

AN ADVISORY SERVICES PANEL REPORT ✓

# Pittsburgh International Airport Area



Urban Land  
Institute



# Pittsburgh International Airport Area

**A Development Program for the Airport Market Area**

September 8-13, 2002  
An Advisory Services Panel Report

ULI—the Urban Land Institute  
1025 Thomas Jefferson Street, N.W.  
Suite 500 West  
Washington, D.C. 20007-5201



## About ULI—the Urban Land Institute

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**U**LI—the Urban Land Institute is a non-profit research and education organization that promotes responsible leadership in the use of land in order to enhance the total environment.

The Institute maintains a membership representing a broad spectrum of interests and sponsors a wide variety of educational programs and forums to encourage an open exchange of ideas and sharing of experience. ULI initiates research that anticipates emerging land use trends and issues and proposes creative solutions based on that research; provides advisory services; and publishes a wide variety of materials to disseminate information on land use and development.

Established in 1936, the Institute today has more than 17,000 members and associates from 60 countries, representing the entire spectrum of the land use and development disciplines. Professionals rep-

resented include developers, builders, property owners, investors, architects, public officials, planners, real estate brokers, appraisers, attorneys, engineers, financiers, academics, students, and librarians. ULI relies heavily on the experience of its members. It is through member involvement and information resources that ULI has been able to set standards of excellence in development practice. The Institute has long been recognized as one of America's most respected and widely quoted sources of objective information on urban planning, growth, and development.

This Advisory Services panel report is intended to further the objectives of the Institute and to make authoritative information generally available to those seeking knowledge in the field of urban land use.

Richard M. Rosan  
*President*

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# About ULI Advisory Services

**T**he goal of ULI's Advisory Services Program is to bring the finest expertise in the real estate field to bear on complex land use planning and development projects, programs, and policies. Since 1947, this program has assembled well over 400 ULI-member teams to help sponsors find creative, practical solutions for issues such as downtown redevelopment, land management strategies, evaluation of development potential, growth management, community revitalization, brownfields redevelopment, military base reuse, provision of low-cost and affordable housing, and asset management strategies, among other matters. A wide variety of public, private, and nonprofit organizations have contracted for ULI's Advisory Services.

Each panel team is composed of highly qualified professionals who volunteer their time to ULI. They are chosen for their knowledge of the panel topic and screened to ensure their objectivity. ULI panel teams are interdisciplinary and typically include several developers, a landscape architect, a planner, a market analyst, a finance expert, and others with the niche expertise needed to address a given project. ULI teams provide a holistic look at development problems. Each panel is chaired by a respected ULI member with previous panel experience.

The agenda for a five-day panel assignment is intensive. It includes an in-depth briefing day composed of a tour of the site and meetings with sponsor representatives; a day of hour-long interviews of typically 50 to 75 key community representatives; and two days of formulating recommendations. Many long nights of discussion precede the panel's conclusions. On the final day on site, the panel makes an oral presentation of its findings and conclusions to the sponsor. A written report is prepared and published.

Because the sponsoring entities are responsible for significant preparation before the panel's visit, including sending extensive briefing materials to each member and arranging for the panel to meet with key local community members and stakeholders in the project under consideration, partic-

ipants in ULI's five-day panel assignments are able to make accurate assessments of a sponsor's issues and to provide recommendations in a compressed amount of time.

A major strength of the program is ULI's unique ability to draw on the knowledge and expertise of its members, including land developers and owners, public officials, academicians, representatives of financial institutions, and others. In fulfillment of the mission of the Urban Land Institute, this Advisory Services panel report is intended to provide objective advice that will promote the responsible use of land to enhance the environment.

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The panel also wishes to thank the individuals listed in the Appendix on page 51, some for their encouragement, some for their guidance, some for their hard work on the panel's behalf, and some for their hospitality as the panel worked through the many issues raised by this project.



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# Foreword

**P**ittsburgh International Airport (PIT) is a state-of-the-art airport with available capacity located in Allegheny County, Pennsylvania, roughly 15 miles west of downtown Pittsburgh. It is surrounded by thousands of acres of vacant land and is a strategic asset for southwestern Pennsylvania. The challenge facing the airport market area and the southwestern Pennsylvania region is how to prepare to compete for economic development in the 21st-century global marketplace.

For the purposes of this panel report, the Pittsburgh International Airport market area is defined as the area extending from Washington County to Neville Island, and from Beaver County to the city of Pittsburgh. At its center are approximately 10,000 acres of airport property owned by Allegheny County, with substantial tracts of privately held land nearby. This airport market area has great economic development potential for the region. Ten years ago, when the airport's new world-class terminal opened, the facility was expected to attract substantial new development to the airport market area. Unfortunately, only limited development has occurred. Some of that development has not been the best use of the property, nor has it provided the expected economic benefits for the region.

Some sites in this market may be good locations for an airport technology park that might attract high-quality manufacturing companies, research and development centers, corporate headquarters, and other high-quality development. Other sites may be suitable for air cargo and cargo handling facilities, warehouse and distribution hubs, or office or residential development. But no comprehensive development program for the airport market area has yet been formulated or implemented, because there is no common vision and only limited coordination among the area's various public and private stakeholders in the develop-



ment process. This situation has prevented the realization of the airport market area's potential, both locally and for the overall region.

Location map.

Pittsburgh International Airport entered a new phase in August 2002, when US Airways, which covers 85 percent of the airport's debt service and operating expenses, filed for Chapter 11 bankruptcy. Although US Airways has stated its continuing commitment to PIT and plans to base a new commuter airline subsidiary at the airport, the long-term impact of the airline's operations on PIT and the impact of rapid changes taking place throughout the airline industry present a challenge to Pittsburgh and the southwestern Pennsylvania region.



# The Study Area and the Panel's Assignment

**T**he southwestern Pennsylvania region is comprised of ten counties: Allegheny, Armstrong, Beaver, Butler, Fayette, Greene, Indiana, Lawrence, Washington, and Westmoreland. Southwestern Pennsylvania's topography is characterized by rolling hills ranging from 710 feet above sea level at the river basin to almost 2,900 feet above sea level in the mountain ridges at the region's eastern edge. These hills and valleys create economic and physical challenges for development and at the same time form significant amenities that complement development needs.

Elevation ranges in the study area are less extreme but still pose challenges and opportunities for development. Slope and circulation considerations may reduce the net developable areas of project sites by 30 to 50 percent. Of course, these sites could be balanced with cut and fill, but this would raise development costs significantly. At the same time, the topography adds visual interest and the possibility of vistas and views. It also offers recreational amenities in the study area. For example, the Montour Trail, a 47-mile-long biking and hiking trail on an abandoned railroad bed, traverses the study area and is part of the regional Allegheny Trail Alliance Rails to Trails network.

The principal land uses in the study area are forest and agriculture. Historically, settlement was centered along rivers and other major transportation arteries. These historical patterns remain evident today and are quite pronounced in the study area, where residential and commercial development are concentrated along the rivers and intense development is lacking elsewhere.

## Environmental Issues

Southwestern Pennsylvania has been very successful at brownfield redevelopment, particularly on large riverfront sites where mills once stood. The study area, however, faces another, more un-

usual challenge. Developers there must be concerned with current and former below-ground uses, especially mining. Many mining areas can be developed safely, but conditions vary from site to site. Cost and safety issues need to be evaluated as part of any development plan.

Similarly, developers need to evaluate watershed issues related to individual sites. The topography of the region forms a very fine scale of watersheds. For this reason, development sites—especially large ones—may be divided between two or more watersheds. This creates financial challenges for the collection, pumping, and treatment of wastewater.

## Demographics

The population of the southwestern Pennsylvania region has steadily lost ground in comparison with other U.S. regions. With a 2000 population of 2.4 million, the region was the 21st-largest in the United States, having fallen from tenth place in 1970, when the population was at its peak of about 3 million. While this peak population followed on the strength of the post-World War II industrial boom, the subsequent industrial bust of the 1980s saw the regional population fall back to its 1940 level. Through the 1980s, the Pittsburgh region lost more population than any other region in the nation, a loss that resulted in the region having the lowest proportion of 22 to 29 year olds as a percentage of the total population of any U.S. region in 1990. This is doubly problematic, because this age cohort contains the innovative, wealth-producing, and childbearing people who fuel future population and economic growth.

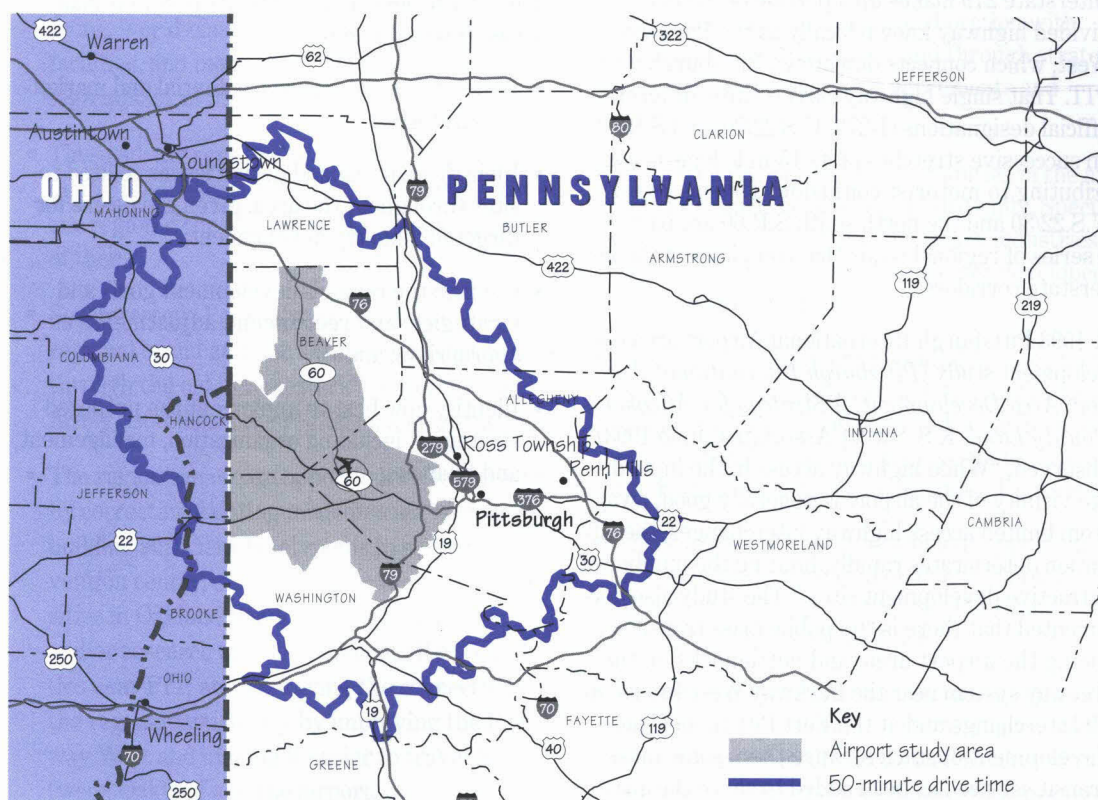
The employment losses of the 1980s wiped out decades of population and employment growth. It took a decade to recover the job losses, but the region still is not growing. It is the only one of the nation's top 25 regions to lose population in the



The study area faces a number of infrastructure issues. Although PIT and the main route to the airport, State Route 60 (S.R.60), are excellent facilities, water and sewer service, local and regional roads, and full highway interchanges often are incomplete and inadequate.

Each municipality bears complete responsibility for the management of wastewater for its residents and businesses. Water service typically follows the same pattern, and is managed by authorities that fall within municipal boundaries. Given

the large number of municipalities in the airport area, this has grave implications for the efficient and cost-effective provision of water and sewer services. Because of their limited rate bases, small systems typically are unable to make large-scale investments in anticipation of providing future service. Many potential development sites are, therefore, without sewer service. Small, financially weak utilities also are unable to make necessary capital investments, which can result in system failure. Older systems are undersized for future growth



The terrain in the southwestern Pennsylvania region presents challenges for development.

Airport market area.



and—because of the large number of systems—the quality of service is not consistent. Finally, some municipalities are banned from extending service because of combined or sanitary sewer overflows or aging, deteriorating infrastructure.

The problem of inadequate water and sewer infrastructure pervades the region. According to *Investing in Clean Water: A Report from the Southwestern Pennsylvania Water and Sewer Infrastructure Project Steering Committee*, published in April 2002, “Southwestern Pennsylvania suffers from a lack of ready-to-go sites for business location and development. Many of those sites that have good transportation service and are topographically feasible for development lack one crucial element: water and wastewater infrastructure.”

### Transportation

The Pittsburgh International Airport area is served by a variety of highways and roads, including Interstate 79 (I-79), a major north/south interstate. The other main interstate in the study area is I-279, which extends west from the city of Pittsburgh. Interstate 279 makes up a portion of the multilane divided highway known locally as the Parkway West, which connects downtown Pittsburgh with PIT. That single highway carries three different official designations (I-279, U.S.22/30, and S.R.60) on successive stretches of its 15-mile length, contributing to motorist confusion. The east/west U.S.22/30 and the north/south S.R.60 are part of a series of regional roads that complement the interstate corridors.

A 1993 Pittsburgh International Airport area development study (*Pittsburgh International Airport Area Development, A Strategy for Allegheny County Land*, K.S. Sweet Associates, June 1993) observed, “While highway access in the immediate vicinity of the airport is generally good, away from limited access highway interchanges, the situation deteriorates rapidly, limiting the number of attractive development sites.” The study also documented that there is “no public mass transit servicing the airport area, and bottlenecks on the freeway system near the Parkway West/Interstate 79 Interchange and at the Fort Pitt tunnel” pose development obstacles. Since then, some mass transit service has been added to serve the airport

and some nearby retail destinations. The study area, nevertheless, remains mostly underserved.

### The Panel's Assignment

The Airport Market Area Task Force, a group of political, business, and labor leaders from the counties around PIT, asked the Urban Land Institute panel to assess the challenges and opportunities for targeted development in the airport market area and to outline the regional strategies and methods that will be needed to achieve this development. The panel was presented with many potential development sites in the study area. Several of the sites are on property owned by Allegheny County and leased to the Allegheny County Airport Authority, the operator of PIT. Other properties are privately owned or owned by other public agencies. The panel was asked to identify a framework for prioritizing development choices, for assembling the public and private resources necessary for each site, and for fitting each site into a development strategy so that these sites can be brought to market.

The ULI panel was asked to address four main areas. It was asked to:

- Assess the area's market potential and marketing strategies;
- Identify planning and design issues related to sites throughout the area, given the desire for targeted industry development;
- Confirm the region's development goals and strategies, and recommend adjustments as appropriate; and
- Identify how best to implement the proposed strategies, including organization, management, and financing.



# Summary of Findings and Recommendations

**T**he panel has organized this report to reflect important considerations that must be addressed in order to establish a competitive posture in the global economic development marketplace and create opportunities for industrial and commercial development in the airport market area. The following outline summarizes the panel's findings and recommendations, which are described in detail in further sections of this report.

## Building a Regional Image

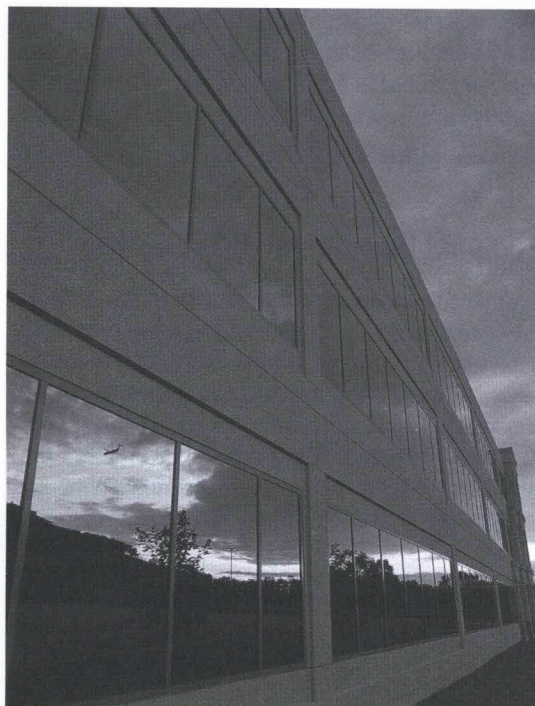
- Southwestern Pennsylvania has tremendous advantages that would be the envy of many "first-tier" cities, including its riverfronts, its topography, downtown Pittsburgh, the low cost of living, world-class universities and health care facilities, and more, all of which contribute to a high quality of life.
- These advantages can help attract new residents, businesses, jobs, and investment to the region if the outside world is made aware of them.
- Southwestern Pennsylvania should develop a regional brand and marketing effort that breaks through the old "smokestack" perceptions and firmly establishes the region on a new stage.
- The region can create opportunities for growth by correcting existing inadequacies, such as by building sufficient hotel rooms to serve the convention center; encouraging landlocked universities in Oakland to build satellite campuses and/or research and development (R&D) facilities near PIT; and improving the connectivity of the region, particularly by improving the Parkway West and making it easier to travel between Oakland and the airport.

