DEVELOPING Pittsburgh

FALL 2023

WHY PITTSBURGH?

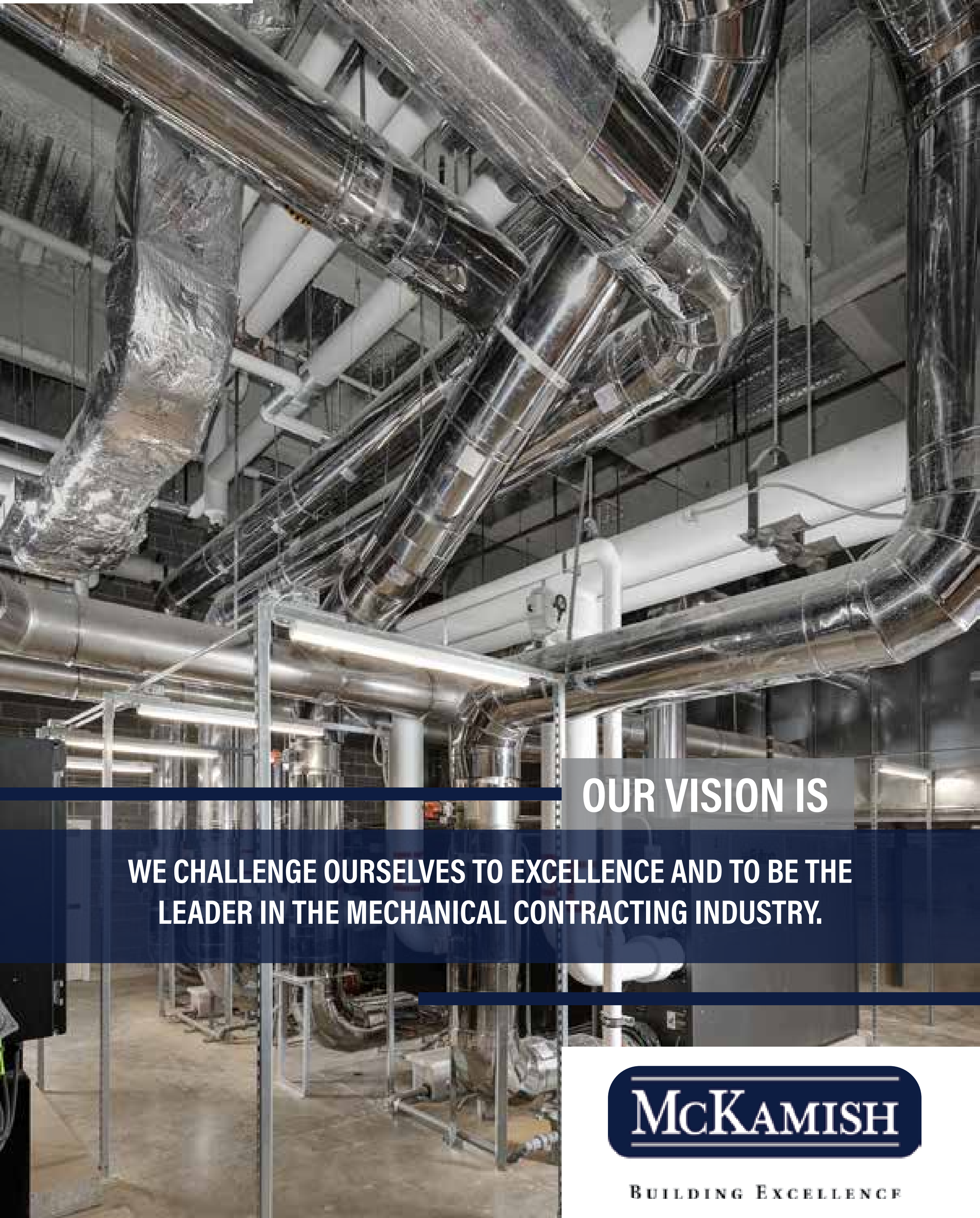
NAIOP
COMMERCIAL REAL ESTATE
DEVELOPMENT ASSOCIATION
PITTSBURGH CHAPTER

- We offer logistics through ARC's ConAm3PL Warehousing and Distribution Services
- We provide Rail/Truck Transloading
- We Facilitate Barge Transloading
- Since 1988
- We Will Manage Any Logistic Problem You Have.

Let's Talk!
724-266-4661
Ric Ford
rford@ambridgeregional.com
www.ambridgeregional.com

Ambridge Regional
Distribution & Manufacturing Center

www.mckamish.com



OUR VISION IS

WE CHALLENGE OURSELVES TO EXCELLENCE AND TO BE THE LEADER IN THE MECHANICAL CONTRACTING INDUSTRY.

McKamish

Building Excellence

CONTENTS

Fall 2023

NAIOP
COMMERCIAL REAL ESTATE DEVELOPMENT ASSOCIATION
BUYER'S GUIDE 2023

PUBLISHER
Tall Timber Group
www.talltimbergroup.com

EDITOR
Jeff Burd
412-366-1857
jburd@talltimbergroup.com

PRODUCTION
Carson Publishing, Inc.
Kevin J. Gordon
kgordon@carsonpublishing.com

GRAPHIC DESIGN
Blink

CONTRIBUTING PHOTOGRAPHY
NAIOP Pittsburgh
Massery Photography
Roy Engelbrecht
Carnegie Mellon University
Brook Ward
Cam Miller
University of Pittsburgh
Tall Timber Group

CONTRIBUTING EDITORS
Karen Kukish

ADVERTISING SALES
Karen Kukish
412-837-6971
kkukish@talltimbergroup.com

MORE INFORMATION:
DevelopingPittsburgh™ is published by
Tall Timber Group for NAIOP Pittsburgh
412-928-8303
www.naioppittsburgh.com

Cover Photo: Vision on 15th.
Photo by Roy Engelbrecht Photography.

President's Message

One thousand forty-five represents the final headcount at NAIOP Pittsburgh's 30th Annual Awards Banquet this past May. An event of this size and complexity would not have been successful without the tireless efforts of NAIOP Pittsburgh's Awards Committee, Brandon Mendoza, and Erica Loftus. While most of us look back positively on how well an event of this size was managed, the pre and post banquet receptions on the convention center's rooftop terrace, and the overall quality of the event itself, Mayor Gainey's decision under short notice to speak to our chapter and our guests was a positive step towards unifying our City Government with the development community. Several issues at the top of a long list of challenges the real estate community face were at the forefront of our minds during the week of the banquet. Most notably was the City's decision to increase zoning review fees to an alarming figure which threatened development advancements in our great city for the foreseeable future.

Mayor Gainey's message was filled with togetherness and delivered with emotion. The following week, our advocacy committee was able to reach an agreement with the mayor's office to cap the zoning review fees. NAIOP Pittsburgh is constantly communicating with our elected officials, and leadership within the region in order to generate opportunities to improve relations between our industry and government in order avoid decisions that prevent the progress of development within our communities. Regions will not thrive without alignment between government officials and private developers.

During the banquet, we recognized Rich Fitzgerald with the Supporter of Development Award for his leadership and his accomplishments as Allegheny County Executive over the past 12 years. Many other organizations, such as the Greater Pittsburgh Airport Area Chamber of Commerce, have recognized Mr. Fitzgerald as well during this last year of his service. When you consider all he has accomplished with Pittsburgh International Airport, the growth of the Airport Corridor and other regions of Allegheny County, it is very clear how important the Allegheny County Executive is to our region's prosperity. Mr. Fitzgerald and his administration understand the benefit of new construction and investment in facility improvements. Development has been an important part of his agenda and has clearly made the needs of developers, the trades, and employers a clear part of his annual goals. NAIOP Pittsburgh encourages our members and our supporters to thoroughly understand the candidates for Allegheny County Executive and their position as it relates to commercial real estate as we approach the election.

Lastly, I would like to congratulate Brian Walker who will begin his term as Chair of the NAIOP Corporate Board in January 2024. Brian, who recently became President of Burns Scalo Real Estate, has held several leadership roles for NAIOP Pittsburgh and NAIOP Corporate including President of the Board, NAIOP Pittsburgh and Treasurer, NAIOP Corporate Executive Committee. Congratulations Brian and thank you for your leadership.

Brandon Snyder
Al. Neyer LLC
NAIOP Pittsburgh President

EXPERIENCE A BETTER WAY TO BUILD.

ARCO
PITTSBURGH

#1
Distribution and Warehouse Builders
Engineering News-Record Top 25

#3
Design-Build Firms
Engineering News-Record Top 100

ARCO PITTSBURGH

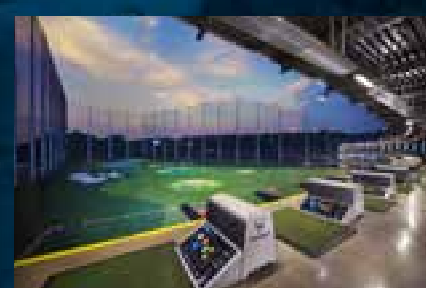
Providing Best-in-Class Design-Build Solutions for the Western Pennsylvania Region

ARCO Pittsburgh is a premier, full-service design-build general contractor with more than 30 years of experience providing clients with complete project delivery throughout the United States. With a local team in Pittsburgh and 38 offices coast to coast, ARCO offers the strength and presence of a national builder with the personalized attention of a small company.

Local Expertise Across Industry Types

Frank B. Fuhrer Wholesale
350,439 SF Beverage Distribution Facility | Pittsburgh, PA

Confidential Client
147,000 F Cold Storage Facility & Office Tenant Improvement | Pittsburgh, PA



Topgolf
65,000 SF Premier Golf & Entertainment Complex | Pittsburgh, PA

651 Holiday Drive
Plaza 5, Suite 400
Pittsburgh, PA 15200
(513) 760-9241
arcopittsburgh.com

Gary Gabor
Division Manager
ggabor@arcodb.com
(412) 667-8488

Dom Broglia
Business Development
dbroglia@arco1.com
(412) 297-2276

This summer I celebrated my fifth year at NAIOP Pittsburgh. And, in that time, our chapter has grown despite many headwinds, including COVID, the COVID recession, tighter monetary policy, and a shifting commercial real estate industry. However, our members' support for our chapter has been the steady engine keeping NAIOP Pittsburgh's momentum moving forward. Thank you to all our members for your steadfast support of NAIOP Pittsburgh. Because of each of you, our chapter is thriving and is the unquestioned voice advocating for CRE.

Because of you, our chapter enjoyed our largest NAIOP Pittsburgh Awards Banquet with over 1,000-plus attendees. We returned to the Convention Center for our formal sit-down banquet. We also added a new element to the event with the rooftop pre and post receptions that were clear fan favorites with our attendees. This could not have happened without our members' steadfast support and investment in our chapter. Thank you.

Because of you, our 2022 Night at The Fights was our largest on record with over 500+ attendees. In addition, we raised thousands in resources for Habitat for Humanity and Robert Morris University (our partner in putting on our CRE Summer Camp). We could not accomplish this without our members' embrace of this unique networking event and the support and resources our members provide. Thank you.

Because of you, our chapter was able to support our development community in efforts to pushback against the excessive zoning review fees proposed by the City of Pittsburgh. While the fees remain higher than optimal, NAIOP Pittsburgh's work ensures that no project will see over $40,000 in fees. Most projects would have been looking at fees in excess of $100,000. This advocacy work could not happen without our members supporting our agenda and our chapter. Thank you.

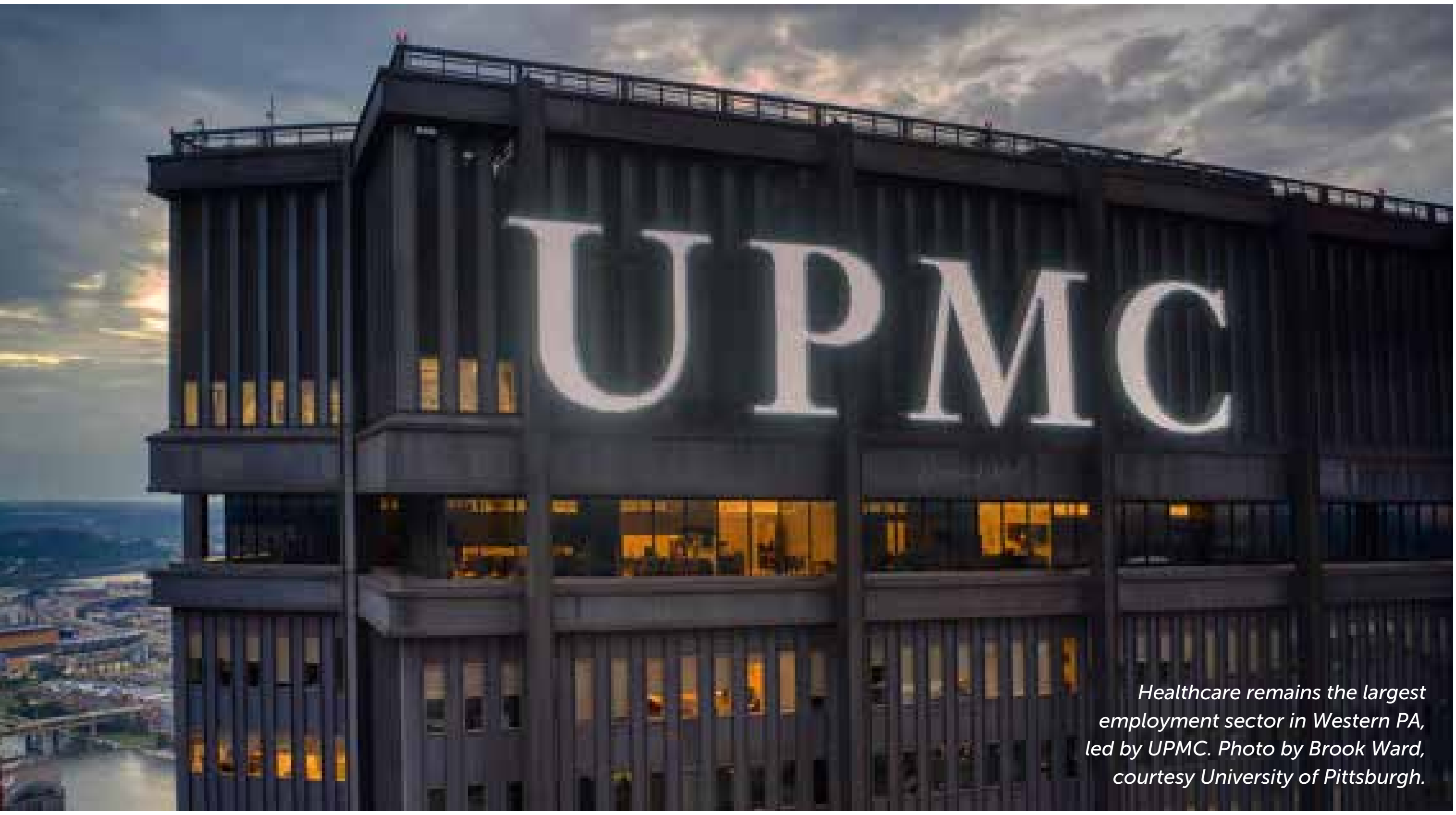
At the end of the day, NAIOP Pittsburgh is its members. Thank you for supporting our chapter. Your support allows us to continue to be the voice of CRE.

Brandon J. Mendoza
Executive Director
NAIOP Pittsburgh

WHY PITTSBURGH

Photo by Roy Engelbrecht Photography

A lot happened between "Imagine Pittsburgh" and "Next is Now." The two regional marketing slogans reflect how far Western PA has come since its 1980s economic decline, and how far it can go. The former was introduced at the annual meeting of the Allegheny Conference on Community Development in 2008 with an admonition by Allegheny Conference Chair Jim Rohr to attendees to clean up their negative self-image. The latter is the current regional marketing slogan and reflects the goal of taking the region to the next level.



Healthcare remains the largest employment sector in Western PA, led by UPMC. Photo by Brook Ward, courtesy University of Pittsburgh.

Few predicted the revitalization of Western PA that occurred in the 2000s. Other U.S. cities had seen similar economic destruction to what occurred when heavy industry failed in the early 1980s, but none were so strongly identified with manufacturing as Pittsburgh was. You could argue that none rebounded as strongly either. In the 2010s, Pittsburgh seemed to find another economic gear, bouncing back from the Great Recession faster than all but two U.S. regions on the back of the shale gas boom.

In the mid-2010s, as civic leaders were taking victory laps, there was a growing awareness that the regional economy was creeping steadily into headwinds. Pittsburgh's demographics were not conducive to growth. Too many Baby Boomers were going to be retiring in the 2020s. Fewer workers were gaining the skills and education they needed to match the demands of the jobs that were coming. The Inflection Point report done by Burning Glass quantified the workforce shortfall that we are now experiencing and suggested strategies for reversing the trend. The root of the problem was a tough one to solve: declining population.

Business attraction professionals are steadfastly devoted to the task of explaining why companies should locate in their communities. Attracting people is a different proposition. There are some natural disadvantages for Pittsburgh. It gets cold every winter. There is no ocean nearby, nor snow-capped mountains in the distance. And, like it or not, the perception of the smoky city, "Hell with the lid off," persists to a surprising degree. All the "Best Places to Live" awards have not made Americans aware of what living in Pittsburgh is like.

There is a Catch-22 element to this conundrum. Were there more employers moving to Pittsburgh and actively hiring thousands of people each week, more people would be moving here, overwhelming our demographic weaknesses, and growing the population. But, absent such population growth, employers are reluctant to locate in Western PA and risk having too few workers. More to the point, with a declining population, Pittsburgh is too often not even considered by either employers or workers.

So, Pittsburgh's civic leaders are gearing up to market Western PA on two fronts: attracting new businesses and bringing new residents to Pittsburgh. To succeed, they will need good answers to the question, why Pittsburgh?

Why Pittsburgh?

Talk to the people who are responsible for attracting business to Western PA and to those responsible for locating businesses and you will hear a similar theme. There is a before and after in their descriptions of Pittsburgh. What differs is that site selectors seem to still draw the line at before and after heavy manufacturing, while local leaders seem to be looking at after the pandemic.

"Pittsburgh and that region was like a lot of the Rust Belt in that it saw a big decline in manufacturing capacity and employment from the 1970s on. When I started doing this work 25 years ago that area was regarded as a blue-collar town with heavy labor unions. Not a particularly friendly place to do business," says Didi Caldwell, president and founding partner, Global Location Strategies in Greenville, SC. "Pittsburgh had a reputation of being not that desirable from a quality-of-life standpoint in the 1990s. Pittsburgh has done a lot not just to change its image, but the underlying factors have changed. It has a lot more high-tech, universities, white-collar, and service employment."

"Pittsburgh has refashioned itself with a great deal of diversity in its industries. Many industries could find that the workforce, the sites, the logistics and other things line up with their needs," says Chris Lloyd, senior vice president and director of infrastructure and economic development for McGuireWoods Consulting in Richmond, VA. "There's also a highly educated, highly skilled workforce that is used to working. The logistics of Pittsburgh are favorable. There are good interstate highways, access to Great Lakes ports, and it is four or five hours from the ports of New York or Baltimore. And I think Pittsburgh is seen as an innovation hub given some of the universities there and the emerging technologies."

Pittsburgh's cheerleader for business attraction, Matt Smith, chief growth officer at the Allegheny Conference, focuses more on the changes to the business environment that are more recent.

"Pennsylvania is finally open for business. We have a state government led by a governor, Josh Shapiro, who is willing and interested in aggressively competing for business investment projects," Smith says.

"I think the administration has taken some very important steps, going back to last year when they phased down the corporate net income tax rate," he continues. "I think the second important step was creating an office of transformation and opportunity. That's an office that has yielded positive results even over the last couple of months. I think the third important step was the executive order that focused on permitting and that is both transparent and expedited. We need to show that Pennsylvania will operate at the speed of business. Those steps are important for those of us who sell the region for business attraction."

The assets that the region has to market are some of the most basic to business: talent, natural resources, an innovation network, and quality of life.

"The short list of things includes universities that are world class and phenomenal. That includes all the great spin-offs and associated businesses," says Don Smith, president of RIDC. "We have world-class healthcare. Pittsburgh is a low stress place to live. We don't have the high prices of San Francisco, New York, or DC. We don't have the mind-killing traffic that Los Angeles, DC, and other cities have. And you have access to world class culture and sports amenities that are affordable. There are some fabulous neighborhoods around Pittsburgh that are safe, clean places to live and with good schools in many cases."

"It's the technical talent with engineering and technology, and all the smart people at Carnegie Mellon and Pitt. It's also a legacy of manufacturing, making things," says Scott Ziance, partner at Vorys Sater Seymour and Pease LP. "The Pittsburgh region has always been a strong manufacturing area and still has manufacturing talent. When you talk about the Pittsburgh region, talent is the first thing that comes to mind."

"The abundant talent pool that we have here, particularly in high-growth sectors, is critical. When you think about the talent that we have with two tier-one research institutions, Pitt and Carnegie Mellon, that are second to none. That talent pool is being built at the other 71 colleges and universities in our region too," says Matt Smith. "Talent is being developed in robotics and autonomy, advanced manufacturing, the energy sector and the space economy. The same is true in the area of life sciences and healthcare, specifically in gene therapy. A company like Krystal Biotech, for example, is a living, breathing example of how a life sciences company can go from concept to full commercialization right here in Pittsburgh."

Caldwell, whose practice has a concentration in heavy and process manufacturing, points to more basic economic assets.

"I think the biggest advantage is the wealth of resources available in Western Pennsylvania. That offers great potential," she explains. "You can see that with the Shell petrochemical facility. I don't think people realize what an asset that can be. Everything that has some plastic in it comes from hydrocarbons, which include natural gas. The processing of hydrocarbons into ethylene is the building block of almost all the advanced materials we use today."

A South Carolina resident, Caldwell points out that the development of the Appalachian shale formations has changed the energy landscape in ways most Pittsburghers are not aware of.

"From an energy perspective, natural gas used to run from Texas and Louisiana north and east. Now in South Carolina we're getting gas from the north, which is unthinkable. Gas coming out of Pennsylvania is cheaper than it is from the Henry Hub," Caldwell says. "There are

Pittsburgh's population declined again in 2022 but remained above the 2015 level. Source: U.S. Census Bureau, Federal Reserve Bank of St. Louis.

Pittsburgh's labor force has declined more precipitously since the pandemic as Baby Boomer retirements have accelerated. Source: Bureau of Labor Statistics.

challenges with topography but if Shell can put their ethane cracker where they did, others can too. In this era, when we're moving a lot of manufacturing back to the United States, it is a great time for Western Pennsylvania to take advantage of that trend."

