



# PITTSBURGH

## TODAY & TOMORROW

REGIONAL ANNUAL REPORT

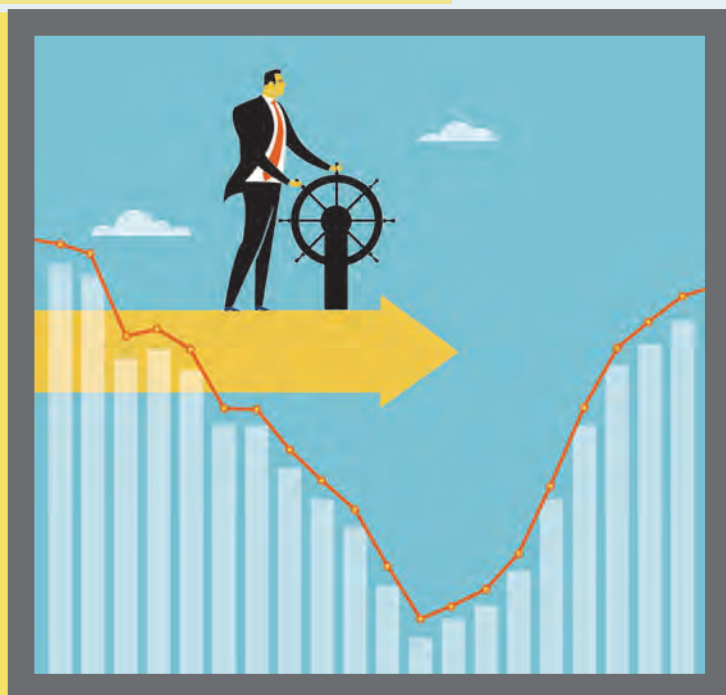
2016

**I**N ORDER FOR CITIZENS TO MAKE THE BEST POSSIBLE DECISIONS about the future of their region, they need a foundation of reliable information and a clear understanding of the issues.

Providing that information—through statistical comparisons and in-depth journalistic reports—is the mission of Pittsburgh Today, one of the nation's oldest regional indicators projects, which is part of the University of Pittsburgh's University Center for Social and Urban Research.

In this special annual report—Pittsburgh Today & Tomorrow—we assess how Pittsburgh is doing compared with 14 other regions in key economic and quality of life measures. We also examine key issues affecting Pittsburgh, and we've asked a group of leaders to offer an idea they believe will improve our region.

To view Pittsburgh Today's regional indicators and journalistic reports, visit [pittsburghtoday.org](http://pittsburghtoday.org) >>



## ECONOMY



### MODERATE GROWTH IN STORE FOR METRO PITTSBURGH IN 2016

by Stuart Hoffman

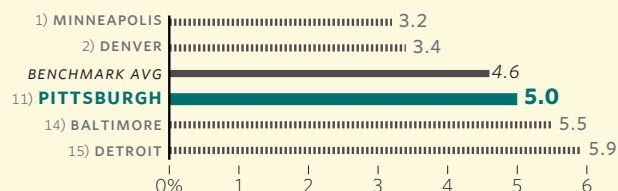
**M**ETROPOLITAN PITTSBURGH IS A PICTURE OF stability entering 2016. Job growth is outpacing the Pennsylvania state average, and the unemployment rate for the seven-county region is steady near 5 percent. 2015 brought a resurgence in labor force growth, providing local employers a wider pool of talent from which to fill their ever-expanding payroll needs. Pittsburgh will manage steady gains throughout the coming year thanks to continued consumer spending. Although wage growth stalled over the past year despite a healthy labor market, low gasoline and energy prices will support consumer spending in 2016. Employment is under no threat of decline, which will allow consumer spending trends to continue under an umbrella of consumer confidence, supporting economic health and modest expansion overall.

Service industry employers are carrying the load by a wide margin in terms of supporting hiring across the region. Education & Healthcare is the largest segment across Pittsburgh's service sector, and arguably its most iconic. And job growth here finished 2015 at a year-over-year pace as strong as any since 2001. This pace is a clear improvement versus 2013 and 2014 job growth results. Also ending 2015 on a positive hiring note were Professional & Business Services, and Financial Activities. Both indicate economic sustainability, as

### BY THE NUMBERS:

#### Unemployment

Unemployment rate, by MSA



DATA SOURCE: Bureau of Labor Statistics, seasonally adjusted rates, November 2015

they include the intermediate activities that allow companies to do business. Accounting, legal services, engineering services, computer systems design, and business financing are just a subset of the services tallied in this sector. So when these industries are growing, one can be confident that broader business expansion is at hand.

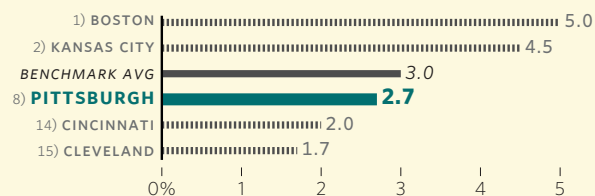
A positive follow-on result from broad service sector expansion is an apparent uptick in consumer confidence. Pittsburgh's Leisure & Hospitality employers are hiring at a pace nearly double the year-over-year national average (+5.5 percent vs. +3.0 percent), after lagging national and regional averages over the prior two years. In Pittsburgh, where tourism dollars contribute to, but are not a heavy driver of, job creation, Leisure & Hospitality hiring occurs when local earnings are spent at local businesses. The region's hiring push demonstrates that consumer spending habits will carry plenty of momentum into 2016.

Instilling less optimism regarding Pittsburgh's economic potential in 2016 is the state of its heavy industry sectors. Manufacturing, Transportation & Warehousing, and Construction sectors all saw flat to lower payrolls than a year ago. The weakness in these relatively high-paying sectors will limit income gains, and therefore the potential for consumer spending to accelerate from its current healthy pace. This weakness is contrary to national trends, which showed modest growth throughout 2015. Even the Pennsylvania statewide average for Transportation & Warehousing employment was up last year, indicating that there are at least some opportunities for Pittsburgh employers within the industry to push for a greater share of regional business activity in 2016.

>>

## Average weekly wages

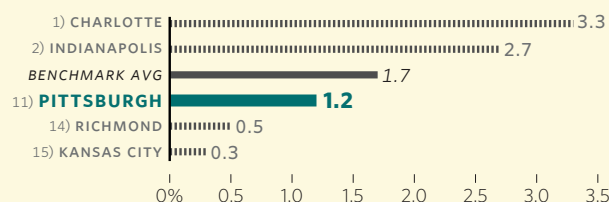
Percent change in average weekly, 2nd quarter 2014-2nd quarter 2015, by MSA



DATA SOURCE: The Quarterly Census of Employment and Wages, Bureau of Labor Statistics, seasonally adjusted rates, November 2015

## Job growth

Percent change in total non-farm jobs, December 2014-December 2015, by MSA



DATA SOURCE: Bureau of Labor Statistics

KNOW YOUR REGION

[pittsburghtoday.org](http://pittsburghtoday.org)

# Building tomorrow now.

As a community bank, no investment is more precious than our partnership with young, emerging leaders to bring their visions to reality. With the right financial solutions and confidence, these leaders are equipped to drive innovation, which is critical to the future of our region.



[fcbanking.com](http://fcbanking.com) [in](#)





The next leg of the U.S. economy's expansion will occur in an environment of gradually rising interest rates. In December the Federal Reserve began normalizing interest rates from the near-zero levels that had been in place throughout the nation's recovery from The Great Recession. Rising interest rates—or "tightening" monetary policy—usually portends slower economic activity, as businesses face higher borrowing costs and consumers face higher interest payments on existing debt, especially with credit cards. But this time is different. Even with several more interest rate hikes from the Federal Reserve per year over the next two years, interest rates will remain historically low. Borrowing costs will remain attractive for businesses that have valid expansion opportunities to finance, and the U.S. consumer has weathered far higher interest rates and continued to spend in the past. Pittsburgh will be no different in its ability to continue to grow in this evolving economic environment. Continued decent national economic activity, largely undeterred as interest rates rise, will provide support for local firms which rely upon selling goods and services to customers outside the region, helping to keep Pittsburgh's expansion intact.

Pittsburgh's housing market remains driven by healthy demand alongside a clear lack of supply impetus. Single-family residential permit issuance finished 2015 well below year-ago levels, which followed modest declines in 2014 as well. A lack of new building is not

worrisome from an overall housing balance perspective, as tame price growth clearly indicates that enough homes exist to satisfy Pittsburgh residents' buying interests. However, a lack of home-building leaves the region's construction industry with a lack of upside potential entering 2016. Regional commercial construction projects will keep the industry from experiencing any dramatic drop-off in employment levels, but new growth from the residential side seems out of reach in the near term.

Pittsburgh's long-time trend of population declines is in the early stages of a turnaround. With new industrial development, housing market stability, and broad urban development ongoing, Pittsburgh is well positioned to attract and retain young workers for years to come. Reliable education, healthcare and financial industry employers are firmly entrenched and will support workforce development for the foreseeable future. Pittsburgh is well positioned to benefit from gas drilling activity in the Marcellus Shale formation over the longer term, once natural gas prices regain some semblance of normality. But in the near-term, energy employment will continue to decline in our region and nationwide. Skilled workers already experienced in this industry will find Pittsburgh's low living costs attractive, and migration trends are likely to see a boost over the coming decade as a result. ■

*Stuart Hoffman is PNC's chief economist.*

**THE YARDS**  
AT 3 CROSSINGS  
IN THE STRIP DISTRICT  
**OPENING APRIL 2016**

**LEASING NOW**

**The Best Backyard in the Burgh**  
[WWW.3CROSSINGSPGH.COM](http://WWW.3CROSSINGSPGH.COM)

OXFORD DEVELOPMENT COMPANY

# EARN YOUR MBA



## IN CLASSROOM ONLINE

Classes available online or  
at our four locations:  
Monroeville | Seven Fields  
Southpointe | Waynesburg



**WAYNESBURG  
UNIVERSITY**

Explore your options at  
[waynesburg.edu](http://waynesburg.edu)





## Keeping international graduates

SURVIVING THE TANGLED  
VISA PROCESS IS A CHALLENGE

**A**LEXANDRA OLIVER HAD BEEN a writer, editor, researcher, art critic, lecturer, curator, community organizer and entrepreneur. She earned her Ph.D. in Pittsburgh. She had a job offer in Pittsburgh and wanted to stay in the city where, she said, she “found a niche.”

But Oliver is Canadian, and for international graduates like her, getting legal permission to live and work in the United States can be a difficult and uncertain journey.

For all of her education and experience, it took the help of immigration experts and attorneys, the will and resources to survive months without being able to legally work, persistence and luck to win the prize she sought—an H-1-B visa, the most common work visa for recent graduates.

Oliver was granted the three-year visa in October. She’s one of the fortunate ones. The U.S. government allots enough visas to cover fewer than half of the international graduates who apply.

The complex, frustrating and often fruitless process to be allowed to stay and work in this

country is one of the biggest obstacles to retaining international graduates in a region where bolstering the thin foreign-born population is a priority for local government, businesses and economic development groups.

### *Wanted: A more diverse region*

▶ Southwestern Pennsylvania has struggled to attract immigrants for decades. Only 3.6 percent of the region’s population is foreign-born.

Yet, international students flock to its universities. The region ranks 15th out of 118 metro areas in the

number of F-1 visa holders, the most common student visa issued to foreign students in the U.S., according to a 2014 report by the Brookings Institution.

About 59 percent of international students in Pittsburgh major in science, technology, engineering and math disciplines and about three in four come to pursue graduate studies.

Beyond helping to create a more diverse region and skilled workforce, there are significant economic benefits to retaining international students. They contribute more than \$27 billion to the U.S. economy each

by Julia Fraser

>>



Our region faces a challenge that will impact our future for generations. By 2020, there will be an approximate 140,000-person gap between Baby Boomers retiring and workers in the pipeline. If employers are to maintain operations here, much less grow, we must close the gap, which is especially evident in high-skilled and tech-focused workers. Raising the caps on visas for skilled workers—one of the most strategically important issues the Chamber is advocating—will help address this challenge, allowing more highly talented individuals to live, work and start businesses here, diversifying our population, and increasing the pool of future citizens.”

— **Matt Smith**, *President*

GREATER PITTSBURGH CHAMBER OF COMMERCE



Many Pittsburgh-area communities are experiencing historic levels of investment, but many are not. We cannot be satisfied. A taskforce of business and community leaders, led by the mayor and county executive, should begin an intense discussion to develop actionable recommendations to build development capacity and identify opportunities in under-invested communities. We have an opportunity to expand our tradition of diverse partnerships in a new direction, enabling more neighborhoods to participate in this latest renaissance.”

— **Sy Holzer**, *President*

PNC BANK, PITTSBURGH



Pittsburgh's rebirth has been blessed with a wealth of innovative talent. At CMU, we envision the development of an innovation corridor—a place where entrepreneurs, researchers, business and government officials collaborate on the next generation of great solutions that enhance our global economy and society. We are fast becoming the leading innovation hub between Silicon Valley and Boston, attracting both top-rate talent and serving as an axis for ideas with global resonance. With ground broken for the David A. Tepper Quadrangle, we are developing the physical infrastructure to create collaborations that will make Pittsburgh the destination for entrepreneurs who want to change the world.”