## Regional Development and Growth

- To accommodate new and expanding businesses, southwestern Pennsylvania needs a greater inventory of large and small development-ready industrial sites. *More is better.*
- The area around Pittsburgh International Airport could help fill that gap with the proper focus on planning and infrastructure investment.
- Fragmented government, the lack of a regional focus, and the absence of a coordinated regional infrastructure plan have hindered industrial development in the airport area and in southwestern Pennsylvania in general.
- The development approval process should be expedited through closer collaboration with state and federal agencies, and through strategies such as development agreements and tiered approvals.
- Industrial development opportunities in the airport area must be assessed realistically. Specific sites should be identified for target industries, and specific development strategies developed for each identified site.
- Sites with development potential for the short term include the Rubenstein Company property on Moon Clinton Road and the Ewing Technology Center: Massaro Properties site adjacent to the Ewing interchange on Business Route 60.
- There are significant development opportunities on infill sites focused on live/work/play mixed uses in areas such as Neville Island, Coraopolis, and McKees Rocks.
- Sites with mid-term development potential include property adjacent to the McClaren Road interchange on Route 60, as well as most of the Allegheny County-owned airport property.



Pittsburgh International Airport, which celebrated the tenth anniversary of the opening of its midfield terminal on October 1, 2002, accommodates nearly 20 million travelers with nearly 450,000 aircraft operations per year.



Planning, engineering, and financing for these projects should begin immediately.

- Sites with long-term development potential include the Imperial Land Company sites in Allegheny and Washington counties and the former LTV Corporation site in Aliquippa. Planning for these sites should begin within the next five years. Work at the Starpointe industrial park already is underway, but that project is unlikely to realize its full potential for years, until other infrastructure investments—including the construction of the Findlay Connector—are made.
- The region's highest transportation priority should be the completion of the I-79/I-279 (Parkway West) interchange with the construction of ramps to and from the north. This should be part of a general upgrade of the Parkway West and designation of the entire highway as a federal (interstate) highway.
- A regional water and sewer plan for the area around the airport and beyond is essential.
- Public realm design guidelines and private codes, covenants, and restrictions should be established to ensure high-quality development in the airport area.
- The Allegheny County Airport Authority must develop effective partnerships with adjoining municipalities to address land use, transportation, and development issues. It also must undertake a comprehensive, long-term, coordinated effort with local, county, state, and federal agencies to improve access to PIT.
- The airport should hire a nationally recognized real estate consulting firm with experience in land development at hub airports to develop a strategy and plans for the development of airport land for commercial uses, to prepare requests for proposals for developers, and to assist the airport in evaluating development proposals and awarding land development opportunities.

## Pittsburgh International Airport

- The airport is a world-class facility with 37 percent more land than Chicago O'Hare International Airport. Much of that land, however, will be a challenge to develop because of steep slopes, environmental issues, and limited infrastructure.
- Access to Pittsburgh International Airport and its environs from downtown, Oakland, and other parts of the region is poor because of congested highways, missing connections, and a lack of adequate mass transit alternatives.
- The amount of cargo handled by the airport will grow as the region's overall economy grows, and the addition of new small cargo buildings, as necessary, can meet growing cargo needs.
- The economic impact of the military presence at Pittsburgh International Airport far exceeds any impact that potential air cargo operations might have. A regional economic development professional should be responsible for this very important economic player.
- The Allegheny County Airport Authority must develop effective partnerships with adjoining municipalities to address land use, transportation, and development issues. It also must undertake a comprehensive, long-term, coordinated effort with local, county, state, and federal agencies to improve access to PIT.
- The airport should hire a nationally recognized real estate consulting firm with experience in land development at hub airports to develop a strategy and plans for the development of airport land for commercial uses, to prepare requests for proposals for developers, and to assist the airport in evaluating development proposals and awarding land development opportunities.

## The Need for a Regional Approach

- Structured cooperation among Pittsburgh, its suburbs, and the outlying areas is necessary because economic development and quality-of-



life issues transcend political boundaries. Industrial parks employ workers who reside in many counties and communities. Infrastructure investments, such as roads and sewer systems, cross county and municipal lines and often exceed the ability of a single entity to finance them.

- Regional cooperation can provide southwestern Pennsylvania with a global competitive advantage and can bring more talent, jobs, and investment to the region.
- The consequences of not acting regionally will be the loss of key population segments, decaying infrastructure, and a lack of private investment.
- Obstacles to regionalism include numerous overlapping levels of government with distinct constituencies and competing agendas, a tradition of land use responsibility at the municipal level, a lack of regional leadership, and a complete absence of collaboration between the city and the region.

- Even in this uniquely challenging environment, successes are possible. The municipalities of Homestead, West Homestead, and Munhall cooperated to overcome jurisdictional barriers to attract the Waterfront, a mixed-use development on a brownfield site. The proposed revenue-sharing plan among three townships in Washington County to support the Starpointe project is another innovative local solution. This example should be recognized as a starting point for other regional win-win revenue-sharing efforts.

- Southwestern Pennsylvania should create a regional authority vested with broad powers to identify a community vision for the region, establish a long-range plan to implement that vision, and bring jurisdictions together to overcome local obstacles to regional cooperation.

- Increased regional cooperation should increase the amount of state and federal funding available for various initiatives.

Pittsburgh International Airport, which will be the fourth airport in the world to be certified as a "green" airport.

## Building a Regional Image

**T**he southwestern Pennsylvania region competes on a national and international scale for "business investment," the collective term that includes business, jobs, and people. The competition among regions for new business investment is fierce. The most successful regions in the United States—those that have experienced exponential and explosive growth—have highly sophisticated, focused, and cooperative economic development marketing programs. These regions include Atlanta, Boston, central Texas (Austin), Chicago, Dallas/Fort Worth, Denver, Houston, Jacksonville, Los Angeles, New Jersey, New York, Phoenix, Portland (Oregon), San Diego, the San Francisco Bay Area, Seattle, south Florida, Tampa Bay, and Washington, D.C. Although it has made progress in organizing its regional economic development marketing efforts, the southwestern Pennsylvania region is not in the top tier in this arena.

For southwestern Pennsylvania to compete effectively, both nationally and globally, it needs to concentrate its efforts in one group or agency. That agency's mission should be to increase business investment in the southwestern Pennsylvania region and to educate and provide others in the region with the resources needed to meet its objectives. Agencies that could accomplish this mission include the Pittsburgh Regional Alliance, the Greater Pittsburgh Convention & Visitors Bureau, the Greater Pittsburgh Chamber of Commerce, Citizens for Pennsylvania's Future, 10,000

Friends of Pennsylvania, and Sustainable Pittsburgh. A report entitled *Marketing Strategy and Action Plan to Accelerate Economic Growth in Southwestern Pennsylvania*, prepared by McKinsey & Company in December 1997 and sponsored by the Regional Marketing Coalition, identified this as an issue and offered recommendations to address it. The region has followed through on some of those recommendations.

### The Region's Strengths

Southwestern Pennsylvania has a tremendous number of advantages that would be the envy of many first-tier cities. These attributes need to be considered when marketing the airport area. The growth of the overall region will drive growth in the airport area. No single economic driver in the airport area has the inherent capacity to generate the business investment desired.

#### Pittsburgh International Airport

The airport is an incredible resource that is necessary for the region to grow economically. The planning, design, and execution of the terminal and Airmall® at PIT are examples of "how to do it right." The airport is a necessary part of the overall infrastructure required to stimulate growth. It is not, however, an economic engine that will generate jobs, real estate investment, or population growth. As mentioned elsewhere in this study, air cargo is expected to grow only as the region's overall economy grows and should not be pursued as an end in itself.

#### The Riverfront

The convergence of the Ohio, Monongahela, and Allegheny rivers provides a strong venue for commercial, residential, and industrial development in southwestern Pennsylvania. These rivers are clean and picturesque, and clearly provide visual, recreational, and commercial benefits to the region.

### Summary of Key Points

- The region enjoys first-class amenities and a high quality of life.
- The challenges the region faces include the need for additional hotel rooms near the convention center and an improved transportation network.
- A regional brand is needed to break through old "smokestack" perceptions.



## Downtown Pittsburgh

The southwestern Pennsylvania region has reinvented itself so impressively that President George W. Bush—during a tour of local research initiatives—suggested renaming Pittsburgh “Knowledge Town.” No place in the region exemplifies this transformation better than downtown Pittsburgh. The architecture is historic, the business climate is dynamic, and the new David L. Lawrence Convention Center and the downtown sports scene are impressive. While the urban core still does not qualify as a “24-hour city,” it has many of the characteristics of such places.

## Topography

The topography of the southwestern Pennsylvania region should be viewed as a benefit, not a detriment, to development. Many regions would love to have the rolling hills and natural forests present in southwestern Pennsylvania, and especially in the airport area. The region’s “green” environment, trails, and visual corridors are impressive.

## A Military Presence

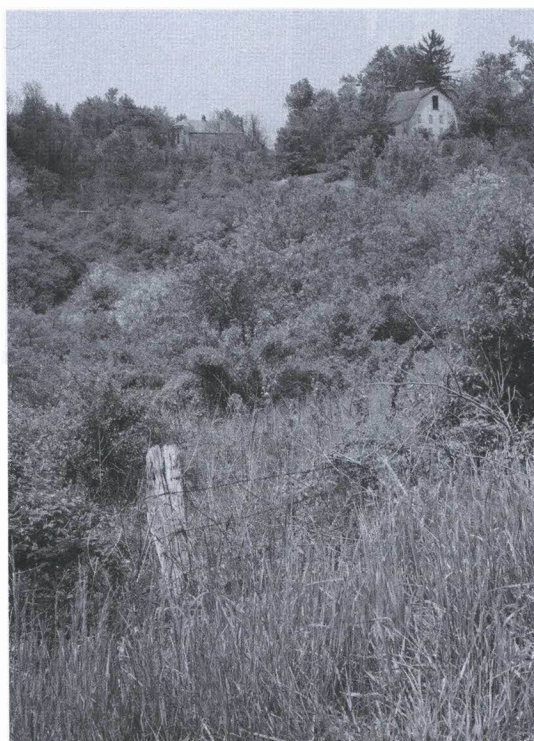
The U. S. Air Force Reserve 911th Airlift Wing, with a \$60 million annual impact on the economy; the Pennsylvania Air National Guard 171st Air Refueling Wing, with 300 permanent employees and 1,400 reservists; and the U.S. Army Reserve 99th Regional Support Command together represent a huge economic impact on southwestern Pennsylvania and the airport area. Every effort should be made to retain these units. A single economic development professional should be responsible for this very important economic effort. The economic impact of the military presence at PIT far exceeds any impact that potential air cargo operations might have.

## A Sophisticated Financial Community

Southwestern Pennsylvania is home to two Fortune 500 financial institutions, PNC Financial Services Group and Mellon Financial Corporation. Both are major employers and huge civic benefactors for the region.

## Sports

All of Pittsburgh’s professional sports teams—which include the Pittsburgh Steelers National Football League team, the Pittsburgh Penguins National Hockey League team, and the Pitts-



burgh Pirates Major League Baseball team—are major entertainment draws to the region. The newly built Heinz Field and PNC Park, as well as Mellon Arena, are distinctive venues that provide a positive economic impact.

## Housing Affordability and a Low Cost of Living

The National Association of Home Builders reports that more than 80 percent of the homes in southwestern Pennsylvania are affordable to households with a median regional income. This gives southwestern Pennsylvania a distinct advantage over other regions when corporations look for new business locations. In addition, the 2002 consumer price index (the cost of living) in southwestern Pennsylvania is 175.0 (using 1984 as the base of 100), which is below the national average of 180.9.

## Recreational Opportunities

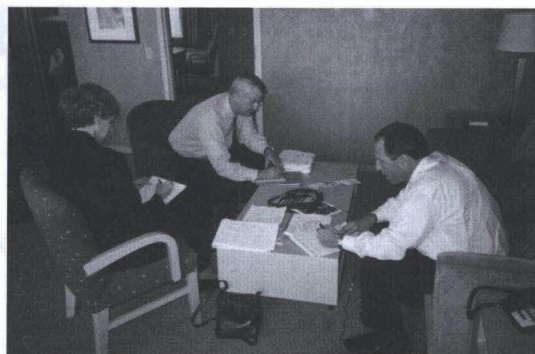
The region has great recreational attractions. Rivers offer boating, white-water rafting, canoeing, and kayaking, as well as water sports and fishing. The region’s hills, trails, and forests provide additional outdoor activities, such as hunting, bicycling, mountain biking, and skiing. There are

Southwestern Pennsylvania is characterized by rolling hills that provide visual amenities and add interest to the landscape.

at present, southwestern Pennsylvania's rolling hills are constrained by their locations. An opportunity exists to benefit both the airport market area and the universities by locating satellite campuses or research facilities in the airport area.



Panelists Julie Bender, Eric Swanson, and Chuck Henschel interview Al Ratner of Forest City Enterprises in Cleveland via a conference telephone.



more than 100 public golf courses in the region. Ice-skating is popular and Pittsburgh's professional sports teams exert a very strong influence on recreational activities.

### **An Educated Workforce**

While the number of people in southwestern Pennsylvania with four or more years of advanced education is low relative to other metropolitan regions, the ready availability of advanced educational opportunities in the form of 33 universities and colleges gives the region great potential for providing an educated workforce. In addition, a portion of the workforce remains well skilled in the region's historic strengths in advanced manufacturing and metal work.

### **History/Arts and Culture**

Pittsburgh's status as the original gateway to the West and the birthplace of the French and Indian War, as well as the architecture of downtown Pittsburgh, all contribute to the rich history of southwestern Pennsylvania. The Benedum Center for the Performing Arts and Heinz Hall for the Performing Arts both provide first-class venues for music, theater, and dance, all of which are very important components of corporate relocation criteria. The availability of visual arts in the Strip District and the 14-block Cultural District offers the public access to the work of nationally known artists.

### **Health Care Facilities**

The southwestern Pennsylvania health care industry is a national leader in organ transplantation, cancer treatment, AIDS research, and women's and infants' health initiatives. Hospitals in the region rank in the top 15 nationally for several areas of care. The U.S. military chose the southwestern

Pennsylvania region to receive casualties from recent military actions because of its airport access and top-quality medical facilities. Allegheny County alone has 34 hospitals.

### **World-Class Universities**

National developers such as Forest City Enterprises and the St. Joe Company believe that nearby high-quality universities are critical to the success of their development projects, and to the future growth of neighborhoods and communities. Economically, the southwestern Pennsylvania region's universities and colleges are major employers and provide capital, culture, and prestige to the region. Carnegie Mellon University and the University of Pittsburgh have internationally renowned programs in areas as diverse as robotics research and philosophy. Other institutions—including Robert Morris University, Chatham College, Duquesne University, Seton Hill College, and Washington & Jefferson College—as well as an advanced network of community colleges, provide a varied assortment of educational settings and opportunities.

### **A High Quality of Life**

Quality of life is defined as the value to people of the places they live, work, and play. The above list of strengths indicates not only an existing high quality of life for many in the southwestern Pennsylvania region but also the potential to continue to improve this quality of life with the cultural, social, and natural resources that the region has at hand.

