



E-Blast

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Greetings!

Welcome to the April edition of Cool Space Locator's E-Blast. We invite you to join us for our new workshop on May 11th, and hope that you learn something about New Markets Tax Credits and Pittsburgh's West End neighborhood.

Also, what do you love about *YOUR* neighborhood, city, or town? Let us know what makes your place great. Is it a certain spot, person, or just a feeling you get when you walk down the sidewalk? We'd like to share your ideas with our readers in future issues, so email info@coolspacelocator.com with your suggestions.

Thanks for the feedback!

• New Workshop on May 11th: How to Plan and Execute a Working Office

Our newest workshop, "It's More Than Just an Address: How to Plan and Execute a Working Office" is being offered on May 11th. Once you've found the right spot to put your business, your location effort is only half done. Most business location projects involve construction and improvements to the space to meet the specific needs of your business. How do you estimate needs, costs and time related to tenant improvements? What are the unique challenges found in retrofitting older properties for a new use? How do you negotiate who pays for these improvements?

This advanced workshop gets into the details of tenant improvements so you are not blindsided as you move through these often complex transactions. The workshop is also appropriate for those that are preparing to renovate a current office space.

CSL welcomes Mike Testa of [Testa Consulting](#) and Lee Lewand of Lewand Business Solutions, LLC, who will be discussing the importance of build out, cost estimating, and how to properly prepare technology services in your new space.

City Hall

Dense urban areas and their elected government officials are important building blocks of the American political system. Mayors of our biggest cities often draw much attention (Willy Brown, Rudy Giuliani, Marion Barry) and they can play a major role in shaping the development of-and events happening in-a city. Fittingly, these mayors often work in buildings named City Hall, which in many of the largest cities are notable and historic landmarks.

In Philadelphia, City Hall sits at the hub of the city's grid at the confluence of four major roads. Atop stands a statue of the city's founder, William Penn. San Francisco's City Hall is a lovely domed building presiding over the city's Civic Center; it's dome is the fifth tallest in the world and is detailed with gold leaf.

While Pittsburgh's government center is not actually called "city hall", the City-County Building is a great example of the majestic architecture found in Pittsburgh with its colonnades and vaulted entry way. If you do make it downtown for a visit, be sure to also check out the architecture found in the H.R. Richardson County Courthouse right next door.

[Visit our website or click here for workshop details and registration form.](#)

• New Markets Tax Credits



East Liberty's Eastside project is an example in Pittsburgh of a project using NMTC for development. Read about the project in the April 12th Pittsburgh Post Gazette or online at www.post-gazette.com/pg/06102/681315-28.stm.

Numerous tax credit programs are available through various government agencies, providing financial tools to businesses, corporations, individuals, and families. One such program-the New Markets Tax Credit (NMTC) program administered by the Department of the Treasury-has been designed as a tool for economic investment and stimulation in Low-Income Communities (LICs). LICs are defined in the Internal Revenue Code as a population census tract with at least twenty percent poverty rate or where the median family income does not exceed 80 percent of the greater of statewide median family income or the metropolitan area median family income.

NMTCs were created as part of the Community Renewal Tax Relief Act of 2000. It is intended to create 'new markets' through very sizable and strategic financial injections. As a tool of the Community Development Financial Institutions (CDFI) Fund (a Dept. of Treasury bureau), this \$15 billion NMTC pool is available to qualified Community Development Entities (CDEs) to draw upon for distribution to their taxpaying investors.

NMTCs are awarded to select CDEs by the CDFI Fund on an annual basis through a competitive application process. For the 2005 cycle, the CDFI Fund dispensed \$2 billion in credits to 41 CDEs for reallocation purposes. Information on the NMTC program, links to the 69 page application and other informational documents, and a complete list of CDEs given NMTC assistance in 2005 is available on the CDFI Fund website (www.cdfifund.gov).

Once CDEs have been awarded NMTCs, they must distribute this credit to their investors within five years (eligible investors include banks, insurance companies, investment banks, venture capital and investment funds, and corporations). Investors receive a guaranteed tax credit return equaling 39 percent of their investment in the CDE, claimed over a seven year period. For the first three years, the investor receives credit of five percent of their total investment at time of purchase for the equity in the project. For the remaining four years they receive six percent annually. As a result, investors in these projects are not only purchasing equity, but they are also buying enormous tax breaks.

Tell us what you love about *YOUR* neighborhood, city, or town. We'll share ideas from our readers here each month.