It is worth remembering that, for all the talk of Pittsburgh's new economy, the employment base in the region is still very much a reflection of the emphasis on education and healthcare. The so-called "eds and meds" are the dominant employers in Western PA. Of the 10 largest employers in metropolitan Pittsburgh, five are healthcare or higher education organizations, including the region's two largest employers, UPMC and Highmark Health, which employ nearly six percent of the 1.18 million workers in metro Pittsburgh.

Why not? (The population challenge)

The beauty of a city with a diversified economy, especially one that is focused on emerging technologies and legacy industries, is that a broad swath of industries can find a home there. Pittsburgh has the advantage of being home to education and training that could produce a workforce that can serve a diverse spectrum of industries. The challenge is attracting and keeping the people that can be trained and deployed in Western PA.

Pittsburgh, like dozens of northern cities, was once a place where people flocked to live. Industrial America required more workers every month, as U.S. companies led the way in manufacturing globally. Pittsburgh employers benefitted from several waves of immigration from Europe and the mass migration of Southern African Americans following World War I.

As employment shifted from Pittsburgh to the southern U.S. and other countries beginning in the 1970s, population shifted too. The Pittsburgh diaspora began a decade or more before the steel mills closed. While the single biggest annual decline in Allegheny County's population – 1.7 percent – occurred in 1985, declines of 1.6 percent, 1.5 percent, and 1.3 percent occurred in 1974, 1975, and 1979 respectively. Population has mostly dripped out of the region, but it has been consistent. Allegheny County saw a decline of roughly one percent or less in all but eight of the past 50 years.

Concurrent with the stagnant population growth, Pittsburgh's demographics have impacted the economy as expected. With a higher percentage of the population over the age of 65 than in most cities, Pittsburgh sees higher mortality rates and higher rates of retirement. The latter was accelerated by the COVID-19 pandemic. As a result, the deterioration of the labor force has proceeded closely to the forecast in the Inflection Point. As of June, Pittsburgh's civilian labor force is three percent smaller than before the pandemic and has declined by another 2,200 since January 2023. That is counter to the larger U.S. trend, which has seen a 1.5 percent increase from population growth, mainly through immigration.

Two of the counties that make up statistical metropolitan Pittsburgh - Butler and Washington - have bucked the long-term trend. Washington County's population should approach 210,000 at the end of 2023. The population grew in Washington County in four of the years since 2010, including 1.1 percent between 2019 and 2020, and 0.7 percent last year. Butler County is home to 197,000 residents. Population has grown more vigorously in Butler County, with gains every year since 2010, totaling 5.5 percent during that period.

The Department of Labor's report on metropolitan area unemployment for June reflects the slightly more favorable economic environment in these counties that are experiencing population gains. Butler County had the lowest unemployment in the seven-county metro at 3.2 percent, well below the rates of unemployment U.S., Pennsylvania, and metro Pittsburgh's 3.8 percent rate.

Image by Allegheny Conference on Community Development.

Washington County's unemployment rate was 3.5 percent in June, a level that was matched by Westmoreland County.

The growth in Butler County has been driven by the expansion of the I-79/ Route 19/Route 228 corridors, which are anchored to the Cranberry Township to Adams Township residential development. In recent years, growth has migrated north to Jackson Township, Lancaster Township, and Forward Township. In Washington County, shale gas was the primary source of new jobs and population growth 10 years ago; however, there has been a steady stream of new developments in the bedroom communities south of the Allegheny County border. Both counties offer similar opportunities for residents and businesses.

"Some of it is the lifestyle amenities. The cost of living is better in Butler County. And we always hear that there's a good workforce in Butler County," says Joe Saeler, executive director of Butler Community Development Corporation. "People like the Cranberry area because they can be in Pittsburgh in 20 minutes but live in Butler County. And the northern part of the county is rural if that is your cup of tea."

"There are many reasons why new residents and businesses decide to relocate to Washington County and while it varies for each individual or company, there are a few themes that we hear most often," says Jeff Kotula, president of Washington County Chamber of Commerce. "One is that we have a varied and stable economy with a local government that prioritizes responsible development and a commitment to maintaining a low-tax environment. Washington County is also a great place to raise a family, grow a business or career, and relax on the weekends. We are fortunate to have a number of quality school districts and recreational amenities that provide families with options for the education and entertainment of their children."

Both Saeler and Kotula noted that the commissioners in their counties were intentional about creating a business-friendly environment, while working to improve the lifestyle amenities for existing residents that would also appeal to people moving to the area.

©Carnegie Mellon University.

Saeler points to the Victory Road Business Park in Clinton Township, northwest of Saxonburg, as an example of how the Butler County Commissioners' economic vision has paid off over time. The former U.S. Steel facility was an environmental challenge that required public investment ahead of putting the property on the market.

"That was 240 acres that was contributing $260,000 in property taxes each year. Now the park is fully sold out and employs more than 1,000 people. Victory Park now contributes $1.5 million in property taxes annually," Saeler says.

"Another asset we have is location – the county is geographically well positioned in the region -and our tremendous transportation infrastructure – Interstates 70, 79 and the Route 19 corridor - provide convenient access to all points on the compass. The new Southern Beltway segment has made the trip to Pittsburgh International Airport even easier," says Kotula. Washington County has the benefit of offering the best of both worlds, both small town, country charm and just a short drive to the world-class amenities offered by our neighbors in Pittsburgh or jump on the interstate and reach half of the population in the United States within a day's drive."

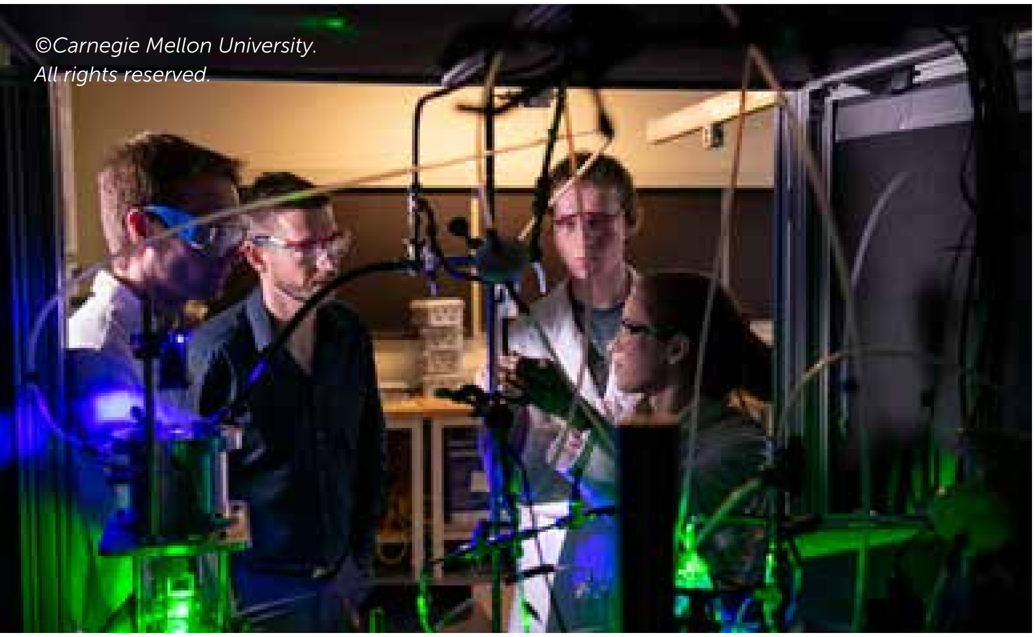
In the other Pittsburgh metro counties, including Allegheny, the demographics have overwhelmed whatever efforts have been made to attract people to Western PA. The region's economic development and marketing organizations are re-doubling efforts to reverse that trend by retaining more graduating college students and amplifying the stories of those who relocated to Western PA.

Earlier this year, the Allegheny Conference kicked off its talent attraction campaign, called "Belong. Become. Be." The campaign is a multi-pronged push that is initially targeting the universities in the area and expanding as resources grow. Linda Topoleski, vice president of talent strategy and programs at the Allegheny Conference, explains how Belong Become Be is expected to unfold.

"Our first target is college students. We are working to get social media presence, combining it with Passport, which is in its fifth year. Passport involves corporations helping to support the experiences that put students together with other students and employers to begin making the connections," Topoleski explains. We're still in the early stages of seeing how it goes beyond that because that is when it requires more resources. We're looking to reach people that are from Pittsburgh but going to school elsewhere within a 300-mile radius of Pittsburgh. Looking at boomerangers. Looking at the broader group of talent we need to target."

Topoleski explains that the strategy behind Belong Become Be is driven by focus groups of roughly 60 people in each of three categories: college students who had decided to leave Pittsburgh; college students who were leaning towards staying in Pittsburgh after graduating; and people who had relocated to Pittsburgh in the past two or three years. She says the results of the conversations yielded some surprises.

"There are three critical factors. It is assumed that there are jobs available and that workers can earn the salaries they want. What isn't assumed is that they



can work with a company that is aligned with their values. They want to see those values demonstrated. They want to feel that when they talk to the people interviewing," Topoleski says.

"The second thing is they want to live in an eclectic community. What is the definition of eclectic? What they told us was a vibrant arts scene, food scene, textured neighborhoods, and diverse population. The third factor is that they want to be in a place of consequence where they can have an effect on the community, either through volunteering or by their employer investing in a way that they can be active. They want to have a voice on issues that matter."

Topoleski says that the participants were quick to point out that Pittsburgh did not have a diverse population. The participants explained that they wanted to see people who looked like them thriving in the community. What encouragement could be drawn from that was that people looking at living in an area would consider it if it was apparent that the leaders understood the lack of diversity and were making honest attempts to rectify the situation.

What the Allegheny Conference is doing differently with this campaign is communicating a message that speaks to the strengths of Western PA in those areas that matter to people. Belong Become Be is intentional about marketing what other cities are not.

It is also emphasizing experiences as much as messaging. In its early stages, Become Belong Be has put together experiences that help people new to Pittsburgh, especially people of color, to make meaningful connections in the community that might give them a sense of belonging.

"There are certain occupations that are in high demand here. Our first job is to retain the people that are here," Topoleski says. "We can't lose any more people. Then we can go out and help employers attract more people here."

Local colleges and universities, as would be expected, are focused on helping graduates find employment, regardless of where employment might be located. Most have internships or cooperative programs that help link students to local employers. For example, the region's largest institution, University of Pittsburgh, has a number of programs that are tied to individual colleges. Pitt's executive director of media relations, Chuck Finder, highlighted several that feed industries that have strong ties to Pitt, like engineering, education, life sciences, medicine, and law.

"We regularly update our academic offerings and work with employers across the state to ensure we're producing graduates ready to enter the workforce and help Pennsylvania's businesses and non-profits," Finder says. "Today, about 65 percent of Pitt graduates start their careers in the commonwealth and one out of every 32 workers across the state are Pitt graduates."

Talent attraction and retention is an important mission of the Pittsburgh Technology Council (PTC). As the oldest industry association for the tech sector in Pittsburgh, PTC has developed programs to fill the pipeline for the long-term and today.

"We have a long-term view supporting STEM education through our Fortyx80 non-profit arm. That is all about getting high school girls interested in science and technology but also in leadership because there are so few women in tech," says Jonathan Kersting, vice president of communications and media for Pittsburgh Technology Council. "In short term, we're working with our Apprenti program to get talent that is on the sidelines into the pipeline. Two years ago we spun up Apprenti, the state's first technology apprentice program. We have lots of companies here that cannot find enough people to work for them and we have a number of people living here in Western Pennsylvania who haven't the means to go to a tech school or a boot camp, let alone a four-year degree. They have the smarts but are stuck."

Apprenti focuses on people who have been underserved by the tech sector, primarily people of color, women, and veterans, that have the talents needed by the industry but no formal training. Apprenti provides them with a paid apprenticeship that is a living wage while they learn. Apprenti begins with a boot camp and then progressive education and training that leads to a full-time position. Kersting says that the program has produced three cohorts of apprentices totaling 40 people in the two-year period.

"We've had people going from making minimum wage to earning $80,000 or $90,000 in a year or so. That's important because our companies need talent, and we have great people here who would either go someplace else for those opportunities or not benefit from our tech economy," Kersting says. "We have a waiting list of people to get into the program. We need more employers to take them on as apprentices."

Why not? (The business challenges)

Business attraction has been a top regional priority for decades. Like with attracting population, there are challenges that are uniquely Pittsburgh's, but there are more tools available to meet those challenges. Some of those challenges are natural and unavoidable but many are man-made.

"Sometimes there's a problem with the lack of sites, particularly large sites," says Lloyd. "We located a large manufacturer in eastern Ohio, near the border. The principal attraction was the proximity to Pittsburgh, but the project had a 100-acre requirement. You can't help the rolling topography of the region."

"Topography is a challenge. There are not many big green field sites," agrees Ziance. "There are a lot of great redevelopment opportunities but those are more complex. It's nothing that anyone in Pennsylvania did wrong, but the topography is a challenge."

Didi Caldwell notes that the advantages that Western PA has for exploiting the resurgence in U.S.-based manufacturing are offset with hurdles to overcome. Not all are topographical.

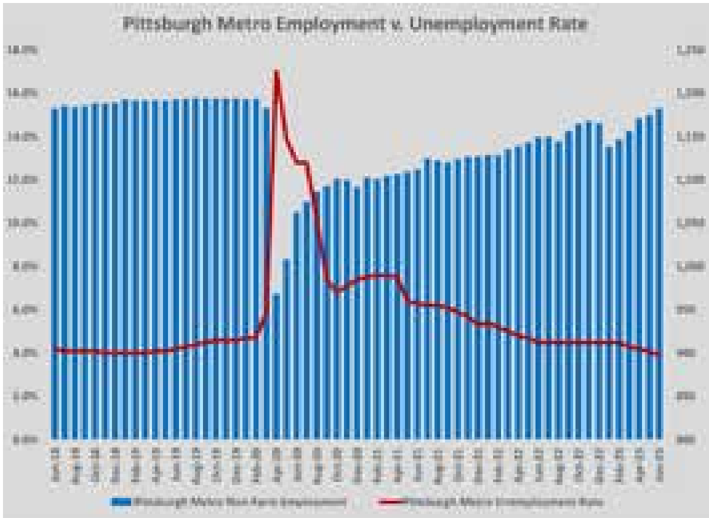
"There are a couple of headwinds," Caldwell says. "One is that the Inflation Reduction Act is really focused on renewable energy so that doesn't help any natural gas-derived products. The second is there is a lack of well-qualified industrial sites for people to land in Western Pennsylvania. It is challenging to find a large piece of property that can be developed anywhere, but some regions are helping to prepare them. In the southeastern states for example, communities and states are spending a lot of money to do the preparation work so that when an investor comes along, they have a place to land. I don't see that happening as much in Pennsylvania particularly with these challenging sites."

Don Smith is concerned that the obstacles go beyond the level of taking fewer proactive measures and investing less than our neighboring states or benchmarked competitor regions. Smith would love to see the infrastructure improved, but he fears active opposition and counter measures to growth, especially within the city limits, are barriers that developers will choose to avoid rather than overcome.

"It's the anti-development sentiment. It's the unrealistic affordable housing requirements. It's the incompetence of the land bank. It's the hostility towards capital. It's the government," Smith says. "All of that could be fixed. Most people are not anti-employer or anti-development necessarily, but the city government acts as though its job is to extort development or stop development. But when a development gets canceled, jobs get canceled; new residential units get canceled that might attract young people."

Caldwell explains that excessive

Photo by Cam Miller, courtesy University of Pittsburgh.



Unemployment has fallen below pre-pandemic levels, even as total employment remains one percent lower. Source: Bureau of Labor Statistics, Federal Reserve Bank of St. Louis

regulations or government policies that inhibit easy development are additional burdens on a project, much like unusual acquisition costs or site preparation. Any of these additional burdens can mean the difference between success or failure for a potential site.

"Our job is to help our companies make decisions based on cost, quality, and risk. All things considered we'd like to find a location that has both low investment and operating costs, and low risk," explains Caldwell. "Even if the costs of entitlement and preparation are offset in some way, the risks of getting the project done on time, without a lot of hurdles along the way from a permitting standpoint or a community standpoint, will negatively impact the decision."

"I think Pittsburgh has started to turn this around, but Pennsylvania has only a fair reputation as a place to do business. It is perceived as high tax and not regulatory friendly," says Lloyd. "The new governor and his team are making some head way in turning around the image as business friendly. Pennsylvania also has a unique government structure with all the townships and municipalities. There are so many layers of government to deal with that it is confusing for people. I'm not saying it's good or bad but it's just different from so many other states."

Thus far the Shapiro administration seems to understand the need for reducing the time and difficulty of regulatory processes. That message will need to filter to the municipal level for Western PA to compete more effectively. Of course, competing with other states and regions also requires a willingness to offset some of the costs of development, particularly those that are endemic to Pennsylvania because of topography or climate.

Ziance uses Ohio as a competitor that is prepared for opportunities. Over the past decade, Ohio's governors and legislators have steadily built the economic development toolbox. In 2023, Ohio has a $2.5 billion economic development budget that will be used for both site preparation and incentives for opportunities.

"Pennsylvania is less aggressive with incentives than the southeastern states or Ohio and the states around it," he says. It has demonstrated it can step up with legislation, but its regular incentives toolbox is weaker."

Matt Smith sees the potential for building an economic development war chest, although that will require a vision that goes well beyond the current level of bipartisan cooperation (or non-cooperation) to pass a comprehensive budget.

"To give you a frame of reference, Ohio has 1.5 million fewer people than Pennsylvania but spends seven or eight times as much as Pennsylvania on economic development. From our perspective it's a necessary tool in the toolbox to compete effectively for business investment," Smith says. The governor is interested in economic development, and I think there is bipartisan interest in doing something meaningful. From our perspective, there's no more important area to do that than in site development. That unlocks even more potential than we have right now, especially for the large-scale investment projects."

"We have been dealt a good hand in Pittsburgh in terms of energy resources, water resources, and talent resources," Smith continue. "What has held us back has been human-created policies in Harrisburg that were unfriendly to business. That no longer feels like it's the case. I think the message is getting out. We have seen increases in our pipeline over the last six months. Talking to site selectors at conferences we are hearing that they are hearing that message. That won't close deals for us, but it enables us to be in the game." **DP**


YINZ
KNOW

New Kensington Advanced Manufacturing Park

Rendering by R3A Architecture

On May 1, Pennsylvania Governor Shapiro was in New Kensington to announce that Re:Build Manufacturing (Re:Build) had agreed to lease 175,000 square feet in the New Kensington Advanced Manufacturing Park. The agreement, which will kick start the redevelopment of the former Schreiber Industrial Park by Regional Industrial Development Corporation (RIDC) and Westmoreland County Industrial Development Corporation (WCIDC), was the culmination of a year-long effort that regional leaders hope can be a blueprint for business attraction and economic development.

RIDC and WCIDC are investing $3 million in equity each and overseeing $31 million in renovations to what was the initial manufacturing site for Alcoa. To accomplish the redevelopment, and to attract Re:Build as an anchor tenant, the developers were joined by state and local agencies and the R. K. Mellon Foundation to pull together what will be an $81 million investment.

The project represents a significant win for the cities of New Kensington and Arnold. In 2018, the Redevelopment Authority of the City of New Kensington, which represents both towns, acquired the Schreiber Industrial Park for the purpose of upgrading it and attracting new businesses. The public-private partnership that put together the successful Re:Build proposal allowed the Redevelopment Authority to transfer the park and eliminated the debt of more than $10 million.

Jason Rigone, executive director of WCIDC, says the redevelopment is the culmination of nearly a decade of investment in New Kensington. Rigone points out that Westmoreland Business and Research Park, located about five miles southeast of New Kensington in Upper Burrell Township, is nearly sold out after almost two million square feet of development.

"Because of the success at that location we recognized that there was market potential in the northwestern corner of the county, the Alle-Kiski district. The former Alcoa manufacturing facility has always been a priority location for us," Rigone says. "Our direct investment into New Kensington really started in 2014 and 2015 when we partnered with the Penn State New Kensington branch. Chancellor Snyder had a vision of utilizing institutional expertise and partnering with local organizations to create economic development in small downtown areas. WCIDC built a small building and leased it to Penn State New Kensington for its entrepreneurial center."

The investment proved to be an early spark that triggered other investments. Since that center opened, more than 40 small businesses have located along New Kensington's Fifth Avenue. That success led to a deeper investment in the Alle-Kiski Valley.

"Penn State's next investment was done in partnership with our partners here at the Economic Growth Connection, building the Digital Foundry," Rigone continues.

The Digital Foundry helps train the local workforce in the use of robotics, sensors, and new technologies associated with Industry 4.0. It supports manufacturers and industries that are looking to deploy Industry 4.0 in their businesses. The hope was that the Digital Foundry would also draw employers to the area. It would prove to play a role in landing Re:Build.

Re:Build's mission is to bring manufacturing back to the U.S., investing in companies, technology, and locations to rejuvenate American industry. One of its goals is to bring new investment to communities that were formerly manufacturing towns but had lost those businesses when the manufacturers became uncompetitive.

The search for a first manufacturing site for Re:Build came to the Pittsburgh Regional Alliance (PRA) in May 2022. Patty Horvatich, senior vice president of business investment for the PRA, was encouraged by the requirements of the search and the site selection consultant.

"We work very hard at the relationships with the site selection consultants, so they know when there's a good fit for the Pittsburgh region. We were contacted by Jeanette Goldsmith from Strategic Development Group, who has evaluated properties in this region numerous times," Horvatich explains. "She evaluated 90 buildings in 15 communities in multiple states. We proposed numerous sites, but she selected four to visit. There was one in Washington County, one in Allegheny County, and two in Westmoreland County."

One of the key search criteria was that a site be in a community with a manufacturing legacy. Among the developers and property owners contacted, RIDC found it had some connections to Re:Build and began to look for a partnership.

"One of Re:Build's executives had a connection to someone in the robotics field in Pittsburgh, who mentioned something to [RIDC president] Don Smith. I made a connection through another person that was not related to this project," says Tim White, senior vice president, business development and strategy at RIDC. "There were several Pittsburgh linkages, including Thomas Tull, who is one of their primary investors. And Jeff Wilkie, who is the chairman of their board and had a very successful career with Amazon, was raised in Pittsburgh. In Pittsburgh, we have two degrees of separation and that helped get us on the list with a favorable view."

