

TOWARD A VIBRANT DOWNTOWN GREENSBURG

Recommendations from the CRE Consulting Corps

SEPTEMBER 2023



GREENSBURG
COMMUNITY
DEVELOPMENT
CORPORATION



Realtors[®] Association of
Westmoreland, Indiana and Mon Valley

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Executive Summary

The Counselors of Real Estate® (CRE) Consulting Corps was asked by the City of Greensburg, the Greensburg Community Development Corporation (GCDC), and the Realtors® Association of Westmoreland, Indiana, and Mon Valley (RAWIM®) to provide action steps toward creating a more vibrant downtown. Despite its assets, Greensburg has seen slowly decreasing population and increasing vacancies in its downtown.

The CRE® Consulting Corps team visited Greensburg in July 2023 for several days and met with more than 60 stakeholders: Greensburg staff and elected officials, community and cultural organizations, universities, business owners, downtown property owners, and many others. The team examined demographic and economic data, reviewed prior plans and studies, and analyzed market data.

The team was asked to review potential opportunities at several downtown sites. Redevelopment opportunity relates to factors such as the economic outlook, overall market demand, condition of the building, and regulatory rules and processes. As in much of the country, Greensburg's office market is not positive. The retail market is also negative. In contrast, multifamily housing shows demand. Due to the relative affordability and low rent levels in Greensburg, redevelopment initiatives are likely to require gap funding, cooperative effort, and flexibility in permitting to bridge the economic gap. The report presents potential uses for the specific sites and identifies potential sources of gap financing.

The sites analyzed are listed below:

- Site 1: Dollar General – 450 South Main Street
 - This site is one of the largest available in (although on the edge of) downtown Greensburg, making it a prime candidate for any new downtown construction.
 - The best return on new construction in today's market would likely be apartments, which would add to downtown activity. However, because Greensburg's rents do not today cover the cost of new construction, such construction would need to either be subsidized or wait for the time when the market supports the cost of construction.
 - The site is privately owned with development/leasing options under exploration.
- Site 2: Atherholt Retail and Apartments – 321 South Main Street
 - This site was recently acquired, and the owner is currently making improvements to make the apartments livable; the property will remain legal nonconforming.
 - Redevelopment is not financially feasible.
 - This is an example of a local investor with limited capital is creating livable apartments which will increase downtown residents. Investments and upgrades over time, possibly including grants, will continue to improve the housing stock.

- Site 3: Advance Furniture Lot – 227 South Main Street
 - Owned by the land bank, the site is currently vacant, as the dilapidated building was demolished.
 - Several use options are considered, and the report identifies pros and cons of these options.
 - One option is mixed use redevelopment, which is appropriate and would contribute to downtown vibrancy. Such redevelopment would require gap funding.
- Site 7: Troutman’s Annex - 211 South Pennsylvania Avenue
 - Privately owned with a development plan in progress.
 - The use (self-storage) brings a building back from vacancy. Potential uses are limited by lack of a façade, age, condition, regulatory restrictions, and size.
- Site 8: Derby’s Restaurant Site - 127 South Pennsylvania Avenue
 - A plan is underway to create a parklet and open space for public events and restaurant seating.

The team noticed that while Greensburg has a magnificent County Courthouse, it lacks a traditional courthouse square. These typically served as key gathering and activity spots in small U.S. cities historically and do so currently in towns that have successfully redeveloped. In addition to evaluating potential uses of the sites listed below, the team presents a redevelopment concept for using these sites to create a sense of place in downtown Greensburg centered around the Courthouse and intersection of Main and Pittsburgh:

- Site 9: First Commonwealth Bank Building - 111 South Main Street
 - While not originally among the list of properties that the City requested the team review, we identified this location as a possible focal point of a larger redevelopment effort.
 - Potential catalyst site recommended for a combination of apartments and short-term rental (Airbnb).
- Site 4: Barclay’s Bank Building - One North Main Street
 - The current owner’s intent is to convert it to an event space, which would work well with a limited-service hotel/short stay across the street. An expert in event planning could craft this proforma and share it with the building owner.
- Site 5: PNC Bank Building - 125 South Main Street
 - Co-working space could be a good fit. The team believes funding programs could fill the financing gap.
- Site 6: Royer’s - 114 South Main Street (Potentially Adding 100 South Main)
 - Could be converted to residential use, requiring significant gap financing.
 - Part or all of the building could be demolished.

The team added two sites to the analysis as the below sites fit into the larger redevelopment concept.

- Site 10: YMCA & Parking – 101 South Maple Avenue
- Site 11: Stifel Nicolaus – 100 South Main Street

The recommendations that follow include both short- and long-term actions as well as criteria for prioritizing proposed actions. Many of the recommendations are interrelated, making prioritization impractical. To advance redevelopment of the properties and foster a more vibrant downtown, the team's recommendations include:

- Add market rate housing in downtown Greensburg.
- Improve Greensburg marketing of itself to its existing community.
- Align government efforts by improving communication. Provide prospective developers with guidance through the "approval" process to obtain necessary permits.
- Support development by de-mystifying the approval process for ALL agencies.
- Work closely with and support local institutions such as local businesses, colleges, and health care institutions.
- Reorganize and manage downtown parking so it is not a burden on residents.
- Improve public transit, including such alternative options as electric scooters and shared bikes.
- Attract immigration.
- Create a memorable, positive image of Greensburg.

The recommendations detailed in the report provide actionable steps that local stakeholders can take to create a more vibrant downtown Greensburg.

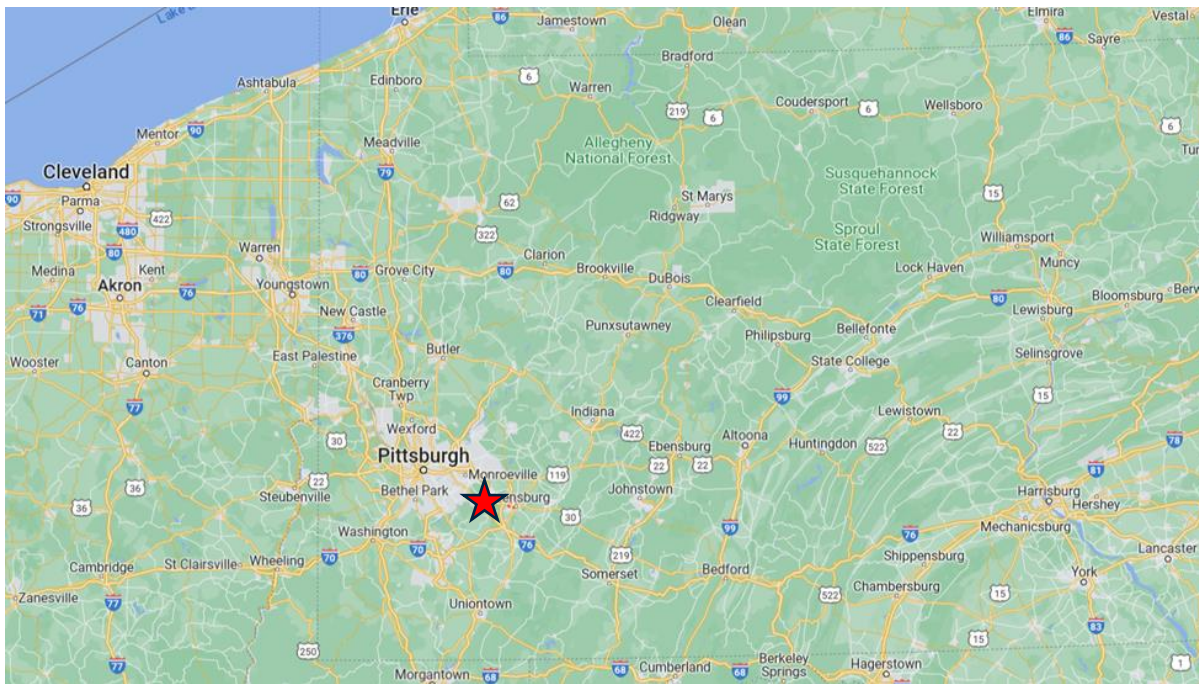


TRIBUNE-REVIEW

Background and Purpose



Greensburg is a small Pennsylvania city with a population of approximately 15,000, located 30 miles southeast of Pittsburgh, about one hour by car or transit.



History

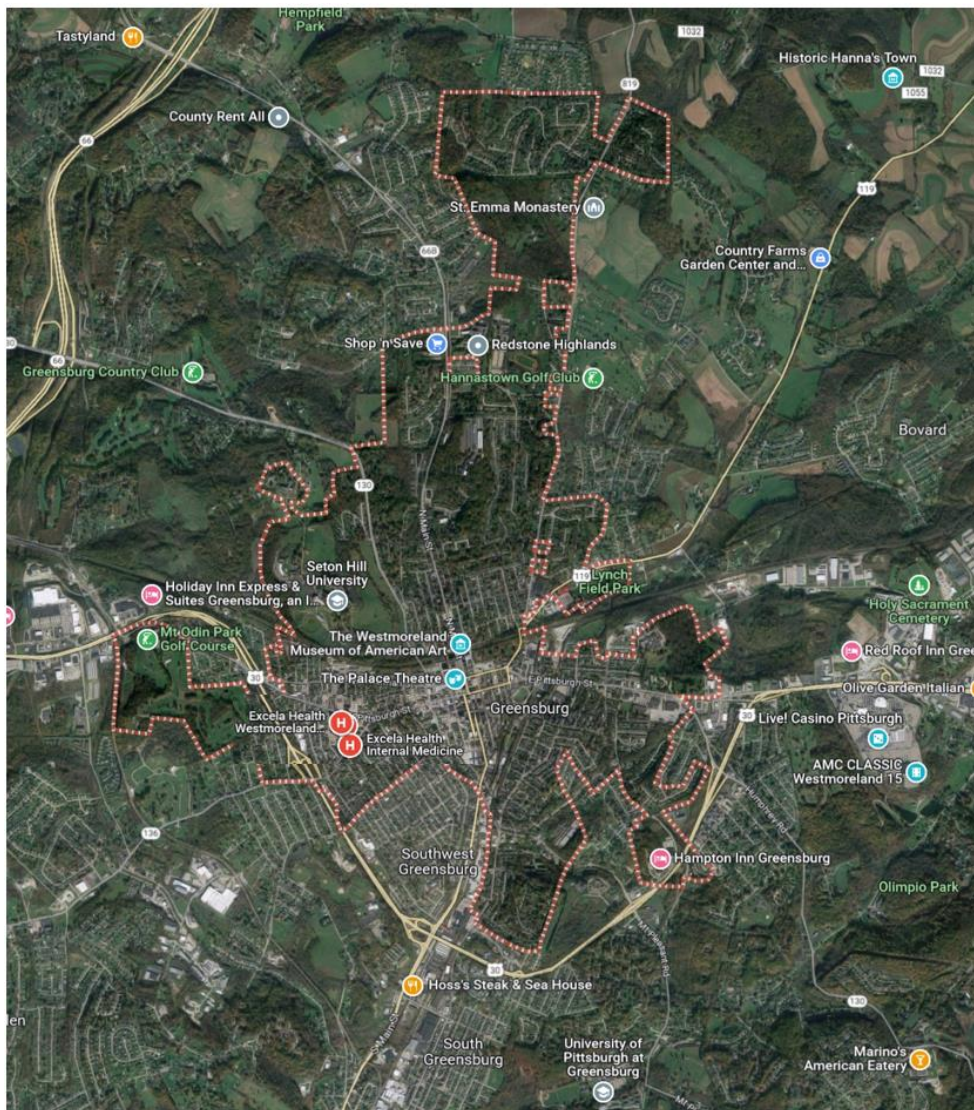
Europeans first settled at the location that would become Greensburg after the U.S. Revolutionary War, building an inn serving the wagon trail from Philadelphia to Pittsburgh. Pittsburgh was founded around Fort Duquesne, at the confluence where the Allegheny and Monongahela Rivers form the Ohio River. It was initially built by the French and Algonquian Indians in 1754 for the Seven-Year, or French & Indian, War. The site was taken by the British in 1758, and later by the new United States.

Back in Greensburg, in 1785 the town was designated the seat of Westmoreland County. A county courthouse and jail were completed in 1787, and the town was officially incorporated and named Greensburg, after Revolutionary War General Nathaniel Greene, in 1799. When soft coal began to be

mined in the region around 1850, both the population and number and size of structures increased, with population reaching a peak of just over 17,000 between 1960 and 1980. Steel and glass production, along with oil and natural gas extraction, were significant regional industries; all of these went into decline in the 2nd half of the 1900s due to competition from foreign manufacture and concerns about global warming. They left behind a regional population that includes both former blue-collar workers and wealthy former industry owners.

Attributes

Newer industries in the region include logistics, particularly near the intersection of Interstates 70 and 76 in New Stanton, 6 miles south of Greensburg, and regional services including education and health care, along with regional tourism and entertainment. Greensburg's economy of the future will likely be built around these.



Greensburg currently has an enviable stable base of employment with:

- County Government, which employed approximately 1,800 in 2017.
- Colleges/Universities:
 - Seton Hill University, with approximately 650 faculty & staff, approximately 1,600 undergraduate students who live primarily on-campus, and approximately 350 graduate students, with the largest groups in Natural & Health Sciences, Business, and Humanities. Seton Hill includes a new branch of the Lake Erie College of Osteopathic Medicine (LECOM). The student body is approximately 80% white.
 - The University of Pittsburgh at Greensburg, with approximately 160 faculty & staff and approximately 1,400 undergraduate students who are 77% white.
 - Westmoreland Community College Youngwood Campus, with approximately 380 faculty, approximately 4,370 full and part-time students who are 93% white.
- Medical: Independence Health System, formerly Excelsa Health, has the largest of its five hospitals in Greensburg with approximately 373 licensed beds. Across three regional hospitals, it employs 4,800 employees, including 700 physicians.

Greensburg attracts modest regional or national tourism, with both cultural sites and events/activities. It has strong assets to support more regional tourism, along with some initial strong programming. It has:

- “Great bones” in its streets and buildings, with intimate, walkable pedestrian-scale streets largely lined by a variety of charming historic structures at a good scale for the streets.
- Regional cultural venues, including the Westmoreland Museum of American Art, the Palace Theater, Historic Hanna’s Town, and ties to nearby Frank Lloyd Wright structures. It has a significant philanthropic community in the greater region, due to past industry.
- Recreation opportunities including the Five Star Trail which could eventually connect to the Great Allegheny Passage (GAP) trail, a casino, and county and state parks.
- A calendar of events that are regional attractions, including its monthly Night Market, weekly free summer concerts at St. Claire Park, and frequent shows year-round at the Palace Theater.

Since the advent of COVID-19 and remote work, Greensburg is well positioned to house and serve workers from Pittsburgh, or nationally, who no longer need to commute regularly to work but would like to live in an affordable, walkable, interesting community with attractions, nearby nature, and access to Pittsburgh’s big city culture and amenities.

Purpose of this Study

Despite its assets, Greensburg has seen slowly decreasing population and increasing vacancies in its downtown. Three interested groups: the Realtors® Association of Westmoreland, Indiana, and Mon Valley, the Greensburg Community Development Corporation (GCDC), and the City of Greensburg’s Planning Department, engaged the CRE Consulting Corps at the beginning of their Downtown Plan process to obtain input regarding making downtown Greensburg more vibrant. They asked for:

- Recommendations for appropriate development scenarios.
- Priority incentives, investments, and financial programs.
- Criteria to guide in prioritizing promising opportunities and eliminating impractical options.
- Short-and long-term actions to implement the recommendations.

In addition, the report following addresses these questions.

- What are the major impediments to revitalizing downtown Main Street?
- What are the financial constraints in offering incentives to encourage renovations in the City?
- What are the societal challenges that should be addressed that hamper renovations?

Stakeholder Interviews

Introduction

During the time the Consulting Corps team was in Greensburg, interviews were conducted almost continuously for three days. In addition, a number of follow-up interviews were conducted by phone and video conferencing. A list of those interviewed is included in the Appendix; the team very much appreciates the input provided by all these individuals. A compilation of the ideas and concerns presented follows.

Interview Themes

PARKING

Virtually every interview mentioned parking as an issue from an operation/management perspective and location as presently offered. The key issue seems to be the availability of convenient parking in the downtown area. However, perspectives varied concerning the degree of the parking problem. While many discussed inadequate parking, others said that there was an impression of inadequate parking. This statement seemed justified by the parking study conducted by the City that showed that there was about 50% utilization of parking during most days¹.

There were notable issues when jurors reported to the courthouse. Approximately 200 jurors are selected to be a part of the pool. These jurors can be in the building all day, and they will overpower local eateries and shops during lunch.