— **Subra Suresh**, *President*

CARNEGIE MELLON UNIVERSITY



Improving and emphasizing innovation and entrepreneurship, particularly with our youth and young adults, can be explosive to the economy in western Pennsylvania. Instilling optimism and a sense of hope in a person's formative years can build confidence to see and seize an opportunity. Innovation and entrepreneurship create wealth and opportunity, and it has been my privilege to get precious capital to people who need it and can deploy it extraordinarily well.”

— **T. Michael Price**, *President & CEO*

FIRST COMMONWEALTH BANK



year and about \$1.4 billion in Pennsylvania alone, according to a 2014 report by the Institute of International Education.

### *A tangle of rules from the start*

▶ Current immigration policies don't allow international graduates to stay in the U.S. without a job. The most common path for international students

to legally work begins by applying for the Optional Practice Training Program (OPT), which allows them to work full-time for one year after graduation, although those with STEM degrees can apply for an extension for up to 29 months.

A common misconception is that employers have to handle the OPT process, which can discourage hiring international graduates. In fact, universities handle the OPT as part of a student's F-1 visa.

“A number of employers in Pittsburgh don't understand that for OPT they don't have to do anything. They don't have to pay anything. They can just hire you,” says James Stockstill, a Pittsburgh immigration attorney. “That's the No. 1 thing that we need to make sure employers understand.”

Genevieve Cook, director of the Office of International Services at the University of Pittsburgh, said most graduating students apply for OPT. There is no cap on the number of students eligible for OPT, but they face many barriers.

If, for example, they are unemployed for more than 60 days, they can lose their status and must return to their home country. “This limit brings a lot of pressure to find a job right away, which means they can't be as selective about where that job is located,” Cook says.

They also are limited to jobs in their general field of study. “You can't be an English major and decide to work at Starbucks,” Stockstill says.

Pittsburgh does a relatively good job keeping international graduates local one year or so after graduation. According to the Brookings study, 44.5 percent of foreign graduates who found work under OPT stay in the region, which ranks Pittsburgh 28th out of 118 metro areas on that retention indicator.



But the longer an international graduate remains in the country, the more complicated and uncertain the legal process becomes.

**Many apply,  
few succeed**

▶ When permission to work under OPT expires, the most common path is for students to find an employer to apply for an H1-B visa on their behalf.

"No matter how well you did in school, if you don't get a visa, that's kind of like a shut down," says Floyd Ding, a Chinese national who is a sophomore computer science student at Carnegie Mellon University. "That's my main concern, and all international students who want to stay here after graduation—that's their biggest concern."

But the chances of getting one are slim. Last April, 233,000 petitions were filed nationwide for 65,000 available H1-B visas and for the additional 20,000 that are allotted exclusively for people with advanced degrees. The application period closed in a record five days, and the visas were awarded by a lottery.

Most employers have to compete to get a prospective employee one of the limited number of H1-B visas. But the

cap doesn't apply to some other employers, such as universities, nonprofits and government research organizations, giving them and those they want to hire greater access to the precious visas.

In Pittsburgh this year, the highest number of H1-B requests were filed by the University of Pittsburgh and UPMC.

**Restrictions  
apply**

▶ As Alexandra Oliver discovered, life as an H1-B applicant is often not easy, particularly as it relates to work.

The H1-B calls for a "specialty occupation," which means that an applicant's job must require a bachelor's degree or higher in a specific field or a combination of experience and education.

"If you have a position like a lab tech, which requires a B.A. in biology with no experience, you're going to meet that requirement," Cook says. "But there are challenges for someone applying for a position not directly in their field of study."

Oliver was one of them. She came from Ottawa expecting to finish her doctorate in art and architecture and then look for a tenure-track job back in Canada. But Pittsburgh

>>

## Building Strength Through Diversity



**Koppers is an integrated global producer of carbon compounds, specialty chemicals, and treated wood products and services for the aluminum, railroad, specialty chemical, utility, rubber, concrete, steel, residential lumber, and agriculture industries.**

As an industry leader, we provide essential materials that support a growing infrastructure and deliver sustainable solutions that embody our core precept for safety, health and environmental stewardship. At Koppers, this employee-wide standard connects us to the world marketplace and our shared commitment to excellence.

To learn more, visit us at [www.koppers.com](http://www.koppers.com)



**THE ELLIS SCHOOL**

MORE POWER TO HER

**This is girl power.**

There's a place where every girl is empowered to thrive and excel, to lead and soar. Is this the place for your daughter? To learn more about the excellence of an all-girls education at Ellis, call 412-661-4880, or email [admissions@theellischool.org](mailto:admissions@theellischool.org).

**ATTEND OUR OPEN HOUSE ON TUESDAY, APRIL 19 AT 8:30 AM**

## give your kids an edge ...with science!



- Explore hundreds of interactive exhibits, live demos, and hands-on science activities.
- Make it 'rain' in the water table at H2O!
- Become a human yo-yo at Highmark SportsWorks®.
- Learn the language of robots at roboworld™.
- Journey through the galaxy in the Buhl Planetarium.
- Experience life as an astronaut at SpacePlace.

... and so much more!



**CARNEGIE  
SCIENCE  
CENTER**

[CarnegieScienceCenter.org](http://CarnegieScienceCenter.org)

<<

grew on her. She got involved in civic issues, did freelance writing, some community organizing and crafted a diverse resume that didn't neatly fit in the strict parameters set for H-1-B applicants.

After graduation, she took advantage of OPT as a visiting lecturer in the history of art and architecture department at Pitt for a year, then lined up a job as a content producer and editor at the Energy Innovation Center.

Because a Ph.D. in art and architecture wasn't a natural fit for the position, Oliver had to solicit the help of immigration lawyers, former professors, the CEO of her company and others to make the case she was qualified for the job.

But she and her employer misjudged how complicated and lengthy the process is. After her OPT expired, she had to survive for several months without legal permission to work while she waited to hear if she was approved for an H-1-B visa.

"I was invited recently to give a lecture at Carnegie Mellon and they were willing to pay me. But I cannot be seen to be accepting work," she said in August while she was waiting. "I can't freelance even if I get my H-1-B. I still can't take a second job. I can be as enterprising and creative as I want, but I will never make more than the salary which is stated on my H-1-B."

### *Costs and uncertainty for employers*

▶ The costs and risks of the H-1-B application process aren't limited to the applicant.

The complex visa process and the financial costs associated with it can dissuade companies, particularly smaller ones, from hiring international graduates. H-1-B application fees vary. But fees can cost a company several thousand dollars in addition to having to pay for the legal work involved.



"Employers get turned off most of the time because of the effort, because of paying the money, which they wouldn't do if they hired a citizen or a permanent resident or someone who has employment authorization," Stockstill says.

Large, global companies are the principal recipients of most H-1B visas in the United States. "With larger companies, the cost of getting visas is not prohibitive," says Kevin Monahan, director of career services at Carnegie Mellon University. "It's much more of an investment for a smaller company and on top of that you might end up losing. I think one of the hardest things is that there's a lot of uncertainty."

A chief source of that uncertainty is the small number of visas that companies subject to the cap must compete for when sponsoring someone for an H-1B. "Perhaps there would be even more employers on that list if the H-1B cap wasn't a challenge," says Linda Gentile, director of the Office of International Education at CMU.

Ding has set his sights on working for a large company with ample resources to help him through the process. "A lot of other international students feel that way. Most of the bigger companies don't have visa restrictions. And there's more security with getting a visa." He plans to head to New York after graduation in search of such an opportunity.

Not Oliver. Having overcome the obstacles to getting an H-1B visa, she is drawing a paycheck from the Energy Innovation Center. And while she still can't accept pay for freelance or other outside work, she prefers to stay. "I found a niche here. Whatever you want to do, you might as well go ahead and do it because no one's done it yet. And there's going to be 100 people to support you. Pittsburgh's amazing that way." **PQ**

*Julia Fraser is a Pittsburgh Today staff writer and research specialist.*

KNOW YOUR REGION  
[pittsburghtoday.org](http://pittsburghtoday.org)

## IDEAS FOR BUILDING

## PITTSBURGH'S

# TOMORROW...



The keys going forward are the attraction and retention of human talent. Personnel at all levels are highly mobile free agents, not only as between enterprises but also as between regions or even nations. In the years to come, will Pittsburgh greet a diverse workforce with a thriving business and cultural environment? With the leadership of the Allegheny Conference and our tradition of enlightened public service, my bet is that it will."

— **Peter Kalis**, Chairman & Global Managing Partner  
K&L GATES



Pittsburgh has evolved into a city of strength, with new technologies, new ideas, and a more diverse populace than ever before. The optimism is infectious. We need to ensure that everyone can share that optimism, and that all young people—boys and girls—black, brown or white—have the opportunity to prosper in the new Pittsburgh economy. By coordinating resources across school districts and other learning environments, we can create pathways to prepare students for the careers of tomorrow."

— **Ann Metzger**, Co-Director  
CARNEGIE SCIENCE CENTER



Looking at the success of the newly renovated Market Square, I would like to see Downtown promote a more pedestrian-friendly central business district. For example, relieve the congestion caused by PAT buses and have them pick up and discharge passengers at the periphery of the city. Smaller buses or vans could transport the elderly and handicapped inside the Downtown area. Also strengthen the enforcement of anti-loitering laws to encourage a safer and more family-friendly space."

— **Dennis Unkovic**, Partner  
MEYER, UNKOVIC & SCOTT



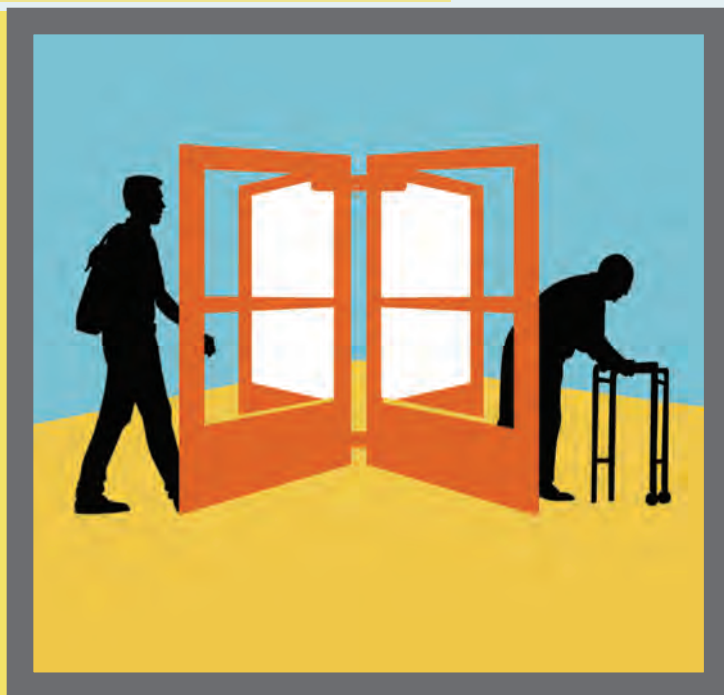
We celebrate the new companies, new real estate developments and positive national and international press that are driving younger people to western Pennsylvania. At the same time, we must do all we can to engage these young people in our civic community. The newly arrived young adults today are the leaders of tomorrow only if they feel invested. They will feel invested if WE invest in them."

— **Jeff Finkelstein**, President/CEO  
JEWISH FEDERATION OF GREATER PITTSBURGH



Preparing today's students for the future workforce is a task that must be effectively taken on by educators, communities and industries that depend on the science, technology, engineering and mathematics (STEM) workforce to successfully operate. By working together we can ensure that all students have the opportunity to see the exciting possibilities of STEM careers and are provided with a solid foundation of skills to explore those careers."

— **Todd Karran**, CEO  
NOVA CHEMICALS



## DEMOGRAPHICS



### ARRIVAL OF MORE IMMIGRANTS SOFTENS POPULATION DECLINE

**T**OTAL POPULATION FELL BY 4,597 PEOPLE THROUGHOUT the Pittsburgh Metropolitan Statistical Area from 2013 to 2014. The five-year population trend, however, is one of stability. The region's population grew slightly in three of those years.

The one-year decline—two-tenths of 1 percent—occurred despite the fact that slightly more people moved into the region than left it for the seventh consecutive year. Driving the migration trend was people from other countries moving into the region. International migration added 3,217 people to the region.

But positive migration trends were eclipsed once again by natural population loss. There were significantly more deaths in the region than births over those 12 months. Southwestern Pennsylvania was the only Pittsburgh Today benchmark region to experience such a loss.

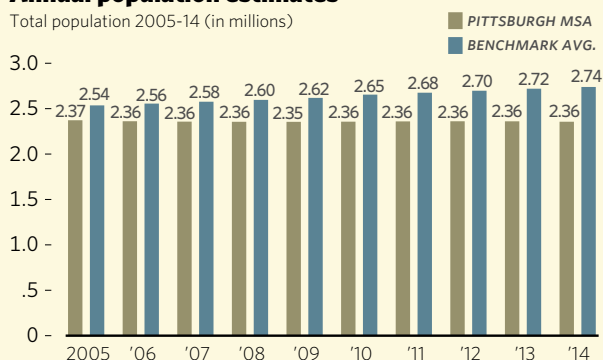
Age is part of the reason. Residents 65 and older account for 18.3 percent of the Pittsburgh MSA population, the highest rate among benchmark regions. And just 19.3 percent of the population is under the age of 18—the lowest among benchmark regions.