RIDC would propose several of its sites, but it also reached out to WCIDC, with which RIDC has had success in redeveloping the former Sony plant in New Stanton.

"When the opportunity came knocking, Re:Build was looking for a community on the way up that understood the

connection to manufacturing. They were looking for a community that had been through rough times," recalls Rigone. "The site was a priority for us because we thought that the cost competitiveness of the location compared to other parts of the region was vital. When you add in the resurgence of New Kensington and the partnership with Penn State in downtown, it created a strong marketing approach for attracting investment."

The partnership between RIDC and WCIDC made sense in that it multiplied the political and philanthropic reach that each had. That would prove critical.

"There are not a ton of buildings that are easy to move into that are manufacturing buildings. When you add in the requirement of being in an existing manufacturing community and having the ability to grow there are even fewer sites," says White. "We had to compete against sites and buildings that were in better shape and more cost-effective in other states. That's where the hard work came in trying to put together the package, understanding what they needed and figuring out how to get that done."

"These projects are always complex. Any project involving a national search always has challenges, whether that's workforce, site selection, investment, or financing," says Rigone. "For this project, the property had a tremendous amount of deferred maintenance. Trying to bring it up to Class A manufacturing space took a lot of creativity, as well as investment."

The winning proposal brought together a site that met the requirements of the search and a package of financial support from state and local governments, in conjunction with the private sector. In addition to the grant from the R. K. Mellon Foundation and the equity from the two industrial development corporations, Pennsylvania came through with a $1.5 million Pennsylvania First grant from the Department of Community and Economic Development (DCED) and $7 million from a Redevelopment Assistance Capital Program grant. Westmoreland County helped bridge the gap with a portion of its American Rescue Plan Act funds.

Re:Build is making a $50 million investment in the finished facility. The

Rendering by R3A Architecture

company expects to hire 300 workers. The first of those – manufacturing leads and technicians – have already been hired. At the project announcement, Wilkie emphasized the importance of bringing such a facility to a community with New Kensington's legacy and difficulties. He also praised the teamwork the parties showed.

"We had a spirit of cooperation and collaboration from the first call that Jeanette made through the ribbon cutting. Our rich manufacturing legacy was very important to Re:Build. They saw potential," Horvatich says. "We also had bipartisan support for this project. That is something we're excited about."

"I think because of the focus from the county, the private sector investment, and the philanthropic leadership at R.K. Mellon, the new governor recognized it was an important opportunity from an economic development standpoint," says White. "Right out of the gate Governor Shapiro's team was very involved. DCED Secretary Rick Siger was a great supporter to help get this deal closed.

"Pittsburgh has some unique characteristics that appeal to them. The research base at Carnegie Mellon was appealing. We have manufacturing space in old locales that are ripe for reinvestment. Having a partnership of various local groups come together for support is a big reason why we got the deal."

"I think this is an example of how the region has been successful: bringing the resources necessary, whether that was equity investment by our organization or RIDC, the foundations getting involved, or the state and county partnership," says Rigone.

Demolition and remediation of the buildings that Re:Build will occupy is underway. Those facilities are the oldest in the park, which presents unusual challenges to modernizing for an Industry 4.0 manufacturer.

"One of the biggest challenges for this project is designing for flexibility, both with planning the manufacturing spaces but also designing a flexible and adaptable approach and framework for the electrical and other infrastructure critical to functionality of the building," says Jon Williams, associate and project architect for R3A Architecture. "ReBuild's approach to the manufacturing process is meant to be an agile one and to be able to adjust and pivot the space from one manufacturing process or project to another. A big component of ReBuild's vision is providing and supporting a manufacturing process using smart technologies and having a flexible framework for plug and play power distribution becomes critical to that process overall."

"The challenge is rehabilitating structures that are nearly 100 years old to be suitable for a Class A manufacturing facility to compete with some of the best in the world," says Chris Olivo, project manager for Mascaro Construction LP. "There are not any major structural issues. The challenge is more in the rehabilitation process. We want to take something that was a prominent fixture in the area and return it to that, including cosmetics. That includes upgrading the exterior, building a new façade, and fixing the roof. But

"The reality of it is that the project is not necessarily an investment in a company; it's an investment in the site. We believe Re:Build will be there for many years but, if they are not, we have created the opportunity to attract the next Class A manufacturing operation," says Rigone.

the bones of it are standing strong after a hundred years."

While the Re:Build location was the catalyst for the accelerated redevelopment of the former Schreiber property, RIDC and WCIDC emphasize that it is the first step in a multi-year process. The New Kensington Advanced Manufacturing Park includes almost 70 acres and 20 buildings of 1.1 million square feet of leasable space. Currently there are seven other companies occupying 495,000 square feet of space. After Re:Build occupies, the park will have more than 40 percent of its property available for occupancy.

The first 175,000 square feet that Re:Build is taking will be up and running next year, but there is still another million square feet that is partially occupied or unoccupied and will require additional investment to make it a competitive manufacturing space," notes White. "The true success of the development is still in the future. There are some functionally obsolete buildings that are unoccupied. We will chip away and work with the county and state to get the next space ready for another manufacturer."

"The reality of it is that the project is not necessarily an investment in a company; it's an investment in the site. We believe Re:Build will be there for many years but, if they are not, we have created the opportunity to attract the next Class A manufacturing operation," says Rigone. "Ten or 15 years from now we will see a dramatic change in the physical condition of the park. It will be one that is modern and attracts Class A manufacturing tenants. We may even see some new construction take place if we are able to remove some of the old structures that are beyond reinvestment. We are hopeful that it will be a center of employment and economic development in the Alle-Kiski sector of Westmoreland County." **DP**

Harnessing the Power of Partnerships for Continued Growth and Success

By Michael Cherock, PE

Partnerships, when managed strategically, can become a powerful asset for business growth and success. They can offer unique opportunities to expand your market reach, enhance your service offerings, and even increase your competitive advantage. At AE Works, we have formed partnerships that have been critical to our company's ability to win work, deliver tremendous value to our clients, and gain the trust of clients with our industry partners.

In a business context, a partnership is a strategic alliance between two or more parties that agree to work together in pursuit of common goals. These collaborative efforts can contribute to the enhancement of each partner's products, services, or market presence. One key advantage of partnerships is the potential for synergy. By combining resources, expertise, and market reach, businesses can often achieve more together than they would individually. This can mean quicker growth, improved customer service, better value delivery, and / or increased profitability.

In a review of over 300 projects, AE Works has performed projects utilizing partnerships 79 percent of the time. Most projects utilize a single partner, but we have projects where more than three partners were the best approach. The number of partners is a product of the strategy that we believe can best service the client and the unique aspects of the project.

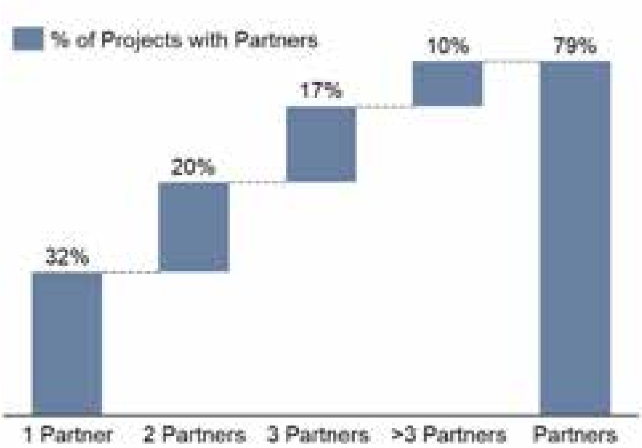


Figure 1: Projects with Partners

When deciding whether partnering is the best approach, a variety of factors must be considered. Every factor influences a project to varying degrees, which is why no one combination of factors can be relied upon without revisiting for each project. The key factors we consider for partnering are:

- Enhancing Credibility and Trust
- Leveraging Partnerships for Market Expansion
- Risk Sharing

Enhancing credibility and trust

Partnerships can enhance the credibility of your business. By aligning with established, reputable businesses, your business can gain increased trust and visibility. This can and does lead to new clients. Establishing credibility is often a challenging task for any firm for the following reasons: strength of relationships, depth of project experience, team composition, and team capacities. Depending on the client and their position within their own industries, established relationships create an incumbency challenge that can be very difficult to overcome unless you can find strategic partnerships. While firms can amass project experiences over time, the industries we serve change, and project demands change. A new delivery method or aspect to design and construction might be new to an area (tilt up, design-led design build, Integrated Project Delivery, high rise wood, speculative, etc.) or new to the industry (the use of AI, AR, and other digitization efforts). The job market and economic cycles weigh heavily on a firm's teams and the capacity of firms is ever changing.

As so many pressures are exerted on companies, credibility and trust are always challenged, and partnerships can be a crucial part of winning more business. This perceived trustworthiness a partnership creates can come from the established partner's long track record of success, their well-known brand, or even their robust client base. Moreover, partnerships often involve sharing resources, knowledge, and capabilities. As businesses work together, they can demonstrate reliability, integrity, and competence, further enhancing trust among themselves and with their shared client base. Trust in a business relationship, especially in partnerships, often leads to increased customer loyalty, better collaboration, and long-term business growth.

Leveraging partnerships for market expansion

Market expansion refers to the process of offering a product or service to a new market segment, whether that means a new demographic, a different geographical area, or an entirely new industry. However, entering a new market can be a challenging and resource-intensive process. This is where partnerships come into play. Strategic partnerships can be an effective way to break into new markets. By partnering with a business that has an existing presence in a desired market, you can leverage their knowledge and client base to gain a foothold more quickly than you might on your own. This established presence can help you navigate local customs and regulations, understand the competitive landscape, and reach customers more efficiently. Partnerships often involve sharing resources, which can include distribution networks, marketing assets, and sales channels. By accessing these resources, a business can increase its reach and visibility in the new market, reducing the time and financial investment needed to establish these from scratch.

With success, leveraging partnerships for market expansion is a strategic move that can greatly benefit a business's growth trajectory.

Risk sharing

Risk sharing in a strategic partnership context involves distributing the potential financial, operational, or reputational risks among the partners. This approach can reduce the possible negative impact on any one partner should challenges or setbacks arise. This can be particularly beneficial for projects with a high degree of complexity, size, and budget. By spreading the risk, partnerships can help your firm take on bigger, potentially more profitable projects.

There are several ways that risk sharing can manifest in strategic partnerships. Financial risk sharing can help overcome capital constraints of the individual firms. Operational risk sharing involves pooling resources to overcome production limitations, quality control, and subject matter expertise needed to meet the project demands. Reputation risk sharing means each partner has exposure and will work to mitigate not just their own firm's exposure, but that of the team.

Types of partners

AE Works has established strategic partnerships that provide a wide range of capability from a service offering standpoint. Specifically, our data shows that AE Works has the following strategic partnerships that produce a comprehensive offering to meet a multitude of project types, see Figure 2 – Partnerships by Service.

Over 70 percent of our partnerships are with firms that provide services we do not provide. The accretive nature of these partnerships is technical breadth that enables one team to complete the entire project. Of note, the strategic

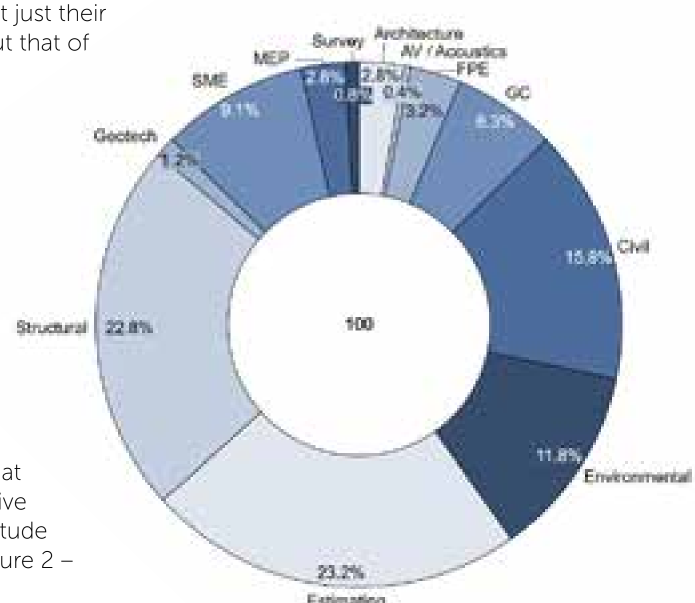


Figure 2: Partnerships by Service

partnerships noted in the figure are formal arrangements in which AE Works was the prime contractor. If we include those partnerships in which AE Works is a subcontractor, the data will skew more narrow given we are usually subcontracted as the complete design partner for the building with a general contractor or we partner with a firm that does not do building design (i.e. civil, environmental, etc.).

Additionally, the various services noted in the figure could be provided by a single partner. As a firm we tend to pursue strategic partnerships that limit the number of overall partners needed. The reason is to keep the team smaller and the engagement simpler. We achieve this goal by seeking partners who perform multiple services. This is not always the best strategy, however. For example, single service partners make sense when a subject matter expert (SME) is needed and the best partner is a niche firm (i.e., workplace strategist, geo-technical firm, electrical contractor, etc.).

Making strategic partnerships work

It's important to note that for the key factors to work effectively, there needs to be clear and open communication between partners. Risks, responsibilities, and potential outcomes should be clearly outlined in the partnership agreement. This way, all partners are aware of their obligations and understand what they stand to gain or lose from the partnership.

Conclusion

Strategic partnerships are powerful accelerators for business growth and market expansion. At AE Works, we've seen firsthand how these alliances can create a win-win situation for all parties involved, enhancing credibility, trust, market reach, and risk management. With each partner bringing their unique strengths to the table, we've been able to deliver exceptional value to our clients, embark on ambitious projects, and explore new market opportunities.

However, the success of these partnerships doesn't happen by accident. It is born out of careful consideration of several key factors, like enhancing credibility, leveraging partnerships for market expansion, and sharing risks. Additionally, it requires fostering an environment of open communication, mutual respect, and shared goals.

Ultimately, strategic partnerships have proven to be a key strategy for our firm's success. With the right partnerships, companies can not only overcome challenges but also unlock unprecedented growth opportunities and pave the way for continued success in an ever-evolving business landscape. As we move forward, AE Works remains committed to nurturing and growing our strategic partnerships, continually pushing the boundaries of what we can achieve together. **DP**

Mike Cherock is the founder, president and CEO of AE Works, a full service architectural and engineering firm. He can be reached at mike@aeworks.com.

940 VISTA DRIVE
PITTSBURGH PA 15205

- TOTAL SF: 14,847

VISTA BUSINESS PARK

PARKWAY WEST BUSINESS PARK

907 PARKWAY VIEW DRIVE
PITTSBURGH PA 15205

- TOTAL SF: 3,054
- OFFICE SF: 1,248

SETTLERS CABIN BUSINESS CENTER

300 MERCHANT LANE
PITTSBURGH PA 15205

- OFFICE SF: 1,885 SF
- OFFICE SF: 7,900 SF

SUNSET BUILDING

2559A BRANDT SCHOOL ROAD
WEXFORD, PA 15090

- OFFICE SF: 1,012 SF

JENDOCO REAL ESTATE

TEL: 412-361-4509

FLEX **FOR LEASE :** WWW.JENDOCO-RE.COM

As summer winds down, the U.S. economy seems to be heading towards the recession that will not happen. By all rights, the steep rise in interest rates in 2022 and tightening of credit in 2023 should be strangling consumer and business demand, slowing the economy from growth to contraction. That was the Federal Reserve Bank's tacit mission when it began tightening monetary policy in March 2022 by raising rates and pulling back its bond purchases. There are signs that the wind is out of the sails for the economy, but a recession is hardly a sure bet. Odds are still good that some sort of official recession will occur in the next six-to-nine months, but the strength of the labor market keeps reducing those odds.

Recessions are officially declared by the National Bureau of Economic Research (NBER). Most people did not discover that fact until mid-2022, after two consecutive quarters of decline in gross domestic product (GDP) occurred but no recession was declared. NBER looks at GDP growth as a metric, along with a number of others that were not in recession. In fact, during the first half of 2022 only the decline in GDP suggested a recession. In the 12 months since then, there are few, if any, indicators that a recession has begun.

Even the leading economic indicators index developed by the Organization for Economic Co-operation and Development (OECD) offers mixed guidance. The index has been trending lower since peaking in mid-2021, shortly after the widespread availability of vaccines for COVID-19. A decline in the OECD's index of 12-to-18 months has preceded each of the recessions going back to 1960. Similar declines have also preceded periods of strong economic expansion, including 2017-2018, 2012-2013, 2004-2005, and 1995, during the past 30 years.

The resilience of the U.S. economy has confounded economists in their attempts to forecast the direction the markets are taking. Cash reserves for households and businesses remain higher than before the pandemic. Demand for credit was slowing before lenders tightened, suggesting that losing access to credit may not be as impactful as in previous cycles. Residential investment (including new construction) has slumped for more than a year, but residential property values are not declining overall, and investment is again creeping higher. Initial unemployment claims have risen slightly throughout 2023 (although not to recessionary levels), but continuing claims have fallen. The number of workers between the age of 25 and 54 who are employed or looking for a job is at the highest level since 2002. Workers looking for a job can find one. In fact, unemployment remains solidly under four percent since February 2022.

There are not many metrics that indicate rising unemployment in the coming months. The number of layoffs has stabilized, albeit at a slightly higher level than the same time in 2022. Job openings have fallen but remain around 10 million. In the most recent Job Openings and Labor Turnover Survey (JOLTS) reports, more workers are voluntarily quitting than were in the winter and early spring months, but fewer are quitting than a year ago. The "great resignation" has ended. Job growth has slowed from an average of 562 per month in 2021 to 239 monthly since February.

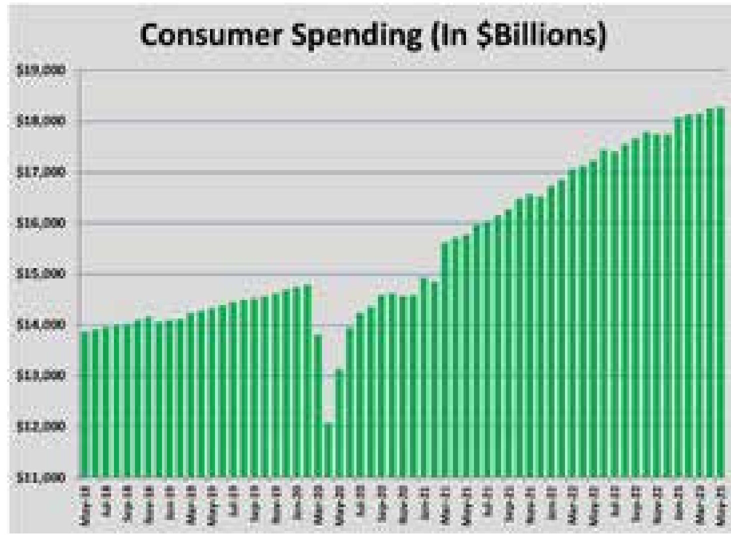
Job growth in July continued the slowing trend, with employers adding 187,000 jobs. The most recent data on the regional job market was consistent with the national and state-level trends. Employment grew by 2.2 percent year-over-year in June in the seven-county metropolitan Pittsburgh area, bringing unemployment to 3.8 percent. That marked the lowest level of unemployment in Pittsburgh since the Department of Labor began tracking metro area data.

That is not to suggest that there are not indications that economic activity is slowing, or that the trend is not leading the U.S. towards a mild recession. The current conditions do suggest that a recession is unlikely if unemployment is not rising.

Consumer sentiment has rebounded 15 points from the lows of May 2022.

Following the July 26 Federal Reserve Bank Open Markets Committee (FOMC) meeting, Chair Jerome Powell reported that the Fed's economists had revised their earlier forecasts, removing the expectation of a recession in 2023. Powell's comments overall reflected the FOMC's ambivalence about the inflation battle. While the 25-basis point rate hike was widely expected, Powell's comments did not ease uncertainty about future increases. Investors and lenders have been showing expectations that the July hike would be the last before rates were eased. Powell refused to rule out rate increases later this year, emphasizing that the central bank would need to see more data showing that the recent downward trend in inflation was sustained. He did, however, offer the consensus that the "real interest rate" – the Fed Funds rate minus inflation – was restrictive and would not necessarily need to remain restrictive until inflation hit two percent. That is cause for optimism for those who fear that the Fed will wait too long before taking its foot off the brakes.

With so much uncertainty resulting from observing the more obvious economic metrics, it may be more helpful to forecast by digging into subtler metrics that have proven to be reliable as leading indicators.



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

In the past handful of business cycles, a change in direction of corporate bond yields (and prices) has preceded a change in direction of the economy. Because corporate bonds are favored by manufacturers as instruments for raising capital, a decline in yields (which signals lower demand) often precedes a decline in manufacturing. The negative perception of U.S. manufacturing tends to overlook its economic impact, but 12 percent of U.S. gross domestic product came from manufacturing in the most recent quarter.

America's economy runs on consumer spending. That reality has never been truer than during the first half of 2023, when consumers purchased goods and services at a rate that outpaced forecasts each month.

