

BROWNSVILLE COMMERCIAL HISTORIC DISTRICT

EXECUTIVE SUMMARY

In 2012, a comprehensive study (Study) of the Brownsville Commercial Historic District was commissioned by the National Road Heritage Corridor (NRHC), the Pennsylvania Historical and Museum Commission (PHMC), and the Redevelopment Authority of the County of Fayette (RACF). The study found that the Historic District is positioned well for investment, and has the potential to provide excellent economic development opportunities for the community. Located in economically strong southwestern Pennsylvania, Brownsville is within 500 miles of half the U.S. population, in the heart of the Marcellus Shale region, and only 50 minutes from Pittsburgh's booming commercial downtown.

PURPOSE OF THE COMPREHENSIVE STUDY

The comprehensive study of Brownsville's Commercial Historic District was commissioned to address pressing issues, including: a determination of the physical condition and reuse potential of existing buildings owned by the RACF; a market analysis of the region to identify viable market sectors that may be attracted to occupy buildings in the District; the development of guidelines that give recommendations about how to conduct building rehabilitation and new construction in ways that support the historic character of Brownsville; and a boundary assessment of the Historic District to confirm its continued listing on the National Register of Historic Places.

This study is also intended to provide sufficient information to develop marketing and promotional strategies in order to cultivate appropriate investors. The development of such a marketing and promotional effort is dependent upon the efforts of local, county and statewide entities and, of course, Brownsville residents.

Fifty-one (51) buildings contribute to the significance of the Brownsville Commercial Historic District as defined by the National Register of Historic Places. Every existing building contributes to the historic character of Brownsville, and each offers a range of reuse opportunities. Constructed with fine craftsmanship in the late 19th and early 20th centuries, most structures have street-level storefronts with upper floors adaptable for offices, storage, rental apartments, and more. The architectural character and the brick, limestone, and granite building materials are tremendous assets that would be impossible to reproduce in modern construction. The Historic District offers a variety of spaces where enterprises can locate and provides the kind of custom space and identity that is not available in other areas.

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A market analysis determined that the 15- mile radius around Brownsville generates annual demand for 124,000 square feet (SF) of retail, office, and residential rental space. These uses can be captured in the Historic District at competitive cap rates. Available RACF-owned buildings in the Brownsville Commercial Historic District are suited for these uses and range in size from 5,000 to 40,000 SF with ground floors ranging from 1,800 to 11,100 SF. There are also some opportunities to combine spaces between adjacent structures to create larger spaces.

Compared to other areas, there is a clear economic advantage associated with investing in the Brownsville Commercial Historic District, in part because substantial tax incentives are available to rehabilitate and reuse income-producing buildings. Under the federal Rehabilitation Investment Tax Credit (RITC) program, certain building rehabilitation costs are eligible for a 20% federal tax credit. In addition, in 2012 Pennsylvania launched a new state tax incentive program which supplies a 25% state tax credit. Rehabilitation estimates for RACF-owned buildings, before tax credits, range from \$630,000 to \$5.5M per building. With the use of tax credits, the total cost could be cut by up to 45%. This opportunity is only available to income-producing buildings listed in the National Register of Historic Places (stores, businesses, offices, residential rentals, etc.)

In addition to building rehabilitation, the District also offers parcels that are available for new development. New construction and productive new uses on vacant parcels that will reinforce and support the character and economic viability of the District are welcomed.

The Study includes four components:

- 1) **An economic market analysis** that addresses socio-economic conditions and identifies market sectors suited to occupy structures in the Historic District.
- 2) **A structural analysis and cost estimates** for the stabilization and rehabilitation of structures owned by the RACF (as of May 2012).
- 3) **A set of voluntary design guidelines** which, when followed, will maintain the character of the Historic District. The design guidelines address topics such as building rehabilitation, demolition, new construction, signage, and building maintenance; and
- 4) **A resurvey of the Historic District** to assess changed conditions since it was listed on the National Register of Historic Places in 1993.

