

PITTSBURGH'S CULTURAL TREASURES INITIATIVE

REAL ESTATE WORKING GROUP

THE HEINZ ENDOWMENTS

JANUARY 20, 2023

Presented by ULEAD, CJAM Consulting, and Martila Enterprise



PITTSBURGH'S CULTURAL TREASURES



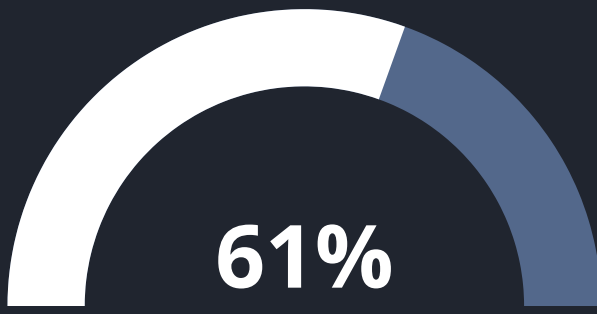
THE HEINZ ENDOWMENTS
HOWARD HEINZ ENDOWMENT • VERA L. HEINZ ENDOWMENT



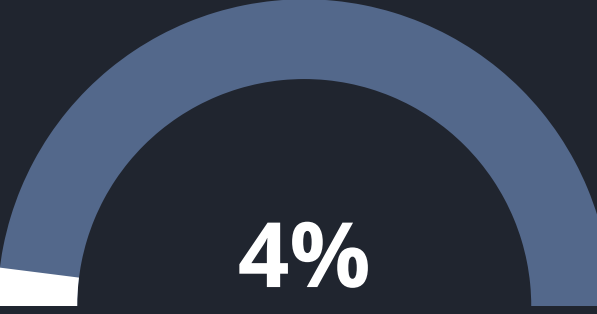


CURRENT STATE

Let's imagine the African American experience in the US. If each lap around the board of a Monopoly game represents a year, then the African American player got nothing for the first 350 rounds. The rest of the players used their income from the start of the game to amass resources and property. Finally, in the next 50 laps around the board, the African American player gets a tiny bit of money to start catching up.



Overall, 61% of Americans say there is too much economic inequality in the country today, but views differ by political party and household income level.



4% of commercial developers are Black nationally. Commercial real estate remains a field in which the vast majority of developers are white. ~ NAIOP

WELCOME TO THE PCTI REAL ESTATE WORKING GROUP

The purpose of the PCTI Real Estate Working Group is to provide "Open Space" meeting opportunities for Black-led arts and cultural organizations to explore and discuss real estate planning interests and priorities.



PCTI REAL ESTATE WORKING GROUP GOALS

- Educate by creating a learning community focused on real estate planning and activation
- Leverage consulting expertise to listen, learn, and develop action-oriented support
- Consider planning tools for ownership, leasing, and expansion options, capital campaign priorities, development partnerships, and place-making opportunities



SHARED DEFINITIONS

- Real Estate - Property in the form of land or buildings
- Readiness - The state of being ready or prepared for something
- Working Group - A group of experts working together to achieve specified goals
- Sustainability - the ability to be maintained at a certain rate or level.



PCTI REAL ESTATE WORKING GROUP FRAMEWORK

01

Engage

Center Treasures' real estate experiences and aspirations to create a space for meaningful discussions and learning.

02

Assess

Explore organization readiness and feasibility of brick-and-mortar project options

03

Learn

Provide opportunities for Treasures to learn, ask questions, share knowledge and build confidence through workshops, panels, site visits, etc.

04

Discover

Explore relevant real estate opportunities tailored to specified needs. Initiate real estate site visits to identify potential lease, purchase, and/or collaborative arts/cultural development efforts.

05

Act

Implement a clear path forward in the acquisition, expansion, lease, or strategic partnerships for the space desired. Prepare for investment with a clear scope of work, pro forma, and overall action plan.