Some suggestions we heard included:

- Expand the parking to three hours.
- Acquire vacant lots for parking.
- Try a sticker program where local residents can purchase a sticker annually and then can park without using meters.
- Convert to free parking to encourage residents and others to shop downtown.

AMENITIES

No amenities downtown. Many interviewees noted a lack of amenities that would draw residents to the downtown area. They noted that since the start of the Night market, the downtown area has seen more activity. At the same time, three new breweries have located downtown which is adding to the draw of residents, students, and visitors. Some of the issues raised include:

- There are no places for dancing.
- There is a need for more family friendly attractions such as a game center. This kind of

¹ Shape Greensburg Core Comprehensive Plan (2022). Pages 28-32.

facility would also attract younger people as well as Seton Hill students.

- A comedy club would be a real attraction.
- There is a need for more grocery and general merchandise retailing. These will be needed in order to attract residents and new development to the downtown area. A store like the new DG Market (Dollar General) that includes fresh foods as well as canned goods and general merchandise.
- People want activities, not just shopping.

DEVELOPMENT

Anti-development mentality that promotes only locals “in the know” on how the convoluted approval process occurs. If a larger pool of good quality housing could be developed, it would attract residents into the downtown area. Higher quality housing could also attract younger couples and children which would add to the vitality of the downtown neighborhood. While new housing stock would add people and vitality to the downtown area, it is not an immediate solution. The comments we heard regarding housing are summarized below:

- The existing housing stock in the downtown area is generally old. While the exteriors are mostly properly maintained, many older homes have outdated kitchens and baths. These can be expensive to install and unfortunately do not always add adequate value to justify installation.
- The existing zoning code needs to be relaxed. An alternative is to make justification of variances easier. Given the number of small lots in the downtown area, developing high density housing will be difficult given the need for setbacks, emergency stairs, parking, and other issues.
- Seton Hill requires most undergraduate students to live on campus. However, due to a new strategic direction, the college is starting new programs for graduate education with a focus on healthcare. They currently have graduate level programs for healthcare administration, physical therapy, physician assistant, advanced nutrition, and other programs. As these programs are created and expanded, the demand for off-campus housing will grow. This should create increased demand in the downtown area over the next several years.
- Seton Hill mentioned that they have an entrepreneurship program. One of their focuses is on food startups. They need a test kitchen someplace like the downtown area in order to serve the students. This could be a development opportunity.
- Some work has been done in the downtown area to promote the historic look. This includes streetlights on Pennsylvania Avenue. However, Main Street is losing or has already lost its historic feel. There should be some consideration to better promote saving as much as possible of the historic architecture in the downtown area.
- A number of people felt that the First Commonwealth Bank building would be an ideal location for a hotel.
- There seemed to be a lack of widespread knowledge of grants, low interest rate loans, tax benefits, and other development incentives. Some development projects have been planned

through complete drawings, and then stopped due to lack of financial feasibility (the costs to build or renovate are higher than resulting property value). There are numerous grants and incentives available. A few interviewees suggested that the GCDC and other agencies develop lists or guides to assist in development. These would include:

- A list of programs that would assist development in the downtown area.
- A list of individuals in the County that specialize in obtaining these incentives.
- A list of banks that are actively pursuing lending in the downtown area.
- A list of practitioners experienced in downtown development including architects, contractors, engineers, and others.

CULTURE/VIBE

Why drive downtown other than for business? There's nothing attracting citizens beyond scheduled events like the night market. Greensburg is considered the cultural center of the Laurel Highlands, its immediate region. As noted previously in this report, promoting cultural activities in the downtown area can be started immediately and would help increase downtown vitality. In conjunction with planned new development and housing, the cultural programs would create activity that would support future demand from new development.

There are a number of cultural organizations and activities in the downtown area. We talked to a number of representatives of organizations. There is a general consensus that there is a lot going on, but there is not good communication and collaboration among groups. Some of the consistent thoughts and ideas we heard include:

- There should be more collaboration with Seton Hill. They are already a major feature of the downtown area with their large art center which covers nearly two blocks. The facilities include a state-of-the-art Symphony Hall, theater, rehearsal rooms, art classrooms, and others. Combined with the Palace Theater, the art alley and garden, there is a very strong existing arts center downtown.
- The Westmoreland Cultural Trust is a significant operation which focuses on maintaining and operating the Palace Theater and the adjacent alley and garden area. There are popular programs at the theater including classic films and live performances, many of which are tribute bands. There seems to be a desire for more headliner type acts which could draw more people from a longer distance and expose them to downtown Greensburg.
- Several people mentioned the lack of coordination of the arts. There were suggestions that the city should create an arts department that would serve to coordinate cultural activities in the city and perhaps the surrounding area. The functions would include:
 - Serve as a hub to promote collaboration among all performing and visual arts groups.
 - Promote new ideas to foster more activity in the downtown area.
 - Work with national publications to promote the city and the downtown.

- If budgeted, develop marketing and public relation programs to draw visitors to art programs in the city. This would likely be done in conjunction with the Westmoreland Visitors Bureau focused on Greensburg.
- The Westmoreland Museum is a significant attraction to southwestern Pennsylvania. It has a new director and is creating shows of national significance. For example, the museum and Falling Water are co-producing a show at the Museum. Based on similar shows in other American cities, this will be a major international draw. There should be planning to expand the impact to other cultural organizations.
- It seems that everyone interviewed is impressed with the Night Market. It occurs once a month, but is well-attended by locals and people from the surrounding area and has grown rapidly. This is an activity that everyone likes and attracts local adults, Seton Hill students, and is drawing from an increasingly wider area outside the city. Other similar activities should be considered including:
 - A weekly farmers market. That type of activity would draw people downtown who would then stay for a meal and perhaps other entertainment.
 - Art Walk. These events occur monthly in many communities around the country. The event requires participation by local retailers to remain open during the event. They have occurred in the past in Greensburg, and there was interest in re-establishing them.

Strengths, Weaknesses, Opportunities, & Threats

Strengths

LOYAL CITIZENRY THAT HAS A SENSE OF COMMUNITY PRIDE

Greensburg has a population with a very strong sense of place. The character and attributes of Greensburg are beloved and held dear by many. Generations of families stay in Greensburg for their entire natural lives. The Counselors of Real Estate Consulting Corps team learned firsthand during almost 60 interviews that there is almost universal adoration for the City of Greensburg amongst the residents, business owners, elected officials, and public agencies interviewed. Many interviewees had thoughtful suggestions on how to improve the living experience in Greensburg. There is a feeling of community and belonging where stakeholders are excited about the civil discourse taking place toward the Greensburg City Master Plan.

LOCATION

Greensburg is located almost dead center in Westmoreland County. Once the retail hub of the county, it is accessible via both routes US-30 and US-119. Greensburg is the county seat and one of the largest cities in Westmoreland County. It immediately abuts Hempfield Township which is the county's largest township (41,585).

ATTRIBUTES & AMENITIES

The City of Greensburg boasts many cultural and natural attributes that add to the quality of life for both residents and visitors, such as:

- **St. Clair Park** - Located on North Maple Street, this park is frequently used for field trips and summer camps, walking, biking, relaxing, and activities. The "Summer Sounds" series at the Robertshaw Amphitheatre draws thousand per performance during the series for popular music. St. Clair Park also hosts the Westmoreland Symphony Orchestra, movie nights, magic shows, and yoga.
- **Palace Theatre** - Located on West Otterman Street, the Palace Theatre seats 1,369 people and has been a staple in Downtown Greensburg since 1926. Originally opened as a vaudeville theatre, the Palace now boasts a wide variety of performances throughout the year.
- **Westmoreland Museum of American Art** - Westmoreland Museum of American Art is located on North Main Street and close to downtown Greensburg. The museum specializes in the art of southwestern Pennsylvania. In 2022 the museum attracted 25,000 visitors, of which 40% came from outside of Westmoreland County.

- **Colleges and Universities** - Greensburg can boast of two institutes of higher education within its city limits and two additional institutions within Westmoreland County. Seton Hill University is located within walking distance of downtown Greensburg and has 2,000 full time undergraduate students and 400 graduate students. The University of Pittsburgh-Greensburg is located within two miles of downtown Greensburg, hosting 1,500 students. St. Vincent College is in nearby Latrobe, PA, hosting 1,375 full time undergraduate and 177 graduate students, and Westmoreland Community College is also in Latrobe.
- **Lynch Field Park** - Lynch Field Park is located on New Alexandria Road and is a popular Greensburg amenity. The park hosts the Kirk S. Nevin Arena, Veterans Memorial Swimming Pool, The Aerobic Center, and the Five Star Trail. The Five Star Trail is an 8.9 mile out-and-back trail partially in Greensburg. The trail is popular for walking, birding, and bike riding.
- **Night Market** - Along with the Summer Sounds at St. Clair Park, the Night Market has proven to be a dynamic destination in downtown Greensburg on the last Thursday of the month. The City of Greensburg closes several blocks along Pennsylvania Avenue to host this outdoor market. Responsible consumption of alcohol is permitted within the confines of the market, which currently hosts over 120 curated vendors ranging from jewelry, crafts, candles, and specialty foods to ice cream, wine, and locally brewed beer.
- **Amtrak Station** - Greensburg is serviced by an Amtrak train station located just north of downtown Greensburg on Harrison Avenue and Seton Hill Drive. The station is serviced by Amtrak's Pennsylvanian, which operates only once daily to and from Pittsburgh. While the frequency of the train service is far less than ideal, the daily eastbound train also services Harrisburg and Philadelphia which allows for connections and transfers to all points serviced by Amtrak.

AN ECONOMIC BASE THAT WITHSTANDS ECONOMIC CYCLES

According to City officials, 62 businesses have opened in Greensburg since 2019. Notable among these are four independent microbreweries in downtown Greensburg: El Diablo Brewing Company, Stone Bridge Brewing Company, Invisible Man Brewing, and Yellow Bridge Brewing. Greensburg is home to a plethora of specialty businesses more often found in a thriving downtown than a generic big-box store. The goods and services surveyed include but are not limited to specialty chocolates, jewelry, arts & crafts, shoe repair, florists, lighting, dance attire, candles, trophies, and specialty clothes.

The largest economic driver in downtown Greensburg is the Westmoreland County Courthouse and Westmoreland County government administration building which collectively bring hundreds of government employees, officers of the court, and citizens to downtown Greensburg daily. Downtown Greensburg also hosts many government offices by virtue of being the Westmoreland County seat. The Westmoreland County administrative offices are located on North Main Street, and the City of

Greensburg government offices are located on South Main Street. Seton Hill University and Excelsa Health Westmoreland Hospital are located near downtown Greensburg and are major, non-government employers.

Weaknesses

DEMOGRAPHIC PATTERNS IN THE CONTEXT OF AGE

The City of Greensburg and Westmoreland County have a strong history of economic and cultural contributions to Western Pennsylvania. However demographically, Westmoreland County is now older and whiter, with fewer foreign-born residents and lower median household income than any of 1) neighboring Allegheny County, 2) Commonwealth of Pennsylvania, and the 3) United States as a whole.

Westmoreland County population has declined slightly from a high of 365,029 in 2010 to 353,057 in 2021 (11,972 total or 3.28% population loss). Westmoreland County population in 2023 had declined to 351,510 for a total decline of 13,519 or 3.7%. Westmoreland County's population has historically been predominantly white with 94.8% of the county identifying as Caucasian in 2010. That number decreased to 93.2% in 2021 indicating a modest increase in "non-white" population by 1.6% over the decade. Minority residency accounts for only 6.8% of the population in Westmoreland County.

By comparison, the population of Greensburg has remained virtually static since 2010. The population increased slightly from 14,892 in 2010 to 14,939 in 2021. Population dropped slightly between 2021 and 2023 to 14,774 for a total decrease of 118 or 0.7% over the past decade.

While the modesty of this population loss can be encouraging, it is important to emphasize here that during the same time period, the population of Pennsylvania statewide grew by 2% and the United States of America's population grew by 7.3%.

Table 1: Demographic Comparison

Demographic Comparison Allegheny and Westmoreland Counties					
	Average Age	Median Household Income	Percent White	Foreign Born	Persons in Poverty
United States	38.1	\$69,021	75.5%	13.60%	11.60%
Pennsylvania	40.9	\$67,587	80.8%	7.10%	12.10%
Allegheny County	40.8	\$68,874	79.1%	6.10%	11.30%
Westmoreland County	47.2	\$63,184	94.1%	1.60%	11.20%

Table 2: Income

Median Household Income				
	2000	2010	2020	2021
Allegheny County	41,269	47,490	64,236	68,874
Compound Annual Growth		1.4%	3.1%	7.2%
Westmoreland County	37,219	46,468	59,349	63,184
Compound Annual Growth		2.2%	2.5%	6.5%
Percent Comparison		98%	92%	92%

The average age in Westmoreland County is 13.5% higher than in Allegheny County and the average median family income is 8.25% lower than Allegheny County.

In 2010 the median family income disparity between Alleghany County and Westmoreland County was only 2%. It is uncommon to have an urban core with a higher median income than adjacent suburban and exurban areas, and even less common to see that disparity trending higher over a decade.

Anecdotally, the percentage of stakeholders who are multi-generational families in Westmoreland County is impressive and speaks to the quality of life. We interviewed stakeholders who now own the home that their grandparents once owned and have several grown children who have also remained in Westmoreland County.

Literally speaking, deaths are outnumbering births and more immigration into Westmoreland County is needed for economic growth. While the comparatively lower housing prices may certainly incentivize individual purchasers in nearby counties, the demographic trend is not on par with demographics on a regional or national level. Retail, multifamily developers, and corporate relocation specialists will dismiss a community for consideration, sight unseen, based solely on the trajectory of the population trends.

PERCEPTION OF OUTSIDERS

There is a common perception that people “not from here” are unwelcome in Westmoreland County and Greensburg. This is not a hypothesis that the Consulting Corps team is introducing; the concept was brought to our attention by many during the stakeholder interviews. It appears that there is a bit of a “chicken & egg” dynamic wherein the question posed is whether 1) this perception of intolerance has resulted in Westmoreland County lagging demographically or 2) the lagging demographic trend has resulted in the perception of intolerance.

It is beyond the scope of this report to answer that question, however the perception itself cannot be ignored. While not every interviewee addressed this issue, of those who did, none denied the existence of this dynamic regardless of their political leanings, age, race, or socio-economic status. Most agree that the

perception is not beneficial. The Consulting Corps team believes that this is definitely one of the hurdles in attracting both visitors and new residents into downtown Greensburg.

FINANCIAL GAP BETWEEN COST LOWER THAN VALUE

The CRE Consulting Corps team has a realistic understanding of construction cost in Greensburg based on reputable industry publications, personal experience, and interviews with Greensburg stakeholders active in the real estate industry. We also feel that we have a solid understanding of the rental/sale market in Greensburg from industry publications and, more importantly, interviews with many Realtors active in the Greensburg market.

Several buildings were analyzed for this report. Generally speaking, regarding the opportunity to completely reposition vacant downtown commercial buildings to residential - high construction costs, higher interest rates, and overall caution in the lending community result in construction costs and debt that exceed both 1) the value of the residential units if sold, and 2) the cost to service the debt if residential units were rental only.

The specific analysis of individual buildings for many uses along with public economic incentives is addressed elsewhere in this report. However, it is germane here to acknowledge that many opportunistic development scenarios will require a public or philanthropic subsidy in the millions of dollars upfront to incentivize a developer to take the financial risk.

While the City of Greensburg does not have a specific program designed to fill that level of subsidy, there are many economic development tools available that may fill the financial gap.

SILOED GOVERNMENT

As with any federal and state governments therein lies a myriad of rules and regulations that not only overlap in approvals yet also in contradictions as to the intent and enforceability. A coordinated effort would go a long way in agencies “speaking” and coordinating with each other rather than relying on a smaller universe of developers who “know the right people” in government to get things done. The current situation limits outsiders from considering RFPs.

It is important for prospective developers to know that there is a concerted effort on the part of numerous agencies to coordinate their “own house” and have the process in order when a project applies for approvals and grants. Much of the risk with new projects centers around the financial yet also the real risk of permitting.

