



'no more empty buildings'



# E-Blast

E-Blast :: Cool Space Locator :: April 2007



## CSA07: Nominations Due April 20!

It's that time again - we're hosting the [2007 Cool Space Awards](#) to recognize unique and innovative commercial spaces in the southwestern Pennsylvania region. If you know a cool space located in a walkable neighborhood, we want to hear about it.

Join us in celebrating revitalization and adaptive reuse by nominating your favorite cool space or person that makes cool space happen.



CSA05 winners *J. Francis Company, Northside (left)* and *James Simon Sculpture Studios, Uptown (right)*

**Nominate online** at [www.coolspacelocator.com](http://www.coolspacelocator.com) or call 412.683.5790. *Deadline for nominations is April 20.*

We're honored to have the following community members select the winners of this year's Cool Space Awards.

- Malik Bankston, Executive Director of The Kingsley Association
- Dale Beato, student at the Art Institute of Pittsburgh
- Kourtney Diaz, associate at McGuireWoods law firm

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## Keep Up with CSA07 + CSL on MySpace



You can now check out CSL on your guiltiest internet pleasure: **MySpace.com**. Our profile has info on our organization and regular updates on CSA07, including nominations, judging, and details on the event in June. Friend us, and share your love of cool space through cyberspace.

Make CSL part of your extended network today:

[www.myspace.com/coolspacelocator](http://www.myspace.com/coolspacelocator)

## Cool Deals Report Featured at CoolTown Studios

In March 2007, our *Cool Deals*

- Ken Doyno, Principal of Rothschild-Doyno Architects
- John Fetterman, Mayor of Braddock
- Mary Navarro, Senior Program Officer at The Heinz Endowments
- Susanne Slavick, Professor of Art at Carnegie Mellon University

**Save the Date:** celebrate cool spaces with us at the Cool Space Awards Party on June 1, 2007 at The Meter Room.

**CSA07 sponsorships** are now being accepted. Contact Robyn Barber at 412.683.5790 or [robyn@coolspacelocator.com](mailto:robyn@coolspacelocator.com) for more information. Sponsorships start at \$500.



## Upcoming Workshop: Managing Your Location Decisions A Workshop for Business Leadership

*Wednesday, April 11, 9:00 a.m. - 12 noon  
Duquesne University Small Business Development Center  
600 Forbes Avenue, Rockwell Hall, Room 505*

Commercial leases and real estate purchases differ from residential transactions in ways that impact your bottom line and business performance. The process for choosing a location can take time and require a serious investment of time and money. "Location, location, location" is not the only thing to consider. The success (or failure) of your business may ride on managing these transactions well. This workshop will help you understand critical aspects of finding commercial real estate, managing the process and the time it takes, understanding both the critical financial aspects of the deal and the important legal issues involved, and help the small business professional find the best space for their company. This workshop is presented by Kyra Straussman, President of Cool Space Locator, and June Swanson, a real estate attorney with Geraghty & Associates.

In this workshop you will:

- Learn to understand key terms in commercial real estate transactions
- Learn the best process for determining your space requirements
- Determine a framework for the budget for your move and operating your new space
- Understand the process of looking for space
- Learn how building and zoning codes affect your choices
- Learn how commercial leases work, and some of the important aspects of leasing that can affect your business decisions in the long term
- Understand how to make a decision between leasing or buying commercial property for your business

**\$45/person**

report was featured on the **CoolTown Studios' blog**. Their blog ([www.cooltownstudios.com](http://www.cooltownstudios.com)) provides information on developments that enhance walkable communities nationwide. Many of their posts tackle issues of effective urban design, public interaction, and attracting and retaining young talent, all through developing sustainable walkable communities.

The mission of CoolTown Studios is "to develop creative, sustainable, profitable urban buildings and destinations that serve as both a model and anchor for future surrounding development designed to attract creative, entrepreneurial markets that significantly impact the local economy and quality of life." They accomplish this by linking millions in investment capital to targeted developers in progressive cities.

"If your business is looking for cool space..." Available at <http://www.cooltownstudios.com/mt/archives/001016.html> (3/22/2007)

"What are cool space companies looking for?" Available at <http://www.cooltownstudios.com/mt/archives/001017.html> (3/23/2007)

## What's So Great About the City?

### FLUX



After a three-year hiatus, **FLUX**, a series of events melding art and communities, has returned!

FLUX is "a multi disciplinary event series that celebrates, gathers and showcases two of the Pittsburgh region's greatest assets: our emerging, grass-roots, non-traditional art scene and our vibrant, evolving communities...Part giant party, part circus, part concert, part gallery, part community event, FLUX provides a space for positive, accessible interactions among and between artists and audiences."