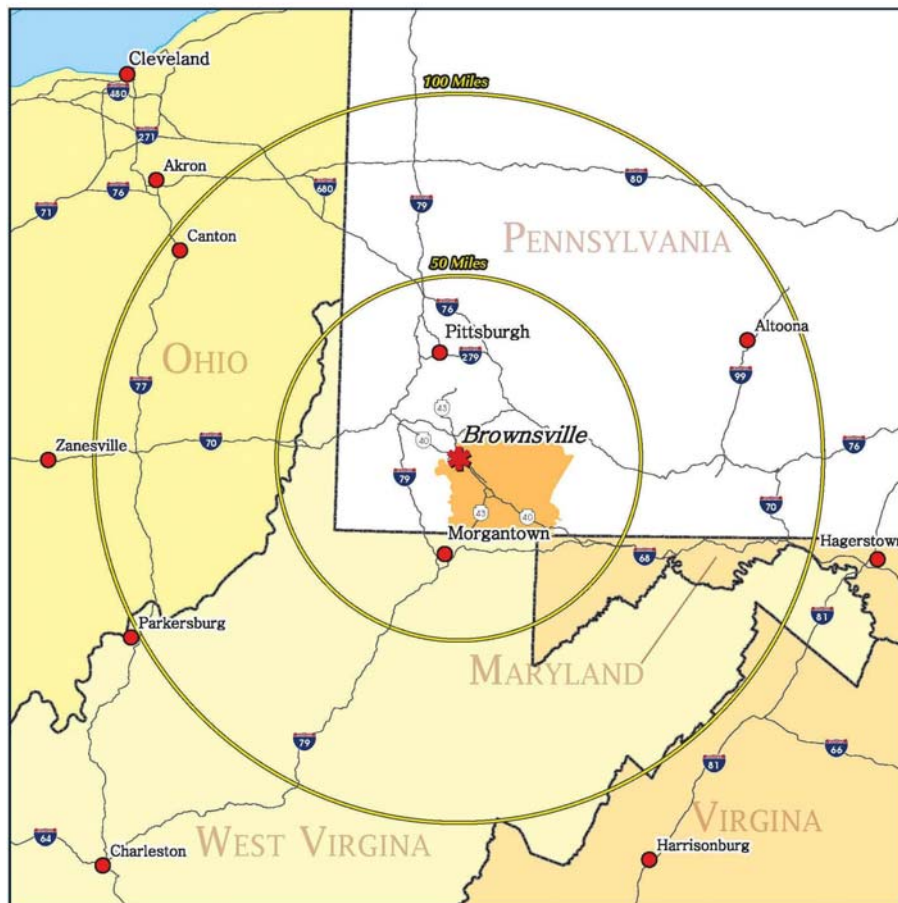
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LOCATION

The Brownsville Commercial Historic District is a central downtown district located in Brownsville Borough, Fayette County, in southwestern Pennsylvania. Historically, Brownsville was a main transfer point for travelers and goods between the National Road, the Monongahela River, and the railroad.

Market Street, the historically acclaimed “National Road,” passes through the center of the District. The Historic District also is situated adjacent to the Monongahela River and many buildings have unobstructed river views. Convenient transportation, river access, and the community’s appeal for eco- and geo-tourism bring visitors through the District on a daily basis.

Today, the area’s transportation synergy includes the Mon-Fayette Expressway, a 70-mile limited access highway connecting Brownsville with Pittsburgh’s suburban South Hills; additionally the Expressway includes a Brownsville to Uniontown connection that opened in July 2012. The Mon-Fayette provides easy access to Pittsburgh International Airport via interstate highway connections.



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Portions of Market Street, Brown Street, Brownsville Avenue, Seneca Street, Bank Street, High Street, and Water Street fall within the Historic District boundary, as outlined in blue on the map below.



