



**LOHR BUILDING, WILKINSBURG**  
**REQUEST FOR PROPOSALS**  
DUE APRIL 28, 2017

**PROPOSAL INFORMATION SUMMARY**

**Overview**

This Request for Proposals (RFP) represents an exciting opportunity for a developer to build upon recent market momentum in Wilkinsburg and complete the redevelopment of a highly visible property. Wilkinsburg benefits from a strengthening residential market, and a growing number of businesses that are looking to locate in the community. The proximity of the MLK Busway, and recent development in East Liberty and Bakery Square make Wilkinsburg an ideal location for private investment. The offered property, the historic Lohr Building, is small enough to be a manageable project yet large enough and strategically located to make a big impact on the community.

**Purpose**

This Request for Proposals (RFP) is for the development of the Lohr Building, a three-story historic structure at the corner of Wood St. and South Avenue in Wilkinsburg Borough. The main entrance is addressed 725 Wood Street, and the lot and block number is 176-D-46. WCDC Holding Co. currently has an assignable Purchase Agreement for the property, and is seeking a qualified private developer to redevelop the property. Proposals should be consistent with the Wilkinsburg Business District Plan and the Wilkinsburg Comprehensive Plan which are available at [wilkinsburgcdc.org/plans-reports/](http://wilkinsburgcdc.org/plans-reports/)

**Who May Respond**

Any individual or company with credible development experience may respond. Respondents will be required to demonstrate that they have the financial capacity to implement their proposal, and that they are current on real estate taxes and in compliance with building codes on other properties they own in Allegheny County.

**Issuing Agency**

The Wilkinsburg CDC Holding Company was formed in 2016 as an affiliate of the Wilkinsburg CDC. The Holding Company engages in real estate activities that support the revitalization of Wilkinsburg. Currently the Holding Company is developing the historic Wilkinsburg Train Station, less than two blocks from the Lohr Building.

## **Site Tours**

Site tours will be held on Thursday, April 6<sup>th</sup> at 3:30 pm and Monday, April 20, 2017 at 12:00 pm. Please RSVP to [tom@paloaltoconsult.com](mailto:tom@paloaltoconsult.com)

## **Response Due Date**

Responses are due by 5:00 pm on April 28<sup>th</sup> and should be provided electronically to [tracey@wilkinsburgcdc.org](mailto:tracey@wilkinsburgcdc.org)

## **Developer Selection**

Developer selection will be based upon evaluation of the submitted proposals by the WCDC Holding Company Board of Directors.

## **Inquiries**

Inquiries concerning this RFP should be directed to WCDC Executive Director, Tracey Evans [tracey@wilkinsburgcdc.org](mailto:tracey@wilkinsburgcdc.org), or its Development Consultant, Tom Hardy [tom@paloaltoconsult.com](mailto:tom@paloaltoconsult.com)

## **PROPOSAL FORMAT**

### **1. Cover Letter**

State your understanding of the goals for the project, your approach to meeting those goals, and a summary of your proposed program. Cover letter should also state your offering price and terms for the property.

### **2. Development Proposal**

Prepare a brief narrative description of the key elements of your proposal. The proposal should include, at minimum, the following elements:

- A. Program Description including number of residential and / or commercial units, square footage, pricing levels, and features.
- B. Project Budget including both the proposed Sources and Uses of funds.

### **3. Evidence of Financial Capacity**

Include evidence of financial capacity for the project team.

### **4. Project Organization and Staffing**

Summarize the qualifications of key personnel assigned to this project. Include recent experience that is directly applicable to this project, a project organizational chart, and resumes of the personnel assigned to the project. Also include information about any project partners that will have more than 20% interest in the development. Identify other members of the proposed development team including architect, general contractor, and property manager.

## **5. Related Experience**

Summarize your development experience with focus on projects that are similar in size and scope.

## **PROJECT SCOPE**

### **Introduction & Location**

The Borough of Wilkinsburg is located immediately adjacent to Pittsburgh's eastern neighborhoods and is home to approximately 18,000 residents. Like many communities in the region, Wilkinsburg's population has declined dramatically since 1950. Vacancy and tax delinquency have accompanied this population loss, and Wilkinsburg's leadership has been working proactively to address these issues through The Wilkinsburg Comprehensive Plan. These efforts have created improvements to the quality of life in the Borough, and generated momentum for additional development.

Wilkinsburg's many assets, including its historic housing stock, access to transit, walkable business district, and the commitment of its residents serve as the basis for the community's revitalization. Over the past several years, WCDC has documented a significant increase in businesses interested in locating in the community. This increase complements growth in the residential market as well. As Pittsburgh's East End continues to grow and become more expensive, Wilkinsburg has become a destination for those seeking an affordable mixed-use community. As Wilkinsburg prepares for growth, community leaders are working to ensure that development is inclusive and does not result in the displacement of long-time residents.