LAND USE CONTROLS

The Consulting Corps team believes that the Ordinance #1971 adopted in July 2003, or “Student Housing Ordinance,” places a significant restriction on the “market” ability to provide off campus housing to college students attending all regional colleges - Seton Hill University and University of Pittsburgh-Greensburg, in particular. Interviews with both of those facilities of higher education have identified an

immediate demand for several hundred units to house rising seniors and graduate students. The mandatory “500 foot” rule required between student housing in residential neighborhoods is presumably designed to discourage excessive noise levels and litter. However, for example, the linear distance of a standard football field is 300 linear feet. The ordinance requires the equivalent distance of almost two entire football fields between student residences. The universities interviewed have indicated that they have no plans to develop off-site housing. Intuitively, this strict development control makes it more difficult for the existing housing stock to absorb the market demand for student housing and has a downward pressure on the market value of multifamily dwellings.

DOWNTOWN PARKING

One of the first questions posed to the Consulting Corps team was whether Greensburg has a “Parking Problem” or a “Walking Problem.” We believe that both are correct.

While there is ample parking on a per-capita and on an observed basis², the most prominent parking spaces located near the Courthouse and in the immediate vicinity of many businesses are “Leased” by the City of Greensburg to parkers who have the unilateral right to park in a particular public space from 9:00-4:00 daily. It is understandable that daily parkers with the means to pay the \$75 monthly fee will gladly reserve a space for their sole and absolute use during business hours. This dynamic results in available parking spaces that are perceived by some to be too far away from the target retail destination. This frustration can be further exacerbated by the fact that downtown Greensburg has some intimidating hills. Too frequently, this results in an abandoned shopping experience or aggravation for the “walkers.”



Threats

Westmoreland County and Greensburg are not immune to the effects of global warming and geopolitical strife. However, closer to home and from a long-term real estate development perspective, the perception of intolerance is real and possibly the greatest threat to Greensburg and Westmoreland County. We were surprised to hear, unsolicited, from many interviewees, that this dynamic is ever-present. As we became better educated on this topic from conversations and observations, we grew more concerned that this is directly related to the population loss in Westmoreland County and even more concerned about the long-term future. The Counselors are not stating this as demographers or sociologists, but solely from an economic perspective. The trending loss of population is disturbing. Quite simply, fewer people means

² Shape Greensburg Core Comprehensive Plan, P29: “Off-street parking areas generally operate at half capacity” and “Few off-street parking lots are highly utilized.”

less disposable income means retailers and multifamily residential developers will likely pass over Westmoreland County to communities that are growing.

We understand that this will take years to overcome, however we also believe that there is a wealth of academics with socioeconomic, political science, and economics expertise within the four universities that call Westmoreland County home, and they should be tapped for long term partnerships to address this issue.

Opportunities

ECONOMIC DEVELOPMENT TOOLS FOR GAP FINANCING

The Commonwealth of Pennsylvania, Westmoreland County, and the City of Greensburg offer economic development incentives designed to assist with financing for developments that strive to address low-income housing, job creation, infrastructure, and blight eradication. Many of these are outlined in the following Table 3: *Table of Incentives*. The incentives are generally designed to assist developers or property owners to fill a looming funding gap or make the development more financeable by effectively providing equity thus reducing the amount of funds needed to borrow.

For example, see Table 4: Hypothetical Development Example 1 which outlines a typical funding scenario for development of an Office/ Retail building. The Office/Retail building shows a funding gap of \$510,526. Were this development located within a Keystone Empowerment Zone it might be eligible for a \$500,000 tax credit under the Keystone Neighborhood Assistance Program. If the building were a certified “historic” structure it could potentially be eligible for a Historic Preservation Tax Credit of up to \$3,000,000. If the development had an excessive environmental cleanup requirement, it could potentially receive a \$500,000 to \$1,000,000 loan or grant from the Westmoreland County Redevelopment Authority. The development could also benefit from a deferment of a portion of the property tax increase resulting from the development or perhaps a \$5,000 grant toward façade improvements from the Greensburg Community Development Corporation which administers the funds generated through the Land Economic Revitalization Tax Assistance (“LERTA”) on behalf of the City of Greensburg.

Table 5: Hypothetical Development Example 2 also outlines a typical funding scenario for the development of a Multifamily Building wherein the potential funding gap is \$422,350. The development (if developed by a 501c3 not-for-profit) could potentially be eligible for a grant of up to \$500,000 through the Keystone Communities Program administered by the Pennsylvania Department of Community and Economic Development. Similarly, the development (if private) could possibly be eligible for a loan of up to \$500,000 through the same program. The development may also be eligible for a grant from the Westmoreland Redevelopment Authority for accessibility improvements.

The Consulting Corps team is not implying that every downtown Greensburg development will be eligible for a particular funding source. Nor is this section intended to be all-inclusive. However, we are

very encouraged that the Commonwealth of Pennsylvania, Westmoreland County, and the City of Greensburg provide not only the tools (grants, loans, tax credits), but also dedicated professional staff who are experts in the administration of incentives and advocate for opportunities. The goal to revitalize downtown Greensburg is shared across the board, and we believe that a creative project proposal will be well received.

Table 3: Table of Incentives

PROGRAM	USES	TARGET	TOOL	MAX AWARD	MATCH REQUIRED	APPLICANTS	ADMINISTRATION
NEIGHBORHOOD ASSISTANCE PROGRAM	Affordable Housing, community ED benefits	Low income households	TAX CREDIT	55%	NO	501 © 3	DCED
NEIGHBORHOOD ASSISTANCE PROGRAM	Diversity Initiatives, Affordable Housing, Blight	Varied	TAX CREDIT	75%	NO	501 © 3	DCED
NEIGHBORHOOD ASSISTANCE PROGRAM	Improvements to building or land within EZ	Real estate improvements	TAX CREDIT	\$500,000		Private for Profit entities	DCED
KEYSTONE COMMUNITES PROGRAM	Downtown planning	Downtown, adjacent neighborhoods	GRANT	\$25,000	YES - 100%	Public, or 501 © 3	DCED
KEYSTONE COMMUNITES PROGRAM	Implementation - signage, advertising, business retention	Downtown, adjacent neighborhoods	GRANT	\$50,000	YES - 100%	Public, or 501 © 3	DCED
KEYSTONE COMMUNITES PROGRAM	Façade	Downtown, adjacent neighborhoods	GRANT	\$50,000	NO	Public, or 501 © 3	DCED
KEYSTONE COMMUNITES PROGRAM	Development Grants	Housing, infrastructure, demo,	GRANT	\$500,000	YES - 70%	Public, or 501 © 3	DCED
KEYSTONE COMMUNITES PROGRAM	Revolving Loan Fund	Housing, infrastructure, demo,	LOAN	\$500,000	NO	Private for Profit entities	DCED
KEYSTONE COMMUNITES PROGRAM	Public Improvement Grants	gap financing, elimight decline	GRANT	\$500,000	YES - 100%	Public, or 501 © 3	DCED
KEYSTONE COMMUNITES PROGRAM	Accessible Housing Grants	construction-rehab	GRANT	\$300,000	NO	Public, or 501 © 3	DCED
KEYSTONE INNOVATION ZONE	Entrepreneurship	KIZ zoneS	TAX CREDIT	of increase in revenue	NO	Business owners in targeted industries	DCED
KEYSTONE OPPORTUNITY EPANSION ZONE	Entrepreneurship	KEOZ - none exist in Greensburg	TAX CREDIT	No limit	YES	Private Businesses	WMC/DCED
RACP-Redevelopment Assistance Capital Program	Commercial non-profit Construction		Reimburse Exp.		YES-50%		
HISTORIC PRESERVATION TAX CREDIT	Building rehab to income producing	Historic buildings	TAX CREDIT	\$3,000,000	NO	Private for Profit entities	DCED
TAX INCREMENT FINANCING	Retail, abandoned/under utilized commercial, env.	Established TIF district, blight	GUARANTEE	\$5,000,000	TAX INCREMENT MUST EXCEED ADS	Bond Issuing Authorities	DCED
WMC DEVELOPMENT COUNCL							
REDEVELOPMENT AUTHORITY	Brownfields Grants and Revolving Loan Fund	Environmentally challenged development sites	LOAN/GRANT	\$500,000 - \$1,000,000	YES	Property owner/developer	WMC/DEP/EPS
REDEVELOPMENT AUTHORITY	DEMO Fund	Blighted Properties		\$25,000	NO - ENCOURAGED	Public/501 © 3/Private - site control	WMC
REDEVELOPMENT AUTHORITY	Accessible Housing Grants	Low income w/ ADA issues - stairs/ramps etc....	GRANT	No limit	NO	Private	WMC
LAND BANK	Properties available for sale	Purchased via Judicial sale primarily	SALE		FMV PURCHASE PRICE	Public/501 © 3/Private	WMC
INDUSTRIAL DEVELOPMENT CORP.	Industrial Park and Economic Development (none in GBC)	Manufacturers	NA		NA	Private	WMC
PLANNING DEPARTMENT	Comprehensive planning	Macro-economy	NA		NA	NA	WMC
ECONOMIC GROWTH CONNECTION	Industrial Development Authority	Business Loans - manufacturers	BOND ISSUE/LOANS	\$20,000,000	NA	Manufacturers	WMC
ECONOMIC GROWTH CONNECTION	Advocacy, Loans, Training, site assistance,	Macro-economy	Advocacy-Assistance		NA	Private	WMC
GREENSBURG CDC	Façade Improvement Prorgam	Commercial Proeprty Owners	GRANT	\$5,000	YES	Commercial Proeprty Owners	GBCDC
GREENSBURG CDC	G-Fund	Commercial Property Owners	GRANT		UNK	Commercial Proeprty Owners	GBCDC
GREENSBURG CDC	Land Economic Revitalization Tax Assistance ("LERTA")	Commercial Property Owners	TAX CREDIT	roperty Tax Increment	NO	Commercial Proeprty Owners	GBCDC
NEIGHBORHOOD ASSISTANCE PROGRAM (NAP) - also includes 1) Special Program Priorities, 2) Neighborhood Partnership Program, 3) Charitable Food Program, and 4) Enterprise Zone Tax Credit							
KEYSTONE COMMUNITES PROGRAM (KCP) - also includes 1) Keystone Main Streets, 2) Keystone Elm Street, 3) Keystone Enterprise Zone, and 4) Keystone Community							

PUBLIC SECTOR COORDINATION – DEVELOPMENT MANAGER (NON-POLITICAL LIAISON TO BROKER DEVELOPER-GOVERNMENT INTERACTION).

The CRE Consulting Corps team believes that a combined effort amongst the public sector entities will have a better chance of success with a coordinated development effort centered around one or more specific parcels. While some sophisticated developers have spent years and effort to understand how to maneuver respective incentives, many are not inclined to attempt to work “with” government because they deem the experience too complicated. Many public sector stakeholders have expertise and insight that may be under-utilized due to the public sector tendency to “stay in your lane.” We believe that a “Development Manager” position at the Westmoreland County or City of Greensburg level can add value to the development process. Coordination would be voluntary between the public agencies but can bear fruit if properly managed.

For example, it appears to the Counselors that the First Commonwealth Bank building may be a good candidate for an “all hands-on deck” development effort. (See Site 9: First Commonwealth Bank Building analysis and recommendations below.) The building is owned in fee simple by the **Westmoreland County Housing Authority (“WCHA”)**. It is our understanding that the building is unencumbered and available for development. However, there should be no rush to go to market in advance of a thoughtful and deliberate development objective in place. Rather than WCHA issuing an RFP in a “silo,” we believe that a coordinated effort can have a better result.

Potential development hurdles can be flushed out and addressed with the assistance of the Development Manager. We believe that **WCHA, City of Greensburg, GCDC, Westmoreland County Redevelopment Authority/Land Bank and the Commonwealth of Pennsylvania** can all play important roles toward a successful development. The idea is to identify potential hurdles and address them in advance of the RFP issuance to incentivize more developers from both within Westmoreland County and beyond to consider the development.

WCHA can agree to hold the site off the market until the RFP is developed. The **Westmoreland County Land Bank** could also fill this role for properties within its inventory. Presuming that the proposed use is agreed to amongst the public stakeholders (market rate housing for example), **WCHA** can preemptively determine the number and size of units likely to be developed. Preliminary development budget and 15-year operating proforma should be undertaken to identify potential financing gaps in advance. Assuming the enabling legislation allows, **WCHA** may need to sell the building for one dollar to help address a financing gap.

The City of **Greensburg Planning Department** can preemptively ensure that the proposed size and use is acceptable to the **City’s Zoning Hearing Board, Planning Commission, and/or Historic and Architecture Review Board**. The **Westmoreland County Tax Assessment Office** could pre-determine the projected tax liability increase and include the Local Economic Revitalization Tax Assistance (“**LERTA**”) application in the RFP to add some clarity on the future tax liabilities.

A Phase 1 environmental assessment should be conducted for the property with the results included within the RFP. The Phase 1 assessment will analyze historical documents pertaining to the building to form an opinion of whether there is reason to believe that significant environmental contamination may be present – former dry-cleaner onsite, for example. If significant environmental issues are suspected, the **Westmoreland County Redevelopment Authority** could prequalify the development for one or more of the Brownfields funds available through the **U.S. Environmental Protection Agency** including Brownfield Revolving Loan Fund or Brownfield Cleanup Grants.

This is just one example of the opportunity to advance development when all of the governmental entities that touch downtown Greensburg join forces toward a common goal. The key is to have a professional development manager engaged to coordinate the various incentives from multiple public agencies and draft the RFP to incorporate the specific and nuanced funding sources.

Overview of Real Estate Market Dynamics

As part of our investigation into how to make downtown Greensburg more vibrant, the City of Greensburg and GCDRC specifically asked us to review potential opportunities at several downtown sites. This consideration is like a highest and best use analysis where a real estate professional would evaluate what use or development would generate the greatest return to the owner. In this case, the return can be considered both from a monetary perspective and from a consideration of the project's ability to generate "vibrancy." This is further analyzed considering ways to create greater downtown vibrancy. Our approach contemplates what is possible and narrows those uses down to the most probable. Overall consideration of the market gives us a better context for understanding the broader economy.

All market information in this section of the report is derived from market segment reports (Multifamily, Retail and Office) prepared by CoStar in coordination with Kirk and Company (data from 2nd quarter 2023 report).

Commercial Segments

OFFICE

The outlook for the Greensburg/Westmoreland office market is not positive. On the surface, the office segment appears healthy with a market vacancy of 5.2%. There is a considerable number of vacant buildings in downtown Greensburg and elsewhere in Westmoreland County that may be excluded from the survey due to physical, functional, or economic obsolescence. The report states that absorption in the past twelve months was negative at 18,300 square feet. In fact, reported absorption within the county was negative in four of the last five years. When considering national trends in hybrid work arrangements, CoStar concludes that the loss in office users will hasten. In fact, CoStar expects this loss to accelerate to a pace of 72,183 square feet per year. The simple lack of new construction and/or renovation is a clear indication of a lack of demand. Moreover, what renovation that has occurred recently has been primarily for conversion to residential uses. The market average vacancy is 5.2%, and the average market rent is \$17.46. Rent has only increased 1.1% year over year. The final indication of the market's disfavor to office investors is the estimated capitalization rate of 10.5, which CoStar points out is the highest rate in the "past five years, and the rate is structurally higher here than those across the broader market."

RETAIL

In May 2022 the City of Greensburg received a retail market analysis report from a consulting firm that it had hired to provide insight into the potential retail space demand for the defined Greensburg market area. We reviewed this document as part of our research. The report provides an estimate of new retail space demand of 66,000 square feet. It is unclear over what time frame that demand is anticipated. The report uses a base year of 2017 and estimates of increases in retail sales that will drive new retail space demand. The report acknowledges that population is expected to decrease over the period after 2017 and that the studied area income is lower than the county and the state. After 2017 and before the report was

issued both inflation and e-commerce influenced retail space demand in similar markets. When analyzing the projections provided considering concurrent economic trends, it appears that the growth estimates provided are significantly above state and national retail sale growth estimates over a similar time frame. It seems illogical that a submarket with decreasing population and lower income would outperform growing markets. Finally, a market report from CoStar that surveys existing retail properties within Westmoreland County illustrates a different view. This report illustrates negative absorption of retail space over a similar time frame. The CoStar report's conclusions are in line with other brokerage reports and many of our market participant interviews. The lack of market confirmation of the estimated new demand and internal inconsistencies within the 2022 report diminishes the report's value. Therefore, we consulted other sources to assist in our retail market analysis.

We reviewed the Greensburg/Westmoreland Retail Market Report compiled by CoStar in the second quarter of 2023. It illustrates a retail market that is similar to the local office market. Retail has an overall vacancy of 5.4% with available space clustered in neighborhood centers and smaller spaces, where vacancies are much higher. The downtown Greensburg vacancy appears much higher than the overall average, again much of this supply may not be included in the CoStar survey. Retail construction trends are anemic. Reportedly, rents decreased over the past year and longer-term growth has been minimal at 2.4% over the last three years. Overall average rent is estimated at \$13.20 per square foot.

