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Business Developers Brand 2007 a “Golden Year” for the Pittsburgh Region

*National Commercial Real Estate Industry Leader Says Green Development and Urban Revitalization
Put Pittsburgh Ahead of the Curve... “It’s a Good Investment.”*

(Pittsburgh, Pa. – March 6, 2008) One of the strongest years for business development, 2007, was “golden,” according to the Pittsburgh Regional Alliance Partnership, a southwestern Pennsylvania coalition of 50-plus private and public sector leaders and economic development professionals that spans 10 counties.

“Teaming with our 10-county regional economic development partners, the Allegheny Conference on Community Development and its regional marketing affiliate, the Pittsburgh Regional Alliance (PRA) has compiled an inventory of economic development deals announced last year,” said DeWitt Peart, executive vice president of economic development at the Conference and president of the PRA Partnership staff. “I’m pleased to report that 308 corporate investment and development projects were announced in 2007, which will create nearly 13,000 new jobs and retain nearly 11,000 jobs, regionally. Tracking these wins collaboratively resulted in a comprehensive snapshot of business development in the region. We were extremely pleased with the level of activity reported. This included a number of high-value investments which will generate solid regional economic activity into the future.”

“Pittsburgh today has noteworthy strengths that will shape the region’s future: green development leadership and urban revitalization. The expertise, research and projects coming out of the Pittsburgh region are advancing the green movement substantially. In fact, I consider Pittsburgh to be the cradle of green development for the nation,” said Thomas J. Bisacquino, president of the National Association of Industrial and Office Properties (NAIOP). NAIOP is the nation’s leading trade association for developers, owners, investors, asset managers and other professionals in industrial, office and mixed-use commercial real estate.

“Similarly forward looking is revitalization of the urban core. Pittsburgh’s economic vitality will require a talented workforce of young, creative, high-tech professionals, particularly since the region’s key industries have a high-tech bent. It’s expected that this next-generation workforce will want an urban core’s 24/7 environment, which Pittsburgh will have in place to be competitive. At the same time, Pittsburgh’s suburban market remains healthy and viable, suiting a variety of tastes and needs—both corporate and personal. Pittsburgh is ahead of the curve. It’s a good investment,” said Bisacquino.

According to the PRA, which markets the Pittsburgh region around the world and connects the interest of national and international business leaders with the regional business and economic development community, the 2007 wins underscore that the region’s key industry sectors—advanced manufacturing, information and communications technology, life sciences—are growing.

Jim Futrell, vice president, market research and analysis at the PRA, says that the data indicate a confidence in the regional market and healthy key industry sectors. “Overall, 172 of the 308 total wins announced were in the Pittsburgh region’s key sectors. The largest number, 112, was in manufacturing, which reinforces the vitality of that sector. Other leading sectors were information and communications technology and life sciences with 42 and 18 wins, respectively. Outside of the region’s three key sectors, distribution and logistics and business/professional services performed well with 20 and 18 wins respectively.

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2007: a “Golden Year” for Regional Business Development

“Cooperation creates wins that fuel southwestern Pennsylvania’s economy through capital investment job creation,” said Peart. “This evening’s NAIOP awards banquet celebrates some of 2007’s best-in-class wins. These include the ‘Supporter of Development Award,’ which recognizes both the historic impact of Westinghouse’s decision to locate and expand its world headquarters here in the region, as well as the unprecedented level of public and private partnership that made winning the deal possible.”

“In the pursuit of regional economic development, many individuals and organizations—developers, government, nonprofits, investors—routinely come together with a collective vision,” said Armstrong County Commissioner and PRA Steering Committee Member Patty Kirkpatrick. “Although diverse in expertise, partners share a common goal. We want Pittsburgh to be a great place to live, work and play—now and for future generations. Together we are working to retain the best of the Pittsburgh region and to attract the best. I am confident that we have the right players at the table to make this happen.”

“Tonight, we recognize and celebrate the fact that our region benefited in 2007 from more wins than ever before when considering the last five years. While NAIOP recognizes some best-in-class winners, it’s unfortunate that there’s not an official award for each of the hundreds of wins claimed for the region,” said Mark Dellana, NAIOP - Pittsburgh president and executive vice president of development and construction with the Soffer Organization. “Each is indeed a winner in its respective county because of the economic drive and job creation it provides. Collectively, all of our regional wins speak to the reality that Pittsburgh, despite the slowing national economy, remains a solid investment and a good performer.”