### **Current & Recent Developments**

Wilkinsburg is a community on the move. Over the last few years, several projects are either completed or underway that show progress on Wilkinsburg's Comprehensive Plan. A few highlights include:

- Growing Business Community – Wilkinsburg is home to an eclectic mix of new and well established businesses. These include Tip Type, Leona's Ice Cream, Lovett Sundries, Al's Fish and Chicken, Pittsburgh Asian Market just to name a few. Wilkinsburg is an increasingly sought out business destination as rent's in nearby East End business districts are rapidly rising. Wilkinsburg's challenge in this regard has been a lack of available code compliant spaces—and this RFP aims to help address this challenge.
- Enhanced Tax Abatement – Wilkinsburg Borough and School District passed an enhanced tax abatement policy that provides an incentive for the renovation of commercial and mixed-use properties.
- Wilkinsburg Train Station Restoration -- WCDC Holding Co. is leading the restoration of the historic Wilkinsburg Train Station. MacLachlan, Cornelius, and Filoni Architects are currently completing the plans for the restoration. Nearly \$2M in financing have been raised for the project and renovations are scheduled to begin later this year. The building will house community and other retail or restaurant space [www.wilkstation.org](http://www.wilkstation.org)

- Wilkinsburg Liquor License Referendum -- In 2015 Wilkinsburg voters approved the referendum allowing liquor licenses in Wilkinsburg for the first time since 1935. This change should help make Wilkinsburg a more attractive destination for restaurants.
- Wilkinsburg Vacant Homes Tour – WCDC has hosted Vacant Homes Tours for the past two years in partnership with CMU’s Heinz College. Over 1,000 people have participated in these tours which have gained local and national media attention. These tours have helped to reach potential homeowners that are in the market for “fixer-uppers”.
- Main Street Designation – WCDC was accepted into the prestigious Main Street Program in 2015 and received National Accreditation in 2016. The program provides financial and technical assistance within the business corridor. Currently WCDC offers façade grants.

## Market Information

There are several factors that make Wilkinsburg an attractive community in which to make a residential investment including:

- Access to the East Busway – This is the Port Authority’s most heavily traveled route which provides access to downtown Pittsburgh via a fifteen-minute ride.
- Proximity to East End Development – Wilkinsburg is the next business district along Penn Avenue past Bakery Square and East Liberty, both of which have seen significant development and market interest.
- Strong apartment market with low vacancy. For-sale home prices, particularly at the high-end of the market are growing.
- Short-term potential exists to add 20,000 to 25,000 SF of retail and restaurants. Specific retail opportunities identified include bicycle shop, dance studio, fitness, musical instrument store.<sup>1</sup>

DiSalvio Development Advisers completed a market study for the Wilkinsburg business district in 2016. Some of the key points are referenced above, and the complete market study is available with the other due diligence materials in the digital dropbox. WCDC also subscribes to RealStats, a data provider on real estate sales transactions which has been used to analyze trends in the residential market.

Wilkinsburg has seen significant growth in the market for homes greater than \$100,000. The number of \$100,000 home sales in Wilkinsburg nearly doubled from 2010 (25 sales) to 2016 (48

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<sup>1</sup> Wilkinsburg Business District Market Analysis, DiSalvio Development Advisors, January 26, 2016

sales). This indicates that Wilkinsburg is increasingly a choice for middle and upper-middle income homebuyers that can also afford homes in surrounding communities

### **Residential Sales Greater than \$100,000**

Year	Average	Median	High	Total Volume	Total Transactions
2010	\$ 168,625	\$ 149,450	\$ 385,000	\$ 4,384,240	26
2011	\$ 173,922	\$ 152,450	\$ 389,000	\$ 5,217,650	30
2012	\$ 180,464	\$ 167,500	\$ 400,000	\$ 6,496,700	36
2013	\$ 185,932	\$ 166,250	\$ 425,000	\$ 8,181,005	44
2014	\$ 176,368	\$ 143,500	\$ 412,000	\$ 7,054,700	40
2015	\$ 184,639	\$ 154,000	\$ 498,750	\$ 9,416,610	51
2016	\$ 200,644	\$ 190,950	\$ 374,500	\$ 9,630,930	48

Source: RealStats. Includes residential arms-length transactions >=\$100,000.

In addition to growth in the higher cost segment of the housing market, the overall median sale price has increased at an annual rate of 4% over the last seven years. This demonstrates steady, but not overheated, growth in Wilkinsburg's housing market.

### **Goals & Objectives**

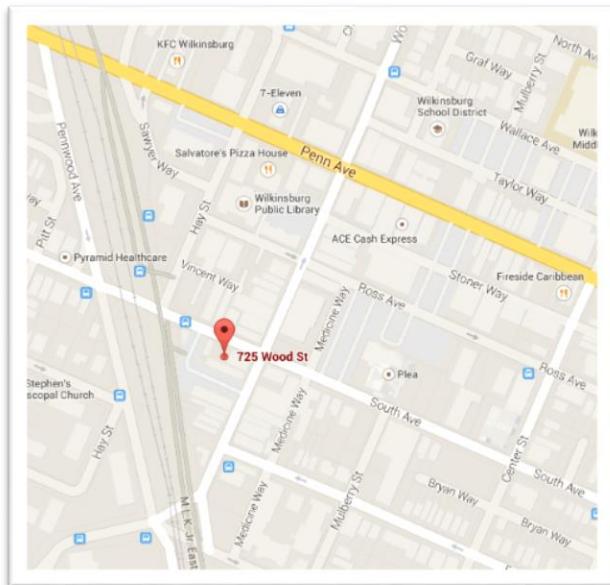
WCDC Holding Co. has established the following goals for the project:

- Increase the number of code compliant commercial spaces in Wilkinsburg.
- Establish a strong commercial presence that anchors the intersection of Wood Street and South Avenue.
- Renovation of the building in keeping with historic preservation standards.
- Consistency with the Wilkinsburg Business District and Comprehensive Plan.
- Building uses that complement the nearby Wilkinsburg Train Station.

