



## Urban Redevelopment Authority

### REQUEST FOR REDEVELOPMENT PROPOSALS (RFP)

PITTSBURGH - HUNT ARMORY  
324 EMERSON STREET

IN THE SHADYSIDE NEIGHBORHOOD  
OF THE CITY OF PITTSBURGH



**RFP Issue Date: Thursday, June 18, 2015**

**Proposal Due Date: Friday, August 7, 2015 at Noon ET**

## I. INTRODUCTION

### Goal of the RFP

The Urban Redevelopment Authority of Pittsburgh (URA) is seeking redevelopers and/or redevelopment teams (“Redeveloper”) for the Pittsburgh - Hunt Armory (“Site”) in the Shadyside neighborhood of the City of Pittsburgh (“City”). The goal of this RFP is to select a Redeveloper who has both the ability to purchase the Site and to complete a unique large scale redevelopment project that preserves the Site’s historical significance. The community’s suggestions for reuse have included, but are not limited to: residential, recreational, office, event, film production studio, and/or commercial space.

Demolition of the structure is not contemplated due to the Site’s 1991 National Register of Historic Places designation, along with local historic designation in 2014. The Site is subject to a historic preservation covenant approved by the Pennsylvania Historical and Museum Commission. The Site should be maintained and preserved in accordance with the Secretary of the Interior’s *Standards for the Treatment of Historic Properties*.

There is no commitment by the URA to provide subsidy for this project. Proposals must take this into consideration. However, there may be federal tax incentives to a purchaser who rehabilitates the Site in compliance with applicable standards. For more information, see [www.phmc.state.pa.us](http://www.phmc.state.pa.us).

### Property Description

Address:	324 Emerson Street; Pittsburgh, PA 15206
Neighborhood:	Shadyside
Ward	7
Council District:	8
Councilperson:	Councilman Dan Gilman
Parcel ID:*	<a href="#">84-L-283</a>
Size of Parcel:	1.84 acres
Size of Building:	+/- 93,671 square feet of gross building area
District Zoning:	RM-H, Multi-Unit Residential, High Density
Appraised Value:	\$1,860,000 as-of May 15, 2015

\*The URA obtains property and parcel identification (Parcel ID) information from the deed and certified appraisal for the property. Some information referenced in this RFP for the parcel differs from that listed on the Allegheny County Property Assessments homepage. The Parcel IDs are hyperlinked to the Allegheny County Property Assessments page for this property.

The Pittsburgh – Hunt Armory, built circa 1911-1919, exemplifies Classical Revival architecture enhanced by its scale. It was last utilized as an armory in 2013 when it was closed by the Pennsylvania Department of General

Services and the Department of Military and Veterans Affairs. In its ‘heyday’ it functioned both as an armory and also hosted Pittsburgh’s largest indoor events prior to the construction of the Civic Arena in 1961. The Site was a go-to destination for a wide range of cultural and social events, including presidential speeches from both Harry S. Truman and Dwight D. Eisenhower, indoor polo matches, and concerts, one of which featured the rock group Led Zeppelin in the late 1960s.

The sizable multi-tiered structure occupies most of the associated parcel. It is important to note that there is no on-site parking. However, the building’s main floor has an open floor plate and heavy foundation structure that allowed for military fleet storage in the past. Therefore, interior indoor parking may be considered as part of a comprehensive parking program for the building’s redevelopment.

The condition of the building is average to below average. It is considered to be a ‘shell’ building that will require considerable renovation. Approximately 10 years ago, the gymnasium portion of the structure was damaged by fire. See “Exhibit A” - Integra Realty Resources Appraisal of Real Property dated May 15, 2015 for a comprehensive overview of the structure’s historical relevance, floor plans and current condition.

**RFP Timeline**

RFP Issue Date	Thursday, June 18, 2015
Pre-proposal Conference*	Thursday, July 9, 2015 at 1 PM to 2 PM ET
Second Pre-proposal Conference*	Thursday, July 23, 2015 at 1 PM to 2 PM ET
Proposals Due	Friday, August 7, 2015 by Noon ET
Proposal Evaluation Period	Week of August 10, 2015
Interviews with Potential Redevelopers	Week of August 24, 2015

\* Interested Redevelopers should plan to attend the pre-proposal conferences, as private appointments will not be scheduled. The meeting location for the pre-proposal conferences will be at 324 Emerson Street. Please RSVP your attendance to Claren Healey, [chealey@ura.org](mailto:chealey@ura.org).