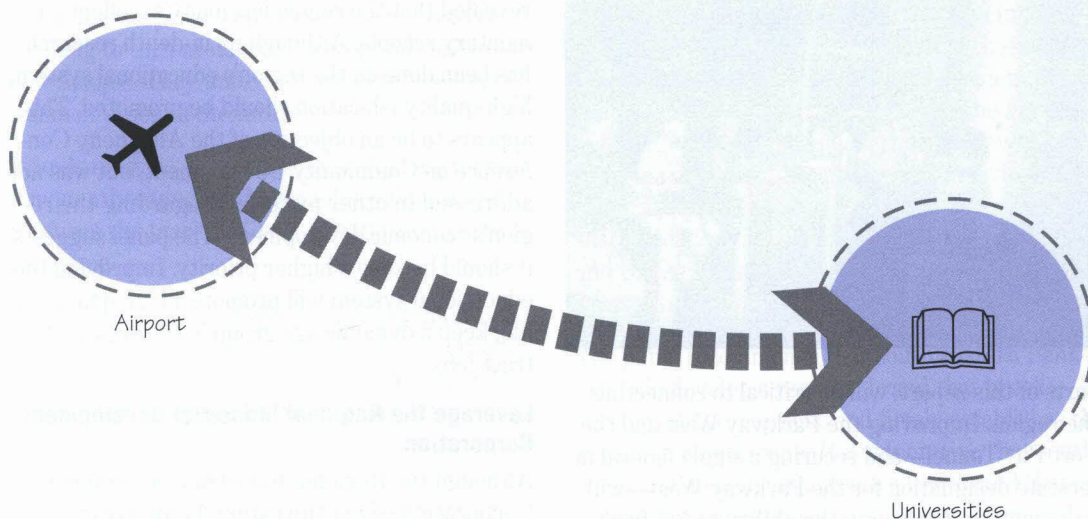
### **Opportunities for Improvement**

It is important to understand that although southwestern Pennsylvania must address some negative elements, the region has a unique opportunity to turn these into strengths. The region needs to work hard to make improvements, but it should never forget the potential for positive outcomes.

### **Grow the Universities**

Pittsburgh's major universities are secluded and landlocked. Carnegie Mellon and the University of Pittsburgh are constrained by their locations. Both are situated in the Oakland neighborhood and are difficult to get to from the airport area. Transportation clearly needs to be improved to





Making the university connection. Universities can be a crucial advantage to important development projects. Carnegie Mellon and the University of Pittsburgh are constrained by their locations. An opportunity exists to benefit both the airport market area and the universities by locating satellite campuses or research facilities in the airport area.

allow greater access to each university's primary campus. An additional opportunity exists, however, to locate a satellite campus in the airport area. This is a proven method of expansion for a large economic generator. (Florida Atlantic University and the University of Texas are prime examples.) Such an expansion could include the development of research and development (R&D) facilities, a generator of jobs with significant economic impact. Carnegie Mellon, the University of Pittsburgh, Duquesne University, and Penn State could explore collaborative efforts with Robert Morris University, which already is located in the airport area. (Penn State currently has satellite campuses in Beaver, Fayette, McKeesport, and New Kensington, while the University of Pittsburgh has satellites in Johnstown and Greensburg.)

### **Build More Hotel Rooms to Serve the Convention Center**

Bringing convention business to southwestern Pennsylvania is a major opportunity. Tourism derived from professional conventions enhances the image of the area among people all over the United States, and has the potential to shape their attitude about doing business in the region in a positive way. This assumes, of course, that they have a positive experience. The three components of a successfully marketed convention center are how one gets there, where one meets, and where one sleeps. The airport provides a first-class

method of travel, and the nearly completed David L. Lawrence Convention Center is a world-class facility. Although this new convention center is distinctive in design, has a terrific location, and is certified as "green," it will provide little economic impact to the area without substantially more hotel rooms to serve it.

Large organizations look beyond meeting facilities and consider the entire experience before booking a large event into any market. According to the 1977 McKinsey study, Pittsburgh should have 1,500 more hotel rooms for a 250,000-square-foot convention center. The new convention center, when completed, will contain 360,000 square feet of space, but only 400 hotel rooms have been added so far. Convention center hotel rooms should not be spread out over too great an area, since people attending a convention do not want to walk or drive a long way to get to the event. Tampa is an example of a city that built a convention center without adequate hotel rooms, and events there have been limited to very small gatherings with no real economic clout. Creating additional hotel rooms will be critical to the success of the convention center, which enhances travel to and the image of the area while also promoting the region.

### **Improve Connectivity**

Physical barriers such as rivers, hills, and valleys make connecting parts of the region difficult. Traffic improvements, which are addressed in other



Panelists visit Xplorion, an exhibit space that uses geographic information systems on a video wall to enable visitors to examine the natural, cultural, economic, and recreational resources of southwestern Pennsylvania.



parts of this report, will be critical to connecting the region. Improving the Parkway West and the Fort Pitt Tunnel—and securing a single federal interstate designation for the Parkway West—will be essential. Improving the ability to get from Oakland to the airport also is important. Building the ramps from I-79 south to the Parkway West is vital. Improving the connection from North Hills communities such as Cranberry will increase the possibilities of getting businesses to locate in the airport area.

Despite the local feeling that traffic congestion in southwestern Pennsylvania is bad, the region's traffic problems are relatively minor compared to those of other major metropolitan areas. The time to fix these problems is now, before things get too serious. Because traffic improvements in places like Dallas, Charlotte, and Miami were not made until after their traffic problems became severe, some of the problems can never truly be fixed. Southwestern Pennsylvania has an opportunity to solve these problems before growth gets in the way, and—in the process—can create some tremendous transportation corridors.

#### **Protect the Military Presence**

As mentioned above, the military presence at PIT is significant. Every possible effort should be made to retain and expand that presence. An economic development professional should be responsible for this very important economic effort.

#### **Put Education on the Map**

One target market to attract to the region consists of the 20- to 29-year-old age group. People in this age cohort are in their childbearing years, and one of their major concerns is providing a good education for their children. The panel's interviews

revealed that the region has many excellent elementary schools. Although no in-depth research has been done on the region's educational system, high-quality education should be promoted. This appears to be an objective of the Allegheny Conference on Community Development, but was not addressed in other materials regarding the region's economic development. The panel suggests it should become a higher priority. Improving the educational system will promote a high quality of life, keep a dynamic age group in the area, and attract jobs.

#### **Leverage the Regional Industrial Development Corporation**

Although the Regional Industrial Development Corporation of Southwestern Pennsylvania (RIDC) competes with private development, as discussed in other sections of this report, it is a self-sustaining organization that does not require government funding. This gives it a huge advantage over most economic redevelopment agencies around the country with similar missions.

The RIDC should not be in the vertical development business (that is, buildings), since this would compete with private development. To attract innovation and new capital to the area, the RIDC should restrict itself to horizontal development (that is, site development) in strategic locations, including brownfield development.

Instances certainly exist in which the RIDC can offer a valuable service by bringing public and private funding together to provide development services to large projects where it is impractical for a private developer to provide such services, such as the LTV project. The LTV model is an excellent example of how the RIDC can add value and encourage private development. Utilizing the talent and resources of the RIDC wisely will create a real benefit for the region, as long as it does not compete in the marketplace.

#### **Branding**

Brands are instantly recognized “value propositions” that create an expectation on the part of the customer for a particular level of service and quality. Competitive regions are able to launch and sustain world-class brands for themselves in the



global marketplace. Top brands use innovative thinking to turn around old perceptions and create new images. They unite the community behind a common vision of the future.

Brands must be sustainable over the long term. Frequently changing the brand devalues it and confuses the market. Great brands gain value over time.

Regional brands need broad-based community support. The community must "own" the brand. The community binds the regional identity to itself. Effective regional brands sell all of the components of the region. The brand should be a "big tent" that covers quality of life, education, culture and the arts, and recreational amenities, as well real estate and business opportunities.

While branding is important, any regional brand is only as good as the economic development program behind it. The brand—in and of itself—is not sufficient. Brands must be marketed and sold to key audiences. Too many regional brands are conceived and then forgotten. A strong program of business marketing and sales must accompany the brand, which also must reflect reality. Not all regions can be the best at everything. For the brand to have power, it must truly reflect the region's unique strengths.

The U.S. regions currently experiencing the greatest economic improvement are those that have "best-of-class" economic development programs, such as Denver and Atlanta. The key elements of a top-tier regional economic development program are private sector leadership with public sector support; the ability to mount a long-term, sustained effort; and a high level of coordination and cooperation among jurisdictions in the region focused on customer needs.

The panel recommends that southwestern Pennsylvania develop a regional brand that breaks through old perceptions and firmly establishes the region on a new stage. It is imperative that southwestern Pennsylvania create a new brand that can accomplish these objectives. The new regional brand must look beyond the region's smokestack image and replace it with another powerful image that dispels the lingering notion of a smoky, dirty, moribund region. The Pittsburgh Regional Alliance (PRA) has launched a new regional branding program to address this issue. The panel recommends that the PRA and its partners use town hall meetings or other forums to engage the community in the development of the brand.

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## Summary of Key Points

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## Regional Development and Growth

**T**he economic development community in southwestern Pennsylvania is correct to aspire to make development-ready sites of 100 or more acres available to interest business prospects. Notwithstanding this aspiration, the region also needs a consistent supply of smaller—20- to 50-acre—sites that are ready for development.

During the interview process, the panel learned of several potential development opportunities in the airport vicinity that did not come to fruition because development-ready land was not available. Land is considered development ready when a site is rough graded, when it is accessible from local collector roads, when utilities are available at the site, and when adequate stormwater management solutions are in place. With regard to land owned by Allegheny County and leased by the Allegheny County Airport Authority, “development ready” also means that all federal releases have been obtained for nonaviation property. If a site does not meet these criteria, it is not ready for de-

velopment. Every jurisdiction in the region must understand that a lost opportunity is one that will never return. The collective reputation of the region is at stake. A reputation is an intangible asset that can be easily lost.

Under the current arrangement, each jurisdiction must carry the entire responsibility for seeing that sites are prepared for development. As a result, the land around the airport is, for the most part, not producing real estate value. A regional approach is required to solve this problem and to provide a concentrated focus, assign accountability, leverage scarce financing, and build market momentum where there is now little activity or interest.

The lack of regional coordination to bring public improvements online works to the disadvantage of all interested parties. The region worked hard to advance the Findlay Connector but failed to provide water and sewer infrastructure to the properties adjacent to it. Thus the road itself has little economic development value. The construction of the I-79/Parkway West interchange is one of the highest development priorities for the airport area, yet this major gateway is still five or more years away. This reduces the market potential of all jurisdictions. Disjointed, incremental improvements will not add significant economic development value to the region until they are coordinated, planned, and completed.

The airport is a world-class facility. It is a major transportation resource and travel amenity for southwestern Pennsylvania, but it is not the region’s most significant driver of economic development. That distinction belongs to the people who live and work there. The need to bring new jobs to the region is what should motivate regional cooperation and focus. Southwestern Pennsylvania cannot afford to waste time or energy juggling jobs from one jurisdiction to another.

### Summary of Key Points

- The region needs a larger inventory of development-ready industrial sites.
- The current lack of regional focus hurts the region.
- The development approval process should be streamlined.
- Airport development opportunities should be realistic and targeted.
- Infill opportunities exist at Neville Island, Coraopolis, and McKees Rocks.
- The implementation process should be focused.
- Short-, mid-, and long-term development opportunities should be identified.
- Parkway West improvements should be a priority.
- A regional water and sewer plan is needed for the airport area and beyond.
- Steps must be taken to ensure high-quality development.



## The Planning Environment

Many impediments to planning and development exist in the airport area. There is no regional focus and no means to plan or execute a regional economic development strategy. Fragmented local government planning, financing, and development have undermined the area's economic development goals. The panel observed neither regional priorities nor a single point of coordination. Local plans are not coordinated and expectations are not based on realistic assessments of the potential real estate market. Regional infrastructure plans do not exist and there are no consistent standards for development that would provide for sustainable economic growth. Although the region has stunning environmental amenities, no priorities for environmental protection are discernible. Finally, although the topography of the region helps to create a remarkable landscape—a true asset to the region's livability—it also creates challenges to potential development because of the need for extensive and costly site work.

Real estate markets are constantly changing, as one industry expands while another contracts. A single overarching regional agency with the responsibility for development can coordinate planning, permit approval, and the design and construction of infrastructure. A development prospect will not wait for lengthy and uncertain property releases, environmental clearances, zoning, and site plan approvals when development-ready sites can be found in competing regions.

Consistent and frequent communication among development agencies is required so that plans and priorities can be adjusted in response to changing market conditions. The goal of job growth—rather than just development—should always be emphasized. Although changing the government structure is not likely, it is possible to change attitudes and make better tools available. Another layer of government for development is not necessary. More predictable and consistent governmental attention and responses are needed if government is to be responsive to the market.

The panel examined a number of planning studies in the southwestern Pennsylvania region that have a bearing on the airport area. The 1988 re-



port, *An Agenda for Development, Greater Pittsburgh International Airport Impact Area*, and the 1993 report, *A Strategy of Allegheny County Land*, addressed many of the issues raised by the panel. Considerable planning for the airport area has been done, but little development has been generated. The problems that faced the airport area 15 years ago are the same ones limiting development today. During the past 15 years, the region has lost momentum and population. Its leadership must break the patterns of the past to establish a pattern of success. The 1993 plan addressed this issue by calling for the creation of a public/private corporation with the sole responsibility of focusing on the development of county-owned airport land. A decade later, this is still a potentially effective tool, but unless the region's leaders find the will to take action, move forward, and address problems transcending jurisdictional boundaries and financial constraints, there will be little market activity to produce job growth in the area.

## Infrastructure

The planning, design, and construction of infrastructure have not been well coordinated or executed. This has resulted in infrastructure services that are disjointed, poorly timed, or nonexistent, affecting potentially important development sites.

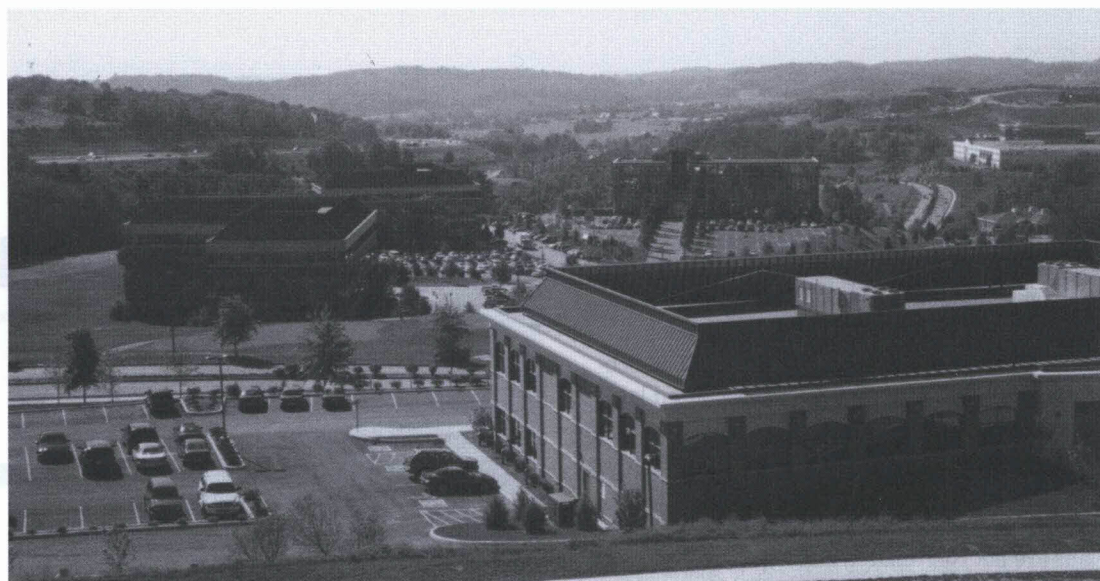
### Water and Sewer

Beyond the immediate vicinity of the airport, a regional water and sewer plan must be developed. While some townships have extensive and well-developed systems, others do not. This inconsistency has held back the entire airport area. To capitalize on its assets, the region must have coor-

Steve Zecher, a consultant with the Allegheny Conference on Community Development, shows the panel the Starpointe industrial park and explains some of the construction measures that are necessary in southwestern Pennsylvania's sometimes challenging topography.



Work at the Starpointe industrial park already is underway, but the project is unlikely to realize its full potential for years.



minated, long-range utility planning and engineering; sequential construction priorities and time lines; a consistent and stable revenue base for system growth; consistent treatment standards; and a regular maintenance program. This system must take into account the region's topography, and therefore must be based on watershed boundaries, not political ones. By respecting watersheds and using the development practices discussed below, the region can provide a consistent supply of affordable development-ready sites.

### Transportation

The transportation system in the western part of the region must be upgraded. Major transportation improvements are needed to facilitate future development and support the continued success of the airport. The completion of key regional roadway improvements is essential for growth and development.

The highest priority should be the completion of the I-79/Parkway West interchange with the addition of ramps to and from the north. This project will provide the most cost-effective benefits and will be the quickest to complete. The environmental review process for this project is underway and money has been earmarked in the Southwestern Pennsylvania Commission's Transportation Improvement Program for design. Construction funding should be appropriated as soon as possible, to enable the project to proceed. Since it is unlikely that new funds will be available, funds should be transferred from other, less important transportation projects in the region.