Such data are evidence the region is still feeling the effects of the collapse of its steel industry in the 1980s, which led to a catastrophic loss of jobs and out-migration of tens of thousands of residents who left in search of work. An estimated 70 percent of those who left were under the age of 39, which not only robbed the region of young adults, but also their children and future children.

### BY THE NUMBERS:

#### Annual population estimates

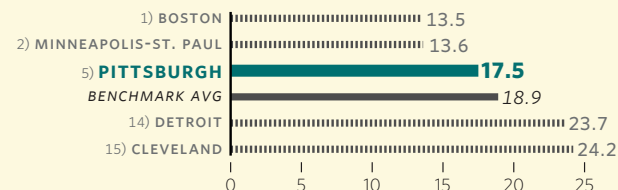
Total population 2005-14 (in millions)



DATA SOURCE: U.S. Census Bureau, Population Estimates Program

#### Poverty, under age 18

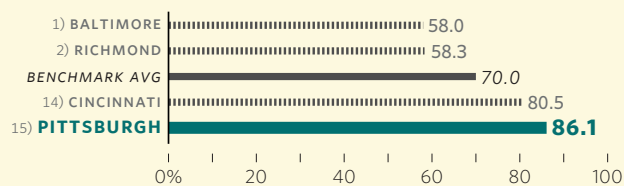
Percentage of population under age 18 in poverty, by MSA



DATA SOURCE: U.S. Census Bureau, American Community Survey, 2014

#### White, non-Hispanic population

Percentage of population that is white, non-Hispanic, by MSA



DATA SOURCES: U.S. Census Bureau; MSA estimates, 2013-14

#### Poverty rates lower

In the Pittsburgh MSA, 12.4 percent of residents overall were living in poverty in 2014, down from 12.8 percent the previous year. Only four other benchmark regions report lower poverty rates. A little improvement was seen among children: 17.5 percent of the regional residents under 18 lived in poverty in 2014 compared with 17.7 percent the previous year. Those child poverty rates are lower than in two-thirds of the other Pittsburgh Today benchmark regions, including Cleveland, where more than 24 percent of children live in poverty. ■



## Art revival

### NEW STRATEGIES EMERGE FOR STRENGTHENING NEIGHBORHOOD ARTS CULTURE

**T**HE ARTHOUSE IN HOMEWOOD IS hard to miss. It's the house on Hamilton Avenue adorned with mosaics, from the stars against a field of blue covering one of its sides to the swirls of hearts and other images around words and phrases like "yes" and "you are beautiful" that greet visitors to its porch.

Inside, it is vibrant and alive, filled with art and the neighborhood artists who created it—the children of Homewood.

ARThouse evolved from artist Vanessa German's front porch, where she liked to paint and sculpt. When her work attracted curious children, she began giving them art supplies and allowed them to work alongside her. The informal project soon outgrew her porch. The rising number of budding artists needed their own space. They found it in the house on Hamilton with help from people in the neighborhood who donated their time to paint, clean and repair the house, and donated supplies and dollars to support it.

The popular creative space offers an example of the role art can play in strengthening the social fabric of neighborhoods, such as Homewood, where a legacy of art, like most everything else, has suffered from lingering poverty and disenfranchisement.

That role as well as artists, arts groups and ideas from those neighborhoods are getting more attention from foundations and other arts funders. And new grant-making strategies are emerging to grow the neighborhood art culture from within, in contrast to past approaches to do so with outside artists and organizations and with little local input.

#### *Lessons of the past*

Recent shifts in thinking about the role of art in underserved neighborhoods and how best to realize its potential have roots in past practices that proved wanting. The history of art and community development is complicated and not without tension, particularly between neighborhoods and outside organizations that have attempted to remake them as places more amenable to economic development with approaches conceived by people who didn't live there.

"Part of the big picture is the failed neighborhood revitalization strategies of the past, these top-down approaches where it was often just bricks and mortar and thinking of the arts as a resource to animate neighborhoods," says David Pankratz, research and policy director at the Greater Pittsburgh Arts Council.

Laura Zabel, executive director of Springboard

by Julia Fraser



for the Arts in Minneapolis, offers a more damning assessment. She argues in a report for Americans for the Arts that arts and cultural organizations—whether intentionally or not—have contributed to economic and cultural displacement in neighborhoods by not including the people who lived there.

“Arts organizations,” she says, “have been complicit in strategies to build cultural districts and remake neighborhoods without doing sufficient work to build the inter-community connections that would make these efforts inclusive of existing residents.”

In recent years, a more inclusive community-driven approach to neighborhood arts has gained wider recognition and interest, particularly in Pittsburgh, where it has become part of efforts to explore the potential of art in local youth development.

### Community-driven arts

▶ Engaging the neighborhood in strategies for using art to improve the

residents’ lives is not a new idea in the U.S. In Houston, Texas, for example, the Project Row Houses founded by artists as a community creative enclave in 1993 today includes 40 units in one of the city’s oldest African American neighborhoods that have been transformed into art studios, community galleries and affordable housing.

In Pittsburgh, Homewood has emerged as an incubator for experiments in using the arts to transform communities and in engaging resident artists and others in the process. While Homewood has high rates of crime, poverty, and vacant and abandoned housing, it also has a deep history of art. Native sons and daughters include acclaimed photographer Teenie Harris, contemporary artist Tina Brewer and Mary Caldwell Dawson, founder of the National Negro Opera. Its longstanding anchor institutions include the Coliseum and African American Music Institute.

“What’s exciting now is this community-backed effort,” says Alisha Wormsley, artistic director of the Homewood Artist Residency. “Ensuring that the community has placeholders in this transformation—that it’s not about people coming into the community.”

The artist residency program, which began as a project out of The Warhol, receives financial support from several foundations and has expanded to include an art program for students at Westinghouse High School, where Wormsley is the resident artist. “Homewood has this rich history of art and culture. We’re just tapping into something that had been there for decades.”

One homegrown arts initiative, the Lighthouse Project based out of the Homewood YMCA, began in 2009 as an afterschool program in Westinghouse High School to supplement the school’s under-resourced arts education by offering students instruction in digital media, filmmaking, recording and visual arts. Students who participated had a graduation rate of 90 percent compared to the 72 percent overall four-year graduation rate at Westinghouse.

Digital art is a focus of the Lighthouse Project in part to address the digital divide or disparity in the knowledge of and access to technology, says James Brown, program director, YMCA Lighthouse Project. Brown points out that people assume kids are tech savvy because they know how to download videos on YouTube, but being tech savvy involves more skill and training. “It means, do you know how to create movies, create your own media, tell your own story,” he says.

The Lighthouse Project was recently awarded a \$1.5 million grant from the Heinz Endowments to expand and begin converting the YMCA into a Creative Youth Center in Homewood. As with most nonprofits, funding is a constant challenge for neighborhood artists and organizations. A \$1.5 million grant for a

>>



One Oxford Centre  
Suite 2700  
301 Grant Street  
Pittsburgh, PA 15219

1-877-304-0304

[www.tscbank.com](http://www.tscbank.com)



Jim Ausman would like to thank his loyal customers and many friends for 36 years of support.

*“It’s been my pleasure to have helped you in some small way in this journey of life.”*

Please look for our store closing sale, beginning May 1st.

1037 Waterdam Dr. McMurray • 724-941-0234

&lt;&lt;

neighborhood project is an anomaly.

"It's been difficult to get funding for the arts in Homewood," says Kilolo Luckett, managing director of the Homewood Artist Residency. "It's been difficult because those networks aren't there. Philanthropy sees Homewood as people holding their hands out. A lot of this has to do with access to networks. But those who are able to connect to philanthropic communities have access to some support now."

### Changing perspectives

▶ Neighborhood arts projects rely on a variety of funding sources. In some cases, they've turned to non-traditional means of raising money. The ARThouse, for example, solicits small amounts of

money from individual donors through crowd-sourcing.

Foundations, however, are a chief source of funding for the region's arts and cultural institutions, programs and artists. And foundations are now exploring new ways to support neighborhood programs. The Heinz Endowments, for example, has increased its grant-making in African American distressed neighborhoods over the past 10 years, says Justin Laing, senior program officer for arts and culture at the foundation. It has revised its approach to grant making in those neighborhoods

and placed greater emphasis on diversifying foundation staff to accommodate different backgrounds and perspectives that have bearing on how the foundation invests its money in support of the arts.

One key initiative to emerge is the Transformative Arts Process (TAP), an experiment in allowing community voices to help shape grantmaking strategies in neighborhoods that traditionally received little arts funding, particularly strategies serving young people in African American communities.

"I don't think we have the funding infrastructure to really take advantage of all the talent we have in this community, to develop art in neighborhoods and to make them richer places to live," Laing says.

TAP is guided by a committee of community advisors, giving artists, students, parents, art nonprofits and others in underfunded neighborhoods from Hazelwood to Homewood a chance to influence grant making in their communities, build relationships with foundations and better understand the pathways to funding.

One of its first assignments was developing principles for building the field of artists and art organizations within those neighborhoods that would inform future grant making. The principles they came up with include lending support to effective programs over generations, training people and organizations

## Morgan Lewis

### GUIDING GROWTH

For more than a century, we have focused on helping our clients grow and on serving the communities in which they live. With more than 2,000 legal professionals across 28 offices in North America, Europe, Asia, and the Middle East, we work together to provide strategic legal advice in Pittsburgh. Our clients range from fledgling start-ups to large multinational corporations, as well as universities, economic development agencies, and charitable institutions. For clients of all sizes, we are dedicated to providing legal solutions and outstanding services to meet the challenges of the 21st century.

#### Morgan Lewis

One Oxford Centre, 32nd Floor  
Pittsburgh, PA 15219-6401  
+1.412.560.3300  
[www.morganlewis.com](http://www.morganlewis.com)

This material is provided for your convenience and does not constitute legal advice or create an attorney-client relationship. Prior results do not guarantee similar outcomes. Attorney Advertising.

©2016 Morgan, Lewis & Bockius LLP



already working in the field and building a sense of community among them. The process has also given the foundation greater insight into neighborhood arts culture and has given resident art groups greater access to an important source of funding.

For James Brown, his seat on the TAP advisory board helped develop his relationship with foundation staff, providing an audience willing to hear his idea of expanding the Lighthouse Project, which they agreed to fund.

Building such relationships is crucial to overcoming the disadvantages many artists and art organizations in underserved neighborhoods face. Many, for example, can't afford dedicated grant writers yet compete for money against established arts organizations with well-heeled, professional fundraising staffs.

Neighborhood arts movements also challenge traditional definitions of art. Rap artists in smoky bars, students creating digital memes that spread through Facebook, and people practicing miming when they're getting ready for church may be art forms in poorer neighborhoods, but not necessarily recognized as such by traditional funding institutions.

"If the arts sector is truly to engage in a meaningful way and be effective in helping to build the inter-community connections needed to mitigate cultural displacement, it will require the re-thinking of our own long-held beliefs," says Majestic Lane, director of external relations and member engagement at the nonprofit Pittsburgh Community Reinvestment Group. "A more expansive definition of 'art' and 'artist' will be necessary,"

Neighborhood arts culture will continue to exist regardless of funding or the recognition it receives. The question is, at what scale will it be practiced and to what degree can it help transform communities? "If art changes people in prison, and calms your body when you're painting watercolor, what happens when there's an art space every six blocks? And you can walk to it and it's open," German asks. "How does that change the heartbeat of a neighborhood? What happens when access to those experiences becomes as regular as bus stops, or bars or a corner store?"

P Q

*Julia Fraser is a Pittsburgh Today staff writer and research specialist.*

KNOW YOUR REGION

[pittsburghtoday.org](http://pittsburghtoday.org)

IDEAS FOR BUILDING

PITTSBURGH'S

TOMORROW...

“

I believe this region's extraordinary heritage of engineering and manufacturing excellence will lead to groundbreaking work that will have profound implications for transportation strategies around the world. Pittsburgh is at the epicenter of innovation that will fundamentally affect how people and products move through our society. This includes everything from autonomous vehicles to transportation infrastructure. And these solutions will be of vital importance to the well-being of our communities and our economy."

— **Ray Betler**, *President & CEO*

WABTEC CORPORATION

“

For years, many have lamented that there are no "real jobs" here for young, talented people. Many encouraged their children to move to "big cities" where rewarding jobs presumably grew like golden plums on trees. Our resurgence has changed that. My niece just returned home to begin practicing as a family doctor. Several Duquesne business school grads recently declined handsome offers in New York to join PNC and Federated Investors. Our greatest resource has always been our home-grown talent. We should actively recruit from within. If we encourage our families to be part of the city's rebirth, the finished product will be grander than anything we've ever imagined."

— **Ken Gormley**, *President-elect*

DUQUESNE UNIVERSITY

“

The future competitiveness of our region always weighs on me. I want to be able to give our students a true and accurate career forecast so that they can curate their education for jobs that will be in high demand. Economic vitality relies on looking at the pipeline of careers coming into this region and getting today's students excited to focus on those jobs. This includes the skilled trades. We need parents and guidance counselors to support students looking into trade careers. These are viable, well-paying positions that can sustain a family; they should be part of that focus.