The study was supported jointly by a grant from the PHMC, as well as the RACF, The Community Foundation of Fayette County Growth Fund, and Blueprint Communities Initiative of the Federal Home Loan Bank (FHLBank) of Pittsburgh.



Landmarks Design Associates, Inc. Architects along with its consultants, Fourth Economy, Inc., T & B Planning, Inc. and Skelley & Loy (hereafter, “Consultant Team”), was employed to develop the comprehensive study. The Consultant Team worked with the NRHC, the PHMC, and the RACF (which owns a significant number of structures in the District), to conduct the necessary research and prepare the study. A summary of each of the four components of the comprehensive study is provided on the following pages.

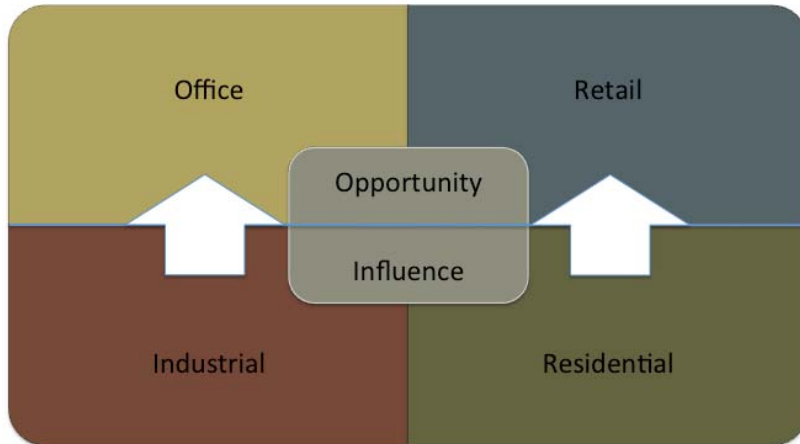
LDA ARCHITECTS, INC.

MARKET ANALYSIS

FOURTH ECONOMY

This analysis considered all four sectors of the local market: Office, Retail, Industrial and Residential. The focus for the Brownsville Commercial Historic District, however, is on Office, Retail, and Residential, but the analysis also considered how those opportunities are influenced by trends in industrial sectors.

Market Influences and Opportunities



Based on this understanding, there will be two basic alternatives (Gap Strategy of responding to local unmet needs or a Destination Strategy which creates a niche market to attract new customers) with the focus for the Historic District falling somewhere between. There are no firm standards for how much risk to assume, but if the goal is a Destination Strategy, which is more risky, then it is important for the controlling authority or other oversight agency to consider the following issues. What is the track record of the developer and operator – are they established in this market? Have they demonstrated success in attracting their core demographic? What share of the market would they need to capture to be successful? How much of the direct and indirect development cost will fall on the community? What is the potential to repurpose the buildings and sites in the event of failure?

Figure 1

	Pro	Con
Respond to existing unmet needs (Gap Strategy)	Development cost and risk are low	Market growth is limited
Create a niche market or attract new customers (Destination Strategy)	Stronger market potential	Development cost and risk are higher

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Summary of Opportunities

Retail: 44,000 SF of retail potential (see Page 12 of Market Analysis)

The sectors that would physically fit the best in the available building stock represent a five-year demand of 63,000 to 177,000 SF of retail space. The Historic District could capture 15 to 25 percent of the market demand with retail options that can service the residential and commercial development targeted for the district. In total, the Historic District could support as much as 30,000 to 44,000 SF of additional retail space. Any retail will have to complement and not directly compete with the proposed West Brownsville Wal-Mart to be successful. Potential options for retail are detailed in the full Market Analysis report.

Residential: Rental demand below \$300 per month and above \$750 (see Page 17 of Market Analysis)

There is a gap of about 816 units (new and replacement units) at prices below \$300 per month. Brownsville could capture ten percent of this unmet demand, which would equate to more than 80 units of housing in the Historic District. At 50% of median household income, affordable rents are \$320 per month. An additional residential segment is the workforce for the Marcellus Shale industry. Facilities that provide limited food service, laundry and cleaning will be attractive to gas workers who do not have the time for these household maintenance activities. These units could be priced at \$750 per month or higher (50 percent of industry wages), but would include more services and amenities. These facilities can also be designed to transition into assisted living or other senior housing.