The most important transportation investment for the airport market area is the upgrade of the

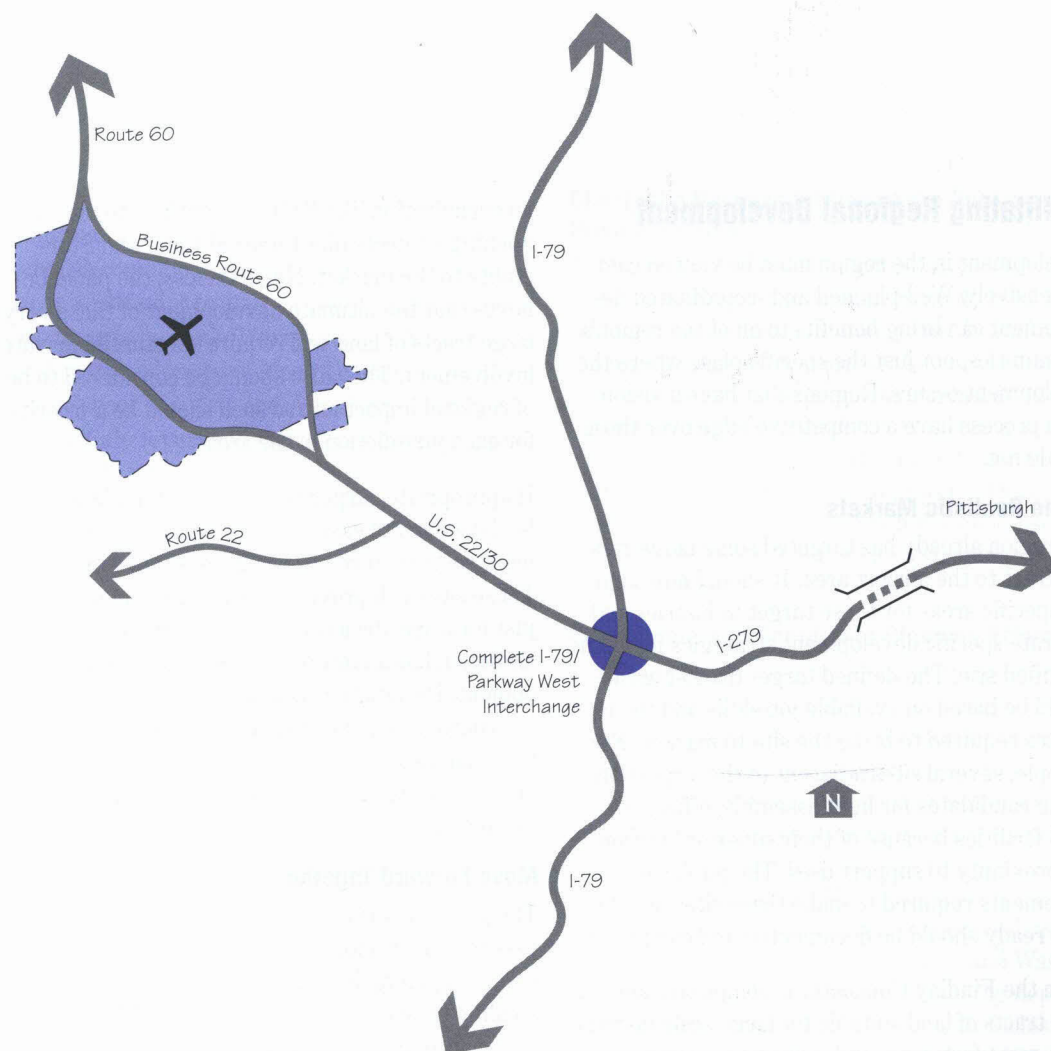
Parkway West from downtown Pittsburgh to the airport. This is the primary access route to and from the airport for much of the region. The Parkway West currently experiences congestion during peak operating periods and is not designed to modern high-speed highway standards. This will be a longer and much more costly project than the completion of the I-79 interchange. The state of Pennsylvania already has asked the Federal Highway Administration to designate this roadway as an interstate highway, contingent on its being upgraded.

It is likely that the Southwestern Pennsylvania Commission's current Multi-Modal Corridor Study for the west corridor will recommend the upgrading of this roadway. This major improvement will cost hundreds of million of dollars. The panel recommends that this improvement be given a high priority for funding. Since it will take many years to complete the environmental review and permit process, as well as the design and construction of this upgrade, the panel suggests that key spot improvements be constructed in the near term, such as the upgrading of substandard interchanges.

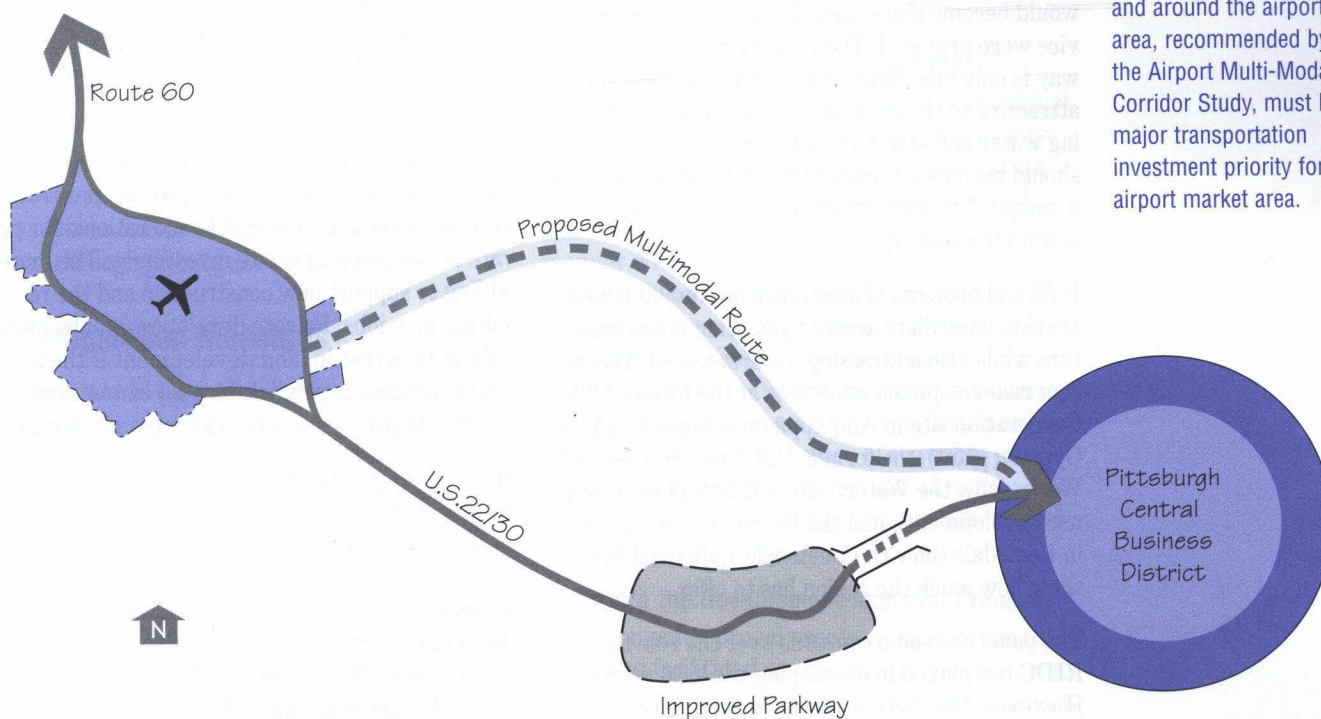
Although these two projects currently are moving through the planning and design phases, their construction is not funded. The panel believes that they should rank as the highest priorities for transportation funding in the region. This will require reevaluating the region's transportation priorities to find the funds to construct these important projects. Transit investment in the corridor—such as extension of the busway, bus rapid transit, and light-rail transit—also should be pursued. These, however, are longer-term prospects.



The road network serving Pittsburgh International Airport is hindered by the lack of ramps to and from the north at the I-79/I-279 (Parkway West) interchange, and by a confusing array of road designations between the city of Pittsburgh and PIT.



The upgrade of the Parkway West from downtown Pittsburgh to the airport, and improvements to the transportation network in and around the airport area, recommended by the Airport Multi-Modal Corridor Study, must be a major transportation investment priority for the airport market area.





## Facilitating Regional Development

Development in the region must be viewed comprehensively. Well-planned and -coordinated development can bring benefits to all of the region's communities, not just the specific place where the development occurs. Regions that have a vision and a process have a competitive edge over those that do not.

### Define Realistic Markets

The region already has targeted some industries to attract to the airport area. It should now identify specific areas for these target industries and generate specific development strategies for each identified site. The defined target market areas should be based on available job skills and the resources required to bring the site to market. For example, several sites adjacent to the airport are strong candidates for light assembly, office, or R&D facilities because of their superior location and proximity to support uses. The public improvements required to make these sites development ready should be documented and completed.

When the Findlay Connector is completed, several large tracts of land suitable for large-scale distribution, manufacturing, and corporate campus uses would become marketable if water and sewer service were provided. The construction of the highway is only one component of making these sites attractive to the appropriate companies. Extending water and sewer infrastructure to this area should become a regional priority in order to make it competitive with other airport-related sites around the country.

Infill and brownfield sites, such as Neville Island, provide immediate access to existing infrastructure while also addressing a market need. The recent redevelopment successes at the former LTV Corporation site in Aliquippa (now home to a U.S. Gypsum plant), the former U.S. Steel Homestead Works (now the Waterfront, a \$250 million mixed-use development), and the Bethlehem Steel plant in Leetsdale (now the Leetsdale Industrial Park) show how much the region has to offer.

The panel has some concerns over the role the RIDC has played in developing the local market. However, this may be an appropriate role for

an organization like RIDC to continue to play in opening projects like Imperial Land and Starpointe to the market. Nevertheless, the panel believes that the ultimate development of these very large tracts of land will require substantial private involvement. They also should be considered to be of regional impact and as such should be a priority for each jurisdiction in the area.

If appropriate, larger revenue-sharing plans could be developed to ease the high upfront development costs required to bring the sites to market. These sites will provide jobs for the region—not just for a specific locality—and therefore every jurisdiction has an interest in their successful development. Designation as a site of regional impact can coordinate public/private investment, remove financial disincentives, and provide the long-term perspective required for successful economic development.

### Move Forward Together

The panel observed through its interview process that the region's municipalities are to some extent engaging in job predation; that is, they are stealing businesses from one another. This intra-regional competition yields no new job growth for the region as a whole. Rather, it emphasizes competition among local townships instead of creating new jobs through the establishment of new industry.

If the local governments in the airport area focus on consolidating the development approval process, making it predictable and rational for private development, private investors will be more willing to support new construction and the resulting new jobs. Private developers will be more willing to invest in land development if the approval process is predictable and can be accurately integrated into a development pro forma.

Many development opportunities exist within the region, on 20- to 50-acre sites, 100- to 200-acre sites, and even larger ones. But the size of the site is less important than the attractiveness of the community in terms of lifestyle opportunities and the enhanced real estate value of a product at the new location. The cost of development can either add or detract from that value.



The panel was pleased to hear success stories of municipalities that have worked together to accomplish common development goals. For example, in an attempt to address regional infrastructure issues, the Moon Transportation Authority—which is comprised of Moon Township, the Moon Area School District, and Allegheny County—successfully leveraged significant federal and state funds to upgrade the transportation network surrounding the airport and improve access to adjacent properties.

While the panel heard about a few other examples of regional coordination, it is clear that there simply are not enough of them. Because of this lack of coordinated effort, the region is at a disadvantage when seeking federal funds. The process of obtaining state and federal funds is highly competitive, and entities that have clearly coordinated goals are given preference over those that do not.

Coordination—including public/private partnerships—is needed within and between the public and private sectors. Such partnerships should be structured to maximize the strengths of each entity involved. Public agencies can leverage funds and consolidate the permitting and approval processes, while private entities can develop projects in a competitive market within reasonable time frames. While it is clear that some site development efforts may require public funding, the private sector should lead these efforts and should utilize the resources of public or quasipublic entities only when comprehensive public goals cannot be met through private development alone.

## Implementation Measures

As a first step in overcoming impediments to regional planning, the panel suggests a series of key measures. These include clarifying the responsibilities of the public and private sectors, consolidating and coordinating planning efforts, providing regional planning leadership, facilitating the development approval process through the use of development agreements and a tiered approval process and, lastly, providing performance incentives to improve the quality of development.

### Clarify the Responsibilities of the Public and Private Sectors

The region has quite a few public agencies, with roles and missions that appear to many to be redundant, overlapping, or ambiguous. In addition, during the interview process the panel heard concerns from the development community that agencies using public funds are competing with the private sector and interfering with the natural market demand for developed product. Developing for an artificial market is not a good use of public funds and will not create a sustainable community or region.

### Consolidate and Coordinate Planning Efforts

Inefficiencies are created when planning efforts made by individual counties and townships are duplicative and uncoordinated. While some coordination does exist, this coordination needs to be expanded to involve counties sharing regional assets and addressing regional issues with the cooperation of all related townships. The Metropolitan Planning Organization (MPO) can provide leadership in this area. While there is some coordination among the planning efforts of Beaver and Washington counties, the absence of a planning department in Allegheny County presents obstacles to the coordination of the three counties within the airport area.

### Provide Regional Planning Leadership

The current political structure requires individual county planning departments to produce countywide comprehensive plans that aim to integrate transportation, land uses, and open space while addressing other regional issues in a coordinated manner with individual townships. Moreover, countywide comprehensive plans are meant to provide guidance to the townships for the implementation of their own planning efforts. The counties have not been effective in providing leadership and usually offer only technical assistance to townships for the preparation of township plans. Leadership is needed at the state and county levels to effectively coordinate the numerous municipality and county plans.

### Facilitate the Development Approval Process

Development approval processes must be coordinated and facilitated among the many public agencies and local governments to ensure that finan-



cially feasible private developments can be built within reasonable time frames. The panel learned of one example of a project approval that took more than three years to complete. Meanwhile, the market changed, and by the time the project was approved, the original entitlement was no longer feasible to implement.

Development-ready sites are sought after because all the potential obstacles—zoning, infrastructure, transportation, and so forth—already have been addressed, and a project on such a site usually can be approved and permitted smoothly and without delay. The public sector should make its capital investments before and through the period of the approval process and while waiting for a building developer. When the public sector must intercede in the approval process to aid a private development project, it means the site is not ready for development. This is a clear indication that inefficiencies exist within the public process. The public sector should focus on resolving barriers to the market process that attracts private development rather than on assisting individual private developers.

To expedite the approval processes, regional leaders should consider a series of strategies that include the use of development agreements and a tiered approval process.

**Development Agreements.** Development agreements can stimulate private development by introducing predictability to the development process. These agreements can identify costs and set schedules for developments as well as identify work to be done by municipalities and private developers. Development agreements also provide flexibility by setting minimum and maximum development sizes and use mixes, while allowing reasonable changes in uses in response to changing market conditions.

**Tiered Approvals.** Tiered approval is a strategy to make the public approval and permitting process more comprehensible as a proposed development moves through the planning stages. This can provide predictability within the approval process and add incremental value to a development with each entitlement. This predictability gives the developer the flexibility to stage other phases of the

development while waiting to receive the final approvals that will ensure the implementation of a successful development project. A possible tiered approval approach may require planning commission review for a large-scale master plan, but only approval by the planning director for individual buildings.

### **Provide Performance Incentives to Improve the Quality of Development**

The local entitlement process can provide incentives that reward developers who commit to project standards that will assure high-quality development with quicker approvals, reduced fees, shared infrastructure costs, increased density, or other incentives. Site development performance incentives can reward sensitivity to topography and the environment or promote the provision of upgraded amenities such as recreational facilities, landscaping, or architectural or pedestrian amenities. Incentives also could be used to encourage development on brownfield sites with existing utility capacity and transportation access, such as Neville Island and other properties along the river.

### **Leadership and Accountability**

The airport market area is an integral part of the region. Interviewees repeatedly identified three points of nexus for the panel: downtown Pittsburgh, Oakland, and the airport. The success of one is directly related to the success of the other two. Therefore, connecting and relating these places to each other assumes a high level of importance. There must be strong economic, cultural, and social flow among them. Whether the catalyst is maglev, light rail, or another road corridor, the task of connecting the region must be undertaken. This very long-term project will require that a strong regional leader step up to play a significant role.

Local leaders also must step forward to begin the regionalization of the planning process for the airport area. Many stakeholders currently are defending or advancing particular points of view or positions. After ten years of planning, ten years of the new airport terminal, and ten years of work, the only benefit to the airport area will be the completion of the Findlay Connector and the reso-



lution of access issues at the Moon Clinton interchange. Although these improvements are important, they are not the highest priority for the region. For example, properties served by the Findlay Connector may not have water and sewer access when it opens. What is the point of opening a major new road corridor if it is not ready for appropriate market opportunities? What is the point of investing so much capital in that connector, when the major highway impediment to the development of the airport area—the I-279/Route 60 access—will not be put right for more than five more years? Regional leadership would have been able to coordinate these improvements to capitalize on the public investment and get the airport area ready for development.