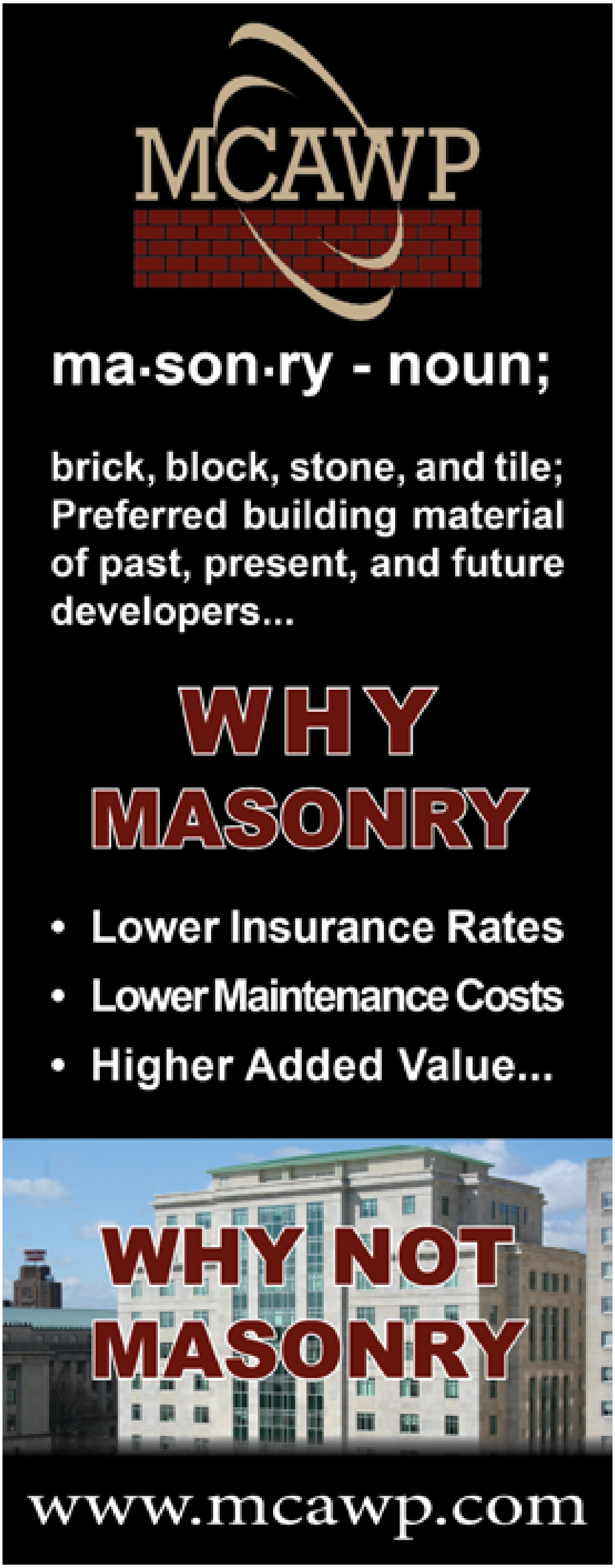
Corporate bond yields have fallen about 75 basis points from the autumn 2022 highs near six percent, remaining range-bound at five percent. Further declines in yield suggest that manufacturing will slow as the year progresses.

America's economy runs on consumer spending. That reality has never been truer than during the first half of 2023, when consumers purchased goods and services at a rate that outpaced forecasts each month. At mid-year, consumer sentiment has firmed, but spending has begun to slow. The number of people responding with pessimism about the U.S. economy fell below one in four, according to the McKinsey/U.S. Pulse survey. The University of Michigan Consumer Confidence Index jumped five percentage points from May to June, as five-year inflation expectations fell again to 3.0 percent. Personal consumption expenditures have flattened despite the upturn in confidence.

In nominal dollars, spending increased from $17.2 trillion dollars (annualized) to $18 trillion from May 2022 to January 2023. Since then, spending has drifted slightly higher by $200 billion. Adjusted for inflation, however, consumer spending is down three percent from the same period in 2022 and appears to be slowing further as summer unwinds.

This divergence between sentiment and spending is not new. For forward-looking guidance, it may be more useful to look at what fuel the consumer has remaining to support spending.

Measures passed by Congress in 2020 and 2021 to ease the financial shock of the pandemic resulted in an unusual rise in excess household savings. The National Bureau of Economic Research estimates that the total excess household savings reached $2.1 trillion by the time vaccines rolled out in mid-2021. Consumers have burned through $1.6 trillion of that savings since then, leaving roughly $500 billion in excess savings compared to the pre-pandemic rate. That excess savings is ample to fuel consumer spending at the current high rate into the fourth quarter of 2023 or beyond; however, there is evidence that households have an increased appetite for savings since the pandemic. The personal savings rate was 100 basis points higher in June than a year earlier, although it was



300 basis points lower than the average of the two years preceding the pandemic.

The accumulation of savings spanned all income groups. Likewise, the share of savings that was kept in liquid investments rose across all income groups during the pandemic, although lower income households kept assets liquid at three times the rate of the highest income earners. As inflation cools throughout the remainder of 2023, that $500 billion cushion remains as potential for spending. If the perception of a looming recession grows, however, households may choose to hold the savings as a bulwark against unemployment.

In either of the two scenarios for how excess savings will be deployed, consumers will need to access credit to maintain the spending levels of 2021-2022. Banks have been withdrawing credit since late 2022 and the mini crisis of liquidity in March 2023 has tightened lending considerably. By May, credit card spending had fallen by three percent year-over-year. Moreover, delinquency on credit cards and personal loans has risen by 105 basis points and 75 basis points respectively since the mid-2021 lows. It seems unlikely that credit will be an untapped source of funding for consumer spending through the balance of 2023.

Forecasts of future consumer activity have been mostly wrong since the post-vaccine surge in spending in 2021, so predictions of consumer spending for the balance of 2023 should be taken with a grain of salt. As the second quarter ends, wages are growing at a faster rate than inflation, but consumers will have fewer available funds to support spending at the current rate. That suggests that an economy that is reliant on consumer spending for growth may begin to slow.

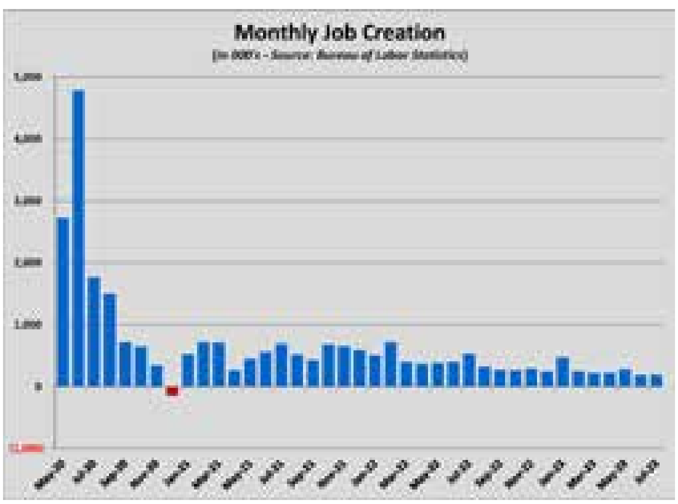
Preliminary data suggests that consumer spending in the second quarter grew at about half the pace of the growth rate in the first quarter of 2023. The consensus forecast for consumer spending growth during the second half of 2023 is between 0.7 and 0.9 percent, a pace that may not be recessionary but supports much slower economic growth.

Through mid-2023, however, the health of the U.S. households continues to buoy economic output. The Bureau of Economic Analysis announced its first estimate of GDP growth in the second quarter on July 27 and it was stronger than expected at 2.4 percent. Economists had predicted that consumer spending would lift GDP similar to the 2 percent first quarter rate, but increased business investment and state/local government spending were a surprising boost. With inflation declining during the quarter, net personal income grew by 2.5 percent. The strong second quarter, coupled with the favorable disinflationary trend, pushed more economists to moderate their forecasts of a recession in 2023.

The battle to tame inflation was going to determine the strength of the U.S. economy in 2023. June may have marked the turning point in the inflation battle. Headline consumer price index (CPI) was up 0.2 percent from May and

3.0 percent from June 2022. Core CPI was up 4.8 percent compared to 2022, about half the rate of a year earlier. The most optimistic part of the June report was the easing of shelter inflation, which tends to lag rate changes by 12 months. Producer prices, which are a leading indicator of inflation, rose 0.3 percent from May to June but were 0.1 percent higher year-over-year.

A continuation of these trends should bring an end to the monetary tightening of the Federal Reserve, which will be a relief for interest rate sensitive asset classes like commercial real estate. There will be two months' data to digest before the next FOMC meeting in September. An end to the rate hikes will start the clock towards the first rate cut, which is anticipated before the middle of 2024. A soft landing for the economy is still not assured, but the odds of a recession that will destroy demand for goods and services have become longer. **DP**



Job growth has slowed to less than half the monthly average in 2021.

Source: Organization for Economic Co-operation and Development

OFFICE MARKET UPDATE

The Pittsburgh office market fundamentals remain steady through the first half of 2023. Vacancies saw a slight uptick and the office market saw continued negative absorption. Despite these challenges, leasing activity totals over 1.7 million square feet in 2023. The Downtown submarkets accounted for nearly 50 percent of all leasing activity in the first half of 2023. The Central Business District (CBD) alone totaled over 510,000 square feet of transactions. The flight to quality trend remained consistent in the Pittsburgh market with 55 percent of new leases signed taking place in Class A & Trophy class buildings.

Although office vacancies have remained consistently high, market activity is concentrated in newer, higher quality inventory, leaving older, vintage assets to hold a significant burden of impact as a result of their fragmental performance. More than 95 percent of vacancy in the market falls in a quarter share of total office inventory. In the polarized office market, vacancies have become concentrated within a smaller segment of outdated inventory. As new construction persistently outperforms the rest of the market, buildings constructed from 2010-2019 have noted an impressive 40 percent decline in vacant square footage since the start of the pandemic.

A majority of the negative absorption and increased vacancy was generated by several large corporate users in the CBD reducing their footprint. The CBD vacancy increased 100 basis points since the end of 2022, adding over 400,000 square feet of vacant space to the market. Despite the year-to-date negative absorption in the CBD totaling over 242,000 square feet, the CBD saw its highest volume of leasing activity since prior to the pandemic; upwards of 277,000 square feet in the first quarter. Leasing activity in the CBD totals nearly 494,000 square feet through the first two quarters. Among the CBD's record-breaking leasing velocity were Citizen's Bank and Federal Home Loan Bank of Pittsburgh's each downsizing their nearly 60,000 square foot by relocating to Class A offices. Other CBD occupiers follow the flight to quality trend as over 90 percent of area leased in the CBD in 2023 falls in Class A or trophy assets.

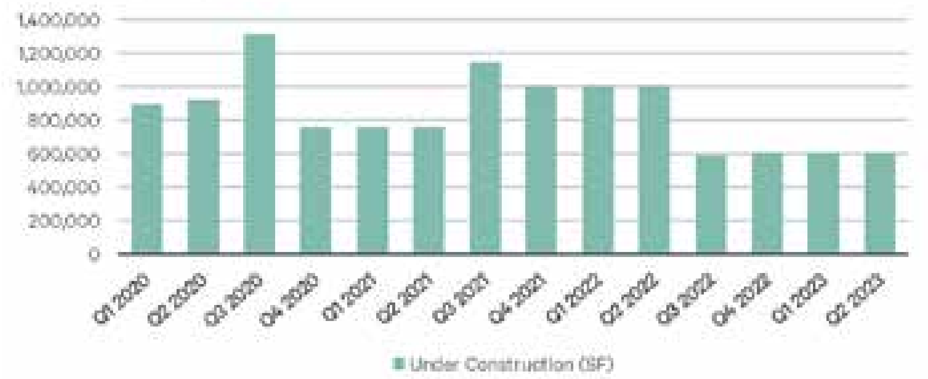
Significant occupiers like Bank of New York (BNY) Mellon downsized their footprint as they continue to navigate the hybrid work model. BNY Mellon, Pittsburgh's second largest financial institution, began its move from 500 Grant Street in the second quarter. The company, with a master lease at Pittsburgh's second largest office asset, will gradually reduce its footprint at their current office tower as it nears the 2028 expiration. In the second quarter, BNY Mellon vacated over 170,000 square feet in the first phase of the move, and another large portion of their current space is being marketed as available. The company will gradually reduce its footprint in the office tower over the coming quarters as they consolidate into their owner-occupied facilities at 500 Ross Street.

FIGURE 2: Class A Downtown vs Suburban

Other activity in the Downtown submarkets saw similar trends as occupiers reduced their footprint. Highmark Health, UATC, and PNC Bank shed upwards of 357,000 square feet in the first half of the year as the long-term occupiers downsized their current office footprint. These three occupiers coupled with Bank of New York Mellon account for nearly 60 percent of all Downtown vacancies added to the market in the first half of 2023.

Suburban submarkets also noted significant activity in the first half of 2023. The suburban submarkets account for more than half of all leasing activity through the first two quarters, totaling over 880,000 square feet. Suburban vacancy decreased to 15 percent in the second quarter of 2023, down 110 basis points year-over-year. The suburban submarkets are responsible for only 10 percent of the 483,000 square feet of negative absorption in 2023. One of the largest office transactions in recent years took place in the Cranberry submarket in the first quarter. Emerson PWS signed a long-term lease to occupy 142,000 square feet at the Cranberry Woods campus. The power and water solutions company is shrinking its footprint and will vacate its current 270,000 square feet space at the RIDC industrial park in O'Hara. The largest transaction for Q2 2023 was in the Parkway North submarket. Accredo Health renewed its 99,000 square feet space at 3000 Ericsson Drive. Also, in Keystone Summit Park, Westinghouse Electric renewed and expanded its footprint to over 113,000 square feet at Building 4000 on Ericsson Drive.

FIGURE 5: Development Pipeline



Source: CBRE Research, Q2 2023

FIGURE 4: Downtown vs Suburban Available Sublease Space

Source: CBRE Research, Q2 2023

A majority of office vacancy is in buildings built prior to 1990.

State of the Sublease Market

As demand for high quality space continues, subleasing offers an attractive option for occupiers seeking prime space that has historically not been available. As fit out and set up costs continue to rise, the high-end spaces offered at below market prices allow for the flight to quality trend to continue in the sublease market. The sublease market in Pittsburgh has reached a record 2.11 million square feet available in over 70 various spaces as total sublease space has nearly doubled since the start of the pandemic. Of the 2.11 million square feet available, nearly 75 percent is in class A inventory and almost 60 percent falls in the Downtown submarkets. Notwithstanding the above, a material portion of the increase in sublease space offerings is concentrated to only a few large CBD users with terms expiring in five years or less, such as Bank of New York Mellon at 500 Grant Street and EQT at 625 Liberty Avenue.

Development Pipeline

The Pittsburgh office market currently has over 600,000 square feet under construction. There are three class A buildings currently under development as demand for amenitized spaces continues. Of the 603,000 square feet under way in Pittsburgh, only about 31 percent is currently leased.

The CBD submarket will soon welcome over 450,000 square feet of trophy office space to the Uptown neighborhood as the FNB Financial Center has a target completion date in the second half of 2023. First National Bank will occupy about 190,000 square feet of the new building. The first building at the Diamond Ridge complex in the Parkway West is aiming to be completed in early 2024, delivering the first 180,000 square feet of the 500,000 square foot project. The $130 million development plans to add two more office buildings that will sit next to a multifamily development of more than 330 apartment units, and 300 single-family housing units. The Parkway West is also home to the development of the new 44,000 square foot office flex building on Beecham Drive. The building will deliver in the second half of 2023 bringing a second building to the campus with access to 100 Beecham Drive's amenitized space. **DP**

CBRE | Research
301 Grant Street, Suite 4000
Pittsburgh, PA 15219
www.cbre.com
412-471-9500
James Stocker
James.stocker@cbre.com

Pittsburgh's industrial market performance has decelerated from recent record highs against the backdrop of slower economic growth, persistent inflation, and elevated interest rates. Key fundamentals, including net absorption and vacancy rates, have been negatively impacted. Although vacancies began to rise from historical lows as new supply overtook demand, the overall lease rate remains relatively high. There is no doubt that Pittsburgh's industrial sector has been negatively impacted by macro conditions. However, due to our region's key economic drivers, Colliers is confident in Pittsburgh's market resilience which has insulated Western PA from a significant downturn, and our industrial team anticipates a bounce back in the second half of the year.

The overall vacancy rate increased from 4.3 percent in Q1 2023 to 5.1 percent in the most recent quarter. Overall absorption fell significantly from 466,700 square feet in Q1 2023 to 147,100 square feet in Q2 2023. The few submarkets that realized the most positive net absorption in Q2 included Beaver County (411,677 square feet) and Parkway West (27,000 square feet). The highest amounts of negative net absorption were experienced in the following submarkets: Butler County (78,294 square feet), North Pittsburgh (57,492 square feet), and West Pittsburgh (36,333 square feet). Despite lower positive net absorption and increased vacancy, the average overall lease rate grew to a healthy $7.51 per square foot. Additionally, Q2 saw an increase in new construction to 2,263,200 square feet to include 900,000 square feet in Beaver County. Regardless of economic headwinds, the outlook for industrial demand in Pittsburgh remains favorable, supported by the continued adoption of e-commerce among other positive factors.

The Federal Government's persistent battle against inflation has resulted in the highest benchmark rate in 22 years. The good news is that inflation has cooled over recent months, and speculation exists that the most recent (25 basis point) rate increase on July 26th could potentially be the final one in 2023. From a macro-economic standpoint, conjecture continues to swirl in the marketplace about what is referred to as a potential "Manufacturing Supercycle". Recently, Joe Quinlan, head of CIO market strategy for Merrill and Bank of America Private Bank, noted in Chief Investment Officer Magazine, that one of the drivers is the fact that consumer consumption in the U.S. is the highest in the world. According to the United Nations, the U.S. accounts for 30 percent of the world's personal consumption. This is one of the reasons why investment experts such as Quinlan, are bullish about America's manufacturing sector moving forward.

"The U.S. is in the early stages of a manufacturing supercycle pivoting around renewable energy, electrical vehicles and batteries/charging stations, and semiconductors, in addition to rising spending in more traditional areas like ports, highways, grids, airports, and the like."

Increased federal spending on infrastructure, renewable energy, and chips is creating a "supercycle" opportunity for investors in infrastructure-related industrial companies. These companies are already benefiting from soaring manufacturing construction in the United States, which hit an annual $189 billion in April, almost double what it was 12 months earlier, according to the U.S. Census Bureau.

This trend is running counter to the prevailing narrative about a manufacturing recession in the United States, and Quinlan believes that factories are "back in vogue" in America. Typically a reflection of the overall market, Prologis, the largest global industrial developer, has observed a rise in rents and steady demand for warehouses, despite a softening economic outlook affecting some of its customers. The San Francisco-based real estate investment trust achieved an impressive 98 percent occupancy rate in its extensive portfolio during the first quarter of the year, slightly higher than the same period in 2022. A surge in e-commerce spending played a significant role in driving warehouse leasing and boosting rental income,

Notable 2023 Lease Transactions				
Property Address	Size	Tenant	Landlord	Submarket
1001 Technology Drive	218,000	McCollister's Transportation	RIDC	Westmoreland County
New Kensington Advanced Manufacturing Park	170,000	RE: Building Manufacturing	Schreiber Industrial Development CO.	Westmoreland County
500 Woodlawn Road	110,500	Avalotis Corporation	Middleton Properties LLC	Beaver County
5 Noah Drive - Victory Road Business Park	60,000	Bayor Healthcare	Broadstone	Butler County
119-131 Commonwealth Drive	45,900	Allegheny County Labs	Elmhurst Group	North Pittsburgh
Westgate Commerce Center	40,000	CeramSource	Crossgates	Beaver County
720 E Lacock Street	33,000	Pittsburgh Mailing Systems	Rivercom Associates LP	Greater Downtown
1000 Industry Road	27,700	Trillium Flow Technologies	RIDC	Parkway East
Alpine Point	20,000	South Hills Movers	RDC	South Pittsburgh

contributing to a remarkable 45 percent increase over the previous year in Prologis' revenue which reached $1.77 billion. As a result, the company has raised the lower end of its projected occupancy and profit ranges for 2023.

The Western PA industrial market is poised to share in the so-called supercyle, and there are already signs that this is occurring. Local and state leaders announced in May that a new manufacturing operation will create 300 full-time jobs in the New Kensington Advanced Manufacturing Park over the next three years. Re:Build Manufacturing will utilize parts of five existing buildings formerly used by Siemens, resulting in a total facility size of 175,000 square feet upon completion. The project's total investment amounts to $81 million, with $18.75 million in state grants and loans as revealed by Governor Josh Shapiro during an announcement held at Acrisure Stadium on Pittsburgh's North Shore. While Shapiro did not join other officials on their visit to the park, he emphasized that this investment in the site will not only support Re:Build's venture but also stimulate future investments at the location. Re:Build has committed to investing a minimum of $50 million in the project, positioning itself as a pioneer in reestablishing high-tech manufacturing jobs in the United States. The facility will be the first ground-up manufacturing establishment for the company.

Additionally, last month, Form Energy, a battery company based in Massachusetts, made an announcement regarding the construction of its primary manufacturing plant on the site of the former Weirton Steel. This ambitious proposal brings with it the potential to create up to 750 jobs and inject an estimated $760 million into the town, which has a population of under 20,000 residents. Notably, this plan represents the most substantial financial investment in Weirton in many years and stands as the second largest investment

Notable 2023 Sales Transactions				
Property Address	Size	Sales Price/Price SF	Buyer/Seller	Submarket
Findlay Industrial Park	80,000	$12,000,000/$150	Okonite/	Parkway West
251 W Wylie Ave	228,456	$1,800,000/$7.88	Ferro Corporation/Phoenix Investors, LLC	Washington County
127 Industry Blvd	52,285	$5,350,000/$102.32	Desktop Metal/Ryerson	Westmoreland County
McKees Rocks Industrial Enterprises	80 Acres	$16,000,000/$200,000	Sun Cap Property Group/	Stowe Township

in the state of West Virginia within the past year.

In response to the surging global demand for its radiology products, Bayer inaugurated "The Hub": a new raw materials facility at 150 Victory Road outside of Saxonburg. This state-of-the-art hub, spanning 60,000 square feet and at the cost of $11 million, will address both internal and external market trends while doubling the company's capacity for storing raw materials supplies. The Hub is strategically located adjacent to Bayer's medical device manufacturing facility, further strengthening the company's operations and capabilities in the region.

As has been widely reported over the past few years, the Western Pennsylvania industrial sector has been the beneficiary of flourishing AI, robotics and life sciences sectors, primarily driven through Carnegie Mellon University and the University of Pittsburgh. There is recent evidence for optimism that this trend will likely continue.

Four makerspace facilities in southwestern Pennsylvania will receive $6 million in grant funding from the Advanced Robotics for Manufacturing (ARM) Institute, which will be used to enhance accessibility of advanced equipment and resources for local manufacturers and entrepreneurs. The Community College of Allegheny County, Indiana University of Pennsylvania, Penn State New Kensington's Digital Foundry, and Westmoreland County Community College are already spearheading the development and supervision of these four spaces, with each institute specializing in unique areas. Funded through ARM's grant, regional manufacturers will have expanded support in integrating advanced technologies, such as robotics and artificial intelligence, into their production process.

The Robotics Factory, a startup accelerator program for robotics-based companies, is moving to a new permanent home in Lawrenceville. The program, which is run by Innovation Works, will be joined by two other accelerator programs, AlphaLab Gear and AlphaLab, at the Regional Industrial Development Corporation of Southwestern Pennsylvania's Tech Forge facility. The Robotics Factory will be the first of the three accelerators to move into the new space, which is about 18,000 square feet. The other two accelerators

will follow in the coming months. The Robotics Factory offers up to $100,000 of investment into each startup in addition to testing and facility space. Operational and equipment funding for the program is being supplied by a $62.7 million federal grant award that the region won last fall from the U.S. Economic Development.

