DEVELOPING Pittsburgh

FALL 2021

RECONNECTING
THE HILL DISTRICT

NAIOP Pittsburgh 2021 Awards

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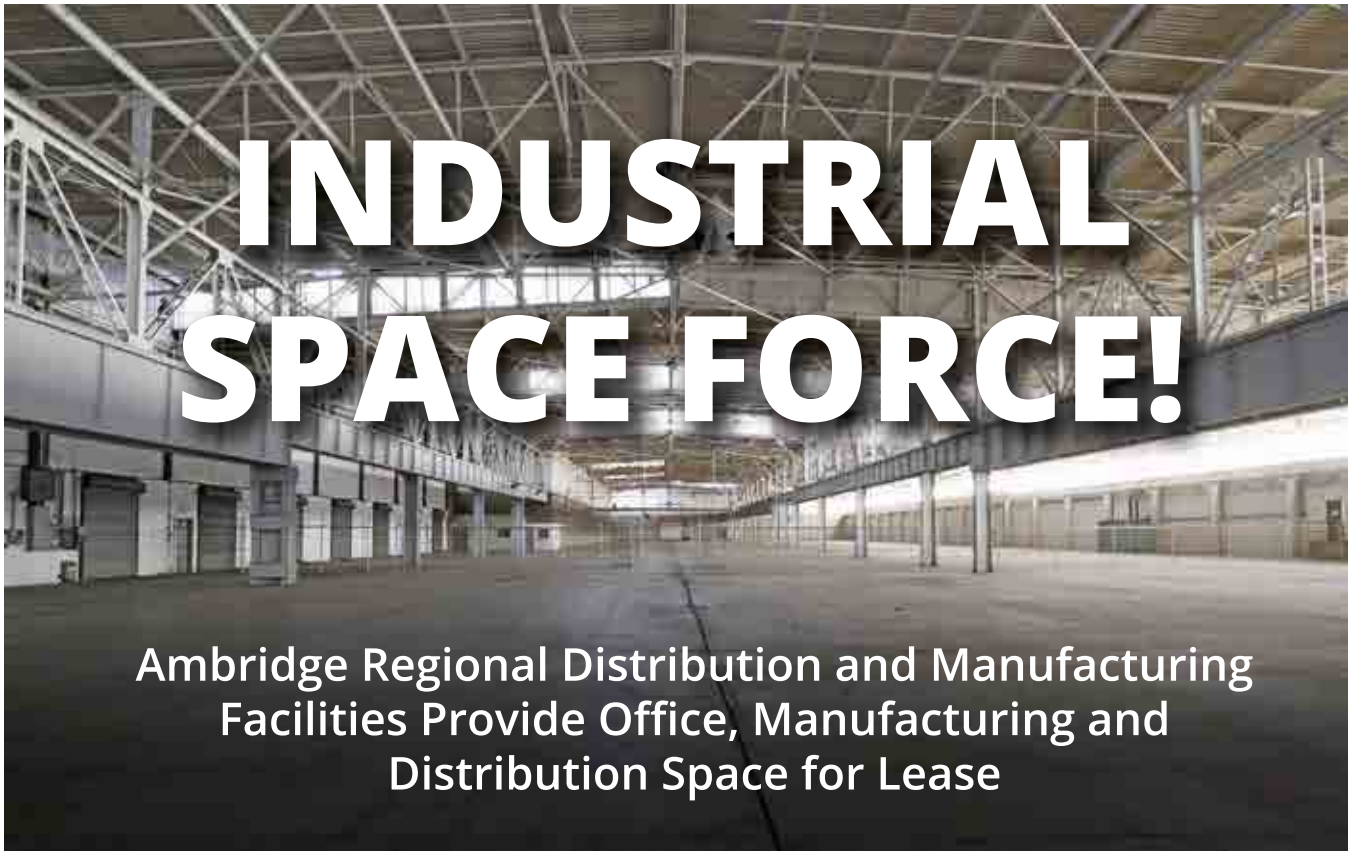
COMMERCIAL REAL ESTATE DEVELOPMENT ASSOCIATION
PITTSBURGH CHAPTER



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Rendering by Gensler

President's Message

As my old friend, Charles Dickens used to say... "It was the best of times. It was the worst of times." That would certainly apply to the past year and now as we slowly emerge from pandemic.

NAIOP Pittsburgh is actually having the best of times. See Brandon's Executive Director report for details. Our chapter has a lot to be proud of as we gather for the 28th year in a row to acknowledge outstanding individuals, organizations, and projects! The 2021 award winners that we are celebrating at this year's banquet are celebrating "the best of times". Many of our developers have had a strong financial year maintaining tenants and moving forward with great projects that will be recognized at future banquets.

The Greater Pittsburgh region has also received national attention for our ability to maintain quality of life and opportunities for investors, and new job seekers. With a housing costs a fraction of the Bay Area, Boston, and Silicon Valley, those in the tech sector see Pittsburgh as a great place to work and live. Over $1 billion per year of construction has been spent at the Shell Cracker Plant for the past six years. That had spawned significant opportunities for development along the airport corridor. The airport is also moving forward with the $1.4 billion terminal modernization program and recently completed a microgrid cogeneration project. This is opening up development of the Airport Innovation Campus where the first buildings will be completed this year.

Amazon is moving forward with multiple projects in the region. Pittsburgh is becoming a magnet for AI and self-driving technology, which is creating a boom for high-end R&D labs and offices in the strip district, East Liberty, and Oakland. Thanks to federal pandemic relief funds, our state, counties, cities, and local municipalities have money to spend on projects. Unemployment is quickly dropping to pre-pandemic levels. Vaccine is available for all who want it. Interest rates remain low, and the stock market continues to climb.

If we NAIOP members knew during the 2020 shutdown that we would be celebrating the above accomplishments at Stage AE with 800 attendees, we would have been very pleased.

This was also the worst of times. Death, long-term illness, depression and mental illness has touched many of us in varying degrees. Many have left the labor market and will not return. A significant portion of the population is not getting vaccinated, therefore slowing our national progress toward herd immunity and allowing variants to proliferate.

The number of retail and service businesses that have closed in 2021 is truly staggering. Many office buildings have tenants that are currently paying rent, but their employees are not in the office. How long will they continue to rent unused space? Disruptions in supply chain for the past 16 months are causing havoc in commodity prices and delivery times. Several construction projects are looking at shutdowns for several months waiting for steel and other items to arrive. Inconsistency and uncertainty within City of Pittsburgh planning and zoning process have many developers wary of making the long-term investment of time and money. Pennsylvania's recently approved state budget is not adequately competing against other states in providing incentives for companies to relocate or expand in Pennsylvania.

So yes, at this year's NAIOP Pittsburgh Banquet we have much to celebrate! And tomorrow we will work together, address problems, and push forward to improve the quality of life for everyone in the Greater Pittsburgh region!!

Jamie White
NAIOP Pittsburgh President

On August 4th we will host nearly 800 of the top leaders in the Pittsburgh Commercial Real Estate community at our 28th Annual Awards Banquet. That we can pull this off is a testament to our members' steadfast support of our chapter. While our banquets are always a celebration of the top CRE projects in the region, this year's awards are also a celebration of our region's resiliency in the face of a global pandemic. We will be celebrating our businesses' resiliency. We will be celebrating our CRE leaders' professional resiliency. And, lastly, we will be celebrating our community's resiliency.

Planning this year's banquet was no small feat. In the fall and winter of 2020, our team had to work with our board of directors, banquet committee, and sponsors to develop a matrix to inform our go/no go decision making. We eventually decided on using vaccination rates as our key metric and decided to move the banquet to Stage AE to take advantage of indoor and outdoor spaces. We are beyond ecstatic that our plans have panned out. I want to thank the members of this year's Awards Banquet Committee for their time and support in planning of this year's event.

While we are focused on celebrating the CRE community on August 4th, we know there is much work to do on the business climate. We continue to advance our advocacy agenda to encourage policies that further development. We plan to engage the incoming mayoral administration early in the hopes of building strong relationships with the development community. We are also actively engaged in the policy debate regarding the appropriations of Pennsylvania's American Rescue Plan funding. As stated earlier, while we celebrate our emergence from COVID-19, we remain vigilant about advancing policies that can unleash development.

I'm beyond excited to see many of you on August 4th. Let us toast to our resiliency and to the Pittsburgh CRE community. See you all soon.

Brandon J. Mendoza
Executive Director
NAIOP Pittsburgh

Reconnecting the Hill District

FNB Financial Center.
Rendering by Gensler Buccini / Pollin Group.

The story of Pittsburgh's Hill District is one that has been often told and yet not fully understood. In summer of 2021, as the first projects in the redevelopment of the 28-acre former Civic Arena site get underway, the narrative of new opportunities restoring the damage wrought by urban renewal is being replayed.

That narrative tends to marginalize the efforts of many in the community who have worked to create economic opportunities during the past 50 years. It also tends to obscure the critical need the city has for reconnecting the Hill District to the economic activities that are developing around it.

Construction of the Civic Arena, which took place from 1958 to 1961, followed nearly a decade of widespread demolition of homes and businesses. Following the prevailing thinking of urban redevelopment at the time, the City of Pittsburgh cleared the way for the new arena and hoped for new economic development to spring up around it. The opposite occurred. Regardless of whether the underlying motives for urban redevelopment were cynical, naïve, or sinister, the results were devastating: 8,000 people displaced from their homes; 413 businesses disappeared; unemployment for persons living in the Hill District climbed above 20 percent; and more than 40 percent lived below the poverty line.

In April 1968, frustration boiled over when Dr. Martin Luther King was assassinated. Angry protests became destructive. Fires damaged or destroyed dozens of the remaining businesses on Centre Avenue. The Hill became hollowed out.

Restoring the community was more difficult than isolating it. Racist real estate practices, like redlining, dampened investment prior to urban redevelopment. The modern infrastructure of the center city – the Parkway East, the widened western Bigelow Boulevard, and I-579 – skirted the edges of the Hill District, allowing those doing commerce to get from Downtown to the east without going through the Hill District. The isolation – typified by three major public housing projects – became self-fulfilling economically.

Throughout the decades that followed, many organizations and individuals worked tirelessly to reverse the economic momentum that stifled growth in the Hill District. But resources needed to do the work were scarce. Organizations competing for scarce resources wasted precious political capital. And even the most ambitious of redevelopment initiatives could not succeed unless the isolation of the Hill was mitigated.

For those not familiar with the streets and topography of the center of the city, it may seem implausible that the Hill District would not be teeming with opportunity today. Look at a flat map of the area. Even with a sagging office market, the CBD is the heartbeat of the region's business just a few blocks west of the community. UPMC and University of Pittsburgh lie less than a mile as the crow flies from the intersection of Centre and Kirkpatrick Street. The hottest real estate market in the region – the Strip District – runs parallel to Bedford and Webster for the full length of the Hill, separated by a few blocks and Bigelow Boulevard. The Hill District is the center of Pittsburgh's economic doughnut.

The hole in the doughnut has proximity, loads of vacant land, and low prices. Those are usually enough ingredients for a successful recipe. The one significant missing ingredient – easy access to the activity surrounding the Hill – is being added, albeit in small amounts. How well that access can be exploited and expanded will determine how quickly – and to what degree – the billion-dollar investment brings the desired returns.

Banking on the Redevelopment

There are multiple multi-million dollar private and public development projects in the pipeline or under construction in the Hill District. The largest of these is the new construction at the former Civic Arena site. The centerpiece of that development is the FNB Financial Center, the 24-story, 248,000 square foot tower that will be headquarters to First National Bank (FNB).

FNB has been in the market for a skyline presence in the CBD for five years or more. Originally based in Hermitage, outside Sharon, PA, FNB has grown through acquisition and market share expansion into one of Pittsburgh's five largest banks. CEO Vince Delie sought to use a marquee location in Downtown to consolidate operations and amplify the bank's brand. Linked to several deals that did not come to fruition, FNB signed on with developer Buccini Pollin Group in December 2019 to anchor the mixed-use "Centre District" project that the Pittsburgh Penguins will master develop.

Included in the master plan iteration that was approved by the Urban Redevelopment Authority in June 2021 are 288 units of apartments, being developed by Intergen and E Properties. The first of more than 1,300 units of residential envisioned for the Lower Hill, the units in what is known as Block D in the master plan will be reserved for those at 80 percent or less of the Area Median Income (AMI).

The third piece of the approved first phase of development will include the entertainment venue, reported to be LIVE! Nation, which will be built across Centre Avenue from PPG Paints Arena and next to the new apartments. The complex will have a 6,600-seat capacity. In addition to the entertainment space, the complex will include more than 50,000 square feet of retail and office space, built above 285,000 square feet of structured parking.

In addition to the developers, the team for the commercial portion of the development includes architect Gensler, and a construction management venture of PJ Dick Inc., Mascaro Construction LP, and Massaro Corporation.

The current redevelopment plan was one of several that have been put forward in the decade since the Penguins opened their new arena and began working on the former arena site. One major milestone that required years of negotiation was the Community Collaboration Implementation Plan (CCIP). Meant to address varying concerns about gentrification, inclusion, reparation, and accountability for the

public investment in the 28-acre site, the CCIP was formalized in September 2014, although details of the CCIP are still being negotiated. In late spring 2021, however, members of the development team and the Lower Hill Working Group agreed upon a framework that satisfied both the URA and Pittsburgh Planning Commission to give final approvals to the plan.

The CCIP emphasizes areas of concern to Hill residents that are directly related to the project, such as minority- and women-owned business participation and construction workforce, and indirectly related to the community at large. The latter concerns, such as wealth building, general workforce development, home ownership, job creation, and cultural preservation, have drawn pledges of $50 million in direct investments from the Penguins and Buccini Pollin.

Satisfying the demands of the CCIP will prove to be difficult, since many of the outcomes depend upon factors beyond the control of the development team and its partners. The duration of the project will overlap more than one business cycle, meaning that workforce availability and residential demand will wax and wane. The primary goals of the CCIP are likely to remain in the public eye, however, even if it is unlikely that all parties will be happy with all outcomes. As of summer 2021, the CCIP negotiations should not hold up construction.

What has delayed the start of construction thus far has been the difficulty of aligning project budgets and current costs. Shortages and disruptions in the supply chain, matched with unexpectedly high demand for many building materials, has run construction inflation much higher than the overall consumer or producer price inflation. No one associated with the project foresees these issues derailing the project, however, construction is not likely to follow the schedule envisioned six months ago. FNB's 2024 move-in date has not been rescheduled.

Further up Centre Avenue, another of the Hill District's landmarks has moved off the drawing boards. The New Granada Square development has reached the culmination of a decades-long effort to restore one of the Hill's landmarks to new vibrancy. The project has two major components, a 40-unit apartment building and the renovation and expansion of the former New Granada Theater on Centre Avenue. The latter represents one of the first opportunities for the kinds of new connections that leaders hope will be made between the region's economic drivers and the Hill District.

Mistick Construction has begun work on the New Granada Square Apartments, which are being developed by the Hill Community Development Corporation (CDC) and CHN Partners. The $16.5 million investment includes 40 artist-preference apartments, all of which will be affordable for residents with between 20 percent and 80 percent of the AMI. On the ground floor will be 4,800 square feet of retail space on Centre Avenue.

The commercial portion of the project is in pre-construction, which is being led by A. Martini & Company. The plan calls for renovating the historic theater and building a new 24,000 square foot office building adjacent to it. University of Pittsburgh approved $6 million to invest in renovating and leasing approximately 20,000 square feet in the former theater building. The agreement includes a long-term lease for the Hill District Community Engagement Center (CEC), a program similar to the initiative Pitt began in Homewood in 2018.

The center will include spaces for the Center for African American Poetry and Poetics, Jazz Studies, Education, Social Work in the Institute for entrepreneurial excellence, as well as staff offices, classrooms, and conference space. Pitt will operate a digital inclusion center to increase digital literacy among Hill students and residents and provide programming for STEAM education and digital workforce development. Access initiatives will also be offered by the School of Computing and Information, the Swanson School of Engineering and Pitt Information Technology.

Uptown Tech Flex.
Rendering by Desmone Architects.

For residents of the Hill District, the CEC represents a significant additional resource for lifelong education. History suggests that the location of such a center will also act as a center of gravity for other university programs, including research and technology commercialization. Unlike Homewood or Second Avenue, where Pitt has invested millions in research, the Hill District offers proximity to the university's main campus that can be measured in blocks, instead of miles. Given the space shortage in Oakland, and the rents that attend such a shortage, that proximity makes the Hill an attractive location for expansion.

The New Granada Square will join several additional residential and mixed-use projects along Centre Avenue. Construction is nearing completion on Action Housing's adaptive re-use of the former YMCA into 74 single room occupancy units.

A long-time establishment on Centre Avenue, Big Tom's Barber Shop is investing $1.3 million to renovate the former Hamm's Barbershop building at 2178 Centre Avenue, working with the team of Nextgen Construction and Reed Building Supply to start work later this year.

The home of August Wilson is currently being renovated to serve as an historic site and museum of the playwright's life and work. The $5 million investment, backed by multiple grants and fundraising from the likes of Denzel Washington, will result in a space where the artist's works are celebrated, and new artists have the opportunity to share new work.

On the southern side of the Hill District, redevelopment activity has been gaining momentum through smaller projects that span almost two decades. Branded as "Uptown," the Forbes and Fifth corridor connecting Downtown and Oakland benefited from its proximity to UPMC Mercy Hospital and Duquesne University. The early redevelopers of Uptown took older buildings and frequently converted them into live/work/play centers. Dale McNutt's 5thAVE Studio was one of Pittsburgh's first co-working spaces, providing incubator space to tech startups and artists alike.

At 304 Jumonville Street, Westrise Capital has hired Omega Building Company to

The site of the Civic Arena (bottom) encompassed a six-block triangle that was home to hundreds of homes and businesses (top photo, 1939), which were demolished during the 1950s (middle, 1957).

renovate the 68,000 square foot former Clarus Laundry into tech/flex space. The $3.9 million investment follows the strategic lead that was espoused in the 2019 Brookings Institute report, "The Case for Growth Centers," which proposed that the cities that could establish innovation corridors would benefit most from the ongoing evolution of the U.S. economy. Brookings called for tech corridors that offered a diverse ecosystem of research, academics, manufacturing, and residential space that can serve the varying needs of the broadest spectrum of participants in emerging technologies.

The home of Big Tom's Barbershop.
Rendering by Winston Design & Development

The Hill District has the potential to support such a wide variety of participants and in a location that is closer to the heart of regional lifestyle amenities than many other regions.

Uptown has seen significant residential investment since 2010, adding over 300 new residential units through new construction and renovation. There are 332 more units currently in the pipeline. Among those projects are investments that McAlister Equities is making near the Uptown Tech Flex building. Working with Indovina Associates Architects and Franjo Construction, McAlister is developing 1707 Fifth Avenue, a new 51-unit apartment, and 306-308 Miltenberger, the site of two eight-unit townhouses.

In between the Forbes-Fifth and Centre-Wylie corridors, are two ambitious residential developments. The City's Edge is a 106-unit, $36 million apartment at 1400 Colwell Street, located a few blocks east of PPG Paints Arena. Developed by Midpoint Group of Companies, City's Edge will offer below market rents on 77 of the units.