**FLUX 14** will take place this year in **Braddock**, on **Saturday, April 14, 8 pm - 1 am**. The event entrance is at the corner of Braddock Ave. and

(or \$35/person if 2 or more from your organization attend)

Register online at Duquesne's SBDC at <http://www.sbdc.duq.edu/training/events60.cfm> or call 412.396.6233.

Information on more workshops, including the next **Right Size It** on 4/26, is available on our website: [http://www.coolspacelocator.com/csl/what\\_we\\_do/seminars.htm](http://www.coolspacelocator.com/csl/what_we_do/seminars.htm)



## Capturing the Cool Space Market: Projecting the Success of Urban Development



After six years of working to place businesses and organizations in cool space, we've been collecting incredible amounts of data. All of this work with customers and clients, along with some economic data from the Carnegie Mellon Center for Economic Development ([www.smartpolicy.org](http://www.smartpolicy.org)), have helped us determine who makes up the core market for creative, urban space. The product is a report called ***Cool Deals: Capturing the New Market in Urban Commercial Real Estate***.

The *Cool Deals* research report details the businesses and organizations interested in cool space, the offices they require, the location decision process, and the market's collective spending power.

The full report is available as a PDF download from our website: [www.coolspacelocator.com](http://www.coolspacelocator.com).

## Economic Growth by Employment

When we started analyzing the potential impact of regional businesses moving into walkable communities, we had two separate sets of data: economic data from CED and market data we gathered from working with our clients. To bridge the two together, we used companies' employment numbers. We find that many businesses seek new, larger space because they're adding employees.

We already knew that most businesses that come to Cool Space Locator employ 3 to 5 people and nearly all of our customers and clients - with a few very notable exceptions - employ under 10. CED's employment data on this size cohort of businesses in the 7-county metropolitan statistical area (including Allegheny, Armstrong, Beaver, Butler, Fayette, Washington, and Westmoreland Counties, also called the MSA) shows that nearly 4,800 businesses add at least one employee, and nearly 5,300 companies are formed, on average every quarter since 2001.

Library St. Cash admission is \$10 for general admission, \$8 for students (proper ID required), and free for kids under 10. Proceeds benefit exhibited artists. Alcoholic beverages are available for guests 21+ with proper ID. Handicap accessibility may be limited.

The FLUX events take place in communities and spaces *in flux* - in transition from historical uses to a creative future. The current generation of FLUX is in partnership with the Three Rivers Arts Festival, and FLUX 14 is produced in cooperation with the Braddock Borough Council and the Mayor's Office of Braddock.

### Links

[FLUX](#)

[Braddock @ coolspacelocator.com](mailto:Braddock@coolspacelocator.com)

### What makes your community great?

Let us know! Your opinion could be featured in a future E-Blast. Email us at [info@coolspacelocator.com](mailto:info@coolspacelocator.com).

That means over 10,000 small businesses (sized 1 to 9) could have real estate needs every quarter in the 7-county metropolitan statistical area.

## **The Real Estate Needs and Spending Power of the Cool Space Market**

Aggregating this economic data with our placement statistics shows a bigger picture of the real estate market for the entire cohort of businesses employing under 10 people. This cohort of businesses is the largest in the 7-county MSA. The nearly 38,000 businesses represent 60% of metropolitan enterprises.

According to our average placement statistics, if the MSA's 38,000 businesses were to all take class B and C office spaces\* at once, they would collectively fill over 70 million square feet of space. With average market rate rents of \$12 per square foot per year, they would spend over \$850 million per annum in rent and mortgage costs per year.

We've found that these deals can be considerably successful in aggregate. Our clients' rents match market rates, and with proper vetting, traditional brokerages can tap into this underserved market.

To view the full *Cool Deals* report as a PDF download, visit our website, [www.coolspacelocator.com](http://www.coolspacelocator.com).

## **Resources**

"**Employment Dynamics in Metropolitan Pittsburgh, 1998-2002**" from Carnegie Mellon Center for Economic Development. Available at <http://www.smartpolicy.org/publications.php>

\*Office space is loosely classified based on the quality of construction, features and the status of location. CSL's clients most often want space in class B and C commercial buildings in walkable neighborhoods.

Class A: Premier office users with rents above average. Buildings have high quality standard finishes, state of the art systems, exceptional accessibility and a definite market presence.

Class B: Buildings competing for a wide range of users with rents in the average range for the area. Building finishes are fair to good for the area and systems are adequate, but the building cannot compete with Class A at the same price.