**Neighborhood Market Conditions**

Shadyside has historically been Pittsburgh’s strongest residential real estate market. Located in the heart of Pittsburgh’s East End, Shadyside is a popular neighborhood for both residents and visitors alike. The third most populated City neighborhood, behind Brookline and Squirrel Hill South, this quiet, stable, close-knit, residential community is evolving into a popular choice for first-time buyers and renters, along with a considerable older student population who attend nearby Carnegie Mellon University, University of Pittsburgh, and UPMC’s medical complex. Well maintained older homes, including Victorian mansions, are mixed with newer homes throughout the residential streets. Shadyside offers urban living with a suburban feel, which is characterized by modest lawns, garages and green space.

Shadyside has a substantial amount of small businesses, with prominent high-end stores, some of which are located on Walnut Street, Highland Avenue, Centre Avenue, and Ellsworth Avenue. The neighborhood's flat terrain, accessible public transportation and great amenities make Shadyside one of Pittsburgh's most walkable neighborhoods. In addition to its many longtime residents, Shadyside is quite popular with students from the many nearby universities. Shadyside is less than 2 square miles in area.

A mix of small and large scale commerce has made the nearby East Liberty neighborhood the central shopping destination for the East End ("Exhibit B"), which is anchored by major retailers such as Home Depot, Target, Trader Joe's, and Whole Foods. Numerous independent shops and restaurants are also located throughout the district serving both the neighborhood and specialty market. These small businesses have preserved the historic character of the district through renovation of the retail spaces, and their many storefronts enhance the pedestrian experience throughout the district.

In addition, transit-oriented redevelopment of the nearby East Liberty Station is taking full advantage of the Martin Luther King, Jr. East Busway. Through private and public partnerships, East Liberty station will be transformed into a new mixed-use transit center. This multi-modal transit hub will reconfigure the existing station to provide better access to transit, decrease road congestion, encourage economic growth, and bridge two business and residential communities. The center will include 54,000 square feet of retail, more than 350 residential units and a new 550-space parking garage.

The neighborhood has also capitalized on its proximity to Oakland and its university and medical service market. In response to Oakland's saturated office market the recent Bakery Square Development included office space for Google, UPMC and the University of Pittsburgh. Due to this success, Bakery Square 2.0 is currently underway including 400,000 square feet of office, 350 apartments and 57 townhomes. The Bakery Square Transit Center is in the planning phase in the proximate Larimer neighborhood, further increasing transit options for the site. Startup and spinoff companies continue to desire new office space, and the neighborhood is in a unique position to accommodate this growth and benefit from it.

Recently completed commercial development projects include:

- Home Depot;
- East Side – Whole Foods, PNC branch, Walgreen's, Trek Bicycles;
- Village of East Side – Trader Joe's, Club One Fitness, Staples;
- Target;
- Numerous independent shops and restaurants including, but not limited to, Dinette, Pizza Sola, BRGR, Spoon, Plum, and Paris 66;
- Beauty Shoppe – coworking office space;
- Bakery Square – offices for Google, UPMC and University of Pittsburgh, Urban Active Fitness, Marriott Springhill Suites; and
- Highland/Wallace – 10,000 square feet of retail.

Several more projects are underway including:

- Hotel Indigo – 128 rooms, 4,000 square feet of retail;
- Ace Hotel – 65 rooms;

- East Liberty Transit Oriented Development – 54,000 square feet of retail;
- 6000 Penn Avenue;
- East Liberty Place South and North Retail; and
- Bakery Square 2.0 – 400,000 square feet of office.

This commercial revitalization is in part due to the significant residential growth in the last decade. Recently completed residential projects include:

- Fairfield Apartments – 195 units of mixed-income housing;
- Penn Manor – 55 units of mixed-income rental housing;
- Negley Neighbors – 41 units of rental housing;
- Historic Enclave For-Sale Housing Development – 48 units of new and rehabbed for-sale homeownership units scattered throughout the East Liberty/Highland Park corridor;
- Boulevard Apartments – 14 units of rental housing;
- East Liberty Place North – 54 units of mixed-income rental housing;
- East Liberty Place South – 52 units of mixed-income rental housing;
- Walnut on Highland - 127 units of market-rate rental housing; and
- Bakery Square 2.0 – 175 apartments.

