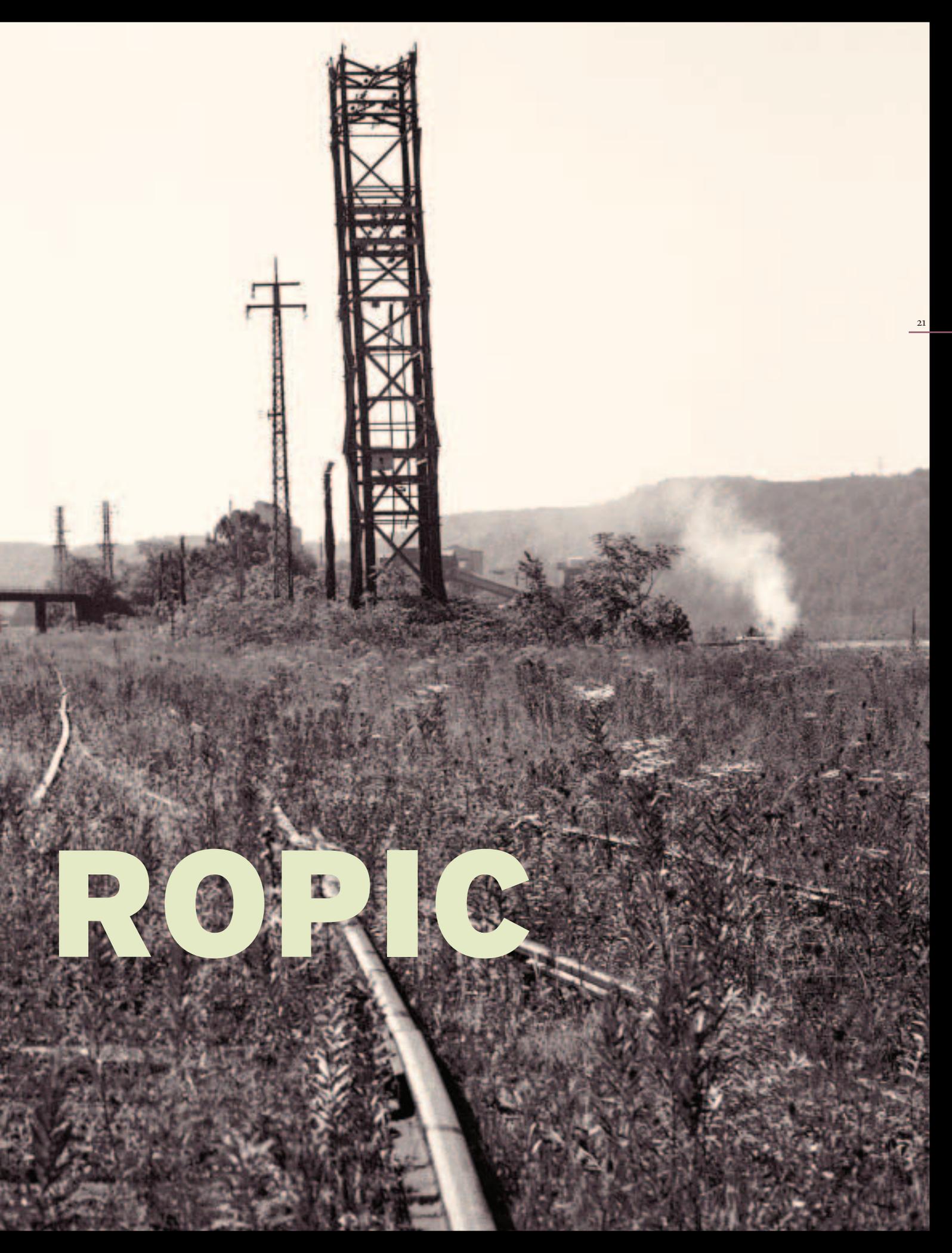


**Long-abandoned by Big Steel, tainted by pollutants and threatened by a major highway project, one of Pittsburgh's largest brownfields is now hot property for four local foundations. Could it be the riverfront view?
By Jeffery Fraser Photography by Richard Kelly**

PHILANTH FIELD



ROPIC

Pittsburgh's last great brownfield hugs the Monongahela River at Hazelwood, a little more than two miles upriver from downtown. It's a flat 178 acres where only a few ghostly structures remain to remind Dennis Hirsh of the bar, billet and cold-finishing mills, furnaces, coke ovens, quenching stations, spike and chain factories, rail yard and paint, welding, pipe and carpentry shops that made up the behemoth LTV Steel Hazelwood Works.