In turn, these privately managed CDEs are committed to investing the proceeds of their investment campaigns into LICs. Examples of acceptable projects for CDE investment include start-up companies, shopping centers, and retail stores; investment cannot be made in low-income housing because it is to be used as a tool for economic development. CDEs have one year after receiving investment money to place the funds in a qualified investment. They are required to invest substantially all (>85%) of the financing they receive from their NMTC investors into their targeted low-income community.

Guidelines for qualification as a Community Development Entity have been paraphrased by the National Development Council in this way: CDEs must be a corporation, LLC, or partnership with the primary mission of servicing or providing investment capital to low-income communities (LICs) while maintaining accountability to residents. All existing CDFIs and Specialized Small Business Investment Companies (SSBICs) are automatically designated as CDEs under law. After receiving CDE designation, the enterprise must prepare a five year strategic plan, line up investors, make a qualified LIC investment, and report to the IRS on how the credits will be used. Only then is the CDE eligible to apply for NMTCs.

NMTC Resources:

[Impact Seven, Inc.](http://www.impactseven.org), a non-profit community development corporation (CDC) in Northwestern Wisconsin concerned with a depressed area economy, under-employment, the out-migration of youth, and poverty, offers a list of FAQs on NMTCs at www.impactseven.org/NMTC_FAQ.htm.

Founded to lobby for the NMTC in the political arena before it was enacted, the [New Markets Tax Credit Coalition](#) acts as a forum for CDEs, investors and potential investors, tax experts, accountants, and attorneys with a common interest in policy discussions and educating policymakers about NMTCs.

• Featured Neighborhood: The West End



The West End neighborhood is located on the Ohio River just West of Pittsburgh, on a site across the West End Bridge from the North Side and situated below Mt. Washington and Greentree.

Daniel Elliot, one of Allegheny County's first settlers, owned a saw mill located where the Saw Mill Run stream entered the Ohio River, approximately one mile south of Pittsburgh's Downtown. The 96.75 acres that he was granted would eventually become the West End village of Pittsburgh.

This area began to grow from having one saw mill to becoming an important industrial site due to its proximity to the river, coal, timber, and salt. In fact, it was timber from this area that was used in the 1759 construction of Fort Pitt, a British fort at the junction of Pittsburgh's three rivers. Transportation across the river was made easier by ferry boats, which were operated under permit and ran on all three rivers.

After Daniel Elliot and his son eventually passed away, the 96.75 acres of land that they owned was given to John B. Warden and John Alexander, who founded the village of Temperanceville on the site in the 1837. The 1850s-60s brought heavy industry, including three rolling mills, one great mill, four saw mills, two glass factories, two oil refineries, two coke ovens, six coal mines, one salt works, and a steamboat yard. The village became a part of Pittsburgh on January 1, 1873.

Transportation through the West End was convenient from the time of the War of 1812 when River Street, now known as Carson, connected the West End to Pittsburgh. Railroads followed the route by the end of the Civil War, and once the automobile became popular, the West End was relied on as a traffic corridor, with the construction of the West End Bridge and the widening of Saw Mill Run Blvd/Route 51.

It is estimated that 17,000 cars drive through the West End business district daily, and it's no wonder because of the easy access to Downtown Pittsburgh, the Southwest neighborhoods, and the Northside. The West End's reputation as a "drive-through community" is something that Dru Imler, Director of the West Pittsburgh Partnership (WPP), hopes will change in the near future. She explains that "instead of catering to the vehicle, catering to the shopper" is now the strategy. WPP and the West End Valley Business Association have started to put resources and energy into making the West End business district one of the highlights of Pittsburgh.

Today, walking through the West End business district is an experience much different than that found in most other Pittsburgh neighborhoods. The feeling is relaxed and encourages browsing in the stores and galleries along South Main Street, which recently underwent a \$1.2 million streetscape renovation. West Pittsburgh Partnership is aware of the uniqueness of their main street and is using the village-like feel to their advantage. In order to revitalize South Main Street, WPP has focused on attracting high-quality investors and establishing a design community that generally caters to the 35 year old + crowd.

Two dozen businesses opened in the West End since 2002. Many of the new businesses are in the sectors of design, arts and entertainment, and home improvement-areas WPP is promoting and using to define the West End retail experience. Established businesses such as Ceramiche Tile, Artifacts, Armand's Gallery, and James Gallery are helping to develop this niche. In addition, there are many cafés that fill in along South Main Street.