Carnegie Mellon University (CMU) is planning to build a new Robotics Innovation Center at Hazelwood Green, an old mill site that is being redeveloped. The center will be a 215,500-square-foot complex that will include a 150,000-square-foot indoor space for research and development, as well as a 65,500-square-foot outdoor space for testing robots. The center is being funded in part through a $150 million grant from the Richard King Mellon Foundation. CMU hopes to start construction later this summer, with completion targeted for May 2025.

Although the life sciences industry is often associated with the office sector, Pittsburgh's industrial market has greatly benefited from the region's emergence as a leader in this field. For example, Haemonetics Corporation, a worldwide leader in medical technology, initiated operations at its state-of-the-art manufacturing Center of Excellence located in Clinton, PA, in July 2022. The purpose-built facility spans around 200,000 square feet and is situated at 1300 Clifford Ball Drive within the Clinton Commerce Park. Additionally, the Property and Facilities Committee of the Board of Trustees for the University of Pittsburgh granted approval on June 12 to allocate $120 million for the construction of BioForge, a cutting-edge 185,000-gross-square-foot facility within the Hazelwood Green development, along the Monongahela River. Pitt BioForge is heavily funded by a $100 million grant through the Richard King Mellon Foundation. This grant marks the largest single-project investment by the nonprofit in its 74-year history and will be disbursed in increments of $10 million over the course of ten years. The University plans to begin construction once the site pad is ready, targeting fall 2024, with exterior construction scheduled to be complete in the first half of 2025. The core and shell construction is expected to create 828 jobs.

Despite a softening in market fundamentals in the first and second quarters, the Western PA industrial sector remained the top-performing commercial real estate property types, with the vacancy rate holding well below its long-term average. After two years of record net absorption stemming from pent-up demand following the outbreak of the global pandemic, industrial space absorption was expected to ease, which has occurred. However, Colliers remains bullish about the sector moving forward as the key drivers of our region's economy marry up nicely with those forces that will drive the overall industrial sector in the second half of 2023 and into 2024. **DP**

Colliers Pittsburgh
525 William Penn Place, Suite 3510
Pittsburgh PA 15219
412-321-4200
www.colliers.com
Ed Lawrence, Research Analyst
Ed.lawrence@colliers.com

The July 26 announcement of another 25-basis point hike in the Fed Funds rate culminated an eventful meeting of the Federal Reserve Bank Open Markets Committee (FOMC). The impact on the overall economy was mostly negligible. Mortgage rates and consumer interest rates were substantially unmoved, and the Fed's demonstrated commitment to squash any lingering inflation is a positive for 2024 and beyond. For commercial real estate, however, the hike was confirmation that the tough capital markets environment will continue through 2024.

The 500-basis point jump in Fed Funds rate since March 2022 sealed the fate of commercial real estate financing for 2023. The steep hike in rates created problems for transactions, chilling demand and deflating property values as cap rates moved steadily higher during the past 18 months. Conventional wisdom held that, unless forced to sell or refinance, property owners, developers, and investors would sit tight in 2023. When rates move lower in 2024, it was assumed that those with dry powder would find opportunities and deals would pick up again. The Fed's resolve casts doubt upon the time frame for rates to move lower.

With the prospect of higher interest rates lingering longer, does that mean owners, buyers, and sellers will remain on the sidelines longer or adjust to higher rates as a new normal? The answer, at least for now, is the former.

"The market seems to be waiting for something to stabilize, or change, or calm down," says Jamey Noland, chief investment officer for PenTrust Real Estate Advisory Services. "We did a handful of deals this spring that had positive outcomes, but everything that was lined up for summer or fall of this year has pushed into 2024. I think developers are having difficulty making the numbers work."

"Deals are going to get pushed out. I just went through some charts and, going back to 1990, from the time the Fed stops raising rates, they hold for about nine months on average before they start cutting rates," says Mark Popovich, senior managing director and Pittsburgh office co-head, JLL Capital Markets. "The 10-year is four percent and 30-day SOFR is approaching 5.5 percent. The thinking is that over the next six to 12 months the 10-year Treasury will moderate to 3.5 percent. If that happens you can borrow long-term at five or 5.5 percent. You can make deals work at that rate. It will still be difficult to make the numbers work on new development, but you can buy and sell or refinance."

"The only deals getting done are those that have to get done, that are maturing. Even those are very difficult to make work," says Dan Puntil, senior vice president at Colliers Mortgage.

There are two major constraints on deal making, but one culprit: higher interest rates. From property class to property class, market conditions are having more or less impact on performance. (Fewer office properties are seeing favorable income, for example.) But, absent the increased borrowing costs and recent volatility, the demand for commercial real estate is strong enough that buyers and sellers could find the right price for deals to consummate. Today, value seems almost unknowable. As a result, deals are being constrained by the need for more equity and, especially, for debt service coverage that is difficult to achieve.

"Most of that is driven by the fact that it's difficult to figure out what loan-to-value is anymore. In the past it was stable but what is the loan-to-value of an office building today?" asks Greg Sipos, executive vice president, corporate banking executive at First Commonwealth Bank. "Cap rates are out of whack, so if you focus on debt service coverage it does give you a true indicator that the borrower can at least pay the bills. Of course, that doesn't tell you whether or not you can refinance that debt."

The impact of these constraints has been significant. Sales volume has slowed steadily and precipitously since the fourth quarter of 2021. According to CoStar sales of properties under $3 million are off by 53 percent during that time period; sales of properties between $3 million and $10 million are down 61 percent; properties valued at $10 million to $25 million have slowed by 70 percent; and sales of properties over $25 million have plunged by 79 percent.

Puntil notes that the volatility in the 10-year Treasury since mid-July, which was heightened by the downgrade of U.S. credit on August 2, added roughly 50 basis points to the cost of debt in a matter of weeks. For most deals which are pushed to the limits on debt service coverage, that move upward was another dash of cold water.

"When debt service is as constrained as it is right now, even a small move in Treasuries is impactful," he says.

As the likelihood of future rate cuts outweighs that of a future rate hike, the guessing game shifts to predicting the end point for the easing that will follow in 2024 or 2025. With inflation falling to the three percent range, the "real" interest rate has risen above two percent. That is a restrictive rate for the economy, especially for real estate. Few analysts expect the next phase to be a return to the zero-interest rate environment that existed from the Great Recession through the pandemic, but cuts that stop at four percent do not seem to be neutral either. The Federal Reserve Bank of New York publishes an estimate of what it calls the "natural rate of interest" – a rate that is neutral to the economy. At the end of July, that estimated rate was between 1.0 and 1.5 percent, suggesting that the Fed Funds rate could fall by 200-to-300 basis points once policy eased. That would put commercial mortgages back in the five-to-six percent range.

Until such time as rates and pricing settle into new levels, commercial real estate finance is marked by several major trends:

- As a result of regulatory pressure and increased risk management, lenders are reducing exposure to real estate.
- New deal velocity continues to slow.
- Properties for which debt is maturing will be under pressure, as both interest rates and equity ratios are significantly less favorable than when the debt was incurred.
- Underwriting is focusing on debt service coverage to a much higher degree than other factors, and to a much higher degree than in 2021 or 2022.
- While the cap rate trend is certainly higher, property values – especially for offices – remain more uncertain.

Too few transactions have occurred since rates have plateaued to have a sense of where buyers and sellers are, and transaction velocity is slowing as 2023 unfolds. And while it is obvious that the value of office properties will be damaged by lower net operating income in the near term, the macroeconomics of other property types – especially industrial and multi-family – are not as dire but are uncertain.

Construction of new industrial property slowed as a result of perceived overbuilding before rates began rising, keeping supply from overrunning demand. Rents have softened for industrial space but have not reversed the longer upward trend. As equity has turned to other assets with attractive risk-adjusted yields, demand for industrial space has also softened; however, that has mostly cooled down the rate of appreciation, rather than triggering value destruction. Nevertheless, industrial sales have slowed by 50 percent year-over-year.

"Industrial properties are holding up pretty well. On the demand side, they are still a desirable property type," explains Popovich. "The only impact we're seeing on pricing is solely related to interest rate cost. We are seeing some moderation in rent growth. The double-digit rent growth that was there coming out of the pandemic is gone."

For multi-family, demand remains elevated due to a lack of alternatives and a steady increase in household formations. Construction has accelerated during the past 12 months, irrespective of the higher borrowing costs. Nationwide, the number of apartment units under construction has topped one million and the impact on rents is finally being felt. Although the inventory of homes for sale remains at record low levels, the growing volume of apartments entering the marketplace has cooled rent growth to between one and three percent. That compares with an average rent growth rate of 15 percent from 2020 to 2022.

The Pittsburgh market is an exception to the overall U.S. trend. Construction of multi-family units slowed from 2021 to 2022. Permits for new construction projects in the six-county Pittsburgh metro fell from 2,337 units in 2021 to 1,728 units in 2022. The number of proposed projects grew during that period, swelling the pipeline and upping expectations for 2023; however, financing conditions have deteriorated further, chilling new construction. During the first six months of 2023, only 249 units of new multi-family (the majority of which were low-income affordable units) were started.

The result of the slow construction has not been a rent squeeze. Rents in Pittsburgh have barely outperformed the U.S. overall. During July, for example, rents in Pittsburgh rose 1.4 percent from June, compared to the U.S. average of 0.4 percent. Rents softened in August, declining 0.9 percent in Pittsburgh while the median U.S. rent increased by 0.3 percent.

"Housing supply still seems to be very tight in the Pittsburgh area, which is keeping prices up. The cost of funds has a big impact, makes it harder for things to pencil these days," says Robert Newman, vice president at Briar Cliff Financial Services, a mortgage brokerage and private equity lender. "On the lender side, we are tightening our standards and looking for the margins to be there on the deals. We want a little more skin in the game from the borrower and are maybe a little more conservative dealing with new borrowers. We want to make sure they have a good track record, good balance sheet, and a lot of cash. We want to make sure the value will be there once the capital event occurs."

Newman observes that banks are being more careful about who they are lending to. That is a sentiment echoed by most capital market participants. Following the liquidity scares of March 2023, regulators stepped up oversight of the major regional banks, an effort that has now reached smaller institutions. The result has been a shift in attention for many banks


NEWBELLE
CONSTRUCTION

to limit their activity to existing customers and a renewed emphasis on commercial and industrial lending.

"We're trying to be a partner because the market is a challenge. It's not easy for borrowers; it's not easy for us," says Brian Redmond, PNC Real Estate. "There is not a lot of new activity, but in the affordable housing world, we have been busy. Housing affordability is a huge problem and there is enough soft money from the COVID era in grants and soft loans to make some of these affordable housing deals work. We are an investor in affordable housing. PNC benefits from the low-income housing tax credits and it's a good business for us in the community. There are Community Reinvestment Act needs. Even though the debt load is lower, higher rates are still an issue. But the need and the government involvement continue to push projects forward even if there are challenges."

Autumn Harris, principal and founder of Rose Finance LLC notes that without subsidies, even multi-family projects with high demand are difficult to get to the finish line. Construction lending, which is based upon short-term rates, has been constrained by unusual construction escalation and monetary policy over the past two years. With short-term rates at or near their peak, new development is stymied.

"Construction financing is at prime plus one. Prime today is at 9.5 percent," Harris reports. "CPACE is lower than that."

"The motor for multi-family the last couple years has been that the rental rates continued to go up and up. Now they have plateaued, and it is forcing people to look closer at their pro forma," says Noland. "People need to find out what the market is, what can be absorbed and where the rents will be going. If you are flat-lining your rents, you have to go back to your construction cost to make things work."

Puntil emphasizes that the recent volatility in long-term rates, which was exaggerated further when Fitch Ratings downgraded U.S. debt from AAA to AA+ on August 2, has dented liquidity since spring. He noted that while all the multi-family lenders were still in the market with robust allocations in May, the appetite for lending has diminished since then.

"Fannie and Freddie are still in the market. They never leave," he says. "But several of the life insurance companies are on the sidelines for now."

Even with robust liquidity, there is a negative spread for most deals. Cap rates are below interest rates. The gap must be bridged by adding value and assuming aggressive rent growth – a prospect that will be hard to sell to a lender – or by adding more equity. With alternatives like the 2-year Treasury note at five percent or a BBB corporate bond at nine percent, investors are less inclined to put extra money into a deal. On many maturing loans, this reality is causing problems, as few refinancing deals are above water. Reports of loan extensions by lenders are growing daily. There is an element of "extend and pretend" back in the markets.

There are clearly some demand headwinds that exist, especially for office properties; however, the solution for decelerating capital markets is lower interest rates. Until borrowing costs moderate, the market will be stuck in the mode of required transactions instead of desired transactions.

"We have had a few great years coming into this cycle. We're looking to continue that, but the market is just tough," concludes Redmond. "We're focusing on serving our clients and doing the best we can for them, but we expect less new production. I think most banks are in the exact same position."

"This is tougher than any cycle I've been through in 20 years," says Harris. "When we've been challenged in other cycles it has been because of real risk in the portfolio, real risk of repayment. This cycle, it seems like the regulators are telling the banks to cut their real estate book."

"Even after the Great Recession there was some activity, even though the markets were blown up. Lenders were able to see where we were and underwrote to those market conditions. There were still some transactions," says Popovich. "Right now, there's a paralysis because - right or wrong - people think that things are going to be a lot better in 12 to 18 months. They are content sitting on the sidelines because they don't want to look back in two years and feel foolish." **DP**

Avoiding the Call –a Proactive Approach to Land Use and Zoning

By Michael Korns, Esq.

It is a tough market for developers, with both supply chain issues and inflation limiting your options. But luckily, you have found a great piece of property to develop. You have the perfect use in mind; you have your financing lined up; your engineers and architects have determined that you should have no issues with stormwater or permitting; utilities are available; and everything is good to go. You are deep into the due diligence period, perhaps even past it, when you get "the call" with news you never want to hear: "Just a heads up, there may be a problem with the zoning."

Of course, you looked at the zoning already. You checked the Use Table for this zoning, and you saw your use was listed. Or at least, something close enough was listed. And sure, the definition in the ordinance is a bit strange, and there are some nonsensical technical requirements that are confusing, but there must be a solution? But now the municipality is telling you that you are looking at months of hearings and approvals, and you are stuck in limbo and bleeding money with no guarantee this project will ever get off the ground.

Does this sound realistic to you? Unfortunately, as a land use and zoning attorney, it is all too realistic to me. Many times, when a developer calls, they are facing a situation similar to the one described above. Unfortunately, at this stage, there may be no way to save the project. Even if the issue can be resolved, the project can be significantly delayed, and in a business where timing is everything, a "perfect project" can turn into a black hole waiting for the legal process to unfold.

To prevent this, developers need to rethink their approach to land use and zoning. Rather than thinking of zoning as a middle timeline issue, instead, zoning must be one of the very first questions to be considered on any project. After all, zoning can tell you not just what you cannot do with a property, but more importantly what you can do, and developers should be looking at an ordinance with an eye on all options.

Rule 1 - Know Your Use

Only the most inexperienced developer would fail to check the Use Table for the property they want to develop. But a zoning use definition must be parsed very carefully before a commitment of funds. Although there are some commonalities among zoning ordinances, and ordinances can borrow from one another, across Pennsylvania, there are hundreds of zoning ordinances, each with its own quirks, rules, and definitions. Moreover, when each ordinance was adopted, it reflected the priorities of the governing body at that time. In some cases, that can mean certain definitions will be painfully exacting and detailed, likely reflecting some controversy at the time of drafting, while on the other hand, large swaths of the ordinance may have been copied from another municipality with barely a glance.

This situation occurs frequently with new and novel forms of business or entertainment. A zoning ordinance may have a provision for a recreation facility, but does that include a high-end bowling alley? A concert venue? A sports training facility? Does a co-working facility fall under an office definition? What about residential short-term rentals? Is it defined at all? Does it fall under a hotel use? It is critically important that you do not attempt to simply assume what the drafters must have "meant" by the ordinance and focus on what the definition actually says.

As municipal solicitors, we have reviewed many plans and discovered that the applicant had only a vague sense of how the property would be used in practice. While they knew what they wanted to build, they didn't know how it would be used, which is the critical question when seeking a zoning use approval. We have reviewed applications where the applicant had no answer to questions such as what types of activities would be on the property, whether there would be tournaments or spectators, whether there would be memberships or classes, the number of people to be on the site at any one time, hours of operations, types of equipment, whether food would be permitted, whether alcohol would be permitted, or whether indoor or outdoor activities would occur. Many of these applicants had spent significant funds on property acquisition and site design yet could not provide the municipality with the bare minimum of information necessary to determine whether zoning approval was even possible at this location.

To avoid this, it is usually best to do everything possible to make your project fit the ordinance, rather than the other way around. Look at how the ordinance defines your use, and follow that to the best of your ability, rather than stretch a definition. An early meeting with the municipality to see how they view the use is extremely valuable. If this is early enough in the project, it may be possible to change the project parameters to meet the municipality's expectations, while later, you may have already applied for other permits or financing which limit your options. One extremely valuable thing to remember is that you can apply for and receive these approvals even before you own the property. So long as you have the permission of the current property owner or a valid sales agreement, you can go through the entire approval process before taking on ownership liability at all.

Rule 2 – Sweat the Small Stuff... Performance Standards Matter

It is very important to understand not just the definition of your use, but also the performance standards that apply. Just to take one very straightforward rule, consider all the issues that can come from a setback requirement. If there is a setback rule that applies to structures, how is a structure defined? Is there a specific definition of "side yard"? If a setback from a road is required, does that apply to an unopened street or abandoned alley? What about easements? What is permitted in the setbacks? Do things like air conditioning units count for setback purposes? None of those are hypothetical questions, and each reflects a question we have been asked to examine on a specific property. There are countless other questions that can be asked for this issue alone, and each performance requirement, whether for landscaping, parking, or stormwater, brings its own set of questions and issues.

Sometimes, no matter how carefully and creatively you review the ordinance, the truth is, your project is just not going to fit with the ordinance as drafted. In this case, the variance option should be considered. If you are going with this option, it is critical that you have sought the minimum variance possible. If you cannot comply with the ordinance entirely, at least showing that you came as close as possible is still extremely valuable.

Regardless of what is in the zoning ordinance, there is at least one form of relief that is always available: a variance. However, as a variance is a request for relief from a zoning ordinance, the burden for the applicant is very high. We once handled a matter for a developer who had already applied for seven different variances for a single project in the City of Pittsburgh. Besides needing to meet the legal standard for each one, this total list of requested variances gives ammunition to NIMBY ("Not In My Back Yard") groups eager to argue that the needed variances were entirely out of character for the ordinances. This matter was appealed by a NIMBY property owner.

Rather than continuing the appeal, we did a new review of the project, this time with zoning as a key criterion for how the entire project would be designed. After a full review and analysis of the ordinance and the project, we were able to eliminate six of the seven variances to meet the ordinances' performance standards and make minor tweaks to the design that did not impact the core project. This allowed us to clearly articulate that we worked within the ordinance and had designed a project that worked with, rather than fought against, the ordinance. When this new design was appealed, we prevailed in the Commonwealth Court. During oral argument, one judge stopped my argument simply to declare, "My gosh, you've done everything they asked for. What more can you do?" It was no surprise that we won the case and were approved for a large new commercial project in one of the hardest-to-build neighborhoods in the City of Pittsburgh.

Rule 3 – The Sunk Cost Fallacy

Sometimes, no matter how carefully and creatively you review the ordinance, the truth is, your project is just not going to fit with the ordinance as drafted. In this case, the variance option should be considered. If you are going with this option, it is critical that you have sought the minimum variance possible. If you cannot comply with the ordinance entirely, at least showing that you came as close as possible is still extremely valuable.

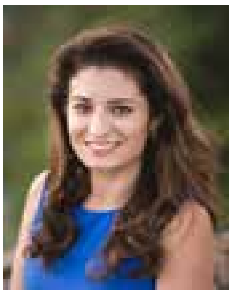
But you may find that even seeking a variance is a Hail Mary play. You need to be prepared to walk away. If you do not own the property in question, that may be easier. If you do own the parcel, then you need to look back at the Use Table to see what can be done. Every property has some authorized uses, and if it did not, then you would have an argument that the property has been legally taken by the municipality. Having blocked one project, the municipality may be wary of blocking a second one, particularly if it's well-tailored to the zoning ordinance. You might also consider a substantive validity challenge, a rezoning, or a curative amendment. Avoid tunnel vision and look to the best use that fits the ordinance, even if it is not what you originally planned.

Conclusion

Navigating the complexities of zoning and land use is an essential endeavor for developers seeking success in their projects. It is crucial for developers to adopt a proactive approach to zoning from the very beginning. By thoroughly understanding the specific rules, definitions, and performance standards within each municipality's ordinance, developers can avoid potential pitfalls and align their projects with the local requirements. By working together with your land use attorney, you can avoid the nasty pitfalls of a zoning surprise and spare yourself from getting "the call." **DP**

Michael Korns is senior counsel in the law firm Babst Calland. For questions related to the topic addressed in this article, contact Michael Korns at mkorns@babstcalland.com or 412.394.6440

As a person who was not raised in Pittsburgh, why did you pick Pittsburgh to live and work?



Stacey Weniger
President and Founder
Sentinel Construction

"I was in Chicago in 2008 working for Merrill Lynch Capital when Merrill Lynch imploded. My business unit was sold, and I was laid off. When I researched other markets, I saw Pittsburgh's commercial real estate market was flat. During a boom, flat is boring. When the economy is crashing, flat looks like an oasis. I started looking at opportunities here and Huntington Bank offered me a position like what I was doing. I didn't think I would be here long-term, but my career was going well and you don't think about changing when things are going well. About the time I would have started thinking about returning to Chicago or Dallas, I met my husband Michael Weniger, and ultimately started Sentinel Construction.

People have frequently asked me about starting Sentinel Construction, could I have done it in Chicago or Dallas? The truthful answer is probably no. The commercial real estate sector here in Pittsburgh is so tight knit and supportive of each other. That was the basis for having the confidence to try and make the company work."

Josh Loccisano
Project Director
Oxford Development Co.