In addition to these housing developments several more are underway, including:

- Bakery Square 2.0 – 175 apartments and 57 townhomes;
- Larimer Choice Neighborhoods – 350 units of mixed-income rental housing; and
- East Liberty Transit Oriented Development – 350 market-rate residential units.

Shadyside is part of the PGHSNAP Sector 12: Upper East End. To access the PGHSNAP data for this sector, click [here](#).

According to RealSTATs™, Shadyside residential sale prices are summarized in the table below:

SHADYSIDE HOME SALE PRICES

Effective Dates	Period	Average	Median	Average Annual Sales
1/1/10-1/1/2015	5 YR	\$ 490,842	\$ 409,200	65
5/6/2014-5/6/2015	1 YR	\$ 557,886	\$ 482,100	58

Click [here](#) to view the latest residential market value data for the Shadyside neighborhood and all neighborhoods within the City of Pittsburgh.

Emerson Street intersects with two of Shadyside’s well known business districts - Ellsworth Avenue and Walnut Street.

To view the 2013 Shadyside – Ellsworth Avenue Commercial District Market Profile click [here](#).

To view the 2013 Shadyside – Walnut Street Commercial District Market Profile click [here](#).

## **Community Outreach and Prevailing Concerns**

Despite its size, Pittsburgh - Hunt Armory has long co-existed as a quiet complement to the surrounding densely-knit residential community, which includes Sacred Heart Parish along Emerson Avenue and its associated school (preschool – 8<sup>th</sup> grade) with a small student population. At the northwest corner of the Site, DePaul School for Hearing and Speech (18 months - 8<sup>th</sup> grade) has an enrollment of approximately 70 students. Calvary Episcopal Church and McCabe Brothers Funeral Home are also notable landmarks that are located in the vicinity of the Site.

Redevelopers should address the following community concerns in their response to the RFP:

- Describe safe traffic circulation surrounding the property in light of the current uses including the nearby schools;
- Describe your approach to parking in detail; include how you propose to address parking inside the building and how you will work to provide off-site parking if needed;
- Describe how your proposed development will work with the City and surrounding community to mitigate excessive noise both during construction and operations; and
- Describe any plans you may have for providing community access to the property on a periodic or ongoing basis. Examples might include providing community meeting space, ongoing recreational space or a routine of public events and programs.

The community group that represents Shadyside is the Shadyside Action Coalition (SAC). It is a volunteer-based organization of homeowners and renters who have an interest in maintaining and improving the quality of life in the Shadyside neighborhood. To learn more about SAC, click [here](#).

Interested Redevelopers are encouraged to meet with SAC prior to submitting a proposal package to discuss how their proposed project relates to SAC's vision for the community. A group of community stakeholders will also be convened to review incoming proposals to advise the URA on proposers' compatibility with community goals.

## **II. PROPOSAL REQUIREMENTS**

Proposals should demonstrate the capacity and creativity of the Redeveloper to transform the property by following high development standards and presenting the best economically viable project(s) for the City. It is pertinent that all federal, state and local historic guidelines are incorporated into the preservation of the building's façade. The Redeveloper will be required to coordinate design and construction with the URA to ensure that the proposed renovation complements the neighborhood's and City's revitalization goals.

**All responses must include the RFP Summary Page, which can be found at the end of this document, as the cover page of the proposal package.**

The proposal should be tabbed based on the following Proposal Requirements outline. Proposals should not exceed 15 double-sided pages – a maximum of 50 double-sided pages with Exhibits. The Redeveloper should submit eight (8) hard copies printed to double sides with one (1) electronic copy in PDF format on a CD or flash drive. One (1) copy of Redeveloper’s Financial Statement should be submitted in a separate sealed envelope and is returnable upon request. Please ensure that your exhibits and attachments are pertinent and responsive directly to the requirements of the RFP. Succinct or shorter proposals that are complete will be welcomed.

The Redeveloper’s entire proposal package should be sent to:

Claren Healey, Development Officer  
Urban Redevelopment Authority of Pittsburgh  
200 Ross Street, 10<sup>th</sup> Floor  
Pittsburgh, PA 15219

**ALL RESPONSES MUST BE RECEIVED BY THE PROPOSAL DUE DATE AND TIME STATED IN THE RFP TIMELINE.**  
Late submittals will not be reviewed.

The following Proposal Requirements will serve to establish a Redeveloper’s overall capacity to complete this project.