THE CONSULTANT TEAM



Brigette M. Bethea **CEO | Lead Strategist | ULEAD**

A Pittsburgh native who grew up in the East End in Lincoln-Larimer, Shadyside, and East Liberty, Brigette has extensive and varied experience in national defense, public education, and the nonprofit sector and has worked and lived in many different countries and cultural contexts. A collaborator by nature, Brigette is energized by the work of supporting others and ensuring they have the resources they need to succeed.

As a US Army Intelligence Officer Brigette has deployed to Iraq and Afghanistan. Through these efforts, she was awarded a Bronze Star. She went on to coordinate the Defense Intelligence Agency's collaborative work with many different national and international agencies on behalf of the Joint Chiefs of Staff and the Defense Intelligence Agency.



Candace Jackson **Principal | Strategy and Business Model Design**

Over her 25-year career as an arts leader and entrepreneur, Candace has led numerous theater, dance, film, visual arts, and cultural organizations to design new business models, develop sustainable operating systems, and expand institutional capacity. Candace founded CJAM Consulting in 2006 to create advanced business strategies for arts and cultural institutions, particularly in communities of color.



David Sweeny **Senior Consultant | Non-Profit Real Estate | Finance and Development Services | Strategic Planning**

David Sweeny has dedicated his career to advancing social justice by leveraging real estate to support education- and economic development-focused non-profit organizations. His work has been recognized with a number of awards and honors, including the Ernst and Young Entrepreneur Award; Architects, Designers, and Planners for Social Responsibility; the Union Square Award; and the HUD Urban Excellence Award. Sweeny also founded two first-of-kind non-profit real estate and capital access organizations, Civic Builders and Greenpoint Manufacturing and Design Center.



La'Taunja Martin **Founder | Principal | Martila Enterprise**

Martila Enterprise (ME) is a professional construction management and real estate solutions company providing our clients with the best services from project initiation through project closeout. We aim to become the forefront company that offers an unparalleled experience by building trust and a valued relationship with clients. Martila Enterprise's value-added approach brings in a high level of expertise. With over 15 years of experience in construction, civil engineering, technology, and real estate, this allows us to bend the cost curve down while still bringing a high level of expertise to the table. Areas of specialty: Construction Project Management, Real Estate Acquisitions/Project Management, and Commissioning Services.

Mission: to create an experience that adds value and makes a difference in how projects are managed, resourced, and nurtured through tradition and innovation capabilities.