A few hundred yards east of Midpoint's site, Bridging the Gap Development LLC is proposing a $51 million residential/commercial revitalization of the Fifth and Dinwiddie intersection. Fifth and Dinwiddie West includes 167 units of apartments and 20,000 square feet of commercial space on Fifth Avenue in two nine-story buildings. Twenty percent of the apartments will be available as affordable units for residents at or below 60 percent of AMI. The eastern portion of the site involves the adaptive re-use of the Muegele Building (formerly used by the Department of Public Works) and 28,735 square feet of new construction to create industrial-institutional flex space, along with ground floor retail.

The Fifth and Dinwiddie development is unusual among the new projects proposed in the Hill District in that developer Derrick Tillman intends the buildings to be built to the stringent Passive House Institute standards for certification. Passive House standards are rigorous and result in the certified structure using about 10 percent of the energy that a traditionally-designed building would consume.

Tillman has engaged Waller Corporation to build the commercial east phase and Rycon Construction for the western portion of the development. He hopes to close on both pieces of the development by fall 2021.

The momentum surrounding development in the Hill District has been enhanced by the provision in the Jobs and Tax Cuts Act of 2017 that created Opportunity Zones, one of which includes the Hill. Opportunity Zones offer a shelter from taxes for current profits by investing in long-term projects or in businesses that are in communities that have suffered from underinvestment. Some, or all, of the capital gains on the investments made in Opportunity Zones can be eliminated, depending on the length of time for the investment.

Concurrent with the privately funded redevelopment occurring in the Hill District is the Port Authority's Bus Rapid Transit (BRT) system development. The core BRT system will connect Downtown to all of Oakland along 7.4 miles of dedicated bus routes using the existing Forbes Avenue and Fifth Avenue streets. As designed, the $125 million construction project includes 10 stations in the Hill District. Five inbound and outbound stations will be built at Chatham Center, Pride Street, Miltenberger Street, Jumonville Street, and Moultrie Street. Those stations hold a key to opportunity for the southern part of the Hill.

The original purpose of the BRT, to

connect the Downtown to Oakland (especially with UPMC as a dominant employer in both locations), offered a way for 50 percent of the people working in Pittsburgh to be less than 10 minutes apart by high-speed bus service. One byproduct of that rapid connection could have been another bypass of the Hill District. Proponents of the BRT studied a similar transit system developed in Cleveland's healthcare corridor and learned that development along the BRT flourished at the stops.

"The Downtown-Uptown-Oakland BRT, when completed, will be extremely impactful for the Hill District, primarily because we'll be connecting the corridor via fast, reliable and frequent service in addition to upgrading the on-street amenities," says Adam Brandolph, public relations manager for Port Authority of Allegheny County. "We're really very excited for this project because of the opportunities we know it holds."

By putting BRT stops in Hill District locations, the Port Authority creates an incentive for residents to use the BRT to commute to jobs in Oakland and Downtown (as well as the extended East End locations). That opens up opportunities for employment for existing Hill District residents who need better public transit for access to jobs. More importantly, the BRT makes living in the Hill more desirable. Access to high-quality public transit remains a critical positive predictor for urban residential development. That is critical for the projects currently under construction in the Forbes-Fifth corridor between Downtown and Oakland, where more than 300 new units are under construction and a similar number are in the pipeline.

Transformation by Design or the Market

Commercial real estate has the potential to be a catalyst for transformation. New development in Lawrenceville, East Liberty, Homewood, and the Strip District since 2000 has changed those neighborhoods. Those redevelopment efforts, however, did not carry the additional burden of repairing social injustice. That may be more to expect from commercial real estate than is realistic. You only need to look at the missteps of the Murphy administration in revitalizing Downtown to understand that aspirations alone cannot guarantee success. The market must be in agreement.

When fully stabilized, FNB Financial Center will bring 4,000 or so occupants to a four-block area between Wylie Avenue and Centre Avenue each day. The additional commercial development will augment that total significantly. That is the employment base of a small town. If the residential development reaches its planned potential, another 3,000 people will live in the Lower Hill on the 28-acre

New Granada Square Apartments. Rendering by PWWG Architects.

site alone. That is a center of gravity that will attract investment, particularly since living and working in that location offers clearly different experiences from those of Oakland, Downtown, South Side, or the Strip. The views and proximity of the Hill District will be attractive in ways that other neighborhoods are not. That is why it is critical that access to the community continue to be improved.

Many of those working on the current redevelopment in the Hill District have been doing it all their careers. In some cases, it is a multi-generational effort. Hill CDC Executive Director Marimba Milliones is continuing the work of her father, Jake Milliones, the former Pittsburgh Public Schools board member and city councilman. Buccini Pollin vice president, Bomani Howze, is the son of former Councilman Sala Udin. His grandparents were among those 8,000 displaced in the 1950s. Councilman Dan Lavelle's family business was established in the Hill in 1969. Their concerns about social justice, gentrification, and reconciling the past are based upon more than one case of disappointment. This time around, however, it appears the market is a tailwind to redevelopment.

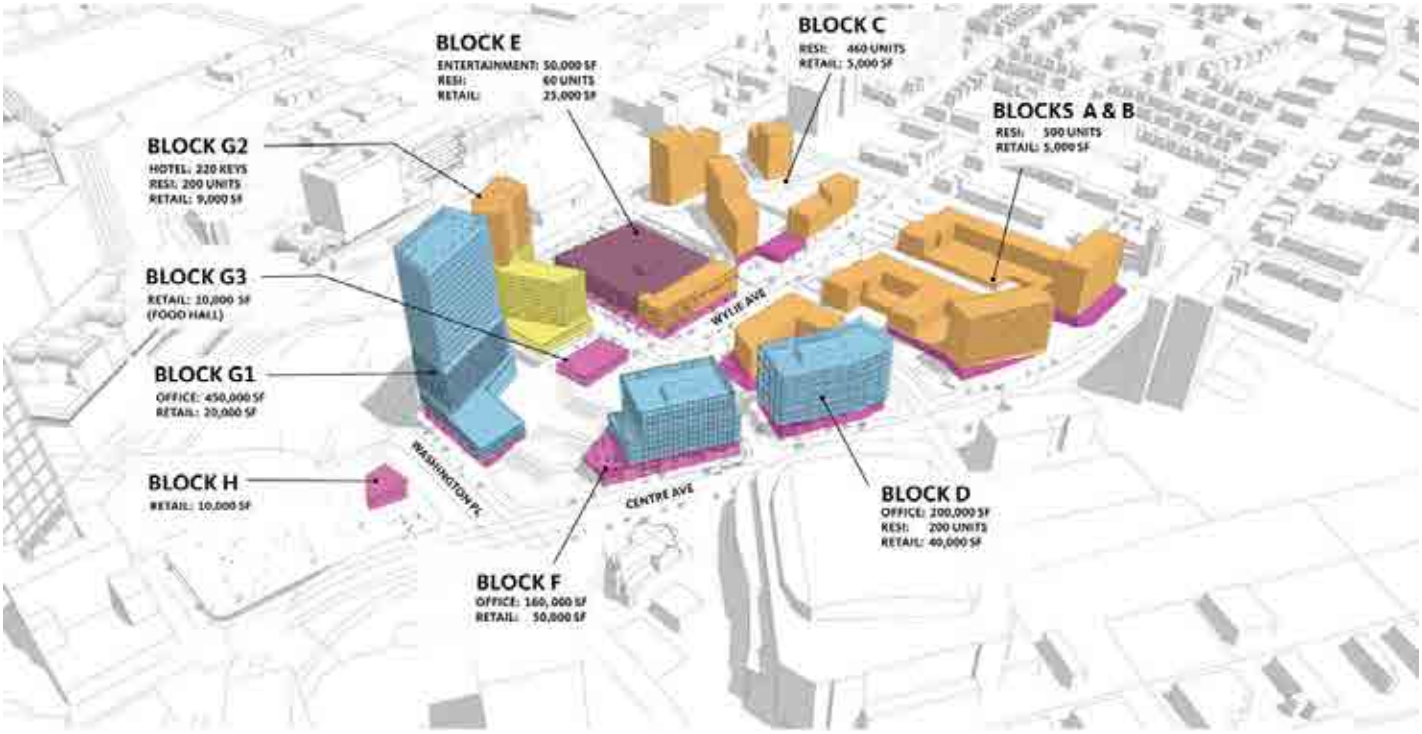
If that is the case, and the Hill District sees the kind of resurgence that has occurred in nearby communities in Pittsburgh, there are reasons to worry that prices will rise to a degree that current residents are forced to move. A number of the provisions in the CCIP are aimed at mitigating the chances of gentrification. Recent revitalizations of neighborhoods like Fishtown in Philadelphia or Church Hill in Richmond, VA have shown that such concerns are legitimate. By the same token, there has to be revitalization before fears of gentrification can be realized. In the Hill District, that is putting the cart before the horse for now.

For all the upside potential of developing new in the Hill District, there are some downside risks to the market.

If Pittsburgh cannot attain or maintain growth in office occupying jobs, the half million-plus square feet of office space coming into the market by 2023 could magnify an existing oversupply of inventory nearby. Bringing commercial office space to the Hill will not impact the demand in Oakland, and it is unlikely to slow momentum in the Strip District or niche properties like The Riviera and Elmhurst Technology Center along Second Avenue. New trophy office and tech flex in the Hill District do represent potential competition for the Central Business District (CBD) at a time when that office sub-market is under stress. If the new I-579 cap and the new residential stretch the concept of Downtown a half-dozen blocks east, the new development could enter a zero-sum leasing environment.

Vacancy has risen by 10 points for Class A space since 2010 – 12 points since the peak occupancy year of 2012. Overall, the vacancy rate has risen more than five points since 2017 in the CBD. Should the occupants of FNB Financial Center all come from Downtown buildings, for example, occupancy in the CBD would decline by another two percentage points. It is no wonder that property owners and brokers view the 28-acre site with ambivalence.

At the same time, the growth of Pittsburgh's technology and life sciences sectors has fueled demand for office and office-like wet lab space in the areas immediately adjacent to Downtown. Beginning in the 1990s, that growth benefitted the South Side, which was connected to the CBD and



The first phases of construction at the former Civic Arena site will include Block G1, Block F, and Block D (in blue).

Oakland via four bridges. During the past decade, additional demand drove new development on the North Shore and lately to the Strip District. Brad Totten, principal and managing director of Avison Young's Pittsburgh office, sees the I-579 Cap having the potential to elevate perceptions of the Hill District as CBD fringe.

"The South Side has sort of faded in popularity with the resurgence of the North Shore and the Strip District," he says. "Today the Strip District is number one and the North Shore is the second most popular location outside the CBD. The Penguins site could become one or two in terms of a fringe location."

Connections are going to be important keys to whether the investment currently underway in the Hill activates its real estate potential, and ultimately the economic potential for the community. There is an element of connectivity that is tied to the human potential of Hill residents. That has been one reason that the emphasis on community benefits included a significant investment in developing workforce skills and connections. But the physical connections will be important precursors to unlocking the opportunities for Hill residents and small businesses. In much the same way that reopening access to Shadyside from East Liberty accelerated the success of East Side and activated economic opportunities for East Liberty residents, reconnecting the Hill to its adjacent neighborhoods – especially since those are among the most vibrant in the region – is part of the plan for success.

"The Lower Hill project reactivates Wylie Avenue and Bedford Avenue," says Rep. Jake Wheatley, who represents the Hill District in Pennsylvania's House of Representatives. "For example, right now the Housing Authority is going through a planning process looking not only at the affordable spaces that will be in the Lower Hill and Bedford Avenue, but also throughout the rest of the communities of the Hill. How do we leverage what's going to be in the Lower Hill to drive the overall plan for housing opportunities in the Hill? It can have a major impact. There are opportunities we know about, but we will have to communicate and discover ways to work together because one project by itself is not going to transform this community."

The nearly-completed cap spanning the Crosstown Expressway provides a bridge that offers symbolic and practical re-establishment of a physical connection that was once a corridor of significance to Hill District businesses. Black-owned businesses found ample support from customers Downtown, especially in times when social segregation kept those businesses from locating west of Grant Street. Wylie Avenue, Centre Avenue, and Bedford Avenue were home to dozens of small businesses and one of Pittsburgh's key cultural districts. It is hoped that the re-establishment of the western end of those now-vacant streets will bring the modern versions of the Crawford Grill, the Savoy Ballroom, or Crampton's Drug Store.

The loss of those establishments, and hundreds of others, diminished the city. It will not be possible to restore them or undo the damage done to Pittsburgh's economy in the intervening decades. A reconnected Hill District begins a new chapter for the community and enhances the economic potential for the region. **DP**

Fifth and Dinwiddie East. Rendering by GBBN Architecture.

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SPECULATIVE OFFICE

1600 Smallman Street

1600 Smallman is the new gateway to Pittsburgh's beloved Strip District. The building's unique 1921 envelope has been restored to house modern, industrial-chic contemporary office and retail space. The 140,000 square foot office building features 22-foot ceilings, energy-efficient oversized windows, exposed brick walls and steel beams, on-site covered parking, and 35,000 square feet of ground-level retail. A 178-car new structured parking garage was built adjacent to the building. 1600 Smallman Street is home to Aurora AI.

DEVELOPER: McCaffery Interests

ARCHITECT: Antonuvich Associates

CONTRACTOR: PJ Dick Inc.

BUILD-TO-SUIT INDUSTRIAL

Krystal Biotech

In December of 2020, Al. Neyer completed a 100,000 square foot build-to-suit facility for Krystal Biotech. The facility includes 10,000 square feet of office area, 40-foot clear height, and a 45,000 square foot second floor mezzanine, equipped with an elevator and material lift system. This 45,000 square foot area will house laboratory and clean room facilities. The building is serviced by 5,000 amps of electrical power.

DEVELOPER: Al. Neyer

ARCHITECT: A. N. Architects

CONTRACTOR: Al. Neyer


Bakery Office Three,
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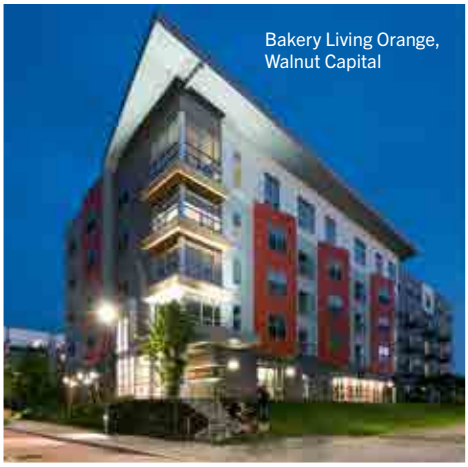
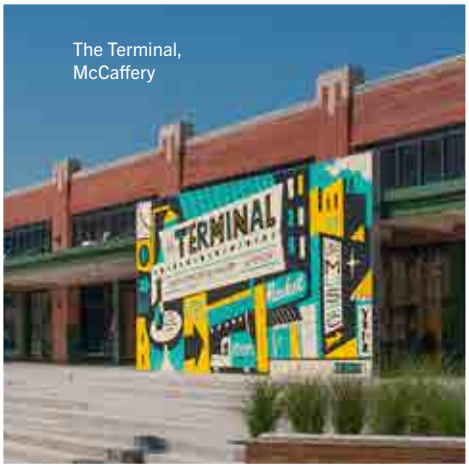
Walnut Capital


Bakery Living Orange,
Walnut Capital


1600 Smallman,
McCaffery

PJ DICK
TRUMBULL
LINDY PAVING



The Terminal,
McCaffery


The Foundry at 41st,
Fort Willow Developers


Eastside Bond,
Eastside Limited Partnership III


Techmill 41,
Fort Willow Developers

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Photo by Mike Lee.

BUILD-TO-SUIT OFFICE

Bakery Office Three

The latest additions to the Bakery Square campus consist of Bakery Office Three, the North Garage and Sally's Path. Bakery Office Three is a 310,000 square foot office building primarily leased by Philips Sleep and Respiratory care group and Carnegie Mellon University – Software Engineering Institute. The North Garage is a 1,000-car parking structure along Dahlem Place. Sally's Path is a revamped pedestrian and bike path that runs between Bakery Office Two and Bakery Office Three that leads to Shadyside's Walnut Street.

DEVELOPER: Walnut Capital Management

ARCHITECT: Strada Architecture LLC

CONTRACTOR: PJ Dick Inc.

LENDER: Dollar Bank

Photo by Craig Thompson Photography

RENOVATION – OFFICE

The Waterfront Technology Center

The new state-of-the-art Waterfront Technology Center emerged from the existing shell building of a former Macy's Department Store at the Waterfront. Commonwealth Charter Academy and Siemens Mobility, Inc. were both looking for a location that had extra-large floorplates, ample parking, community connections, easy access to highways, great visibility for branding and walkable retail with food and beverage amenities. The transformation required the addition of windows, replacement of the mechanical, electrical and plumbing systems, and the development of building-specific needs for entry and building circulation.

DEVELOPER: M & J Wilkow, Ltd.

ARCHITECT: Strada Architecture LLC

CONTRACTOR: Shannon Construction Co.

LENDER: Dollar Bank

NEW BUSINESS PARK

West Pittsburgh Business Park

West Pittsburgh Business Park is 144,000 square feet of industrial flex development anchored by an original adaptive reuse building. The three-building expansion was completed in 2020 and leased up quickly with both national and local tenants that chose the location for its access to I-79 and I-376 along with the flexible attractive design.

OWNER: Sampson Morris Group

ARCHITECT: Design 3 Architects and Boyd Anastas Architect

CIVIL ENGINEER: KU Resources, Inc.

CONTRACTOR: A. Richard Kacin Inc.

LENDER: S & T Bank

Photo by Ed Massery Photography

MIXED USE

The Highline

McKnight Realty Partners converted this massive historic terminal, dubbed "The Highline," into an office/retail complex. Aptly named after the High Line in New York City, The Highline features a 500-foot-long elevated green park-like space, complete with lighting and seating, that extends to an overhang with views of the Monongahela River and City of Pittsburgh. The spacious complex received new life systems and interior remodeling while preserving historic features. The buildings boast interior parking for 584 vehicles with electric charging stations and bike storage.

DEVELOPER: McKnight Realty Partners

ARCHITECT: Indovina Associates Architect

CONTRACTOR: Allegheny Construction Group


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BOARDWALK | NORTH FAYETTE TOWNSHIP


DIAMOND RIDGE | MOON TOWNSHIP


THE VISION | STRIP DISTRICT

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SPECULATIVE INDUSTRIAL

Clinton Commerce Center III

Clinton Commerce Center III is a 202,800 square foot speculative industrial development that is fully leased to a confidential global healthcare company. The lease commenced in May of 2020. The building consists of precast concrete walls with 32-foot clear height, 18 loading docks, and two drive-in doors. The site holds 160 parking spaces.

DEVELOPER: Al. Neyer

ARCHITECT: A. N. Architects

CONTRACTOR: Al. Neyer

DEVELOPER OF THE YEAR

Burns Scalo Real Estate

Through the most uncertain times that many of us may ever experience, Burns Scalo Real Estate continued its accelerated growth through heavy investments in development, introducing new products, acquisitions, and hiring 15 new employees to prepare for the future. In 2020, the luxury real estate firm completed the development of its North Fayette Boardwalk Corporate Campus, a $55 million, 216,000 square foot, build-to-suit project for ConnectiveRx. It introduced The Riviera, the newest and only readily available speculative wet-lab space to the market. The $70 million, 160,000 square foot Riviera is now home to some of Pittsburgh's most innovative life-science organizations. In the face of a global health crisis, Burns Scalo Real Estate kicked off a $75 million speculative office project in the Strip District. The Vision on Fifteenth is an eight-story, 245,000 square foot, amenity-rich commercial office with 25,000 square feet of tech flex space, and 5,000 square feet of street-level restaurant and retail space. The firm committed $18 million to a 49,000 square-foot restaurant and entertainment destination known as The Piazza in South Fayette. The firm completed 2020 with the acquisition of 62 acres of land in Moon Township, which will be the site of Diamond Ridge, a three-building speculative office campus, offering more than 500,000 square-feet in the Parkway West. The $130 million development is scheduled to begin development later this year.

