Act of June 10, 2022, P.L., No. 24 (Act 24 of 2022) authorizes the Department of General Services (DGS), with the approval of the Governor, to grant and convey the ~21.7-acre SCI-Pittsburgh property together with the buildings and improvements thereon, to a competitively solicited buyer that offers the highest and best value and return on the Commonwealth’s investment.

In making the determination to convey the property, DGS may consider, in addition to offered price, the proposed use of the property, job creation, return to the property tax rolls and other criteria specified in the Solicitation for Proposal (SFP) documents.
DGS obtained the services of Michael Baker International, Inc. – a pre-qualified land planner consulting firm – in June 2022 to assist with determining the property’s highest and best use and conditions to evaluated prior to disposition by the Commonwealth.
Michael Baker was tasked with executing a multi-phased Land Use Feasibility Study to determine the highest and best use of the decommissioned SCI-Pittsburgh property.

The project was divided into three phases and supporting tasks.
Decommissioned low-to-medium security state correctional institution facility owned by the Commonwealth of Pennsylvania and operated by the Department of Corrections (DOC).

The facility began operations in 1878 as the Western State Penitentiary and continued operations until January 2005.

The prison reopened in June 2007 and operated until 2017 when it was permanently closed by the Commonwealth.

In June 2022, the property was placed on the National Register of Historic Places.

Annual recurring costs required to keep the SCI-Pittsburgh property secure range from $800,000 to $1,000,000.
The property includes 42 buildings and supporting structures constructed between 1878 and ca. 2007.

Twenty-four of these were built between 1878 and 1966.

The largest and most significant building is the Main Penitentiary Building, which was constructed between 1878 and 1893 and spans over linear 1,000 feet along the banks of the Ohio River.
SCI-Pittsburgh is located within the Marshall-Shadeland Neighborhood of the City of Pittsburgh and is approximately 2.5 miles downstream (or northwest) from Point State Park.

The property is bounded by the Ohio River, Allegheny County Sanitary Authority (ALCOSAN), Duquesne Light Company, and the Norfolk Southern and PA Route 65 transportation corridors.
The Three Rivers Heritage Trail traverses the SCI-Pittsburgh property along the Ohio River.

The trail is a 33-mile riverfront trail system used by commuters and recreational cyclists and walkers.
The SCI-Pittsburgh property is located within the City of Pittsburgh’s Riverfront-General Industrial Zoning District (RIV-GI).
Riverfront-General Industrial Zoning District (RIV-GI)

• The RIV-GI Zoning District is intended to promote development of the City’s riverfronts in a manner that:
  » Acknowledges the historic diversity of uses, the varied character, and the economic value of the riverfronts;
  » Facilitates mixed-use development that physically and functionally integrates with the riverfront and strengthens pedestrian connections to the riverfronts;
  » Maintains and creates connections between the riverfronts and neighborhoods within the City;
  » Protects areas of industrial use from encroachment of incompatible uses.
Riverfront-General Industrial Zoning District (RIV-GI)

» Creates an environment that supports multiple modes of transportation;
» Promotes sustainable development;
» Improves of the ecological health of the rivers;
» Conserves and enhances riverbanks and riverfronts;
» Conserves, restores, and enhances native riverbank and aquatic plant life, improves river ecosystem health, and supports biodiversity; and
» Improves the scenic qualities and the public’s enjoyment of riverfronts by preserving, creating, and enhancing public views and access to the riverfronts.
Site restrictions in the RIV-GI District include the following:

- Buildings must be setback 125 feet from the Project Pool Elevation of the river.
- Buildings must have at least 60% of the façade within 10 feet of the street right-of-way.
- Continuous 10-foot-wide sidewalks must be provided along all street frontages.
- A Visual Access Corridor of at least the same width as the street right-of-way (ROW) must extend from existing perpendicular streets to the river, no structures are permitted in this Corridor. Specific to the SCI-Pittsburgh site, this requirement pertains to Eckert Street. Parking is not specified as either allowed or not allowed in the Visual Access Corridor in the zoning regulations. There are no set back requirements pertaining to the Visual Access Corridor.
- Maximum building length is 500 feet.
- When a building is 500 feet long, any other building on the lot must be separated by at least 30 feet.
SCI-Pittsburgh lies within the FEMA-designated Special Flood Hazard Area (SFHA).

