

TAD IMBRIE

Infusing money into promising East End projects

Tad Imbrie is the chief executive officer of PenTrust Real Estate Advisory Services Inc., a private real estate management firm that administers the Employee Real Estate Construction Trust Funds (ERECT Funds), which provide construction funding for the development of commercial properties in Pennsylvania, Ohio and West Virginia. A former corporate banker with an MBA from the University of Pittsburgh, Imbrie is responsible for strategic planning, marketing, investor relations, financial analysis and portfolio management at PenTrust.



Imbrie

How has PenTrust contributed to the development of East End projects?

We were involved in Bakery Square 1.0 and Bakery Square 2.0 with a [tax increment financing] loan for 1.0 and a site acquisition and development loan for 2.0. We arranged equity for Bakery Square Living Orange apartments. The first phase of 2.0, where Google is located, is finished and leased up. We also arranged loans for the Giant Eagle Market District and the Market House condos on Centre Avenue and the Madison on Bellefield condos.

We've also been involved

in additional projects through Development Capital Investors Inc., a separate company we formed in 2007. DCI arranges "gap" loans for commercial real estate projects through the Building PA loan program that is administered by the Commonwealth Financing Authority. Since 2007, DCI has received over \$35 million in allocations from the CFA for six separate projects, including \$10 million for Bakery Square and \$5 million for the Ace Hotel in East Liberty.

What new projects are you currently working on in the East End?

Most recently, we arranged financing for the Schenley Place office building, a 105,000-square-foot, seven-story

building on the corner of Bigelow and Ruskin in Oakland. Elmhurst finished construction about nine months ago. The site was built on speculation with no preleasing, but we're happy to report that it's been leased in less than a year to Pitt and to Facebook's Oculus VR [virtual reality platform]. Construction will begin later this month for the Emerald on Centre Apartments, a 172-unit apartment building with 150 parking spaces in Shadyside. We're hoping to come online with that building in the spring of 2018.

What would you say is the catalyst behind East Liberty's success?

Bakery Square's economic activity encourages other developers to come in. It sounds trite, but as the saying goes, "a rising tide lifts all boats." As a lifelong Pittsburgher, I remember 20 to 30 years ago, there was nothing in the area.

When I toured the old Nabisco building [where Bakery Square is now located], it was a vacant property with trees growing out of the windows. The land was just sitting there, unused. Fifteen years later, that area's experienced a remarkable turnaround. Google's using it practically as their Eastern headquarters, and it's become

a magnet for other developers. The resurgence has created tremendous economic opportunities for the city and the county. Also, the development of market-rate apartments in Bakery Square attracts tech companies whose employees want a "live-work-play" environment. This creates a thriving residential and commercial district and greater interest among other developers.

What development opportunities do you see for the region going forward?

We tend to invest in projects that attract tech companies to Pittsburgh, and we're always working the pipeline. In the East End, we're carefully watching the supply and demand of apartments. With still more in construction, we're watching to see whether there will be a cooling off in this sector; we want to make sure that the demand is still there. We're watching the hotel sector, too. The East End could certainly accommodate another hotel, as all of the newest ones are performing at full strength. We're also looking north to the Lincoln/Larimer area to see if there are any underused or neglected properties that we could eye for development.

Jennifer Brozak