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Jerry Bunda

HALL OF FAME

Gerald Bunda, President Emeritus, Imperial Land Corporation

Jerry enabled Imperial Land Corporation to achieve its long-term strategic goal of working with federal, state, county and local officials to bring the Southern Beltway project to a reality that opened thousands of acres of the company's holdings for development. He negotiated the sale of 300-plus acres to Chapman Properties in 2006 that kicked off development at the Westport Interchange of PA 576 and enabled Imperial Land to move forward with its plans for the Findlay Industrial Park. He has led the successful development of the Findlay Industrial Park that is now approaching completion, including working with all levels of government to obtain financial incentives to promote the development. Jerry has represented the region, participating in important regional groups and organizations, including his service as a member of the NAIOP Pittsburgh Board of Directors. Most importantly, he handled all of these significant accomplishments with intelligence, common sense, good humor, grace, a steady hand and the highest ethics.

NAIOP Pittsburgh and Robert Morris University Work to Change the Demographics of Commercial Real Estate

During the week of June 21st, 13 African American high school students participated in a commercial real estate summer camp, hosted by Robert Morris University's (RMU) School of Business. The program was of a kind that have happened in a handful of cities around the U.S. at the urging of NAIOP Corporate, which has promoted its CRE Immersion Program to address the demographic disparity in the commercial real estate industry. The Pittsburgh program started as a result of a phone call that NAIOP Pittsburgh Executive Director Brandon Mendoza received a year before, which left him both unsurprised and dumbfounded at the same time.

"About a year ago I was approached by a community development organization looking for contacts with Black or Brown brokers in the region because they want to make sure that the bid they were putting out for help was inclusive," Mendoza recalls. "I was shocked when I went through my list that I had only a few names. Several of those brokers were booked up with other work so there was only one name I was able to provide. I obviously knew the demographics for CRE in our region were not diverse but seeing it was shocking. It was a bit embarrassing to have to give the organization one name."

Mendoza took his concerns to NAIOP Pittsburgh's Board of Directors, and they acted.

"Our board put together an ad hoc equity and inclusion committee and what came out of that was the need to put together a program that specifically targeted Black talent in Pittsburgh," Mendoza says. "Commercial real estate is a hidden industry to a lot of people. That hidden nature hurts in terms of the diverse demographics because it's a network industry. If you're not part of that existing network, you don't have access to the opportunities. There are a lot of folks that have business knowledge and skills in other areas that overlook CRE. It's better to expose young people up front so they can make a choice to pursue this industry."

(From left) NAIOP Pittsburgh's Brandon Mendoza, Dr. Michelle Patrick from Robert Morris University, NAIOP President Jamie White from LLI Engineering, and Avison Young's Michael Downey, representing SIOR.

There was no natural partner for such a program in higher education. No college or university in the Pittsburgh region has a real estate major – few universities across the U.S. do – so NAIOP looked at which school might be a good fit.

"We have developed a relationship with Dr. Chris Howard and Dean Michelle Patrick from the Robert Morris School of Business, so we went to them to explore if this program was something they would have an interest in," says NAIOP Board President Jamie White, from LLI Engineering. They have a great business school and we found that they have a lot of alumni in commercial real estate in the region, even though they do not have a real estate program."

In addition to alumni in the industry, RMU's current Board of Trustees includes JLL's Mark Popovich, and counts James Rudolph from McKnight Realty and Frank Molinero, retired from Oxford Development, as emeritus trustees.

"Brandon and Jamie approached Robert Morris with the idea even though we do not have a real estate program. They came to Robert Morris, I believe, because they knew that we are about student access and great outcomes, plus we have an outstanding school of business," says Patrick. "RMU did not have in-depth knowledge of commercial real estate as a subject but we know how to teach students. And we know how to help them succeed. That's where Kishma came in. She worked with the students throughout the week, which is a little different from most camps."

Kishma is Kishma DeCastro-Sallis, senior director of Center for Student Success and Personal Development. The job of recruiting and communicating to the students fell to her team.

"We work with our admissions team to get some of the resources they had for recruiting, especially in minority

Attendees at the first NAIOP/Robert Morris University Commercial Real Estate Summer Camp.

communities. We also partnered with Junior Achievement, the YMCA, SIOR, and the Mel Blount Youth Leadership Initiative. We tried to use organizations like that and their networks, plus we sent something to every high school," DeCastro-Sallis explains.

"Orientation was very important to these students. We wanted to make sure they could come in and be acclimated quickly to the campus atmosphere and curriculum topics" she continues. "We also presented a session on career development so they could begin to understand how they could use this information to leverage themselves professionally."

The curriculum for the one-week program was developed jointly by Robert Morris University and NAIOP Pittsburgh. The idea of expanding the demographic base of commercial real estate professionals resonated with one of the Pittsburgh chapter's Developing Leaders. Clayton Morris, asset manager for Sampson Morris Group, serves NAIOP Pittsburgh's board as Developing Leaders Liaison. Morris stepped forward to get involved with developing curriculum for the CRE Summer Camp when it was announced.

"First of all, I like teaching," Morris says. "I have been given a great opportunity, growing up in a family business knowing I was going to be involved in commercial real estate my whole life. I wanted to share my opportunity, my advantage with as many people as possible. The more the merrier in real estate."

Morris and NAIOP's organizers worked with Dr. Prasad Vemala, associate dean of RMU's School of Business, on what information would be presented where. Because of the pandemic part of the curriculum was presented virtually, with several days of in-person sessions at RMU's Moon Township campus. Sampson Morris also offered one of its development projects, the Ehrman Road Business Park in Cranberry Township, as a location for the practical application of what was being taught in the classroom.

Classes covered financing marketing fundamentals of commercial real estate and the design process of commercial real estate.

"We had several commercial real estate professionals speak to the students during the six-day program. There were speakers every day, some virtual and some on campus," explains Vemala. "There is a Sales Center for Excellence that is part of the School of Business and, as part of the program, the director made a presentation to the students on how to pitch, how to present."

Those skills came in handy for what was the culminating event of the week's program. Students toured the Ehrman Road project, at which Morris and a member of his team talked through the details of developing such a site.

"At the end of the week, the students had to put together a 10-slide elevator pitch, including a pro forma on the Ehrman Road property. We took them on a tour of the property and gave them a simplified pro forma. They did a rent study to determine the best use of the site. We wanted them to learn about the numbers, but we also wanted them to learn soft skills like networking and presentation," Morris explains. "They covered everything from engineering, architecture, development, brokerage, and finance, so that they got a good taste of the many facets involved in commercial real estate."

The prevailing opinion was that the presentations by the students were the highlight of the week. Patrick says that it was apparent that students

were assimilating a wide range of new information. The program was a success for Robert Morris. Patrick says that the School of Business is working at adding real estate content to its curriculum. Nearly all 13 students came from different schools. That was a great outcome for the university.

"It was harder to get students from a number of schools instead of a dozen students from a few schools, but now we have 15 different school districts for next year," says DeCastro-Sallis. "We made great connections with students, regional players, and developers. It was an opportunity to have local students come to our campus to learn about our campus and perhaps study here. It was a wonderful networking opportunity for all of us."

Brandon Mendoza gives RMU high marks as a partner and looks forward to CRE Summer Camp II.

"They were flexible and had the resources that we needed," he says. "With something like this, when a program is in its first year, you need that kind of flexibility."

Dr. Patrick looked to the students, and their parents, to gauge how well the week went. Through their stories, she heard how the program succeeded.

"One student said to me at the end, when she was doing a presentation, she could not believe it was her talking. She couldn't believe she learned so much about commercial real estate," Patrick recalls. "I had a parent say to me that her son spent the whole week just talking about commercial real estate. He talked about what was covered every night at the dinner table. She said she had never seen him so engaged." **DP**


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Mid-summer 2021 finds the U.S. economy growing at an accelerating rate, with concerns about inflation, higher interest rates, and a disrupted supply chain easing. Forecasts of gross domestic product (GDP) growth have been revised upward, with virtually all economists predicting expansion unseen since 1984. The most optimistic forecasts peg GDP growth at levels unseen since the post-World War II. Direct financial aid from the federal government from the CARES Act and American Recovery Plan boosted consumer and business spending, allowing the worst fears about the pandemic's impact to go unrealized. As the summer unfolds, however, the economic recovery will depend on the continued public health recovery.

Despite missing the 70 percent vaccination goal set by the Biden administration for July 4, the steady increase in immunity allowed infections and hospitalizations to remain low even as restrictions were lifted around the U.S. The successful easing of restrictions has been a boon to the most severely impacted industries and workers. Hotels reported occupancy levels above 65 percent by late June. Air travel rebounded to more than 2.1 passengers on July 1, surpassing the number of passengers on the same date in 2019. Bar and restaurant capacity was being limited by server shortages instead of suppressed demand. These positive trends in industries impaired by COVID-19 created an accelerating trend in hiring.

The July 1 Employment Situation Summary suggested that such a movement in the trend occurred in June. According to the Census Bureau employer survey, 850,000 jobs were added in June, an increase of more than 45 percent from May's revised 583,000 jobs. Forty percent of the new jobs were in the leisure and hospitality sector, with 194,000 new hires in restaurants and 75,000 in hotels. Employment rose by 72,000 in professional and business services and by 67,000 in the retail sector. Unemployment was 5.9 percent and workforce participation rate was 61.6 percent, unchanged from May.

Consensus forecasts for U.S. total gross domestic product put the economy above the 10-year trend line by the third quarter of 2021. Source: Bureau of Economic Analysis.

The increase in June followed a three-month pattern that was nearly identical to the first three months of 2021, with February and May increasing by more than 110 percent from the previous month, and March and June jumping another 45-plus percent. Economists, however, do not expect the steep decline that followed March to reoccur in July.

Beyond the headline jobs report and unemployment data, there were other interesting trends to note in the labor market. The number of unemployed persons was 9.5 million, 3.8 million more than in February 2020. The number of job openings nearly matched the number of unemployed, according to the Job Openings and Labor Turnover Survey (JOLTS). Of those unemployed, ten percent were out of work because of leaving jobs, suggesting that a realignment of workers and available jobs was underway.

The latest Department of Labor report on the Pittsburgh metropolitan area found that there were still 78,000 fewer employed people in May 2021 compared to May 2020. Despite a year-over-year increase in May of 105,700 jobs, employment in the seven-county metropolitan area was only 93.5 percent of the level of February 2020. Only Cleveland, Detroit, and Boston had lower levels of employment among Pittsburgh's benchmark cities.

For both the U.S. and Pittsburgh, there is growing evidence that a tighter-than-expected labor supply will keep a lid on economic growth. Business owners, especially those in lower-paying sectors like hospitality, are reporting that recalling workers is a greater challenge than creating demand. The diminished workforce is being caused by several factors:

U.S. civilian workforce remains two percentage points, or three million people, lower than one before the pandemic.

- While the public health situation has improved dramatically, there are still workers who have remained out of the workforce because of health concerns. This appears to be a minor factor.
- A shortage of childcare options is forcing one parent, primarily the mother, to remain at home instead of returning to work. Day care facilities have largely re-opened, and K-12 schools are expected to return to normal conditions in September, which should free up what appears to be a large cohort of workers.
- The surprising strength of the stock market and other investment markets has allowed older workers to retire as planned or to retire early. Data is limited on the full impact of retirement on the workforce; however, prior to the pandemic the demographic trend was for increasing numbers of retirees in the

coming decade, a trend that the pandemic did not reverse.

- Extended and enhanced unemployment benefits have been an incentive to some workers to remain unemployed. There is a large body of anecdotal evidence that unemployment benefits were impeding hiring, although early data from 22 states that cut the extra $300 unemployment payment found that there was little change in the number of people looking for work. A study of searches by Indeed.com found that activity in those states during June was the same as in April, prior to the announcement of ending enhanced unemployment. Morgan Stanley economists concluded that neither labor markets or wages differed between states that had and had not ended enhanced benefits.

It is likely that the labor force will see a significant increase at the end of summer. The combination of schools re-opening, the end of enhanced benefits nationwide, and the return to normalcy in public transportation and public health – although the latter is not assured – will bring most of the more than three million people missing from the workforce back to work.

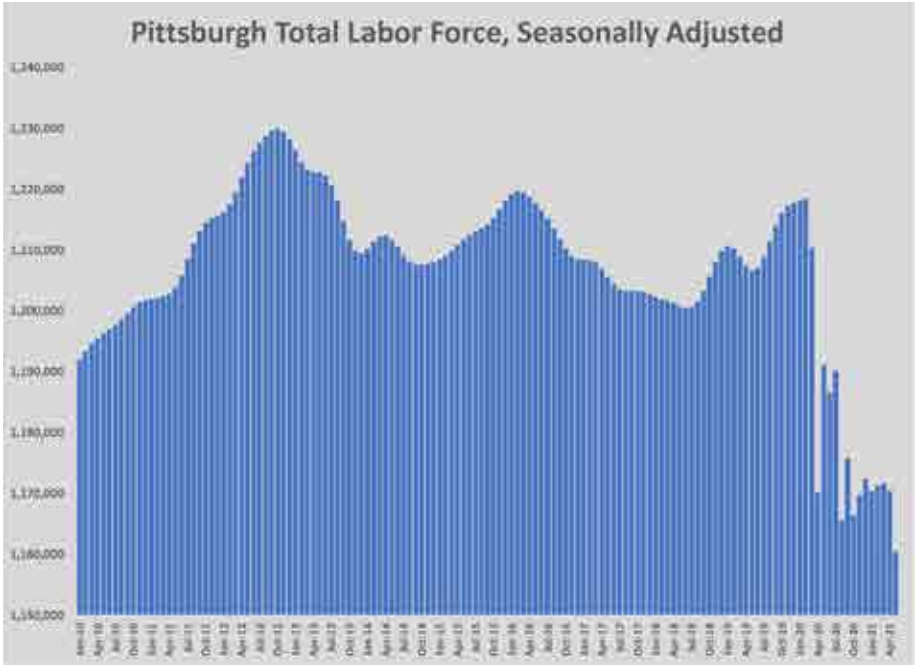
Beyond the unexpectedly robust recovery of the U.S. economy in 2021, the outlook for 2022 and beyond has been improved by technology advances and changes in habits that might not otherwise have occurred without the pandemic. E-commerce, work from home, and expanded adoption of Internet of Things saw more rapid adoption during the lockdowns and the months that followed. These disruptive changes will increase productivity at a rate that is greater than before the pandemic. That increased productivity should add to GDP during the next few years.

The recession of the first and second quarters of 2020 was not the result of consumer or business imbalances. The economic shock of last spring has obscured the fact that a majority of business owners and corporate CEOs entered 2020 expecting that a downturn was due. Global trade tensions and the anticipation of a negative political environment weighed on business sentiment, and neither capital expenditures nor inventory levels were overextended. That means that capital and resources will not go through a period of rebalancing during the coming year or two. Business revenues and balance sheets were propped up by decisive government action, leaving ample dry powder to invest in response to rising demand.

Consumers likewise were backstopped by federal aid. Although the direct payments and enhanced unemployment insurance drove spending that has accelerated growth, the indirect benefits of the Paycheck Protection Program (PPP) may prove to have been more consequential. The spike in hiring that resulted in almost 8 million jobs in May and June 2020 was a direct result of PPP. Moreover, it is clear that PPP

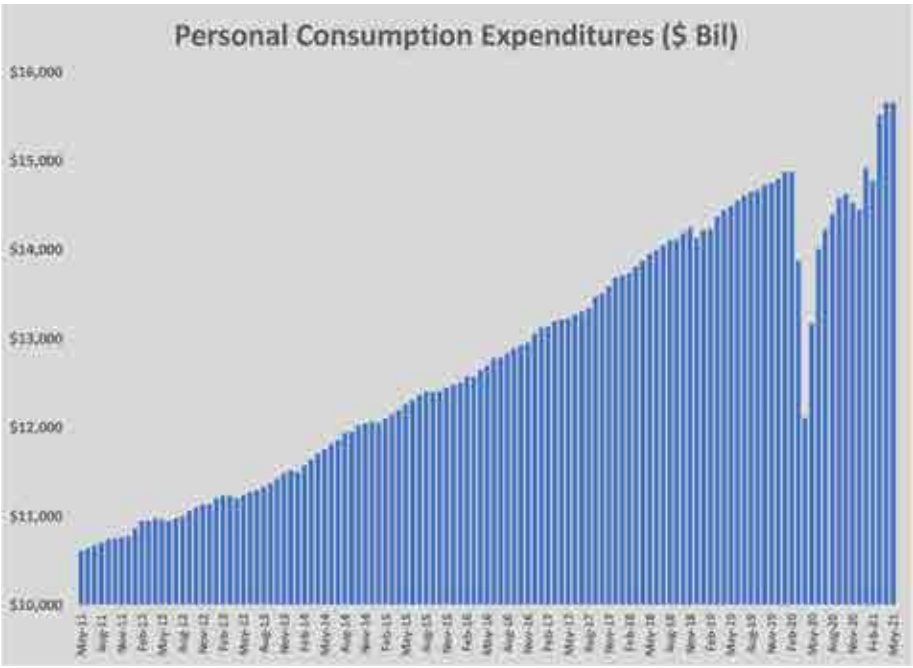
prevented many millions of layoffs during the months that followed before demand returned. Consumers built record savings levels – Deloitte estimates that there is an excess of $2.8 trillion – and took on little debt. There is none of the deleveraging that followed the financial crisis in 2009 and thwarted a quick recovery in the early 2010s.

A third leg of support for the burgeoning economy is the continued elevated levels of government spending. While direct aid for consumers and businesses has likely ended, federal spending on infrastructure will provide a boost to key industries, including construction and real estate. Even the lower end of the estimates of what will become the compromise legislation should yield an additional $90 billion annually through the end of the decade. That is 1.5 times what is currently invested in infrastructure by the federal government.



Source: PA Department of Labor and Industry, Pittsburgh Today.

Unlike the recovery of 2009-2011, the current economy does not suffer from depressed demand or regulated austerity. The arc of the economy, and the eventual growth in GDP, will be determined by how quickly the supply chain disruptions are resolved and how much of the unemployed workforce returns to the workplace. With COVID-19 infections on the rise again throughout the world – and in U.S. states with low vaccination rates – the return to normal conditions in the supply chain may lag, and health concerns could keep some share of the workforce on the sidelines. The most likely scenario is that the virus will make it more difficult for certain items, like semiconductors and microchips, to be produced at levels that meet full demand, but supply disruptions will progressively ease throughout the rest of the year into 2022. In the U.S., the high levels of vaccination in gateway cities, plus the likely expansion of vaccination to children by year's end, should keep the Delta variant from spreading to the point that businesses will be disrupted again.



Source: U.S. Census Bureau, Federal Reserve Bank of St. Louis.