MULTIFAMILY

In contrast, owners of multifamily properties in Greensburg/Westmoreland are experiencing greater demand and superior performance. CoStar states that apartment rents in the Greensburg/Westmoreland market increased 4.7% over last year and have increased 20.7% cumulatively over the past three years. Average rent is estimated at a very affordable amount of \$850 per month, however, the report states that the average rent at four- and five-star properties is \$1,893. However, this is a very small minority of the overall supply at only 3.5%. Currently, there are very few units planned or under construction.

While much of this economic disruption, as seen in vacancies, low commercial rent growth and negative absorption, is the product of structural changes that have occurred over the past 30 years within Western Pennsylvania, these data points may also illustrate that the broader market may be undergoing some additional fundamental changes. The COVID-19 pandemic was a catalyst for significant changes in demand for real estate. While much of the effects of the pandemic were short-lived, broad trends present before the economic shock were given a boost that may have dramatically accelerated long term trends. These include:

1. Primarily, there appears to be a reduced need for office space. Working from home, hybrid and flexible workspaces are trends that started prior to the COVID-19 pandemic. However, these trends dramatically accelerated during the economic shock precipitated by the public health crisis. In our interviews, local market participants revealed that local government and other office users allow hybrid working to varying degrees. Additionally, when we spoke to Ashley Cooper-

Brounce, Deputy Director of the Westmoreland County Transit Authority, she suggested that commuter use of public transportation bus lines into Pittsburgh decreased 60% since the beginning of the COVID-19 Pandemic, which she partially attributes to hybrid work arrangements. The long-term nature of office space leases means that the effects on demand may not be experienced immediately. Many office users may have space under lease that is superfluous. Therefore, current market indications may not fully reflect the reality of demand.

2. Since the advent of online retailing such as Amazon, shopping from home has decreased demand for traditional retail space. Similar to office space trends, online shopping trends predated the COVID-19 pandemic. Again, the rate of online retail adoption increased significantly during the COVID-19 period. Additionally, large national big box retailers have long been a huge detriment to local and smaller retailers. These trends are expected to continue. Again, our interviews suggested this trend is also apparent in the Greensburg market where the mall area and retail space outside of downtown is seen as more feasible. Nevertheless, efforts should be made to attract existing business in Westmoreland County to the downtown area.
3. Working from home has affected housing demand. Strong demand for housing has led to greater than historic increases in the costs of home ownership and rental. Purchasers desire larger properties to accommodate work-from-home arrangements. Market demand in tertiary markets is particularly strong. Reduced availability of inexpensive and easily developed land reduces the supply of new housing. Remote work options may mean renewed demand in tertiary cities is a long-term phenomenon.

Analysis Overview

The team was asked to consider eight sites within the downtown area of Greensburg. We examine each site below. We consider potential uses with the assumption that a potential purchaser or developer would choose the path that generates the greatest return.

DEVELOPMENT CONSIDERATIONS - PHYSICAL

The identified sites all have certain physical features that limit or impact their development or redevelopment potential. Most physical issues that affect real estate are site specific (e.g., topography, shape of the site, condition, or design of a building). However, there are some common themes that are relevant to these parcels.

1. Location. First, all of the parcels do benefit from the established and robust infrastructure of downtown Greensburg. All benefit from adequate utilities, access, and visibility. Further, Greensburg is an attractive community with attributes including interesting architecture, walkable streets, a safe environment, and a pleasant climate. The local economy, while not robust, has a strong foundation in local government, education, and medicine. The locational challenges stem primarily from the local economy, the stagnant population and limited growth

potential. All sites are generally equal in terms of benefiting and suffering from locational attributes.

2. Size of parcel or building. A second limiting factor is the size of parcels and buildings. Smaller parcels and buildings offer limited possibilities for new users and/or development. Larger parcels offer the flexibility to subdivide to meet unique needs that smaller parcels do not. The Derby Restaurant site is a good example of a mid-block smaller parcel with limited redevelopment opportunities; the Dollar General Store site is a good example of one with greater opportunity.
3. Condition of the building. The condition of the building is an important consideration in that the more work required to secure the structure the more expensive any building reuse. The Royer's building is a good example of this challenge. Any reuse would be more difficult because of its structural deficiencies.

Economic considerations diminish the opportunity for office use. Retail is possible; however, size issues suggest only storefront ground level single tenancy as most probable. Remaining uses include residential (multifamily), institutional, and public benefit (park or municipal use).

DEVELOPMENT CONSIDERATIONS - LEGAL

Local municipal authorities impose regulatory restrictions upon redevelopment. The considered parcels are regulated and zoned by the City of Greensburg. Development is constrained by the City of Greensburg through zoning and planning regulations. Site development and use restrictions can hamper redevelopment. Several property owners / developers presented stories of situations that they have encountered that slowed the process or made redevelopment more expensive. To be fair, to some developers most government oversight may be viewed as an annoyance. However, several that were most commonly stated as troublesome include parking, setback, and lot size constraints. Many of these constraints might be addressed with variances and creative planning. Interestingly, parking, while often mentioned, is one in which there has recently been more favorable consideration.

DEVELOPMENT CONSIDERATIONS - ECONOMIC

Finally, the economic environment limits development. As discussed previously, the local economy does not support significant demand for office or retail space. This creates the situation where low demand means low achievable rent. Insufficient revenues/value to cover the cost of acquisition, renovation, occupancy, and entrepreneurial effort creates economic infeasibility.

Two recent examples of redevelopment in Greensburg are outlined below and illustrate these basic dynamics.

136 South Pennsylvania Avenue

The first example is a 16,000 gross square foot building built in 1909 and significantly renovated in 2019. It contains 10 total units (2 two-bedroom and 8 one-bedroom units) with retail space on the first floor.

The property is currently full, with a waiting list. Two-bedroom units rent for \$1,400 per month, and one-bedroom units rent for \$995 per month. The owner believes that there is an opportunity for rent to grow. She reports strong demand and is interested in doing more similar redevelopments in the future.

Source: <https://citycribsllc.com/portfolio-posts/136-south-pennsylvania-avenue/>

College Avenue Apartments

This three-story property is located at 449 College Avenue in Greensburg. It contains 26 one- and two-bedroom units. One two-bedroom one-bath unit is available now. The two-bedroom one-bath 1,000 sf asking rental is reported to be \$900-950 per month.

Source: apartments.com (<https://www.apartments.com/college-avenue-apartments-students-welcome-greensburg-pa/y2p7w5t/>)

In the case of 136 South Pennsylvania Avenue the local developer was able to achieve economic feasibility with minimal local subsidy. The condition of the building and the previous use as apartments/ retail aided in this process. Despite the previous use and better than average condition, this redevelopment required significant effort and flexibility in permitting. This development is somewhat of a unique occurrence, but one worth mentioning. While rare, these smaller scale redevelopments are vital to continued urban growth.

The second is the 2016 development of College Avenue Apartments that was accomplished with reportedly significant encouragement and fiscal support from the local government. These two developments illustrate the scaling issues discussed above.

To further the understanding of the economic feasibility issue we provide the following examples of two hypothetical small buildings (8,000 square foot) in need of similar redevelopment efforts. Analysis using revenue, expense, capitalization, and cost estimates informed by local data provides insight into the lack of economic feasibility discussed here.

Table 4: Hypothetical Development Example 1

Hypothetical Building (Office / Retail Use)				
	Rentable Square Feet	Rent / SF	LL Exp / SF	LL Exp Amount
Office Use	6,000	\$25.00	\$6.00	\$36,000
Retail Use	2,000	\$15.00	\$2.00	\$4,000
	8,000	\$22.50	\$5.00	\$40,000
Value	Amount	Amount Per SF		
Gross Potential Rent	\$180,000	\$22.50		
Vacancy Loss	\$27,000	\$3.38	15%	
Effective Rent	\$153,000	\$19.13		
Expense Ratio	\$40,000	\$5.00	26%	
Net Operating Income	\$113,000			
Capitalization Rate	9.5			
Stabilized Value	\$1,189,474	\$148.68		
Uses				
Acquisition	\$400,000	\$50.00		
Renovation Hard Costs	\$1,000,000	\$125.00		
Renovation Soft Costs	\$300,000	\$37.50		
Total Uses	\$1,700,000	\$212.50		
Funding GAP	\$510,526			

Table 5: Hypothetical Development Example 2

Hypothetical Building (Multifamily / Retail Use)					
	Rentable Square Feet		Rent / SF	LL Exp / SF	LL Exp Amount
Retail Use	2,000		\$15.00	\$2.00	\$4,000
	Unit Type	Number of Units	Rent / Month / Unit	Annual Rent	
Apartment Use	1 BR	4	\$1,600	\$76,800	\$26,880
	2 BR	3	\$1,800	\$64,800	\$22,680
	6,000	7	\$1,686	\$141,600	\$49,560
Total Building SF	8,000				
Value Calculation	Amount		Amount Per SF		
Gross Potential Rent	\$171,600		\$21.45		
Vacancy Loss	\$15,828		\$1.98	9%	
Effective Rent	\$155,772		\$19.47		
Expense Ratio	\$53,560		\$6.70	34%	
Net Operating Income	\$102,212				
Capitalization Rate	8.0				
Stabilized Value	\$1,277,650		\$159.71		
Uses					
Acquisition	\$400,000		\$50.00		
Renovation Hard Costs	\$1,000,000		\$125.00		
Renovation Soft Costs	\$300,000		\$37.50		
Total Uses	\$1,700,000		\$212.50		
Funding GAP	\$422,350				

As is illustrated, neither option generates a balance between sources and uses. Therefore, most redevelopment of existing buildings or development on infill sites is economically infeasible. This is a result of regulatory restrictions, economic trends both national and local, and more inexpensive alternatives in competing markets. This is not unique to Greensburg. The national business, regulatory and cultural tableau of real estate development favors greenfield development over reuse of existing sites and buildings. This is evidenced in the national phenomena of spreading suburbia or urban sprawl.

Locales like Greensburg must find paths to bridge the economic gap. This can be successfully accomplished with cooperative effort and the combined use of local, county, state, federal and private gap funding.

The Sites

The sites below were considered in detail by the team:

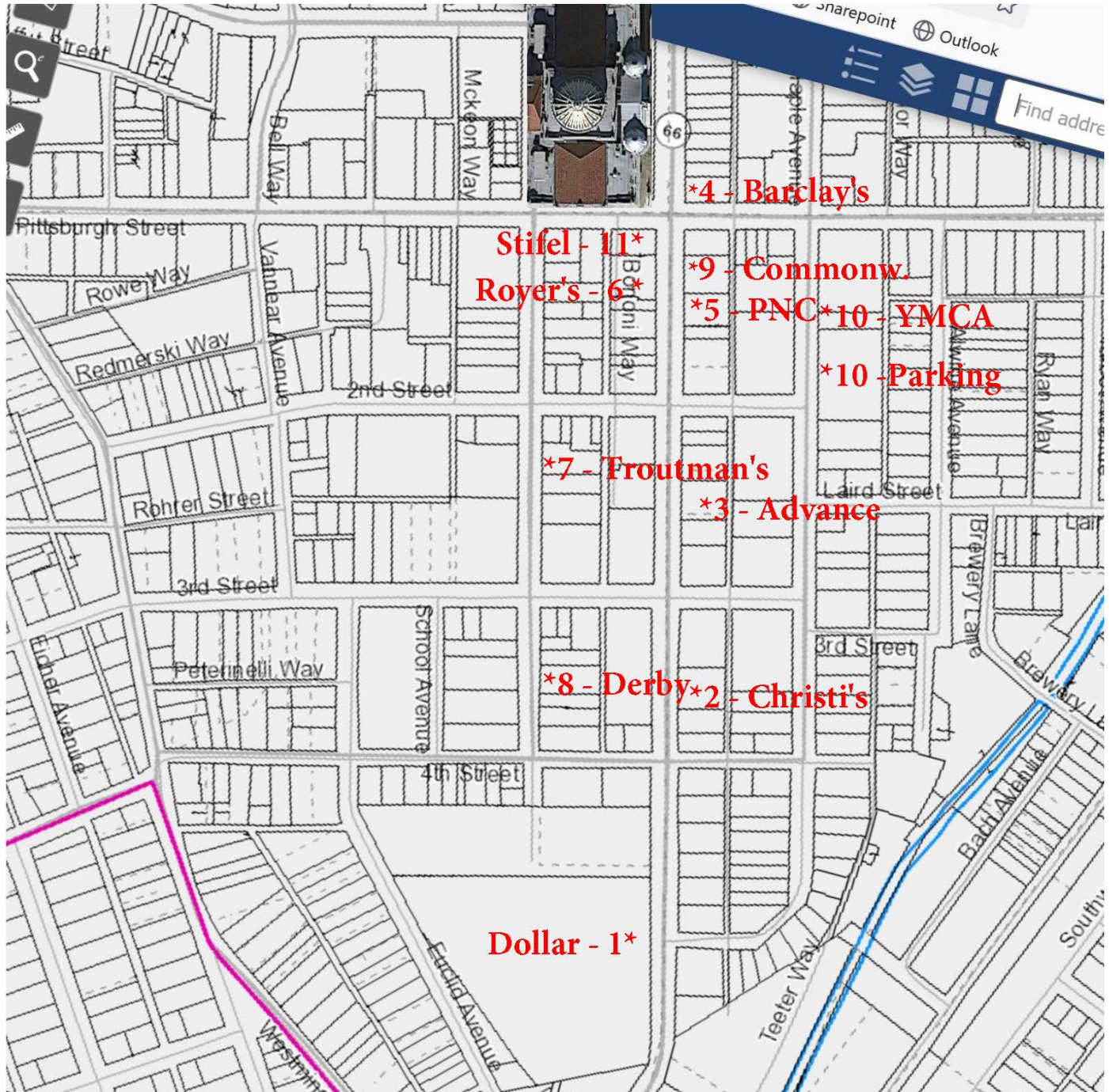
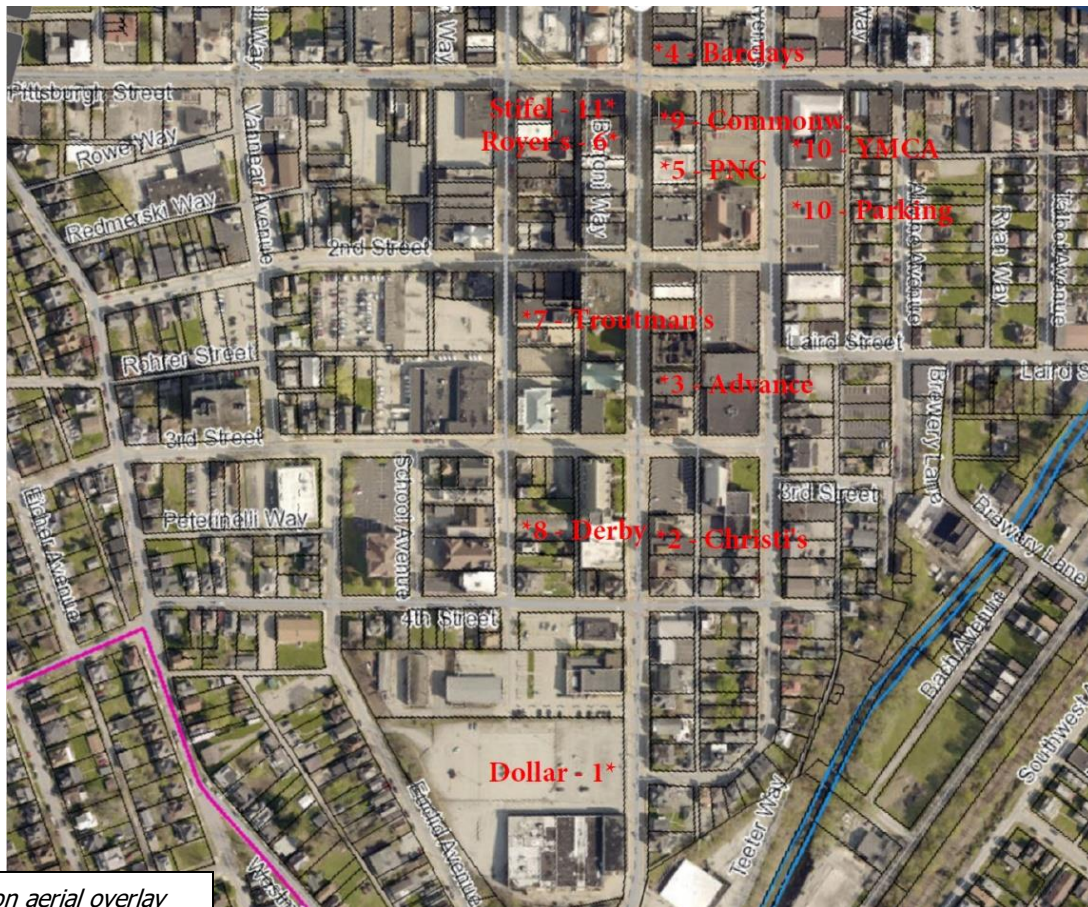