The private sector seems to play a minor role in this region, compared with other major national markets. A regional leader must identify and develop an appropriate public/private development model for the airport area. Critical projects have been delayed or lost because significant development issues were not solved or schedules accelerated. A private partner will be an important ingredient in solving this problem.

## Development Opportunities and Priorities

Development takes time and patience. At least ten years will be required to plan, finance, engineer, and build more infrastructure projects. It therefore will take ten or more years for a site to reach its full development potential. The use of appropriate infill and/or brownfield sites can reduce this development horizon by adding some ready-to-go sites to the inventory while others are still in the pipeline. The magnitude of the problem requires a higher level of planning and design based on a regional plan that, in turn, is based on strong local plans. But someone must be in charge. Too many public entities are competing with each other for a diminished market. Moving jobs from one township to another does not constitute economic growth.

Local jurisdictions around the airport need jobs, as does the entire region. Declining or stagnant population, high site preparation costs, a de-

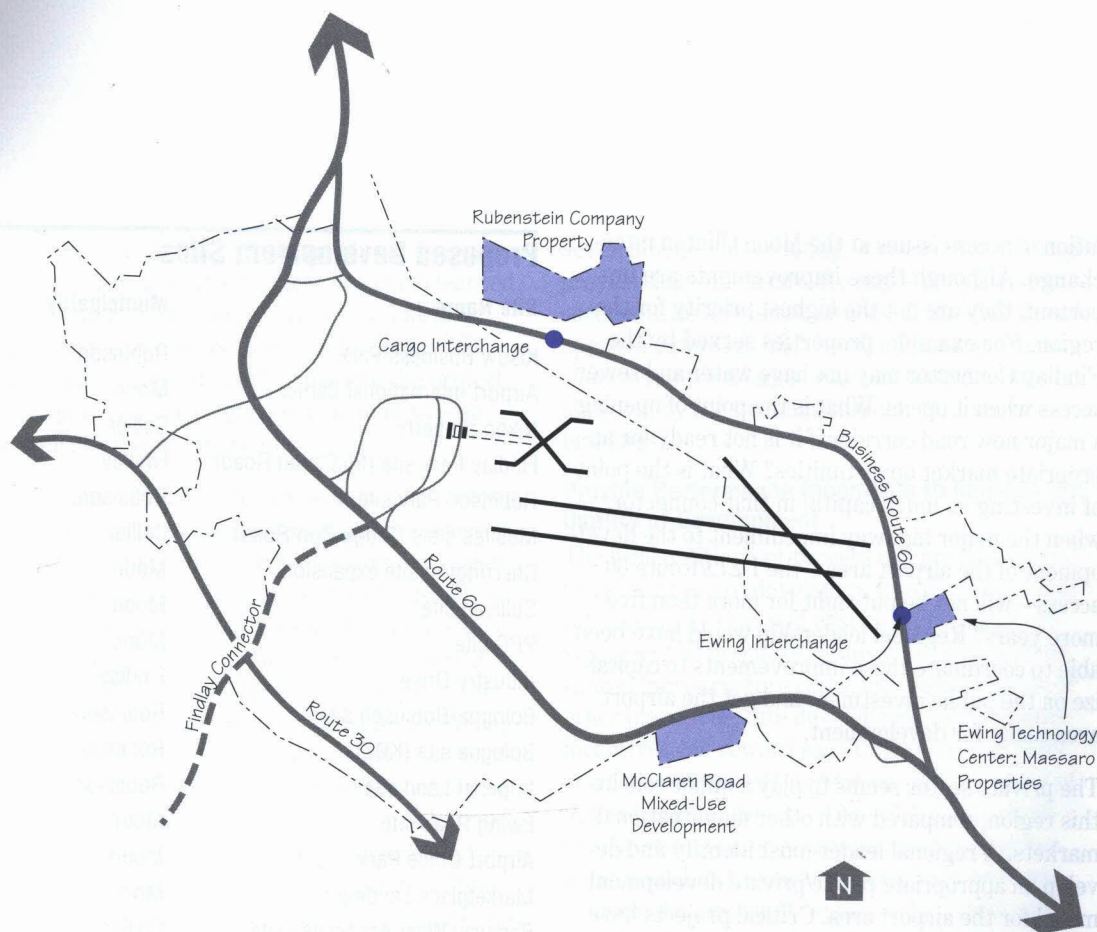
## Proposed Development Sites

Site Name	Municipality	County	Acres
Kisow Business Park	Robinson	Allegheny	60
Airport International Center	Moon	Allegheny	253
Nixon property	Collier	Allegheny	402
Findlay Park site (McClaren Road)	Findlay	Allegheny	100
Robinson Park site	Robinson	Allegheny	87
Mosites sites (Ridge Run Road)	Collier	Allegheny	120
Cherrington site expansion	Moon	Allegheny	48
Sullivan site	Moon	Allegheny	165
PPG site	Moon	Allegheny	306
Industry Drive	Findlay	Allegheny	44
Bologna-Robinson site	Robinson	Washington	600
Bologna site (KOZ)	Robinson	Washington	240
Imperial Land site	Robinson	Washington	3,700
Ewing Road site	Moon	Allegheny	22
Airport Office Park	Moon	Allegheny	10
Marketplace Landing	Moon	Allegheny	38
Parkway West Associates site	Collier	Allegheny	62
McClaren Woods	Findlay	Allegheny	70
Big Beaver (Route 60/Turnpike) site	Big Beaver	Beaver	216
Bet-Tech site	Alliquipa	Beaver	180
South Heights site	Crescent	Allegheny	58
Hopewell/Independence Land	Hopewell	Beaver	223
Hopewell Industrial Park	Hopewell	Beaver	105
Hopewell Land (northwest corner)	Hopewell	Beaver	227
NOVA Chemicals site	Potter	Beaver	150
PMAC site	Big Beaver	Beaver	234
Imperial Land (Findlay Connector)	Findlay	Allegheny	4,200
Starpointe	Hanover Township	Washington	1,200
Bologna-Hanover site	Hanover Township	Washington	250
Starvaggi site	Hanover Township	Washington	200
Mill Service site	Hanover Township	Washington	160
Airport authority sites 10–13	Findlay	Allegheny	198
Airport authority site 15	Findlay	Allegheny	59
Airport authority sites 16 and 17	Findlay	Allegheny	74
Airport authority site 24	Findlay	Allegheny	53

Source: Airport Market Area Task Force.



Pittsburgh International Airport vicinity, showing several sites with short- and mid-term potential for development.



pressed economy, high vacancy rates, and inconsistent product are symptoms of a larger need to conserve public monies by directing their use for a common purpose. Leveraging these public funds with private monies will be a better long-term strategy.

Focus on the area's strengths. The panel agrees with prior studies that southwestern Pennsylvania needs development-ready sites. However, it also believes that it is as important to have some 20- to 50-acre sites ready to go as it is have several 100- to 500-acre sites available for large manufacturing, assembly, or distribution projects. More is better. Neither the private sector nor the public sector can increase the inventory alone. The region should pick and choose its development priorities and work to make development projects happen.

The briefing materials provided for the panel identified many proposed development sites, totaling more than 13,000 acres throughout Allegheny, Beaver, and Washington counties. These sites were submitted and reviewed by numerous regional public and private sector stakeholders, including the Pittsburgh Regional Alliance, the

planning departments of Beaver and Washington counties, and the Allegheny County Department of Economic Development. Given the limitations of its work schedule, the panel could not visit and evaluate each site. Consequently, the panel screened the inventory for examples of sites with short-term, mid-term, and long-term development potential. The complete inventory is shown in the figure on page 27.

### Short-Term Development Opportunities

As the panel has stressed, to accommodate development opportunities a site must be development ready. In the case of some sites where water and sewer infrastructure are not immediately available, it may be possible and appropriate to use wells for fresh water, and to package water treatment plants for on-site sewage disposal as an interim measure until public water and sewer infrastructure are in place. The panel has identified several development-ready sites that may be suitable for prospective new development.

**The Rubenstein Company Property.** This 254-acre mixed-use site along Moon Clinton Road and Business Route 60 is located in Moon Township, close to the airport. It benefits from direct access to the



new cargo interchange, Business Route 60, and Pittsburgh International Airport cargo facilities. Utilities, including water and sewer service, are available.

**Ewing Technology Center: Massaro Properties.** This 25-acre site is adjacent to the Ewing interchange on Business Route 60 in Moon Township. Utilities are available and the property is near other uses that will serve as amenities and support for businesses locating there. The only impediment to immediate development is the need for the Federal Aviation Administration (FAA) to issue a "finding of no significant impact" (FONSI), which should be forthcoming.

### Redevelopment and Infill Sites

The panel also believes that significant development opportunities exist on infill sites, and that these sites—although they were not among the proposed development sites submitted to the panel—need to be integrated into a long-term regional strategy. Infill and redevelopment strategies focused on creating mixed-use developments, live/work/play communities, and projects oriented to the water have real potential for success. Some of the areas the panel suggests for such a strategy include Neville Island, Coraopolis, and McKees Rocks.

### Mid-Term Development Opportunities

The following sites are positioned to become development ready within three to seven years. In order for this to happen, however, planning, engineering, and financing must begin now. The sites must have FAA and environmental releases; roads and other infrastructure must be put in place in a timely manner.

**McClaren Road Mixed-Use Development.** This site consists of 71 acres of airport property at the McClaren interchange on the Southern Expressway (S.R.60). An additional 400 acres of privately owned land adjoins the site. This large mixed-use project offers opportunities for joint development as well as the possibility of establishing the image of a first-rate airport-related development. Potentially high infrastructure costs could impede the development of this project.



**Most Allegheny County-Owned Sites within the Airport Area.** With a good regional strategy for delivering access and infrastructure, as well as a rational plan for prioritizing development choices, these sites could be developed even sooner.

### Long-Term Development Opportunities

Planning for the development of these sites—which include the Imperial Land Company sites and the Aliquippa LTV site—should begin within five years. Regional planning will be necessary to coordinate the provision of roads and infrastructure and to leverage investments to benefit adjacent land at a number of sites. With good planning and implementation, construction at these sites could begin as soon as ten years from now.

Starpointe also falls into this category. Although work on the initial phase of the project already has begun, Starpointe is unlikely to realize its full potential for many years, until after infrastructure investments such as the Findlay Connector and improvements to the Parkway West are made.

### Recommended Elements of an Implementation Plan

The region's decision makers should use the following outline as a guide when preparing an implementation plan for the development of the airport market area.

The Rubenstein Company property is well located and development ready, with utilities—including water and sewer service—available. Other properties in the airport area lack infrastructure and/or entitlements and therefore are not development ready.



### **Advocacy**

- Seek the creation of a special state program for financing industrial development;
- Seek an increase in the state cap for industrial development projects;
- Modify state tax increment financing guidelines, as needed; and
- Obtain funding to support new water and sewer infrastructure.

### **Interjurisdictional Cooperation**

- Develop a financial and legal model for multi-jurisdictional tax-base sharing;
- Support demonstration projects that exemplify joint municipal/development site planning and financing;
- Encourage counties and municipalities to coordinate their plans and planning efforts; and
- Encourage municipalities to explore options for joint services and investments, such as capital investments, services, planning, zoning, permitting, and so forth.

### **Regulatory Permitting**

- Facilitate communication between the Pennsylvania Department of Environmental Protection and stakeholders to discuss regulatory policy as it pertains to development sites;
- Explore options and advocate for the pre-permitting of targeted development sites; and
- Ensure that land use and zoning requirements have been met and are no impediment to the development of high-priority sites.

### **Governmental Leadership and Intergovernmental Cooperation**

- Mobilize elected officials;
- Develop and endorse the passage of municipal resolutions that commit communities to participate in the regional development process;
- Establish a program to inform and assist elected officials in understanding the role of municipal government and municipal leadership in community planning;

- Educate the public and local officials about the role of local government in implementing plans through investing in infrastructure and the use of tax incentives such as tax increment financing (TIF); and
- Encourage municipalities to create or update comprehensive plans that integrate regional industrial development sites into community planning.

### **Financing**

- Create a predevelopment financing pool for site preparation;
- Identify categories of site preparation costs, the estimated amount needed for typical sites, and available sources of revenue;
- Develop a legal and procedural structure for allocating finance support to projects, in order to fill in the gaps left by conventional financing;
- Develop a strategy to use funds from the predevelopment financing pool as leverage, to ensure the use of and compliance with site, local, and regional planning efforts; and
- Identify sources of funding for the predevelopment financing pool, such as federal, state, and county government; public/private ventures (development authorities, corporations, and so forth); landowners and developers, the Strategic Investment Fund, foundations, a one-time \$10 million sum from the BAA contract, the Regional Development Funding Corporation, and so forth.

### **Infrastructure**

- Prioritize highway projects;
- Complete the missing ramps on I-79;
- Construct the Findlay Connector;
- Repair and upgrade Routes 22 and 60 to interstate status;
- Widen the Parkway West;
- Evaluate and invest in water and sewage service capacity;



- Commission an inventory and capacity analysis of existing water and sewerage infrastructure for target development sites and the market area as a whole;
  - Commission a study of the physical and financial feasibility of getting and sustaining the needed infrastructure at target sites and its impacts, including the long-term potential for planned or unplanned spin-off development;
  - Develop and finance site-specific plans to install needed infrastructure at target sites, with the necessary measures to ensure that spin-off growth occurs as planned;
  - Evaluate and advocate for improvements to mass transit service in and to the study area;
  - Provide input to processes to study, plan, and implement enhancements to the transportation networks in and around the airport area, including—but not limited to—the Airport Multi-Modal Corridor Study;
  - Develop site-specific transportation plans;
  - Formulate site-specific plans to integrate tenant and workforce transportation needs into site design and development, taking into consideration the location of the existing and future workforce, existing infrastructure capacity, and community plans;
  - Develop an energy and telecommunications strategy;
  - Study market area and site-specific energy and telecommunications needs and capacity;
  - Develop an action strategy for ensuring a sustainable energy and telecommunications infrastructure to support planned development;
  - Identify and develop intermodal transportation opportunities (river, rail, highway, air); and
  - Evaluate sites for their potential for to serve industries with intermodal transportation needs.
- Identify target industry clusters and types of tenants for each site, based on existing site characteristics, workforce analysis, industry cluster analysis, local and regional plans, and so forth;
  - Create a plan for developing and marketing each site, based on the needs of target classes of tenants;
  - Develop one or more brands for marketing the airport market area and specific projects;
  - Identify and develop an overall brand for marketing airport-area development;
  - Integrate specific marketing and development efforts for each site into the overall marketing brand;
  - Market the development sites;
  - Coordinate with the Pittsburgh Regional Alliance (PRA) to integrate the airport brand into regional marketing efforts; and
  - Coordinate with the PRA to market sites directly to selection firms, prospective businesses, and so forth.

### **Development**

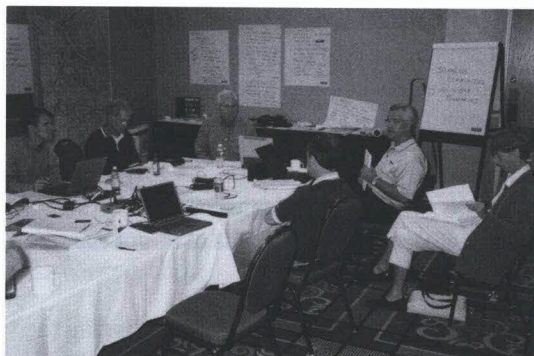
- Identify development sites;
- Formalize criteria for identifying and evaluating sites for their development potential with regard to site size, owner interest, alignment with local and county planning, and so forth;
- Identify target sites and time frames for development, based on the panel's recommendations, stakeholder recommendations, and performance criteria;
- Build consensus around sites that are ready for development in the short term;
- Perform site due diligence;
- Develop and issue requests for proposals for physical, financial, and market analyses of target sites;
- Evaluate proposals and issue contracts;

### **Marketing and Promotion**

- Identify classes of target users for individual development sites;



Panel members gather to discuss the organization of their report and presentation.