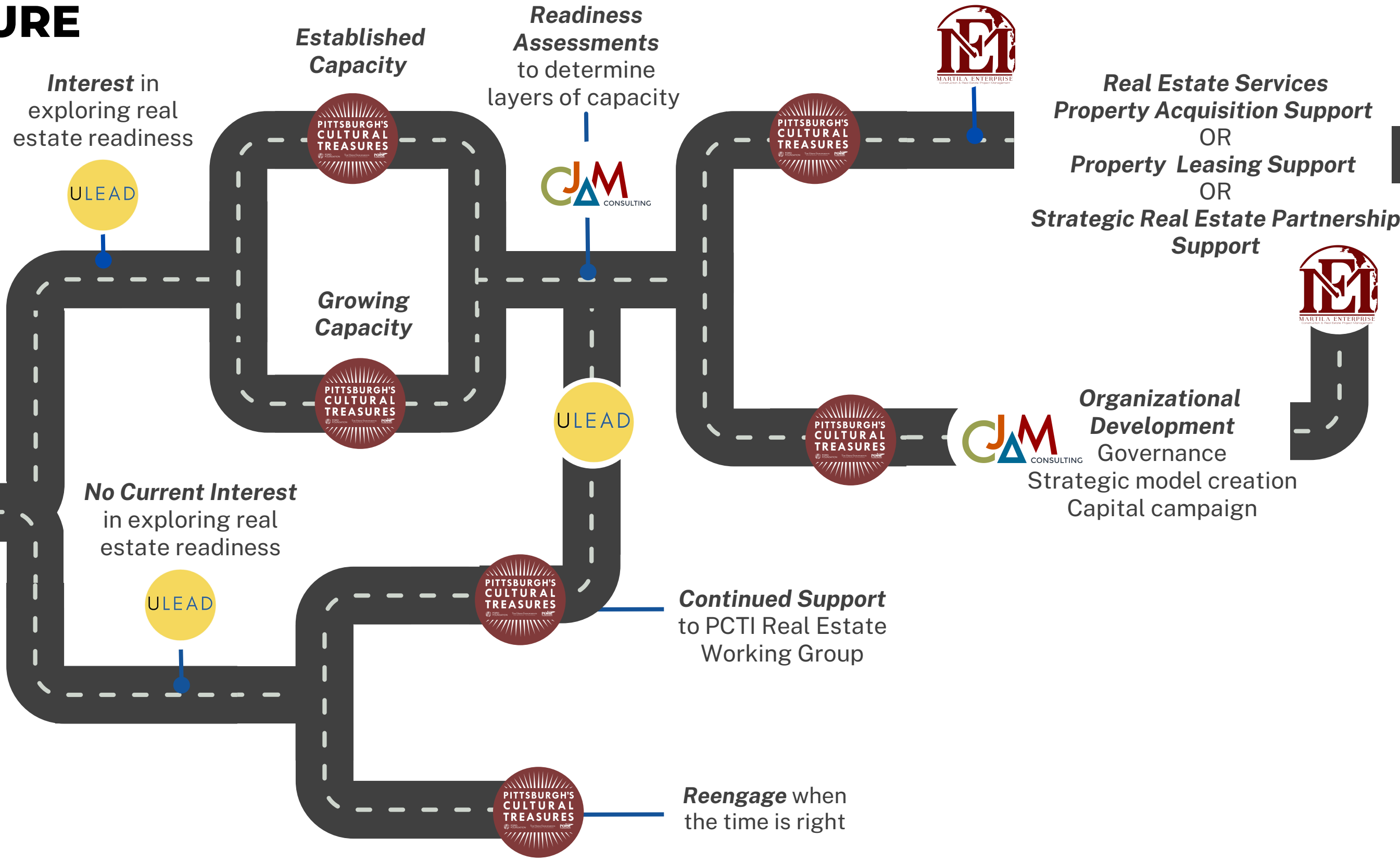


**THE REASON WE ARE
HERE IS YOU.**

PCTI STRUCTURE OF SUPPORT



PCTI Engaged by ULEAD



Lane of Education Various Facilitators

ULEAD

Master Planning

Financial Education

Capital Campaigns

Perfecting Your Pitch

Taxes and Tax Credits



SCOPE OF WORK

Project Oversight and Coordination

- Serve as project lead, direct point of entry for all consultants and PCTI organizations, and single point of contact to The Heinz Endowments
- Co-develop a purpose, mission, and goals for the project and serve as the lead for the PCTI Real Estate Working Group
- Establish project management flow and support structure for the PCTI Real Estate Working Group and consultant collaboration
- Manage all PCTI Real Estate Working Group convenings
- Coordinate all training, workshops, and panels

Research and Process Development

- Document the process for future use and refinement
- Capture key lessons learned and future opportunities for engagement
- Research similar efforts, processes, and support structures used in other cities and throughout America's Cultural Treasures Initiative
- Communicate feedback through written reports and oral presentations



SCOPE OF WORK

Capacity and Goals Alignment

- Leadership and board interviews
- Review of the summary organization's financial trends and conditions