1. RFP Summary Page
2. Project Narrative – Please be brief and to the point.
  - a.) Project Description – specific use, number of units (for residential) and/or commercial square feet (for retail, office)
  - b.) Parking - parking required by district zoning in relation to the parking necessary to meet the project demands
  - c.) Community engagement plan – general approach and how the project addresses concerns outlined by the community
  - d.) Economic and community impacts – estimated tax generation, job creation, tourism or other factors that can be measured
  - e.) Sustainability goals – performance measures or industry standards that will be used to assess the sustainability of the project
  - f.) Minority/Women Owned Business Enterprise plan – strategy to maximize M/WBE participation and projected goals (See “Exhibit C”)
  - g.) Ownership entity (single owner, partnership, LLC) - ability to finance the costs associated with project including previous experience in attracting equity investors and fundraising
  - h.) Development entity – project management plan and role of each development partner in the implementation of the development plan
3. Schematic Drawings of the Proposed Project (Exhibits)
  - a.) Site plan
  - b.) Elevations

- c.) Phased plan, if applicable, with first phase clearly identified
4. Budgets (Exhibits)
    - a.) Financing sources with funding gaps identified
    - b.) Project uses including Redeveloper’s offer as well as projected hard and soft costs
    - c.) Proforma including all anticipated operational and maintenance costs
    - d.) Phased sources and uses, if applicable, with first phase clearly identified
    - e.) Completion of attached Projects Sources and Uses of Funds Template (“Exhibit D”)
  5. Proposed Development Timeline – (from the time the property is awarded) (Exhibits)
    - a.) Schedule that identifies the duration of key tasks (i.e. due diligence, conceptual design, design development, permitting, final design, contract award, construction, etc.) and indicates major milestones
    - b.) Phased development timeline, if applicable, with first phase clearly identified
  6. Financial Capacity (Exhibits)
    - a.) Description of ability to finance the costs associated with project (with or without historic tax credits)
    - b.) Joint venture, general, or limited partners, and percentage of interest
    - c.) Statement of Equity Contribution with source identified
    - d.) Letters of Interest or references from lending institutions, if applicable
    - e.) Letters of Interest from potential tenants, if applicable
    - f.) Explanation of Redeveloper’s experience with tax credits and other leveraged financing and how they will be used as part of this project; Include an estimate of any public financing for building or site related improvements, you intend to seek.
    - g.) Redeveloper’s financial statements (under separate cover)
  7. Relevant Development Experience (Exhibits)
    - a.) Resumes or biographies of the proposed development team
    - b.) Fact sheets for similar projects (images, date, location, concept, funding sources, current vacancy rates)
    - c.) Press clippings that include project narratives to describe previous work

### **III. SELECTION PROCESS**

The URA’s intention is to enter into an exclusive negotiation period with the selected Redeveloper. The exclusive negotiation period will provide the Redeveloper sufficient time to complete due diligence activities necessary to define a scope of work and schedule that will ultimately become part of a formal Disposition Contract.

A Redeveloper may be selected based on, but not limited to, the following criteria:

1. Experience completing similar redevelopment projects in an urban neighborhood;
2. Capacity to attract and secure financing, with a minimum amount of public subsidy;
3. Ability to assemble a team with the appropriate specialties;
4. Appropriateness of proposed plan with RFP goals and scale of development;
5. Experience with community engagement;
6. Commitment to sustainable design standards;
7. Commitment to Minority/Women Owned Business Enterprise participation;
8. Letters of interest from banks and/or potential tenants; and
9. Offer on subject property.

The Redeveloper is responsible for designing a project that meets the zoning regulations and building codes adopted by the City of Pittsburgh and is otherwise compliant with the law.

A Redeveloper will be recommended to the URA Board based on the overall quality of the proposed project. The evaluation of the Redeveloper's qualifications, experience and capacity will be based upon information submitted in the proposal and presented during the interview by the Redeveloper.

The URA reserves the right to verify the accuracy of all information submitted. After the URA has completed its evaluation of the submittals, a Redeveloper who is placed on the short-list may be asked to interview with the URA. However, a short-listed proposal may be accepted without the need for an interview. If an interview is deemed necessary, the Redeveloper will be provided with a time that is determined by the URA.