- Develop a site-specific community integration plan;
- Identify the existing land use context—including zoning, land uses, green space, and so forth—for the area adjacent to each site and the surrounding communities;
- Estimate how development of the site will affect the surrounding community's workforce, infrastructure, and open space;
- Prepare long-term projections of the development's impact on surrounding communities, including a time line and the location of anticipated supporting and spin-off amenities and development.
- Develop a site integration plan that recommends actions local communities can take to ensure the desired ancillary growth and development from a project;
- Develop strategies for funding project costs;
- Identify and assemble conventional sources of funding (landowners, financial institutions, real estate investment trusts, and so forth) for development costs;

- Identify and assemble nonconventional sources of funding (state grants, TIF, and so forth) for development costs, including additional project costs such as community design input, amenity planning, and more; and
- Identify and commission project managers.

## Facilitating Development Readiness

The panel endorses a strategic initiative to prepare site plans, market plans, and financial plans for the purpose of bringing viable industrial development sites to market. As a first step in the implementation strategy for site development, the panel encourages the Airport Market Area Task Force to assist property owners in the preparation of strategic implementation plans for high-potential development sites. These plans should include detailed evaluations of site conditions and should identify strategic components of development, including target markets, funding sources, and characteristics that support sustainability.

The Airport Market Area Task Force should assemble, contract with, and manage professional teams to prepare these site-specific strategic implementation plans, in order to facilitate financing, development, and implementation for industrial and other commercial development. The anticipated products of this effort would include an analysis of market feasibility as well as a list of industries to target, financing plans and packages, development proposals, and appropriate entitlement assistance.



# Pittsburgh International Airport

**P**ittsburgh International Airport (PIT) has effectively provided a leading role in the region during the past 15 years. The growth of US Airways, the construction of the midfield terminal, and the expansion of businesses around the airport have brought jobs and commerce to the immediate area and the broader region. US Airways is one of the region's largest employers, and air transportation industry wages and salaries in this region are a much higher percentage of the total regional economy than in other parts of the United States.

PIT has reached a mature stage in its evolution. The softness in the aviation industry as a result of the 9/11 terrorist attacks and the ongoing economic uncertainty continues to have a detrimental effect on both US Airways and the airport. The US Airways hub operation is a mix of connecting and origination and destination (O&D) passengers. This mix is changing. The airline is eliminating flights and downsizing equipment, which will result in fewer passengers and less cargo capacity. In order for the total number of passengers to remain constant or rise, the number of O&D passengers must increase. In addition, US Airways has moved its training functions away from the PIT hub, which has resulted in lost revenue for airport-area hotels and an out-migration of jobs.

In order to prepare realistically for the future, the region must acknowledge several significant facts. The first is that, although the airport has excess land available for development, that land is quite steep and is served by limited infrastructure. Much of it also presents significant environmental problems. This makes it challenging to develop. The second major fact is that cargo operations at PIT have grown to meet the regional demand. PIT will not become a cargo hub operation, nor will it miraculously become the economic salvation of the region. The panel heard many voices saying the airport should be a major economic engine in the

region. These speakers seem to believe in pushing for additional airport facilities development to support new cargo, maintenance, and collateral uses in spite of the apparent dearth of demand for such facilities. Before new investments are made in additional airport facilities, there must be evidence of need and demand. The airport is a great transportation resource for the region, but it is not a driver of economic development, and this fact should now be clear to all.

## Strong Points and Limitations

The following are some of the major strong points and limitations of the airport as it relates to regional economic development. Pittsburgh International Airport is one of the most successful hub terminal facilities in the United States. Its Air-mall® concept has made PIT a unique and successful retail terminal for both O&D and connecting US Airways passengers. The airport terminal, runways, and support facilities are more than sufficient for existing airport operations and also are capable of accommodating significant growth.

Furthermore, the prudent development of runways, taxiways, and support facilities over the long term will make it possible for the airport to

## Summary of Key Points

- Pittsburgh International Airport is a world-class facility, yet access to the airport from the region is poor.
- County-owned airport land presents physical challenges to development.
- The military presence is more economically important to the airport than cargo facilities.
- The Allegheny County Airport Authority must partner with other governmental entities.
- A national real estate firm should be brought in to handle airport property issues.



meet the needs of passengers, airlines, and cargo operators for the foreseeable future. The airport has leased a very large amount of land from the county for an operation of its size. Its total land area is more than 37 percent larger than that of Chicago O'Hare International Airport, one of the world's busiest airports. Consequently, PIT has plenty of land around it, which serves as a noise buffer as well as providing ample space for future growth and development.

The airport also has a valuable military presence, with the U.S. Army Reserve 99th Regional Support Command, the U.S. Air Force Reserve 911 Airlift Wing, and the Pennsylvania Air National Guard 171st Air Refueling Wing providing significant support to the local economy. The establishment of the Allegheny County Airport Authority and the installation of a seasoned professional airport operations team to run the airport clearly have created a great asset.

On the other hand, PIT has some significant limitations. Access to the airport from downtown Pittsburgh and the surrounding area is poor. Passengers, cargo, maintenance, and other airport-area business functions are less than optimal and are inconvenienced by incomplete road access to and from all corners of the airport. The dominance of US Airways, which provides more than 80 percent of the activity at PIT, limits competition and therefore is undesirable. Although the airport is entirely located within Allegheny County, two separate municipalities have land use and zoning control over airport property. Finally, the airport layout plan (ALP) is out of date and does not reflect current conditions.

## Cargo Operations

The cargo market is an important element of PIT's business. The airport provides cargo facilities for all of the passenger carriers located there, as well as for FedEx, UPS, Emery Forwarding, Airborne Express, BAX Global, and the U.S. Postal Service. Additional speculative facilities are planned to accommodate new entrants into the market. The airport's existing cargo tenants currently meet all of the region's service demand. Cargo statistics show that moderate growth, if it

occurs, can be met by the construction of additional small cargo buildings.

The mid-Atlantic area and the Ohio Valley already are served by the following large number of national cargo hubs:

- Dayton, Ohio (Emery Forwarding);
- Cincinnati, Ohio (DHL Worldwide Express);
- Wilmington, Ohio (Airborne Express);
- Toledo, Ohio (BAX Global);
- Rickenbacker International, Columbus, Ohio (Atlas Air, Polar Air Cargo, and Evergreen America Corporation);
- Memphis, Tennessee (FedEx); and
- Louisville, Kentucky (UPS).

These existing cargo hubs, many of which are close to PIT, meet all of the area's demand for cargo consolidation and regional distribution. The overnight cargo business and the bulk charter cargo business (Atlas/Polar, Evergreen, Martin Air) have grown to a mature state. Consolidation in the industry is likely to occur, which will create a surplus of hub facilities.

The construction of a large speculative cargo building and aircraft ramp, similar to the North Carolina Global Transpark, an \$80 million investment, on the assumption that "if you build it, they will come," does not bear out. The Global Transpark was built more than five years ago and remains largely empty. Without a primary business driver or anchor to ensure the utilization of such facilities, the investment is wasted and the cost of unused facilities becomes a burden to existing airport tenants.

It is not realistic to hope that a cargo carrier will want to develop a hub in Pittsburgh. All of the existing carriers already have elaborate hubs with expensive sorting equipment. Beyond preliminary planning to accommodate any unexpected requests for large cargo facilities, no effort or resources should be expended on an unknown and unlikely future cargo hub.



## Airport Planning and Development Efforts

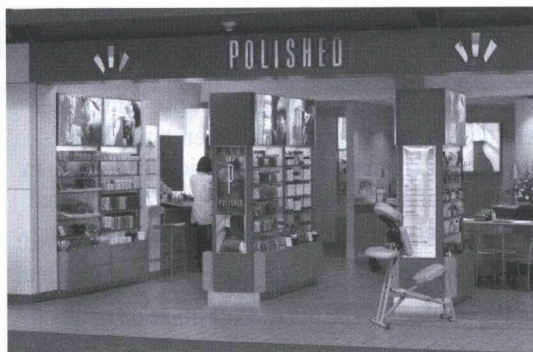
Allegheny County owns approximately 10,000 acres at the airport that is leased to the Allegheny County Airport Authority. Most of the land is not being used for aviation-related purposes. This land presents valuable opportunities beyond future airport development. It can provide important development opportunities for this part of the region.

A master plan update for PIT was completed in February 2000. The plan estimated future activity levels for the airport and evaluated aviation-related development alternatives. In March 2001, an environmental impact statement was completed for certain aviation and nonaviation development on county-owned, airport-leased property. This development included a proposed US Airways maintenance facility and four other airport parcels.

The current approved future airport layout plan (ALP) provided to the panel is dated January 1996. The plan shows two potential locations for a new parallel runway. However, it does not reflect current developments on airport property—such as the Findlay Connector and commercial development on airport land—and therefore needs to be updated. An updated ALP should be based on a review of needed aviation improvements and should incorporate anticipated commercial development, roadway improvements, and other facilities.

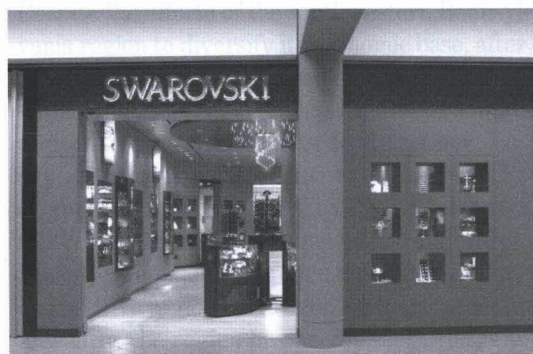
The documents that the panel reviewed suggest that the ALP needs to be updated to reflect changes that have occurred over the past few years. New passenger and operations forecasts must be produced and a review should be conducted to determine whether either of the proposed new runways will ever be needed.

Planning efforts should emphasize which land will be needed for future airport development and which can be released for commercial development. The airport property provides a unique opportunity for development and the creation of new economic activity and jobs. Land not needed for future aviation uses should be sold or leased. To



The Airmall® at Pittsburgh International Airport presents an attractive mix of shops and eateries that has made the airport a unique and successful retail terminal for passengers en route to their next destination.

GRAULE STUDIOS, KEVIN R. COOKE



GRAULE STUDIOS, KEVIN R. COOKE



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attract developers, long-term leases should be made available. Aviation easements for existing and potential future aviation facilities need to be obtained for all property to be leased or sold. This should include covenants that restrict nonconforming uses such as tall structures, schools, and residences.

## An Airport Vision and Action Plan

The Allegheny County Airport Authority must develop a comprehensive vision for the future of Pittsburgh International Airport. This vision needs to encompass airport operations, cargo op-



The current airport management provides excellent day-to-day operational leadership. The airport authority also needs to provide leadership in the areas of marketing to airports, planning, real estate, intergovernmental relations, and funding.

going airport development projects is essential. A review of the ALP and the airport master plan shows that very little coordination and cross-referencing have been done. These documents should be coordinated to ensure that the vision for the future of PIT is achievable.



# The Need for a Regional Approach

**A**n Urban Land Institute working paper titled *Regionalism Today: Background, Timeliness, and Current Practices* defines a region as a central city, its suburbs, and future growth areas. Data from the 2000 Census confirm that more than half of the people in the United States are residents of urban regions. Beginning in the 1990s, communities began to see the advantages of cooperating to improve and strengthen their regions. This cooperation is likely to take the form of regional governance rather than regional government.

## Why Choose A Regional Perspective?

In many areas of the country, issues of growing concern—such as transportation, air and water quality, education, affordable housing, and economic growth and viability—transcend political boundaries. Such issues clearly do not exist in isolation. Economies of scale and scope make it more cost effective to manage these issues in their entirety and in concert rather than attacking them in dozens of simultaneous, small-scale, and perhaps conflicting efforts by individual jurisdictions. Smart growth principles also recommend a regional approach. For example, the smart growth principle of linking transportation and land use supports cooperation on a regional basis to create more vibrant sustainable communities and reduce automobile dependence. Highways and transit systems work best when they interconnect throughout a region.

This is borne out by historical precedent. From the early efforts of the five boroughs of New York City to merge into one political and economic entity to the economic ascendance of modern city-states such as Atlanta, Dallas, Miami, and Portland, Oregon, there is clear and convincing evidence that taking a regional approach to economic development creates a win-win situation that benefits all stakeholders. These areas are

forming seamless communities with invisible boundaries. As a result, they are experiencing economic growth, population expansion, and job creation.

Despite the efforts of the southwestern Pennsylvania region to diversify its economic base, after more than two decades of radical economic restructuring the region still does not offer a unified competitive vision and image to attract new jobs, new ideas, new talent, and new development. For example, a study conducted by PNC Bank ranks this region last in terms of new office and warehouse development compared with nine similar competitive regional markets. Perhaps more significantly, the region has been almost entirely unsuccessful in attracting major national real estate investors and developers, as evidenced by the fact that southwestern Pennsylvania has less than half the number of real estate investment trust (REIT)-owned properties of any of the nine similar regions. According to SNL Financial, Pittsburgh had 95 REIT-owned properties in 2002, compared with 218 in Cleveland, the next-smallest number, and only three REIT-owned industrial properties, compared with 22 in Cleveland and 210 in Indianapolis.

Today, economic development has proven far more effective when undertaken on a cooperative re-

## Summary of Key Points

- Regional cooperation can provide a global advantage.
- Negative consequences will result from a failure to act regionally.
- Obstacles to regional cooperation must be overcome.
- Regional cooperation is possible even in southwestern Pennsylvania.
- A new regional authority is needed.
- Regional cooperation should bring more state and federal dollars to the region.



The panel members are ready to make their final presentation.



gional basis than as a series of unrelated actions by individual municipalities. From the standpoint of simple economics, state and federal funding and revenue sharing are far more generous on a regional basis. A larger geographical area has more amenities to offer prospective businesses, as well as families and individuals who might relocate to the area.

The Pittsburgh region is competing with other metropolitan regions across the country and around the world. Competition for economic development between jurisdictions within southwestern Pennsylvania only weakens the inter-regional competitiveness of the Pittsburgh metropolitan area. Simply put, to compete effectively and to sustain a competitive advantage in a global marketplace, a regional, cross-jurisdictional approach is indispensable.

### **The Benefits of Regionalism**

Against this background, the benefits of regionalism are clear. Forging a regional identity can focus economic development efforts, attract new businesses, and help grow existing ones. Coordinated planning and economic development provide the region with a better ability to connect workforce capacities with business needs across jurisdictions.

Cooperation across jurisdictions also can help to create a more stable and rational development environment, which appeals to developers concerned with reducing risks. Furthermore, a collaborative approach to regional planning and development often fosters the creation of economic, social, and political networks, which provide a rich environ-

ment for innovation. Supplanting fragmented and/or antiquated public infrastructure development practices with regional approaches to infrastructure planning and development will effectively set the stage for development in precisely those areas where the market demands it.

Improved connectivity and access among central business districts creates energy and dynamism, which benefits the whole region through cultural opportunities, entertainment venues, and economic synergies. Perhaps most importantly, over the long run, cross-jurisdictional cooperation can lead to more jobs, more talent, and more investment to enhance the region's quality of life.

The panel was encouraged by the cooperation of the municipalities of Homestead, West Homestead, and Munhall to overcome jurisdictional barriers to attract the Waterfront, a mixed-use development on a brownfield site. The proposed revenue-sharing plan among three townships in Washington County to support the Starpointe project is another innovative way to find local solutions. This example should be recognized as a starting point for other regional win-win revenue-sharing efforts.

### **The Consequences of Not Pursuing Regionalism**

A regional approach is necessary in southwestern Pennsylvania because of the large number of local governments, including special taxing districts that control much of the development process. In this region, each governmental entity is empowered to act independently in determining and achieving self-defined objectives. The consequences of ignoring the regional approach in southwestern Pennsylvania may be particularly dire. They include—but are not limited to—the inability to deal effectively with decaying infrastructure; the inability to attract new development; a loss of urban amenities; a decline in the regional quality of life and a subsequent lack of investment; a lack of economic dynamism; and the continued loss of key demographic groups.



## The Components of Regionalism

An effective regional approach is difficult to implement and requires several dimensions of effort and commitment. It is, however, entirely necessary if a region is to be competitive in the global market for economic development. The following are two inescapable characteristics of an effective regional program.