"In 2019, my wife was presented with a career opportunity to relocate from Washington D.C. to Pittsburgh, with her company, KPMG. This meant that I had to consider leaving my career of 10 years with Clark Construction, a nationally recognized top 10 general contractor. We took the decision very seriously and spent many weekends visiting Pittsburgh to get a feel for the city. We enjoyed dining out and exploring the city and found 'Yinzers' to be very welcoming. We considered the cost of living, education system, and towns where we could see ourselves raising a family. I took this opportunity to seek a career transition from a general contractor to real estate developer, ultimately taking a position with Oxford Development Company and am very happy to work for a family-oriented company that delivers notable projects throughout Pittsburgh and the surrounding area."

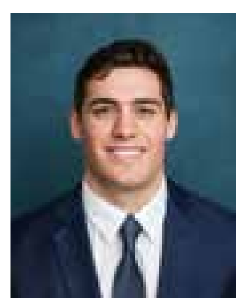
Ally Hendershott
Corporate & Institutional Banking Associate
PNC Financial Services Group

"I didn't know much about Pittsburgh prior to moving here. I received a job offer following my internship with PNC and thought it would be a great opportunity to work at the company's headquarters. While I was nervous moving from Charlotte to Pittsburgh, I couldn't be happier with my decision. I've come to love the bridges and rivers, not to mention the strong sense of community. I have met some of the kindest and most hard-working people, including at PNC. After living in Pittsburgh for nearly a year, the city has come to feel like home."

Claire M. Dynes
Project Architect
NEXT Architecture

"As someone not from Pittsburgh, I was initially drawn to the city for its DIY maker culture and affordability. I'm originally from a small town called Tipp City, OH, but before moving to Pittsburgh, I was living in Portland, OR. While there are many amazing things about Portland, it seemed like every idea, restaurant, or shop was being done already (by at least three people), and there wasn't a strong sense of possibility within the community.

While visiting friends in Pittsburgh, I saw a lot of opportunities to create and be a part of something new. Pittsburgh also seemed to have its own distinctive identity and history, which was unique compared to other cities I had lived in. After living here for five years, I still feel that way. Pittsburgh has a wealth of spaces where people can freely create with and for their communities."



Connor Jangro
Associate
Genfor Real Estate

"As a Maryland native who has called Pittsburgh home for the last two years, I have found the city and surrounding area offer a great balance of urban amenities with small-town charm. After several trips to Pittsburgh to visit my older brother in college, I grew fond of the city landscape and all that it has to offer. When evaluating career opportunities following college graduation, the main draw that kept pulling me back to Pittsburgh was the community. The humble, blue-collar mindset is abundantly evident in those that continue to live and work in the region.

The team at Genfor Real Estate welcomed me with open arms and introduced me to the world of industrial real estate in Western PA. I've grown to appreciate the city's industrial heritage and am excited by the amount of manufacturing that still exists in the region and the innovation and growth happening across a wide array of sectors. I look forward to being a part of the future of the region!"

Emily Sipes
Broker
Atlantic Retail

"After moving to San Francisco post-grad, no one expected me to relocate here as an adult. A chance meeting led to my first job in real estate at Dick's Sporting Goods HQ and I was quickly sold on this career path. I knew if I wanted to be successful long term, I would have to lay down real roots here. As I leaned into that commitment, Pittsburgh rewarded me with constant excitement and evolution. This city is always bettering itself. Being able to witness that and take advantage of it is so incredibly satisfying. I remember when the Strip District was mostly parking lots and warehouses. If we can come this far in 10 years, the sky is truly the limit for us. Not to mention we can afford to buy property as Millennials!"

NAIOP

COMMERCIAL REAL ESTATE DEVELOPMENT ASSOCIATION

PITTSBURGH CHAPTER

"We are the leading industry resource to foster business relationships, promote responsible development & support growth of the region through

education

leadership

and advocacy

Allegheny County

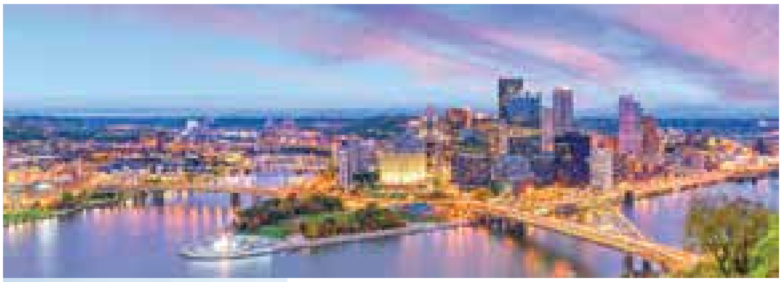
Allegheny County Economic Development
Chatham One, Suite 900
112 Washington Place
Pittsburgh, PA 15219
412-350-1000 (T)
412-642-2217 (F)
Lance Chimka, Director
Director.ed@alleghenycounty.us
www.alleghenycounty.us/econdev

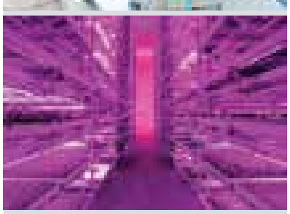
With its unique topography, illustrious history, and old-school work ethic, Allegheny County continues to author an amazing story. From its blue-collar origins to becoming a technological hub of innovation, we have something to offer for everyone. Don't take our word for it. Inc.com ranks Allegheny County as the 6th best place in the country to start a business. And we are ranked 9th by Mayflower.com as the best destination for Millennials.

With 45,000 jobs posted and available, Allegheny County is open for business. These jobs comprise very diverse industries – they include robotics, but also life sciences, manufacturing, construction, health care, education, finance, and so much more. At Allegheny County Economic Development (ACED), we stand ready to support the growth of existing businesses, while also creating an ideal incubator to launch new businesses.

ACED works tirelessly and collaboratively to advance key sectors within our region. From helping to turn our region into the global robotics headquarters, or helping a local business turn a blighted property into affordable housing, we leave no stone unturned when it comes to stimulating a growing and sustainable economy. These companies are part of the fabric of our communities. Strengthening and supporting their efforts energizes our entire region and is part of ACED's fabric.

With more than 300 new businesses, a 33 percent increase in average weekly wages, a $35 billion increase in the GDP, and unemployment at 3.5 percent, Allegheny County's economy is thriving. With this economic momentum, hard work and our collaborative approach, now is the perfect time for more growth.





We are not the Allegheny County of a decade ago. Our economy and job market are robust. The county is growing again and is more diverse and vibrant than it has ever been. We're boasting low unemployment rates, low foreclosure rates, low poverty rates, and more people with health care than in other parts of the country.

And that's not all.

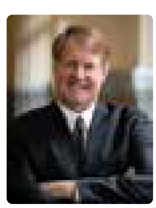
The Pittsburgh region is a powerhouse when it comes to GDP – this region ranks # 27 in the list of top metropolitan areas in GDP. Since 2012, our GDP has grown 37.76 percent, gaining $30 billion in that time. We've also seen nearly $10 billion of new construction in the county at that same time.

We have diversified our economy, making our county far more resilient when there are ups and downs in any industry because they're offset by other portions of the economy. We're one of the top three robotics communities in the world and have become a global life sciences hub. We make movies here. We're know for our eds and meds and are a key part of the energy and financial sector.

We're seeing record unemployment rates – we're currently at 3.3%, the lowest rate in the county in 50 years. We've also seen an increase in the number of jobs that are available in region. We added 5,700 new jobs in June and currently have over 49,000 jobs available in Allegheny County today with hundreds of companies seeking skilled, talented employees.

And we're growing. Our county has gained population for the first time in decades. We've seen an 80% increase in our Hispanic population and an over 70% increase in our Asian population. Our Black population also grew, as did those identifying as multi-racial. Perhaps just as striking, the 25 to 34 age group grew by 20% in those ten years, as compared to an 11% increase nationwide.

You can see the vibrancy and energy in the county when you look at the neighborhoods and communities that were once vacant and blighted and are now bursting with new developments, housing, businesses, and more. We want you to be a part of all that's going on here. Join us.



Rich Fitzgerald
Allegheny County Executive

ALLEGHENY COUNTY
ALWAYS INSPIRING

Lance Chimka
Director Economic Development
Koppers Building
436 Seventh Avenue, Suite 500
Pittsburgh, PA 15219
412.350.1000
alleghenycounty.us/econdev

ACED is about more than just helping businesses. Our focus and approach have been on improving the quality of life for all who call this region home and ensuring that everyone benefits from the vibrancy and growth happening in our county. This effort around equity means that the county has just as many investments in non-traditional areas.

With our partners in local, state and federal government, we continue to find ways to fund and support impactful projects throughout the county. Our $2.5 million investment in a $17 million development in Clairton allowed for the conversation of a vacant, rundown landmark building into affordable residential housing.

Because of that work, Allegheny County ranks number one in affordable housing among 16 other counties with similar populations. More than 40 percent of homeowners here own their homes outright, while 60 percent of mortgage payments are less than 20 percent of monthly income. More than half of renters pay less than 30 percent of what they earn every month. These numbers are almost 10 percent better than those 16 other counties.

Our home improvement loan program provides eligible residents with 0 percent-1 percent loans for emergency needs or general improvements. We help individuals, non-profits, developers and municipalities reclaim vacant, blighted properties and return them to the tax rolls through our Vacant Property Program. And the department's Minority, Women and Veteran loan program helps small businesses thrive and grow.

Working closely with municipal leaders, we can help keep their business districts vibrant. Through the Allegheny Together program, municipalities are given access to strategic planning, and technical support to spur both public and private investment in our communities.

The Allegheny County Trail Development Fund has dedicated close to $25 million to make the county as green as possible, both literally and figuratively. This investment has created new trail opportunities as well as extending and improving the existing ones, including in communities that may not have otherwise been able to move forward with these projects that promote an active and healthy lifestyle.

ACED is a resource for all those who call Allegheny County home. Our staff are your family, friends, and neighbors. We attend our world class universities and use our nationally ranked hospitals. We roll up our sleeves and work beside non-profits. Foodie or not, we enjoy the cuisine here, and cheer on our professional sports teams.

Allegheny County is open for business. We have plenty of room to grow and that's the plan. Join us.

Fayette County

Fayette County Economic Development
Fayette County Courthouse
61 East Main Street Uniontown, PA 15401
724-430-1200 x 1501 (T)
Mark E. Rafail,
Economic Development Coordinator
mrafail@fayettepa.org
www.faettecountypa.org

For 240 years, Fayette County has been an epicenter for growth and development. It's now in the midst of its latest economic boom, thanks to strategic investments and strong leadership support, combined with picturesque scenery and countless recreational offerings. Having built upon its storied history and communities' resilience, Fayette County established itself as an economic powerhouse in Southwestern Pennsylvania.

Located within a four-state region, Fayette offers easy access to the area's best offerings, while maintaining a low cost of living and peaceful quality of life for all who build their futures here.

Fayette County Commissioners Dave Lohr, Vince Vicites and Scott Dunn continue taking steps to support economic growth and retention. It's no surprise so many businesses are relocating to or expanding in Fayette County, where it's easy to work where you can also live and play.

With tourism, manufacturing and healthcare as its leading economic generators, Fayette is rapidly attracting new businesses, bolstering its existing businesses, and encouraging unprecedented expansion of the services and amenities both visitors and locals have come to expect. Many of the new businesses opening in our area are led by women and people of color, showcasing how attracting young, diverse populations can be key to ensuring already-thriving communities keep growing for generations to come.

Healthcare

Fayette's world-class healthcare sector is led by West Virginia University Medicine's Uniontown Hospital, Penn Highlands Healthcare's Connellsville Highlands Hospital and the UPMC Uniontown Hillman Cancer Center. All three entities continue reinvesting in our communities by expanding each year, thereby attracting world-renowned medical professionals. Boasting some of the region's best doctors, Fayette has consistently attracted more people traveling from beyond our region to seek care. Three additional entities – Excela Health, Allegheny Health Network and Montgomery Medical – are currently investing millions of dollars into new facilities in all corners of the county. Fayette's healthcare industry employs approximately 25 percent of the county's overall workforce.

As healthcare organizations grow countywide, local stakeholders are establishing workforce development strategies to help meet anticipated demands. Laurel Business Institute recently added a practical nursing program to its School of Healthcare, which already offered a vast healthcare curriculum, covering everything from cardiovascular technology to medical office administration. Fayette County Career and Technical Institute expanded its facilities to enhance its Licensed Practical Nursing and Phlebotomy programs and has plans for additional medical programs. Penn State Fayette offers B.S.N. degrees and works with students to encourage local employment.

Tourism

Boasting countless miles of hiking and biking trails; gorgeous waterways for kayaking and whitewater rafting; countless landmarks and museums for history buffs; and so much more, recreation is part of what makes Fayette County a tourism industry leader. Locals and visitors alike flock to Fayette's corner of the Laurel Highlands mountains each fall to take in the foliage and scenic views. Not far from the world-renowned Ohiopyle State Park and historic Fort Necessity, you'll find a UNESCO World Heritage site: Frank Lloyd Wright's Fallingwater. The famed architect also designed the one-of-a-kind Kentuck Knob, also located in Fayette. TheYoughiogheny River Gorge and Great Allegheny Passage also draw thousands of visitors each year.

Fayette County's many campgrounds are must-stay locations for tourists, and Benner's Meadow Run Camping and Cabins has been a community staple for decades. New owners Andrew Dealy and Brett Holmes have worked to keep up with Fayette's current evolutionary theme: modernization and appreciation through legacy preservation. A "passion project," the duo said Benner's was the perfect logistical choice for their latest business operations, as Fayette affords them the right opportunities to "invest small and make big impacts," while enjoying a "neighborly atmosphere" and thriving support network of local businesses.

Manufacturing

With a history built on mining and steel manufacturing, a prime location for goods transportation and high concentration of local experts, Fayette has established itself as a top manufacturing hub. As existing industrial parks expand rapidly to accommodate the growing number of companies, county leaders regularly break ground on sites primed for new businesses. Edge Ovens, Heartland Fabrications and Stahls' Hotronix are just a few of the many entities helping to move Fayette forward in the industry.

Manufacturing currently accounts for more than 9 percent of the county's workforce, with sister industries, such as quarrying, mining, transportation, construction, agriculture and warehousing, adding several thousand additional jobs. These sectors offer some of the many examples of family-sustaining career opportunities available here.

Work Where You Can Live & Play

Fayette's convenient location within a 500-mile radius of over half the U.S. and Canadian populations allows industries to thrive. Our leadership remains focused on supporting local businesses and quality of life improvements for citizens. Our strong infrastructure and vast collection of resources can help with relocation and expansion needs. Our nonprofits, government agencies and businesses are more connected than ever and all working towards a common goal: building a future in Fayette.

To learn more about what Fayette County has to offer, visit www.fayettecountypa.org.

Greene County

Greene County Industrial Developments, Inc.
300 EverGreene Dr., Waynesburg, PA 15370
724-852-2965 (T)
724-852-4132 (F)
www.gcidc.org
Sheila Stewart, Executive Director
skstewart@gcidc.org

Located in the southwestern corner of Pennsylvania, Greene County is approximately one hour south of Pittsburgh, with Interstate 79 running through the central portion of the county. The county is bordered to the south by West Virginia, and the Monongahela River borders Greene County to the east, creating a collection of river towns and communities. Greene County is 89.2 percent rural; with a population of about 40,000+ residents.

Recent grant-funded efforts have helped simulate economic and recreational development as well as community revitalization within the County, with continuing efforts focused on enhancing the quality of life for all Greene County residents.

Phase I of the Wisecarver Reservoir Recreation Project, which will develop the 360 acres around the reservoir into a destination for families and outdoor enthusiasts, is complete. Phase II is under design and will be bid in the spring of 2024. Phase I included parking areas, a small walking trail, and the first of three softball fields. Additional plans for the area include kayak/canoe launches, ADA accessible walking, fishing, and picnic areas, an amphitheater, biking trails, a 3D archery range and areas for drone launches and environmental education classes.

In addition, Iron Synergy donated $1 million toward the West Greene State Route 18 waterline extension from West Greene High School to the Jackson Township Municipal Building. Other grants are being secured for the funding of this $5 million project.

Greene County received a $660,212 state grant on behalf of Wayne Township for a waterline replacement and meter replacement.

The Redevelopment Authority of the County of Greene (RACG) continues to acquire and renovate or demolish blighted properties as well as construct new homes to improve the housing stock in the County. RACG is also utilizing state and federal grant funding to rehabilitate owner-occupied homes throughout the County.

Indiana County

Indiana County Center for Economic Operations
801 Water Street
Indiana, PA 15701
724-465-2662 (T)
724-465-3150 (F)
Byron G. Stauffer, Jr., Executive Director
byronjr@ceo.co.indiana.pa.us
www.indianacountyceo.com

Over the last quarter, Indiana County has experienced a surge of real estate activity, laying the groundwork for a prosperous future. Driven by innovative initiatives, strategic partnerships, and a dedicated focus on fostering sustainable growth, the county has made significant strides in various sectors.

During the last quarter, Indiana County experienced a notable expansion in its industrial clusters. Existing businesses in manufacturing, technology, and healthcare sectors reported growth, attributing it to the county's supportive business environment. Moreover, several new companies have chosen Indiana County as their home; Air Liquide Advanced Technologies U.S. LLC, at the 119 Business Park, Dunham's Sports at Indiana Mall and Upstreet Ace Hardware in Downtown Indiana, to name a few, attracted by the region's skilled workforce and well-established infrastructure. Indiana County and the surrounding regions are underserved for mental health care. As a result, Indiana Regional Medical Center (IRMC) will construct a 31,000 sq. ft. behavioral health facility comprised of 44 beds that will care for adolescent, adult and geriatric patients. Training new health care professionals to recognize mental health concerns early and address them while the most costly and catastrophic results can be prevented is foundational to the entire project.

The county's commitment to infrastructure development has been further amplified over the last quarter. Several long-term projects came to fruition, leading to the renovation of critical roads and bridges, as well as upgrades to utility networks. Future plans call for infrastructure improvements at the Indiana County–Jimmy Stewart Airport and a continued focus on broadband initiatives for the county.

Indiana County's proactive approach to encouraging entrepreneurship and business expansion was evident during the last quarter. The County administers the Indiana County Revolving Loan Fund and the Greater Indiana Enterprise Zone Loan Fund. These two financing programs offer a low-interest rate, flexible loan terms, and in return, the business must either create employment opportunities or retain existing jobs. Loans may be used for land and building acquisition, purchase of machinery and equipment, and/or working capital.

Indiana County students and businesses are benefiting with additional development and training opportunities at Indiana University of Pennsylvania (IUP), the Indiana County Technology Center

(ICTC) as well as the River Valley STEAM Academy. These initiatives aimed to upskill the local workforce, making them more adaptable to the evolving needs of industries. Consequently, employers have expressed satisfaction with the enhanced capabilities of their employees, leading to increased productivity.

It has been reported that Indiana County's tourism sector flourished in the last quarter, with a rise in visitor numbers and revenue. The county's marketing efforts to promote its natural beauty, historical landmarks, and cultural events yielded positive results, attracting tourists from neighboring regions and even beyond state borders. Local businesses in the hospitality and tourism industry experienced increased demand, providing a much-needed boost to the county's economy.

Collaboration with regional partners has been a driving force behind Indiana County's successful economic development endeavors. The county further strengthened its partnerships with neighboring counties, leveraging shared resources and expertise. Continued marketing campaigns, regional initiatives, and knowledge sharing resulted in a broader impact and positioned Indiana County as a competitive force in the regional economic landscape.

With the expansion of industrial clusters, enhanced infrastructure, increased support for businesses, skill development initiatives, advancements in tourism, and collaborative efforts, the county has laid a strong foundation for sustained growth. By building on these achievements, Indiana County is poised to create a dynamic and resilient economy that benefits all its residents and paves the way for a prosperous future.

Washington County

Washington County Chamber of Commerce
375 Southpointe Boulevard #240
Canonsburg, PA 15317
724-225-3010 (T)
724-228-7337 (F)
Jeff Kotula, President
jeff@washcochamber.com
www.washcochamber.com

Washington County is known as a stable and friendly place to grow a business and 2023 has brought that into sharper focus with several foundational institutions celebrating milestone anniversaries this year, along with continued growth across several sectors.

The Hollywood Casino at the Meadows celebrates 60 years of harness racing with continued growth and development, reporting annual revenue increases over the past two years. To date, this trend has continued with the available data from the first several months of 2023 showing revenues continuing to climb. In addition, Penn Entertainment, parent company of the casino, has made significant investments to improve the property, most recently a $6.8 million upgrade to the Barstool Sportsbook, which features the largest indoor video screen in the region and providing patrons with views overlooking both the gaming floor and the horse racing track. The casino is one of the largest employers in the county, in addition to being the largest tourism attraction, positioning the facility well for another 60 years of success in Washington County as a destination entertainment venue.

Two other tourism attractions will also celebrate landmark anniversaries this year – Meadowcroft Rockshelter and Historic Village and Pennsylvania Trolley Museum will mark their 50th and 60th anniversaries, respectively. Although officially celebrating 50 years since the discovery of the first artifacts, the Meadowcroft Rockshelter is the oldest known site of human habitation in North America, highlighting more than 19,000 years of history at the site and recreating historic villages that show what life was like for those who sought shelter under this natural rock outcropping over the centuries. History and heritage are also on display at the Pennsylvania Trolley Museum, which celebrates 60 years since opening in Washington County. The museum boasts a collection of over 50 trolleys, many of which have been restored to their original working condition and offer guests the ability to take a ride into the past along a two-mile track at the facility. In addition to the trolleys, the museum hosts several exhibits and allows visitors self-guided exploration opportunities of the trolley car collection. The Trolley Museum is also finalizing a brand new, state of the art Welcome and Education Center that will open later this year. This 21,000 square foot project will vastly expand exhibit space, providing new interactive exhibits and a new brick lined "main street" area that will transport visitors back to an era when trolleys ruled the streets.

Little Lake Theatre in North Strabane will commemorate 75 years of community theater in 2023. The theater has provided countless hours of entertainment for patrons and a community for performers, directors, and volunteers to perform and access the arts in Washington County. The staff and board at Little Lake Theatre have big plans to continue improving the facilities and providing community theater productions for many years to come.

And finally, the Washington County Agricultural Fair is celebrating its 225th anniversary. The fair started when John Adams was President of the United States and has provide a focus on farming and fun since our flag had 15 stars.

Looking forward, Washington County continues along a path of sustainable growth and remains one of the region's best places to raise a family, grow a business, and take advantage of countless recreational amenities.

