

THREE PNC PLAZA & FAIRMONT HOTEL

URBAN LAND ASSEMBLAGE

SITUATION

At one time in the mid-1990's, major Pittsburgh area corporations such as Alcoa, National City Bank, Mellon Bank, PNC Bank and Davy Engineering were analyzing their central business district office occupancy and expansion. Each entity was seeking space in excess of 200,000 SF thus making it feasible for a developer to combine several of these users into a new high-rise building.

PROBLEM

Over 1 acre of land was necessary to consider building a new office tower with in excess of 600,000 SF of rentable area. No such site existed. LWE viewed the lower Fifth Avenue corridor as a primary target for redevelopment and set their sites on a property assemblage. The entire project encompassed thirteen properties involving eight owners and twenty-one leases between Fifth Avenue and Liberty Avenue. The entire site would yield land for development of approximately 1.14 acres surrounded by One and Two PNC Plaza, Fifth Avenue Place, Heinz Hall and Dominion Tower.

SOLUTION/BENEFIT

LWE obtained Options to Purchase the properties within the targeted area and held them for several years while shopping the new development to potential developers and tenants. PNC purchased options from LWE then later built Three PNC Plaza at Fifth and Market Streets. This building not only includes office space for PNC and ReedSmith, LLP, but the Fairmont Hotel and residential condominiums.

The entire assemblage of properties encompassing approximately 49,674 SF of land ultimately becoming the cornerstone for Pittsburgh Mayor Tom Murphy's Fifth and Forbes Avenue Revitalization plan.