There are unusual threats to the U.S. and regional economy. Despite signs that the higher levels of inflation have fallen, higher prices will certainly cause investments in structures and equipment to be lower in 2021. The threat of higher inflation beyond the re-opening still exists. If the elevated quit rate remains as the economy recovers, companies that offer lower wages will have to raise pay to attract workers. That will cool off profit growth and could trigger widespread inflation when wage hikes are passed on to customers. The long-term impact of adding trillions in debt and the money supply is unknown at this point. Through 2022, however, the threats to the economy will not slow down the growth that is underway. **DP**

After months of pandemic-related disruption, the nation appeared to have finally turned the corner in the fight against the coronavirus during the second quarter of 2021. The Center for Disease Control removed the mask mandate for those fully vaccinated and eased restrictions on density requirements, breathing optimism into the air.

Most employees are returning to the workplace via traditional and/or hybrid arrangements. Several employers are exploring relocation options, resulting in an uptick in activity levels, which could lead to fewer lease renewals. The Pittsburgh office market closed out the first half of 2021 with an overall vacancy rate of 20.0 percent, representing 11.3 million square feet of space, a 70-basis-point increase over year-end 2020 and a 310-basis-point increase over year-end 2019 prior to the pandemic. Available sublease space reached a new all-time high of 2.1 million square feet during the second quarter, while asking rents essentially remained stable at $24.41/SF and net absorption was negative 85,114 square feet. Net absorption has posted negative for the past five quarters.

Central Business District

The Central Business District (CBD) continued to face challenges with high vacancy levels and low demand. Overall vacancy remained stable during the first half of 2021 at 20.1 percent, while Class A vacancy hovered at 17.3 percent. Over the past six months, overall asking rents slipped by a negligible $0.07/SF to $25.89/SF and Class A rents dipped by about the same to $29.75/SF. Net absorption has been flat, and sublease space increased by 100,000 square feet with 771,509 square feet on the market.

After a very lengthy delay, the development team for the 28-arce former Civic Arena site finally obtained the required approvals for an office tower to be built on a portion of the property closest to Downtown. The team, which includes the Pittsburgh Penguins and The Buccini/Pollin Group, plans to start construction of the office tower this summer. First National Bank (FNB) previously committed to occupying 165,000 square feet in the 26-story structure, expected to complete in 2023.

One of the city's largest employers, PNC Financial Services Group Inc., acquired Houston-based BBVA USA Bancshares, a deal that boosted the institution to the nation's fifth-largest bank. Continued growth by the financial giant potentially bodes well for Pittsburgh and the CBD, where it is headquartered.

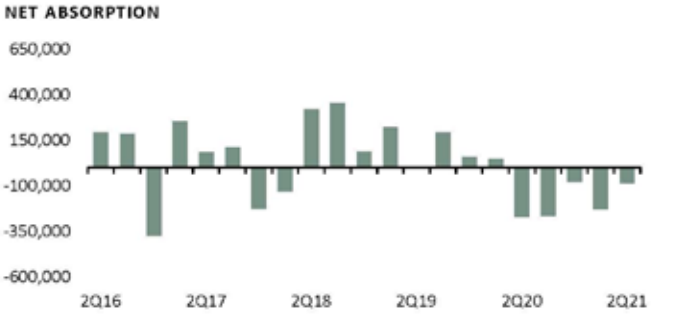
In property sale news, 439 Wood Street changed hands at the end of March. The building was sold by Oren and Eitan Solomon to Driver Developers, LLC for an astounding $2.67 million, or $267/SF. The 10,000-square-foot building is believed to be part of a larger assemblage along Wood Street, across from the Tower at PNC Plaza.

Urban Markets Outside the CBD

Nutrition giant GNC will be relocating from the CBD headquarters owned by the company at 300 Sixth Avenue into approximately 76,000 square feet at the nearly completed 146,000-square-foot 75 Hopper Place in the Strip District segment of the Fringe submarket. GNC announced at the beginning of the year that it was searching for a new location within the Pittsburgh marketplace, while also considering placing the current headquarters building on the market for sale. The company expects to move in early 2022 into the building developed by Oxford Development. Building on the success of 3 Crossings, Oxford expects to begin construction on two more office buildings by the end of the year that will be part of a four-building complex totaling over 450,000 square feet.

In the North Shore Corridor of the Fringe submarket, two major players in the food industry announced departures. StarKist will be relocating its headquarters from 225 North Shore Drive to Virginia, while Del Monte Foods will be moving to Penn Center West Three in the Parkway West submarket. Del Monte was once the anchor tenant at 375 North Shore Drive. Further, Cleveland developer Continental announced that it has changed course from construction of an office building to a residential structure that will include ground-level retail at the corner of Mazeroski Way and North Shore Drive.

Market Analysis



Construction and/or redevelopment projects in the tight Oakland/East End submarket progressed. Developer Wexford Science & Technology announced The Assembly will be the name of the new 105,000-square-foot office/ lab building being constructed next to the redevelopment of the former Ford Motor building in the Baum Centre Corridor. The expectation is that the building will be completed in late 2021 or early 2022.

Further down Baum Boulevard into the East Liberty neighborhood of the Oakland/East End submarket, Highwoods Properties continued to press for approval of a six-story office building located at 6135 Penn Avenue. The company purchased the site in 2019. A similar project by previous ownership was approved; however, the timeframe for previous approval lapsed. A decision by the Zoning Board of Adjustment is expected later this year.

Moving deeper into the East End to North Point Breeze, the 24-acre, former Lexington Technology Park has been renamed Rockwell Park. Spanning Thomas Boulevard, Penn Avenue and North Lexington Street, the collection of existing properties is being renovated by Rockwell Park Development, formerly operating as Icon Development. The mixed-use redevelopment will consist of 800,000 square feet of traditional office space, high-bay tech flex and maker manufacturing space.

In the heart of the Oakland/East End submarket at Fifth and Halket Street, a surprise announcement was made when the University of Pittsburgh decided that it will purchase the 285,000-square-foot Innovation and Research Tower from developer Walnut Capital. The project broke ground in 2020.

At the end of the second quarter, $19.3 million in Capital Investment Grants for the Port Authority of Allegheny County was announced to advance the 15-mile Downtown-Uptown-Oakland-East End Bus Rapid Transit (BRT) project. Once built, the BRT will provide quick access between two employee-dense submarkets.

Suburban Submarkets

During the first half of 2021, vacancy in the suburban markets increased by 120 basis points to 20.8 percent over year-end-2020, overall asking rents were stable at $21.91/SF. Year-to-date net absorption was a negative 253,170 square feet, with 44,574 square feet of negative absorption added during the second-quarter 2021.

Once a market driver for Southpointe in the South submarket, the energy industry has contributed over 250,000 square feet of sublease availability to the marketplace during the first half of 2021. CNX and Equitrans Midstream are responsible for two large blocks of space of over 100,000 square feet each. A well-positioned development with good highway access, Southpointe has struggled over the past few years, primarily the result of the downturn in the oil and gas sector.

In the Northwest quadrant of the North submarket, Venture Engineering committed to 25,000 square feet at 200 Allegheny Drive in Marshall Township. The company will be relocating from

Submarket Statistics

	Total Inventory (SF)	Under Construction (SF)	Total Vacancy (SF)	Total Vacancy Rate	Qtr Absorption (SF)	YTD Absorption (SF)	Class A Asking Rent (Price/SF)	Class B Asking Rent (Price/SF)
CBD	20,166,806	0	4,047,786	20.1%	4,224	-8,936	$29.75	$22.29
Fringe	7,362,801	377,292	1,435,349	19.5%	-44,519	-14,313	$29.72	$22.44
Oakland/East End	3,338,722	526,561	488,258	14.6%	-245	-38,814	$43.33	$23.31
City Of Pgh Total	**30,868,329**	**903,853**	**5,971,393**	**19.3%**	**-40,540**	**-62,063**	**$31.40**	**$22.41**
East	3,431,259	0	981,685	28.6%	4225	-29,517	$21.30	$16.74
North	7,694,782	0	1,387,702	18.0%	-10,091	9,535	$24.80	$21.33
Parkway West	8,946,514	0	1,994,246	22.3%	-23,676	-226,184	$23.70	$19.43
South	5,368,014	0	915,739	17.1%	-15,032	-7,004	$23.00	$19.52
Suburban Total	**25,440,569**	**0**	**5,279,372**	**20.8%**	**-44,574**	**-253,170**	**$23.33**	**$19.37**
Pittsburgh	**56,308,898**	**903,853**	**11,250,765**	**20.0%**	**-85,114**	**-315,233**	**$27.19**	**$21.17**

100 Global View Drive, also within the Northwest quadrant.

At the same time, NetApp is exploring relocation options. Currently an approximately 85,000-square-foot tenant at 800 Cranberry Woods Drive, the cloud storage company may be rightsizing to 40,000 square feet. Meanwhile, the adjacent Westinghouse headquarters campus in Cranberry Woods is back on the market. The complex was sold in January of 2020 for $180 million to Fortress Credit Advisors.

Civil & Environmental Consultants in the Parkway West submarket has relayed to the ownership of Rosslyn Commons that the company will not be renewing its lease at the 97,000-square-foot building as it searches for a new 100,000-square-foot headquarters location. Further, Michael Baker is considering options for over 100,000 square feet. Currently a tenant at Airside Business Park, the engineering company also has a location in the CBD.

Looking Ahead

During the first half of 2021, activity levels for tenants exploring location options rebounded. However, speculation continues to swirl regarding the long-term impact of the contagion on the Pittsburgh office market. Over the balance of 2021 and into early 2022, it is expected that most users will be looking to reconfigure space requirements with many considering a decrease in square footage and the pursuit of relocation in place of lease renewals. Tenants wishing to remain inside the city may find better value in existing product within the CBD as low occupancy levels offer plenty of options. Furthermore, the soaring cost of construction materials will greatly impact new product being built, placing upward pressure on rents. Competition among landlords to attract and maintain tenants will persist in most submarkets. Owners will continue to offer aggressive concessions as they struggle to retain asset values. **DP**

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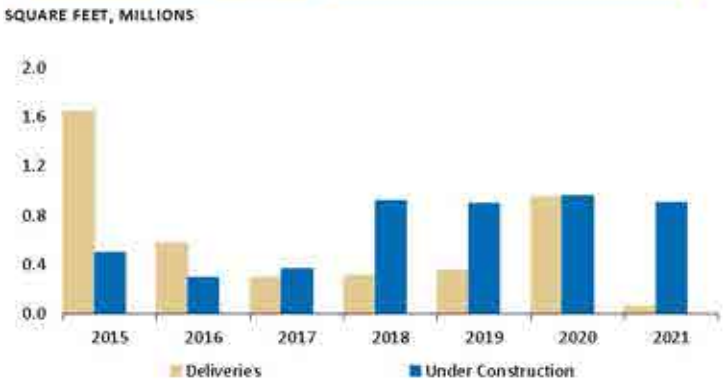
Market Summary

	Current Quarter	Prior Quarter	Year Ago Period	12-Month Forecast
Total Inventory (SF)	56 MSF	56 MSF	56 MSF	↑
Vacancy Rate	20.0%	19.8%	17.9%	↑
Quarterly Net Absorption (SF)	-85,114	-230,119	-274,115	↓
Average Asking Rent/SF	$24.41	$24.46	$24.07	←→
Under Construction (SF)	903,853	903,853	1,079,661	↓
Deliveries (SF)	0	0	0	↑

Construction And Deliveries



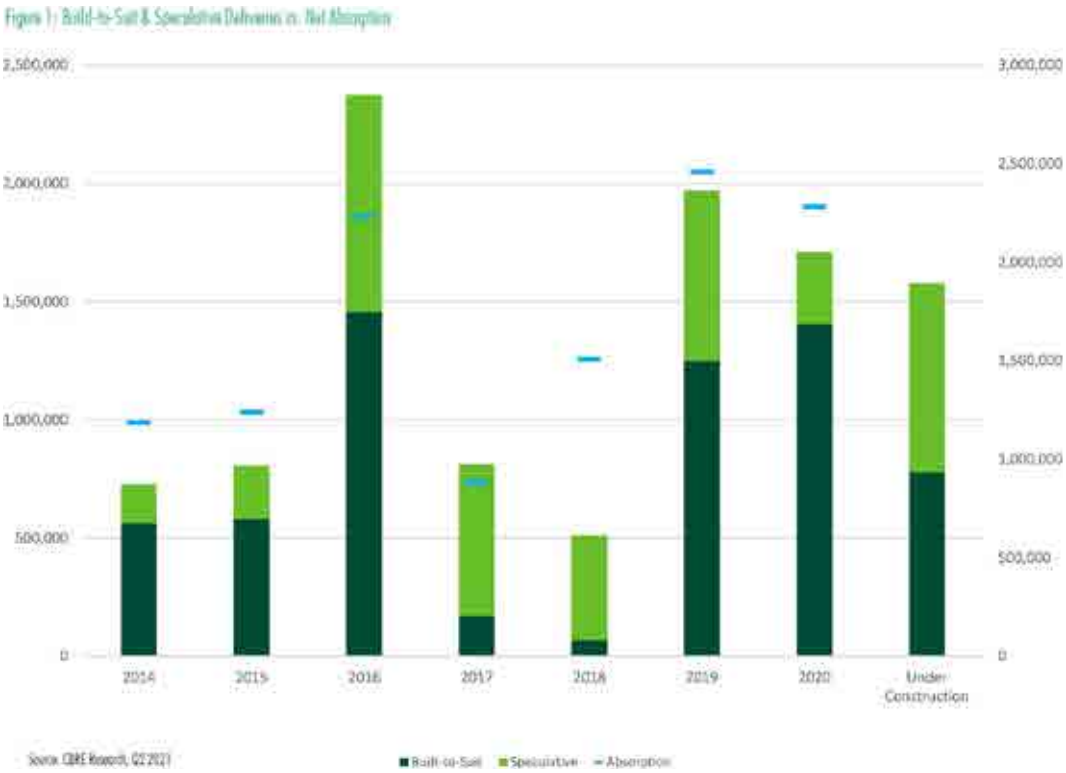
Following a turbulent 2020, the industrial market in Pittsburgh experienced approximately 1.01 million square feet of total leasing activity in Q2 2021. Although COVID-19 has had negative impacts on the economy, the pandemic created opportunity for online retailers and e-commerce platforms to thrive in a year where most people worked from home. The recent increase in demand for products from e-commerce platforms has resulted in more space needed for warehouse and distribution. In Q2 2021, activity for smaller requirements between 10,000-20,000 square feet increased significantly. This demand resulted in tightened supply in the Pittsburgh Industrial market.

Although scarce supply in the market brings opportunity for investors to build industrial sites to meet the demand, construction costs have increased substantially. Not only have the costs of construction materials increased, but the availability of these materials are creating further complications as well. According to CBRE Research as of May 2021, lumber has almost doubled within the past 18-months and steel has jumped dramatically in price since November 2020. The cost of glass and concrete have not been up to par with lumber and steel but still have experienced steady increases from November 2020 as well. Budgets that were set 18-24 months ago are now being updated at 20 percent higher cost according to in-market narratives.

Vacancy rates in industrial buildings across the country are near a record low and new warehouses cannot get built quickly enough to meet the needs of occupiers. Almost 100 million square feet of space was absorbed in Q1 in the industrial and logistics market, the third-highest amount ever, and a record 376 million square feet is under construction.

The economic slowdown put a pause on construction projects and production of materials, resulting in a lack of supply once the government stimulus fueled the economy and demand for new construction sites bounced back faster than expected. Mills cut production for lumber during COVID-19 as they did not expect the demand to rebound as quickly as it did. We are expecting that as COVID-19 vaccines continue to roll out, more lumber mills will safely reopen, recalibrating the cost of the material.

The tight inventory in the Pittsburgh industrial market coupled with expensive construction costs has resulted in an increase of asking rental rates as the trend from the beginning of the pandemic continues. Before the start of 2020, asking rental rates averaged between $5.30/square foot - $5.60/square



foot, now these asking rental rates are holding steady at approximately $6.40/square foot Although construction costs are high, industrial development activity is still strong with 1.5 million square feet under construction. The West submarket of Pittsburgh has 1.1 million square feet of the industrial space under construction with 33.6 percent pre-leased.

Neighborhood 91, 45,000 square feet of R&D and flex space located at 0 Airport Blvd, delivered in Q2 2021. Neighborhood 91, at the Pittsburgh Airport Innovation Campus is a 195-acre site to facilitate companies working together and sharing resources in the additive manufacturing industry.

Figure 2: Pittsburgh Industrial Market Statistics

Submarket	Rentable Area (SF)	Vacant (SF)	Vacancy Rate (%)	Avail. Rate (%)	Q2 2021 Net Absorption (SF)	YTD Net Absorption (SF)	Under Construction (SF)	Avg. Asking Lease Rate ($/SF/Yr)
Beaver County	11,409,129	836,439	7.3	8.6	0	18,995	0	$ 4.92
Butler County	8,384,712	594,600	7.1	7.4	-160,000	-160,000	0	$ 4.29
City of Pittsburgh	15,563,827	1,193,246	7.7	10.0	-27,526	-27,526	78,000	$ 7.08
Cranberry	8,936,533	500,826	5.6	5.7	50,000	50,000	60,000	$ 15.24
East	10,602,378	921,243	8.7	14.9	900	8,979	0	$ 4.75
Northeast	14,092,050	441,766	3.1	5.4	-42,510	-42,510	0	$ 11.98
Northwest	6,573,374	443,301	6.7	8.4	0	0	0	$ 6.10
South	11,153,103	738,572	6.6	8.9	-1,720	-2,516	0	$ 5.84
Washington County	12,769,530	799,613	6.3	7	275145	267645	163200	$ 6.29
West	21,501,569	928,902	4.3	5.0	1,218	134,938	1,125,787	$ 10.13
Westmoreland County	24,183,242	2,350,509	9.7	12.7	0	227000	150032	$ 4.73
Totals	**145,169,447**	**9,444,964**	**6.7**	**8.7**	**95,507**	**475,005**	**1,577,019**	**$ 6.37**

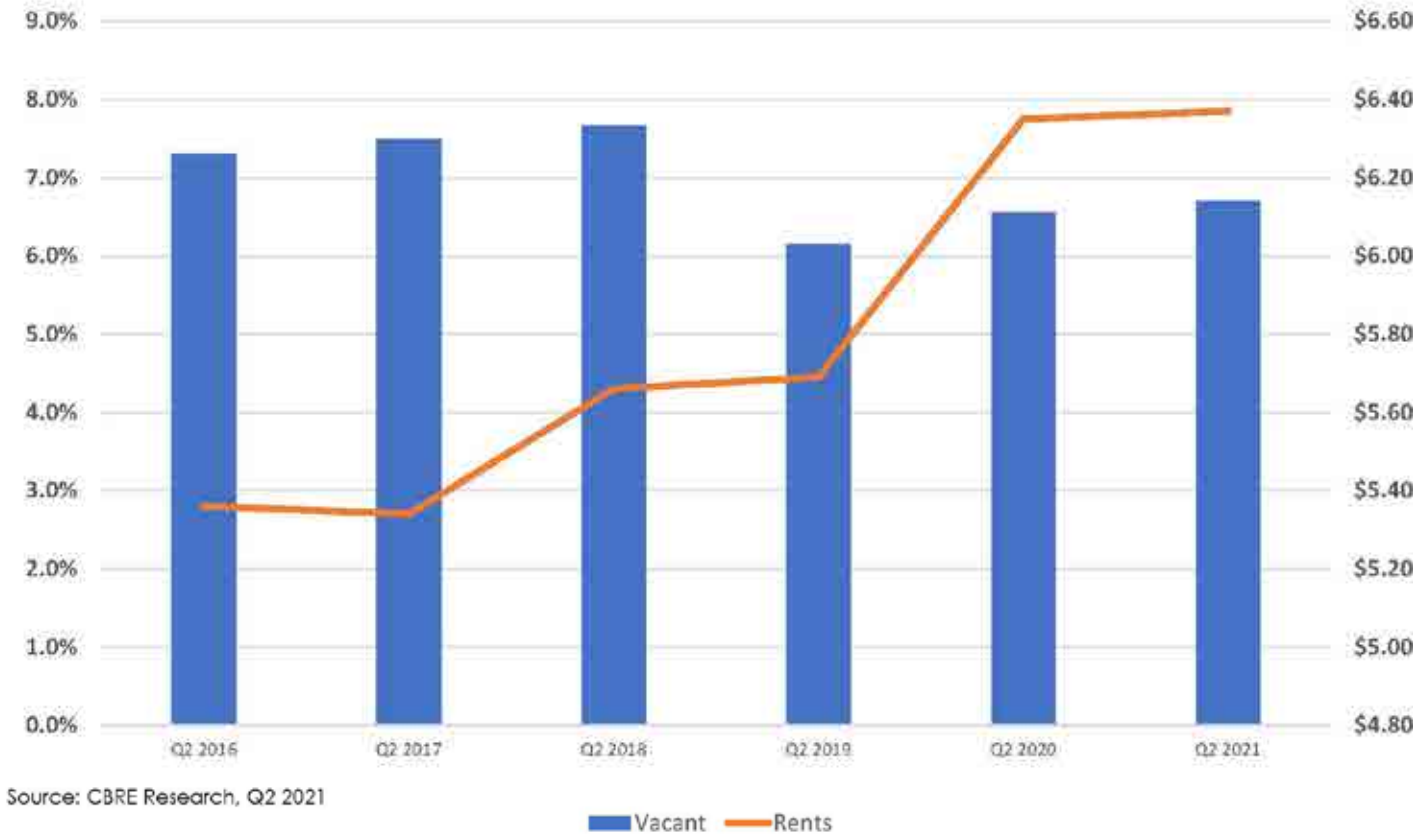
Source: CBRE Research, Q2 2021

Wabtec Corporation, a rail technology company, announced it will be the first anchor tenant taking 11,000 square feet at the new development's first building (45,000 square feet) to grow its additive manufacturing capabilities.