— **Randy Dearth**, *Chairman, President and CEO*

CALGON CARBON CORPORATION

“

The health benefits business is always evolving, and at Aetna, we believe we're on the cusp of a new development that will improve quality, reduce costs and boost customer satisfaction. We're working with local hospitals to develop "neighborhood hospital networks" to provide local, patient-centered care in Western Pennsylvania communities. The idea is to keep costs low while giving patients access to the care they need, right in their local communities."

— **Jerry Dioguardi**, *Vice President Western PA WV Sales and Service*,  
EATON CORP.





## Energy boost

STATES COLLABORATE TO GROW  
REGION'S PETROCHEMICAL INDUSTRY

**T**HE GOVERNORS OF Pennsylvania, Ohio and West Virginia signaled their interest in expanding the petrochemical industry's footprint in the tri-state region last year to take advantage of abundant natural gas in the Marcellus and Utica shale formations underneath it.

After competing against one another to lure the industry to their states for years, Pennsylvania Governor Tom Wolf and his counterparts in West Virginia and Ohio agreed in October to reach across boundaries to collaborate on creating conditions that support shale gas-related industries, particularly downstream petrochemical companies that use natural gas liquids as its feedstock.

The agreement comes during a deep slump in oil and gas prices, oversupply and concerns over the outlook for the industry, at least in the short term. How that affects prospects for growing a globally competitive petrochemical super region remains unclear.

### 'Crackers' and more

▶ Drilling for natural gas in the Marcellus and Utica play has led to grander visions for the region's petrochemical industry, which the agreement among governors seeks

to move forward through collaboration rather than competition. One high-profile prize being sought is the ethane "cracker"

complex. Such plants take ethane in natural gas, "crack" or break ethane molecules apart, and rearrange the carbon and hydrogen atoms to make ethylene. Ethylene is then processed to create polyethylene that is shipped to manufacturers of a range of plastic products.

Ethane crackers, the prospects of attracting them, and the jobs and other benefits associated with them were widely discussed by the more than 200 people ranging from government and industry leaders to educators who gathered in October for a shale summit in Morgantown, W.Va., where the multi-state cooperative agreement was announced.

In 2012, Royal Dutch Shell made public its interest in building an ethane cracker complex on the site of an abandoned zinc smelting plant in Beaver County and has spent millions of dollars to purchase and prepare it. Construction of the plant could create 10,000 jobs and, once operational, it would employ about 400 workers, Shell estimates. By the end of 2015, the company had not yet committed to building it.

Two Brazilian companies have also expressed interest in building an ethane cracker in Parkersburg, W.Va. and a Thai company is considering a plant in southeastern Ohio.

Ethane, however, has not been immune to the market slump, complicating decisions on whether or when to move on such investments, which run in the billions of dollars. Recent years have seen ethane prices tumble and supply increase beyond the needs of the available markets.

by Jeffery Fraser

Underscoring the industry's need to grow markets and improve access to them is the fact that a sizable portion of the ethane produced in the U.S. is being burned as inexpensive industrial fuel instead being used as feedstock for making plastics, coatings, films and rubber products. "Friends don't let friends burn ethane," James Crews, vice president of Northeast production for Denver-based energy company MarkWest, told the Morgantown audience.

Expanding the petrochemical industry involves several challenging issues. Transporting gas and natural gas liquids and related materials is one. The principal means of moving them are by rail and pipelines. Improving infrastructure is expensive and not without controversy. The industry also points to the need for major upgrades. The current pipeline capacity, for example, doesn't allow the methane that drillers extract in the region to reach markets in Philadelphia.

And several widely publicized industry-related accidents in recent years have not helped ease environmental and safety concerns. A train carrying North Dakota crude oil to Virginia derailed in Mt. Carbon, W.Va., in February 2015, causing a fire that consumed one home and spilling oil into the Kanawha River, jeopardizing the water source in two counties. A year earlier, chemicals from a storage facility spilled into the Elk River, which left much of the Charleston, W.Va., metropolitan area without potable water and led the governor to declare a state of emergency.

### United front

▶ The agreement among governors contains no commitment of money and does

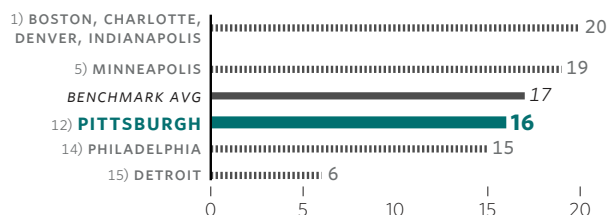
not prescribe specific projects for further developing the natural gas and petrochemical industry.

Instead, the three-year agreement requires the state to collaborate on drawing a plan to market the Appalachian Basin region as a destination for the industry, educate an industry-ready workforce, spur investment in transportation and other infrastructure, and encourage research on natural gas, natural gas liquids and their end uses.

By the end of 2015, government officials, economic development groups and others in the states had organized and begun working together on plans to address industry-related workforce development, infrastructure, research and a strategy to market the tri-state region to industry.

### Government: Bond rating

Regional Bond Rating Index, 2015



This index is based on Moody's bond ratings for the benchmark cities and their corresponding counties. Each received a score ranging from 20 (Aaa rating) to 0 (C rating). Scores for cities and counties for each region were combined for a total regional score.

"Companies want to work where governments and economic development groups have their act together and have created a stable, supportive business environment," says Ken Zapinski, senior vice president for energy and infrastructure at the Allegheny Conference on Community Development. "What you saw in that room in Morgantown were business people, economic development people, academics, researchers and educators from three states showing the kind of support for downstream manufacturing that the business sector likes to see." **PQ**

Jeffery Fraser is the Pittsburgh Today senior editor.

UNIVERSITY OF PITTSBURGH | SWANSON SCHOOL OF ENGINEERING

# Who's Who in Energy

Selected by the Pittsburgh Business Times

**Andrew Bunger, PhD**  
Department of Civil and  
Environmental Engineering

**Brian Gleeson, PhD**  
Department of Mechanical  
Engineering and Materials Science

**John Keith, PhD**  
Department of Chemical and  
Petroleum Engineering

**Prashant Kumta, PhD**  
Department of Bioengineering

**Giannis Mpourmpakis, PhD**  
Department of Chemical and  
Petroleum Engineering

**Gregory Reed, PhD**  
Department of Electrical and  
Computer Engineering

**Götz Vesper, PhD**  
Department of Chemical and  
Petroleum Engineering

**Radisav Vidic, PhD, P.E.**  
Department of Civil and  
Environmental Engineering

**Chris Wilmer, PhD**  
Department of Chemical and  
Petroleum Engineering

**PITT** | SWANSON  
ENGINEERING

UNIVERSITY OF PITTSBURGH  
*Center for*  
**ENERGY**

engineering.pitt.edu | energy.pitt.edu



## Thinking boldly

REGION BEGINS  
TO IMAGINE THE  
TRANSIT NETWORK OF THE FUTURE

**C**IVIC LEADERS ACROSS southwestern Pennsylvania want people to start thinking big about the future of transportation in the region. Imagine commuter rail extending to the airport, expanded bus rapid transit, connected bike lanes throughout the area, smart traffic signals—that kind of big.

A new leadership coalition, the Regional Transportation Alliance of Southwestern Pennsylvania (RTA), emerged last year as a forum for shaping a bold, more holistic approach to better connect people, jobs and communities through a regional transportation network—a vision long stifled by fiscal constraints and a planning process that traditionally has refrained from using outcome measures to guide the spending of billions of transportation dollars.

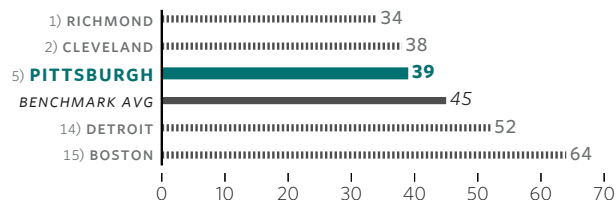
By year's end, the coalition was using “crowd-sourcing” techniques to reach hundreds of organizations ranging from corporations to human services agencies, hoping to learn their transportation needs and solicit their ideas and support for a shared vision of a 21st-century regional transportation network.

In doing so, they're taking a page out of the playbook of Denver, which has developed a regional transportation system recognized as a model for effectively connecting city and suburbs with multiple modes of getting around.

by Julia Fraser

### Annual traffic delay per traveler

Average annual hours lost per person from traffic delay



DATA SOURCE: Texas Transportation Institute, Urban Mobility Report, 2014

### Looking west

► In the summer of 2014, Denver hosted a benchmarking trip for some 100 civic leaders from southwestern Pennsylvania, including Pittsburgh Mayor Bill Peduto, Allegheny County

Executive Rich Fitzgerald, members of the Allegheny Conference on Community Development and many others. They saw firsthand the regional FasTracks transportation system and learned from Denver's public and private sector how it became reality, including the nontraditional approaches taken to winning support and paying for it.

The Pittsburgh visitors came away impressed with not just the vision, but also the process Denver is using to realize it.



“Recognizing that they had a problem, figuring out a way to solve it and not waiting for the state capital or Washington, D.C., that really energized us,” says Ken Zapinski, Allegheny Conference senior vice president for energy and infrastructure. “If a place like Denver can do it, why can’t the Pittsburgh region do it? That was the catalyst for the idea behind imagining a different transportation future.”

FasTracks is a metro-wide transportation network that includes commuter rail, light rail and bus rapid transit. More than 120 miles of rail have been built or are planned for the Denver region, including a line from the airport to Downtown Denver 25 miles away; 18 miles of bus rapid transit; bus service between Denver and Boulder; and the renovation of Denver’s Union Station as a multi-modal transit hub. And the main funding for the project is a voter-approved regional sales tax of .4 percent.

### How Denver did it

▶ Facing unprecedented growth in the Denver region and a failed transportation funding vote in 1997, diverse public and private sector groups such as Denver Region Council of Governments, Metro Mayors’ Caucus—made up of all 41 mayors in the Denver metro areas—and then-governor John Hickenlooper formed a coalition to figure out how to get the region on board with a regional light rail system.

Winning the support of the mayors’ caucus was central to the project’s success, says Kelly Brough, president and CEO of Denver Metro Chamber of Commerce. “Those 41 elected officials unanimously supported this investment. That’s important because they’re a diverse group with a diverse set of communities they represent. But they recognized that to really address mobility issues, they needed to solve this together along with the private sector and non-profits in the coalition.”

In November 2004, the 0.4 percent sales tax increase to fund the FasTracks transit system made its way onto the ballot in the eight counties that make up Denver’s Regional Transportation district. It passed, winning 58 percent of the vote.

There have been challenges. The \$4.7 billion project is over budget. And the Denver Post reports that only about 6 percent of the region’s population uses bus and light rail to get around. However, 85 percent of residents feel that approving FasTracks was a good idea and most believe it will improve transportation

>>

## IDEAS FOR BUILDING

## PITTSBURGH’S

# TOMORROW...

“

Over the past decade Pittsburgh’s economy has reemerged as a leader in innovation and technology, attracting bright and creative individuals to our universities. Mylan is a direct beneficiary, with access to the extraordinary talent graduating in the area. Our robust and growing internship program is a great example of this. Increasing public-private partnerships is key to continuing to attract talent from all over the world to our great city and to ensure the region’s economic growth for decades to come.”

— **Heather Bresch**, CEO

MYLAN

“

From top corporations to the highest echelons of federal government, we’re facing a brain drain as boomers anticipate retirement. It’s particularly acute in our region with our stable workforce and large concentration of boomers. It’s critical that we formalize knowledge transfer protocols and creative part-time work arrangements to launch new leaders effectively and launch departing workers to fulfilling, guilt-free retirement. The Allegheny Conference has the clout and our universities have the tools. Let’s make it happen.”

— **Michele Fabrizio**, President & CEO

MARC USA

“

The most important thing we can do for our region is to see ourselves as a region, rather than as three states. Let us look beyond self-interest to forge partnerships across all boundaries and sectors. Let us act regionally and think globally. As the Allegheny and Monongahela rivers join to form the Ohio, our three states can merge into a powerful force for economic growth. Maybe we can call that force Westpennhio? Ohwestsylvania? We will think of something.”

— **Gordon Gee**, President

WEST VIRGINIA UNIVERSITY

“

One of the greatest opportunities for the Pittsburgh region is talent acquisition. “Diversity is a key driver of innovation and is crucial for companies that want to attract and retain top talent.” (Forbes Insights, 2013). For the Pittsburgh region to grow and be innovative, companies must recruit, develop, cultivate and retain a diverse workforce. Pittsburgh must explore our new generation of talent and transfer our knowledge, skills and abilities to move this region from better to best.”

— **Carolyn D. Duronio**, Partner

REED SMITH LLP

&lt;&lt;

and relieve congestion, according to a recent Regional Transit District-commissioned survey.

"This is one of those projects where for vastly different reasons, people voted yes," Brough says. "Environmentalists voted yes because it might help with air quality. Some people voted yes because maybe someone up the road will use it and then I can drive in faster. Others voted yes because they were interested in taking transit. I think what the coalition recognized is that all of those may be valid yes votes and one doesn't trump the other. Let people vote yes for whatever reason and do not try to pigeon hole them into what you think is the best rationale."

### Limitations at home

▶ The road to planning and funding of transportation projects in the Pittsburgh region typically goes through the Southwestern Pennsylvania Commission (SPC),

which develops both 20-year and four-year transportation plans for the region.