Some highlights include an announcement that Burns Scalo Real Estate will develop a 21-acre parcel in the heart of the Fort Cherry Development District (FCDD), one of the region's newest industrial parks. The FCDD, developed by Imperial Land Corporation, is a premier light-industrial development along PA-576, also known as the Southern Beltway, in Washington County. This project by Burns Scalo will accommodate a 195,000 square foot, build-to-suit option for potential users and will catalyze additional interest and activity at the park. The FCDD is a transformative investment, providing users with convenient access to Washington County and points south, as well as many of the region's landmark attractions, including the Pittsburgh International Airport, the Shell Cracker Plant, and downtown Pittsburgh.

In the Mon Valley, the Mon Valley Alliance, a community and economic development partner, in conjunction with the Commonwealth of Pennsylvania, Fourth Street Foods, Key Bank, LaCarte Enterprises, and UPMC, have announced a Neighborhood Partnership Program (NPP) that will drive $1.5 million of direct investment into Charleroi Borough for community improvement projects. The Charleroi NPP is funded by Pennsylvania tax credits awarded through the annual Neighborhood Assistance Program, providing the participating private sector partners with state tax credits for funding qualified projects. This program will include projects to improve housing options for seniors and the disabled, fostering main street and economic development projects, and expanding community services including for Charleroi's growing immigrant population.

Washington County also continues to invest in itself-with a focus on downtown revitalization-as part of more than $8 million in Local Share Account (LSA) funding awarded to 45 projects across the county. Some highlights include the Washington Downtown Rising Revitalization project, which will invest $700,000 in improvements to the central business district of the county seat, along with the Washington and Canonsburg Façade Improvement projects that will collectively provide an additional $300,000 in façade improvement investments in these communities. The LSA program will also provide $3,294,295 for investments across 14 municipal water and sewer systems, expanding and improving the county's infrastructure. Additionally, the Washington County Commissioners, through the Washington County Authority, have also announced their largest investment yet in improving access to high-speed internet for county residents. The latest allocation was for $12.8 million in funding to expand broadband services to another 2,200 unserved and underserved residents in the county. In total, more than $32 million has been invested in broadband infrastructure over the past few years.

Always looking to the future, Washington County continues to maintain positive momentum on many fronts including broadband infrastructure, industrial development, manufacturing, and tourism. The American Spirit Lives Here in Washington County and we invite you to join us.

Westmoreland County

Westmoreland County Industrial Development Corporation
40 North Pennsylvania Avenue # 520
Greensburg, PA 15601
724-830-3061 (T)
724-830-3611 (F)
Jason W. Rigone, Executive Director
wcidc@wpa.net
www.co.westmoreland.pa.us

Gov. Josh Shapiro delivered what he hopes is the defining phrase of administration — "Pennsylvania is open for business" — when he announced in May that a highly competitive process culminated with Re:Build Manufacturing selecting Westmoreland County to locate its new, 175,000 square foot advanced manufacturing facility.

Re:Build is setting up shop in New Kensington Advanced Manufacturing Park, a 69.71-acre industrial park that will be redeveloped, operated and managed by a new joint venture between Regional Industrial Development Corporation and Westmoreland County Industrial Development Corporation. The two organizations finalized the partnership in June and, as of press time, were in the due-diligence stage of acquiring the park.

Re:Build will invest $50 million in the project while creating 300 high-quality jobs. The company has a goal of re-establishing and reimaging a strong industrial sector in the US via advanced technology, and to that end, it has acquired several companies with specialized advanced-manufacturing capabilities.

The RIDC-WCIDC joint venture begins its efforts to modernize the industrial park with a pool of $31 million in funding that comes from a mix of state loans and grants, grant funding from Richard King Mellon Foundation, federal American Rescue Plan funds and capital from the organizations, themselves.

Located along the Allegheny River in the cities of New Kensington and Arnold, this property has a manufacturing legacy that dates to when Alcoa's precursor company moved to New Kensington. Developed in stages starting in 1892, the complex has 20 industrial buildings and 1,119,248 square feet of leasable space. The park's oldest remaining building dates to 1923; its newest was constructed in 1978.

This project will be the latest of many large industrial parks that RIDC has revitalized, including at the former Sony and Volkswagen plant that now is RIDC Westmoreland Innovation Park, the former Westinghouse plant in Turtle Creek that now is Keystone Commons, and many others. The WCIDC's recent redeveloped experience includes the Jeannette Glass site that now is home to Elliot Group's $60 million cryogenic pump testing facility, as well as the Monsour Medical Center site. WCIDC also has revitalized nearly 550,000 square feet of industrial space and developed several greenfield industrial park projects.

Suitable for industrial and tech flex users, New Kensington Advanced Manufacturing Park currently is home to seven companies that occupy 495,117 square feet. When Re:Build's commitment is factored in, the occupancy rate is 59.8 percent.

After Alcoa-New Kensington Works closed in 1971, the property was converted to a multi-tenant facility that operated as Schreiber Industrial Park. The Redevelopment Authority of the City of New Kensington purchased the property in 2018. Upon completion of the land sale, the RIDC-WCIDC joint venture would assume $10.7 million of park-related debt that is held by the Redevelopment Authority of the City New Kensington.

This is the second collaboration between WCIDC and RIDC. The WCIDC is a marketing partner for RIDC Westmoreland Innovation Center, a 2.8 million square-foot facility in East Huntingdon that has been successfully transformed into a multi-tenant center for technology and value-added manufacturing.

Also taking place in Westmoreland County:

- The 1 million square-foot distribution center being developed in New Stanton by SunCap Property Group for an undisclosed client is nearing completion. Located on 131.6 acres near the PA Turnpike/I-70 interchange, the center is expected to be delivered to the client by the end of the year. The facility is expected to serve 180 trucks a day.
- Al. Neyer completed the shell of Hempfield Commerce Center II in June and is currently marketing the 150,231 square-foot modern warehouse. It is located in Westmoreland Technology Park II, which straddles the border of East Huntingdon and Hempfield townships.
- Considerable progress has been made on the second phase of development at Westmoreland Distribution Park North along Route 119 in East Huntingdon, and this project is on track to be complete by early fall. Phase II will add three lots with a total pad area of 35.9 acres to a park that already have two available pad sites.
- In January, Roechling Industrial Mount Pleasant LP purchased the final available parcel in Westmoreland Technology Park I. Roechling — which operates a manufacturing facility next to the 6.39-acrea parcel — plans to add a 36,000 square-foot expansion and later build a new facility on the lot. The company, which employed 62 at the time of the purchase, anticipates topping out at 100 employees when the lot is fully developed.

People & Events

(From left) Taylor Hardy from Hardy World, Allegheny County Executive Rich Fitzgerald, NAIOP Pittsburgh's Brandon Mendoza, and Oxford Development's Elliot Pope at the 30th NAIOP Pittsburgh Awards Banquet on May 11.

(From left) Jendoco's Meredith Calfe and Pierre Brun, with AJ Pantoni from Hanna LWE.

(From left) David Storer from the Allegheny County Airport Authority, RIDC's Tim White, and Newmark's Lou Oliva and Anthony Oliva.

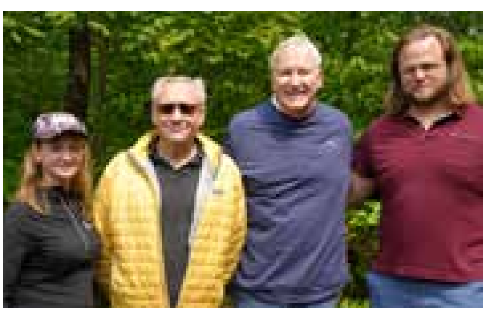
NAIOP Pittsburgh awards honoree Chris Caruso from Findlay Township (right) with wife Melissa.

Caroline Muse from Lee & Associates (left) and Erica Wilkerson from Workspace Solutions.

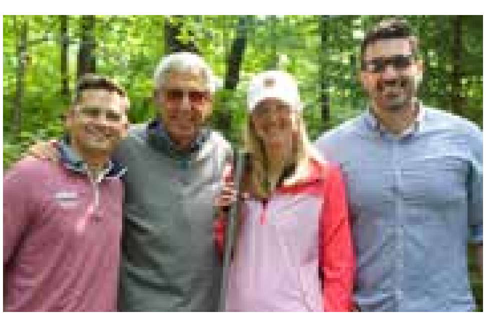
PNC's Brian Redmond (left) and Ryan Guy from Steel Street Capital.

(From left) Steve Whittingham and Jim Scalo, from NAIOP award winner Burns Scalo Real Estate, and PJ Dick's John Robinson.

Members of RIDC's team accept NAIOP Pittsburgh's Developer of the Year award.



(From left) Autumn Harris from Rose Finance, Ethan Fellheimer from Red Rocks Group, Michael Castle from Totum Realty Advisors, and Venture RE's Adam Hoppel.



(From left) Gary Gabor from ARCO Pittsburgh, Baker Young's Jim Malanos, Amy Broadhurst from Lee & Associates, and ARCO's Dom Broglia.

(From left) CBRE's Mamadou Balde, Desmone's Tom Frank, NAIOP Pittsburgh Executive Director Brandon Mendoza, and Kossman's Steve Weisbrod at the June 5 annual NAIOP Golf Outing at Fox Chapel Golf Club.

(From left) Kelsey Kanspedos from RIDC, JLL's Jackie Bezek, Mascaro's Alyssa Kunselman, and Sanela Rebholz from R3A.

Michael Takacs from Bohler Engineering (left) and RIDC's Mike Goldstrom.

(From left) First Commonwealth's Brian Pukylo, Zach Ellis from Eudaimonia Capital Management, First Commonwealth's Brian Sohocki and Pete Yanief.

(From left) Alex Sciulli from ALEM Consulting, Matt Sciulli, Buncher's Brian Goetz and Dave Heaton.

(From left) Chris Cooper from PJ Dick, Grand View Development's Bill Krahe, David Caliguiri from Caliguiri Group, and Josh Pollard from Omicelo.

REGISTER AND SAVE THE DATE!

You are cordially invited to attend an evening of excitement & networking at our 23rd Annual ***NIGHT AT THE FIGHTS*** *hosted by* ***NAIOP*** *Pittsburgh. Enjoy cocktails, hors d'oeuvres, cigars, dinner, silent auction & more.*

FOR ADDITIONAL INFORMATION PLEASE:

VISIT WWW.**NAIOPPITTSBURGH.COM**
OR CALL: **(412) 928.8303**

Join the Conversation

#CREpgh

NAIOP
COMMERCIAL REAL ESTATE DEVELOPMENT ASSOCIATION
PITTSBURGH CHAPTER

__NAIOP Pittsburgh__ is actively monitoring the local health conditions and is working with city and county officials to ensure this event is safe for all attendees. We will continue to monitor conditions and will keep our sponsors and attendees abreast of any changes to the program. Should the event need to be canceled, all registrants will be fully reimbursed.

DEVELOPING Pittsburgh

2023 BUYER'S GUIDE

LOOKING FOR AN ARCHITECT, ENGINEER, CONTRACTOR OR LENDER? THE 2023 NAIOP PITTSBURGH BUYER'S GUIDE LISTS DOZENS OF FIRMS FROM AROUND THE REGION THAT CAN FIT THE BILL.

ARCHITECTS

AE WORKS.

AE Works
418 Beaver Street, Sewickley, PA 15143
www.aeworks.com
T: 412.287.7333
Richard Witt, Jr. AIA, Chief Client Officer
rick@aeworks.com
Rachel Sweetland, Business Development Associate
rachel@aeworks.com

Leverage the power of diverse services delivered by one team. AE Works combines a range of design and consulting specializations to make building projects a better value. United by a culture of innovation and entrepreneurial spirit, our team is focused on better efficiencies, ideation, and trust. The result is better use of your time and money toward your capital project.

An award-winning firm, AE Works has been named to the 2023 Architectural Record Top 300. Experience spans commercial, healthcare, science and technology, infrastructure, and education projects. Services include architecture, interior design, building systems engineering, and planning + project services.

D3A

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.

desmone

Desmone Architects
3400 Butler Street, Pittsburgh, PA 15201
412-683-3230
www.desmone.com
Eric Booth, AIA, President
ebooth@desmone.com

Great design is inspired by vision. We design buildings and spaces that allow people to thrive – physically, emotionally, and spiritually. Our unique service journey is rooted in effective delivery strategies and informed by principles of health and wellness. Our work reflects the range and diversity of the clients we serve. Each project is informed by a unique set of opportunities and constraints and is inspired by our client's vision. We design high performing buildings and spaces optimized for the people who live, work and play within. Health and wellness are a consideration on all projects, regardless of size, scale or type. Our work is designed to thrive.


BAZELLA
Place Your Confidence in Our Total Commitment
"WE KNOW CONCRETE"
Bazella Concrete & Masonry, Grace Industrial Coatings and Caulking,
Seal Tight Waterproofing, and Maison Concrete Placement Systems are
Bazella Group - A Family of Companies
GRACE
MAISON
SEAL TIGHT
949 Sumner Avenue, Whitehall, PA 18052
610.821.1325
www.bazellagroup.com
Photo by Bazella foreman Luis Rodriguez

DLA+ Architecture & Interior Design

Foster Plaza 10, Suite 500
680 Andersen Drive, Pittsburgh, PA 15220
412-921-4300
www.DLAplus.com
Jennifer M King, NCIDQ – Principal
jmking@DLAplus.com

DLA+ is a full-service architecture and interior design firm dedicated to providing our Strategic Architecture SM project approach through a collaborative and integrated partnership with our regional & international clients. Our commercial, higher education, sports & entertainment, government, healthcare, retail, and workplace clients seek our expertise to solve their unique objectives and support their overall mission, vision, and strategy. Our talented team has extensive experience in all aspects of architecture and interior design, significant LEED and design-build background, and comprehensive construction contract administration experience. We are committed to delivering a technically successful project, innovative solutions, and sound principles of sustainable design intended to serve your organization and the community well into the future.

DRS Architects

One Gateway Center, 17th Floor, Pittsburgh, PA 15222
www.drsarchitects.com
Jon Funari, Principal
412-325-8617
jfunari@drsarchitects.com

For over 65 years, DRS Architects has been proudly delivering architectural, planning, and interior design services throughout Western Pennsylvania and the surrounding tri-state region. We are a certified small business specializing in higher education, healthcare, recreation, corporate, and government sectors. Our team provides services based on a strong commitment and focus on our clients' needs and goals, thoughtful design, and environmental responsibility. We maintain a deep commitment to our region and have worked with neighborhood groups and institutional clients to contribute buildings that support the strength and vibrancy of our communities.

HHSDR Architects/Engineers

40 Shenango Avenue, Sharon, PA 16146-1502
130 7th Street, 201 Century Building
Pittsburgh PA 15222-3413
T: 800-447-3799 | T: 412-281-2280
www.hhsdr.com
Andreas Dometakis – adometakis@hhsdr.com
Matthew Franz – mfranz@hhsdr.com

HHSDR helps our clients deliver successful projects, on-time and on-budget, using a 360 degree approach to project planning, design and management. Our approach means detailed, Partner involvement at every phase, from initial studies through the phases of design, construction contract management and post-construction closeout. It means advocacy on our clients' behalf, through every stage of the project, with the same Partner and team members that started the project with you. It means a facility that is as effective as it is beautiful. It means having the confidence that comes from a firm with more than 67 years of experience. HHSDR looks forward to speaking with you about our 360 degree approach to your project.

ikm architecture

Pittsburgh | Cleveland | Columbus | Tampa
HDQ: 11 Stanwix Street #2200, Pittsburgh, PA 15222
T: 412-281-1337
www.ikminc.com
Joel R. Bernard, AIA, NCARB, LEED AP, Principal
jbernard@ikminc.com

IKM Architecture has been in continuous practice for over a century and provides innovative and informed design solutions that continue to create enduring value for clients in an ever-changing world. We provide architectural, programming, planning, and interior design services. We serve clients regionally and nationally in Healthcare, Science and Technology, Workplace, Education, and Civic/Cultural markets. We put the vision and goals of our clients first and champion an immersive engagement process proven to creatively develop the project direction. Using an in-house Maker Space, IKM incorporates animations, VR, 3-D Modeling, and laser technology into the vision of our clients' projects.

LGA Partners, LP

1425 Forbes Avenue, Suite 400
Pittsburgh, PA 15219
T: 412-243-3430
Paulette Burns, Partner
pauletteb@lga-partners.com

LGA Partners is an award-winning professional design firm specializing in Aviation, Education, Healthcare, Housing, Retail and Workplace design. Our team of 75 talented and diverse architects and interior designers creates exceptional design solutions for outstanding project outcomes. Our mission is to form meaningful partnerships with our clients, consultants, and stakeholders to create an architecture that is both inspiring and enduring. LGA is consistently ranked as one of Pittsburgh's largest and fastest growing firms and has been voted a "Best Place to Work" four years running. After 30 years in business, we remain committed to our core value: *do good work, and work to do good by others*.

PWWG Architecture + Planning

408 Blvd. of the Allies, Pittsburgh, PA 15219
T: 412.391.2884 | F: 412.391.1657
www.pwwgarch.com
Lisa Carver, AIA, LEED AP, Principal
lcarver@pwwgarch.com

PWWG works throughout the tri-state area from offices in Pittsburgh and Cincinnati. Projects for developers and private clients include multi-family housing, cultural buildings, mixed-use commercial, and adaptive re-use of existing structures. PWWG's portfolio is 50% new construction and 50% renewal and re-use, creating new value for original buildings. Forward-looking clients partner with PWWG for exceptional design and detailing; cost-effective, buildable designs using sustainable principles; our meticulous, ethical approach to professional responsibilities; and the partnerships we nurture. Our turnkey services include: feasibility and space programming, concept studies, forensic assessment, support for funding applications, architectural & interior design, 3D visualizations, and project management.

R3A Architecture

48 South 14th St., Pittsburgh, PA 15203
T: 412-431-2480
www.r3a.com
Deepak Wadhwani – dw@r3a.com

R3A believes that empathy driven architecture shapes meaningful human experiences. Located in Pittsburgh's dynamic South Side neighborhood, R3A's team of architects and interior designers collaborates closely with our project partners to create built environments that support and enrich our communities – educational, scientific, workplace, residential, civic, non-profit or others. Our approach leverages design thinking to reframe the dialogue around our clients' needs beyond the obvious, using a research driven and iterative process of analytical rigor, to reimagine solutions that are not only responsive to our clients' needs and challenges, but that harmonize measurable performance goals with strategic aspirations.

ASA SPECIALTY CONTRACTORS

The Genuine. The Original.

Overhead Door Company of Greater Pittsburgh

400 Poplar Street, Pittsburgh, PA 15223
T: 412-781-4000 Ext. 216 | F: 412-781-2446
www.overheaddoorpittsburgh.com
Jason Henze – jhenze@ohdpgh.com

Overhead Door Company of Greater Pittsburgh is a Veteran-owned business specializing in commercial, industrial, and residential door systems, loading dock equipment and operable partitions. Overhead Door has always produced and installed the highest quality products. Our superior craftsmanship and dedication to excellence has made us the leader in door systems for Western PA and the Tri-State Region. Our Red Ribbon trademark is your guarantee for receiving unequaled personalized service and expertise –from assistance with product selection through the timely completion of product installation. We also offer our customers preventative maintenance plans as well 24/7 emergency repair service 365 days a year.

Pellman Electric Associates
1133 Woodward Drive, Greensburg, PA 15601
T: 724-838-7150 or 412-431-5955
www.pellmanelectric.com
Darren Pellman, President
Darren@pellmanelectric.com

Pellman Electric Associates LLC was built by a team of professionals who established a reputable and customer-pleasing electrical contracting company in Greensburg PA.

Our high-level customer satisfaction rate is attributed to our ethical and professional office staff and our first-class field support team. Pellman Electric is focused on complete design-build services, thorough and competitive bidding, accurate accounting, and an excellent project management group complemented by warehouse "on time" material and tool expediting. Whether the project is a residential call or a large-scale commercial project, we recognize that quality and reliability are essential to our clients' success. Our clients and community deserve the highest level of service. Our experienced professionals arrive on time with materials needed to complete the project in a timely and efficient manner.

CIVIL ENGINEERS

The Gateway Engineers
100 McMorris Road, Pittsburgh PA 15205
T: 412-921-4030 | F: 412-921-9960
www.GatewayEngineers.com
Dan Dieseroth, President
ddeiseroth@gatewayengineers.com
David M. Heath, P.E.
dheath@gatewayengineers.com

Gateway Engineers and its predecessors have played an active role in the development of the Ohio Valley since 1954. Our incessant pursuit of project management excellence has created strengths in municipal engineering, consulting work, and all facets of private development including the burgeoning energy industries. The tradition of providing value-added engineering solutions carries on as the company continues to grow. Gateway Engineers staff of registered professional engineers, surveyors, construction inspectors, and landscape architects, along with qualified technicians, is ready to provide the expertise and personalized service which every project deserves. For more information, please visit the new GatewayEngineers.com.

Herbert, Rowland & Grubic, Inc.
200 West Kensinger Drive, Suite 100
Cranberry Township, PA 16066
T: 724-779-4777
www.hrg-inc.com
James A. Feath, RLS - jfeath@hrg-inc.com

Herbert, Rowland & Grubic, Inc. (HRG) is a 100% employee-owned, nationally ranked, full-service civil engineering firm offering professional water, wastewater, financial, survey and GIS, and electrical services, among many more. HRG assists with the planning, design, and management of communities. The primary focus of our work is people. We deliver friendly, responsive service with impeccable quality, professionalism, and care. HRG received PSMJ's 2022 A/E/C Premier Award for Client Satisfaction, and in 2021 HRG was recognized as ENR's MidAtlantic Design Firm of the Year. With 10 locations, our footprint reaches across Pittsburgh and beyond.

Kimley-Horn
750 Holiday Drive Plaza 9, Suite 750
Pittsburgh, PA 15220
T: 412-218-2210
www.kimley-horn.com
Adele Beaves, P.E., Senior Project Manager
adele.beaves@kimley-horn.com

Kimley-Horn is a full-service consulting firm with more than 7,000 employees in 100+ offices nationwide. We provide comprehensive site consulting services including site civil engineering, environmental/wetlands consulting, permitting/zoning assistance, traffic engineering, land planning/landscape architecture, and parking studies and design. Working as a coordinated team, our experienced local staff delivers work you can depend on—projects that can be successfully developed, permitted, and built on time and within budget, taking advantage of the industry's best proven techniques and technologies. With Kimley-Horn, you can Expect More and Experience Better.