In Q2 2021, there were several significant leases signed. Xylem Inc. signed a new lease for 50,000 square feet at 108 Tomlinson, Penn-Gateway Grand, LLC signed a new lease for 36,000 square feet at 4830 Grand Ave., and Cumberland Additive signed to take 17,000 square feet at Neighborhood 91, 0 Airport Blvd. Magna Service Agency also signed to take 12,000 square feet at 121-141 Southpointe Dr.

The year 2021 will exhibit the highest

Figure 3: Vacancy vs. Average Asking Rents



Source: CBRE Research, Q2 2021

economic growth since the early 1980s, with GDP growth hitting seven percent as the pandemic fades and society and commerce normalize. The key impediment to greater growth is a shortage of key inputs, such as labor, microchips, and raw materials. The housing market is the posterchild of this imbalance, as increased sales during 2020 caused prices to surge and inventories to shrink. But a limited supply of labor and materials is preventing homebuilders from fully responding to price signals.

Vacancy rates in industrial buildings across the country are near a record low and new warehouses cannot get built quickly enough to meet the needs of occupiers. Almost 100 million square feet of space was absorbed in Q1 in the industrial and logistics market, the third-highest amount ever, and a record 376 million square feet is under construction.

Rents rose 7.1 percent in the first quarter nationally from the same period a year earlier to an all-time high of $8.44 per square foot. Rental rates in coastal markets near population centers and inland port hubs are soaring by double-digit percentages. In Northern New Jersey, average base rent for industrial properties jumped 33 percent in May from a year earlier, and California's Inland Empire saw an increase of 24 percent, followed by Philadelphia at 20 percent. The need to have facilities in these markets, coupled with record low vacancy rates, has often led to bidding wars among occupiers that are driving up rental rates.

The U.S industrial market shows no signs of slowing down with record-high asking rents and in-process development activity, low vacancy levels and 44 consecutive quarters of positive net absorption. Companies are leasing space at a historically robust pace to accommodate the large increase in e-commerce sales. Nearly 100 million square feet was absorbed in Q1, the third highest mark on record. This was on the heels of a record 116 million square feet of net absorption in the previous quarter. Despite strong demand, construction completions dropped in Q1 2021 to 58.2 million square feet, the lowest amount since Q2 2019. However, a record 376 million square feet is currently under construction. Increased demand from e-commerce and the need for safety stock to guard against supply chain disruptions will further push up asking rents and keep vacancy rates near record lows despite a large supply of new development coming on stream. **DP**

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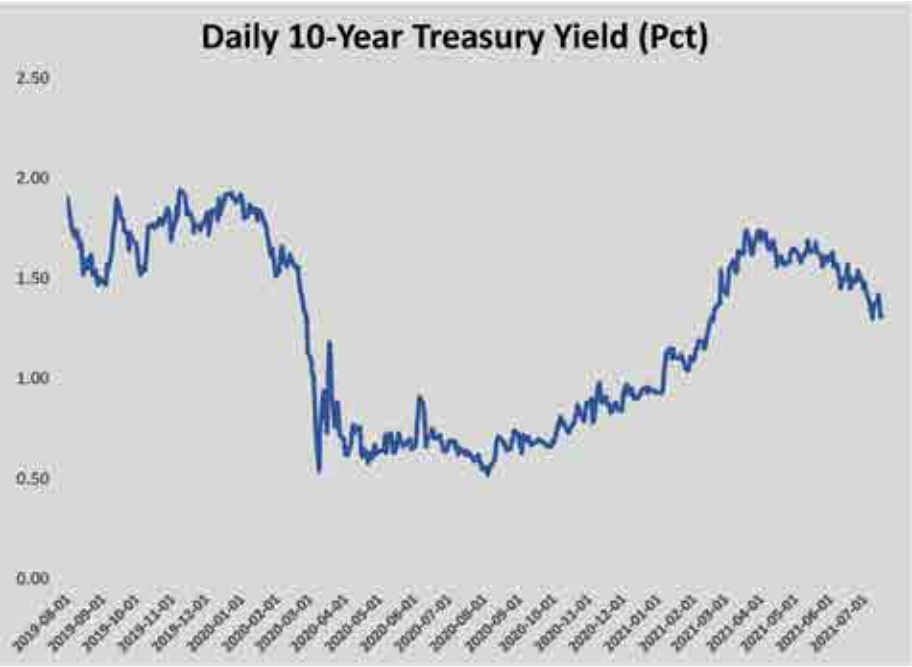
Limited supply of properties for sale, uneven recovery among property types, a surprise decline in long-term interest rates, and a wave of optimistic investors flush with cash pushed capitalization rates lower in the first half of 2021. That market shift highlights how dynamic the commercial real estate capital markets will be through 2022.

Cap rates edged higher at the start of 2021 in anticipation of an uneven economic recovery and an increase in interest rates at the long end of the curve. The pace and strength of economic growth helped ease concerns over uncertainty as spring turned to summer. Likewise, the anticipation of higher inflation cooled. As pressure to place large pools of reserve capital grew, investors began to overlook uncertainty about rents and valuation to accelerate the pace of acquisition and development. Cap rates fell by 20 to 40 basis points, depending on asset type.

Colliers U.S. Capital Markets report on first quarter activity showed a decline in transaction volume to $96.7 billion in the first quarter but an increase in price of 7.8 percent. Moreover, prices increased in all four major commercial property types. Cap rates for multi-family fell below 5.5 percent and several large industrial purchases in the Midwest and Southwest logistics corridors fell below a 4 percent cap rate.

Against these bullish signals, however, there are areas of concern. Paramount among them is the uncertainty about future performance once the governmental assistance and moratoriums on evictions end. Trepp Financial, the largest database of loan data in the world, noted in early July that the number of loans that were on lenders' watch lists in June had grown to 27 percent. Given the economic disruption caused by the pandemic, that level of concern is not surprising, but the share of loans on watch list had grown from 11 percent in January 2020 to 22 percent in December 2020. While mid-2021 may be the high-water mark for concerns about loan performance, it is likely that loan defaults will rise into 2022.

Concerns about potential defaults aside, the commercial real estate financing conditions are as good or better than they were before the pandemic. With the exception of office buildings, for which there lingers uncertainty about post-COVID occupancy levels, all commercial property types are recovering or thriving. Asked about what keeps them up at night, lenders have to ruminate for a few minutes.



"Liquidity is great; rates are great; and rents are great. Costs have exploded but people are still moving forward with their projects," says Nick Matt, senior managing director and co-head of the Pittsburgh office of JLL Capital Markets, Americas. "I have no great concerns about the market, but I think the bigger concern might be how we are going to come back to work. The pandemic hastened what was going to happen in five years to maybe one year. I'm not sure quite how that bounces back."

"Our biggest concern is seeing how the market rebounds," says John Casile, senior vice president at Dollar Bank. "Office, retail, and hotels all seem to be rebounding but I think it will be 12 to 18 months before we have a good indication of how far they have come back compared to 12 to 18 months ago."

The conditions seem to be surprisingly strong regardless of property type or location. Even with the uncertainty of the future of office occupancy, Casile says there is still demand from buyers, many of which are not in Pittsburgh, and appetite for lending.

"In my 45-year career I haven't seen the volume institutional equity that is flowing into Pittsburgh. Pittsburgh has shown it is a stable market that has upward potential for investors," he observes. "For office space, if it is a stabilized office building with good cash flow, we will consider that as we always have, based upon lease term and tenancy. For speculative product we are more cautious while we see what happens as people return to the office."

Matt notes that regional banks have maintained an appetite for commercial

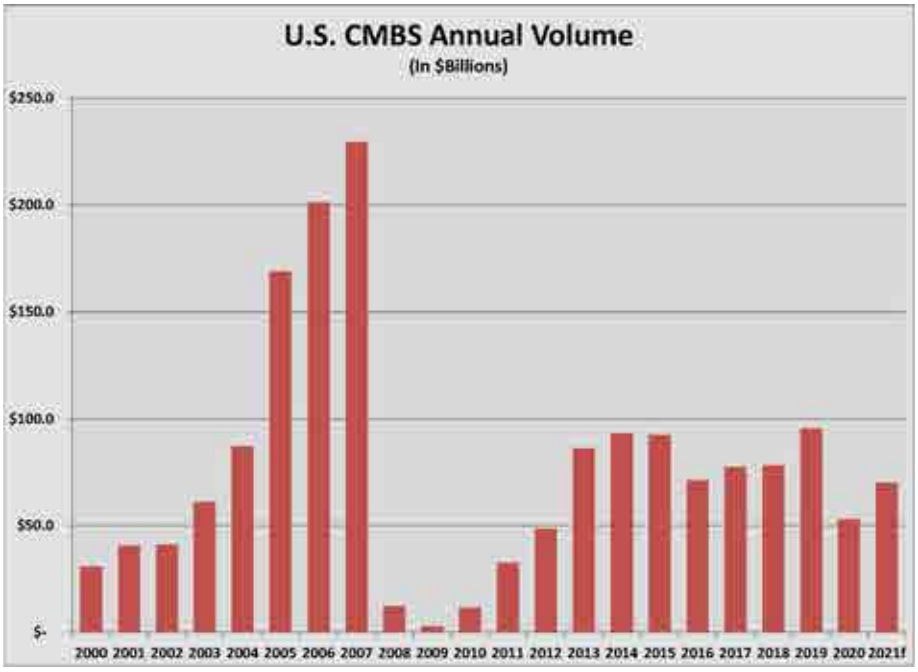
real estate lending, without much divergence from the underwriting standards that were in place before the pandemic. Borrower strength is still paramount. Lenders are still looking for completion and repayment guarantees on construction loans. Underwritten deals are using in-place or trailing rents and expenses, not pro forma figures. For property types in higher demand, like industrial and multi-family, he has seen creative and competitive terms that are more accommodating.

"We closed a loan on an apartment building with a loan amount of over $42 million that was 65 percent loan-to-value. It was a 10-year term, 10 years of interest only, and no amortization. We locked it at 3.23 percent. If you can't make money in an apartment with that kind of a loan you should make money in another business," Matt jokes.

There are other signs of financing becoming more aggressive, although nothing approaching frothy. There has been an uptick in non-agency, non-qualified residential mortgage-backed securitization (RMBS) issuance. By far the largest market for mortgage securitization, RMBS bonds are backed by roughly three quarters of all mortgage originations in the U.S. The growth of non-traditional lenders, like Sprout or loandepot.com, means that there may be more non-qualified mortgages being underwritten. Credit Suisse plans to issue $251 billion in non-qualified, non-agency RMBS. The risk premium the market assigns to that issuance will be an indication of whether buyers of bonds are growing their appetite for risk in return for yield.

Alternative sources of funding have been entering the commercial real estate space prior to the pandemic. Private funds have been a secondary player on the equity side of commercial real estate finance but were increasing their share in lending coming into 2020. As the economy thawed in spring of 2021, that trend is growing.

As of early May, nearly 130 different debt funds were involved in transactions across the U.S., according to Berkadia, the nation's largest non-bank commercial mortgage servicer. Private debt funds closed on a record $3.5 billion in loans during the first three months of 2021. Berkadia's executive vice president of mortgage banking, Hilary Provinse, attributed the increase to a glut of liquidity among wealth managers and the relatively small allocation of that wealth to real estate. Private equity funds have historically allocated little capital to commercial real estate debt but, with returns limited on fixed-income and stock assets, wealth managers are looking to real estate for diversification and yields.



Life insurance companies and banks also have plenty of liquidity but are focused on higher quality sponsorships. That leaves more opportunity for private debt on multi-family and single-family rental deals.

Fannie Mae and Freddie Mac, the government-sponsored agencies responsible for the largest share of multi-family loans, is facing some uncertainty as the Biden administration works out how or if the agencies can leave the conservatorship that has been in place since fall of 2008. Despite the uncertainty, the agencies have been doing business at a pace that will consume the combined $140 billion caps for multifamily financing set by the Federal Housing Finance Agency for 2021. With the improvements in the marketplace, Fannie and Freddie have backed off some measures taken during the pandemic.

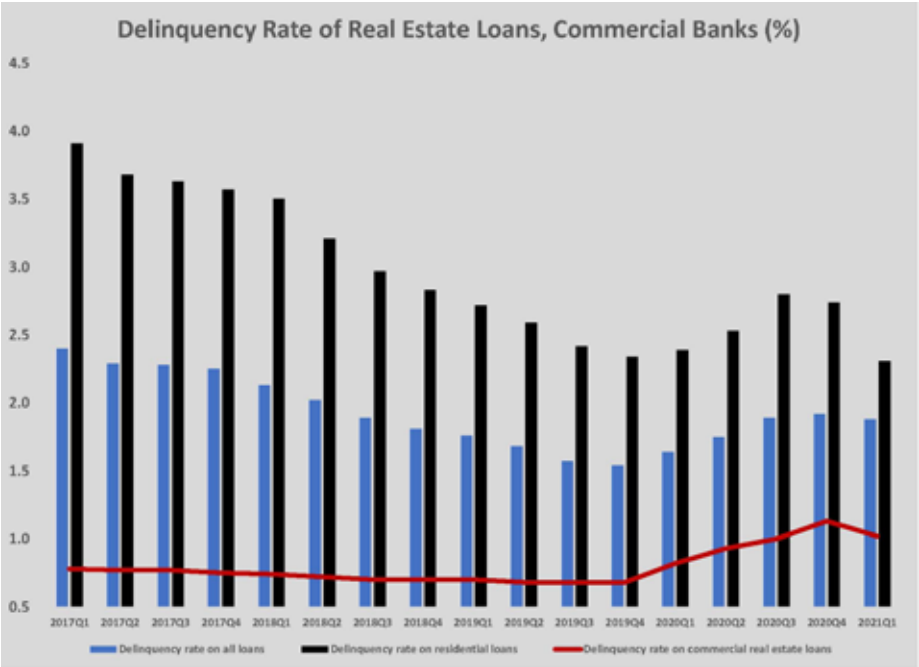
"In terms of their production there has been no change, but one thing that is tangible is that they are no longer requiring the 12 months debt service payments in escrow. That was imposed by the agencies during COVID to mitigate the risk of nonpayment," says Dan Puntil, senior vice president and Pittsburgh office manager for Grandbridge Real Estate Capital. "Fannie and Freddie waived that in early June. That's a meaningful change because 12 months debt service was impactful for a lot of borrowers."

The elevated risk of default due to COVID-19 in 2020 significantly diminished the commercial mortgage-backed securities (CMBS) volume. CMBS issuance fell by almost half, compared to the forecasted $95 billion. New issuances have been increasing since the spring and CMBS volume is expected to recover to $70 billion in 2021. As has been the case since the financial crisis, CMBS financing has addressed the riskier end of the deal spectrum. The share of the market that fits what CMBS bondholders expect in yields will remain relatively small.

For those looking for the cloud behind the silver lining, inflation looms. The imbalance in properties for sale compared to interested buyers have spurred higher prices in most cities. As the economy normalizes – and buyers and sellers agree more often on price – lingering inflation could upset the markets, especially if the Federal Reserve Bank acts quickly to keep

an inflationary cycle from growing. Paul Griffith, senior managing director for the Pittsburgh office of Newmark Valuation and Advisory, is concerned that market responses could hurt property owners in slower growth cities like Pittsburgh.

"At some point cap rates are going to stop falling and go the other way. Interest rates will increase, and owners will have to increase rents to keep up," Griffith says. "Interest rates are global. Rental rates are not. If you are in a market where you can grow at four or five percent per year, you won't have a problem because your net income will stay ahead of the higher cap rates. But in slower growth cities, particularly the Rust Belt markets, there is potential risk because rents can't grow as fast. That will lead to lower property values."



Commercial real estate loan delinquency has risen at U.S. banks but are at levels that are 11 percent of the delinquency rate of mid-2009. Source: Federal Reserve Bank.

Commercial real estate participants will also be keeping an eye on signals that a change in interest rates is imminent, at least until there is some economic equilibrium. Since the last two COVID-19 relief bills passed, observers have been paying close attention to the Fed's signals. At least two of the Fed's governors are already suggesting that talks should begin about tapering the central bank's purchases of bonds and Treasury debt. Several times during the spring, such talk caused temporary blips in the bond markets; however, there are some strong reasons to assume that the plans to keep accommodative policy in place through 2021 will remain in place.

Unlike in 2013, when Fed Chairman Ben Bernanke's unexpected comments about tapering purchases surprised the bond markets, Jerome Powell's transparency about the topic has removed the chance of a surprise. Moreover, while the Fed is the largest owner of Treasury obligations – holding roughly 25 percent of the market – the share of foreign ownership of Treasury bonds has fallen by roughly half since the early 2010s to 16 percent. More than half of the Fed's purchases have been of bonds maturing in less than five years. When the central bank begins to dial back purchases in 2022 or 2023, a significant share will be through bond maturation, and there will be plenty of foreign sovereign buyers to make up the slack.

Over the next 12 months, there will continue to be anxiety about rates rising and temporary market reactions, but the Federal Reserve Bank has laid out its expectations. So long as the economic recovery is uneven, as it has been thus far, the Fed won't be pushing to cool off an overheating economy by hiking rates.