WPP is focused on the West End primarily as a business community, and a residential community second. Presently, there are around 425 residents that take advantage of amenities like the public Carnegie library. A new residential development is

planned for South Main Street just above the business district, named "Stone Chapel Village" for the historic church that will mark the entrance. The plan includes 12 to 20 units of single-family, market-rate homes. Currently WPP is acquiring properties and preparing the site for construction, which will begin in a year and a half.

• The West Pittsburgh Partnership

The West Pittsburgh Partnership for Regional Development, Inc. (WPP) was founded in 1985 and is currently directed by Dru Imler, who enjoys "converting naysayers into people with vision." WPP's board includes members of the West End Village Residents Association and the West End Valley Business Association. Ms. Imler credits her board with being very involved, with some members putting in 10-15 hours a week; still, she says, "they don't think they do enough." This dedication is what allows the WPP to accomplish fundraising and events such as their First Gala, a light-up night street festival that included entertainment and activities.

The CareerLink Community Center is a program run by WPP that provides free services for job seekers and businesses. Its purpose is to assist local residents find employment through free job searches, career counseling, and workshops. It also provides free services to businesses that locate in the community, enabling them to find qualified people faster with free listings and recruitment planning.

By having a strong vision and a dedicated board, Dru has been able to make improvements in the West End that people thought were never going to happen. The commitment that WPP has made to developing the business district and making it a unique destination spot in the City of Pittsburgh is already showing signs of success.

For more information about the Partnership or the West End neighborhood check out www.westpittsburgh.org.

• James Gallery and Frame Foundry - 2005 Cool Space Award winner



Exterior of James Gallery at 413 S. Main St. - Before and After Renovations

When in the West End be sure to stop by 2005 Cool Space Award winner James Gallery and Frame Foundry. Owned by James Frederick and Gayle Irwin and located in what was once a horse stable and adjacent toy factory, the gallery space features radiant heat floors, doors from construction junction, and

bathrooms that feature tile work from Ceramiche Tile and Stone (another West End business). Outdoors, they created a sculpture garden, set off from the street by brick and an iron gate made by local artist Rick Bach. Renovations are still underway in the upper levels, which they hope will house a private reception area and a small apartment.

The gallery space is also available for music performances, and can be rented for events such as parties or corporate team building. For more information visit the web at: www.jamesgallery.net.

• The West End Bank Building



The West End Bank Building, located at 22 Wabash Avenue, is a highlight of the West End Village. Not only is the building a beautiful structure, but it also serves as a testament to West Pittsburgh Partnership's (WPP) work in community revitalization. For Dru Imler, Executive director of WPP, the project was significant not just because of the benefits to the community, but because it is an example of using "economic development to preserve the historic fabric of the business district."

Serving as a bank since it was built in 1926, photos of the original interior show that it featured 10 three-story-high arched windows, marble walls, and an ornate ceiling. During the 1960s-70s the interior was remodeled so that the ceiling was dropped 30 feet and the windows were blocked out.

In 2000, WPP received notice that National City, the only tenant with just three employees, was planning on closing the West End branch. It was then that WPP teamed up with developer H&S Partnership to acquire the building, and construction began in May 2001. The enormous scope of work required involvement from more than just the developer, but from WPP's board and community members as well, in order to make the redevelopment project a reality.

Now, with two additional floors, there is 24,000 square feet of usable space. The windows have been uncovered and the third floor, which is still in the process of being renovated, reveals the original ceiling that was hidden for 30 years. The second floor is designated for office use and is nearly fully occupied. Nine businesses with over 60 employees now occupy the building, and the first floor contains a gift store, an Italian imports specialty store, a new café, and National City bank, who has signed a 25 year commitment to the location. WPP is expecting that the third floor will serve as a banquet hall, but nothing is definite at this time.

The West End Bank Building redevelopment was a success and stands as a very important structure in the West End community. It is a sign of economic growth in the neighborhood and the businesses are appreciated by visitors and residents alike.

Thank you to Dru Imler of West Pittsburgh Partnership and James Frederick of the James Gallery and Frame Foundry for their assistance in writing these articles about the West End.

About Us

Cool Space Locator, a project of the Tides Center (PA), is a non-profit real estate organization that connects neighborhoods, properties, and businesses in the revitalization of urban communities. We work in the community development realm to promote revitalization of urban areas and walkable communities and match companies with cool urban spaces to create a sustainable future. Aside from working as a licensed real estate brokerage to help companies find space, we work with government, economic and community development agencies, and commercial property owners to help boost the growth of office-based jobs in the great urban commercial districts of the Pittsburgh region.

We are supported by:

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