Office: 50,000 SF of potential demand (see Page 24 of Market Analysis)

There is demand for general management and corporate space for small engineering services and technical firms. The Historic District is able to offer a variety of space where a small firm may be able to absorb an entire floor or a small building and provide the kind of custom space and identity that would not be available in a larger, multi-tenant facility. Three additional sectors have significant demand: Administration & Support, Finance & Insurance, and Arts & Entertainment, which tend to employ more workers but at lower wages. More workers in the Historic District would improve the traffic count for supporting retail but could place more stress on parking.

Conclusion - Total Potential Market Capture

Combined, the Retail, Residential, and Office sectors represent a total demand of approximately 124,000 SF per year in the 15-mile trade area compared to a total of more than 196,000 SF within the target buildings. More information on target buildings can be found on page 2 of the Historic Structures Study. Over a period of 5 years, the total

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space requirements would be more than 500,000 SF. With the right mix of properties, Brownsville could capture as much as ten percent of this demand, or 50,000 SF under a Gap Strategy. Demand under a Destination Strategy would be dependent on the targeted market and could consume much more square footage. Therefore, a combined Gap Strategy and Destination Strategy should be pursued.

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HISTORIC STRUCTURES STUDY

LDA ARCHITECTS, INC.

LDA reviewed the existing physical conditions of 14 structures owned by the RACF which stand within the Brownsville Commercial Historic District.

First, the structures were assessed to determine the extent of deterioration of the buildings since they were listed as contributing buildings in the 1993 Brownsville Commercial Historic District nomination to the National Register of Historic Places. The structural review found that all of the buildings suffer some level of deterioration ranging from roof leaks to collapse of significant sections of roofs and floor structures. However, the exterior walls of all fourteen buildings are in stable condition with no indication of structural failure. A sizeable portion of the rear wall of 62 Market Street is collapsed but is still repairable. Based on the stability of their primary structural systems and exterior walls, LDA does not propose that any of the RACF-owned buildings which were the subject of this study be re-classified as non-contributing structures in the National Register Historic District.

The condition of each of the structures was further reviewed to determine potential for retail, office, and/or residential uses. Accessible areas of each building were surveyed by LDA, existing conditions were noted, and simple first floor plan drawings were created for each structure showing principal structural systems and locations of principal stairs and elevators. The information compiled for each building is detailed in the Historic Structures Study.

Based on each building's size and configuration, LDA made recommendations for possible adaptive uses. An emphasis was placed on uses for which a market need was identified in the Market Analysis prepared by Fourth Economy Consulting and uses which could be adaptively inserted into the existing structures in a manner that would qualify for federal and state Historic Tax Credits. The recommendations are sensitive to the historic character of each structure including entrances, storefronts and windows; interior circulation patterns and architectural details; as well as exterior architectural elements. The building reuse recommendations are provided at the conclusion of each building report.

The following table summarizes the building sizes and reuse potential.

The budget estimates are for complete restoration/replication of all building elements and installation of all new building systems. The cost of construction of new apartments and offices in "move in" condition is included as well as finished retail spaces ready for tenant fixtures. Many of the buildings are in a condition where they can be returned to useable service for substantially less cost.