"It was something. A city within the city," says Hirsh, who worked plant security for more than two decades. **"And Hazelwood — when this mill was running full-gun, that place just hummed on payday."**

He smiles at another memory, this one conjured by the course grasses and stalks of goldenrod that have managed to thrive in the leftover coke and pulverized brick that carpet the spot where coke ovens once stood. "We'd always say that whenever they closed this place for good, nothing would ever grow here again."



Below: As part of the sales deal with four Pittsburgh foundations, LTV Steel Corp. officials agreed to complete structural demolition of the few remaining structures connected to the old mill. At its peak of operations in 1960, nearly all of the 178 acres were covered with interconnected buildings and loading facilities.

They were wrong in more ways than one. Four years after the mill pushed its last coke, The Heinz Endowments and three other southwestern Pennsylvania foundations formed a limited partnership with a public agency as general partner, and bought the LTV Steel Hazelwood site, convinced that it offers a rare opportunity to set a new standard for brownfield development.

In the eyes of Almono LP, the barren industrial landscape is a tabula rasa on which to create an environmentally sensitive mix of housing, modest retail, office campuses, green space and recreation with the character and staying power to become a true extension of Hazelwood, a neighborhood in recovery. The vision excludes “big box” retail, a popular suburban development trend that in Hazelwood would likely be more of a threat to the struggling Second Avenue retail corridor than an ally in its revitalization.

“To me, it is important that a brownfield site in a highly urbanized area be brought back to life in a way that provides another vital neighborhood in the city,” says Endowments

Regional Industrial Development Corp. of Southwestern Pennsylvania was named the general partner, bringing 50 years of experience in industrial reuse and brownfield development to the project.

Two years later, master plans have been developed and shopped around to private developers across the nation, and the process has led to ongoing talks with one of them, Cleveland-based Forest City Enterprises, to explore ways of developing the site within the sustainable design guidelines adopted by the Almono partnership.

This approach to creating a model of brownfield development also includes demonstrating that it can be financially rewarding for investors. Three of the foundation partners supported the project through regular grantmaking, while the Endowment drew \$4.5 million from its investment portfolio to buy a 45 percent share in the project.

“What is going to drive exemplary brownfield development around the country is not good intentions, but whether investors

can earn a return on their money,” King says. “Developers, foundations and governments need to see that these kinds of projects can work in terms of offering benefits to the community and in providing a

return on investment.”

No one living today remembers the Almono site as anything but a monument to the rise and fall of Industrial Age Pittsburgh. But for a few decades in the 19th century, Hazelwood was, as the *Pittsburg Leader* described it, “the choicest suburban section around Pittsburg,” where successful attorneys, railroad executives and other captains of industry built mansions with splendid lawns among the shade trees that overlooked the river.

Industrial expansion was swift, however. By the dawn of the



President Maxwell King. “Pittsburgh may have its problems, but if you go to Detroit, Cleveland, even to Philadelphia, you won’t find the vitality in the neighborhoods that you find in Pittsburgh. That is a real asset.”

The Endowments joined the Richard King Mellon, Claude Worthington Benedum and McCune Foundations to purchase the Hazelwood site from bankrupt LTV Corp. for \$10 million in 2002. The boards of Mellon and McCune chose to invest indirectly by way of other entities. The private, nonprofit

Jeff Fraser is a freelance writer based in Pittsburgh. His last story for h was a report on the Endowments’ investment in immigration-assistance programs as a way to improve racial and ethnic diversity in the region.

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Michael Watson Director, The Richard King Mellon Foundation

20th century, Jones & Laughlin Iron and Steel had become a juggernaut, enlarging its operations on both sides of the river and redefining Hazelwood in the process.

The company’s great Eliza furnaces, which stood near the downriver boundary of the Almono site, were joined in 1906 by the largest concentration of beehive coke ovens in the world. The wealthy retreated to more refined inland neighborhoods, such as Shadyside and the East End, while immigrants flooded into Hazelwood to work in the mill and live in the rows of company houses that bordered it.

During prosperous years, J&L’s payroll for its South Side and Hazelwood Works would total some 12,000 workers, about 40 percent of whom were assigned to the Hazelwood operations. For decades, Hazelwood grew with the mill, reaching a peak population of 13,000 residents in 1960.

Then came years of steady decline. J&L’s business sagged, prompting layoffs. Large numbers of workers chose the suburbs over a neighborhood whose air quality was abysmal. The Hazelwood Works payroll had fallen to 3,600 by 1974, when Cleveland-based LTV bought J&L. A year later, only 500 LTV employees lived in Hazelwood. The Eliza furnaces closed in 1981, leaving the coke works as the only significant operation standing. When those ovens were shut off in 1998, only 6,000 men, women and children remained in Hazelwood.