Project Feasibility Analysis

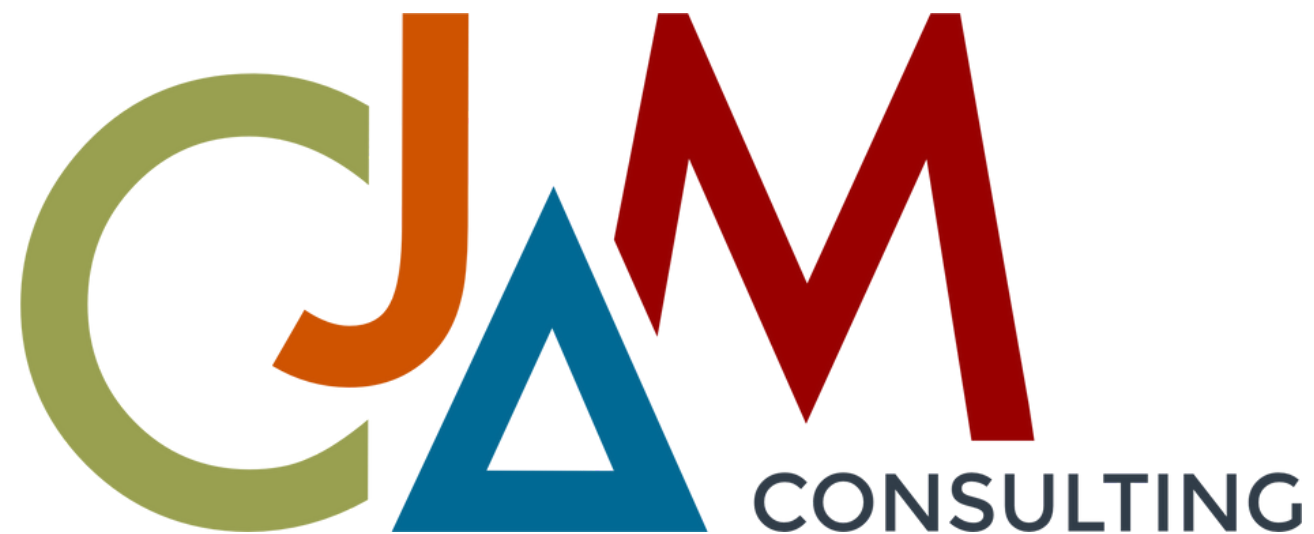
- Review project development documents
- Stress-testing primary development and capital project requirements and verifying underlying market conditions
- Confirm financial sustainability and operating budget forecasts

Transaction Design Evaluation

- Outlining benefits and challenges of long-term leasing, joint ventures, acquisition, and self-development and hybrid options

Capital Project Financial Model

- For projects positioned for capital funding: financial sources and uses data will be consolidated into a pro forma capital project financial model



SCOPE OF WORK

Understanding Your Investment

- Prepare business pro forma of property (income, expenses, NOI)
- Renovation required: engage A/E for design consultation (schematic design, concept, permit construction documents). Engage General Contractor for construction costs (Basis of Estimates)