### Leadership

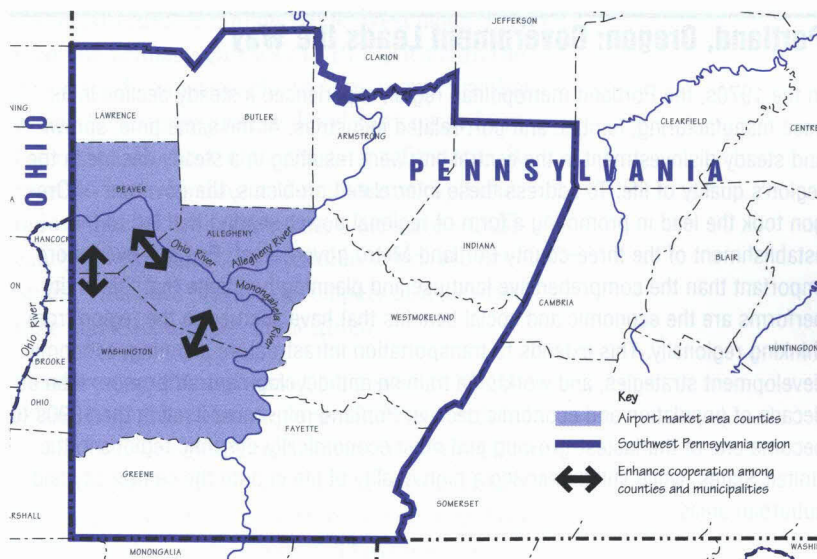
Making the shift from a local to a regional focus will be a major challenge. While change is never easy, the potential benefits are too great to overlook. Strong leadership at all levels of government will be required to make this change.

A regional authority with the ability to organize and oversee economic development programs will be integral to the success of the region. As communities move toward a regional approach to economic development, local community participation is indispensable. Change must occur at the municipal level as well as at the county and state levels. A community vision process will be a critical component of success.

It is important to understand the goals and objectives as well as the fears and concerns of each municipality involved. Local communities must be included at the beginning of the process and educated about the benefits of regionalism. Several southwestern Pennsylvania townships already have recognized the importance of regionalism and have begun taking steps toward this goal. The region's top business leaders will be an important resource in the creation of a strategy to attract jobs and people to southwestern Pennsylvania. Private industry, in partnership with the public sector, should address the region's political, planning, regulatory, and economic issues.

### Intergovernmental Cooperation

Intergovernmental agreements also are important to both regional and municipal success. Municipal boundaries do not affect the day-to-day activities of the citizens living in a given area. Many citizens live in one municipality while working in another. The region's municipalities and counties are interdependent. The economic opportunities within a



region are based on the market area, not municipal boundaries.

Intergovernmental cooperation creates efficiency in the services provided at the local and regional levels. Cooperation yields economies of scale. This principle applies to several areas of government. Police, fire, water, sewer, transportation, and planning services all can be provided more effectively when jurisdictions work together.

Intergovernmental cooperation also creates an environment that fosters high-quality development. Local municipalities can join together to ensure that planning is comprehensive and that an efficient permitting process is put in place. This will provide a predictable, certain, and stable regulatory environment for developers.

## Examples of Regional Approaches

Across the country, local governments, business leaders, and citizens are seeking new and innovative ways to work across traditional boundaries to enhance their quality of life and create the conditions necessary for sustainable economic development. Examples of successful regional planning efforts include both business- and government-led initiatives. The specific cases of Miami, San Francisco, and Portland, Oregon, are described in the sidebars on page 40.

Effective regional cooperation will allow developers to see the whole airport market area as one seamless community.



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## **Portland, Oregon: Government Leads the Way**

In the 1970s, the Portland metropolitan region experienced a steady decline in its base manufacturing, lumber, and port-related industries. At the same time, sprawl and steady disinvestment in the central city were resulting in a steady decline in the region's quality of life. To address these interrelated problems, the governor of Oregon took the lead in promoting a form of regional power sharing that led to the establishment of the three-county Portland Metro government. Perhaps even more important than the comprehensive land use and planning functions that this entity performs are the economic and social benefits that have accrued to the region from thinking regionally. This extends to transportation infrastructure planning, economic development strategies, and workforce training and development. After more than a decade of population and economic decline, Portland reinvented itself in the 1990s to become one of the fastest-growing and most economically dynamic regions in the United States, while still preserving a high quality of life in both the central city and suburban areas.

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## **San Francisco: Business Leads the Way to Sustainable Regional Growth**

Starting in the late 1990s, the Bay Area Council (BAC) convened the region's top business leaders to address critical shortages in affordable housing and threats to the region's economic base posed by a perceived decline in the quality of life. Making jobs and housing the cornerstone of its approach to the region's key planning and economic challenges, the BAC has collaborated with government, environmentalists, nonprofit organizations, and local communities on a variety of efforts, including a draft Compact for Sustainable Development, a Regional Livability Footprint project, and a Regional Smart Growth Strategy for the nine-county Bay Area region.

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## **South Florida: Cooperating for Economic Development**

In the last two years, south Florida has experienced a considerable awakening to the concept of regionalism. A recently completed study of the region by the CitiStates Group shocked the people of south Florida by pointing out that unless the area adopted regionwide policies, the erosion of its quality of life would be devastating. Both public and private sector powers recognized that the region could not continue to grow as a world-class metropolitan area without adopting a philosophy of "seamless communities and invisible boundaries." Business development organizations in Palm Beach, Broward, and Miami-Dade counties recently signed a pact, approved by the commissions of all three counties, not to take businesses from each other and to present a unified economic development front to the outside world. A regional transportation commission, also approved by the three counties, now coordinates all road and local transit activities and expansion efforts. The region is planning to continue cooperating to deal with educational, environmental, infrastructure, and quality-of-life issues. The federal and state governments now are being asked to recognize the three counties as one region. When that happens, the region should see the amount of tax-sharing dollars it receives increase significantly over what the three counties previously received separately.

Although diverse regions have tried a variety of approaches to regional cooperation, one central lesson can be drawn from their common experiences. Government cannot build strong cities and metropolitan communities alone. To do so, it needs the active and committed engagement of the private sector. Moreover, while regional collaboration requires strong leadership, ideas and solutions must come from the ground up, involving local communities at every stage of the collaborative process.

## **Comprehensive Planning**

Planning for the southwestern Pennsylvania region should focus on development that is sustainable and not just "catch as catch can." Sustainable development will be top-quality development, which will create jobs, increase the population and tax bases, and maximize the fiscal and economic benefits available to the region.

Comprehensive planning is a key component in achieving regional prosperity. Planning involves more than just creating a land use document. It is a way to create a development strategy and ensure that the region's future needs are met. Coordinated planning efforts will encourage smart development and enhance the region's economic competitiveness.

Infrastructure is vital to creating regional economic prosperity. Roadways need to efficiently connect the region's major assets. Within southwestern Pennsylvania, the townships, universities (the Oakland area), downtown Pittsburgh, and the airport all need to seamlessly connect with one another. Loop roads around the city of Pittsburgh are necessary to ensure efficient travel within the region. Water and sewer service must be effectively planned, funded, and implemented.

## **Branding**

As noted elsewhere in this report, southwestern Pennsylvania's many positive regional attributes must be effectively communicated and branded. A few of the strong regional features that can be used in the brand identification include the airport, the regional landscape, housing affordability,



cultural amenities, and outdoor recreation, including the area's rivers and other natural resources.

## Stakeholder Awareness

Cooperation at the local level is essential. Citizens, corporations, and the federal government will continue to demand more from local government. Local cooperation and a regional approach to economic development will help to alleviate these increased demands. All stakeholders must be made aware of and convinced to buy into the concept of regionalism. Some of the major stakeholders to be considered include the airport, the unions, the universities, private industry and, most importantly, the region's citizens.

## Existing Elements of Regionalism

The southwestern Pennsylvania region is comprised of ten counties: Allegheny, Armstrong, Beaver, Butler, Fayette, Greene, Indiana, Lawrence, Washington, and Westmoreland. According to the 2000 Census, total population in the ten counties was 2.4 million. Per capita income in 1999 ranged from a low of \$18,135 in Greene County to a high of \$33,474 in Allegheny County. Within this ten-county region are several hundred municipalities and special-purpose local governments.

## Regional Organizations

**The Pittsburgh Regional Alliance (PRA)** was founded to coordinate economic development activities in southwestern Pennsylvania. The PRA appears to be the only entity providing business recruitment services for the region on a national and international basis. There is a perception within the region that the PRA focuses predominately on Pittsburgh and Allegheny County. This belief is evidenced by the creation of the Cornerstone Group, which is comprised of all of the county economic development groups in the region except for that of Allegheny County.

**The Regional Industrial Development Corporation of Southwestern Pennsylvania (RIDC)** operates primarily as a not-for-profit developer. The Allegheny Conference on Community Development helped form the RIDC in 1960 to promote industrial development in the region. The RIDC has developed several prominent commercial projects in

the airport area, including RIDC West along S.R.60 near the primary gateway to PIT. Although the group has been successful to date, it appears that it may be keeping private developers away from the region. Because of its not-for-profit status, it receives state funding and can borrow capital at below-market interest rates, which are significantly lower than those available to private developers. This puts private developers at a disadvantage and discourages competition.

**Southwestern Pennsylvania Commission (SPC)** is the metropolitan planning organization for all federally funded regional transportation projects. In addition, SPC is designated as the regional planning organization for both transportation and economic development activities. The commission's board of directors includes representatives from each county as well as two private sector representatives. For transportation planning, each county has one vote. While it provides a valuable service, SPC needs to be more proactive and should raise its profile in the region to encourage coordinated efforts on important transportation and economic development projects.

**The Southwestern Pennsylvania Growth Alliance** was formed—with the help of the Allegheny Conference on Community Development—in 1988 as an advocate for regional policies and projects at the state and federal levels. The Growth Alliance is composed of a private sector representative and a public sector representative from each of the region's ten counties. It also involves representatives from each county's planning and development organizations in a policy and planning committee. The Growth Alliance has been successfully involved in a range of policy and development issues, including U.S. Environmental Protection Agency (EPA) fair enforcement of clean air laws, state funding for industrial projects, and the development of strategies for regional water and sewer funding. The Growth Alliance plays an important role in developing consensus on regional policy issues and implementing development strategies. In addition, the alliance can be an important player in formulating strategies to create a regional vision.



## **A Lack of Regional Vision**

The panel has ascertained that there is no regional vision for the future of southwestern Pennsylvania. Intergovernmental competition, rather than cooperation, is the mindset within the region. Townships continue to make decisions based only on local interests and do not consider how to maximize benefits for the entire region.

When it comes to long-term projects, most entities within the region continue to act in a reactive and disjointed manner, rather than proactively and cooperatively. This is evidenced by the lack of comprehensive planning as well as the lack of adequate infrastructure in many parts of the region. Inadequate infrastructure continues to be the number-one impediment to economic development. Strong regional leadership must work with local officials and assume the burden of planning, financing, and implementing infrastructure projects to benefit long-term economic development.

Many municipalities continue to view any move toward regionalism as a loss of local power and not as a way to improve coordination and economies of scale in providing services to their citizens. Local communities need to be made aware of the benefits of regionalism and must be included early in the process of developing regional consensus. Coordinated efforts at the regional level are a must when planning for capital-intensive, cross-jurisdictional projects. Sewer and water lines, roadways and interstate interchanges are projects that need regional guidance to ensure appropriate planning and execution. Townships and counties working together in a coordinated effort can create seamless communities and enhance the quality of life for everyone in the region.

## **Obstacles to Regionalism**

In most areas of the United States, existing political, legal, and institutional structures present obstacles to successful regional cooperation. In southwestern Pennsylvania, the obstacles to regionalism are particularly challenging. These include numerous overlapping layers of government with distinct constituencies and competing interests; a history of local land use control at a very fine-grained level; a lack of regional leadership;

parochial attitudes that focus on interregional competition for pieces of a limited economic pie, rather than a broad approach to increase the size of the economic pie; the complete absence of collaboration between the city and the region—despite the fact that they are inextricably linked, both economically and culturally; the lack of a workable framework for public/private partnerships; and a limited understanding of the appropriate role of government vis-à-vis the private development community.

## **Strategies for Creating and Implementing Regionalism**

Southwestern Pennsylvania will need to take the following actions in order to create a true regional presence in the global marketplace.

### **Establish a Regional Authority**

The existence of myriad competing, conflicting, and overlapping jurisdictions is the antithesis of regionalism. The entities that could create jobs and grow the business community will not risk their capital and time in such an environment. There are too many other places where it is easier to work. What southwestern Pennsylvania must do is create an authority that overlays the region and vest it with broad powers to identify a region-wide community vision, establish a long-range plan to implement that vision, bring the many jurisdictions together to overcome local obstacles to regional cooperation, and create a seamless community and a united front for the entire area.

### **Identify a Long-Term Vision for the Region**

Ultimately, it is the citizens of the region who will benefit from—or suffer as a result of—the area's interjurisdictional competitiveness. Lack of a competitive advantage will drive the quality of life down. The quality of life in southwestern Pennsylvania already is at risk. Continued loss of population and jobs will make it worse.

The first step in turning this situation around is for residents to identify a communitywide vision for the future. This can be achieved through a series of local visioning exercises and charettes conducted throughout the region. In this way, residents can identify the common ground that will



form the basis for the region's long-range comprehensive plan.

### **Identify Leadership**

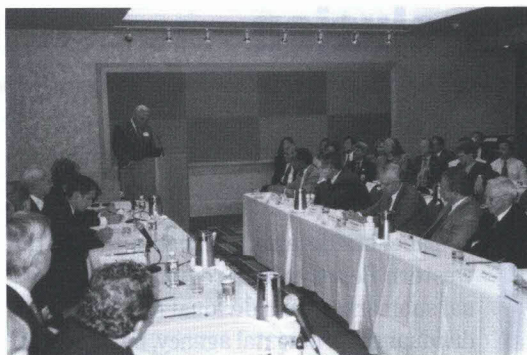
During its interview process, the panel heard that this area has a lengthy history and tradition of insular politics, polarized interests, and parochial attitudes. Strong, visionary, charismatic leadership is the single most important ingredient needed to overcome this handicap and create a seamless regional community. Identifying key leadership often is the most difficult task of all. Effective leadership for southwestern Pennsylvania may consist of a single individual or a small representative body, but until this leadership is identified the old boundaries that impede regionalism will not be erased.

### **Establish A Regional Image**

Southwestern Pennsylvania has many wonderful amenities. The region enjoys a world-class symphony, museums, universities, health care facilities, and professional and amateur sports, along with beautiful surrounding countryside and a spectacular landscape. These elements and many more can contribute to the creation of a unique and highly marketable image for the region that will differentiate it from other regions, attract visitors and business interests, and establish a distinct competitive advantage.

### **Create A Win-Win Environment for All Stakeholders**

If the vision to be developed truly is community-wide and represents all of the region's residents, and if the leadership understands and advances



Panel Chair Tony Trella opens the panel's final presentation of its findings and recommendations.

the interests of a regional constituency rather than narrower interests, the obstacles to creating a globally competitive regional economic power will become less formidable. Ultimately, the region's strengthened economic engine will protect and enhance the quality of life for everyone in southwestern Pennsylvania.

### **Use Regional Power to Increase the Availability of Funds**

Small, competing jurisdictions present a fragmented image to state and federal funding authorities. Small projects spread around a region do not capture the funding that potentially could be available. A regional approach to transportation, for example, will result in more funding for an area than would the sum of all of the area's small, fragmented, individually funded projects. This also applies to other types of funding programs.



## Conclusion

**T**he panel has determined that in the southwestern Pennsylvania region, no individual submarket, no individual facility, no individual governmental agency, no individual local jurisdiction, nor any individual city will be able to implement and sustain development without the collaboration and support of surrounding communities.

After the panel examined the region's political organization, development entitlement processes, and infrastructure readiness, it became clear that southwestern Pennsylvania is at a distinct competitive disadvantage with other regions, not just nationally but globally.

Pittsburgh International Airport is a world-class facility and the envy of many cities, but it cannot be the economic engine to bring growth, businesses, and jobs to the region. The airport is a great resource, and it enhances the many qualities of the region that businesses look for when considering a new location. These qualities include a vibrant livable city, sophisticated cultural amenities, a beautiful landscape, many recreational opportunities, great universities, and much more.

The region can benefit from these extraordinary qualities only if land is ready for development and the development entitlement process is uncomplicated, predictable, and timely. Unfortunately, southwestern Pennsylvania is not yet ready to compete in the global marketplace. Preparing the region to enter this marketplace and to successfully compete for development will take time, investment, collaboration, and political will.

The panel recommends that Allegheny, Beaver, and Washington counties and the municipalities within them organize a regional authority with the ability to make plans for and oversee economic development programs that will bring economic growth to the region. Local community participation will be indispensable to this process.

Change must occur at the municipal level as well as at the county and state levels. Community visioning will be a critical component of success. It is important to understand the goals and objectives of each municipality involved and to address their fears and concerns.

Intergovernmental cooperation will create an environment that fosters top-quality development. Local municipalities can join together to ensure that planning is comprehensive and that an efficient and equitable permitting process is put in place. This will help provide a predictable, certain, and stable regulatory environment for developers.