But change is on the horizon once again, and it is driven, again, by what happens on that flat stretch of land along the river.

The urban design principles adopted by the Almono partnership call for replacing the existing industrial wasteland with a mixed-use, New Urbanist development that will revitalize Hazelwood, become a great Pittsburgh place, be sustainable and link the site to the region.

The idea of buying the property evolved from a meeting of the foundation partners that the Endowments’ King convened. Dwight M. Keating, vice president and chief financial officer of the Benedum Foundation, wanted the Riverlife Task Force to assemble a group of investors for just that purpose. The Riverlife group of 48 civic leaders, tasked by Mayor Tom Murphy in 1999 to create a world-class master plan for Pittsburgh’s urban waterfront, is now dedicated to enacting

that plan through Three Rivers Park, which would extend along the Monongahela River to the Hazelwood site.

“We’ve always been concerned about how our riverfront is developed,” says Michael Watson, director, vice president and trustee of the Richard King Mellon Foundation. “And here was this large, valuable piece of land. How many times do you have an opportunity to take that many acres within the city limits and make sure that it gets developed properly?”

Foundation officials attribute the harmony that has characterized their working relationship to agreement on the basic goals of the project and experience in collaborating with one another on previous initiatives. “In any successful partnership, nobody gets 100 percent of what they want,” says Henry S. Beukema, executive director of the McCune Foundation. “In this group, nobody has insisted on getting their own way 100 percent of the time.”

Their financing approaches varied. Mellon awarded a grant to RIDC’s Southwestern Pennsylvania Growth Fund as its contribution; McCune invested through Strategic Developments Inc.; Benedum funded by way of a program-related investment; and the Endowments pulled directly from its investment portfolio.

As limited-liability investors, the foundations play a consultative role, leaving decision making and direct management of the project to the general partner, including the hiring of a private developer.

They also bring patient money to a challenging project.

For each foundation, a model brownfield development guided by sustainable design principles would advance program goals in some way. Any return they earn on their investment is an additional benefit they are prepared to wait for.

“That is a different path that makes this a stronger project than most,” says William P. Widdoes, Jr., project coordinator for general partner RIDC. “They can wait 20 to 30 years for their return. Were this being done only by a for-profit developer, you would likely see a development plan targeted toward a return in the first 10 years, which means that to deal with your environmental issues, you pave everything. After that, you put up things that will bring the highest return in the shortest amount of time. Big box retail, for example.”

At the Endowments, the Almono project fits within the Civic Design Initiative, where each year \$3 million in grantmaking is directed by a task force of staff to promote superior civic design in environment, transportation and urban development projects.

“Part of good land-use planning is looking for opportunities to reinvest in our existing areas, redevelop old industrial sites, build at a higher density and concentrate on reusing existing infrastructure,” says Caren Glotfelty, director of the Endowments’ Environment Program. “The idea that we could encourage that kind of development at the Almono site fits very well into our overall perspective on how we should be looking at patterns of growth in the region.”

Two master plans were developed by a consulting team of six firms led by Urban Design Associates working with a steering committee that included city officials and community leaders. Two plans were required because of the project’s one great uncertainty: the Mon/Fayette Expressway, a proposed turnpike toll road that, if built, would slice through the site on its way to join the Parkway East, complicating plans to connect Hazelwood to the new development. Another challenge is what to do about the short-line railroad that runs between the site and the neighborhood.

Ideas for how to deal with the proposed highway include the expensive proposition of dipping it as low as 35 feet below surface level as it passes through the site. A series of 750-foot-wide lids spaced over the highway could be used for anything from parking lots to soccer fields while also serving as bridges into Hazelwood.

Exactly what businesses will settle at the site, who will live and work there or whether part of it will become fertile ground for spinoff companies born from the medical and technological expertise of nearby universities are questions that cannot be answered at this stage, and may not be for years.

What is clear is that sustainable design guidelines central to the master planning, construction and operation of the development are what set the Almono brownfield strategy apart from others. The development will be mixed use, including commercial, residential, institutional, and green and open

space. It should be a walkable neighborhood with access to transit and bike paths.

Depending on demand, up to 1 million square feet of office space will be available in low-rise to mid-rise buildings that range from 30,000 to 80,000 square feet. Retail is to be consistent with the character of Hazelwood’s Second Avenue retail corridor. There will be no copycat suburban sprawl malls or strip-shopping on the order of the Waterfront development next to Homestead.