### **Property Information**

Alexander Lohr, a contractor, built the building at 725 Wood St. around 1893. He and his wife lived in a house next door, at the site where Nancy's Diner now stands. Over the years, the Lohr building has been home to many businesses including a bank, real estate office, and law firm. More recently

the building housed a pawn shop and retail exchange. The buildings current owners have completed interior demolition, revealing high ceilings and open ceilings.



The property consists of the main structure which has two retail bays, and with two floors above. Nancy's Diner occupies a separate structure that is also on the property. There is no off-street parking on the property; however, an adjacent municipal metered lot has over thirty spaces. Approximate square footage is provided below. Existing conditions drawings by cadnetics are available in the digital drop box.

### Existing Building Summary

Space	Address	Approximate Square Feet
<i>Historic Lohr Building</i>		
Retail Bay 1	727 Wood St.	1,541
Retail Bay 2	725 Wood St.	1,122
Upper Floors (2 & 3)	727-725 Wood St.	6,040
Total		8,703
<i>Former Pawn Shop—1 story</i>	618 South Ave.	2,352
<i>Nancy's East End Diner</i>	616 South Ave.	1,125

## Preferred Program

Based on WCDC Holding Co.'s underwriting of the building the preferred scheme is to subdivide the property following the party walls of the three distinct buildings. The proposed disposition and use of the parcels post subdivision is described in the table below.

Space	Preferred Disposition & Program
Historic Lohr Building 727 & 725 Wood Street	The original building is contemplated to be sold to a developer for renovation. Two storefront spaces with an average of 1,300 square feet each. An architectural test fit shows a total of eight one-bedroom apartments on floors two and three.
Former Pawn Shop 618 Wood Street	This building is proposed to be retained by Wilkinsburg CDC Holding Co. and retained and renovated as its office.
Nancy's East End Diner 616 Wood Street	This building is proposed to be sold to the owners of Nancy's East End Diner for them to have long-term control over their space. Planned improvements by the business owners include electrical upgrades as well as enhancements to the kitchen.

Applicants may propose an alternative program provided that the program meets the overall goals and objectives established for the project.

## Potential Resources

There are several potential resources and opportunities for prospective developers to consider. These include:

- Enhanced Tax Abatement – Wilkinsburg Borough and Wilkinsburg School District have adopted an enhanced tax abatement program. Eligible owners can apply for an abatement on the increased assessment due to improvements. The abatement is a ten-year abatement with 100% abatement on the value of improvements for the first five years and the abatement phases out over the next five years. Additional information is available here <http://wilkinsburgcdc.org/business-resources/>
- Pending National Register Historic District Nomination – Pittsburgh History & Landmarks Foundation (PHLF) has contracted with GAI Consultants to prepare a National Register Historic District Nomination for the Wilkinsburg business district. Once the nomination is approved, this would make contributing buildings within the historic district eligible for a 20%

federal tax credit on qualifying renovations. More information on this program is available here [www.nps.gov/TPS/tax-incentives.htm](http://www.nps.gov/TPS/tax-incentives.htm)

## **DUE DILIGENCE MATERIALS**

The WCDC Holding Co. has commissioned various due diligence activities that will be available to qualified parties for review as part of the RFP process. WCDC Holding Co. makes no representation of the accuracy of these documents. These documents are available on a password protected portion of WCDC's website <http://wilkinsburgcdc.org/lohr-building-project/>. Interested developers should contact Tom Hardy [tom@paloaltoconsult.com](mailto:tom@paloaltoconsult.com) to register and receive access.

<i>Item</i>	<i>Vendor</i>	<i>Date</i>
ALTA Survey	PVE Sheffler	2/2/17
Asbestos Survey	Allegheny Global	7/31/14
Lead Paint Survey	Prism Environmental	1/26/17
Business District Market Analysis	DDA	1/26/16
Existing Conditions Files (CAD)	CADNetics	1/19/16
Architectural Test Fits (PDF)	Joyce Design Group	3/29/17
Draft Title Commitment	Chicago Title	12/27/16

## **OTHER PROVISIONS**

1. All costs incurred with the preparation of a proposal shall be the responsibility of the applicant and will not be reimbursed by WCDC Holding Co.
2. The reliance on third party information made available by WCDC Holding Co. by the applicant shall be at the applicant's risk.
3. WCDC Holding Co. reserves the right to reject any and all proposals.