



THE WATERFRONT (HOMESTEAD STEEL WORKS)

LOCATION: Homestead, PA

SIZE: 256 acres

FEATURES: Location, Riverfront,
High Utility Capacity, Flat land

OWNER: Continental Real Estate
Companies

CURRENT USE: Retail, Dining, and
Entertainment

PAST USE: Steel Mill

CONTAMINANTS: Asbestos,
Underground Storage Tanks
Containing Lubricants

TOTAL ACTUAL COST: \$300 million

TIMELINE

1892 The Battle of Homestead – steelworks
against Pinkerton guards – is staged.

1901 U.S. Steel is formed.

1986 The Homestead Works of U.S. Steel
closes.

1988 The site is sold to the Park Corporation.

1996 The site is sold to Continental Real
Estate.

1999 The developer breaks ground on the
property.

2002 Site is completed.

HISTORY

This area was occupied by a steel mill headed by the US Steel Industry. At its peak, there were 450 buildings on the site. In its history, the Homestead Works produced more than 200 million tons of steel for use in railroads, armor, and beams. In its high point during World War II, an entire neighborhood of 8,000 people was razed to expand the mill even further.

TOPOGRAPHY

The Waterfront property is approximately 256 acres located on the Monongahela River directly across the city of Pittsburgh. It is the largest riverfront development project in the region. The topography of the site is flat, and it is nearby other prime locations in Pittsburgh, such as Squirrel Hill.

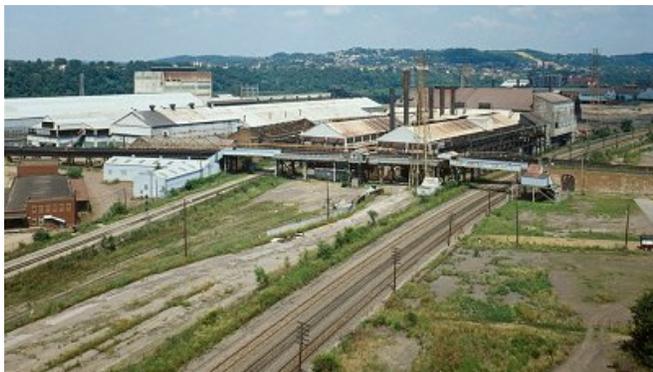


Photo courtesy of <http://www.coalcampusa.com/>



Picture courtesy of Google Maps

Its location is not easily accessible to communities within walking distance to the site. Active railroad tracks separate the development from surrounding communities.

MARKET CONDITIONS

Prior to the development of the Waterfront, the surrounding community of Homestead was in financial distress.

This new development increased the value of the property by bringing interest from outside retailers, thereby increasing the housing market around the area.

SITE ASSEMBLY AND CONTROL

Park Corporation owned this site and completed the initial cleaning of the land. After the initial cleaning, the property was sold to Continental Developers, who drafted a master plan for the site.

ENVIRONMENTAL PROBLEMS

The lubricants used by the steel mill were housed in underground storage tanks, which leaked and contaminated the soil. These tanks were easily detected because of accurate recordings of each of their locations, making remediation easy.

There was also asbestos contamination, which required soil cleaning. Before the site could be developed, a storm runoff test was conducted.

SOCIAL/COMMUNITY INFRASTRUCTURE

When the mills closed, most of the workers belonged to the United Steel Workers Union. The citizens formed a non-profit citizens' development corporation (CDC) and a Homestead Economic Redevelopment Corporation (HERC). The state formed The Enterprise Zone program. Together, HERC and the Enterprise Zone were able to develop two master plans, one for the mill site and one for the rest of the community.

PHYSICAL INFRASTRUCTURE

During the purchase of the property a traffic study was completed to estimate the proximity of this area to affluent areas.

The development of the main streets was undertaken by the developers.

Many physical changes were made; however, the developers noted the history of the site by leaving the stacks of the steel mill as statues.



COSTS & ECONOMIC INFRASTRUCTURE



The flat land of the site reduced the initial cost involved with grading the land.

A \$10 million grant was provided by the state to the Park Corporation for the development of the land. When the land was taken up by Continental Developers the only government support it received was by means of Tax Incremental Financing (TIF), providing \$30 million.

The TIF spanned across three communities: Homestead, West Homestead, and Munhall.

CURRENT STATUS AND LESSONS LEARNED

Its anchor tenants are Dave & Busters, Barnes & Noble, Loews Theatre, Macy's, Lowe's Home Improvement, and Giant Eagle.

The development was based on the suburban model. Its land would be better utilized if storied buildings as well as structured parking was also part of the development plans. Also, its riverfront is unutilized. It sits on the water; however the development effectively blocks off direct use of the water.

ECONOMIC/COMMUNITY IMPACT

The site is currently generating revenues of about \$6 million per year, taking Homestead out of Act 47 - municipal bankruptcy.

However, the site's transformation of this area to a lifestyle mall was not based on the surrounding community. The decision of was based on the presence of the affluent neighborhoods of Shadyside and Squirrel Hill.

The fact that the site caters to these neighborhoods is reflected by the inaccessibility of the site from the closer neighborhoods, Homestead and West Homestead.

Case Study Completed Summer 2007

SOURCES

Class Presentation and Personal Interaction with David Lewis

Class Presentation and Personal Interaction with Mike Hudec from Continental Developers

Sinha, Neeharika. "Metamorphosis of Brownfield to Lifestyle Center" Apr. 2007. Student Work