Mackin Engineers & Consultants
103 Technology Drive, Suite 200
Pittsburgh, PA 15275
T: 412-788-0472
www.mackinengineering.com
Brian Fischbach, P.E. - Director of Civil Engineering
bfischbach@mackinengineering.com

Serving our clients since 1960, Mackin Engineers & Consultants continues to be a leader in the civil engineering field. We offer a wide range of professional consulting services for both public and private sector clients throughout the Commonwealth. Mackin places an emphasis on our staffs' ongoing professional development to best serve our clients. Our multi-disciplinary staff includes dedicated professionals in the fields of civil, traffic, transportation and structural engineering, landscape architecture, community planning, GIS mapping, and construction inspection/management.

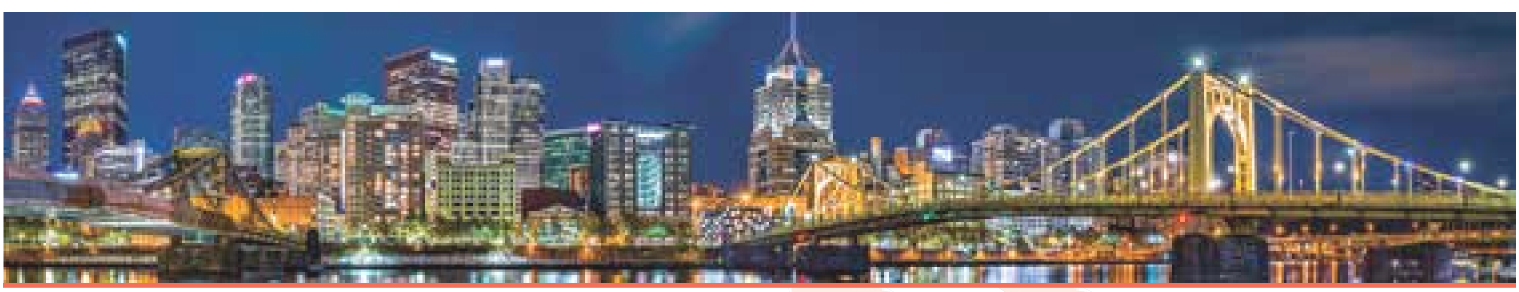
CONTRACTORS

ARCO Pittsburgh
651 Holiday Drive, Plaza 5, Suite 400
Pittsburgh, PA 15220
T: 513-760-9241
www.arcopittsburgh.com
Gary Gabor, Division Manager
ggabor@arcodb.com

ARCO Pittsburgh is an industry-leading design-build general contractor with more than 30 years of experience providing clients with complete project delivery throughout the United States. With a local team in Pittsburgh and 38 offices coast to coast, ARCO offers the strength and presence of a national builder with the personalized attention of a small company. Specializing in industrial, cold storage, commercial/specialty, and tenant improvement projects, ARCO's Pittsburgh team offers local expertise, as well as complete turnkey construction solutions for projects nationwide, regardless of complexity or scale.

A. Martini & Company
320 Grant Street, Verona, PA 15137
T: 412-828-5500
www.amartinigc.com
Emily Landerman – Emily.Landerman@amartinigc.com

As a fourth generation, family owned and operated General Contracting and Construction Management firm, we are celebrating our 70th year of operation. The principals of A. Martini & Co. continue to provide hands on participation as a commitment to our clients and each of their projects. We believe that building projects as a true partner to the owner, utilizing sustainable building practices, and promoting true diversity in our subcontractor selection are the best practices for our region. As a mid-sized CM/GC, we utilize current technology for project tracking and scheduling coupled with personal attention to details, and our client's needs. A. Martini & Co. provides construction management, general contracting and design build services for corporate, healthcare, senior living, restaurant, religious, retail, non-profit, residential, industrial, historic, and education clients.



SAVE THESE DATES

BUSINESS. CONNECTIONS. DIVERSITY. SUCCESS.

September 28 Annual Wine Tasting at the National Aviary

Check www.CREWPittsburgh.org for information on other networking events.

Sponsorship opportunities available.
Please contact Missy Powell at melissap@mbmcontracting.com

CREW PITTSBURGH
crewpittsburgh.org

Bazella Group

825 Evergreen Rd., Leechburg, PA 15656
610-821-1325
Allentown Division
949 Sumner Ave., Whitehall, PA 18052
www.bazellagroup.com

Bazella Group Concrete is a full-service concrete contractor, with offices in Pittsburgh and Allentown, PA. We also offer waterproofing, coatings and caulking, rebar fabrication, shop drawings, concrete pumping, and an extensive fleet of equipment. We service PA, DE, NJ, NY, OH, VA, and MD. Our core competencies include slab on grade, poured walls, saw cutting, slipform curb, parking garages, and slab on deck construction. We are a PennDOT Partner and Ductilcrete® Alliance member.

Burchick Construction Company, Inc.

500 Lowries Run Road, Pittsburgh, PA 15237
T: 412-369-9700
www.burchick.com
Dave Meuschke – meuschke@burchick.com

Burchick Construction is a full-service general contractor founded on the commitment to excellence that Joe Burchick brings to each project. Burchick's management approach is designed to ensure optimum results for our clients while setting the performance standard for construction services. Our executives and managers have broad-based experience delivering construction to the highest of standards with every delivery method preference. Burchick's project team and professional engineers on staff are equally comfortable with a completed design or with providing pre-construction assistance at the earliest stages of design. Burchick has managed commercial, institutional, and industrial projects from $1 million to $73 million with equal attention. Burchick Construction – Setting the Performance Standard.

Carl Walker Construction

935 Vista Drive, Pittsburgh, PA 15205-1218
T: 412-490-2924
www.carlwalkerconstruction.com
Greg Heddaeus, Partner
gheddaeus@carlwalkerconstruction.com

Carl Walker Construction (CWC) has remained the industry leader for parking garage design, construction, restoration, and specialty concrete projects since its inception in 1996. We are a single-source solution for owners seeking accurate scheduling and cost prediction, turn-key design, streamlined and transparent contact, and thorough certification and training by a self-performing garage expert. Our experience is our advantage: we do not compromise on workmanship, product quality, design detail, or safety.

CWC focuses on the prolonged integrity and sustainability of the structures we restore and build, and take a proactive approach in applying improvements and beneficial modifications when applicable and cost effective.

We are proud members of the International Concrete Repair Institute and American Concrete Institute, and have earned multiple safety awards and acknowledgements for our dedication to industry best practices.

Etzel Engineer and Build

205 West Water Street
Saxonburg, PA 16056
T: 724 524 1280
Twitter: @Etzel_Eng_Bld
www.etzelengbld.com
Rege Etzel - retzel@etzelengbld.com

Etzel Engineer and Build is a design-build contractor serving the mission critical and commercial construction industries. We are located in Saxonburg, Pennsylvania with roots dating back to 1987. Etzel has built strong relationships with subcontractors and equipment vendors serving the area. These relationships allow Etzel to better understand the local bid market; a more aggressive bid process reduces overall construction cost. Our capabilities reach beyond the Western Pennsylvania. We have completed construction projects from Kansas to Boston. We specialize in an open book, owner focused delivery method.

Jendoco Construction Corporation

2000 Lincoln Road, Pittsburgh, PA 15235
T: 412-361-4500 | F: 412-361-4790
www.jendoco.com
Michael Kuhn – mkuhn@jendoco.com

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.

Landau Building Company

4378 Craighead Road, Allison Park, PA 15101
T: 724-935-8800
www.landau-bldg.com
Jeffrey Landau, President – jlandau@landau-bldg.com

Over the last 130 years, Landau Building Company has established itself as a leading construction management and general contracting firm serving the Western PA and surrounding region. As a fifth-generation family-owned and operated company, we have cultivated a broad portfolio of commercial, healthcare, higher education, and community-based projects, ranging from ground-up construction to major renovations. In 2006, we expanded our services to include northern West Virginia through our subsidiary, Marks-Landau Construction. To learn more information about why so many of our repeat clients continue to call upon Landau Building Company as their builder of choice, visit our website www.landau-bldg.com.

Mascaro Construction

1720 Metropolitan St, Pittsburgh, PA 15233
T: 412-321-4901
www.mascaroconstruction.com
Michael R. Mascaro - mcclp@mascaroconstruction.com

Mascaro is one of the region's largest construction firms specializing in design-build, construction management, and general contracting. Founded in 1988 on the simple premise to deliver excellence in construction services, we bring to your project the 'Mascaro Advantage:' We are humble, hungry, and smart – not shying away from hard work and complex projects, but tackling each one proactively. We do what we say we are going to do, right, the first time. We will provide a family atmosphere, concentrating on the health and welfare of not only our employees, but also that of our clients and community. Our success is based on our market diversity, superior planning, building relationships, and, most importantly, delivering great experiences.

McKamish, Inc.

50 55th Street, Pittsburgh, PA 15201
T: 412-781-6262 | F: 412-781-2007
www.mckamish.com
John Jordan – jjj@mckamish.com

Serving the mid-Atlantic region with over forty-five years of experience, McKamish is a full-service mechanical contractor specializing in commercial HVAC, plumbing, piping, industrial piping, custom metal fabrication, and 24/7 service and maintenance. McKamish is dedicated to "Building Excellence" on every project that we build. With a dedicated team of employees who are committed to our customers, you can feel confident that your project will be handled with integrity. A family-owned company with deep roots in the Pittsburgh community, our goal is to surpass customers' expectations and provide top quality service in everything we do.

PJ Dick Inc.

225 North Shore Drive, Pittsburgh PA 15212
T: 412-807-2000
www.pjdick.com
Bernard J. Kobosky | Bernie.kobosky@pjdick.com

PJ Dick is a part of a Pittsburgh, PA based family of companies that provides best-in-class construction management staff to estimate, plan, and build the Mid-Atlantic region's most prominent projects. Since 1979, PJ Dick has served markets including commercial, government, hospitality, healthcare, higher education, industrial, K-12 education, multi-family and senior living, and sports and entertainment. Consistently ranked among the nation's top firms, PJ Dick offers unsurpassed general contracting, design/build, construction management, and consulting services while maintaining its values of safety, sustainable building, quality construction and innovative technology.

Rycon Construction Inc.

2501 Smallman St., Suite 100, Pittsburgh, PA 15222
T: 412-392-2525
www.ryconinc.com
Lou Ferraro, Co-President - Pittsburgh &
Stephen Kosmer, Co-President - Pittsburgh

Founded in Pittsburgh, Rycon Construction, Inc. is an employee-owned company (ESOP) that provides construction management, general contracting, and design-build services nationwide. We have an in-house Architectural Woodwork & Specialty Fabrication Division that ships/installs nationally as well as a Service Division offering 24/7 emergency service, emergency restoration, and term service work in the Western PA region. Rycon is an ENR Top 400 Contractor and ENR Top 100 Green Contractor. We have eight offices: Pittsburgh, Atlanta, Cleveland, Fort Lauderdale, Fort Myers, Houston, Philadelphia, and Washington, DC., and specialize in new construction, renovations, and adaptive reuse projects. Rycon's portfolio consists of projects and developments valued up to $300 million each and we excel in preconstruction planning, MEP expertise, with experienced project team members focused in the multiple markets we serve.

Shannon Construction Company

3257 West Liberty Ave., Pittsburgh, PA 15216
T: 412-341-1155 F: 412-341-2955
www.shannon1.com
Rich Amberson, Exec. VP
richa@shannon1.com

Shannon Construction is a commercial builder with a rich legacy handed down from generations of family. Our objective is to develop and deliver customized building programs that meet our client's goals. Shannon utilizes a creative, collaborative project approach to ensure client satisfaction and successful outcomes on every project. Clients benefit from our service philosophy rooted in personalized attention to every detail. We believe the best way to do business is to treat people fairly and do the right thing. Our services include General Contractor, Construction Management, Design & Build, Self-perform Construction, Building Construction Maintenance, and Green Building techniques.

Turner Construction Company

600 Grant Street, Suite 2740, Pittsburgh, PA 15219
412-255-5400
Chris DiLorenzo
cdilorenzo@tcco.com

Founded in 1902, Turner Construction Company is the largest general builder in the United States. Our continued success is built upon an unwavering dedication to our core values of teamwork, integrity, and commitment. Turner's roots in Western Pennsylvania date back to 1908, with a contract for work on Forbes Field. In the intervening years, we built or managed the construction of many of the city's signature buildings. We opened a full-time Pittsburgh office in 1976 and have since built or managed the construction of many leading commercial, residential, institutional, industrial, and healthcare facilities in the region. Turner's Pittsburgh office continues to provide our clients with industry-leading resources with a local, dedicated staff.

Volpatt Construction Corporation

100 Castleview Road, Pittsburgh, PA 15234
T: 412-942-0200
www.volpatt.com
Ray Volpatt, Jr. President – rayjr@volpatt.com

From our first renovation in 1991, to over 800 industrial, commercial, and institutional projects, Volpatt Construction has successfully positioned itself as one of the most respected building contractors in the Tri-State area. With a focus on high quality, hands-on service, competitive pricing, and timely project completion, Volpatt Construction has built and maintained a long list of repeat clients, partnering with the finest businesses and institutions in the area. Today, the family-operated company continues to play an integral role in building the region into a top global destination for healthcare, education, and research.

DEVELOPER

Ambridge Regional Center and ConAm3PL

2301 Duss Avenue #1, Ambridge, PA 15003
T: 724-266-4661
www.AmbridgeRegional.com
www.ConAm3PL.com
Ric Ford
rford@ambridgeregional.com

The Ambridge Regional Center offers over 1 million square feet of warehouse, distribution, manufacturing, lab and yard space for lease. Our tenants include Fortune 100 firms as well as small private companies.

ConAm3PL offers full third party logistics to international conglomerates as well as regional companies whom all utilize our distribution capabilities to maximize their operational efficiencies.

The Buncher Company

One Waterfront Place
1251 Waterfront Place #201, Pittsburgh, PA 15222
412-422-9900
www.buncher.com

The Buncher Company, headquartered in Pittsburgh, Pennsylvania, is a recognized leader in all phases of real estate development, including site acquisition, construction, brokerage and leasing, and property management.

We are experienced in providing innovative solutions to prospective clients and tenants, and we understand what it takes to effectively adapt to the constantly changing real estate business environment. Our highly experienced staff of real estate and construction specialists can help clients navigate the complexities of finding the perfect location to build and lease. They bring in-depth industry expertise and knowledge of every property, and consistently deliver high-level tailored services, unlimited accessibility, and timely results.

Elmhurst Group

One Bigelow Square, Suite 630, Pittsburgh, PA 15219
T: 412 281-8731
www.elmhurstgroup.com
Eric R. Schindler, Director of Leasing
eschindler@elmhurstgroup.com

The Elmhurst Group of companies is a 45-year-old Pittsburgh-based organization that invests in commercial real estate and the hospitality industry. Elmhurst's real estate holdings include 40 buildings on 21 sites, totaling more than three million square feet of office, distribution, flex, and hotel space.

Elmhurst's long-term strategy is to continually increase the value of each of its properties by providing strong and dedicated management and exceptional customer service. We maintain close personal contact with our customers. We operate with the understanding that we are in the service business—not the space business. And we recognize that our legacy is inextricably linked to the quality of our people and the service we provide.

Oxford Development Company

2545 Railroad Street, Suite 300
Pittsburgh, PA 15222
412.261.1500
www.oxforddevelopment.com

For over 60 years, Oxford has stood at the forefront of the marketplace as a developer and full service commercial real estate services provider with experience in the local, regional, and national marketplace. Oxford's mission is to elevate and inspire our people, our partners, and our communities by creating places of personal and economic opportunity for all.

We deliver real estate solutions to our clients that are innovative, cost-effective, and sustainable. Our team has the depth of experience to manage, lease and develop all types of facilities. Oxford's ability to create unique partnerships and complete complex transactions makes us a preferred real estate partner.

DOCUMENT HANDLING

Tri-State Signs & Reprographics, Inc.

2934 Smallman Street, Pittsburgh, PA 15201
T: 412-281-3538 | F: 412-281-3344
www.tsrepro.com
DJ McClary, Vice President
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.

SAVE THE DATE

MBA PRESENTS

CONSTRUCTION INDUSTRY

Evening of EXCELLENCE

29 FEBRUARY 2024

ACRISURE STADIUM

www.mbawpa.org

ECONOMIC DEVELOPMENT

Community Development Corporation of Butler County

110 East Diamond St., #201/202 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 pennsylvania
PEOPLE. PLACE. PROGRESS.

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.

MVA MON VALLEY ALLIANCE

Mon Valley Alliance

235 W. Main Street, Monongahela, PA 15063
T: 724-565-5636
www.monvalleyalliance.org
Jamie Colecchi, CEO
jcolecchi@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 chamber of commerce Southwestern Pennsylvania and leading economic development agency in Washington County. The Chamber focuses on marketing and business development initiatives to expand the economy of Washington County and was one of the first organizations to publicly 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.
700 Cherrington Pkwy, Moon Township, PA 15108
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, PE, LEED AP, CPESC
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.

LSSE Engineers and Surveyors
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, West Virginia and New York.

ENVIRONMENTAL

KU Resources, Inc.
22 South Linden St., Duquesne, PA 15110
T: 412-469-9331 | F: 412-469-9336
www.kuresources.com
Dominick Anselmo
danselmo@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.

FINANCE

Dollar Bank
20 Stanwix Street, Pittsburgh, PA 15222
T: 412-261-8236
www.dollarbank.com
Matt Phillips, Senior Vice President
Business Banking Regional Manager
mphillips833@dollarbank.com

Do what drives you. Dollar Bank's Business Experts will help you get there. How? By earnestly listening to your needs, understanding your ambitions and building financing solutions that are only made for one business - yours. From purchasing equipment, expanding facilities and increasing working capital to balancing ever-changing credit needs, we offer the flexibility and attention that can only come from an independent bank dedicated to business since 1855. Ready to do it? Contact David Weber, Senior Vice President, Business Lending today.

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.

First Commonwealth Bank
501 Grant Street, Suite 250, Pittsburgh, PA 15219
T: 724-463-5741
www.fcbanking.com
Dave Reed, PA State President
dreed@fcbanking.com

First Commonwealth Bank strives to become the best bank for you and your business with a focus on providing cash flow, improving back-office efficiency, attracting and retaining employees, protecting asset value and managing your personal finances. Ranked #1 SBA Lender in Western Pennsylvania and with convenient locations throughout the area, we are relentless about helping business owners get more business done.

INDUSTRY / TRADE GROUP

ASA WPA

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 Western PA 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. Our scholarship program reaches students interested in the trades through partnerships and school visits.

A Mentorship Program is available for all scholarship recipients. ASA's Emerging Leaders create an environment of young professionals who have the potential to serve in leadership roles and provide networking opportunities that help to expand their careers.

BG Builders Guild of Western PA

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 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.

IWEA IRONWORKER EMPLOYERS ASSOCIATION OF WESTERN PENNSYLVANIA, INC.

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.

MBA Master Builders' Association Of Western Pennsylvania, Inc.

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 COMMERCIAL REAL ESTATE DEVELOPMENT ASSOCIATION PITTSBURGH CHAPTER

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

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.

smps® Pittsburgh

Society for Marketing Professional Services

SMPS – Pittsburgh Chapter
www.smpspittsburgh.org
Rachel Rzymek Sweetland, Chapter President 2022-2023
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

D3A

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.

LAND SURVEYORS

LSSE Est. 1985 Civil Engineers and Surveyors

LSSE Engineers and Surveyors

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 surveying services for sites throughout Pennsylvania, Ohio, West Virginia and New York.

LEGAL SERVICES

Babst Calland

Two Gateway Center
603 Stanwix St., 6th Floor, Pittsburgh, PA 15222
T: (412) 394-5400
www.babstcalland.com
Marcia L. Grimes, Esquire: mgrimes@babstcalland.com
Peter H. Schnore, Esquire: pschnore@babstcalland.com
Kevin T. Wills, Esquire: kwills@babstcalland.com

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.

Meyer, Unkovic & Scott

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
Amanda M. Daquelente - amd@muslaw.com

Understanding each client's business objectives, we provide timely, creative, and cost-effective solutions. We represent those in the business of real estate and companies 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. Clients rely on us to counsel them on all facets of commercial real estate, retail, multifamily, office, and industrial, working with them on purchases and sales, land use and development, construction, financing, leasing, title insurance, property tax, assessment appeals, zoning, and eminent domain throughout the region and across the US. Our multi-practice firm enables us to ensure time and resources are used wisely and your deal closes on time.

REAL ESTATE BROKERS

Hanna Langholz Wilson Ellis

One PPG Place, Suite 1640, Pittsburgh, PA 15222
T: 412-261-2200
www.HannaLWE.com
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.

NEWMARK
210 Sixth Avenue #600, Pittsburgh, PA 15222
T: 412-281-0100
www.nmrk.com
Gerard McLaughlin – Gerard.mclaughlin@nmrk.com
Louis Oliva – Louis.oliva@nmrk.com

Since 1970, the Pittsburgh Newmark office has been a key contributor to the firm's strength in the Midwest. Our services have evolved to address the real estate needs of property investors, multi-market corporations and single-location tenants and landlords. Today, Newmark offers a full range of commercial real estate services, with brokerage professionals specializing in office, industrial, retail and investment product types, and a highly-skilled management services group that provides property, facility and construction management services for a diverse portfolio of properties. In addition, our team handles client accounting and lease administration for property investors and corporations.

SIGNAGE

Tri-State Signs & Reprographics, Inc.
2934 Smallman Street, Pittsburgh, PA 15201
T: 412-281-3538 | F: 412-281-3344
www.tsrepro.com
DJ McClary, Vice President
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.

SPECIALTY CONTRACTORS COMBINED HEAT & POWER PLANTS

LLI Engineering
1501 Preble Ave, Suite 300, Pittsburgh, PA 15233
T: (412) 904-4310
www.LLIEngineering.com
James D. White, PE, LEED AP
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.

WASHINGTON COUNTY, PENNSYLVANIA
AT THE CROSSROADS OF OPPORTUNITY
FOCUS ON PUBLIC-PRIVATE PARTNERSHIPS FOR ECONOMIC GROWTH
WITHIN 500 MILES OF 50% OF THE U.S. POPULATION
CONTINUED INVESTMENT IN INFRASTRUCTURE AND WORKFORCE DEVELOPMENT
WASHINGTON
TO WHEELING, WV
TO NEW STANTON, PA
TO UNIONTOWN, PA & THE LAUREL HIGHLANDS
TO WAYNESBURG, PA & MORGANTOWN, WV