The SPC is one of several hundred metropolitan planning organizations established by the federal government as regional transportation planning agencies in urban districts, where billions of federal transportation dollars are spent every year.

As such, planning is influenced by federal regulations and procedures that tend to limit long-range planning to projects that can reasonably be expected to qualify for government funding.

"The SPC is both fiscally and environmentally constrained," says Steve Craig, SPC chair and co-chair of the Regional Transportation Alliance Steering Committee. "A good example is that there isn't a good way to fund the bus rapid transit system that's envisioned for part of the region. That's an out-of-the-regular-funding-cycle project, partly because of its size and the money it would take to implement."

The SPC's current long-range plan does, however, give examples of large-scale transportation projects and what other regions have done to increase funding and tackle such projects. It states, for example, if the region wants to pursue a large, visionary project, it needs to "aggressively go beyond the reasonably anticipated funding available through state and federal sources."

And recent federal mandates significantly change the approach the SPC and organizations like it are required to take to decide how to spend transportation dollars. A

U.S. Government Accountability Office study of metropolitan planning organizations concluded that a lack of outcome-based planning has resulted in three decades of investing in transportation projects whose impacts are largely unknown. It led to changes in 2012 that today require them to develop long-term transportation plans based on performance outcomes, such as improving safety or reducing congestion, and to set targets for achieving them.

But before any aggressive lobbying for funding to support a broad regional transportation vision in southwestern Pennsylvania can begin, "there has to be an ongoing civic discussion about what the region wants and how they can achieve it," Zapinski says. "So, the initiative is stepping up to conduct this regional discussion to find out what people want and imagine a new future."

### New approach

▶ As a first step, the RTA is using crowd-sourcing—a cross between a survey and a focus group—to identify local transportation priorities and solicit ideas for addressing them from nearly

800 organizations, including human services, health care, arts and culture and environmental organizations; universities; labor unions; and major corporations.

"This new crowd-sourcing initiative is reaching out to a broader base of interest groups in the region to engage them in projects that might be transformative and not constrained by the fiscal issues that constrain everything that SPC does," Craig says. "So, it's looking at a blue sky kind of perspective of what's possible in transportation. And that's not what SPC does. I think there is a sense that patching pot holes and rebuilding bridges isn't enough, and that's where the funding leads us now."

The RTA steering committee is expected to analyze the crowd-sourcing responses, release the results and begin plotting a course for a regional transit network in early 2016.

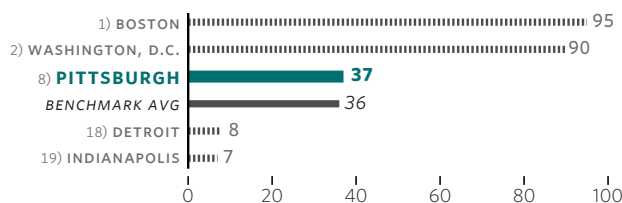
Turning big ideas into reality won't happen as quickly. "You can't sell ideas that are cooked up by people sitting in a downtown office building," Zapinski says. "You need a robust

regional discussion engaging all corners of the economy, all corners of the region. Having a real conversation with hundreds of stakeholders across the region takes time. If you want a community vision you have to put in the time." **PQ**

*Julia Fraser is a Pittsburgh Today staff writer and research specialist.*

### Transit usage

Unlinked passenger trips per capita



DATA SOURCE: U.S. Department of Transportation, 2013



# HOUSING



## REGION'S HOUSING MARKET REMAINS THE PICTURE OF STABILITY

**T**HE REGIONAL HOUSING MARKET STAYED IN character in 2015, with home prices appreciating but at a slower rate than in most other Pittsburgh Today benchmark regions.

Homeownership is high across the Pittsburgh MSA. U.S. Census Bureau data show that 69.3 percent of homes in the seven-county MSA are occupied by their owners. Only Minneapolis among the benchmark regions has a higher homeownership rate and only slightly so.

Regional homeowners saw third-quarter 2015 home prices rise just under 4.1 percent from the previous year. That's below the benchmark average and well below one-year appreciation in Denver, where prices jumped 13.9 percent to lead the pack.

But the Pittsburgh MSA housing market has long lacked drama. Its enduring characteristics are stability and steady, if unspectacular, growth. Housing prices, for example, have increased 13.8 percent over the past five years and have risen 21.9 percent over the past 10. Denver is the only benchmark region where long-term appreciation rates are higher.

Southwestern Pennsylvania's housing market is not without blemishes. Its housing stock is the oldest among Pittsburgh

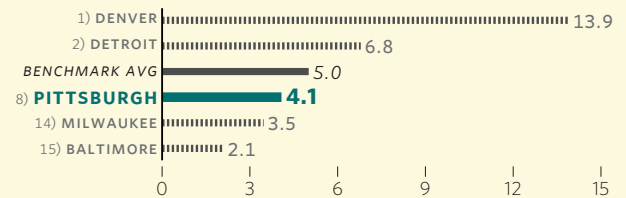
## KNOW YOUR REGION

[pittsburghtoday.org](http://pittsburghtoday.org)

### BY THE NUMBERS:

#### Housing price appreciation

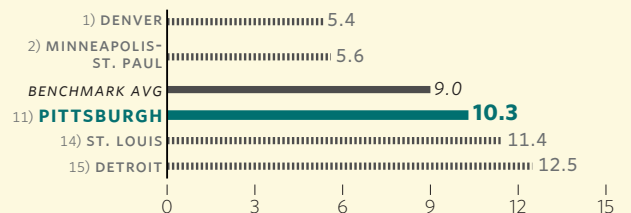
One-year appreciation rates, 3rd quarter, 2015, by MSA



DATA SOURCE: Federal Housing Finance Agency (FHFA)

#### Vacancy rates in residential property

2014



DATA SOURCE: American Community Survey, conducted annually by the U.S. Census Bureau

Today benchmark regions. And 10.3 percent of housing units across the region are vacant. Only four of the 14 other benchmark regions have higher vacancy.

In the City of Pittsburgh, 15 percent of 143,000 parcels on average were vacant between 2008 and 2010, according to a 2015 University of Pittsburgh study of city neighborhoods. And in several neighborhoods, such as Allegheny Center and Homewood South, one third or more of the housing stands vacant.

The city adopted a land bank ordinance in 2014 to more quickly and effectively move vacant tax-delinquent properties onto the market and into use. But the land bank it created has been slow to develop. Its board met for the first time in August—16 months after the mayor signed the bill. And while Philadelphia's land bank took possession of its first 150 properties in December, the strategies, policies and procedures necessary for the Pittsburgh land bank to do the same were still works in progress at year's end. ■



Later this year, Pittsburgh Today will begin a special focus on education, examining new measures and the people and institutions who are working to improve educational outcomes for all youngsters in our region.



## Remaking learning

LOCAL INITIATIVE GAINS ACCLAIM,  
PLANS MAY CELEBRATION

**I**N THE MONONGAHELA RIVER VALLEY, where now-silent steel mills once defined the region, a traditional classroom has been stripped of its chalkboards and remade as an entertainment technology academy. Game design theory now helps engage students in English, computer science and math lessons. In childcare centers, children share their day in pictures and voice compositions sent to their parents' email or cell phones. In public libraries, teens find the digital tools, studio space and instruction to express themselves through photography, music, art and filmmaking.

Southwestern Pennsylvania's imaginative twists on educating children with the digital media they find so engaging and the regional movement that led to them is quietly gaining recognition as a model of 21st-century learning.

Behind the innovations is the Remake Learning Network of more than 200 local organizations that has helped leverage the region's expertise in education, innovation and technology to give children new opportunities to explore, create and learn.

Several hundred formal and informal learning spaces have emerged. Experiments in innovative education have attracted \$25 million in philanthropic and

corporate support. The network even published a "playbook" detailing the local learning innovation ecosystem for other regions interested in traveling the same road.

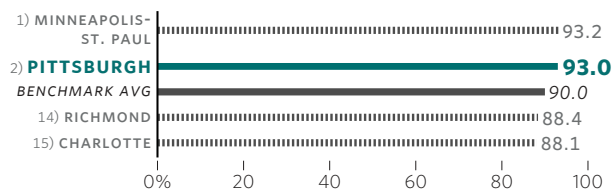
And that has gotten the attention of the Obama White House, which points to Pittsburgh as an example of the all-hands-on-deck effort to "encourage young people to create and build and invent" which the president called for in a 2009 address to the National Academy of Sciences.

"Thanks to the work of the network," Tom Kalil, a deputy director in the White House Office of Science and Technology Policy, wrote last July, "young people in the region have the opportunity to make their own films, learn to code, build robots and become 'citizen scientists.'"

>>

### Educational Attainment: High School or higher

Percentage of population age 25+ with high school degree or higher, by MSA



DATA SOURCE: American Community Survey by the U.S. Census Bureau, 2014



## Expand Your Doctors' Time, Improve Your Patient Care!



*It takes about 1 minute  
to dictate a note...it  
takes 8 to 9 minutes to  
enter that same note  
into any EHR.*

~ "For The Record" Magazine

**ACUSIS**  
HIGHER STANDARDS™  
clinical documentation solutions

4 Smithfield Street  
Pittsburgh, PA 15222

**855.4.ACUSIS**  
**www.Acusis.com**  
**all.ears@Acusis.com**

&lt;&lt;

A regionwide celebration of innovation in education, what has been accomplished and new ideas taking shape is scheduled to run May 9-15 in Pittsburgh as "Remake Learning Days." The weeklong celebration is to begin with the recognition of new commitments from companies, institutions, and others to support expanding next-generation learning opportunities in and out of school for students ranging from pre-kindergarten to higher education.

The network is encouraging broad participation and big ideas from all corners of the region. Some groups are making financial commitments, such as the Benedum Foundation, Grable Foundation and Chevron, which are contributing more than \$500,000 to support science, technology, engineering, arts and math in local school districts for the school year beginning in the fall. Other are contributing with special programs, such as the Pittsburgh Association for the Education of Young Children (PAEYC), which is hosting a conference about creativity and learning for early childhood educators during Remake Learning Days.

The movement has come a long way since 2007, when the Grable Foundation convened an informal working group of community leaders, educators and others to explore the prospects of using media and communication technology to improve ways that children live, learn and play. The model that evolved includes a focus on formal and informal learning environments, research and development and entrepreneurial support.

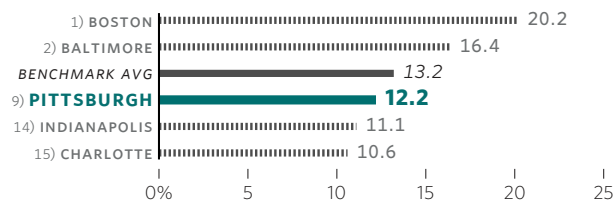
The network of collaborators has grown from a loose, organic movement to one that today is managed by the nonprofit Sprout Fund and involves school districts, universities, museums, libraries, early learning centers and afterschool programs, as well as nearly 3,000 teachers, youth workers, librarians, gamers, technologists and artists.

And the idea of looking beyond the confines of the traditional classroom and enlisting the vast intellectual capital of the region to redefine how children learn has led to a variety of innovations. Carnegie Mellon University researchers, for example, worked with the early learning nonprofit PAEYC to create Message for Me—kiosks at childcare centers where young children learn to compose video and voice accounts of their day that are electronically transmitted to their parents. And with university researchers, local technology companies and others as partners, the Elizabeth Forward district created an Entertainment Technology Academy, redesigned the high school library to include video and voice production studios and opened an interactive energy lab. **PQ**

More information about Remake Learning Days can be found online at: [remakelearning.org](http://remakelearning.org).

### Educational Attainment: Graduate, professional degree

Percentage of population age 25+ with graduate or professional degree, by MSA



DATA SOURCE: American Community Survey by the U.S. Census Bureau, 2014



## Rewriting history

### CITY POLICE ATTEMPT TO MEND RELATIONS IN AFRICAN AMERICAN NEIGHBORHOODS

SOME OF THE PHOTOS POSTED ON the Pittsburgh Bureau of Police Facebook pages include: A smiling child wearing a policeman's cap and holding a police radio alongside a city cop, an officer and child eating ice cream bars, and smiling police officers riding bikes with smiling kids.

The image of citizen-friendly policing is one that Pittsburgh hopes to earn in African American neighborhoods as the result of studies, programs and new strategies for repairing relationships that have been strained by police practices. One is a national initiative launched by the Obama Administration to improve relationships and increase trust between minority communities and the criminal justice system in six U.S. cities, including Pittsburgh.

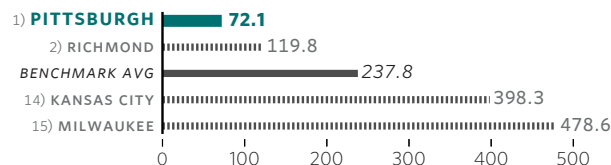
"Mistrust has been here for decades and it's going to take a while to cut through it," says Tim Stevens, CEO of the Black Political Empowerment Project, a community collaborative for building African American political influence. "I've been an advocate and a community activist for decades, and mistrust is still the biggest issue. It's always been present."