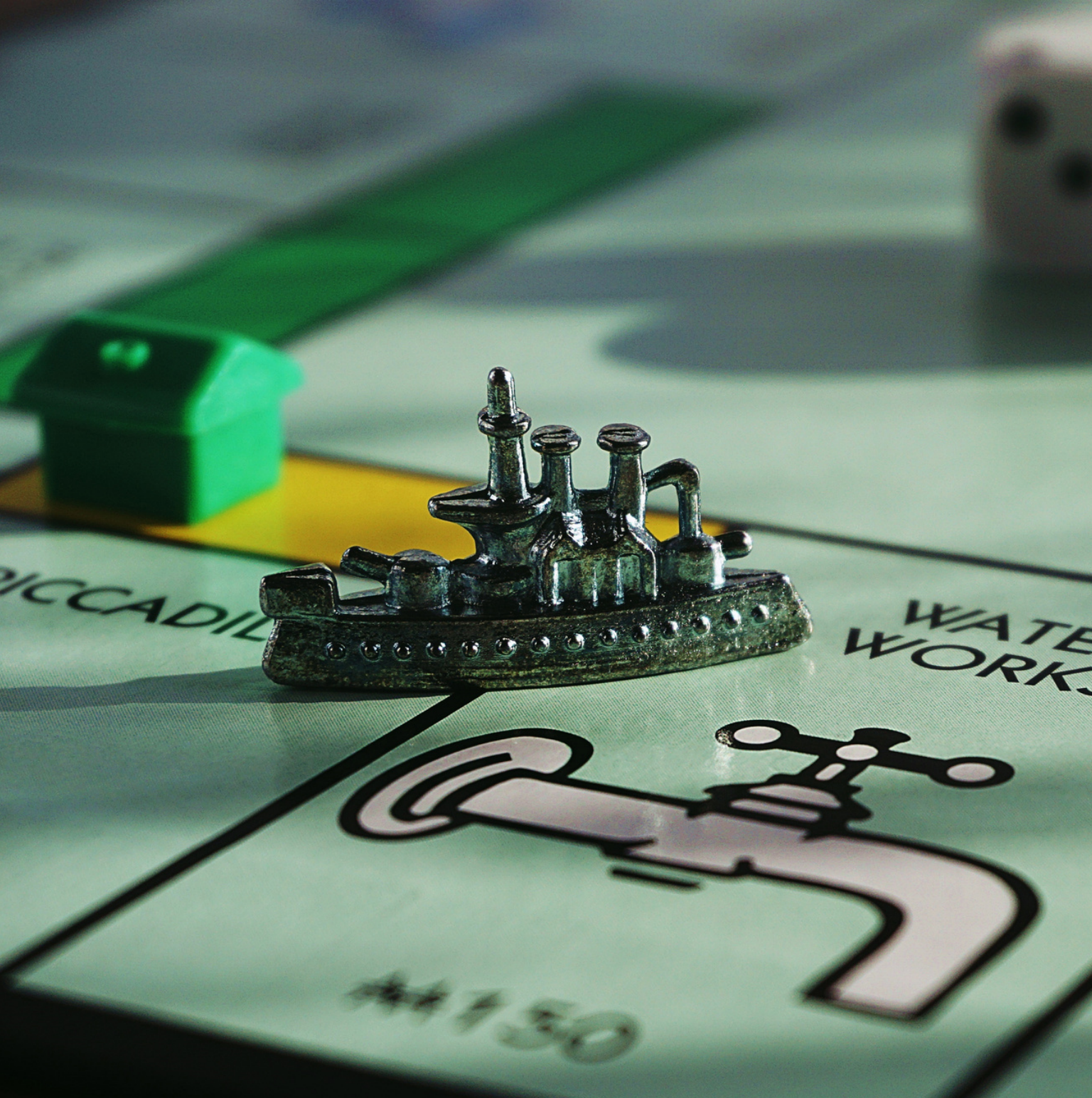
Prepare for Your Investment

- Schedule showings/onsite tours; daily/weekly property updates based on criteria (campaign)
- Make an offer and negotiate: review contract terms, negotiate the purchase price, due diligence, and prepare for down payment/hand money
- Off market: prepare a Letter Of Intent (LOI) to negotiate with the seller on a potential sale

Foundation for Path Forward

- Clear path forward in acquiring real estate (acquisition/expansion/lease), space desired
- ME to provide a clear project Scope Of Work (SOW) for the client
- ME to provide a preliminary project schedule base on client SOW
- Provide connections with appropriate lenders (BOA/PNC) for real estate preapproval





A. Initial stages of focus: Our organization is strongly inclined to undertake a real estate expansion/lease/purchase/space-share project, but we are still in the early stages and collecting basic information.

B. Committed to a plan and looking for a location to buy/rent/share: We have gone through initial planning and believe we may be ready to move forward, but we need a location.

C. Have a plan and a location: We need the capital. We've made progress in planning and have a site, and we're preparing to identify capital sources.

D. Have a plan and capital, working logistics of in-place renovation/space share: We have the basics laid out, and we're working to phase the real estate project so we can continue to operate.

E. Other

WHERE ARE YOU IN YOUR REAL ESTATE READINESS JOURNEY?

PROJECT SCHEDULE & NEXT STEPS

- Engage Treasures to solidify desire to engage
- Publish meeting schedule - quarterly
- Refine structure of support
- Develop schedule for learning and networking opportunities



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THANK YOU

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