Once the regional authority has established a successful track record, other counties and municipalities can be brought into it. This regional entity will prepare and implement a long-range strategy and comprehensive master plan for the airport area. The authority will see that infrastructure investments support the strategy and the master plan.

The region must market itself with a new image that is a function of all of its strong qualities. Once it is possible to find development-ready land in an environment with an efficient entitlement process, Pittsburgh's great strengths will make it a serious contender in the world marketplace.

In the shorter term, new development should be directed toward tracts of land with available infrastructure and an easy entitlement outlook. Encouraging the development of the region's uncomplicated infill and redevelopment sites also makes sense in the short term.

Finally, Pittsburgh International Airport must be made more competitive by improving its accessibility, especially from the city of Pittsburgh and from I-79. Some effort also should be made to



open PIT to more carriers and thus lessen the dominance of US Airways.

The southwestern Pennsylvania region has enormous potential for development and growth. Realizing that potential will require vision, trust, leadership, and resolve. All of these qualities are available in the people and communities of southwestern Pennsylvania. They must be nurtured and used to advantage.

## About the Panel

### Anthony J. Hella



## About the Panel

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### **Anthony J. Trella**

*Panel Chair  
Deerfield Beach, Florida*

Trella is owner and president of the Meranth Company, a real estate development and investment advisory company. He has a national reputation based on 30 years of successful accomplishments in executive, marketing, and financial management. Trella has had a distinguished career as president/CEO of leading real estate organizations, where he directed the development of more than 20,000 acres of land and 5,000 residential units, numerous private and public golf courses, and retail and office centers. This includes the completion of 15 master-planned communities, 20 diverse development projects, and more than 10,000 residential parcels, totaling more than \$1 billion in sales.

The Meranth Company provides a variety of advisory services, including corporate strategic planning, due diligence, merger and acquisitions, project development planning and management, financial planning and capitalization, human resource structure, and marketing strategies and programs. The firm's national and international clients include investment bankers, private investors, developers, homebuilders, and brokers.

Trella previously served as president/CEO of Markborough Communities, Inc., where he was responsible for land development and homebuilding operations throughout five states and Canada. These land development holdings were among the largest and most diversified in North America. Other career highlights include serving as the senior real estate executive of American Capital Corporation, a large bank holding organization and master developer; opening the south Florida division of Pulte Home Corporation; and serving for 12 years as president/CEO of Mondex, Inc. a diversified Florida developer.

Trella is a member of the Urban Land Institute, a founding director of the Foundation for Environmental and Economic Progress, and developer in residence for the University of Miami School of Law/Graduate Program in Real Property Development. A native of New York City, he earned a BBA in accounting from Pace University and completed graduate studies at Adelphi University.

### **Julie Bender**

*Denver, Colorado*

Bender has nearly 20 years of experience in economic development, most recently as founding president/CEO of the Denver International Airport Partnership since its inception in 1996. She also has served in economic development roles in Washington state and in the Colorado cities of Denver and Aurora.

Named Woman Business Executive of the Year by the *Denver Business Journal* in 1996, Bender also has gained national prominence as the vice chair of ULI's Public/Private Partnership Council. She has led and been a part of delegations to major cities in the United States as well as the United Kingdom, Japan, Korea, China, and South Africa. She is a past chair ULI's Colorado District Council and serves on numerous educational, business, and real estate boards.

### **Foster De la Houssaye**

*Charlotte, North Carolina*

De la Houssaye is a transportation planning consultant with 30 years of experience in airport ground access, public transit, parking, travel demand modeling, and traffic. Much of his practice over the past seven years has been focused in and around major U.S. airports, including those in Cincinnati, San Diego, Seattle, Dallas, Charlotte, Cleveland, and Chicago. He has been the principal



surface transportation consultant at Chicago O'Hare International Airport for the past ten years. Other major clients he has worked for in the past include Central Station Development Corporation in Chicago; Pace in Arlington Heights, Illinois; Howard Hughes Properties in Las Vegas; the city of Lake Forest, Illinois; and the South Australian Department of Transport in Adelaide, Australia. De la Houssaye currently has a lead role in the Chicago O'Hare Modernization Program and is leading projects for the Charlotte (North Carolina) Area Transit System.

De la Houssaye joined Charlotte-based Kimley-Horn and Associates, Inc., in 1999. From 1983 to 1998, he was with Barton-Aschman and Associates in Chicago. He received his undergraduate degree from the University of Southern California and his master's degree from the University of Pittsburgh, and is a member of the American Institute of Certified Planners (AICP).

## **Wayne Falbey**

*Naples, Florida*

Falbey has more than 25 years of experience in all phases of land development. He is president of the Falbey Group, real estate strategists and consultants to the real estate development and land use industry. Prior to becoming a developer, Falbey served as a transactional attorney for developers, including Fortune 100 companies. He has been involved in many different types of development, including residential, multifamily, mixed-use commercial, retail, and industrial projects. Falbey has worked with Westinghouse Communities on the Pelican Bay, Pelican Landing, Bay Colony, and Pelican Marsh communities, and with the Bonita Bay Group on Bonita Bay, the Brooks, and Mediterra, among other projects.

Falbey is actively involved in ULI at the local, state, and national levels. He served as chair of ULI's Southwest Florida District Council from July 1999 through June 2002, and is a member of the Institute's National Program Committee, Recreational Development Council, and District Council Chairs Advisory Group. He also served on several earlier ULI Advisory Services panels. Currently, Falbey is lead instructor and course

manager for ULI's annual four-day Real Estate School course, "Real Estate Development Process: Part I."

A member in good standing of the Florida and Colorado Bars, Falbey also holds a Florida real estate broker's license. He has served in a variety of civic and community organizations, including the Naples Area Chamber of Commerce and the Economic Development Council of Collier County. He is a 1999 graduate of Leadership Collier.

Falbey holds an MBA in real estate development and a doctorate in business administration—with concentrations in management and marketing—and a law degree from Vanderbilt University. He currently serves as an adjunct member of the faculty at the Huizenga Graduate School of Business and Entrepreneurship at Nova Southeastern University. Falbey has published a number of articles on issues relevant to the real estate industry in a variety of publications, most recently the June and August 2002 issues of *Urban Land* magazine.

## **Chad Galayda**

*Chicago, Illinois*

Galayda is in the strategic consulting group in Jones Lang LaSalle's Chicago corporate office, where he is responsible for performing financial/development analysis, managing market information, preparing site evaluations and purchase and sale negotiations, and managing transactions. Galayda has been involved in real estate evaluations and transactions across most major national markets. Past clients include BP Amoco, Central Parking Corporation, and the William Wrigley, Jr., Company. Galayda is involved in several aviation-related real estate projects. He currently acts as project manager in advising the Lambert St. Louis Airport Authority and Boeing Corporation on development alternatives for collateral airport land. This work includes executing marketing and development strategies as well as supporting valuation efforts and sale and lease negotiations.

Prior to joining the strategic consulting group, Galayda was the controller of the transaction services division at Jones Lang LaSalle. He was involved in the financial transition and integration



resulting from the merger of Jones Lang Wootton and LaSalle Partners, and assisted with due diligence and post-transaction activities for the corporate initial public offering and various company acquisitions.

Galayda received a bachelor of science in accountancy from Miami University and earned a master of business administration from the Kellogg Graduate School of Management at Northwestern University. He is a certified public accountant and a licensed real estate salesperson in the state of Illinois.

### **Chuck Henschel**

*Oakbrook, Illinois*

Henschel has been vice president of airport investments and development at CenterPoint Properties Trust since September 1998. In this role, he spearheads the expansion of CenterPoint's portfolio of air cargo facilities and other airport-related investments. His focus is on adding value to these customers, thereby creating long-term relationships benefiting all parties.

Over the last 15 years, Henschel has been involved in every aspect of airport facility design, negotiation, development, and property management. After graduating from the University of Wisconsin, Henschel worked as an assistant superintendent for the Mayfair Construction Company and as a construction manager for American General Investments. His airport experience began in 1984, as regional facilities manager at Continental Airlines Corporation. At the airline's Houston and Denver hubs, Henschel was responsible for the design, planning, and construction coordination of new airport facilities. Prior to joining CenterPoint, Henschel was regional director of airport affairs at United Airlines, Inc., where he oversaw all United Airlines facilities at Chicago O'Hare International Airport—United's main hub and headquarters—as well as at other U.S. airports. At O'Hare, Henschel was chairman of both the airline airport affairs committee and the airline facilities steering group.

Henschel is highly respected within the airport and airline industries because of his experience,

creativity, and persistence. His skills greatly augment CenterPoint's ability to meet the needs of air freight companies, airlines, and local airport authorities. CenterPoint is the pre-eminent private sector provider, owner, and manager of air freight and airport-related facilities in the Chicago region.

### **Tom Hester**

*Denver, Colorado*

Hester has earned a national reputation for his ability to help public and private sector clients strategically position redevelopment projects and improve their overall performance and viability. His strong leadership and management skills have helped diverse groups build consensus and attain project goals. Hester brings skills in zoning, design guidelines, public and private partnerships, real estate finance and development, community planning, and transportation planning and design to his projects.

Hester serves as project director for Civitas, Inc., a 50-person Denver-based planning, urban, and landscape design firm. He currently is preparing a development plan for a 350-acre Superfund site outside of Salt Lake City, a rezoning and transit-oriented development plan in Denver, a Capitol District master plan in Cheyenne, and a downtown master plan in Olathe, Kansas.

For more than 12 years, Hester has been involved in all aspects of the planning and design process, working on projects in the United States, Australia, Asia, and Europe. His ability to work at regional, urban design, and architectural scales has added value to a diverse range of project types for clients. In addition, his thorough understanding of the complex issues that affect well-developed and marketable projects has contributed to their successful outcomes.

Hester earned a bachelor of architecture from California State Polytechnic University in Pomona and a master of architecture in urban design from the Harvard Graduate School of Design, where he earned top honors for leadership and academic studies. He has taught architecture, graphic design, and three-dimensional computer imaging at



Cal Poly and Otis College of Art and Design, and has lectured on the integration of information technologies within architectural curricula.

## **Mark Pelusi**

*Alexandria, Virginia*

Pelusi is a landscape architect and site designer for EDAW, Inc., with experience in master planning, site design, and construction detailing. His portfolio includes corporate, institutional, government, and private sector developments, demonstrating his ability to manage a job from conceptual design through construction administration. His projects have involved site analysis/inventory, master planning, conceptual design, design development, and construction documentation and administration, as well as coordination with a variety of disciplines.

Pelusi's past projects include the Hampton Neighborhood Commercial Corridors in Hampton, Virginia, where he prepared revitalization plans for two neighborhood commercial corridors that provided a strategy for improving their appearance, function, and development potential; the Wax Museum Site Development Plan in Washington, D.C., where he prepared a development proposal that included 750 dwelling units and 60,000 square feet of retail space, and recommended a redevelopment plan for the surrounding area; the Canton Township Revitalization Plan in Canton, Pennsylvania, for which he conducted interactive workshops to develop recommendations for revitalization strategies and planning concepts for a deteriorated industrial area; and the Chester Waterfront Planning Study, a planning and economic study for the redevelopment of 88 riverfront acres in Chester, Pennsylvania's declining downtown.

Pelusi received a BS from Pennsylvania State University and is a registered landscape architect in the state of Maryland.

## **Paul Peninger**

*Berkeley, California*

Peninger specializes in applying urban and real estate economics to engagements in urban redevelop-

ment and community revitalization. His background spans all scales of planning and development, from state and federal policy studies to regional economic development strategies to neighborhood and site-specific plans. His expertise in market and financial feasibility analysis, housing policy, and economic revitalization strategies allow him to work with community stakeholders, planners, and developers to ensure that plans are based in economic reality while also reflecting key community and economic development goals. For each of his assignments, Peninger seeks to apply the most current and innovative methods in economic analysis and planning practice to meet Bay Area Economics client needs.

Currently, Peninger is managing the housing element update process for the city of Milpitas, California, and is assisting the Contra Costa Redevelopment Agency in implementing an innovative mixed-use development project in Bay Point, California. Other recent Bay Area Economics assignments include a regional economic analysis for the Bay Area Regional Smart Growth Strategy and the groundbreaking Regional Housing Toolkit to implement the housing provisions of Washington state's Growth Management Act. Peninger also has supported Bay Area Economics assignments ranging from financial analyses of major urban reuse projects to market studies for mixed-use and transit-oriented development projects throughout the United States.

Peninger received a BA in politics from the University of California at Santa Cruz and an MCP with a concentration in housing and project development from the University of California at Berkeley. He lectures in land economics at UC Berkeley for students in the master's of urban design program and also serves as an instructor for the Urban Land Institute's Real Estate School. He is a member of the Congress for New Urbanism and the Urban Land Institute.

## **John Schofield**

*Manassas, Virginia*

Schofield has worked in local government for more than 30 years. For the past 20 years, he has worked in Prince William County, Virginia, in the



departments of planning, public works, and economic development. His major emphasis there has been in transportation planning and development—including road, bus, and commuter rail systems—land use planning, technology park development (the subject of a 1996 ULI Advisory Services panel), and economic development marketing and attraction. During the past five years, he has been involved in attracting more than \$1.5 billion in new investment and the creation of more than 1,500 new technology jobs in the county.

Schofield has undergraduate and graduate degrees in political science, planning, and public administration from East Carolina University and is a member of the American Institute of Certified Planners, the American Planning Association, and the International Economic Development Council. He is a graduate of the Economic Development Institute and the Senior Executive Institute.

### **Eric D. Swanson**

*Lakewood, Colorado*

Swanson is the real estate director for LandBank, Inc., and has more than 20 years of experience in the acquisition, development, construction, mar-

keting, leasing, management, and disposition of high-profile commercial real estate projects. He has been involved in the development of mixed-use business parks, build-to-suit office and industrial properties, high-rise office projects, and horizontal development for large-scale real estate projects. His expertise includes rezoning, site plan approval, platting, and entitlements through the development of regional impacts, as well as specific business development responsibilities.

In his current role at LandBank Group, Swanson directs the firm's acquisition, entitlement, development, project management, and disposition activities. LandBank is a national leader in the acquisition, restoration, and redevelopment of environmentally impaired real estate. Owned by Shaw Environmental and Infrastructure, LandBank is one of only a few companies that acquires environmentally challenged real estate around the United States.



## Appendix: Additional Acknowledgments

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### Airport Market Area Task Force

Edward A. Nicholson	Chair, Airport Market Area Task Force, and President, Robert Morris University
John Bevec	Chairman, Washington County Board of Commissioners
Kirby J. Campbell	Armstrong Group
James A. Cederna	Calgon Carbon
Dan Donatella	Chairman, Beaver County Board of Commissioners
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Earl Hord	Allegheny County Airport Authority
James L. Kennedy	Southwestern Pennsylvania Commission
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Glenn Mahone	Allegheny County Airport Authority
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Jim Roddey	Chief Executive, Allegheny County
Richard Shaw	Michael Baker Corporation
Rich Stanizzo	Pittsburgh Building & Construction Trades Council
Daniel J. Sullivan/Steve Taylor	FedEx Ground

### Airport Market Area Working Group

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Joe Chnupa	Pennsylvania Department of Environmental Protection
Joe Cioletti	MAGLEV, Inc.
Frank Clark	MAGLEV, Inc.
Joe Dornbrock	Airport Area Development Council
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Tom Fox	Pennsylvania Turnpike Commission
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Cynthia Gitnik	Beaver County Chamber of Commerce
Sally Haas	Airport Area Chamber of Commerce
Ray Hack	Pennsylvania Department of Transportation, District 11
Jim Hassinger	Southwestern Pennsylvania Commission
Lynn Heckman	Allegheny County Department of Economic Development



Rob Jones	Dominion Peoples
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Jeff Kotula	Washington County Chamber of Commerce
Ron Leibow	Synergy Real Estate
Frank Mancini	Beaver County Planning Department
Lynn Manion	Airport Corridor Transit Authority
Leigh McIntosh	Pittsburgh Regional Alliance
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Steve Morgan	Allegheny County Department of Economic Development
Jim Palmer	Beaver County Corporation for Economic Development
Dick Quasey	Montour Trail Council
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Sharon Sambol	Beaver/Butler Council of Governments
Stan Sattinger	Montour Run Watershed Association
George Scarborough	CharWest Council of Governments
Cybil Taylor	Equitable Gas
Janet Thorne	Hollow Oak Land Trust
Kim Titley	Duquesne Light Company
Steve Tomko	Synergy Real Estate
Sara Walfoort	Southwestern Pennsylvania Commission
Alan Wampler	Synergy Real Estate
Kim Ward	Governor's Office Liaison
Tom Woodske	Governor's Action Team
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