Table 6: Sites Analyzed

Site #	Name	Address	Current Use
1	Dollar General Store and Lot	450 South Main Street	Occupied retail plaza and parking lot
2	Atherholt Retail and Apartments	321 South Main Street	Partially occupied apartment and retail
3	Advance Furniture Lot	225 South Main Street	Vacant Lot
4	Barclay's Bank Building	1 North Main Street	Former Bank now gutted shell
5	PNC Bank Building	125 South Main Street	Vacant Office Building
6	Royer's Building	114 South Main Street	Vacant Office Building
7	Troutman's Annex	211 South Pennsylvania Avenue	Vacant Special Use Building
8	Derby's Restaurant Site	127 South Pennsylvania Avenue	Vacant Lot
9	First Commonwealth Bank Building	111 South Main Street	Vacant & Bank Offices
10	YMCA & Parking	101 South Maple Avenue	Gyms, Parking
11	Stifel Nicolaus	100 South Main	Financial offices



Sites on aerial overlay

Site 1: Dollar General – 450 South Main Street



Land Area:	4.25 acres, approximately 185,000 sf
Improvements:	Approximately 40,000 sf, one story with partial second story and partial basement
Owner:	First Evangelical Lutheran Church, located at 246 South Main
Current Use:	<p>3 leased commercial units and attendant parking, plus parking leased to others under multiple scenarios:</p> <ul style="list-style-type: none"> • Eastern Unit: approximately 11,000 sf on two floors, used as Lighting Gallery showroom, 6 months remaining on the lease. Lessee died; store closed, and no renewal is anticipated. • Center Unit: approximately 15,000 sf on one floor, leased by Dollar General, (3) 5-year renewals at Lessee's option. Lessee expected to remain, was expanding to "DG Market," a convenience store including fresh produce and meats but was dissuaded by a new GetGo being constructed nearby. • Western Unit: approximately 15,000 sf with basement; loading available on both floors. Under same lease as Eastern Unit to Lighting Company.
Roof View:	

BACKGROUND

This site, with 4.25 acres, is one of the largest available in (although on the edge of) downtown Greensburg, making it a prime candidate for any new downtown construction. It is also the southern “gateway” to downtown, and a prime location for signage or construction reinforcing this. The best return on new construction in today’s market would likely be apartments, which would certainly add to activity in the downtown. However, because Greensburg’s rents do not today cover the cost of new construction, such construction would need to either be subsidized or wait for the time when the market supports the cost of construction.

A commercial broker, Patrick Conley, currently with Berkshire Hathaway Commercial, manages the site for the Lutheran Church. The site is available for lease and is anticipated to soon be available for sale. The broker told the team that he plans to lease the two vacant units, increasing the value from what he believes is currently \$2.5 million to \$7.5 million. The sale proceeds would go to the Church, potentially to an endowment. The broker plans to complete leasing within 6 months; he believes a prime candidate is the PLCB liquor store now located elsewhere downtown. The broker had not had direct discussions with the PLCB at the time of this writing.

Additionally, Central Westmoreland Habitat for Humanity is very interested in purchasing the site as-is and has provided the broker with a proposal in the form of an LOI; because the property is not currently for sale, and because the broker believes it is his duty to maximize sale proceeds for his client, he has not presented the LOI to the Church.

OPTIONS FOR FUTURE USE

If the broker is successful with his leasing plan, the new leases will bring more retail to downtown Greensburg. The leasing plan may not contemplate further improvements by the owner, which may be required by code or to attract new tenants. A new owner would have the option of building on the parking lot, presumably focusing on whatever use is most desired and profitable at that time.

- Pros: added activity of new leases
- Cons: if PLCB is one of the new leases, it would simply be moving activity from its current downtown location to another, with no net added. The leasing plan, without tenant improvements (TIs), may or may not be viable.

If the broker is unable to add new leases in the near future, perhaps the Habitat proposal, with potential adjustments, would be accepted. Habitat has offered to purchase the site as-is, with the Church taking back a mortgage on the sale price, and without a cash deposit. Habitat would be responsible for repairs, including installing sprinklers and an alarm system to code; Habitat intends to use their available cash for this work. Habitat intends to use the back, or western, unit for its ReStore, offices, and staging for current house construction. It intends to lease the front, or eastern, unit for joint use of non-profits for offices.

Habitat could have backing from its national entity for the mortgage, which the Church could use as an endowment, assuming all could agree to the requisite interest level.

- Pros: adds Habitat activity and that of some non-profits to downtown. Habitat may also be interested in promoting new apartment or townhouse construction on the lot through its resources, although not necessarily without a partner.
- Cons: The Church would not benefit from the increased value projected by the broker, nor would the broker receive the increased commission.

Neither the Broker's plan nor Habitat's offer would preclude the ability of the new owner to potentially build apartments, townhouses, parking, and/or retail on the balance of the site. The sketches and sample calculations for Options 1 & 2 below illustrate potential layouts.

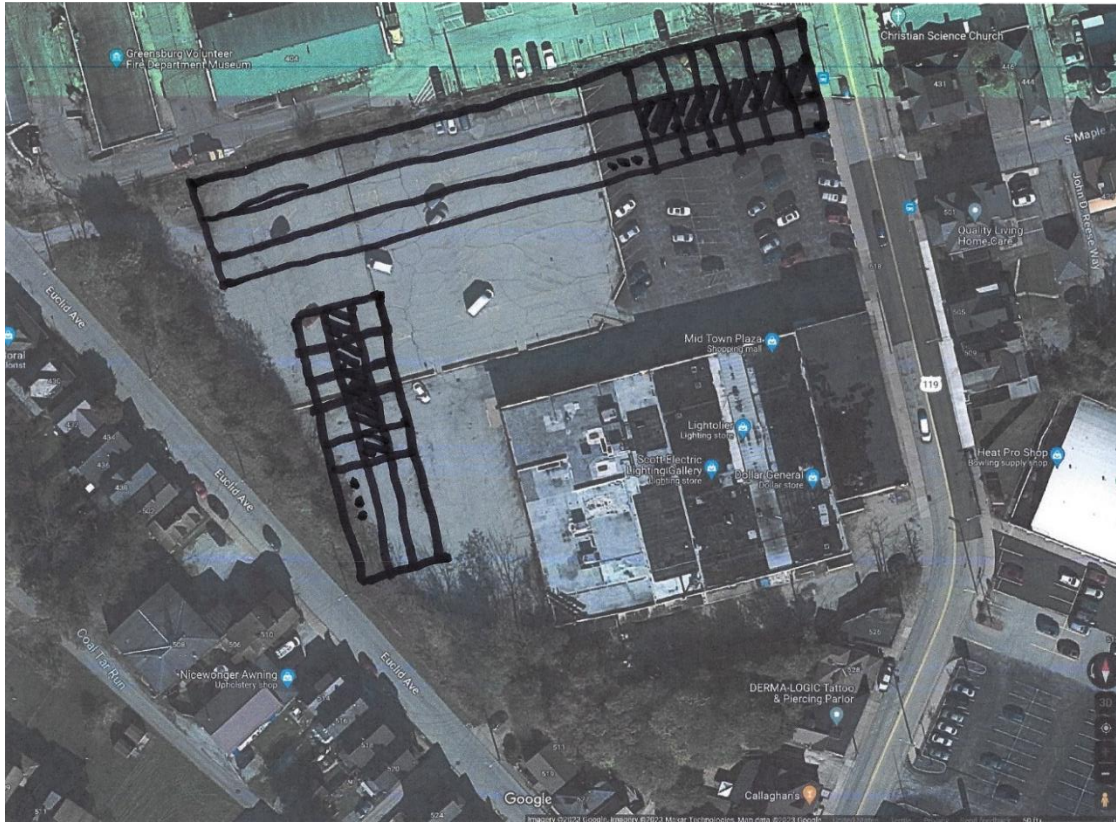
- Pros: Increased activity downtown
- Cons: Requires a motivated buyer or an interest in developing housing by the Church.



Sample Option 1: Four-Over-Two Apartment Building, Conceptual Site Plan

Table 7: Site 1 Analysis Option 1

GREENSBURG PA			
SITE 1 - DOLLAR GENERAL - APARTMENT DEVELOPMENT, 4 OVER 2			
POTENTIAL VALUE, EXISTING RETAIL FULLY LEASED		NOTES	
Potential Rents, NNN	\$13.00 /sf/yr		
Total Rentable Area	40,000 sf		
Annual NOI	\$520,000		
Assumed Cap Rate	7.00%		
Potential Value Fully Leased	\$7,428,571		
POTENTIAL VALUE, EXISTING RETAIL AS-IS			
Potential Rents, NNN	\$14.00 /sf/yr		
Total Rented Area	11,000 sf		
Annual NOI	\$154,000		
Assumed Cap Rate	7.00%		
Potential Value As-Is	\$2,200,000		
PARKING LOT POTENTIAL VALUE, REDEVELOPED AS APARTMENTS OVER			
Floorplate	14,700 sf	210 lf	70 lf
Residential Floors	4		
Apartments per floor	14		
Apartments Total Number	56	max# =	112
Apartment Rentable Area (~30x30)	840 sf		
Apartment Rent per Month	\$1,675 /unit/mo		
Structured Parking Spots	57	half stacked, half indep	
Parking Rent per Month	\$75 /unit/mo		
Annual Rents	\$1,176,900		
Vacancy & Loss	(\$88,268)	7.50%	
Expenses	(\$411,915)	35.00%	
Annual NOI	\$676,718		
Assumed Cap Rate	7.00%		
Potential Value	\$9,667,393		
Grocery/Retail Potential Rents, NNN	\$9.00 /sf/yr	Try with only row homes?	
Total Rented Area	14,700 sf		
Annual NOI	\$132,300		
Assumed Cap Rate	7.00%		
Potential Value	\$1,890,000		
Parking Lot Total Potential Value	\$11,557,393		
Existing Retail Value	\$7,428,571		
Less Repairs to Exist Retail	(\$1,500,000)		
Total Value	\$17,485,964		
USES OF CAPITAL			
Land	2,500,000	??	
Apartments Gross Area	58,800		
Construction Cost per SF	225	??	
Construction Cost-Apartments	13,230,000		
Parking Spots Total	57		
Construction Cost per Spot	20,000	??	
Construction Cost-Parking	1,140,000		
Retail/Grocery Area	14,700		
Construction Cost per SF	225	??	
Construction Cost-Retail/Grocery	3,307,500		
Construction Total	17,677,500		
Soft & Finance	4,419,375	25% ??	
Total Project Cost	24,596,875		
SOURCES OF CAPITAL			
Sponsor/Investor Equity	3,497,193	20%	
Debt	13,988,771	80% some cdfi	
Total Sources	17,485,964		
GAP	7,110,911		




Sample Option 2: Townhouses, Conceptual Site Plan

Table 8: Site 1 Analysis Option 2

GREENSBURG PA			
SITE 1 - DOLLAR GENERAL - TOWNHOUSES DEVELOPMENT			
POTENTIAL VALUE, EXISTING RETAIL FULLY LEASED		NOTES	
Potential Rents, NNN	\$13.00 /sf/yr		
Total Rentable Area	40,000 sf		
Annual NOI	\$520,000		
Assumed Cap Rate	7.00%		
Potential Value Fully Leased	\$7,428,571		
POTENTIAL VALUE, EXISTING RETAIL AS-IS			
Potential Rents, NNN	\$14.00 /sf/yr		
Total Rented Area	11,000 sf		
Annual NOI	\$154,000		
Assumed Cap Rate	7.00%		
Potential Value As-Is	\$2,200,000		
PARKING LOT POTENTIAL VALUE, REDEVELOPED AS TOWNHOUSES			
Floorplate	600 sf	20 lf	30 lf
Floors	2.5		
Townhouse Rentable Area (~20x30x2.5)	1,500 sf	3BR, 2 BA	
Sale Value	\$250,000	80-100% AMI	
Construction Cost per Unit	\$225,000	\$150 /sf	Habitat Build
Project Cost per Unit	\$281,250	125.00%	
GAP PER UNIT	\$56,250		
Total Potential Units	30		
TOTAL GAP	\$1,687,500		

Site 2: Atherholt Retail and Apartments – 321-325 S. Main Street



Land Area:	0.20 acres, approximately 8,693 sf
Improvements:	321 S. Main – Approximately 3,112 square feet in two floors 325 S. Main - Approximately 12,834 square feet in three floors
Owner:	Atherholt Investments, LLC
Current Use:	321 S. Main - 3 commercial units on Main Street and 5 apartments 325 S. Main - 3 commercial units on Main Street and 12 apartments
Roof View:	See below outlined in green. 

BACKGROUND

Private investors Kristie and Johnathan Atherholt acquired this property in June 2023. After the purchase, the owners were able to lease the apartments that were in livable condition. There are currently two units that are not rentable due to required repairs, and the owners plan to make these repairs. The commercial space is about one half vacant.

The property does not have any street parking on Main Street. There are 6 tandem (stacked 2 deep) spaces and 1 single space behind 321 S. Main. There is a city-owned lot adjacent and north of the building. However, it is a pay lot. The owners are discussing renting some of the spaces for the building tenants.

According to the assessor data, the buildings are about 100 years old. The building is not constructed to code and could not be rebuilt. There are several issues including fire escapes, setbacks, parking, and other issues that would have to be addressed. While a similar building cannot be built today, the existing structure can remain as it was built under regulations that were in place 100 years ago. It is therefore considered a legal non-conforming use that is grandfathered under the current zoning regulations.

OPTIONS FOR FUTURE USE

It would not make sense to redevelop the site, as a much smaller building would be allowed. Further, the new building is not economically justified without obtaining grants or low interest rate loans. While possible, redevelopment is not a justifiable use.

The only logical use of the property is to continue to occupy the building for retail and apartment uses. It is probable that additional investment in repairs and capital improvements will be required. However, the building appears to be sound so much of the work can be scheduled over time to allow the building to be operated at a profit.



Site 3: Advance Furniture Lot – 225 South Main Street



Land Area:	0.18 acres, approximately 7,980 sf
Improvements:	Vacant site
Owner:	Westmoreland County Land Bank
Current Use:	Vacant
Roof View:	

BACKGROUND

This site was previously improved with a building that housed the Advance Furniture Company. The six-story building was built in 1903 and was used for the J.W. Pollins and Son's dry goods and furniture business and the Galbraith and Jamieson grocery store when it opened. It was later used by JCPenney for many years and finally by Advance Furniture, which occupied the building until the mid-1980s.

After Advance Furniture vacated, the building began to deteriorate. By 2020, each of the six floors experienced partial collapse along with the roof. Several attempts were made to find a developer that could acquire and bring the building to a usable condition. However, the high costs of repair made it infeasible to repair. Finally, the building was acquired by the Westmoreland County Land Bank and was demolished in December 2022 at a cost of \$270,000. The site is now vacant.

SITE OVERVIEW

The property is almost rectangular in shape with a total area of 7,876 square feet. The site adjoins the four-story Coulter building which is on the south boundary. This building has windows on the second through fourth floors. Therefore, a setback will be required on the south boundary.³

The lot to the north is a parking lot owned by the City. Normally, setbacks would be required from an adjoining user. However, air rights could be obtained from the city to aid in maximizing the development potential of the site, but this is not a certainty, and the costs are not known.

There is no parking on Main Street, which is a designated State highway and controlled by the State. Main Street carries significant traffic, so it is unlikely that parking will be allowed in the future. The site is too small to allow below-grade parking as ramps would encumber most of the space. Limited at-grade parking can be developed but will limit the development potential of the site. The site will require a number of spaces acquired by lease from the City. Otherwise, the site is not economically developable.

The site has all utilities available without any capacity limitation. The site is level and has rear access from a public alley. There are no other physical constraints on development.

The site has a base zoning designation of C-2 which is a Business District zoning. The Business District is intended for the conduct of general business to which the public requires direct and frequent access. Most of the downtown area has similar zoning. Allowed uses include retail, offices, hotels, restaurants, and other types of commercial uses. The zone also allows all types of residential uses. However, it promotes mixed uses with retail at the street level and apartments above. The height limit is 100 feet.