Regional business development and commercial real estate wins will be celebrated by the PRA Partnership in conjunction with NAIOP Pittsburgh on Thursday, March 6, 2008 at the association’s 15th annual awards banquet at the David L. Lawrence Convention Center.

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N.B. Information on the NAIOP best-in-class awardees follows.

NAIOP ANNUAL AWARDS BANQUET WINNERS – 2008

NAIOP “Supporter of Development”

Project: Westinghouse Electric Company, LLC (Butler County)

Partners: Pennsylvania Department of Community and Economic Development
Allegheny Conference on Community Development and its Affiliates
Westinghouse Electric Company

“I don’t think it’s far-fetched to say that Westinghouse’s relationship with southwestern Pennsylvania is akin to Microsoft’s relationship with Seattle and the Pacific Northwest.”

– Pennsylvania Governor Edward G. Rendell

In August 2007, Westinghouse Electric Company broke ground at its new world headquarters in Cranberry Township, Butler County. At 82 acres and more than 800,000 square feet, it will be the largest single-tenant campus in Pennsylvania history. Westinghouse’s decision to continue growing in southwestern Pennsylvania, which also includes an expansion of its Waltz Mill manufacturing plant in Westmoreland County, means \$200+ million in capital investment and more than \$1 billion in gross regional product (GRP).

The project’s historic impact—as well as the unique lengths to which the region and state went to secure it—garnered the prestigious national 2007 Economic Development Deal of the Year (EDDY) award from *Business Facilities* magazine and the NAIOP Supporter of Development Award.

The University of Pittsburgh Center for Social and Urban Research projects that job impact from Westinghouse’s growth in the region over the next five years will be 8,523 jobs, which include new and retained positions, as well as direct and indirect employment resulting from the project.

Westinghouse’s decision also ensures southwestern Pennsylvania’s position as a global hub for nuclear energy technology development.

Winning this expansion project for the region required the total cooperation of state, county and local officials. New legislation, approved site plans and accelerated permitting took the project from site tours to groundbreaking in less than 15 months.

Leading the effort were the Pennsylvania Department of Community and Economic Development (DCED) and the Allegheny Conference on Community Development and its Affiliates, winners of the NAIOP Supporter of Development Award. These organizations worked in cooperation with the counties, municipalities, school districts, public officials and brokers. DCED and the Conference collaborated on everything from composing the initial project proposal, to providing Westinghouse with site tours, to producing legislative education programs to support site permitting and tax-free zone designation.

While DCED and its Governor’s Action Team strove compiled the best possible incentive package (totaling \$6 million, excluding tax abatements), the Conference and its affiliate organizations were each playing a role in ensuring that the other aspects of the project were a success. Particularly critical were the marketing and project management expertise of the Pittsburgh Regional Alliance (PRA) and the advocacy efforts of the Greater Pittsburgh Chamber of Commerce, which secured expedited passage of Strategic Development Area (SDA) legislation to create 15-year tax abatements from which Westinghouse is benefitting.

Special recognition for the Supporter of Development Award goes to DCED Secretary Dennis Yablonsky, Mike Langley, CEO of the Allegheny Conference on Community Development and its Affiliates and Steve Tritch, CEO of Westinghouse Electric Company.

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N.B. Additional awards information follows on the next page.

OTHER 2008 NAIOP AWARDEES

Speculative Building - Office

Project: 1000 Town Center Way (Washington County)
Developer/Owner: Horizon Properties Group, LLC (Washington County)
Architect: Astorino
Contractor(s): Scalise Industries and General Industries

Speculative Building - Industrial

Cranberry Business Park Building 250 (Butler County)
Developer/Owner: Chaska Property Advisors, Inc.
Architect: Al. Neyer, Inc.
Contractor: Al. Neyer, Inc.

Renovation

The Northern Light Tower (Allegheny County)
Developer: NLT Development, LLC
Owner: NS Property, LP
Architect: Lami-Grubb
Contractor: Repal Construction, Inc.

Developer of the Year (Achievement)

Rodney L. Piatt
Horizon Properties Group, LLC (Washington County)

N.B. Electronic images (photos and/or architectural renderings) to illustrate these wins are available by contacting Phil Cynar at pcynar@alleghenyconference.org or by phone at 412-281-4783, ext. 4573.

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