **Michael P. Coonley**, Armstrong County
Department of Economic Development

The Armstrong County Industrial Development Council (ACIDC) staff, consultants and partners have continued to refine the project goals and establish the necessary administrative and organizational framework to deliver a best-

in-class training facility in Armstrong County. Recently, the ACIDC has begun formalizing a partnership with the Energy Innovation Center Institute – a non-profit whose mission is to help transform how humans interact with energy and technology. The EICI is the public programming and training arm of the Energy Innovation Center (EIC).

Designed as a 20-acre simulation city – complete with residential, commercial and industrial "neighborhoods" – CIWA is supported by the utility industry as a means of improving public safety, attraction of a new workforce and advancement of energy sector research. Electrical and communication center; water, sewer and gas facilities; smart home, city and grid sim center; district power; micro and nano grid mock training facilities; and specialized wind and solar installation and maintenance facilities are proposed. The center will simulate the ecosystem where multiple utilities are co-located, just as they are in the field with new technologies married to legacy infrastructure. The partnership will allow for the training, research and testing in a large-scale field simulation."

– **Michael P. Coonley**, Executive Director,
Armstrong County Department of Economic Development



"The **Bechtel Plant Machinery, Inc. (BPMI) expansion** project in Monroeville stands out as a great public-private partnership that has seen the private development community team up with public agencies to assist with a project build-out that has brought new jobs to the community. The Elmhurst Group, the Municipality of Monroeville and the Redevelopment Authority of Allegheny County have all partnered to assist with the expansion of a new addition to Elmhurst's existing building that BPMI leases. The partnership over the years has included making private roads public, infrastructure upgrades and a Local Economic Revitalization Tax Assistance program all in an effort to allow BPMI to grow to approximately 700+ jobs with even more expansion and growth on the way. The jobs that are continually being added are positions that allow for family-sustaining wages in the Monroeville community of Monroeville, which has great quality-of-life assets for its residents."

– **Lance Chimka**, Director,
Allegheny County Economic Development



Credit: VisitLawrenceCounty.com

“Public-private partnerships have allowed Allegheny County to grow into a destination for new industries that impact the worldwide economy. From artificial intelligence to robotics to an ever- expanding healthcare industry, PPPs have lead the way.”

– **Lance Chimka**, Allegheny County Economic Development

Regional Public-Private Partnerships to Watch

“The **Mon Valley Alliance**, which has brought together businesses and governments in the Mon Valley region to work cooperatively to re-imagine that area and position it for growth.”

“**New Visions**, a not-for-profit [organization], is working to be a catalyst for building community in Lawrence County. With both public and private sector leaders, this group is engaging the community in activities that collectively support, connect and create opportunities for positive growth.”

“The **URA**, in partnership with the **City of Pittsburgh, Housing Opportunity Fund (HOF)** is one to watch. Growing and sustaining an economy requires an able and available workforce across a wide variety of needs. Having quality housing stock in proximity to employment opportunities is paramount to sustained economic vitality and quality of life. This includes having quality housing stock for all – long-time community residents, service workers, teachers, public servants, young families and

others. When housing opportunity leaves behind some of those who are most critical to sustaining community, the community is at risk of failing.

“The HOF is bringing capital resources and expert professional capacity to help address Pittsburgh’s need for more quality housing opportunities for many of the most vulnerable people in our community. In relative infancy, the HOF with an annual commitment of \$10 million over 12 years, is deploying capital across Pittsburgh into a much-needed new affordable housing development.

“The upcoming PPP that is going to have a major impact on Allegheny County is the creation of the **Bus Rapid Transit (BRT) system** which will connect the Oakland community with downtown Pittsburgh. The creation of this will open up our world-class universities to the Golden Triangle.”



Credit: URA.org