Like many U.S. cities, Pittsburgh has a history of tension between law enforcement and the city's African American communities. In 2014, African Americans, who comprise 20 percent of the city's population, accounted for 56 percent of police arrests, according to the latest Bureau of Police annual report. The report notes that black drivers were

by Julia Fraser

#### Motor vehicle theft

Rate per 100,000 population, 2014, by MSA\*

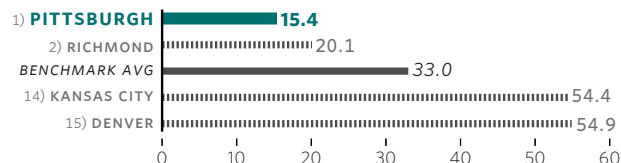


\* Data unavailable for Boston

DATA SOURCE: FBI Uniform Crime Reports

#### Forcible rape

Rate per 100,000 population, 2014, by MSA\*



\* Data unavailable for Boston

DATA SOURCE: FBI Uniform Crime Reports

pulled over more often than any other racial group and 2.4 times the rate for white motorists.

A lack of diversity placed the city police under a court order from 1975 to 1991 that imposed a quota for boosting the number of women and African Americans on the force.

Diversity plummeted after the quota was lifted in 1991. Last year, the city settled a lawsuit brought by the



American Civil Liberties Union alleging hiring bias on the police department. As part of the settlement, the city agreed to reform its police hiring process to address bias. Currently, more than half of the black officers on the force are eligible for retirement.

In 1997, the city agreed to enter into a federal consent decree that required police to track complaints against officers, flag officers with multiple complaints, and document race and gender in traffic stops, officers' use of force, and searches and seizures. The city agreed to the five-year order following a class action lawsuit filed by the ACLU and NAACP alleging a pattern of civil rights abuses and a U.S. Justice Department investigation of city police practices.

More recently, the U.S. attorney's office in Pittsburgh helped organize community forums with neighborhood residents to discuss their concerns, experiences and grievances. The forums emerged after Jordan Miles, an African American man, was beaten while walking to his grandmother's house in 2010 by police officers who said they thought he had a gun. A jury awarded Miles more than \$100,000 for being falsely arrested. The officers involved, however, were not found to have used excessive force.

In 2014, Mayor William Peduto hired Cameron McLay as chief after a series of public meetings to gather input from neighborhood residents and engage them in the hiring process. McLay has advanced a community-oriented approach to policing since taking charge of the department.

"I've seen an improvement in the trust issue because a part of it is the willingness to sit down and have conversations about what has happened historically," says Cheryl Hall-Russell, president and CEO of the Hill House Foundation. "Chief McLay is a high-profile leader who is not afraid of those conversations. He's visible, vocal, professional and empathetic. I think it's making a difference."

But, she points out, the road to reconciliation is long and uncertain. "We still have some pretty new incidents. When

&gt;&gt;



## Where transit goes, investment follows.

Along with commuters, Port Authority brings employers and developers looking for a city with viable public transit to Pittsburgh. In fact, half of **Downtown's recent development** has been connected to a subway station.

And it's not just Downtown. The East Busway has brought over \$800 million in economic development to the areas around bus stations. Public transit raises property values, helps revitalize neighborhoods, and spurs retail activity.

The bottom line: every taxpayer dollar invested in public transit returns as much as \$6 in economic returns.

**PortAuthority.org**

twitter.com/pghttransit

**Meyer, Unkovic & Scott LLP**  
ATTORNEYS AT LAW

**helping  
businesses  
unlock opportunities**

Corporate & Business Law Group

Best Lawyers  
**BEST  
LAW FIRMS**  
USNews & WORLD REPORT  
2015

www.muslaw.com  
PITTSBURGH



Pittsburgh has become an exciting place to live and work. To realize our full potential, we need more sources of venture capital to fuel start-ups. We attract far less capital, especially from local sources, than cities such as Austin, Denver, Minneapolis and Philadelphia. A recent study estimated that local venture firms have less than \$100 million in uncommitted capital. While our start-ups do attract capital from outside the region, more companies would be founded and remain here if we had more local funding. These companies would provide great jobs and attract the best and brightest workers to our region."

— **Marlee S. Myers**, *Partner*  
MORGAN, LEWIS & BOCKIUS LLP



Few people outside Pittsburgh (or inside Pittsburgh, for that matter) appreciate the many unique cultures and traditions that comprise our city's 90 different neighborhoods, from Allegheny to Westwood. During the coming year, I'd like to see an initiative aimed at building awareness of their history and celebrating their cultural diversity. No city of comparable size offers more variety in just 58 square miles, and I'd love to see us take better advantage of the fact."

— **Anne Lewis**, *Board Chair*,  
OXFORD DEVELOPMENT COMPANY



As a western Pennsylvania native who has been fortunate to spend the majority of my career working in downtown Pittsburgh, it has been a pleasure to witness the continued transformation of the city from a work destination to full-fledged residential community. Adding better living options, restaurants, and attractions to entice more people downtown has worked wonders, but I believe continued improvement in infrastructure, including a more robust public transportation system, is vital to support the urban neighborhoods, as well as the growing tourism industry."

— **Leroy Ball**, *President & CEO*  
KOPPERS



To me, it's not about identifying new issues; it's about doubling down on existing priorities, especially many of those identified by the Allegheny Conference. Goals like boosting our direct air service; promoting our region's superior healthcare assets; and transferring our tech knowledge to real-life job creation, in particular, will have maximum impact. We're already headed in the right direction, but we need to be firing on all cylinders and working together to get the job done."

— **Jack Barbour**, *CEO & Chairman of the Board*  
BUCHANAN INGERSOLL & ROONEY



you look at, for example, Jordan Miles, people see that kind of stuff is still happening and they have no voice in false arrests and abuse. People have a long memory. They are going to watch and wait to see if something else like that happens. Trust is only going to be built when you don't have those kinds of incidents and the people feel they have a voice—in suggestions for training and what community policing should look like."

Under McLay, city police have begun a community-oriented model that makes officers more visible and builds community relationships, including informal community interactions such as "Coffee with a Cop" and basketball leagues.

Elizabeth Pittinger, director of the Citizen Police Review Board, describes community policing as a philosophy of "problem solving-policing" with community assistance. "It's re-humanizing the people involved, so that everyone you see isn't a criminal and every cop you see isn't a vicious monster, so that we can go back to having children respect police officers instead of being fearful."

Pittsburgh is on the short list of cities engaged in the U.S. Justice Department National Initiative for Building Community Trust and Justice, which aims to reduce bias and build trust between law enforcement and the community, and involves law enforcement experts, researchers, faith-based groups, community stakeholders and civil rights advocates.

The initiative has collected baseline data from Pittsburgh and is developing training plans on bias and reconciliation, interventions on group violence, and surveys on how residents view police and their practices. The initiative team is also discussing collaborating with local researchers to study criminal justice and community issues.

"Although Pittsburgh may have historically had issues, they've been able to find a pathway to communication to work on some of these issues on their own," says Tracie Keesee, project director of the national initiative. "It's not just the leadership, but the commitment of the city as a whole for wanting to do this, wanting to get ahead of other folks and get out front of all of it."

One of the key findings of the U.S. Attorney's community forums was that, while mistrust is pervasive in the city's African American community, there is a generation gap in how mistrust is formed and experienced.

"What we're realizing is that the older population doesn't speak for that group, even though some of their perceptions are the same," says David Hickton, U.S. Attorney for the Western District of Pennsylvania. Social media strongly influences young peoples' perceptions, for example, exposing them to a national conversation

on police brutality. Hickton's office has begun convening youth forums in response. "We are listening to them now."

Westinghouse High School is scheduled to offer a three-year public safety career program for students in the fall to engage them in criminal justice issues and perhaps lay the groundwork for increasing diversity in future police ranks. And the Hill House Association is working with the city to help minorities prepare for civil service testing.

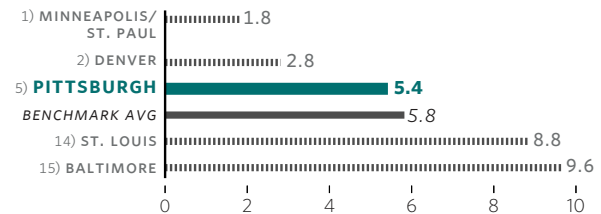
In December, Mayor Peduto—responding to an online petition on change.org, which called on him to reduce violence in the city—stated that a robust model of community-oriented policing is the future of Pittsburgh law enforcement. "The traditional policing model of response and arrest will give way to a coordinated intervention by police and community leaders with a very simple message: 'We love you. We want to keep you safe, and we will stand together to stop violence in our communities.'"

Community-oriented policing is only part of a broader discussion of violence, race and mistrust, says long-time civil rights activist Stevens. "There is movement. We have not reached nirvana, but we have certainly come to a point where we see progress. We see hope. We see commitment." **PQ**

*Julia Fraser is a Pittsburgh Today staff writer and research specialist.*

## Murder

Rate per 100,000 population, 2014, by MSA\*

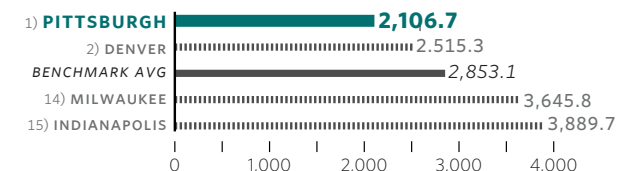


\* Data unavailable for Boston

DATA SOURCE: FBI Uniform Crime Reports

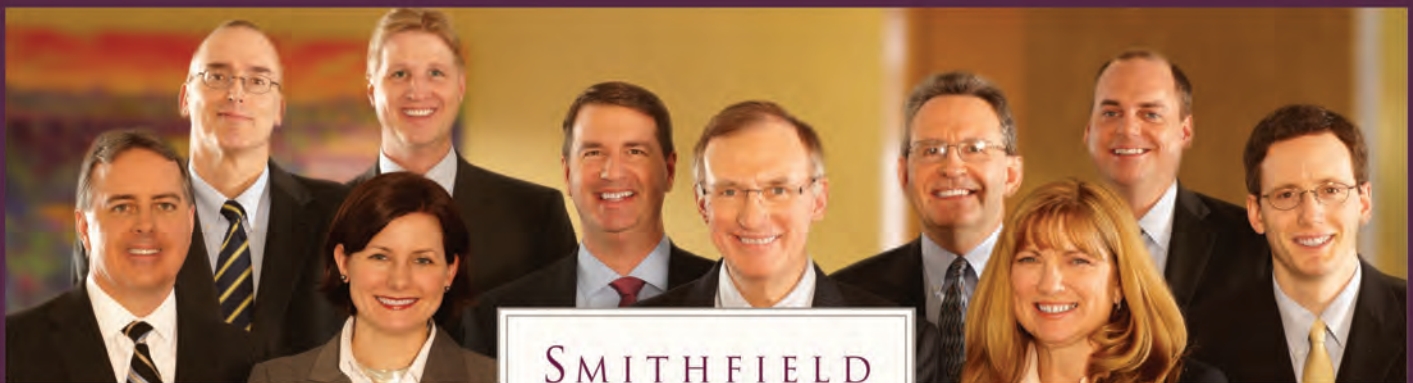
## All crimes

Rate per 100,000 population, 2014\*



\* Data unavailable for Boston

DATA SOURCE: FBI Uniform Crime Reports



SMITHFIELD  
TRUST COMPANY

# THE DIFFERENCE IS TRUST.

EXCELLENT PERSONAL SERVICE FROM EXPERIENCED OFFICERS

Trust & Fiduciary • Investment Management • Estate Planning & Administration • Tax Planning & Management

20 STANWIX STREET, SIXTH FLOOR  
PITTSBURGH, PA 15222-4801  
(412) 261-0779

SMITHFIELDTRUSTCO.COM







## ENVIRONMENT



### AIR AND WATER POLLUTION STILL CHALLENGE REGION

**E**NVIRONMENTAL STEWARDSHIP IS NOT A traditional strength of southwestern Pennsylvania, where the legacy of industrialization and growth includes periods of dense air pollution, and streams and rivers tainted with abandoned mine acid and effluent from inadequate municipal sewage systems.

Gone are the days when soot from mills and home furnaces turned afternoon into night and Pittsburgh became known as the “Smoky City.” Air quality has improved significantly with advances in technology, more effective regulation and advocacy.

But better is not good enough to lift southwestern Pennsylvania from near the bottom of air quality rankings. In the Pittsburgh Metropolitan Statistical Area, for example, annual levels of fine particulates (PM2.5) remain above the 3-year federal limits for the pollutant created from industrial, power plant and other emissions. Only St. Louis has worse PM2.5 levels among Pittsburgh Today benchmark regions.

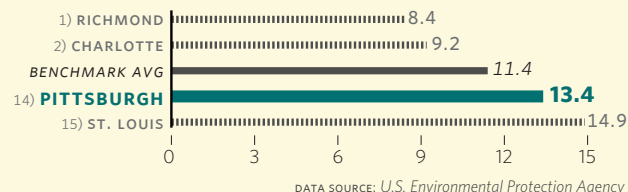
Within the MSA, Washington County recorded the highest annual PM2.5 levels in 2014—levels greater than those found in a group of communities downwind of the U.S. Steel Clairton coke works, which reigned as the region’s pollution hot spot for decades.