The site is also encumbered by the Downtown District which is an overlay district. This district is meant to preserve and/or protect natural and historic resources. It does not change or limit the allowed uses.

³ It should be noted that the Advance Furniture building included a one-story building which adjoined the Coulter building and allowed for light and air for the upper floors on both buildings.

Instead, it creates a process for new development or any remodeling or reconstruction of existing structures. The process requires several steps and discretionary approvals. These types of approvals are common in historic districts and, while somewhat cumbersome, are necessary to maintain the historic environment. The entitlement process starts with a certificate of appropriateness. Approvals must also be obtained from the Planning Commission and City Council.

OPTIONS FOR FUTURE USE

Urban Park - Like a few other downtown sites, the lot can be landscaped and used for a park for the near term. This is a low-cost option that will help beautify the downtown area. The use would likely be approved by the City as there is precedent from other small parks that have been built. Some of the pros & cons include:

- Pros: The use would enhance the appearance of Main Street.
- Cons: The use would not increase downtown activity.

Parking – The property adjoins an existing parking lot owned by the City of Greensburg. It would be a simple process to expand parking onto the Advance Furniture lot. It would basically double the parking generated from the two lots. The pros and cons of this use are summarized below.

- Pros: The additional parking would be seen as a positive by most residents.
- Cons:
 - Since parking is more of a perceived problem than actual, the costs to develop would really not be justified.
 - The addition of parking would be less desirable from the standpoint of improving the “streetscape” and improving the attractiveness of the downtown area.
 - Developing parking would lessen the walkability of the immediate area. Most pedestrians prefer a streetscape with stores or at least attractive landscaping. The parking lot use would not expand the desirability of walking in the downtown area.

Mixed Use Development – The zoning code allows a variety of uses. The primary use allowed is commercial office or retail uses. But residential is allowed and encouraged to have retail on the first floor. The first-floor retail is crucial to increasing the vitality of the downtown area. Therefore, residential uses would be proposed for the upper floors.

Due to the small size of the site, it would not be feasible to develop more than three floors as elevator cores along with emergency egress would require too much space. A building with three floors would be logical with first floor retail and two floors of walk-up multifamily above.

We received assistance from a local architect to assist with a legal development program. It would provide as much parking as possible onsite and meet all development requirements. Any additional required parking would be obtained by leasing parking spaces from the City. The development summary is shown below in Table 9.

The economic value of the entire property is \$1.32 million compared to development costs of \$1.93 million which does not include land. Without including the cost of acquiring land, the cost to develop the property is \$610,000 more than the economic value. This shows that this type of development is not economically feasible based on a simple comparison of costs and economic value.

As noted in this report, there are a number of potential grants and low interest rate loans that could work to make the development feasible. There may be adequate sources of gap funding, although it would depend on specific programs and the type of development.

There are really no “cons” for this development. The positives are obvious, including providing new space for businesses and residents downtown and adding to the activity and vitality of the downtown area.

Alternative Development with Variances – The site could be developed with variances that would allow additional density. In general, a larger building could result in lower costs due to economies of scale. However, any savings due to economies of scale would not be adequate to completely close the feasibility gap.

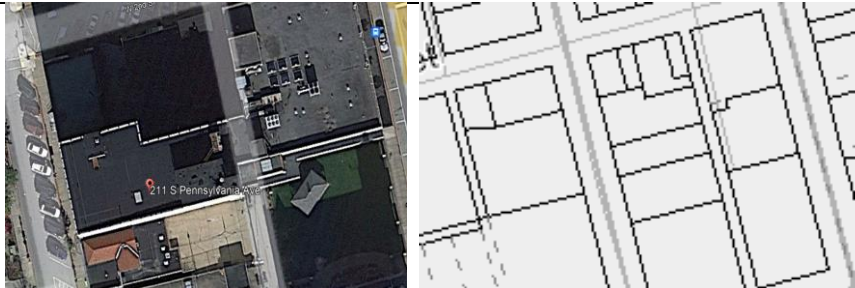
There should not be any variances that would compromise safety, but other issues such as parking could be mitigated. In addition, combining the Advance Furniture parcel with the adjoining city parking lot could result in a higher density that would make both lots more valuable.

Table 9: Site 3 Analysis

GREENSBURG PA							
SITE 3 - ADVANCE FURNITURE - MIXED USE APARTMENTS & RETAIL							
DEVELOPMENT OUTLINE							
Lot Square Feet:							7,876
Frontage Line Feet:							83
Lot Depth Line Feet:							95
First Floor (Square Feet):							3,300
2nd & 3rd Floor (Gross Square Feet):							6,000
Total Square Feet:							9,300
Residential Units:							6
Commercial Units:							3
Parking Spaces Required:							25
Parking Provided - 60 degree:							10
Additional Spaces Required:							15
POTENTIAL VALUE - APARTMENTS OVER RETAIL							
Economic Value:							
Residential:							
	\$1,675	*	6	Units	\$10,050	12	\$120,600
Commercial:							
	3,300	SF *	*		\$12.00	=	\$39,600
Total Rent:							\$160,200
Vacancy:					5.00%		\$8,010
Effective Gross:					0.00%		\$152,190
Operating Expenses:					35.00%		\$53,267
Net Income:							\$98,924
Capitalize At:					7.50%		\$1,318,980
Round To:							\$1,320,000
DEVELOPMENT COSTS							
Retail:	3,300	SF *			\$150	=	\$495,000
Residential:	6,000	SF *			\$200	=	\$1,200,000
Total Direct Costs:							\$1,695,000
Indirect:							
Architecture:				5.0%	\$84,750		
Engineering:				4.0%	\$67,800		
Financing:				4.0%	\$67,800		
Fees:				1.0%	\$16,950		
Total:				14.0%			\$237,300
Total Building Costs:							\$1,932,300
Profit:				0.0%			\$0
Total Development Costs:							\$1,932,300
Round To:							\$1,930,000
ECONOMIC GAP							
Economic Value:							\$1,320,000
Development Costs:							\$1,930,000
Profit / Loss:							(\$610,000)

Site 7: Troutman's Annex – 211 South Pennsylvania Avenue



Land Area:	8,101 sf
Improvements:	8 stories covering the full site, approximately 64,808 sf
Owner:	211 S PENN LLC, purchased in 6/23, Craig Chinn
Current Use:	Vacant
Roof View, Plot Plan:	

According to the Westmoreland County GIS system, this property is currently owned by 211 S PENN LLC who purchased the property in June 2023. During our research, we interviewed the new owner, Mr. Craig Chinn. Mr. Chinn has several local developments underway, including a mixed-use retail/apartment building in Jeannette. They also developed a CubeSmart self-storage building in Jeannette.

POTENTIAL USES

Potential uses are limited by lack of a façade, age, condition, regulatory restrictions, and size. Reuse of the structure would be for a very specific use or involve significant renovation. Demolition and reuse of the site would be likely failing those specific uses.

The new owner's plan includes first floor retail with self-storage on floors 2 through 8. The branding is proposed to be CubeSmart, a national self-storage brand. Below is a rendering of a recent CubeSmart in Philadelphia.



Source: CubeSmart website.

<https://www.cubesmart.com/pennsylvania-self-storage/philadelphia-self-storage/4105.html>

Site 8: Derby's Restaurant Site – 127 South Pennsylvania Avenue




Site: 127 S. Pennsylvania Ave.



Site with adjacent parcel



Adjacent parcel (building) and pocket park

Land Area:	5,120 sf
Improvements:	Vacant Parcel
Owner:	Westmoreland County Land Bank
Current Use:	Vacant
Plot Plan:	

The parcel is owned by Westmoreland County Land Bank which acquired it in May 2022 and subsequently demolished a dilapidated restaurant. Currently, it is under contract to transfer to an adjacent property owner.

POTENTIAL USES

Potential uses are limited by the small size of the parcel, its interior position midblock and adjacent uses. New construction is infeasible because of regulatory, physical, and economic attributes.

The new buyer is planning to use the site as an outdoor venue for a planned adjacent eatery. They plan to maintain it as open space for public use along with an existing pocket park on the other side of the planned eatery.

The small size of this parcel is accommodated by assemblage with two adjacent parcels. One containing an existing dilapidated building will be converted into a restaurant, and the other site which is now a pocket park will be preserved as public space and used as outdoor eating space for the restaurant. Therefore, the restaurant building will be flanked by two open spaces preserved for public use but also utilized for the eatery.

Redevelopment Group: Main & Pittsburgh – “Courthouse Square”

- Site 9 - First Commonwealth & Parklet & Parking
- Site 10 - YMCA and Parking
- Site 11 - Stifel Nicolaus
- Site 4 - Barclay Building
- Site 5 - PNC Building
- Site 6 - Royer’s Building



Site 9: First Commonwealth Bank Building – 111 South Main Street

While not originally included in the list of properties that the City requested that we review, upon our tour we focused upon this location as a possible focal point of a larger redevelopment effort. This concept is an opportunity to benefit several parcels identified by the City. As described above, coordination and process management by a Development Manager would be helpful in implementing this redevelopment. Interestingly, this building has garnered interest from other groups and market participants who similarly see the potential for the building and this location. A brief discussion of some of those concepts follows:

SETON HILL UNIVERSITY – STUDENT HOUSING 2014

We understand that First Commonwealth Bank donated a portion of the building at 111 South Main Street to Seton Hill University. We reviewed plans dated December 1, 2014, compiled in contemplation of Seton Hill University's use of the building for off campus housing. The plan illustrates the conversion of the upper floors of the First Commonwealth Building located at 111 South Main Street into student housing. This would include 45 to 54 student units. Approximately 28,000 square feet was to be retained for bank offices. An additional 50-unit building would be constructed on the rear parking lot at the corner of South Maple and West Pittsburgh Street. The new building would include a parking deck serving the existing office space and the student housing. Finally, the park located at Main Street and West Pittsburgh Street would be utilized as pedestrian access to the new building and possible additional parking below.

SETON HILL – STUDENT HOUSING 2015

In March 2015 another plan was prepared that illustrated only the renovation of the First Commonwealth Bank Building at 111 South Main Street. This plan outlined conversion of floors 2-7 into student housing with a varied unit mix totaling 56 units. These plans were later cancelled, and Seton Hill sold the property.

WESTMORELAND COUNTY HOUSING AUTHORITY

The Westmoreland County Housing Authority purchased the building from Seton Hill in 2019 and currently leases back first- and second-floor office space. Originally, their idea was to redevelop the upper floors as rental housing similar to the above concepts. Given the Housing Authority's mission, the target for the housing was planned to be seniors. However, this plan has been scuttled under dis-favorable pressure from the local government which opposed redevelopment for age restricted housing. The upper floors of the building continue to sit vacant.

Additionally, our research uncovered that there have been several attempts to redevelop the building as a hotel. However, no detailed plans were shared with us. The economic and market feasibility of a hotel in similar markets is uncommon and is presently unknown for Greensburg.



Land Area:	Approximately 5,800 sf (excludes pocket park, adjacent alley, and bank branch with parking lot)
Improvements:	Approximately 57,064 sf, seven-story building plus basement
Owner:	Westmoreland Housing Authority
Current Use:	First and second floors are leased for a short term to First Commonwealth Bank.
Ideas:	This is the site that serves as a catalyst for changing the “just do something” or “government is broken” perception of the City.

PREVIOUS USE CONCEPTS

- Student Housing
- Affordable Senior Housing
- Market Rate Housing
- Hotel

OPTION FOR FUTURE USE

The team recommends conversion of the building to Airbnb (short stay)/ Apartment Unit mix. The goal is to bring housing to a central intersection of the city while also offering parents of the University students and tourists an interim location for overnight extended stays.

This “hybrid” use allows for overnight stays without the need for a “Flag” and/or additional overhead (hotel staffing) or amenities (pool, restaurant, gym, event space) compared to a traditional style hotel. Pool and exercise amenities can be arranged in agreement with the adjacent YMCA, and the adjacent site at One North Main can serve as an independent but allied event space.

- Pros:
 - Flexibility of cash flows – If the apartment or Airbnb experiences a demand surge over time the fit out accommodates changing demand.
 - Lower cost to redevelop - A full-service hotel would need to offer the following: full staff, flag affiliation, amenities (gym, restaurant, communal areas, event space).
 - The YMCA would offer residents a monthly fee for use of their facility and Airbnb guests a daily rate.
- Cons:
 - Requires an agreement with private owner (lot is owned in fee simple by First Commonwealth Bank) to sell the parcel.

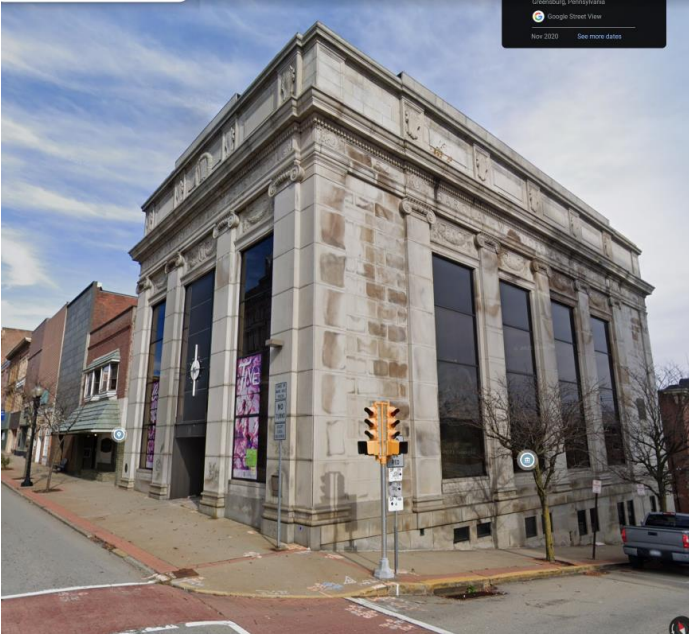
SPILOVER EFFECTS

- The First Commonwealth Bank parking lot is in the center of stakeholder needs. The lot is not used to its potential not only at night but also during business hours. This affords a unique opportunity for the key stakeholders (Housing Authority building, YMCA, restaurants, 1 East Main) to collaborate on a parking solution for a structured garage.
- The lot could be co-habitational wherein the YMCA uses it for member parking (during the day) allowing the YMCA then to move its outside child area and develop their rear parking into a new outside child lot.
- The lot could also be co-habitational by patrons of “Restaurant Row” located along East Pittsburgh Street.
- One East Main Street would require parking for events.

Table 10: Consolidated Site Analysis

GREENSBURG PA		
CONSOLIDATED SITE - FIRST COMMONWEALTH BANK		
POTENTIAL VALUE, HYBRID RESIDENT MARKET RATE APARTMENTS AND AIR B&B WITH SUPPORTING RETAIL		
Total Apartment and Air BB Rentable Area	49,500 sf	
First Floor Supported Retail	5,700 sf	
Total Apartment and Air BB Rentable and Retail	55,200 sf	
Apartment Air BB Unit Yield	60 units	825
Retail Unit Yield	1 unit	
Gross Rents (apartments and Air BB)	\$1,751 /unit/month	
Gross Retail Rent	\$25.00 /sf	
Annual Retail Revenue & Opex Recoveries	\$173,977	
Ancillary Revenue (pet, storage, applications)	\$119,542	
Gross Income for Above	\$1,554,239	
Less: Vacancy	(\$77,712)	
Effective Gross Income	\$1,476,527	
Operating Expense Ratio	27%	
Annual NOI	\$1,078,160	
Assumed Cap Rate	7.50%	
Potential Value Fully Leased	\$14,375,467	
USES OF CAPITAL		
Building and Land Purchase	900,000	
RenoVation Costs including Hard and Soft	18,089,298	
Total Project Cost	18,989,298	311,300 per unit
SOURCES OF CAPITAL		
Sponsor/Investor Equity	900,000	
Debt	9,488,199	
Total Sources	10,388,199	
GAP	8,601,099	45%
GAP FUNDING		
Historic Federal/State Tax Credits/New Market Tax Credits	7,701,099	
City of Greensburg Contribution to Predevelopment Costs	900,000	
Brownfield Tax Credits		offset of taxes

Site 4: Barclay's Bank Building – One North Main Street



Land Area:	13,500 sf
Improvements:	13,500 sf: large open banking hall covers site
Owner:	A PURE LLC of 55 Shilling Rd, Manalapan, NJ
Current Use:	Vacant, fully gutted
Proposed Plan:	Use in conjunction with Restaurant Row and use of the adjacent high rise for events.

PREVIOUS USE CONCEPTS

The Barclay's Bank Building has also had multiple potential developers. One previous team was planning a museum use, and another had envisioned a coworking space. The current owners hope to convert it to an event space, which would work well with a limited-service hotel/short stay across the street.