Housing is expected to be significant and to include single-family detached homes, apartments and townhouses. As a rule, housing is to be consistent with the character of residential sections of Hazelwood. And at least 15 percent of the units must be priced for low-income families and knitted into the fabric of the neighborhood, not segregated at the edges.

Returning a street grid to the site and plotting out modular parcels of developable land is one way planners hope to make the project flexible enough to withstand the winds of change. “Think of them as Monopoly® pieces,” says Widdoes. “Your hotel on Park Place could just as easily be four houses on Baltic Avenue.”

Environmental issues also add to the complexity of the project, and the foundations want to prove them surmountable.

The site is relatively clean considering it had been home to a 19th-century steel and coke works. All 178 acres have been cleaned well enough to qualify for commercial use, and a significant portion of the site requires little or no soil remediation to support housing.

To the extent possible, the Almono guidelines urge building to Leadership in Energy and Environmental Design (LEED) standards, which promote green buildings that offer healthy amenities for workers and that use less energy and create less waste and pollution. Site guidelines promote building and infrastructure design that reduces light pollution and heat that radiates from roofs, parking lots and other surfaces. They also include capturing and reusing storm water and building separate storm and sewer systems as an alternative to the city’s combined sewer overflow system that often allows raw sewage to empty into the river during heavy rains.

Recently, the site's potential has broadened in talks with Forest City, owner of Pittsburgh's Station Square and developer of several high-profile projects, including University Park at the Massachusetts Institute of Technology, a \$650 million research and office complex in Cambridge, Mass. Among the new ideas under review: a plan to tie the Almono development to the overcrowded, land-hungry university communities in nearby Oakland.

Asked what the 5,330 people in Hazelwood today want most from the development of the expansive brownfield, lifelong resident Dina Vargo replies, "Something clean."

"They remember the soot that covered your mailbox, your porch, your car," says Vargo, vice-chair of the Hazelwood Initiative, a neighborhood advocacy group. "And there was the Hazelwood smell, that smell of rotten eggs that ever since I was a kid I associated with the neighborhood."

Residents who had endured one coke works made it clear they had no intention of suffering through another when, in 1998, they organized to oppose a bid by LTV to sell the brownfield to a company that intended to build new nonrecovery coke ovens, which it estimated would create up to 300 jobs. The proposed deal fell through a year later when the Pittsburgh Public Schools refused to designate the site as a tax-free zone.

Hazelwood residents developed their own vision of how to turn the site into a neighborhood in 2000. Their ideas, many of them similar to those that guide the Almono development today, include remediation of the site for commercial use, housing, recreation and regaining their access to the river, a right-of-way that had been stolen from them a century earlier by the steelworks. "Making sure the site becomes part of the neighborhood — that is very important to us," says Lisa Kunst Vavro, who chairs the Hazelwood Initiative. "This is about rebirth and growth." *h*

THE ALMONO PROJECT

It began as an offhand suggestion by one Pittsburgh foundation official that Pittsburgh's Riverlife Task Force be empowered to buy the 178-acre former LTV Steel Works site. The goal was to enable the Task Force to further its mission of increasing public access to Pittsburgh waterfronts and continue promoting uniform design standards for all new rivers-connected development. But as discussions evolved, it became clear to the leaders of four foundations that the philanthropic goals for the land went far beyond the purview of the Task Force and that the foundations themselves needed to step up to the plate. Taking the name "Almono," derived from the first letters of the names of Pittsburgh's three rivers — the Allegheny, Monongahela and Ohio — the foundations

formed a limited partnership to abide by government regulations and contracted with a private, non-profit industrial development agency to manage the project.

The overarching goal has been to create a model development that makes the best recreational and aesthetic use of Pittsburgh's riverfronts while also

establishing a mixed-use community of residential housing, retail, light industry and public recreation facilities. As part of the foundations' early involvement, two master plans created by Urban Design Associates have brought the model to life. Artists' drawings that appear below and on the next page show aspects of the mixed-use ideal. Behind them are principles of sustainable development and green building that the foundations want to establish as money-making propositions for private business interests.

Below, an artist's rendering of a residential community on the Almono site that takes full advantage of a riverfront park and the water views beyond.





This aerial photograph of the former LTV Steel Works site shows why it is key to riverfront protection efforts and how much impact any development will have on the struggling Hazelwood community, whose neighborhoods are clustered around it. The inset marks the parcel as the last significant amount of riverfront property in the city.



An artist's rendering shows a completed Almono mixed-use development matched to the aerial photograph. Features include urban-style residential developments with sidewalks and public green spaces, buildings with ground-floor retail and upper-floors housing, and an expansive park that runs along the riverfront and provides public access.