J. P. Conklin at Pensford Financial identified three metrics to watch to judge if inflation is becoming pervasive or transitory, as expected. The first, upward pressure on wages, will be more relevant in September, when the return to school and expiration of extended unemployment are expected to add several million people to the workforce. The second signal would be price increases that are broad based, rather than for goods and materials caught in reopening disruptions. Inflation expectations are the third indicator. An uptick in long-term bond rates would suggest that buyers are expecting inflation to persist beyond the next few quarters.

The bond market seems to be less concerned about the threat of inflation and more concerned about the impact on growth that will follow the withdrawal of direct government aid to consumers in the third quarter. The surprise dip in bond yields in early July signaled that buyers felt no need to seek a premium for the risk of future inflation. Capital market reports by companies as varied as Newmark, Merrill Lynch, JLL, Wells Fargo, and Goldman Sachs forecast yields on the 10-year Treasury bill to float between 1.5 and 2.0 percent through the end of 2021. As of July 19, the 10-year was yielding 1.3 percent.

"From our perspective we are trying to remain competitive in the Pittsburgh market regardless of the rate. We don't try to predict rate," says Casile.

"I am not sure the government can afford to let interest rates run. They can certainly control that short end of the curve with the Fed Funds rate, but they can also control the long end by buying $120 billion in agency securities and Treasuries. The government is putting a cap on the short and long end of the curve," notes Matt. "Could the market overtake that at some point? Maybe but I think we're in a low interest rate environment for a while." **DP**

The Bottom Line COVID Bankruptcy Changes: Considerations for Commercial Landlords

By Gary M. Sanderson

While most are aware of the legislative and executive attempts to provide assistance to those hurt by COVID-19 (unemployment compensation, PPP Loans, CARES Act, eviction restrictions, etc.), there were also some lesser-known bankruptcy adjustments made in the recent Consolidated Appropriations Act of 2021. This Act included a number of changes to the U.S. Bankruptcy Code aimed at helping consumers and businesses manage the lingering financial effects of the pandemic.

From a commercial leasing standpoint, the Act also provided temporary changes that landlords should be aware of if a tenant files for bankruptcy. These changes to the Bankruptcy Code now exclude certain rent deferral amounts from preference actions and give the debtor tenant additional time to: (a) decide whether to assume/reject leases; and (b) begin paying post-petition rent.

Exemption for Certain Deferred Rent from Preference Actions

Congress recognized that many landlords were working in good faith during the pandemic to help tenants and one of the common solutions was for the parties to agree to a rent deferral. For example, the parties may have entered into a lease amendment with the landlord agreeing to defer rent from the tenant for April, May, and June of 2020, when the tenant's operations were closed. Those unpaid rent payments would then be deferred, due in equal parts over the next several months, so that the tenant can catch up over time without being in default.

Prior to this revision to the Bankruptcy Code, any rent deferral payments made out of the ordinary course within the 90 days before the bankruptcy was initiated could be subject to a preference action. A preference action is when the court/trustee can demand that certain payments made from a debtor to a creditor before the bankruptcy, actually be paid back into the bankruptcy estate (subject to some defenses, but still difficult for a cash-strapped landlord to be asked to return money).

To help landlords who had entered into deferral arrangement and to encourage parties to negotiate helpful solutions, rather than immediately run into court, the new Bankruptcy Code revisions exempt those deferred rent payments received within 90 days prior to the bankruptcy filing from being subject to a bankruptcy preference action. To qualify for this preference exemption, the rent deferral arrangement must meet the following:

1. It must be a non-residential lease.
2. An agreement to defer rent must have been entered into on or after March 13, 2020. Further, there is a cap on the repayment amount, in that it cannot exceed the amount of rent and other charges (including fees, penalties, and interest) agreed to under the lease before March 13, 2020. This means the landlord cannot charge any sort of premium when deferring rent.

Bottom Line

Moving forward, landlords should make sure any deferral arrangements are in writing, whether by a separate deferral/forbearance-type agreement or a simple lease amendment. One thing to point out is that the Bankruptcy Code does not exempt payments that a tenant makes to terminate their lease early — so any early termination payments made within the 90 days prior to filing for bankruptcy could still be subject to a preference action — unless structured as deferred rent repayment, not lease termination fee. Landlords should make sure to structure any future deferral arrangement accordingly or determine if there is a need to restructure previously entered deferral arrangements. This change will expire on December 27, 2022, but will continue to apply to cases commenced before this date.

Additional Time to Assume or Reject Lease

Previously, the Bankruptcy Code provided that a tenant automatically had 120 days after filing for bankruptcy to decide whether to assume or reject a lease. The court could also extend that deadline for another 90 days, resulting in a tenant having up to 210 days to make this critical decision. The recent Bankruptcy Code revision added another 90 days to the initial timeframe, resulting in a tenant having 210 days automatically, which the court could then extend for another 90 days, totaling 300 days.

Bottom Line

Bankrupt tenants, especially those with a large portfolio of leases now have extra time to analyze and negotiate these leases, but landlords are left in a difficult position. Some landlords could be in limbo for up to 10 months, during which they cannot try to re-let the premises and have no certainty of the intention of the tenant to stay and pay or reject the lease and move out. This change is set to expire on December 27, 2022 (but will continue to apply to subchapter V small business Chapter 11 cases commenced before this date).

Additional Time to Pay Post-Petition Rent (for Subchapter V Small Business Ch. 11 Cases only)

Generally, the Bankruptcy Code required that a tenant begin paying post-petition rent (due after it filed for bankruptcy) immediately after filing the case, but with the possibility of a 60-day extension, which are commonly approved by the courts.

This new revision gives subchapter V small business Chapter 11 debtors who have been adversely affected by COVID-19 a second 60-day extension, so that landlords may have to wait up to 120 days to receive any post-petition rent.

Bottom Line

This can result in financial hardship for a landlord, who may not receive any post-petition rent payments for up to 120 days. If a bankruptcy case moves quickly, it is possible that a Plan of Reorganization could even be confirmed, prior to a landlord receiving any post-petition rent. Landlords may want to determine whether they have any rights to seek a relief from stay in this situation or will want to ensure that unpaid post-petition rent is clearly detailed in the Plan to be paid in full as an administrative priority expense. If the Plan does not call for this, a landlord may have to object to the Plan, to ensure that this post-petition rent is paid in full. This change will expire on December 27, 2022 but shall continue to apply to those qualified cases commenced before this date.

Conclusion

While these temporary changes may create roadblocks for commercial landlords in terms of enforcing their rights or receiving timely payment during a bankruptcy, they do allow landlords to avoid preference actions on certain deferral arrangements. Until these changes to the Bankruptcy Code revert to the prior framework, commercial landlords should be cognizant of these changes when entering into any rent deferral arrangements and to the extent any of their tenants file for bankruptcy. **DP**

Gary Sanderson is a partner and member of the Real Estate and Lending Practice Group at Meyer Unkovic & Scott LP. He can be reached at gms@muslaw.com or 412-456-2550.

What is your vision or hope for how the development of the 28-acre former Civic Arena site will change the Hill District and/or the city over the next decade?

Brittany McDonald
Executive Director
Uptown Partners

"Given that Uptown is part of the greater Hill District, the new development of the 28-acre former Civic Arena site is of significant interest of Uptown Partners of Pittsburgh. It is imperative that the new development positively impacts our community, from economic development to serving as an asset for community members. Supporting development projects in our area is critical to the Greater Hill District's, inclusive of Uptown's, much needed revitalization. However, it is crucial that our community-based and community development organizations advocate heavily for responsible and equitable development in our neighborhood.

My vision of the development of the former Civic Arena site includes mixed use development that incorporates the fabric of our community, features ample green space and public art, and ultimately welcomes and serves our existing community members. I hope that the new development serves as a catalyst for further development in the Greater Hill District and Uptown, bringing more job opportunities to our residents. I believe this has the opportunity to change our community from needing revitalization to a community that is prosperous, vibrant, and welcoming."

Vincent. J. Delie, Jr.,
Chairman,
President and
Chief Executive
Officer
F.N.B. Corporation
and First National
Bank

"Our new headquarters building, FNB Financial Center, is at the heart of one of the largest, most socially responsible urban development initiatives in the nation. As a driver of the project, FNB has been proud to collaborate with the development team and local community to honor the Hill District's rich history while playing an instrumental role in the future of our entire region. FNB Financial Center will serve as the launch point for the next phase of Pittsburgh's evolution, with a significant and lasting impact on job growth and economic prosperity. The development project is expected to be a catalyst for hundreds of millions of dollars in overall economic expansion and the creation of more than 1,000 jobs, with a commitment for substantial participation by minority- and women-owned businesses. It is a win for our city across the board, presenting significant opportunities for our company, as a source of both efficiency and innovation, and fostering continued progress and benefit for the residents and businesses who call the Hill District and the greater Pittsburgh area home."

Jeremy Waldrup
President and CEO
Pittsburgh
Downtown
Partnership

The development of the 28-acre site presents a unique opportunity to restore the connection between Downtown and its closest residential neighborhood, the Hill District. The Lower Hill was once home to over 8,000 residents and hundreds of businesses and this redevelopment will help reinstate an important segment of the community that was once erased. While this development cannot undo or restore what was lost, and we certainly understand its impact and acknowledge the hurt that remains, it is a positive step. Moving forward, any redevelopment must align with the Hill District's community desire to create a continuous and connected street network that has a mix of uses and provides housing and job opportunities for existing and new neighborhood residents.

Very few cities have the opportunity and responsibility to develop such a large site adjacent to the Central Business District. It is vital that the transition between Downtown and the Hill District provides a welcome connection for all those who reside, work, or visit there, as well as vibrant and highly accessible experiences. From the new Cap Park, to a growing commercial office and residential population, this new site must help right past wrongs, and reintegrate the area for both the Hill District and Downtown to serve as catalysts for investment and opportunities that serve both communities.

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Mark Anthony Thomas
President
Pittsburgh Regional Alliance

"The U.S. is home to many great cities, but from among these only a few neighborhoods exist – surprisingly – in our collective consciousness as destinations in their own right. The West Village, Lincoln Park, French Quarter, Castro, and Harlem are such places. Equally as iconic is Pittsburgh's Hill District.

"The Hill District is studied in books and curriculum on America's Black history. It's also a place where through film, theater, art, and literature people today can experience a neighborhood that was a thriving and vibrant hub of culture when Pittsburgh was at the center of the nation's industrial revolution.

"As we collectively work on what's next for the 28-acres Lower Hill site – through redevelopment and the catalyzing of investment – we must remember that the success of this project is critical to the region. It's important that the site becomes a true center of gravity that celebrates the Lower Hill's iconic past while being focused on a future where economic opportunities for all are created by deliberate reconnections of this neighborhood to Pittsburgh and beyond."

Mary Beth McGrew
Vice Chancellor for Planning, Design and Real Estate
University of Pittsburgh

"The University of Pittsburgh is committed to community-driven development that pursues ground-breaking possibilities across the region. New development of the former Civic Arena site serves as an opportunity to revitalize economic growth in the Hill District and creates possibilities driven by the community and supported by the University.

We are hopeful this catalytic development will ripple throughout the Hill and Centre Avenue corridor, making it possible for historic sites such as the New Granada Theater come to fruition, where the University's Hill District Community Engagement Center will be an anchor tenant. We are excited about the economic opportunities created in the Lower Hill for job seekers locally, and the community-facing benefits that follow community-driven development.

We look forward to the development, growth and collaboration opportunities in the Hill District which will strengthen our communities and our university together."

Brad Totten
Principal and Manager Director, Pittsburgh Office
Avison Young

"My biggest hope and aspiration is that the project will finally provide a true connector between the Central Business District and that site, but also to the rest of the Hill District and Oakland beyond. In our categorizing neighborhoods - particularly for office space - we always referred to Chatham Center as not quite Downtown but a fringe location similar to the North Shore or the South Side. The latter two had rivers separating them from Downtown and bridges to walk across. Now we're finally going to have a bridge from Downtown to walk to the Lower Hill District. I do think it will be a connector and gateway for activity, whether that's hotel, office, entertainment, or whatever.

For a long time that site offered nothing but parking, but it will offer a full-fledged mixed-use development. I think you will see a lot of pedestrian activity over that bridge. It is long overdue, but it is coming."

Jake Wheatley
Representative, 19th District
Pennsylvania House of Representatives

"We have some real beliefs and hopes, but also some work to do to make sure that the promises of what this Lower Hill development, which will eventually be over a billion dollars at the entry way to our community, can be. It can potentially be very impactful, or it can be a continuation of decline if we don't ensure that all of the stakeholders' voices are at the table and respected. We have to make sure we work collaboratively. I think that's why Councilman Lavelle has put together the Lower Hill task force, working with the CDC and the Penguins to really look at how we leverage what develops so that there are opportunities for local Hill District businesses to locate in the Lower Hill. We need to stay focused on what this development can it do for Centre Avenue and Herron Avenue for affordable housing and other development opportunities from the investors in the Lower Hill.

"We think it can be a wonderful opportunity if we remain working together to make sure that all of the various interests stay at the table. Without that, the opportunities that could present themselves throughout the Hill will stay in the Lower Hill."

Allegheny County

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Thanks to the leadership of our county Health Department and our four medical systems, Allegheny County is well ahead of many of its neighbors in the number of residents vaccinated in our community. We're seeing the impact of that fact already with robust increases in employment, increased activity in sectors including distribution and travel, and a return to some semblance of normal as we all pick up where we left off at the beginning of the pandemic.

In the past few months, we have celebrated groundbreakings, ribbon cuttings, exciting announce-ments about growing industries, and there is even more on the horizon. Our diverse economy will continue to drive our region's energy and vitality and we stand ready to help build on those strengths, supporting new and emerging businesses and investing in the sustainability of those which already call this region home.

Investing in a diverse economy is an important part of the work that Allegheny County Economic Development does. With investment from the Redevelopment Authority of Allegheny County and funds from the Community Infrastructure Tourism Fund, the Oakland Business Improvement District launched its retail pop-up program to encourage more retail storefronts in the business district. The first tenant, Argyle Studio, offers handmade goods and wares created by local artists, makers and entrepreneurs, while also offering programming and events that highlight the 30+ local vendors who have brought their vibrancy to this district.

Of course, infrastructure remains an important focus at the federal and state level, but locally, we are also doing our part. Through funding from the Gaming Economic Development Fund, the Woodlands was able to connect its flagship campus in Wexford with an adjacent property. The facility offers camps, retreats, clubs and events that enrich the quality of life for individuals and families navigating the journey of disability and chronic illness. Connecting people – literally and figuratively – means that we can


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continue to build communities that support all who call this region home.

We also recognize that many businesses and organizations have been greatly impacted by the pandemic and have brought resources to bear to help relieve the financial burdens they are experiencing. The county awarded over $15 million in COVID-19 Hospitality Industry Recovery Program (CHIRP) funding to 642 business in Allegheny County with funding from the state supplemented by the county's funds. It has also accepted applications to distribute another $10 million in funding to municipalities, councils of governments, non-profit agencies, for-profit organizations, and other public agencies that continue to prevent, prepare for and respond to the coronavirus. And that doesn't yet take into consideration the funding available through the American Rescue Plan that will be available to further support efforts in the coming months and year.

We are extremely proud that we have explored and embraced new and innovative ways to boost our diverse and thriving economy. We look forward to a future of continued growth, sustainability and maintaining our public and private partnerships to further our mission of making Allegheny County a national and international destination for years to come. We are grateful to have the opportunity to work with those businesses and organizations which already call this region home and welcome the chance to talk with anyone interested in this community about what a great place it is to live, work and play.

Butler County

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Collaboration is a large part of Butler County and the success that the County has had in recent years. The Butler County Growth Collaborative was unveiled in the Spring of 2019 and since that time it has enabled our County Representatives to speak with one voice. The Growth Collaborative includes the Butler County Tourism and Convention Bureau, The Community Development Corporation of Butler County (CDC), the Butler County Chamber of Commerce, the Butler County Community College, and the Pittsburgh North Regional Chamber. These and other Butler County entities are committed to "speaking with one voice" and showcase Butler County to prospective businesses and residents. "By speaking with one voice, we are committed to eliminating the duplication of services and providing current and prospective business owners with the information that is needed for them to relocate or expand in Butler County," stated CDC Executive Director, Joe Saeler.

While the global pandemic changed the way that we live, work and play, Allegheny County's diverse economy has continued to thrive and grow.

We've seen exciting announcements of further investment in our community. Google continues to add jobs and expand. Waymo just announced the acquisition of a Carnegie Mellon University start-up. Innovation Works has invested $372 million in tech startups. Wabtec, Carnegie Mellon and Genesee & Wyoming have moved forward with plans to establish a research institute focused on freight rail innovation. Our real estate market remains strong and driven by young buyers.

That doesn't mean that there haven't been challenges, but we continue to find new and unique ways to provide services that our residents and businesses have come to rely on.

For an example of that effort, we can look to Allegheny County Economic Development which provided three key resources to residents and business during the pandemic. The department played a crucial role in assisting landlords and tenants through the CARES rent relief program, it helped to administer funds to businesses in the Hospitality Industry through CHIRP (COVID-19 Hospitality Industry Recovery Program), and is also distributing over $10 million in funding through the Community Development Block Grant Program to benefit residents within the county to prevent, prepare for and respond to coronavirus.

The future of Allegheny County looks bright! Thanks to continued collaboration with private and public partnerships that share the mission of making our community a desirable home for current residents and businesses, we also look forward to welcoming newcomers to one of the top destinations in the US.

Lance Chimka
Director Economic Development

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ALLEGHENY COUNTY
ALWAYS INSPIRING

The Capital Environmental Risk Transfer Alliance (CERTA) purchased the AK Steel Plant 2 property in late 2020. This 90-acre tract is adjacent to the Pullman Center Business Park. An environmental cleanup of the land will take place and several of the buildings on the parcel will be razed. The CDC will then partner with CERTA on conceptual plans for transforming the area into a business park for manufacturers. This site has all utilities as well as rail access making it very attractive to manufacturing firms. We look for some announcements on the companies interested in relocating to this site soon.

Infrastructure improvements are also a vital component of Butler County's success. Work on the MSA Thruway continues in Cranberry Township. The thruway will alleviate traffic delays on Route 228 and connect Interstate 79 to the Cranberry Springs Business Park. Work on the Route 228 corridor in Middlesex Township is also continuing. The Balls Bend area will be reconfigured to accommodate growth in this area. New traffic signals in the area will alleviate delays as the shops at the Middlesex Crossings Strip Mall begin to open. The CDC office is also working with Petrolia Borough and Chicora Borough on stormwater and infrastructure upgrades in the northern portion of Butler County. Both boroughs received H2O grants to modernize their stormwater systems.

New business is coming to the Victory Road Industrial Park. Bayer just released that they are planning to build a 220,000 square foot distribution center in Clinton Township. This growth will positively impact Butler County. "This is a big win for Butler County with new jobs and growth" said Joe Saeler, Executive Director of the Community Development Corporation of Butler County. This new center will store and distribute Bayer medical supplies that will be manufactured locally.

In 2020, several Butler County projects got underway. Butler Township purchased an 18-acre tract at the Pullman Center Business Park Expansion with plans to construct a sports dome on the site.This facility will provide residents in Butler County and the Tri-State area with a first-class sports facility that will host regional tournaments for teams of all ages.

Fayette County

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The first six months of 2021 have been extremely busy in Fayette County.

Earlier in the year Pennsylvania legislators signed into law the Covid-19 Hospitality Industry Recovery Program (CHIRP). The program provided grant funding to businesses in hospitality, and funds were allocated to each Pennsylvania county's governing body based on county population.