OPTION FOR FUTURE USE

Allows One East Main Street to be used as the event space to support the Airbnb use. The large open space as it currently exists provides a floorplate that is adaptable to events for the County seat to City events to "popup" type events that tie into and complement existing events like the night market.

It is challenging to prepare a proforma for events as it would require an event coordinator to project events and price points for each. We recommend engagement of an expert in event planning to craft this proforma and then share it with the building owner.



Site 5: PNC Bank Building – 125 South Main Street

125 South Main Street is owned by Integra National Bank and served for many years as service center for PNC Bank. The building is now vacant; however, full-service PNC Bank locations remain open in Greensburg on Pittsburgh Street and Greengate Center. Informal discussions with representatives of Integra National Bank indicate that, although not currently on the market for sale, a serious offer to purchase the building at 125 South Main Street would be considered.

The building is three stories with an open lobby area and second floor mezzanine space. The building consists of approximately 19,491 square feet of improvements.

The Consulting Corps team contemplated two potential re-uses of the building, 1) multifamily conversion, and 2) repositioning as shared office/workspace.

As the spreadsheets below attest, the building does not lend itself to successful repositioning into residential. The building's floorplan makes it difficult to create more than 15 or 16 residential units, which is further challenged by the lack of natural light on two sides of the building. The team's forecasting indicates both 1) conventional financing capital stack gap, and 2) insufficient Net Operating Income to service the required debt.



Table 11: PNC Bank Building Analysis – Multifamily Residential

GREENSBURG PA			
125 SOUTH MAIN STREET - MULTIFAMILY RESIDENTIAL			
Building Size		19491	Square Feet
Loss Factor		25%	
Rentable Area		14618	Square feet
Unit Size		900	Square Feet
Potential Units		16	
Potential Monthly Rents		\$ 1,200	
Potential Annual Gross		\$ 233,892	
Vacancy Loss (7%)		\$ 16,372	
Effective Gross Income		\$ 217,520	
Forecasted OP/EX 30%		\$ 65,256	
Potential NOI		\$ 152,264	
CAP Rate		7.5%	
Potential Value at Stabilization		\$ 2,030,183	
USES OF CAPITAL			
Acquisition Price (As vacant bank)	\$ 75.00	\$ 1,461,825	
Construction Costs	\$ 250	\$ 4,872,750	
Total Project Cost		\$ 6,334,575	
SOURCES OF CAPITAL			
Developer Equity	10%	\$ 633,458	
Debt	65%	\$ 4,117,474	
Total Sources		\$ 4,750,931	
Financing Gap		\$ 1,583,644	
Debt Service	25yr/6%	(\$322,096)	
Cash Flow After Debt Service		\$ (169,832.77)	NEGATIVE
Potential Gap Sources		NA	

The CRE Consulting Corps team believes that an open floor plate office-coworking space may be a good fit for 125 South Main Street. Though not the only users, there may be a critical mass of daily or weekly visitors to the Westmoreland County Courthouse that would welcome a shared office space that can be used on an as-needed basis, rather than renting an office nearby. Other potential users could be students at Seton Hill University or the University of Pittsburgh-Greensburg.

Construction costs would be exponentially less than multifamily residential which would require individual climate control and plumbing for each unit. A shared office model could retain the building-wide climate control and avoid the expense to build out many individual private office or residential units. A shared office space would entail multiple workstations, conference rooms, print stations, and kitchen/gathering space.

The spreadsheet below shows that a shared workspace model could have a positive cash-flow after debt service. However, this model will also likely have a capital stack funding gap. As addressed elsewhere in this report, there are many economic development programs offered by the Commonwealth of Pennsylvania, Westmoreland County, and City of Greensburg. Although the economic development professionals that administer these programs must adhere to internal regulated underwriting and due diligence requirements, we believe that they are also motivated to creatively fill financing gaps toward a positive development and should be a welcome partner.

Below is one example of one way that the financing gap may be filled with public sector assistance.

Table 12: PNC Bank Building Analysis – Shared Workspace

GREENSBURG PA				
125 SOUTH MAIN STREET - SHARED WORKSPACE				
Building Size			19,491	Square Feet
Loss Factor			25%	
Rentable Area			14,618	
Potential Annual Gross			\$ 438,548	
Vacancy Loss		7%	\$ 30,698	
Effective Gross Income			\$ 407,849	
Forecasted OP/EX		30%	\$ 122,355	
Potential NOI			\$ 285,494	
CAP Rate			7.5%	
Potential Value at Stabilization			\$ 3,806,592	
USES OF CAPITAL				
Acquisition Price (As vacant bank)		\$ 75.00 sf	\$ 1,461,825	As Is
Construction Costs - Hard & Soft		\$ 40.00 sf	\$ 779,640	
Total Project Cost			\$ 2,241,465	
SOURCES OF CAPITAL				
Developer Equity		10%	\$ 224,147	
Grants to Fund Gap-See Below		25%	\$ 560,366	
Debt		65%	\$ 1,456,952	
Total Sources			\$ 2,241,465	
Financing Gap			\$ -	
Debt Service	6%	25.00 yrs	\$ (112,646)	
Cash Flow After Debt Service			\$ 9,709	POSITIVE
Potential Gap Sources				
Keystone Communities			\$ 50,000	Signage
Keystone Communities			\$ 50,000	Façade
Greensburg CDC			\$ 5,000	Façade
Greensburg CDC			LERTA	% prop tax deduction
Tax Increment Financing			\$ 750,000	Vacant commercial building
Total			\$ 855,000	

Site 6: Royer's – 114 South Main (Potentially Adding 100 S. Main)



Land Area:	8,568 sf
Improvements:	42,840 sf comprised of 5 approximately equal floorplates, 4 above the Main Street grade and one basement below. The current structure joins two original buildings
Owner:	Marcams Management LLC of Pittsburgh
Current Use:	Vacant, partly gutted
Roof View:	

Originally built in 1948 as one of four downtown department stores, the Royer's Building was converted to office use as early as 1983. It now sits vacant with significant safety violations. The owner is potentially unresponsive.

BACKGROUND

During western Pennsylvania's coal and steel heyday, Greensburg was a retail center boasting four department stores on Main Street: Sears at 101 North Main, Royer's at 114 South Main, JCPenney/Advance Furniture/J.W. Pollins and Son's at 225 South Main, and Troutman's at 202 South Main. Of these, Troutman's has been converted to Senior Housing, Advance Furniture was recently demolished, Sears is now offices, and Royer's is vacant.

The former Royer's, one building south of the 100 percent corner of Main & Pittsburgh, presents an unfortunate blank brick façade and empty storefronts to the center of downtown Greensburg. The building was converted to office use around 1983 but never fully occupied; it is now vacant and deteriorating. An estimate to bring it to a habitable office condition in 2022 totaled approximately \$11 million. The property is assessed at a value of \$163,000 and was offered for sale around 2020 at \$400,000 by PRC Commercial.

OPTIONS FOR FUTURE USE

OPTION 1: The existing structure could be gutted and converted to multifamily residential use, with basement parking and with retail or public-facing office use at grade, potentially medical or rehab uses. If the redevelopment of this site as housing followed the redevelopment of the First Commonwealth Bank Building across the street, site #10, it would give the Greensburg market the chance to enhance its attractiveness (higher rents) with a success at First Commonwealth before attempting to finance Royer's.

- Pros: added activity of new residents and retail
- Cons: Significant gap financing required.

If the entire Royer's structure were converted to housing, the apartments would likely be served by a north-south running double-loaded corridor, and the apartments would be quite deep as the east-west dimension of the site is approximately 96'.

OPTION 2: The team noticed that while Greensburg has a magnificent County Courthouse, it lacks a traditional courthouse square. These typically served as key gathering and activity spots in small U.S. cities historically and do so currently in towns that have successfully redeveloped.

One alternative to converting all of Royer's to housing would be to demolish the northern portion of the building, which is approximately 38' x 96', and redevelop the approximately 50' x 96' southern portion only as housing. Even more ideal would be to purchase the adjacent lot, 100 S. Main or 22 W. Pittsburgh Street, currently owned by PURE AR LLC of 55 Schilling Rd., Manalapan NJ (presumably the same

owner as Site #4 Barclay's) and leased to the investment firm Stifel Nicolaus. Stifel could be offered ground floor space in the remaining Royer's or in the PNC Building, and the one-story office building could be demolished and redeveloped as a small park/square. Combined with the parklet across the street on the First Commonwealth Bank site, this provides a small but usable and imageable "Courthouse Square" for downtown Greensburg, with retail that will presumably include a café or two facing it.

- Pros: An imageable center for downtown Greensburg, added activity of new residents and retail
- Cons: Significant gap financing required. Many owners and moving parts. Difficulty of maintaining and programming parks.

Finally, the entire Royer's structure could be demolished, with the site serving as a central square, potentially on an interim basis until a new use is built.

- Pros: Removes daunting blank façade and replaces it with an amenity.
- Cons: Temporary use invites parking, not directly adjacent to Courthouse.

SAMPLE OPTION 1: CONVERT EXISTING ROYER'S TO APARTMENTS

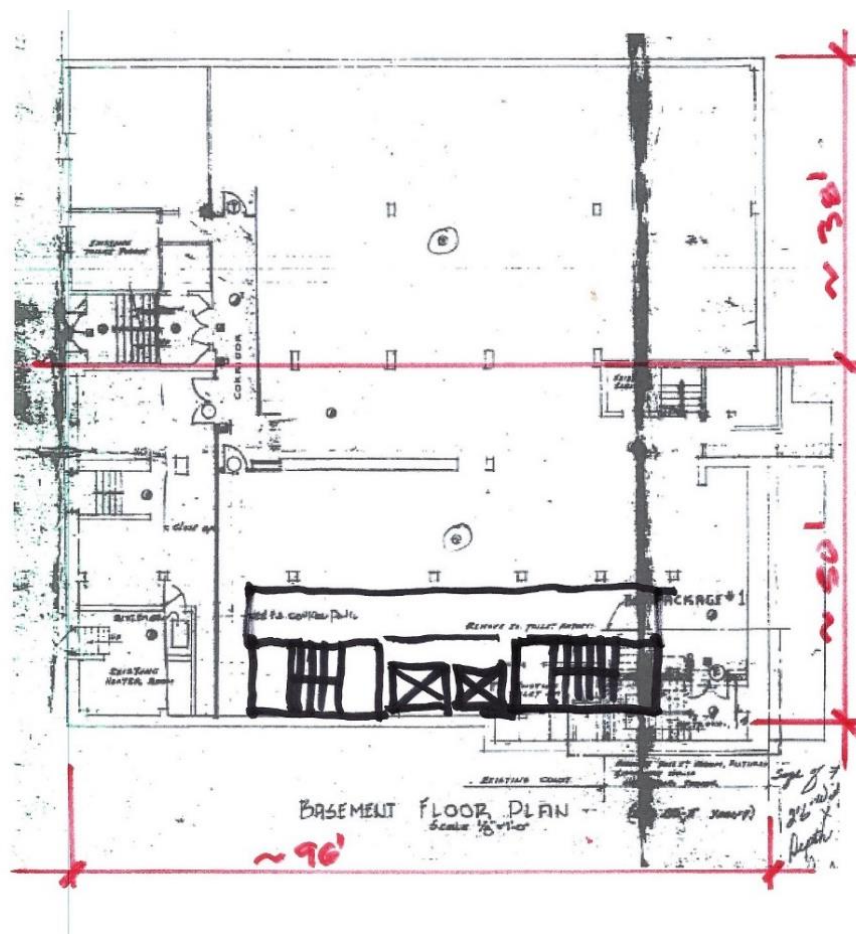


Table 13: Royer's Building Analysis – Full Building

GREENSBURG PA			
SITE 6 - ROYER'S - FULL BUILDING			
POTENTIAL VALUE, GROUND LEVEL RETAIL FULLY LEASED		NOTES	
Potential Rents, NNN	\$13.00 /sf/yr		
Total Rentable Area	6,426 sf		
Annual NOI	\$83,538		
Assumed Cap Rate	7.00%		
Potential Value Fully Leased	\$1,193,400		
PARKING LOT POTENTIAL VALUE, REDEVELOPED AS APARTMENTS OVER			
Floorplate	8,568 sf	96 lf	88 lf
Residential Floors	3		
Apartments per floor	7		
Apartments Total Number	21		
Apartment Rentable Area (1br + study)	918 sf		
Apartment Rent per Month	\$1,575 /unit/mo		
Annual Apartment Rent	\$396,900		
Structured Parking Spots	24	350 sf/spot	
Parking Rent per Month	\$75 /unit/mo		
Annual Parking Rents	\$22,032		
Vacancy & Loss	(\$80,617)	5.00%	
Expenses	(\$146,626)	35.00%	
Annual NOI	\$191,689		
Assumed Cap Rate	7.00%		
Potential Value	\$2,738,417		
Apartment & Parking Total Potential Value	\$2,738,417		
Ground Level Retail Potential Value	\$1,193,400		
Total Value	\$3,931,817		
USES OF CAPITAL			
Land	\$200,000	??	
Apartments Gross Area	25,704 sf		
Construction Cost per SF	\$225 /sf	??	
Construction Cost-Apartments	\$5,783,400		
Parking Spots Total (full lot)	24		
Construction Cost per Spot	\$10,000 /spot	??	
Construction Cost-Parking	\$244,800		
Retail/Grocery Area	8,568 sf		
Construction Cost per SF	\$150 /sf	??	
Construction Cost-Retail	\$1,285,200		
Construction Total	\$7,313,400		
Soft & Finance	\$1,828,350	25%	??
Total Project Cost	\$9,341,750		
SOURCES OF CAPITAL			
Sponsor/Investor Equity	\$786,363	20%	
Debt	\$3,145,454	80%	some cdfi
Total Sources	\$3,931,817		
GAP	\$5,409,933		

Table 14: Royer's Building Analysis – Sample Option 2

SAMPLE OPTION 2: DEMO HALF OF ROYER'S, CONVERT THE REMAINING HALF TO APARTMENTS; CREATE COURTHOUSE SQUARE WITH CORNER LOT

GREENSBURG PA				
SITE 6 - ROYER'S - HALF BUILDING				
POTENTIAL VALUE, GROUND LEVEL RETAIL FULLY LEASED		NOTES		
Potential Rents, NNN	\$13.00 /sf/yr			
Total Rentable Area	3,600 sf			
Annual NOI	\$46,800			
Assumed Cap Rate	7.00%			
Potential Value Fully Leased	\$668,571			
POTENTIAL VALUE, APARTMENTS & BASEMENT PARKING				
Floorplate	4,800 sf	96 lf	50 lf	
Residential Floors	3			
Apartments per floor	6			
Apartments Total Number	18			
Apartment Rentable Area (1br)	600 sf			
Apartment Rent per Month	\$1,475 /unit/mo			
Annual Apartment Rent	\$318,600			
Structured Parking Spots (full lot)	24	350 sf/spot		
Parking Rent per Month	\$75 /unit/mo			
Annual Rents	\$340,323			
Vacancy & Loss	(\$49,419)	7.50%		
Expenses	(\$119,113)	35.00%		
Annual NOI	\$171,791			
Assumed Cap Rate	7.00%			
Potential Value	\$2,454,157			
Apartment & Parking Total Potential Value	\$2,454,157			
Ground Level Retail Potential Value	\$668,571			
Total Value	\$3,122,728			
USES OF CAPITAL				
Land	\$200,000	??		
Apartments Gross Area	14,400 sf			
Construction Cost per SF (with demo)	\$250 /sf	??		
Construction Cost-Apartments	\$3,600,000			
Parking Spots Total (full lot)	24			
Construction Cost per Spot	\$10,000 /spot	??		
Construction Cost-Parking	\$241,371			
Retail Area	4,800 sf			
Construction Cost per SF	\$150 /sf	??		
Construction Cost-Retail	\$720,000			
Construction Total	\$4,561,371			
Soft & Finance	\$1,140,343	25%	??	
Total Project Cost	\$5,901,714			
*Does not include cost of purchasing corner, building and maintaining park				
SOURCES OF CAPITAL				
Sponsor/Investor Equity	\$624,546	20%		
Debt	\$2,498,183	80%	some cdfi	
Total Sources	\$3,122,728			
GAP	\$2,778,986			



Conceptual Site Plan

Conclusion: Recommendations, Short- & Long-Term Actions

Through the research and analysis described above, the CRE Consulting Corps team developed the following set of recommendations for increasing the vibrancy of downtown Greensburg. The recommendations include both short- and long-term actions as well as criteria for prioritizing proposed actions. Many of the recommendations are interrelated, making prioritization impractical.