Pollution control improvements at the Clairton coke works and

#### BY THE NUMBERS:

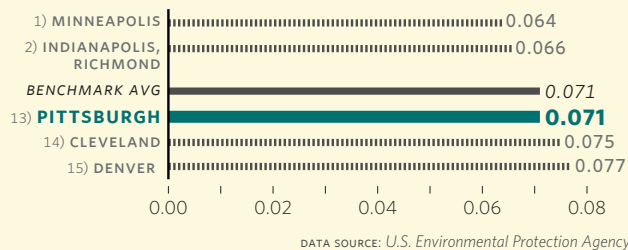
##### PM2.5, small particulate air pollution

Average annual mean concentration of fine particulate air pollution (PM2.5) in micrograms per cubic meter, 2014



##### Ozone levels

8-hour average ozone level, in parts per million, 2014



other factors have reduced fine particulates in that area. But the PM2.5 levels still exceed U.S. regulatory limits. Sulfur dioxide emissions exceed federal limits as well, and the Allegheny County Health Department is set to require additional pollution controls at the plant in 2016.

The Pittsburgh MSA also continues to fall short of meeting the latest federal limits for ground-level ozone pollution, or smog, despite a several-year trend of slowly improving levels.

Other issues include the air quality implications of widespread natural gas drilling, which up to now has been an understudied topic. Two recent health studies which focused on Washington County raise health concerns. And Allegheny County is gathering air quality data at gas wells to better understand emissions and possible health risks.

Solving lingering water pollution issues is another work in progress. For 26 percent of the 2015 recreation season in Allegheny County, sewage levels in the rivers rose high enough to warrant warnings to boaters and others. The rate was relatively low due to a dry summer.

Wet weather causes over-taxed municipal sewage systems to overflow into the rivers. The local sanitary authority, Alcosan, is under a federal order to correct the problem by 2026. ■

This is the first of a four-part series examining efforts to make Pittsburgh a sustainable region. Pittsburgh Quarterly and Sustainable Pittsburgh are collaborating to explore the obstacles and opportunities facing Pittsburgh.



## A sustaining influence

PITTSBURGH SEES  
FUTURE UNFOLDING AROUND  
PRINCIPLES OF SUSTAINABILITY

**H**IGH ABOVE THE Monongahela River in Hazelwood sits Pittsburgh's last great brownfield. Only the ghostly shell of Mill 19 stands as evidence of the steel and coke works that for a century had given the neighborhood bustle, prosperity and some of the unhealthiest air in the region. The rest of the 178 acres lies barren, freshly graded in preparation for its next chapter as an experiment in sustainable community development.

The vision is that of a harmonious mixture of housing, commerce and transportation efficiency. A new community integrated with the old. A place designed to be mindful of avoiding the environmental insults that past tenants had imposed. A development whose blueprints are accompanied by strategies to help shore up Hazelwood and raise the quality of life of those who've endured the hard years after steel, not displace them.

No other shovel-ready project in Pittsburgh better embodies the concept of sustainability, which, along with economic growth, includes social equity, environment and quality of life as guiding considerations in development.

And at no time has interest in adopting those principles to re-imagine the city and distant suburbs been greater.

Sustainability principles are, for example, providing a framework for the City of Pittsburgh's first-ever comprehensive plan as it is being written.

Pittsburgh Mayor William Peduto with The Heinz Endowments last year unveiled an initiative known as "P4" for the purpose of creating a model for sustainable, innovative and inclusive development and a vision of a city that aspires to become a leader in the growing movement.

In April, the city hosted a two-day summit where local representatives of business, education, government, planning agencies, human services and others were introduced to the ideas and experiences of experts involved in creating sustainable cities and innovation economies in the United States and Europe.

And in the suburbs beyond, some 50 municipalities have earned sustainable community status based on the nonprofit Sustainable Pittsburgh's certification criteria, which covers issues from energy use and sustainability goals to land use, mobility, affordability and green infrastructure.

By year's end, there was little doubt about the intentions of the city and other parts of the region to move deliberately toward embracing the principles of sustainability, which are growing in value among urban planners, as well as investors.

### Shifting trends

▶ Metropolitan regions worldwide are increasingly looking to cultivate innovation economies and reinvent themselves around sustainable strategies as a means of attracting people and investment, promoting future growth and stability, and improving environmental and social conditions.

by Jeffery Fraser



Several have turned to such strategies to address circumstances familiar to Pittsburgh and southwestern Pennsylvania.

Chattanooga, Tenn., has done so to gain the reputation as an eco-friendly city and retool its economy with a technology corridor that's helped earn it the unlikely nickname, "Gig City." A few decades earlier, it had been one of the most polluted cities in America before its dense manufacturing sector withered and it suffered heavy job and population losses.

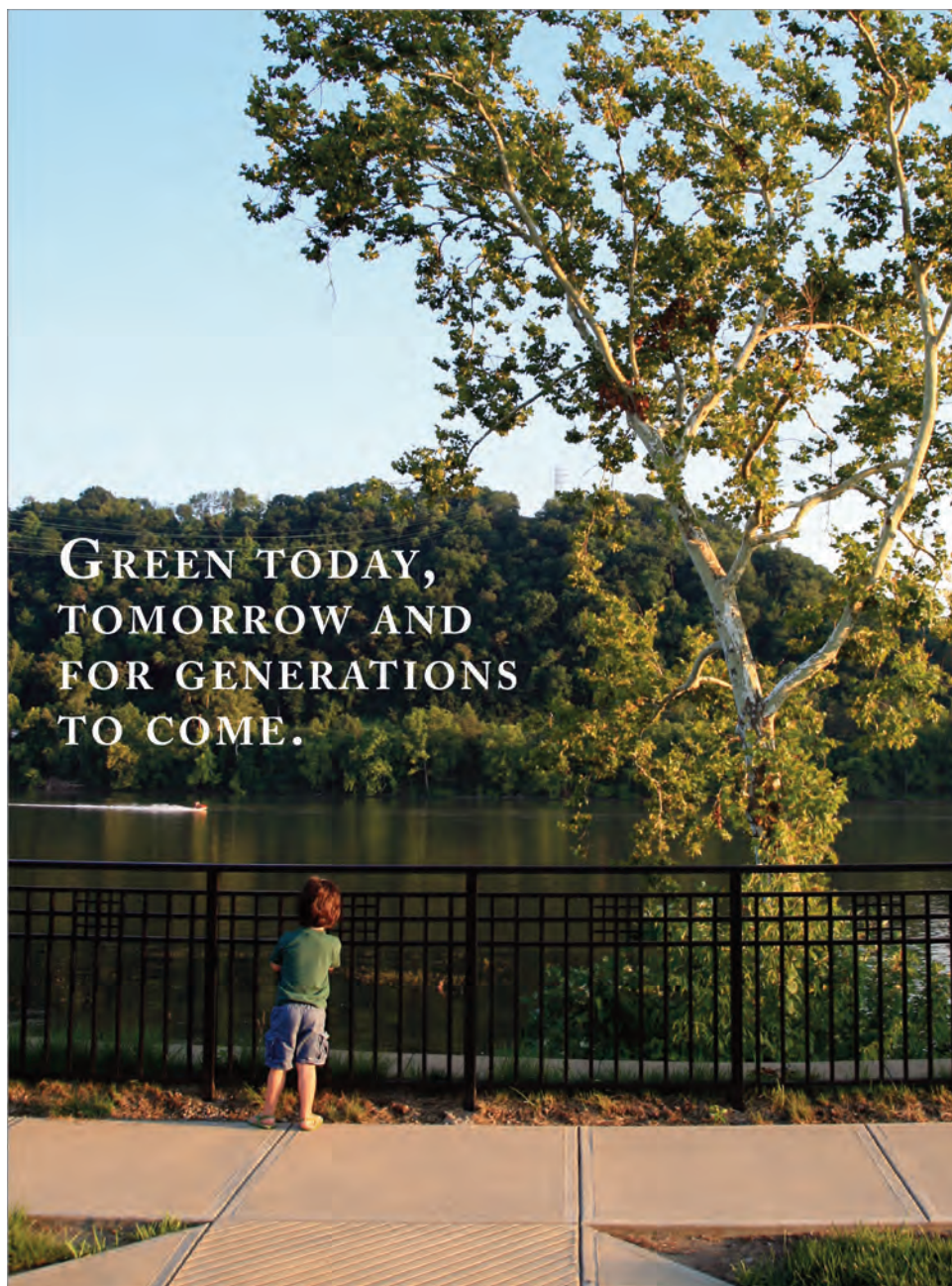
Its revitalization included reclaiming the Tennessee River waterfront from industry, making it a recreation and tourism destination with ideas such as downsizing a highway to accommodate the building of the Tennessee Aquarium. A citywide fiber-optic network connected every house and business to the Internet. An innovation corridor was created with the hope of attracting major technology companies and jobs without sacrificing the environmental gains that had been made.

The major tech players didn't come. But the innovation economy that took root inspired strategic partnerships, collaboration, venture capital, homegrown start-ups and high-growth businesses, says mayor Andy Berke. "We weren't talking about Apple and Facebook anymore. We were talking about companies that started in Chattanooga and were growing there and were trying to recruit from elsewhere."

Sustainable development has a longer history in Europe, particularly in Scandinavia, where the principles have been refined and embraced by government, business and philanthropy as the best means possible for adapting to economic and demographic changes.

In Malmo, Sweden, such strategies became the favored approach to recovering from an ailing industrial economy and a legacy of pollution. A derelict shipyard was replaced with an energy-efficient community of homes, shops, offices, bike trails and its own renew-

&gt;&gt;



The Western Pennsylvania Conservancy has worked with community groups, nonprofits and municipal agencies to plant more than 25,000 trees throughout the Pittsburgh region. For more than 80 years, we've protected, restored and beautified the region. And we will continue to help conserve land, protect waterways and preserve Frank Lloyd Wright's Fallingwater.

To join us or learn more, visit [WaterLandLife.org](http://WaterLandLife.org).





&lt;&lt;

able energy supply. New growth industries include information and bio-medical technologies. The city also set an ambitious goal of becoming carbon neutral by 2020.

Such demonstrations have helped raise the profile of sustainability. The capital markets, for one, are paying attention to sustainability issues. Companies today are scored on their environmental, social and governance (ESG) performance. And providers of business information and analytics, such as Bloomberg LP, offer expansive sustainability data ranging from ESG scores and trends to controversy assessments identifying environmental and social incidents involving companies.

"A common theme we hear is that this idea of sustainability has lined up with what makes good business sense—how consumers, investors and insurers are lining up around business models and urban models that favor sustainability in the face of big global and domestic issues around resource limitation, social justice and inequity," says Court Gould, executive director of Sustainable Pittsburgh. "What had been thought of as singularly environmental or moral justice issues are now business issues."

Concerns about the performance of sustainable investments are also being challenged. In 2015, for example, the Morgan Stanley Institute for Sustainable Investing reported that sustainable equity mutual funds met or exceeded the median return of traditional equity funds for 64 percent of the time periods examined, a finding the institute's CEO said "shows that preconceptions regarding subpar investment performance are out of step with reality."

### Poised for innovation

▶ Pittsburgh's recovery from the collapse of its steel and manufacturing economy more than a quarter of a century ago has left it in an enviable position when it comes to cultivating an economy driven by innovation industries.

Southwestern Pennsylvania no longer depends on the fortunes of a single economic sector. The diversified economy that rose from steel's decline includes strengths in education, science, technology and medicine—key ingredients of the kind of innovation economy that many cities are trying to stimulate. And Pittsburgh has an established and expanding innovation corridor in the city's university-rich Oakland neighborhood close to Downtown.

"People would die for Carnegie Mellon [University]," says Bruce Katz, who studies urban regions and economies as vice president and founding director of the Metropolitan Policy Program at the Brookings Institution. "I go to cities and the biggest conversation they have is that they don't have a Carnegie Mellon. They don't have a University of Pittsburgh. They have to create what Pittsburgh has."

A recent Brookings study points to one of the reasons why innovation economies are attractive. While such economies cer-

tainly demand workers with advanced education, half of the science, technology, engineering, mathematics jobs in the U.S. are "middle skill" jobs that pay \$53,000 a year on average and typically don't require a four-year degree, the study reports.

Timing may be another factor in Pittsburgh's favor. In recent years, there has been a shift in how innovation is occurring, which values the intimacy of urban environments over corporate campuses sequestered in the suburbs, Katz says. "The innovative economy is collapsing back to the cores of central cities. It's partly because of demographics—the shifting workforce is demanding places where they can live, work and play. But more importantly, advanced industries are doing more of their R&D through networks of researchers, entrepreneurs and investors. That revalues proximity, density, being close to advanced research institutions and medical campuses.

"Google can be anywhere in the world. They're in Pittsburgh because they have to be near the secret sauce—talented workers and ideas that can generate discoveries for the market."

### An uphill climb

▶ The city and region are not without challenges, and among them is a workforce short on racial and ethnic minorities at a time when companies are placing greater value on diversity.

Minorities only claim 11 percent of the southwestern Pennsylvania workforce, the lowest rate of participation among the 15 Pittsburgh Today benchmark regions. And minority workers are the scarcest in several industry sectors that offer opportunities to earn higher-than-average incomes, such as utilities, manufacturing, and mining and oil and gas.

The Pittsburgh Regional Quality of Life Survey, based on interviews with 1,800 southwestern Pennsylvania residents in 2011, reveals a sharp racial divide in household income and ability to make ends meet that underscores the depth of the social equity issues the region faces.