Class C: Buildings competing for tenants requiring functional space at rents below the area average.



## **Featured Neighborhood: West Newton**



Spring is here and many will be jumping on their bikes, lacing up their shoes, or snapping on their lifejackets to enjoy some time in the sun. With the near completion of the Great Allegheny Passage ([www.atatrail.org](http://www.atatrail.org)), a roughly 340-mile rail trail connecting Pittsburgh to Washington D.C., the sun is shining very brightly on the town of West Newton.

Nestled in a valley off the Youghiogheny River in Westmoreland County, just 25 miles southeast of Pittsburgh, West Newton is a town of about 3,000 people. Settled in the late 18th century because of its prime location on the Youghiogheny, which feeds into the Monongahela river that travels to Pittsburgh, the town's chief trades were boiler manufacturing and paper mills. The trains that roar through town each day serve as a reminder of a time when West Newton was a manufacturing hub. After the slowing of traditional American industries, increasing unemployment and decreasing population threatened the town's long-term vitality. Some wondered if West Newton's fate was to be another small town that time passed over.

At the same time, planners at local and state levels decided to tap into one of West Newton's less conventional resources: not the coal underground, but the small-town charm, scenic river views, and popular bike trail together that bring more and more visitors to the area each year. Community planners are hoping to take advantage of this trend, and the local economy is poised to cash in. With the near completion of the Great Allegheny Passage, the opportunities have never been better. Several organizations are very active in helping West Newton take advantage of these resources.



*Corner building in downtown West Newton  
Bright Morning B&B*

**Downtown West Newton Incorporated** ([www.dwni.org](http://www.dwni.org)) is leading the Bridge to Tomorrow downtown renovation project. DWNi plans to increase the number of trail users who come into town, partly by developing the trail crossing at Main Street. More plans include developing a walking deck along the West Newton

Bridge, and creating a new town square along the riverfront, and highlighting some of West Newton's historic sites. Main Street Manager George Sam describes the town as a "diamond in the rough." "There are some business opportunities in our town," says Sam, "and some handsome vacant buildings."

**The Progress Fund** ([www.progressfund.org](http://www.progressfund.org)) is another organization lending a hand to West Newton. The Progress Fund houses the Trail Town Program, which promotes sustainable economic growth in the towns along the Great Allegheny Passage. West Newton was one of six towns selected as part of the pilot run for this initiative. The Trail Town Program encourages communities to embrace sustainable development practices, comprehensive community planning, contextual design, and cooperative marketing strategies that enhance each town's connection to the trail.

The increased tourism from the Great Allegheny Passage is now breathing new life into West Newton. The town offers an array of amenities for travelers. Relax over lunch and a drink at the Main Street Cafe, Trailside Cafe, or West Newton Deli. You can stay the night at the Bright Morning B&B or Scarsdale Cottage Inn, and rent a bike, canoe, or kayak the next day for an outdoor adventure.

As the trail is projected to generate more revenues for local businesses every year, there is no doubt that more businesses can jump on this opportunity. For a town forged in the manufacturing tradition of Western Pennsylvania, its development as a visitor attraction may seem surprising. One thing is certain for West Newton - the future certainly looks bright.

**For more information** on business opportunities in West Newton, contact George Sam at Downtown West Newton Inc. at 724.838.6510 or [dwni@winbeam.com](mailto:dwni@winbeam.com), or contact Cathy McCollom at The Progress Fund at 724.216.9160 or [cmccollom@progressfund.org](mailto:cmccollom@progressfund.org).

*Thanks to Tom Galligan at the Progress Fund for writing this article.*

**Cool Space Locator** is a non-profit commercial real estate organization supporting small business owners and non-profit leaders seeking cool space for their operations. Cool space is the commercial real estate in walkable neighborhoods, where sidewalks and the urban grid promote pedestrian travel and density. These properties may be older buildings that have existed since the founding of the neighborhood; spaces converted from other uses, like warehouses or factories; or new properties that fill gaps in the original urban fabric.

We offer property search and site location services in southwestern Pennsylvania; workshops to businesses and nonprofit leaders on real estate related topics; support in evaluating location opportunities; and financial planning as it relates to a move. We support clients by connecting them to local organizations, municipal regulators and service providers (zoning, safety, building code, etc.), in addition to supportive community-based lenders. By assisting our clients as they relocate, we work to cultivate vitality and creativity in historic towns, neighborhoods, and city centers where walkability is the norm.

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**Cool Space Locator**

279 45th Street

Pittsburgh, PA 15201

412.683.5790

[info@coolspacelocator.com](mailto:info@coolspacelocator.com)