Downtown Pittsburgh struggled to provide an energized purpose for many abandoned and underutilized buildings in the Fifth and Forbes corridor. As the area suffered from disinvestment, the City of Pittsburgh became the de facto developer of the area for many years. After the failure of numerous retail stores, the City pursued redevelopment with an outside, private developer. In May 2006, the City selected Millcraft Industries to develop a mixed-use development consisting of residential rental “workforce” housing units with first floor retail and space for the local YMCA. This project involved the redevelopment of five dilapidated, but historically significant buildings, including the nostalgic G.C. Murphy building.

CCG provided the development with an $18.2 million NMTC allocation and US Bancorp CDC provided $5 million of NMTC allocation. This collective investment was in support of a project with total costs of just over $40 million.

US Bancorp CDC served as both NMTC and Historic Tax Credit investor, and US Bank National Association Pittsburgh’s office participated in its first NMTC transaction as leverage lender. The CDEs provided both debt and equity financing. Additional funding sources included: Historic Tax Credit equity; Commonwealth Redevelopment Capital Assistance Program (RACP) grant funds; and City of Pittsburgh Housing & Redevelopment Assistance Program soft debt.

The Market Square development recently won a Commonwealth Award Gold Medal for “Best Mixed Use Development” in Pennsylvania.