



WESTERN PENNSYLVANIA
BROWNFIELDSCENTER

**BAKERY SQUARE 2.0 DEVELOPMENT
(FORMER REIZENSTEIN SCHOOL)**

FAST FACTS

LOCATION: Pittsburgh, PA
SIZE: 12 acres
FEATURES: Proximity to Downtown
OWNER: Walnut Capital
INTENDED USE: Office Space, Residential
PAST USE: Middle/High School
CONTAMINANTS: Asbestos
TOTAL PREDICTED COST: \$120 million

TIMELINE

1975: Reizenstein School built.
2006: Reizenstein Middle School closes.
2007: Renovations begin.
2008: Barack Obama International Studies Academy opens.
2013: Walnut Capital Purchases the property from the City of Pittsburgh.
2013: Demolition begins onsite.

HISTORY / SITE CONTROL

The site is located on Penn Ave. near Fifth Ave. in Pittsburgh, PA. Historic maps of the site reveal that the parcel was home to a Baptist church circa 1882, Dollar Savings Bank in 1890, and Bauer Brothers & Co. Bakery as late as 1910. The former Florence Reizenstein School was built by the City of Pittsburgh in 1975. The school was named after the late Florence Reizenstein of Pittsburgh, a beloved human rights activist. The facilities were state-of-the-art and positioned at the border Shadyside and East Liberty, poised to attract an integrated student body from a variety of neighborhoods and ethnicities.

By 1977, the Reizenstein School had become the largest middle school in the district. This overcrowding, coupled with rumors of discipline problems, deterred many white families from enrolling their children there. According to the Post-Gazette.com, by 1986, the school population was 75% black. Many parents and students reported getting a great education at Reizenstein, but its reputation of poor academics was hard to shake.

In 2002, Reizenstein middle school was placed on a list of federal “improvement schools” under President Bush’s “No Child Left Behind Act,” based on its students’ low

math and reading scores. Under the Act, parents were given the option to send their students to other schools showing adequate academic improvement in the District. By 2005, the school operated at 40% capacity and was ranked at the top of the District's list of schools programs to close. In 2006, the City of Pittsburgh closed the Reizenstein middle school and sent its remaining students elsewhere.

At the same time, the Pittsburgh Schenley (Grades 9-12) international baccalaureate (IB) studies magnet school also closed. Its sister school, the Pittsburgh Frick (Grades 6-8) school, was chosen for expansion to accommodate the remaining Schenley students. The two schools' aging facilities faced expensive or



Photo Courtesy of 2009 Facility Assessment Report on Pittsburgh Public Schools Website

impossible repair, and intentions were to relocate the students from both schools under one building. School officials decided to renovate the former Reizenstein School to host the Schenley/Frick students.

Renovations lasted one year. The new school opened in Fall 2008 as an international studies magnet school, offering advanced language courses. A coalition of community members, parents, and students chose to name the school after the current president; in December 2009, the school was named the Barack Obama Academy of International Studies. The facilities operated for two and a half school years under this name, but in 2012 the Barack Obama Academy moved from Penn Ave. to another facility on S. Highland Ave. for continued use.

The Pittsburgh Public Schools placed the property for the former Reizenstein School up for sale in Fall 2012. On January 22, 2013, Walnut Capital purchased the property for \$5.4M from Pittsburgh Public Schools. Demolition of the school building began the following day, led by contractor P.J. Dick. Ground was ceremonially broken for the new development on February 14, 2013.



MARKET CONDITIONS

This area, the East Liberty neighborhood of Pittsburgh, is densely populated with 350,000 people residing within a 5-mile radius of the site, 575,000 within 7 miles. The property sits adjacent to Mellon Park on Penn Avenue, less than a block from the major urban commuting avenues, Fifth Avenue and Washington Boulevard. Innovative retailers including Home Depot, Trader Joes, Whole Foods, and Target, have established locations in East Liberty within 1 mile of the site, making the neighborhood an attractive destination for consumers.

At the time that Walnut Capital bought the property in January 2013, the original Bakery Square development was open and thriving. All of its office space had already been leased out to tenants such as Google, UPMC Technology Development Center, the Human Engineering Research Lab, Department of Veteran Affairs, and various researchers from the University of Pittsburgh and from Carnegie Mellon.

Walnut Capital expects the new Bakery Square 2.0 (BkSq 2.0) development will return revenue into the local municipalities, creating up to 1,200 new jobs. Once completed, BkSq 2.0 will return 12 acres of property back to the real estate tax base of the City of Pittsburgh, the School District, and the County – for the first time in nearly 50 years. Based on the demographics of current tenants in the original Bakery Square complex, future tenants of the BkSq 2.0 offices and residences will likely be employed by the Tech Industry and are people not currently residents of Pennsylvania. Total projected new tax revenues are over \$7 million, including estimated PA income and sales tax revenues of over \$4 million.

FINANCIAL ASSISTANCE

According to Walnut Capital and its financial partner RCG Longview Fund, Bakery Square 2.0 will be financed by a public/private partnership. This partnership includes a \$2 million Department of Commerce Economic Development Administration Infrastructure Grant and \$500,000 in County Gaming Funds.

ENVIRONMENTAL PROBLEMS

The property was found to contain asbestos.

PLANNED REDEVELOPMENT

Bakery Square 2.0 is expected to help satisfy future demand for additional office space in the East Liberty area, with 400,000 square feet of office space in three separate buildings. The development will offer up to 450 new units of studio apartments and

townhouses. The apartments are expected to satisfy local demand in the vicinity for good quality one- and two-bedroom apartments.

Strada, a company that self-identifies its niche as architecture, interiors, landscapes, and urban design, developed the Bakery Square 2.0 Master Plan. Strada's design for the Google office in Bakery Square 1.0 was awarded LEED Gold for Interior Design and Construction.

Demolition of the Reizenstein school is expected to be completed by April 2013. Two apartment buildings are scheduled to be erected by June 2014, and the office components of the project are expected to be complete by Summer 2016.



Photo Courtesy of Bakery Square 2.0 Master Plan

GREEN INFRASTRUCTURE

Because its predecessor, the original Bakery Square development, was awarded a LEED Platinum certification, it's no surprise that BkSq 2.0 is slated to feature green infrastructure. The development will preserve an existing bike path that cuts through Mellon Park, offer additional bike/pedestrian – only paths, and designate urban open spaces. Stormwater will be managed through the use of permeable pavement, bioretention, green alleys, and green roofs.

Case Study Completed Spring 2013

SOURCES

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