African American unemployment was found to be double the rate among other races. African Americans were much less likely to own their home. And they were more than twice as likely as residents of other races to say they often or always have trouble paying monthly bills for basic needs, such as housing and utilities, according to the survey done by Pittsburgh Today and the University of Pittsburgh's University Center for Social and Urban Research.

"In regions like ours that is not growing in population, we can ill afford to deny anybody the opportunity to work to their potential," Gould says. "It's not just about luring new, higher-educated, skilled immigrants. We need all hands on deck."

The region's air and water quality and infrastructure also pose challenges to realizing a vision of a future built on sustainable principles.

Air quality has markedly improved in the region over the last several decades. But better hasn't been enough to bring southwestern Pennsylvania into compliance with federal clean air standards for two major pollutants, fine particulates and ground-level ozone. And air quality rankings of American metropolitan regions still show southwestern Pennsylvania to be among the worst.

Water quality is a concern in the region's population center. It takes only a moderate rain for sewage mixed with storm water to be discharged into rivers from a municipal sewer network across some 80 Allegheny County municipalities that is easily overwhelmed by the additional water. Such overflows have resulted in unhealthy bacteria levels in the rivers and warnings to boaters and other users for 26 percent to 90 percent of the summer recreation season since 2000.

And the region's transportation network is largely built for those who drive, limiting connectivity by other means, particularly public transit. The region lacks light-rail connections between the City of Pittsburgh, Pittsburgh International Airport and most municipalities in the region. People who live outside Allegheny County have few public transit options of any kind.

### *A work in progress*

▶ The international practitioners of sustainability who traveled to Pittsburgh in April for the P4 Summit arrived to find several examples of development compatible with the principles and models they came to discuss.

Three Rivers Park, a continuous 13-mile stretch of trails, green-space and waterfront development along the Allegheny, Monongahela and Ohio rivers has replaced the abandoned mills and retired warehouses that had denied the public use of the city's riverfront. A new, albeit short, under-river tunnel expands light rail from Downtown to the city's North Shore stadiums, museums, casino and neighborhoods. Downtown has begun making room for cyclists as part of a new plan for overhauling city streets with those who bike and walk in mind.

Less apparent is the work of writing the city's first-ever comprehensive plan. The plan, when finished, is expected to set a framework for development around a set of sustainable working principles already adopted that emphasize considerations such as complete streets (which accommodate all forms of transit), green infrastructure, stimulating innovation, design excellence, and advancing social equity, a clean and healthy environment, and strategic partnerships.

>>



calgoncarbon.com

Pure Water. Clean Air. Better World.

**CalgonCarbon**



  
**Muhlenkamp & Company, Inc.**  
*Intelligent Investment Management*

**Ron Muhlenkamp**  
*Founder, President & Portfolio Manager*

Muhlenkamp & Company provides intelligent investment management for its no-load mutual fund, as well as private account management for individual and corporate accounts, pension plans, profit sharing plans, and endowment funds. We also provide financial planning consulting.

To learn more, call us at (877) 935-5520.

[www.muhlenkamp.com](http://www.muhlenkamp.com)



Workforce availability and preparedness are top concerns for western Pennsylvania's future. WesBanco is committed to the long-term growth and success of the region. Over the last several years, we have made the region one of our largest markets. We are hiring talented banking specialists, commercial lenders, and wealth management professionals. And, we will continue to ensure this region has the necessary financial tools for education, home ownership, business growth, and wealth management to support development and individual success."

— **Michael Mooney**, *Market President, Western Pennsylvania Region*  
WESBANCO BANK



In 2015, we lost our dear friend Elsie Hillman. The transformative impact she had on individuals, organizations and civic issues was rooted in a natural instinct to connect and help. With the chronic obstacles and unprecedented opportunities we face together in 2016 around education, workforce development, diversity and leadership in Harrisburg, we need active leadership showing up to connect and help. Whether one considers it emulation or inspiration, we could use a little Elsie in the new year."

— **David J. Malone**, *President & CEO*  
GATEWAY FINANCIAL



Training and retaining the next generation of engineers is crucial, especially in our region. Nearly half of working engineers are expected to retire in the next 10 years. Local universities help develop this young talent, and we're trying to do our part at Eaton as well. Our collaboration with the University of Pittsburgh's Swanson School of Engineering trains students in the electric power engineering field. Partnerships between our local manufacturers and academia are vital for retention, and they can really bolster local economic development."

— **Jim McGill**, *President; Electrical Sector, Americas Region*  
EATON



One of the most energizing things we could do as a region over the next several years would be to re-instill the notion that opportunity exists for all people willing to work for it. Specifically, let's create a "venture" fund to support small business ideas from people in our least economically advantaged neighborhoods (e.g., Hill District, Braddock, Homewood, etc.). Executives at companies and foundations would fund this and mentor and advise those desiring such input."

— **David Porges**, *Chairman & CEO*  
EQT CORPORATION



The influence of such considerations can be seen in several ambitious developments that have begun to move forward throughout the city.

With consultants in place, the process of planning an eco-innovation district in the city's Uptown and Oakland neighborhoods bordering the Monongahela River begins this year. The specifics remain works in progress, but reducing the city's environmental footprint, expanding the local economy and equitable land use and mobility are among the principles guiding development.

A few miles up river, the Richard King Mellon Foundation, Claude Worthington Benedum Foundation, The Heinz Endowments and another local foundation bought the former Hazelwood mill site in 2002 with intentions of developing a model sustainable neighborhood. In broad strokes, the plan calls for a mixed-use community knitted to the existing neighborhood built to sustainability standards addressing such things as transportation, energy use, water management and design. Tax-increment financing is in place and work on utilities and other infrastructure is underway while the project awaits a developer.

Meanwhile, a community-driven strategy for improving conditions in Hazelwood has led to support for: local nonprofits that have helped to hold it together during dark years of decline, the return of a neighborhood school, the rehabilitation of vacant houses, a new library, and a community center built to green standards in a former church sold for lack of parishioners.

In the city and beyond, a crowd-sourcing campaign began last year to gather ideas for redrawing the regional transportation network from companies, human services, health care, education and others across 10 southwestern Pennsylvania counties.

In suburban municipalities, principles of sustainable development are gaining attention as municipalities pivot from those they followed earlier and came to characterize sprawl. One unlikely champion of sustainability to emerge is Cranberry, where motorists exiting the Pennsylvania Turnpike are greeted with crowded strip malls and layers of traffic signals.

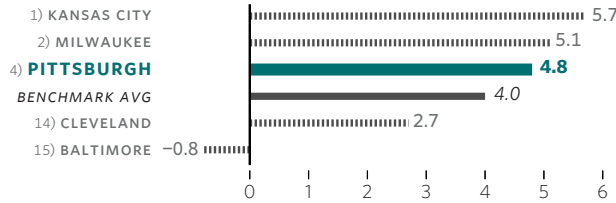


However, the Butler County township holds the highest level of sustainable community certification offered by the nonprofit Sustainable Pittsburgh, earning it by taking such steps as sufficiently funding pensions, establishing sustainable goals and policies, and adding green space, walkers and cyclists to development considerations.

"The market is leading to a different model of development and growth. This new market is one that favors density over sprawl and is more ruthless around efficiencies of the type urbanism brings," Gould says. "Cranberry is an example of where they're going in and rezoning and trying to redevelop so they are more of a traditional community. It is trying to be more connected and relevant to a new population. Suddenly, Cranberry is building multifamily housing units with retail on the ground floor and residential above along their main streets."

### Positivity: Twitter analytics

Pittsburgh Today Positivity Index (PPI), 52-week average, 2015



The Pittsburgh Today Positivity Index tracks positive tweets about a region. The greater volume of positive tweets, the higher the region's score.

DATA SOURCE: ForSight™ Platform from Crimson Hexagon

The sustainability summit in April 2015 was a moment of recognition of how far the city and region has moved toward a sustainable future. It offered a glimpse of what could be from those who have traveled farther down that road. And the possibilities it raised kindled optimism that the efforts made over past years and those being planned will prove to be well

spent. "I've worked down here for 20 years," Pittsburgh's mayor told the audience. "There were times when I thought the best we could do was manage decline better than anyone else in the world. Now, it's about how we are going to manage growth, because it's coming." **P.Q.**

Jeffery Fraser is the Pittsburgh Today senior editor.

KNOW YOUR REGION

[pittsburghtoday.org](http://pittsburghtoday.org)

### Benefits of life at Providence Point

#### • No Property Taxes

Living in a retirement community makes property taxes a thing of the past.

#### • Goodbye to Home Maintenance

Forget the expense of utilities, snow removal, and other major home upkeep. Enjoy scheduled cleaning and regular maintenance services.

#### • More Tax Advantages

Under our LifeCare agreement, you can take a one-time medical expense deduction for federal income tax purposes. That helps offset capital gains taxes associated with the sale of property such as your home.

#### • Financial Security

With LifeCare, you can have peace of mind knowing that, if or when necessary, your long-term care needs will be met.

#### • Asset Protection

Our resident agreement offers a refund of up to 90% of the entrance fee paid.



*You've reached the best point in your life!*

You can experience Providence Point's vibrant senior lifestyle without any move-in obligation! Learn about our Future Residency Program or join us for an event.

Call 412-489-3550 or visit [www.providencepoint.org](http://www.providencepoint.org).



*"I thought retirement would slow me down, but there's so much to do, and now I have the time to do it!"*

*Ted Hardy, Providence Point resident*

Pittsburgh's premier retirement community is at  
500 Providence Point Blvd., Pittsburgh, PA 15243 A Baptist Homes Society Community



# HEALTH



## RISKY HEALTH BEHAVIORS RUN HIGH ACROSS THE REGION

**W**HEN IT COMES TO AVOIDING PREVENTABLE diseases, southwestern Pennsylvanians are their own worst enemy.

Rates of smoking, being overweight and physical inactivity across the seven counties that make up the Pittsburgh Metropolitan Statistical Area are among the worst in the Pittsburgh Today benchmark regions and the nation. Such behaviors have been strongly linked to preventable serious diseases, such as certain cancers, type 2 diabetes and cardiovascular disease.

Some 22.4 percent of adults living in the MSA are current smokers, according to the latest Centers for Disease Control and Prevention estimates. And 37.5 percent are overweight as determined by their body mass index. Both rates are above national and benchmark averages.

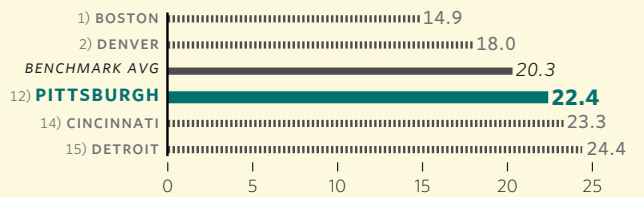
Only 75.6 percent of adults in southwestern Pennsylvania reported having engaged in physical activity during the month before they were surveyed. That's below the benchmark average and the fourth lowest rate among regions.

Underscoring the seriousness of the high rate of such behaviors, a health assessment published by the Allegheny County Department of Health in 2015 found smoking, physical inactivity, and obesity and poor nutrition to contribute to the majority of pre-

### BY THE NUMBERS:

#### Smoking

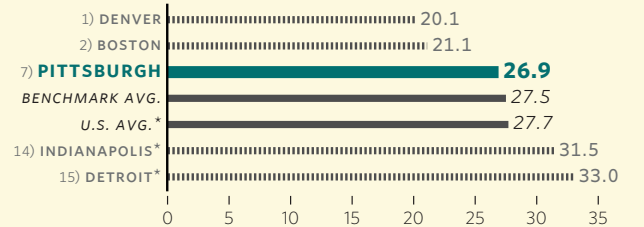
Percentage of population that are current smokers



DATA SOURCE: Centers for Disease Control and Prevention, by MSA, 2012

#### Obesity

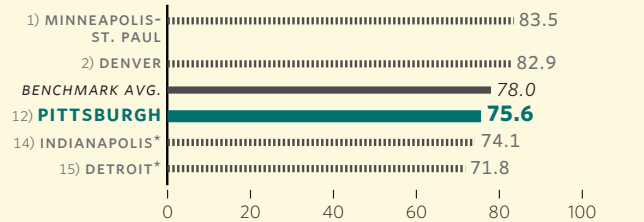
Percentage of population that are obese



DATA SOURCE: Centers for Disease Control and Prevention, by MSA, \*2011, 2012

#### Physical activity

Percentage of adults who participated in physical activity in the past month



DATA SOURCE: Centers for Disease Control and Prevention, by MSA, 2012

ventable disease among residents.

The study also reported that Allegheny County residents had rates of lung cancer, heart attacks, and angina or coronary heart disease higher than the state and national averages. The county's diabetes rate also exceeds state and national averages and the rate of residents being diagnosed with the disease is rising.

In a study published in 2015, researchers at the University of Pittsburgh Graduate School of Public Health found the incidence of low-birthweight births to be significantly higher among women with the greatest exposure to hydraulic fracturing gas drilling—as determined by their proximity to wells and the density of the drilling activity. They examined birth outcomes for 15,451 babies born in Washington, Westmoreland and Butler counties from 2007 to 2010. The study does not prove that proximity to wells caused the lower birth weights. Rather, researchers said, the results offer further evidence of the need for additional investigations into the health effects of unconventional gas drilling. ■