The property is subject to the City’s floodplain management regulations specified under § 906.02 Floodplain Overlay (FP-O) District of the City Zoning Code.

Source: PA Flood Risk Tool. https://pafloodrisk.psu.edu/
Over 22 stakeholder interviews were conducted to better understand the current market, opportunities, and challenges for redevelopment of the SCI-Pittsburgh property.

The stakeholder outreach was conducted to evaluate the needs and desires of the community.
Over 22 stakeholder interviews were conducted to better understand the current market, opportunities, and challenges for redevelopment of the SCI-Pittsburgh property. The stakeholder outreach was conducted to evaluate the needs and desires of the community.
• The City needs more “pad ready” sites for industrial and manufacturing businesses.

• Ensure new uses create local jobs and job training opportunities for residents and reconnect the community to the Ohio River.

• Property's location along the river and adjacency to the Three Rivers Heritage Trail provides an opportunity to use a portion of the site for recreational purposes and add connection to the neighborhood’s Riverview Park.

• Retail, residential and office uses are less desirable options for future development of the property.

• The RIV-GI Zoning supports the site’s industrial reuse, film industry utilization and job training opportunities.
The SCI-Pittsburgh property has been a magnet to the television and film industry for several years with six major productions filmed to date.

These productions have contributed a significant investment into the site including $500,000 into improving the Main Penitentiary Building Cell Block F and other buildings to assist with filming and crew safety enhancements.

“We wanted to scale up for season two,” Dillon said. “Pittsburgh had all of these decommissioned prisons. And when I scouted it (again for season two), I just fell in love with it. That place is it. We got 10 seasons mapped out. So yeah, we’re not leaving. ‘Kingstown’ will never leave Pittsburgh.” – Executive Producer, Hugh Dillon

Source: Pittsburgh Tribune Review, January 13, 2023
Impact of the Film Industry

• In 2021, 11 projects and an estimated $330 million in economic development was generated within the Greater Pittsburgh region.

• For every $1 invested in the Pittsburgh Film Office, more than $218 in new spending has occurred from major films and television shows.

• More than 200 feature films and TV productions have been shot in the SW PA region since 1990.
Environmental and Hazardous Materials Assessments

• Phase I and Phase II Environmental Site Assessments were performed, and a Hazardous Materials Survey was conducted.

• Future site development plans will likely need to incorporate both Institutional (deed restrictions on groundwater use) and Engineering Controls (i.e., active or passive vapor mitigation systems) to mitigate impacts from groundwater contamination. Completion of the Act 2 Land Recycling Program prior to conveyance is recommended.

• Asbestos Containing Materials, Lead-Containing Paint (LCP), and other potentially hazardous materials (e.g., mold, mercury-containing fluorescent light bulbs, PCB-containing light ballasts, etc.) in the existing buildings will need to be mitigated before conveyance.
General Highest and Best Use Proposed Approach:

Public Park – supports a new trailhead and open space for local residents

Industrial Use – Can support up to ~411,000 sq. ft. of industrial space

Film Industry – Potential continued use of a portion of the site
• Alternative 1 – Full Property Conveyance: “As-Is” Condition
  » Conveys the entire ~21.7-acre property with the buildings and improvements thereon in
    their current “as-is” condition to a competitively solicited buyer that offers the highest
    and best value and return on the Commonwealth’s investment.
  » The “as-is” condition includes the unmitigated environmental and hazardous material
    conditions as documented in the Phase II ESA and Hazardous Materials Survey reports
    included in this study.
  » Least expensive alternative, but few, if any, buyers would be willing to assume the
    financial and environmental liabilities involved with preparing the site for reuse and that
    would have the fiscal capacity to implement the project. This alternative offers the
    lowest chance of successful reutilization of the site.
Alternative 1 – Full Property Conveyance: “As-Is” Condition

42 buildings and structures as-is condition
• Alternative 2 – Full Property Conveyance: Partial Demolition
  » Conveys the entire ~21.7-acre property to a competitively solicited buyer that offers the highest and best value and return on the Commonwealth’s investment.
  » Before conveyance, the Commonwealth undertakes the property's partial demolition, including hazardous materials abatement, and environmental cleanup and liability clearance through the Act 2 Land Recycling Program.
  » Act 2 clearance assures the Commonwealth (i.e., as the original site owner and “polluter”) achieves liability protection which conveys with the property.
  » All buildings and structures are removed, except for Main Penitentiary Building, North Wall, and Guard Towers #1 and #2, which are important to the City’s film industry as well as for flood protection and containment of groundwater contamination.
  » Results in a “pad-ready” site condition for approximately 371,000 sq. ft. of new industrial use buildings and retains approximately 5.2 acres of the property’s frontage for dedicated public park use.
Alternative 2 – Full Property Conveyance: Partial Demolition