In March, Fayette County contracted with Fay-Penn Economic Development Council to administer $1,464,205 in CHIRP funding. Fay-Penn developed a comprehensive countywide program that included an application process, business outreach, contact tracking, application assistance, and grant award criteria.

Over the past few months, Fay-Penn contacted almost 400 hospitality businesses in Fayette County to apply for and receive the allocated grant money. Fay-Penn ultimately awarded grants to 81 Fayette County businesses, which were then paid by Fayette County. These businesses employ a significant number of workers and are a vital component of Fayette County's economy.

In the first six months of 2021, Fay-Penn has approved three loans in the amount of $165,000. Two restaurant/food establishments and one childcare facility were among the recipients, and the projects are estimated to create/retain around 30 jobs.

Additionally, through Fay-Penn's business outreach program, staff members have been able to assist more than 130 Fayette County businesses with site selection, lending services, business plans, tax credits and other technical assistance.

Fay-Penn is also looking to resurrect its Fayette Leaders Academy program, which is a nine-month program that cultivates

leadership skills among younger, professional talent in the county. The next cohort is slated to begin in the fall.

Fay-Penn Economic Development Council assists in growing and diversifying the economy in Fayette County, Pennsylvania. We desire to be the pre-eminent "1-stop shop" economic development organization in Fayette County by providing comprehensive business development services through our staff or partners to make our clients more competitive in a global marketplace.

Fay-Penn's ultimate objective is to sustain a supportive environment for business start-up, expansion, and attraction.

Greene County

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Greene County has continued to work with the businesses in our area to make sure they have access to the funds they need for a recovery from the effects of COVID-19. Here's what's happened in the first half of 2021:

Greene County was awarded funding through the Financial Advance for Small Business Assistance (FASBA) to allow businesses affected by COVID-19 within the county to receive up to $50,000 as a forgivable loan. The Greene County Commissioners had four rounds of applications, so it was not a first-come, first-served program.

Greene County Industrial Development Authority (GCIDC) offers financial assistance through our Revolving Loan Fund (RLF) that provides seed money to promote job development and business growth. Loans can be made for real estate, machinery and equipment, and working capital. For more see https://www.co.greene.pa.us/resources/19429 .

10 restaurants were awarded a total of $405,000 through the Covid-19 Hospitality Industry Recovery Program (CHIRP) through the Southwestern Pennsylvania Commission.

The Greene County Commissioners announced the beginning of Phase 1 construction of the Wisecarver Recreational Area Softball Facility and Hiking Trail Project which includes constructing a softball field, parking lot, and the beginning of a walking trail for approximately $800,000 and should be complete in the fall of 2021.

Consol Energy Inc.'s Pennsylvania Mining Complex, located in Greene and Washington counties, has plans to expand the coal-refuse disposal areas at its Bailey Preparation Plant in Graysville which will support current and future mining at the Pennsylvania Mining Complex. This project is being funded by the proceeds from the sale of $75 million of tax-exempt solid waste disposal revenue bonds issued through the Pennsylvania Economic Development Financing Authority (PEDFA).

CNX Resources Corporation, the premier independent natural gas development, production and midstream company, has established a new foundation to govern its $30 million commitment to the local community to "drive long-term, sustainable return on investment" and support local initiatives ranging from food insecurity to career awareness and technical/vocational training.

Indiana County

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A cross-section of representatives from Indiana County hosted an in-person news conference on Thursday, May 27 to provide an update on the Indiana County Broadband Deployment Initiative. The event shared details on the strategies and opportunities to leverage taxpayer dollars to develop high-speed, high-quality broadband service in unserved and underserved communities in order to meet the needs of county residents and businesses. Brief comments were made by local elected leaders and other community members in the county.

Those participating were: Indiana County Commissioners; R. Michael Keith, Chairman, Commissioner Robin Gorman, Commissioner Sherene Hess; PA Senator Joe Pittman, 41st District; PA Representative Jim Struzzi, 62nd District; PA Representative Brian Smith, 66th District; PA Representative Jason Silvis, 55th District; Brian Subich representing U.S. Representative Glenn 'GT' Thompson, PA-15th; Brush Valley Township resident, LeAnn Payne; Indiana County EMA, Thomas A. Stutzman, Director; and Indiana County Office of Planning & Development, Byron G. Stauffer, Jr., Executive Director.

As part of the CARES Act funding opportunity as well as State grant funding, the Indiana County Commissioners utilized nearly $2.3 million for the Indiana County Broadband Deployment Initiative to construct a fiber optic backbone that covered approximately 85 miles that passes through 12 townships with the capacity to service over 13,000 customers with standard

installation speeds of up to 1Gbps/sec. These new services provide greater access to technologies previously unattainable, such as: Virtual Learning, Teleconferencing, Telemedicine, Cloud Services, Streaming Video, Home / Business Security and Medical Tracking devices such as heart monitors, smart appliances, autonomous farming equipment, etc.

In April, the Indiana County Commissioners were awarded a $1.5 million grant through the Appalachian Regional Commission (ARC) POWER Initiative to provide funding for a project to deploy over 100 miles of broadband fiber and install wireless broadband equipment at 8 locations to provide high-speed broadband service to unserved and underserved areas of Indiana County. The County will provide $1.5 million of matching funds and enter into contracts with internet service provider(s) to design, construct and deploy the broadband infrastructure, and provide high-speed, low-latency broadband service to residential and commercial customers within the project area. The project footprint is expected to reach over 800 residential customers and approximately 75 businesses who currently do not have access to broadband service.

The Indiana County Commissioners accepted a grant award of approximately $952,241 under an initiative known as the COVID-19 Hospitality Industry Recovery Program (CHIRP), which required counties to establish a grant program for eligible businesses within the hospitality industry adversely affected by the COVID-19 pandemic. PA Senator Joe Pittman, was the primary sponsor of the legislation that provided $145 million statewide for impacted restaurants, bars and hotels.

The CHIRP grants were in $5,000 dollar increments up to $50,000 maximum. A total of 43 eligible businesses asked for about $1.5 million. The County Commissioners capped the awards at $25,000 to ensure every eligible applicant was awarded funds. The Southwestern Pennsylvania Corporation was contracted to assist the county to screen the applications and determine their eligibility.

The Indiana County Tourist Bureau (ICTB) kicked off the month of May with the celebration of National Travel and Tourism Week (NTTW) and continues the promotion of this year's theme, #ThePowerOfTravel. As travel resumes, ICTB's support and partnership with others in the tourism industry is vital to driving the economic recovery efforts of the industry as a result of the COVID-19 pandemic. #ThePowerOfTravel continues to dominate and is a large part of the economic force within Indiana County. Reinforcing this economic drive, ICTB continues to focus their marketing & promotional efforts on supporting small businesses, local events and experiences unique to Indiana County while more and more visitors are anticipated and being welcomed.

For businesses who have been impacted by COVID-19, funds remain available under the Indiana County CARES Act Revolving Loan Fund (RLF) program. Loans are available to cover working capital, such as for payroll, fringe benefits, utilities and rent. Businesses can apply for a loan equal to six months of working capital, up to $50,000, whichever is less. The interest rate will be 0.0% fixed for the life of the loan. Loans will not be charged any principal or interest payment for the first twelve months; then, principal payments will be due monthly for the remaining 60 months for a total term of 72 months. Borrowers shall commit to retaining existing jobs.

For more information, contact the Indiana County Office of Planning & Development by calling 724-465-2662, or email: info@indianacountyceo.com.

Lawrence County

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The Lawrence County Regional Chamber of Commerce and Economic Development Corporation began 2021 focused on the future by way of the Forward Lawrence initiative. Forward Lawrence is the development of a long-term, comprehensive, countywide community and economic development plan designed to unify the county toward a successful growth strategy. Led by the Forward Lawrence Steering Committee, a countywide representative group of community leaders and stakeholders, this project engages a site selector consultant to evaluate the county's strengths and weaknesses and make recommendations to improve competitiveness in the areas of business retention, expansion, attraction, as well as, community and workforce development. The committee engaged Garner Economics LLC, a well-respected economic development strategy and location advisory firm located in Atlanta, GA. Garner will recommend methods to better market the area to companies that are a good fit for Lawrence County. They will also suggest ways to enhance our business climate to better appeal to those target businesses. Forward Lawrence officially kicked off with a local launch event on June 10, 2021. Garner Economics then hosted virtual focus groups with business and community representatives from all areas of the county. Garner Economics President, Jay Garner, toured Lawrence County June 22nd and 23rd and visited with business leaders, government officials, and community representatives. Research is ongoing regarding workforce and business environment. Garner's final plan will offer strategies to mitigate weaknesses and improve overall competitiveness for economic development. The final report is expected to be delivered to the steering committee by October 31, 2021.

Washington County

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Washington County has long known that we are at our best when working together across our many key industries, allowing businesses to drive the market and engaging with our public sector partners to ensure our continued success. The same is true as our local economy recovers from pandemic related setbacks.

Through the first half of 2021, COVID-19 pandemic relief programs have continued to play a prominent role in the economic development space, while expansions and other business investment have also been key indicators that the recovery is already well underway.

The Washington County COVID-19 Hospitality Relief Program (CHIRP) provided over $2.3 million in grants to eligible hospitality and food service industry businesses across the county in the first half 2021. Those two industries were particularly hard hit by the pandemic and the CHIRP grants helped to offset the losses they incurred. The state funding for this program was approved by the Washington County Board of Commissioners and administered by the partnership between two county-based Certified Economic Development Organizations, the Washington Industrial Development Corporation (an affiliate of the Washington County Chamber of Commerce) and the Mon Valley Alliance.

In addition to this local program, county businesses have continued to take advantage of the federal Paycheck Protection Program and other federal relief programs such as the Shuttered Venue

and Restaurant Relief programs and the Employee Retention Tax Credit program.

Beyond the focus on helping existing businesses recover, there has also been some prominent business investment and speculative construction that signals the market is beginning to roar back to life. In January, Chapman Properties received approval from South Strabane Township to move forward with their preliminary and final subdivision and land development for the first phase of their Southport Development, along Racetrack Road and Tanger Boulevard. In addition, Hardy World development recently started vertical construction on their HW70 project, a 30,000 square foot flex building along Interstate 70 near the Dunningsville interchange in Somerset Township. Work also continues at the Brockway Glass redevelopment project in Canton Township, which has seen the demolition of the obsolete Brockway Glass Plant transform the property into a 10+ acre pad ready development site ready for a 100,000 square foot light industrial facility. Finally, the Greater Washington Area Business Incubator, now known as IGNITE, has opened in downtown Washington. This project has been years in the making and the businesses incubated at this site will someday fill some of these development sites as well as be a catalyst for continued growth in Washington County.

Starpointe continues to build on their previous successes with the announcement of a land sale to PennDOT for a new facility that will be used by the state department as a plowing and paving station. In addition, Aragra Technologies, a manufacturing company that specializes in building circuit boards for medical devices, is planning to construct a 50,000 square foot building that will eventually employ as many as 220 workers. Each year Starpointe continues to develop infrastructure and add additional pad ready sites and many more projects are anticipated as the Southern Beltway comes online and the Shell Cracker starts operations.

Finally, two of Washington County's most well-known manufacturers announce significant expansions this year. Sarris Candies, a staple of Canonsburg Borough for more than 50 years, has announced the purchase of a 100,000 square foot facility in the borough that will house an expansion of their chocolate and candy manufacturing operations. While the final project costs have not been disclosed, Sarris worked with the Washington County Industrial Development Authority (an affiliate of the Washington County Chamber of Commerce) to secure a tax-exempt financing note to cover the manufacturing portion of the project. The expansion will create 50 new jobs and another 50 seasonal jobs. Additionally, Mingo Creek Craft Distillers, purveyors of Liberty Pole Spirits - local manufacturers of Pennsylvania Rye Whiskey - announced their plans for a new destination distillery and tasting room along Racetrack Road in North Strabane Township. While final details have not been released, the facility is expected to open in Autumn 2022.

With all these exciting projects underway, Washington County remains bullish on the pandemic recovery.

Westmoreland County

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In Westmoreland County, last year's brisk pace of economic development has carried over into 2021 and even increased.

In February, Robinson Township-based Wyatt Inc. finalized the purchase of 19.92 acres at I-70 Industrial Park in South Huntingdon Township so it can build a 120,000 square foot facility for its millwork and exterior curtainwall manufacturing operation. Wyatt will move its woodworking millshop operation from leased space at Monessen Riverfront Industrial Park, and the new facility will be 20 percent larger than its current space to accommodate future growth. Wyatt currently employs 70 at its millwork facility, and it expects that workforce to grow by about 10 percent annually during its first five years at I-70 Industrial Park. Wyatt will begin construction this summer and is expected to move into the new facility in 2022.

One month after the Wyatt news, Filterbuy — a manufacturer of residential HVAC filters — announced that it will lease 137,000 square feet of space at New Kensington Advanced Manufacturing Park. The Alabama-based manufacturer has operations in Florida and Utah, and it chose the Arnold/New Kensington area for its northeast operation center. Filterbuy, which is investing $2.15 million to upgrade Building 204A in the former Alcoa New Kensington Works, is expected to create 120 full-time local jobs. It plans to begin operating in the facility this summer.

In April, the WCIDC signed an option agreement that gives New Jersey-based Weiss-Aug Group six months to finalize the purchase of 6.23 acres at Westmoreland Business & Research Park. Weiss-Aug already owns one business — JK Tool — in the park and plans to build a 40,000 square foot manufacturing facility on the optioned lot. Additionally, Weiss-Aug has announced an expansion plan that will double the size of the existing 20,000 square foot JK Tool facility. Between the two projects, the company expects its number of employees in the park to triple to 75 over the next three to five years.

At the time of the announcement, Weiss-Aug President Dieter Weissenrieder said he was excited to be able to shift the project to Westmoreland County after plans to build in New Jersey stalled for more than a year because of regulation. The Weiss-Aug agreement means that only one of the park's 44 lots remains available. The largest of all the WCIDC industrial parks, B&R Park encompasses 544 acres in Upper Burrell and Washington townships and is home

to 21 companies that employ more than 2,500 people.

That's not the only development activity at Business & Research Park. Xodus Medical Inc. — which employs 120 workers at in the park — began construction in the first half of the year on a new 35,000 square foot building to increase production and warehouse capacity. It's expected that the facility will support 20 to 30 new jobs.

Speaking of projects already under construction, Technology Park II in East Huntingdon and Hempfield townships has been a hub for activity this year, as crews began work in spring on the 41,000 square foot future home of start-up manufacturer Fossil Industries while work has continued on the 150,000 square foot warehouse facility that Al. Neyer is building for a large, international tenant. Fossil Industries expects to employ up to 38 workers within five years, and the Al. Neyer project's employment could exceed 300 jobs.

Additionally, in the first half of this year, the WCIDC inked a handful of lease renewals at our facilities. Asset Genie Inc., a global company that provides service and parts for computing devices, signed a three-year extension to keep its U.S. corporate headquarters at South Greensburg Commons. Asset Genie leases 188,035 square feet at the facility and employs 175. It has called South Greensburg Commons home since 2006.

At Mount Pleasant Glass Centre, three tenants signed extensions. EAP Innovations, a candle-manufacturing operation with 21 employees, will continue to occupy 17,000 square feet for three more years. O'Rourke Cut Glass, a two-person enterprise that specializes in fine crystal, art/antique glass and engravable awards and gifts, signed a one-year extension for 2,400 square feet of space. And Glassautomatic — which has been a tenant since the facility opened in 2002 — extended its lease for about 36,000 square feet of space for 21 months. Glassautomatic is a glass-cutting operation that does service work for larger companies, handles custom orders and sells its own line of consumer stemware under the Rolf Glass brand. It employs 58.

Last but not least, in May, Westmoreland County commissioners made it easier for the owners of commercial, industrial and agricultural properties to secure low-cost, long-term private financing for property upgrades that include clean-energy, energy-efficient or clean-water projects. Commissioners established a countywide Commercial Property Assessed Clean Energy (C-PACE) program, which can provide up to 100 percent of funding of total project costs by enabling property owners to repay a private loan through an additional property assessment. Commissioners approved the Sustainable Energy Fund as the county C-PACE administrator.

(From left) NAIOP Executive Director Brandon Mendoza, Mike Galet from Gateway Engineers, LLI's Jamie White, and Matt Millet from Robert Morris University at the NAIOP Golf Outing at Fox Chapel Golf Club on June 7.

(From left) PenTrust's Jim and Jamey Noland, Bill Hunt and Eric Schindler from The Elmhurst Group.

(From left) JLL's Jordan Phillippi, Sentinel Construction's Mike Pfeifer and Mike Weninger, and Todd Rodgers from Highmark Health.

(From left) Jessica McKinney of RIDC, Melissa Maggi of SVN Three Rivers, Missy Powell of MBM Contracting, and Jessica Brackin of RIDC at the CREW Pittsburgh golf outing.

(From left) Workscape's Erica Wilkerson, Micall Interval from Information Technology Services, and Rachel Ryzmek from AE Works at the Developing Leaders tour of 75 Hopper.

Hardy World's Anthony Bomar (left) and Abhishek Maniktala

Kinsey Hogue (left) and Megan Stearman from Oxford Development

Victor Konno from Burns Scalo Real Estate, Grant Street's Ashley Koltonski, and Kelsey Kanspedos from Bohler Engineering (right).

(From left) Burns Scalo's Angela Guillot, NAIOP's Erica Loftus, ALCOA's Maureen Ford, and Autumn Harris from Rose Financial.

(From left) Ryan Schwotzer from Crossgates, Sentinel's Mike Weniger, and Bob Dezort from Anderson Interiors.

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IKM Architecture is a dynamic design firm providing architectural, planning, and interior design services to clients across the region in Healthcare, Education, Science & Technology, Workplace, and Civic/Cultural. IKM champions an immersive client engagement process proven to creatively develop the direction of a client's project. IKM incorporates animations, VR, 3-D Modeling, and laser technology from our on-site Maker Space. In continuous practice for 109 years, IKM believes in providing innovative and informed design solutions that will continue to create enduring value for their clients in a changing world. IKM is a member of the AIA and the USGBC.

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JENDOCO Construction, founded in 1957, is located in Pittsburgh's East End and provides building construction services to the Western Pennsylvania region. Jendoco believes that the built environment should have a Net-Positive impact on people, nature, and communities and that designing and constructing the places in which we live, work, worship, learn, heal and play should be collaborative, creative, and fun. Through proactive solution development, sustainable building practices, community engagement, and charitable support, Jendoco continues to demonstrate our commitment to the Greater Pittsburgh Region.

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Shannon Construction Company

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Chapman Properties is a leading provider of quality business facilities in Southwestern Pennsylvania. An award-winning commercial property development and management company based in Pittsburgh, Chapman designs, builds, and operates state-of-the-art business parks with a concentration on regional distribution and industrial projects. They are best known for their redevelopment of the two-plus million square foot Leetsdale Industrial Park, and are currently developing Chapman Westport, a 2.6 million square foot master-planned mixed use business park located 3 miles from Pittsburgh International Airport on PA Turnpike 576 with tenants including General Electric's Center for Additive Technology Advancement and a new one million square foot Amazon fulfillment center (under construction). For more information, visit www.chapmanprop.com.

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DJMcClary@tsrepro.com

Tri-State provides printing and document management to Architects, Engineers and Contractors. We utilize the latest in Online Plan Room Services, Scanning and Printing in both Black & White and Color. Our color division specializes in large format color, servicing the Trade Show Exhibit, Sign, Vehicle Advertising, and Window Display Markets among others. Our unique approach combines our years of experience with new technical knowledge and capabilities to equip us to continually present new possibilities to our clients.