#### **IV. DISPOSITION PROCESS OVERVIEW**

The URA is required to obtain the Commonwealth of Pennsylvania's review and written approval prior to the URA executing an Agreement of Sale and/or Disposition Contract with the selected Redeveloper relative to the subject property. The URA sells its property through a disposition process rather than a standard sales agreement. The disposition process is based on the declarations within the Urban Redevelopment Law (Act of May 24, 1945, P.L. 991, No. 385). The Redeveloper must enter into a Disposition Contract (i.e. Redevelopment Contract) with the URA. The Disposition Contract is the binding document that details the Redeveloper's plan to design, finance, purchase, and construct the redevelopment project. Taxes, liability insurance, Site security, and all aspects of owning and redeveloping the property shall be the full responsibility of the Redeveloper at the time of sale, as specified in the Disposition Contract.

As part of the process, the URA will review the Opinion of Probable Cost and project drawings against the evidence of financing to determine if the information presented is reasonable and corresponds to a fully realized project. The URA will not close on a property until all the terms of the disposition process are fulfilled. Click [here](#) to access the Disposition Process.

The URA Board must approve any and all redevelopers who purchase URA property. Upon URA Board approval, the Redeveloper's purchase of the property will occur after execution of the Disposition Contract,

approval of the final construction documents and issuance of a building permit. The purchase of the property will occur simultaneously with the closing on the Redeveloper's construction financing.

## **V. LEGAL INFORMATION**

1. Prior to submitting a proposal, a Redeveloper is strongly encouraged to attend the pre-proposal conference which provides an opportunity to inspect the property.
2. The property will be offered to the selected Redeveloper in "AS-IS" condition.
3. The sale of the property does not guarantee or warrant demolition permits, building permits, zoning variances, or financial viability.
4. The Redeveloper, for itself and its employees, contractors, and primary subcontractors, agrees not to discriminate against or segregate any person or group of persons on any unlawful basis in the construction, sale, transfer, use, occupancy, tenure or enjoyment of the property or any improvements erected or to be erected thereon, or any part thereof.
5. The URA shall be the sole judge as to which proposal best meets the selection criteria. The URA reserves the right to reject any or all proposals received, to waive any informalities or irregularities in any submitted proposal, and to negotiate scope and proposal prices.
6. Responses to the RFP will not be opened publicly.
7. Proposals may be withdrawn by written notice received by the URA before the time and date set for receipt of proposals. After the submission date, a proposal may not be withdrawn for a period of 60 days, except by mutual consent between the URA and the respondent.
8. It is the Redeveloper's sole responsibility to read and interpret this RFP and the written instructions contained herein. A respondent may correct errors and omissions discovered before the time set for receipt of proposals by withdrawing the original proposal and resubmitting a new proposal before the date and time set for the receipt of proposal. Errors and omissions may not be corrected after the submission date except when the URA decides, in its sole discretion, to allow the correction.
9. This RFP is submitted subject to errors, omissions, and/or withdrawal without notice by the URA at any time.
10. The Redeveloper is encouraged to confer with the URA prior to submitting their response. All proposals, including attachments, supplementary materials, addenda, etc. shall become the property of the URA and will not be returned.

11. Addenda will be posted on the URA website and distributed via the [Developer Mailing List](#). All such addenda shall become part of the RFP documents and all respondents shall be bound by such addenda, whether or not received by the respondents.

**VI. EXHIBITS**

- A. [Complete Appraisal](#)
- B. [Map of Hunt Armory & Surrounding Community](#)
- C. [M/WBE Policy/Plan](#)
- D. [Project Sources and Uses of Funds Template](#)

**RFP SUMMARY PAGE FOLLOWS**

**RFP SUMMARY PAGE**  
**THE HUNT ARMORY AT 324 EMERSON STREET**

<b>Development Team</b>	
Ownership Entity	
Primary Contact	
Address	
Phone	
E-mail	
Is lead Developer a certified MBE or WBE?	
Partner	
Architect	
Contractor	
Consultant(s)	
Is any of the development team based in Pittsburgh?	
Is any of the development team based in Pennsylvania?	
Is any of the development team a certified MBE/WBE?	
<b>RFP Summary</b>	
Acquisition Offer	
Total Estimated Project Cost	
Developer Equity	
Total Estimated Project Gap	
<b>Complete all fields that apply.</b>	
Total Residential Units	
Total Retail Square Footage	
Total Office Square Footage	
Other (please specify)	
Other (please specify)	
Other (please specify)	
<b>Project Timeline</b>	
Construction Start	
Construction Duration	

To obtain an excel version of the RFP Cover Page, email [chealey@ura.org](mailto:chealey@ura.org).