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PROPERTY STATISTICS, REUSE POTENTIAL, AND COST ESTIMATES

Address	Name	Ground Floor		Upper Floors			Estimated Rehabilitation Cost	Cap Rates	at 75% Occupancy
		Stories	Retail (sq. ft.)	Apts. (sq. ft.)	Units	Offices (sq. ft.)			
45 Market	Train Station	5	7,900	31,600	30		\$5,530,000	1.85%	3.70%
62 Market	2 nd National Bank	3	2,130			4,260	9,30,000	1.55%	4.53%
56 Market	Hotel	4	11,100	27,750	27		5,210,000	1.97%	3.95%
46 Market	Mon Bank	3	6,500			9,290	2,400,000	1.52%	4.25%
43 Market	Snowden	3	4,700	9,400	9		2,430,000	1.52%	3.04%
39-41 Market	2 Buildings	4	3,700	9,250	9		2,220,000	1.54%	3.09%
35 Market	Drugstore	3	4,145			8,920	1,620,000	1.81%	5.35%
29 Market	Church Reuse	3	1,980	3,960	4		880,000	1.83%	3.67%
21 Market	Kart's	2	3,600			3,600	1,110,000	1.53%	4.09%
17 Market	Gottzman	2	2,030			2,030	630,000	1.52%	4.06%
5 Market	G. C. Murphy	5	8,100			17,940	3,230,000	1.80%	5.35%
107 Brownsville Avenue	Newstand	3	1,800	3,600	4		760,000	2.06%	4.12%
124 Brownsville Avenue	Lodge	3	2,245	4,490	5		980,000	2.00%	3.99%
TOTALS			59,930	90,050	88	46,040	\$27,930,000		
Annual Demand in Market Area			24,083		816	124,273			
Market Study Reference			Page 10		Page 16	Page 25			

Notes:

1. See Market Study for further detail on demand and absorption rates;
2. Estimates assume typical concentrations of ACM and other hazardous materials for buildings of similar ages;
3. Estimates assume historic rehabilitation standards;
4. Allocation of upper floor uses is based on suitability of the space for each use.
Most upper floor spaces are adaptable to either office or residential use.

Purpose of Guidelines

The Design Guidelines give advice about how to treat defining features in the Historic District so that its overall “look and feel” remains an asset to the community. Nationally, studies have shown that places with distinct physical character and unique opportunities are known to attract new owners, visitors, creative economic investment, and compounded improvements. The commercial core of Brownsville has many significant historic features that can attract renewed interest and revitalization. The Design Guidelines provided in the comprehensive study of Brownsville’s Commercial Historic District discuss a range of topics related to redevelopment such as signage, building maintenance, building rehabilitation, demolition, and new construction. The Design Guidelines are voluntary, but provide information vital to the long-term viability of Brownsville’s revitalization, and provide guidance on how to approach several aspects of the District’s character. Abbreviated summaries of the Design Guidelines follow.

Streetscape and Architectural Pattern

The design character of the Brownsville Commercial Historic District is defined by the size and location of buildings positioned along the streets, in addition to the pattern formed by building façades, window and door locations, and decorative architectural details. The Design Guidelines prescribe methods to retain the Historic District’s character-defining pattern.



Architectural Character

The overall architectural character of each building is important to maintaining the overall integrity of the Brownsville Commercial Historic District. A majority of the significant buildings in the District have distinctive façades, which include character-defining features such as decorative cornices, archways, columns and brickwork. The Design Guidelines outline ways to retain the District’s distinctive architectural character.

Storefronts

Most of the existing buildings in the Historic District were constructed to serve commercial purposes at the street level. A majority of the buildings are designed with a traditional storefront, which contributes to a pedestrian-friendly atmosphere along the sidewalks. The Design Guidelines include recommendations to restore storefronts.

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Signs

Given that most buildings in the Historic District directly adjoin streets and sidewalks, there are few yard areas where freestanding signs can be placed. Most signs (other than street signs) in the Historic District will be found mounted on or attached to buildings, and the Guidelines provide direction for the placement and design of new signs.

Demolition and New Construction

Preservation of the Brownsville Commercial Historic District's historic character does not necessarily mean that every structure will be saved or that new construction never occurs. Some buildings may be subject to demolition and there are opportunities for new construction. However, the collection of historic buildings that currently exist in the Historic District make it special and unique; therefore, demolition and new construction have the potential to adversely affect this unique character. For this reason, the Design Guidelines consider the short- and long-term effects of demolition, and provides direction for the design of new construction.