ECONOMIC DEVELOPMENT

Armstrong County Industrial Development Council

Northpointe Technology Center II
187 Northpointe Boulevard, Freeport, PA 16229
T: 724-548-1500
www.armstrongidc.org

The Armstrong County Industrial Development Council (ACIDC), established in 1968 is a private 501(c)(3) industrial development corporation. Identified as the lead economic development group within the County, the ACIDC, along with its sister organization the Armstrong County Industrial Development Authority, provides single-point-of-contact service for emerging or expanding business and industry. Owners and operators of four industrial parks, single use and multi-tenant facilities, the ACIDC works closely with existing or prospective businesses to identify the right location. They also provide financing assistance to companies through government loan/grant programs and private sector financial institutions.

Community Development Corporation of Butler County

120 Hollywood Drive #101, Butler PA 16001
T: 800-283-0021 | F: 724-283-3599
www.butlercountycdc.com
Joe Saeler, Executive Director
jsaeler@butlercountycdc.com

The Community Development Corporation of Butler County (CDC) is the lead economic development organization in Butler County. The CDC is your first contact for economic development in Butler County. The CDC works closely with you to identify the right location for your business. The CDC also has financing available for real estate, equipment, working capital and lines of credit.

Indiana County Center for Economic Operations

801 Water St., Indiana, PA 15701-1705
T: 724-465-2662 | F: 724-465-3150
www.indianacountyceo.com
Byron G. Stauffer, Jr., Executive Director
byronjr@ceo.co.indiana.pa.us

The Indiana County Center for Economic Operations (the "CEO") was established in 1994 as a county-wide public-private initiative. The CEO Affiliates include the Indiana County Commissioners, the Indiana County Chamber of Commerce, the Indiana County Development Corporation, the Indiana County Tourist Bureau, and Indiana University of Pennsylvania, whom jointly seek to support the continuous improvement and vitality of Indiana County through increased business, economic growth, tourism, education, and the quality of life in Indiana County. The CEO facilitates access to information, resources, and the delivery of integrated programs and services to assist businesses in their efforts to grow and expand.

Mon Valley Alliance

1428 Delberts Drive, Monongahela, PA 15063
T: 724-565-5636
www.monvalleyalliance.org
Ben Brown, CEO
bbrown@monvalleyalliance.org

The Mon Valley Alliance (MVA) is a non-profit, Certified Economic Development Organization, dedicated to industrial, business, and community development in the Mid-Mon Valley region, south of Pittsburgh, PA. MVA provides shovel-ready industrial land for sale or lease in 4 area business parks, build-to-suit projects, preferred financing through the Pennsylvania Industrial Development Authority, and access to tax abatements for companies creating and retaining family sustaining jobs. The organization serves as coordinator of the Mid-Mon Valley Regional Enterprise Zone and is a leader in community revitalization through improvement projects and blight removal in the historic downtowns.

Washington County Chamber of Commerce

375 Southpointe Blvd. #240, Canonsburg, PA 15317
T: 724-225-3010 | F: 724-228-7337
www.washcochamber.com
Will Thomeier, Director Economic & Tourism Development – will@washcochamber.com

The Washington County Chamber of Commerce is the largest business organization in Washington County and the second largest chamber of commerce in Southwestern Pennsylvania. The Chamber focuses on economic and business development initiatives to expand the economy of Washington County and was one of the first organizations to publically support the economic benefits and job creation potential of the natural gas industry. Learn more at www.washcochamber.com.

Westmoreland County Industrial Development Corporation

5th Floor, Suite 520,
40 North Pennsylvania Ave., Greensburg, PA 15601
T: 724-830-3061 | F: 724-830-3611
www.westmorelandcountyidc.org
Jason W. Rigone, Executive Director
wcidc@wpa.net

Founded in 1983 by the Westmoreland County Board of Commissioners, Westmoreland County Industrial Development Corporation promotes growth in terms of job creation, economic output and a stable tax base for Westmoreland County. By developing a robust industrial park system, deploying a comprehensive marketing strategy, administering a proactive Business Outreach Program and collaborating in public/private partnerships, WCIDC supports business growth that results in job opportunities for the citizens of Westmoreland County.

ENGINEERS

Civil & Environmental Consultants, Inc.

333 Baldwin Rd., Pittsburgh, PA 15205
T: 800-365-2324
www.cecinc.com
Christopher J. Remley, P.E. – cremley@cecinc.com

CEC provides integrated design, engineering, surveying, environmental, and construction-related services with a tailored approach to address diverse development/redevelopment requirements. We have the local and national expertise necessary to support developers and architects with cost-effective designs for projects of all sizes. We understand the desire to minimize cost and maximize your return on investment. We will provide objective opinions regarding project feasibility to enable you to make informed business decisions. The complete real estate development life cycle... WE OWN IT.™

KU Resources, Inc.

22 South Linden St., Duquesne, PA 15110
T: 412-469-9331 | F: 412-469-9336
www.kuresources.com
Tysen Miller – Tmiller@KUResources.com

KU Resources, Inc. provides a full range of environmental management and site development engineering services to industrial, commercial, and community based clients. The firm specializes in brownfield redevelopment, environmental site assessment, economic revitalization assistance, regulatory permitting and compliance, remediation design and implementation, and environmental risk management strategies. The firm's engineering and environmental consulting capabilities also include the areas of civil and geotechnical engineering, site development engineering, water resources engineering, mining and quarry services, water quality monitoring, and air quality compliance and permitting.

Lennon, Smith, Souleret Engineering, Inc.

846 Fourth Ave., Coraopolis, PA 15108
T: 412-264-4400
www.lsse.com
Kevin A. Brett, P.E. – kbrett@lsse.com

Established in 1985, LSSE is a civil engineering and surveying firm with offices located in Coraopolis, Allegheny County (headquarters); Greensburg, Westmoreland County (branch), Albion, Erie County (branch), Center Township, Beaver County (branch), Pennsylvania and Dublin, Franklin County (branch), Ohio. LSSE has provided planning, surveying and design services for sites throughout Pennsylvania, Ohio, and West Virginia. LSSE recently provided civil engineering and surveying services under a subcontract to the Site Architect, for a multi-phased adaptive reuse of a 1,300 foot-long, historic steel mill (Mill 19) located within the Hazelwood Green development. This project is a 170-acre brownfield site that is being transformed into a highly sustainable, mixed-use development as well as permitting a land development approval for 1,000 acres and 4 million square feet of distribution space at the Westport interchange.

David E. Wooster and Associates, Inc.

Straightforward & Unwavering

19 Colannade Way, #117, PMB 269
State College, PA 16803
T: 412-921-3303 | C: 412-491-6132
www.dewooster.com
Chuck Wooster, President
chuckwooster@dewooster.com

Since 1971, our firm has been a highly regarded and respected leader in the traffic engineering industry. We are most proud of our uncompromising integrity. Our goal is to guide our clients through the rigorous process of real estate development and assist them by correctly identifying on-site and off-site traffic impacts, develop cost effective and efficient mitigation strategies, and seek and receive municipal and State DOT approvals and/or permits. Our skills include: Traffic Engineering Studies, Highway Occupancy Permits, Traffic Signal System Design, Roadway Design, Intersection Design, and Parking Studies.

ENVIRONMENTAL

KU Resources, Inc.

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T: 412-469-9331 | F: 412-469-9336
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FINANCE

Dollar Bank

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T: 412-261-7515
www.dollar.bank
David Weber, Senior Vice President
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dweber578@dollarbank.com.

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PNC Real Estate

300 Fifth Ave., Pittsburgh, PA 15222
www.pnc.com/realestate
T: 216-222-6025
Jason D. Phillips, Senior VP and Market Manager
jason.phillips@pnc.com

PNC Real Estate is a leading provider of banking, financing and servicing solutions for commercial real estate clients. Our capabilities include acquisition, construction and permanent financing for developers and investors; agency financing for multifamily properties; and debt and equity capital for the affordable housing industry. And, through Midland Loan Services, we provide third-party loan servicing, asset management and technology solutions.

INDUSTRY / TRADE GROUP

American Subcontractors Assn. of WPA

565 Callery Rd., Cranberry Twp., PA 16066
T: 724-538-8227 | F: 724-538-8227
www.asawpa.org
Angie Wentz, Executive Director
angie@asawpa.org

ASA is the united voice dedicated to improving the business environment and representing subcontractors before all branches of government, other construction industry groups, and the media. We strive to promote quality construction, ethical and equitable business practices, safety in the work environment, and best industry practices. ASA Western PA started a Scholarship Program in 2019 for students going into the construction trades. The program includes a Mentoring Program for the winners and there is a Partnership Program for businesses and schools who are interested in promoting the trades to students. The Women of ASA also promote the trades to local high school students in the area.

Labor & Management ▸ Building Our Region's Success

Builders Guild of Western PA, Inc.

631 Iron City Drive, Pittsburgh, PA 15205
T: 412-921-9000
Jeff Nobers, Executive Director
jnobers@buildersguild.org

A unique, non-profit labor/management initiative, representing 16 building trade unions and nine affiliated contractor associations. The Builders Guild is a positive forum for labor, management, and community relationships, and fosters a cooperative and productive climate for regional commercial construction development. Through the Builders Guild, unions and management have forged fair and equitable working partnerships which promote economic and professional growth.

Guild initiatives include:

- Promoting the professionalism, skill, and pride inherent with union construction;
- Training for long-term careers in the construction trades;
- Providing a reliable, skilled and diversified workforce; Facilitating diverse partnerships with like-minded organizations throughout Western Pennsylvania.

CREW Pittsburgh
CREW Network
1201 Wakarusa Drive, Suite D, Lawrence, KS 66049
www.crewpittsburgh.org
Admin@crewpittsburgh.org

Commercial Real Estate Women (CREW) offers unparalleled business development, personal leadership growth, and networking opportunities, both in our local Pittsburgh market and across 75+ chapters in the US, Canada, and Great Britain with 12,000+ members. The Pittsburgh chapter has 20+ years of providing educational programs and networking events to its members and the CRE community. Whether male or female, join CREW to have a global commercial real estate network at your fingertips and your contact info in that worldwide network.

Ironworker Employers Association of Western Pennsylvania
Bailey Center II
135 Technology Drive #311, Canonsburg, PA 15317
T: 412-922-6855
www.iwea.org
Danielle Harshman, Executive Director
dharshman@iwea.org

The IWEA is a Trade Association of Union Contractors who work in all aspects of the Ironworking Trade within the Construction Industry. We are a resource for all owners, developers and contractors who are looking for a qualified contractor with a well-trained workforce. Visit our website or call our office for additional information.

Master Builders' Association
631 Iron City Dr., Pittsburgh, PA 15205
T: 412-922-3912
www.mbawpa.org
David D. Daquelente, Executive Director
dave@mbawpa.org

Leading the Industry, Building the Region! Our vision is to support and advocate for our members and community by promoting safety, diversity and inclusion, labor relations, and workforce development.

NAIOP Pittsburgh
PO Box 100085, Pittsburgh, PA 15233
www.naioppittsburgh.org
Brandon Mendoza, Executive Director
info@naioppittsburgh.org

NAIOP Pittsburgh is the regional association of developers, owners, investors, and professionals in commercial real estate. We are the leading industry resource to foster business relationships, promote responsible development and support growth of the region through education, leadership, and advocacy. Visit naioppittsburgh.com for additional information or contact info@naioppittsburgh.org.

Pittsburgh Works Together
631 Iron City Drive
Pittsburgh, PA 15205
Jeff Nobers, Executive Director
info@PghWorks.com
www.PghWorks.com

Pittsburgh Works is committed to creating an inclusive vision of economic progress that embraces and respects both traditional legacy industries and emerging ones, while honoring the diversity of cultures and traditions inherent to each, while ensuring a sustainable environment. We seek a Pittsburgh and a region in which the lines between "old" and "new" economy are erased and respect is shown for our work ethic and dedication to community, while building a future for all.

Pittsburgh Works Together knows that we need an economy that works for everybody. Created after meetings of union leaders and officials from the manufacturing, steel, and energy sectors, our organization is committed to working with leaders of tomorrow's industries by reminding them that without everybody, there is no New Pittsburgh.

Society for Marketing Professional Services
SMPS – Pittsburgh Chapter
www.smpspittsburgh.org
Aaron Roach, Chapter President 2021-2022
President@SMPSPittsburgh.org

The Society for Marketing Professional Services (SMPS) is a diverse community of marketing and business development professionals working together to move the Architecture/Engineering/Construction (A/E/C) industry forward. SMPS is the only organization dedicated to creating business opportunities in the A/E/C industry. Companies large and small are able to tap into our powerful national and regional network to form partnerships, secure business referrals, and benchmark performance. The Pittsburgh Chapter offers educational programs, professional development seminars, and networking opportunities to professionals from architectural, engineering, planning, interior design, construction, and consulting firms serving the Pittsburgh region. SMPS Pittsburgh has over 100 members representing more than 50 firms in the built industry.

INTERIOR DESIGNER

Design 3 Architecture PC

300 Oxford Dr. Suite 120, Monroeville, PA 15146
T: 412-373-2220
www.d3a.com
William Snyder – was@d3a.com

Design 3 Architecture has been offering architecture, planning, and interior design services to the Pittsburgh region since 1982. We view inherent project constraints as potential opportunities for innovative design solutions. With a philosophy grounded in team collaboration, providing both personal attention and project leadership, Design 3 Architecture does more than solve problems. We provide solutions that are unique, exciting and affordable.

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www.lsse.com
Kevin A. Brett, P.E. – kbrett@lsse.com

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Red Swing Group

Engineers and Surveyors

Penn Office Building
4314 Old William Penn Hwy, Suite 101
Monroeville, PA 15146
T: 724-325-1215
www.RedSwingGroup.com

Red Swing Consulting Services, a Veteran-Owned Business, views its Client as Partners; focusing first and foremost on building and maintaining strong relationships and trust. This mutual trust is the foundation of a solid business partnership. Red Swing offers Land Development Consulting Services to take a project from concept through construction. Red Swing has experience in Surveying, Civil Engineering, Utility, and Water Resource Projects. Red Swing effectively maximizes the return on investment through a collaborative design approach, utilizing a low impact design philosophy that reduces project capital costs and produces the competitive edge that we and our partners demand.

LEGAL SERVICES

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Babst Calland's attorneys offer experienced legal counsel in real estate development, finance, construction, energy, environmental risk assessment, zoning and land use, tax assessment appeals, eminent domain, and other corporate and litigation services. We provide creative, pragmatic advice to developers, landlords, tenants, investors, brokers and managers of commercial real estate to help them reach their goals, through attentive service that keeps the client's bottom line in mind. From acquisition to disposition, our approach to the practice of law gives our real estate clients an edge.

Maiello Brungo & Maiello LLP

SouthSide Works
424 South 27th St, #210, Pittsburgh, PA 15203
412-242-4400
Lawrence J. Maiello, Esq., Partner
412-242-4400
ljm@mbm-law.net

Maiello, Brungo & Maiello is a full-service law firm comprised of a team of diverse and experienced lawyers specializing in: Construction Law, Corporate Law, Education Law, Estate Planning, Employment Law, Litigation, Municipal Law, Real Estate Law, and Tax Assessment. We have been providing families, businesses, and individuals with high-quality legal advice since 1972. Our firm is highly regarded for our collaborative, hands-on approach when working with clients to find tailored and comprehensive legal solutions. In every aspect of our engagement, we will consistently demonstrate a firm commitment to you.

Meyer, Unkovic & Scott LLP

Henry W. Oliver Building
535 Smithfield Street, Suite 1300, Pittsburgh, PA 15222
T: 412-456-2800
www.muslaw.com
W. Grant Scott – wgs@muslaw.com
Patricia E. Farrell – pef@muslaw.com
Tony J. Thompson – tjt@muslaw.com

Our real estate lawyers understand each client's business objectives and provide timely, creative, and cost-effective solutions. We regularly represent those in the business of real estate and those who must have real estate in order to do business. Our clients include manufacturers and service providers as well as owners, developers, managers, lenders, landlords and tenants, investors, contractors, brokers, and design professionals. We represent clients in all facets of commercial real estate, retail, multifamily, office and industrial, working with them on purchases and sales, land use and development, financing, leasing, title insurance, property tax, and eminent domain throughout the region and across the US.

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Chuck Wooster, President
chuckwooster@dewooster.com

Since 1971, our firm has been a highly regarded and respected leader in the traffic engineering industry. We are most proud of our uncompromising integrity. Our goal is to guide our clients through the rigorous process of real estate development and assist them by correctly identifying on-site and off-site traffic impacts, develop cost effective and efficient mitigation strategies, and seek and receive municipal and State DOT approvals and/or permits. Our skills include: Traffic Engineering Studies, Highway Occupancy Permits, Traffic Signal System Design, Roadway Design, Intersection Design, and Parking Studies.

NEWMARK

210 Sixth Avenue #600, Pittsburgh, PA 15222
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www.nmrk.com
Gerard McLaughlin – Gerard.mclaughlin@nmrk.com
Louis Oliva – Louis.oliva@nmrk.com

At Newmark, we don't just adapt to what our partners need—we adapt to what the future demands. Since 1929, we've faced forward, predicting change and pioneering ideas. Almost a century later, the same strategic sense and audacious thinking still guide our approach. Today our integrated platform delivers seamlessly connected services tailored to every type of client, from owners to occupiers, investors to founders, and growing startups to leading companies. Tapping into smart tech and smarter people, Newmark brings ingenuity to every exchange and transparency to every relationship. We think outside of boxes, buildings and business lines, delivering a global perspective and a nimble approach. From reimagining spaces to engineering solutions, we have the vision to see what's next and the tenacity to get there first.

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One PPG Place, Suite 1640
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A. J. Pantoni – ajpantoni@hannalwe.com

Hanna Langholz Wilson Ellis is rooted in the history of the Pittsburgh region. Our legacy in Pittsburgh real estate spans nearly 90 years through various companies & names, culminating with the merger of Langholz Wilson Ellis, Inc. and Hanna Commercial Real Estate. HannaLWE thrives by providing responsive, personalized service. Our disciplines of specialty include Retail, Office, Industrial, and Investment commercial brokerage services. We service all Western Pennsylvania and West Virginia. Our greatest asset is our people, who maintain the integrity of HannaLWE. Our unique structure creates an environment in which our agents and staff are often teamed together to extend both competence and energy to each client requirement.

SIGNAGE

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www.tsrepro.com
DJ McClary, Director of Operations
DJMcClary@tsrepro.com

Tri-State has the staff, equipment and skills to design, produce and install each of your signage projects. With our background in the building industry, we are able to work directly with our clients from the design phase throughout construction and the branding of a company. We create ADA compliant Interior signs and directories fulfilling the need for building code. Our equipment is able to cut and produce custom acrylic with raised tactile symbols and braille type on a variety of substrates painted to the customer specification. Exterior signage including construction billboards and banners for jobsites are delivered to the construction site.

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jwhite@lliengineering.com

LLI Engineering provides mechanical, electrical, architectural, commissioning, and structural engineering services. Since 1910, LLI Engineering has been consistently recognized for providing top-quality engineering design services. We specialize in commercial, critical facilities, education, healthcare, industrial, infrastructure upgrades, green building design, energy conservation modifications, project engineering, and engineering estimates. Located in Pittsburgh, Pennsylvania, LLI Engineering has completed projects in over 20 different states.

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