ADD HOUSING TO DOWNTOWN

START IMMEDIATELY AND CONTINUE

The presence of people going about their lives is almost the definition of vibrancy; a finer mix of uses including both residential and commercial will clearly add to activity in Greensburg. New downtown housing could be apartments or condos in high-rise, elevator-served buildings, or low- to midrise- “missing middle” housing, focusing on rowhomes and small apartment buildings. New downtown housing should not focus on single family homes on large lots, as these increase walking distances and lower the concentration of vitality. Additional housing downtown will assist in generating a virtuous cycle, as the new residents will require services, which will generate more retail and commercial use.

IMPROVE GREENSBURG MARKETING OF ITSELF TO ITSELF

START IMMEDIATELY AND CONTINUE

Start by advertising Greensburg’s many strengths to its existing appreciative home audience. Create a comprehensive website that shows off ALL scheduled events, with maps, parking, descriptions, etc. The website can highlight paid and unpaid participants. Create a Greensburg marketing czar as a paid city position. As people learn how much exists, Greensburg will be valued more, again supporting a virtuous cycle.

ALIGN GOVERNMENT EFFORTS

REQUIRES CONTINUOUS ATTENTION

Improve communication and cooperation among all (City, County, State) local government branches, which will give outsiders a unified view of what Greensburg is and values and will streamline processes for residents. Align zoning and other laws with government goals. Create a development manager position which will be a non-political liaison to broker developer-government interaction.

SUPPORT DEVELOPMENT

FROM NOW UNTIL ECONOMIC DEVELOPMENT IS FEASIBLE

Real estate development in downtown Greensburg is not currently a simple or profitable undertaking, as amply demonstrated above. It is very necessary, however, for the city to thrive. Therefore, the CRE Consulting Corps team recommends two primary actions:

1. Familiarize both City officials, and through them, developers, with supportive grants and loans available for development, e.g., “gap closers.” Craft a process plan for all departments and provide this to developers explaining what steps are needed to obtain a demo, building permits and certificate of occupancy. If needed, advertise RFPs for City-owned land.
2. Work with parties currently attempting to develop real estate for viable uses with consideration and partnership. These folks are essentially investing their own funds in a difficult environment; any potential assistance from the City may make or break an investment. Almost any use in the downtown is better for Greensburg than a vacant building; hence, supporting those willing to invest is a positive step.

WORK CLOSELY WITH AND SUPPORT LOCAL INSTITUTIONS

REQUIRES CONTINUOUS ATTENTION

Greensburg is blessed with colleges and healthcare institutions, among other businesses, which are critical to the success of the City. City officials should work closely with them in their planning to align goals, such as for downtown student housing.

REORGANIZE AND CONTROL DOWNTOWN PARKING

START AFTER MARKETING IS IN PLACE

Downtown parking should be organized in a way that supports, rather than thwarts, Greensburg’s goals. Regular, all-day parking for downtown workers should be consolidated within a few blocks of active destinations but should NEVER be allowed on the street. The same is true for high-density residential projects, which could share parking with daily office users. On-street parking should be short-term and inexpensive or free, with ticketing and education for violators. Small city-owned surface lots scattered around downtown can supplement on-street parking. Event parking should be thoughtfully coordinated.

IMPROVE PUBLIC TRANSIT

START ANY PART AT ANY TIME

Greensburg has many opportunities to improve both its internal and external transit.

- As a city with a compact downtown but with many hills, adding rental electric scooters and bikes would likely become popular fast. Greensburg could study the successes and issues with such rental equipment in other cities and install improved systems.
- Improving local circulating bus service, perhaps in conjunction with local institutions, by adding frequency and regularity would be helpful.
- Integrating school transit, at least for older grades, with public transit might free up some overlapping funds.
- Finally, and very importantly, improving commuter service to Pittsburgh through either rail or bus would dramatically add to Greensburg’s attraction as a place to live.

ATTRACT IMMIGRATION

START AFTER MARKETING IS IN PLACE

Demographics tell us that Greensburg is an aging city with very little current in-migration. Greensburg's goal is to be a vibrant city, not a declining or dead one. Without an unanticipated revolution in the family structure of its current residents, this means that new people – immigrants – will be essential to its success. Immigration can bring diversity of cultural background as well as age, adding significantly to Greensburg's vitality. Other U.S. cities have successfully supported immigration to achieve similar goals.

CREATE A MEMORABLE IMAGE OF GREENSBURG

START AFTER MARKETING IS IN PLACE

The CRE Consulting Corps team makes this recommendation in relation to creating a "Courthouse Square," as shown above related to the Royer's site. However, such a central square is only one option for creating a public space or public art that will become the heart of Greensburg; other opportunities may surface. The idea is that people should be able to visualize a place that is Greensburg, the way Times Square symbolizes New York City, or the Eiffel Tower signifies Paris. Such a memorable imageable spot will intensify the effect of marketing and of many of the other recommendations.

Appendix I – Acknowledgements

We thank the National Association of REALTORS® for their support of the CRE Consulting Corps through the Transforming Neighborhoods program. Our sincere appreciation to Justin Capouellez and leadership of the REALTORS® Association of Westmoreland, Indiana, and Mon Valley for the warm welcome. Thanks to Rob Seigenfuse and Jessica Mosko for all their assistance. Thanks also to Tony Taneja and the Grandeur Estate for hosting the team, stakeholder meetings, and final presentation in the beautiful, historic space. We gratefully acknowledge the following individuals who graciously gave us their time and enlightened us with their candor and knowledge. Their commitment to the City of Greensburg was obvious.

Kristie Atherholt

Victoria Bauer, Westmoreland County Planning Department

Amy Beeghly

Tom Bell, City of Greensburg Superintendent of Streets

Mayor Robb Bell, City of Greensburg

Dr. Ken Bissell, Superintendent, Greensburg-Salem School District

Morgan Boyd, Special Assistant to DCED Secretary, DCED

Scott Brown

Bob Bustamonte, Realtor®, Berkshire Hathaway HomeServices

Lee Calisti, lee CALISTI architecture+design

Daniel Carpenter, Westmoreland County Planning Department

Rosalie Carpenter, Vice President for Student Affairs, Seton Hill University

Craig Chinn, Owner, Troutman Annex Building

Patrick Conley, Associate Broker and Commercial Sales Agent, Berkshire Hathaway HomeServices

Ashley Cooper-Brounce, Westmoreland County Transit Authority Deputy Director

Janne Corneil, Senior Advisor, U3 Advisors

Dan DeBone, President/CEO, Westmoreland Chamber of Commerce

Jeff Fait, City of Greensburg Fire Inspector

Gina Falcon, Accounting Manager, The Westmoreland Museum of American Art

Amy Fauth, Realtor®, Berkshire Hathaway HomeServices

Barbara Ferrier, Westmoreland Cultural Trust

Randy Finfrock, City of Greensburg City Council Member

Steven Gifford, Commercial Real Estate

Dr. Robert Gregerson, PhD, President, University of Pittsburgh at Greensburg

Sheila Grumbling, City of Greensburg City Council Member

Courtney Guerrieri, Westmoreland County Habitat for Humanity

Rob Hamilton, Westmoreland County Agency on Aging

Renee Hertzog, City of Greensburg Parking Authority
 Jessica Hickey, Diversity Coalition
 Dave Kahley, Greensburg Planning Commission
 Ellen Katter, Manager, Lifeline Services, Excelsa Health
 Helen Keegan-Geroux
 Sidni Kendall, Integrity Plus Realty
 Commissioner Sean Kertes, Westmoreland County (arrived at 2:30)
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 James Kunkel, SBDC Executive Director, Saint Vincent College
 Elsie Lampl, Attorney, Elsie R. Lampl - Lampl Settlement Services
 Brian Lawrence, Westmoreland Redevelopment Authority
 Scott Maritzer, Civil and Environmental Consultants, Inc.
 Lyz Marshall, Assist. Prof. of Business & Director, Wukich Center at Seton Hill University
 Chad McLaren, Project Manager, Westmoreland County Redevelopment Authority & Land Bank
 Greg Mertz, City of Greensburg City Council Member (Virtual)
 Kelsey Milliron, City of Greensburg City Administrator
 Frances Murray, Analyst, U3 Advisors
 Ann Nemanic, Executive Director, GO Laurel Highlands
 Jacob Noel, Realtor®, Berkshire Hathaway HomeServices
 Don O'Brien, Chief of Staff to Gina Cerilli Thrasher, Westmoreland County Board Member
 George O'Brien III, Owner, Progressive Property Investments
 Carlotta Paige, COO and Co-Chair, Westmoreland Diversity Coalition
 Rebecca Parry, Realtor®, Berkshire Hathaway HomeServices
 James Pirlo, Associate Director of Principal Gifts, Seton Hill University
 Eric Poloquin, Student, Seton Hill
 Suzanne Printz, CEO, YMCA
 Johnna Pro, Regional Director, DCED
 Jeff Raykes, City of Greensburg Planning Director
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Andy Urban, Somerset Trust

Suzanne Ward, Co-Owner, Value Investment Partners

Mike Washowich, Westmoreland County Housing Authority

Jon Wian, Chief of Staff to Commissioner Kertes

Ryan Will, Principal, Keystone Real Estate

Suzanne Wright, Chief Operating Officer, The Westmoreland Museum of American Art

Mandy Zalich, Westmoreland Community Action

Donnie Zappone Jr., Councilman, City of Greensburg

Allisha Zeman, Manager, First Commonwealth Bank

Appendix II – The Counselors of Real Estate® and CRE® Consulting Corps

The Counselors of Real Estate® is an international organization of commercial property professionals from leading real estate, financial, law, valuation, and business advisory firms, as well as real property experts in academia and government. Membership is selective and extended by invitation; commercial real estate practitioners with 10 years of proven experience may apply.

Counselors have created and endowed the MIT Center for Real Estate; resolved the dispute between the developer of the World Trade Center and its insurers post Sept. 11, 2001; led the privatization of U.S. Army Housing; developed a multi-billion-dollar, 10-year master plan for Philadelphia Public Schools; and valued both the Grand Canyon and Yale University. Counselors reside in 20 countries and U.S. territories, with only 1,000 professionals holding the CRE credential worldwide.

CRE Members:

- Recognized records of accomplishment
- Commitment to excellence
- Uncompromising adherence to high standards of professional conduct
- Visionary, yet practical approaches, to real estate issues

The CRE Consulting Corps, a public service program created and managed by The Counselors of Real Estate, provides real estate analysis and action plans for municipalities, not-for-profit organizations, educational institutions, and government agencies that address their clients' real estate dilemmas and often enhance the performance of a property or a portfolio. Each Consulting Corps project is conducted by a small group of volunteer members selected for experience and skillsets to address the specific needs of the client. The extensive talent base available within the CRE community ensures that teams can provide expertise on virtually any real estate issue.

CRE Consulting Corps

- Reliable solutions from experienced professionals
- Non-partisan, objective advice
- Exceptional service for fees that are a fraction of current market value
- Advice and recommendations provided quickly on site

Finding the Right CRE

Credentialed members of The Counselors of Real Estate are available to assist with your real estate challenge. Visit the CRE website to find the right CRE at <https://cre.org/find-a-cre-search/> or contact CRE staff members for assistance in identifying Counselors with the right skill sets to address your needs.

Appendix III – The Team

The Counselors of Real Estate Consulting Corps team assisting Greensburg:



Jacqueline Buhn, CRE
Principal
AR Spruce, LLC
Philadelphia, PA



Jackie Buhn, CRE, is a principal and co-founder of AR Spruce LLC, which plans, creates, and manages real estate. Jackie's expertise includes real estate consulting, management, operations, re/development, finance, and feasibility/planning. AR Spruce was formed in 2020 by the merger of Spruce Real Estate Partners and AthenianRazak. At AthenianRazak and its predecessor Athenian Properties, which Jackie founded in 2001, she led redevelopment projects such as work at 833 Chestnut, bringing the value of this historic 750,000 sf office building from \$7/sf to \$230/sf, as well as consulting engagements such as a Master Plan for the School District of Philadelphia. Prior work included overseeing repositioning, redevelopment, management, or consulting for more than 8 million sf of commercial properties and 2,800 residential units. Before Athenian, Jackie was a founder and principal of Renaissance Properties and a senior staff member at Growth Properties.

Jackie holds a B.A. from Yale University and a Master of Architecture from University of Washington. Affiliations include The Counselors of Real Estate, where she is active with the Consulting Corps and past chair of the DEI Committee; Greater Philadelphia Economy League; CREW, Past Philadelphia President, and Network Board Member.



Dennis Davis, CRE
Senior Deputy Director Real Estate Leasing, Sales, and Acquisitions
Boston Planning and Development Agency
Boston, MA

Dennis Davis, CCIM, CRE, CPM, is the Senior Deputy Director Leasing, Sales, and Acquisitions with Boston Planning and Development Agency, where he negotiates the lease of industrial and commercial real estate within Raymond L Flynn Marine Park, Charleston Navy Yard, and other Boston Planning and Development Owned commercial properties. He has successfully negotiated over \$1 billion in commercial real estate transactions, including 99-year land leases, life science

development, office buildings, industrial buildings, industrial and commercial development parcels, water-sheet vessel berthing, retail, telecommunications antennae/fiber, easements, public accommodations, construction laydown, and air rights. He performs market research and financial analyses to competitively price BPDA commercial real estate for lease and sale. He procures and reviews complex real estate appraisals. He also advises on property management and operations of RFLMP CNY, and other BPDA properties.

Prior to joining Boston Planning and Development Agency in 1996, Dennis was Real Estate Acquisition specialist with St. Louis Development corporation. He received a BA in Political Science from the University of New Hampshire and a Master of Public Administration from Southern Illinois University.



Robert Dietrich, CRE

Senior Vice President, Shareholder
Valuation Advisory Services
Kidder Mathews
Los Angeles, CA

Robert E. Dietrich, CRE, is a senior vice president with Kidder Mathews Valuation & Advisory Services, in the Los Angeles office. Bob has performed valuations and advisory assignments involving a wide variety of property types ranging from high rise offices to farms and ranches.

He recently completed the dissolution of a partnership with over \$200 million in industrial and office assets in the San Francisco Bay Area. He also works with government agencies including a current outleasing study for more than 500 historic buildings controlled by the US General Services Administration around the country.

Bob has been designated as an expert in real estate valuation issues and has testified in court on more than 70 occasions. He has also served as a neutral arbitrator on a number of cases.

He is a past member of the Board of Directors of the Appraisal Institute and Past President of the Southern California Chapters of CCIM and the Appraisal Institute.



H. Blair Kincer, MAI, CRE (LEED Green Associate)

Retired

Former Partner

Novogradac

Bethesda, MD

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Blair Kincer, CRE, is a retired partner with the accounting firm Novogradac & Company LLC in metro Washington, D.C. Blair helped lead Novogradac's government consulting and valuation advisory services group. He specializes in four primary practice areas: market analysis and appraisal of various types of mixed-income and affordable housing properties, new markets tax credit industry consulting, historic tax credit industry consulting, and market analysis and appraisal in the renewable energy industry. A certified LEED Green Associate, he brings a broad understanding of green building technologies and best practices.

Before joining Novogradac, Blair specialized in financial and economic feasibility analysis for a regional developer. Responsibilities included finding and processing potential acquisitions for rehabilitation using tax credit and tax-exempt bond financing. Blair served as a manager with Ernst & Young LLP, where he performed portfolio valuations, market analysis and loan pool performance reviews. His specialization included portfolio review, retail, and hospitality. Blair received his bachelor's degree from West Virginia University and his master's degree from Duquesne University. He is a member of the Appraisal Institute and a certified general appraiser in approximately 15 states.



Robert Rajewski, CRE

Tipping Point Development

Bob Rajewski, CRE, FRICS, MSRE, is an experienced real estate asset manager and project finance professional (since 1987) with years of field experience in a variety of commercial investment properties. He is skilled in quickly identifying issues within complex real estate assets/interests, dissecting them, and formulating strategies to resolve them through innovative and market-based solutions. Partner at Tipping Point Development, he advises communities, universities, and other clients on real estate projects, helping to re-imagine their commercial real estate.

Past roles include providing assistance with capital structuring and lease negotiations to national brokerage firms and overseeing project management for development and redevelopment projects. He was Senior Asset Manager at Eagle Realty, Senior Project Manager at Enterprise Community Investment, Vice President of Development and Finance for Caves Valley Partners, and Vice President of Asset Management at Building Investment Trust. He studied Finance at the University of Baltimore and earned a Master of Science in Real Estate Finance & Development at Johns Hopkins University.

