



RIDC

regional industrial development corporation

Pennsylvania Brownfields 2008:

Extreme Makeover II: Redeveloping PA The Pitch

Environmental Remediation of the "L" and "N"
Buildings – Keystone Commons

Funding through Industrial Sites Reuse Program

The Regional Industrial Development Corporation of Southwestern Pennsylvania (RIDC) is a private, not-for-profit industrial development corporation, established in 1955, whose goals are to preserve, strengthen, and expand the region's employment base through retention and expansion of job opportunities, and by developing and promoting programs that assist in the creation of a more diversified regional economy.

History of Keystone Commons

- The Westinghouse Electric Corporation's manufacturing history in the Turtle Creek Valley began in the 1890's.
- By the mid 1980's, the site and facilities had grown to nearly 4.2 gross square feet of space on 92 acres and at it's peak in the mid 1940's employed approximately 20,000 people.
- As the Steel and related manufacturing facilities closed in the Pittsburgh region during the 80's, over 150,000 people were out of work.
- RIDC stepped up and purchased the Plant from Westinghouse in 1989 using a purchase mortgage from Westinghouse along with various loan and grant assistance from the Commonwealth of Pennsylvania and Allegheny County.
- This investment was RIDC's first exposure into the world of environmental remediation and "brownfield" redevelopment.
- Thus, a new chapter in RIDC's economic development program began and became a major focus and investment for the Corporation.
- RIDC chose to take this on with the commitment of partnership with then Governor Casey and the Allegheny Co. Commissioners. A true public-private partnership.
- "If not us.....then who"

Challenges

- ❖ Distressed and distraught communities
 - Loss of employment
 - Loss of tax base
 - Loss of identity
- ❖ Where to begin.....
- ❖ What was the market telling us...

Opportunities

- ❖ A fairly healthy small manufacturing economy with growth potential
- ❖ A supportive public sector
- ❖ Structurally sound and well maintained facilities
- ❖ A commitment from Westinghouse to aid in the remediation

Investment

- ❖ To date, the following investment has been made:
- ❖ State Loans - \$11,474,000
- ❖ County Loans - \$831,770
- ❖ Private Financing - \$3,349,250
- ❖ RIDC Equity - \$15,275,764
- ❖ State and County Grants - \$13,311,336

- ❖ TOTAL INVESTMENT - \$55,842,120

Benefits

- ❖ New Real Estate Tax revenue - \$553,777
- ❖ 47 Companies
- ❖ 1,563 New employment opportunities

THE PROJECT

Keystone Commons has been under development by RIDC for approximately 20 years. It has been an extremely successful development endeavor to date but it is now time to begin a new phase of development which will take Keystone Commons into the next twenty years. Our experience and marketing over the past has identified some critical needs for the site for better operation today as well as into the future. Some of the current needs identified are 1) additional parking; 2) improved site access; 3) site safety/security; and 4) tractor trailer maneuvering areas.

RIDC has been working with three major tenants at Keystone Commons on expansion projects. Together LaBarge, Holtec and Generator & Motor Services lease over 500,000 square feet of space and each are in need of expansion area. In order to accommodate these expansion projects, the L and N-Buildings must be demolished. While completing the environmental investigation in order to bid the demolition projects, more asbestos containing materials and PCB containing materials were uncovered and increased the budget significantly. As a result, RIDC must find another funding source for the remediation work before it can complete the demolition work.

L – Building

Building L is a thirteen (13) story steel framed, brick clad, former office and laboratory facility. A hazardous material survey was conducted by KU Resources for Building L in 2006 which identified asbestos in insulated pipe wrappings, floor tiles and roofing materials; and PCB containing wood block, concrete and liquids. In additional minor miscellaneous environmental hazards such as PCB containing light ballasts, metal halide light fixtures and mercury-containing thermostats, Freon, and lead paint were also identified for remediation. RIDC is requesting grant funds to assist us in remediating the asbestos, PCB's and other miscellaneous items.

Engineering estimates by KU Resources for the environmental remediation are around \$1,150,000.

N – Building

Building N is an eleven (11) story former office building which like the L-Building is a steel framed, brick clad structure. The N-Building not having been subjected to any uses other than office/accounting operations does not present the magnitude of remediation encountered in the L-Bldg. A hazardous material survey was conducted by KU Resources for Building N in 2008 which identified asbestos in insulated pipe wrappings, floor tiles and roofing materials. In additional minor miscellaneous environmental hazards such as PCB containing hydraulic fluid/light ballasts, metal halide light fixtures and mercury-containing thermostats, Freon, and lead paint were also identified for remediation. RIDC is requesting grant funds to assist us in remediating the asbestos, PCB's and other miscellaneous items.

Engineering estimates by KU Resources for the environmental remediation are around \$500,000.

Project Budget

Sources

Industrial Site Reuse Program ("ISRP")	\$1,000,000
Business In Our Sites (committed)	591,000
RIDC Equity (committed)	59,000
	<u><u>\$1,650,000</u></u>

Uses

KU Resources, Inc. – Estimates	\$1,650,000
--------------------------------	-------------