- Partial site demolition and remediation/cleanup
- Retention of the Main Penitentiary Building, North Wall and Guard Towers #1 and #2
- Pad-ready site for ~371,000 sq. ft. of new industrial space
- ~5.2-acre park area
• Alternative 3 – Full Property Conveyance: Full Demolition

» Conveys the entire ~21-7-acre property to a competitively solicited buyer that offers the highest and best value and return on the Commonwealth’s investment.

» Before conveyance, the Commonwealth undertakes the property’s full demolition, including hazardous materials abatement, and environmental cleanup and liability clearance through the Act 2 Land Recycling Program.

» All buildings and structures are removed which may result in additional costs for flood mitigation and remediation of contaminated groundwater.

» Results in a “pad-ready” site condition for approximately 411,000 sq. ft. of new industrial use buildings and retains approximately 5.2 acres of the property’s frontage for dedicated public park use.

» This is the most expensive alternative for the Commonwealth.
Alternative 3 – Full Property Conveyance: Full Demolition

- Full site demolition and remediation/clean-up
- Pad-ready site for ~411,000 sq. ft. of new industrial space
- ~5.2-acre park site
Highest and Best Use Alternatives Comparison

• Net Economic and Fiscal Impact Comparisons
  » Alternative 1 – Full Property Conveyance: “As-Is” Condition
    - $800,000 - $1,000,000 – Annual recurring costs required to keep the SCI-Pittsburgh property secure

  » Alternative 2 – Full Property Conveyance: Partial Demolition
    - Potential Number of New Jobs = 371, plus retention of film industry jobs
    - Annual Real Estate Tax Revenue = $2,132,323
    - Annual Film Industry Output = $99,731,670
    - Net Fiscal Impact = $5,863,641
    - Demolition Cost = $37,489,783
    - Flood mitigation = $3,899,161 (assumes FEMA LOMR-F and site fill to raise the site at least 1 foot above BFE)

  » Alternative 3 – Full Property Conveyance: Full Demolition
    - Potential Number of New Jobs = 411
    - Annual Real Estate Tax Revenue = $2,362,223
    - Net Fiscal Impact = $6,495,839
    - Demolition Cost = $49,347,938
    - Flood mitigation = $3,899,161 (assumes FEMA LOMR-F and site fill to raise the site at least 1-foot above BFE)
Highest and Best Use Recommendation

• Alternative 2, Full Property Conveyance – Partial Site Demolition
  » Provides a balanced approach that meets both Commonwealth and local needs;
  » Returns the site to an economically and fiscally productive use;
  » Preserves the economic benefits of the film industry;
  » Preserves a significantly contributing component of the National Register listed property;
  » Preserves the physical flood plain protections and groundwater contamination barriers;
  » Provides the Commonwealth (and subsequent owners) relief from environmental liability under the PA Act 2 Land Recycling Program;
  » Most cost-effective solution by saving the Commonwealth an estimated $12 million in demolition and environmental remediation costs, plus the immediate revenue generating potential from the film industry’s use of the Main Penitentiary Building;
  » Furthermore, conveyance of the property saves the Commonwealth an addition $800,000 - $1,000,000 annually on-site security services.
Next Steps & Timeline

• Stakeholder Outreach (June 2023)
  » June 7: Meeting with Senator Fontana and Representative Abney
  » June 15: Meeting with City, Neighborhood Group, Economic Development Leaders, Trail Partners
  » June 12 – 26: Public comment period between June 12 – June 26 (website posting of this presentation)

• Final Land Use Feasibility Study (June 30)

• DGS Actions (2023 – 2027)
  » Demolition Design Professional Selection
  » Demolition Contractor Bidding and Selection
  » Act 2 Environmental Remediation and Clearance
  » Building Demolition
  » Solicitation for Proposal (SFP) Development and Issuance
  » Property Conveyance (anticipated by end of 2027)

• State Legislative Action (2023 – 2024)
  » Amend Act 24 to correct legal description of property boundary
THANK YOU

Submit Comments or Questions