Building Maintenance

Whether a building is rehabilitated, is in a state of disrepair, or is somewhere in between, one of the best ways to keep the Historic District attractive is to conduct maintenance on existing buildings. Maintenance can range from major repair to ensure a building's stability to minor maintenance. The Brownsville Commercial Historic District has a mixture of buildings in various states of repair and the Design Guidelines cover an array of maintenance needs.

Special Treatment Area – Dunlap's Creek

There is substantial opportunity to enhance the area around Dunlap's Creek. This area has the potential to attract visitors and serve as a gathering area for outdoor activity. The Design Guidelines suggest that structural foundations built over the creek can be removed to increase visibility of the Dunlap Creek cast iron bridge the first cast iron metal arch bridge in America. Furthermore, the existing passive public park and pedestrian access to Brownsville's Riverfront Wharf are good prospects for enhancement.



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NATIONAL REGISTER DISTRICT CONDITIONS ANALYSIS

SKELLY & LOY

The following recommendations regarding the National Register of Historic Places boundaries of the Brownsville Commercial Historic District are based upon: the historic structures study of the fourteen buildings controlled by the RACF, the assumed conditions of buildings not under RACF control, and an analysis of both the existing Historic District boundaries and the National Register inventory of contributing and non-contributing buildings within the Historic District.

- The NRHD boundaries of the Brownsville Commercial Historic District should remain as they were drawn when the historic district was listed in 1993, except:
 - The RACF, National Road Heritage Corridor or Brownsville property owners should consider amending the existing nomination boundaries to include the commercial building located at the southwest corner of Bank and Prospect Streets.
- The inventory of contributing and noncontributing resources should remain the same, except:
 - The status of the frame-constructed former Monongahela Railroad building, located at 49-53 Market Street, should change from contributing to noncontributing due to a significant loss of historic integrity;
 - The status of 81-83 Market Street and of the one-story building next to the Flatiron Building, located at 69-71 Market Street, should be changed to contributing.

Amending the boundaries and changing the status of the buildings would require amending the existing NRHP nomination. Any effort to amend the nomination must be coordinated with the PHMC.

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CONCLUSIONS

- The character of the Historic District is a unique, irreplaceable community and economic asset. It is defined by the design, scale and location of buildings, brick and stone building materials, and the distinct pattern formed by a consistent repetition of building façades, window and door locations, and decorative architectural details.
- Contributing features in the Historic District include 19th and early 20th century buildings and Dunlap's Creek Bridge, the first cast iron metal arch bridge in America.
- The principal structural components of buildings in the Historic District are stable, but the buildings are in need of repair. Without stabilization, structures will fall into further disrepair and some may be targeted for demolition.
- Buildings in the Historic District are best suited to accommodate retail, office, and residential rental uses, as well as other similar uses.
- The 15- mile radius around Brownsville generates annual demand for 124,000 SF of retail, office, and residential rental space.
- The demand in Brownsville's trade area for retail, office, and residential rental units can be captured in the Historic District at competitive cap rates.
- The Historic District offers a variety of spaces where enterprises can locate and provides the kind of custom space and identity that is not be available in other areas.
- Available RACF-owned buildings in the Brownsville Commercial Historic District range in size from 5,000 to 40,000 SF. There are opportunities to combine spaces between adjacent structures to create larger spaces.
- Up to 45% of qualifying building rehabilitation costs may be reimbursed through federal and state historic tax credit programs, including a state historic tax incentive introduced in 2012.
- Rehabilitation cost estimates for RACF-owned buildings, before tax credits and other incentives, range from \$630,000 to \$5.5M per building. By using tax credits, these costs can be cut nearly in half.
- The integrity of the Historic District is intact. It will remain listed on the National Register of Historic Places for the foreseeable future.