



FOR IMMEDIATE RELEASE:

Strategic Investment Fund Lends \$6 Million for Conversion of Former GNC Building to 253 Residential Units

(PITTSBURGH – October 10, 2023) – Strategic Investment Fund Partners (SIF), a private sector source of gap financing for catalytic real estate projects in southwestern Pennsylvania, is providing \$6 million in financing that will enable the former GNC building in downtown Pittsburgh to be converted to 253 units of market rate residential housing.

The SIF loan is the last piece of financing the project needs to move forward. In addition to the residential units, the building will include over 13,000 square feet of commercial space and 34 integral parking spaces.

The \$6 million loan will be fixed at 6.5% for the six-year term, with interest-only payments for the first 36 months of the loan.

The loan is a proof of concept resulting from a recent study that analyzed underutilized office space that could be repurposed for other needs.

“This is exactly the type of financing SIF exists for, aligned with our Regional Cores Investment Strategy,” said SIF Board Chair David J. Malone, Chairman and CEO of Gateway Financial Group. “The conversion of this commercial property to residential will bring more people to downtown, help to catalyze investments in retail, restaurants and other amenities essential to support the growing downtown neighborhood, and will provide a valuable roadmap for future projects, not only in downtown Pittsburgh but in downtowns and main streets across the fund’s 12-county footprint.”

“Victrix is grateful for the support of this innovative and cutting-edge program,” said Anoop Dave and Tim Gordon, partners in the firm developing the project. “We are excited for this project to become part of the fabric of downtown Pittsburgh.”

The building, located on Wood Street between Sixth and Oliver Avenues, was designed by legendary architect Daniel Burnham and first opened in 1904. GNC closed its location there in 2022.

The Regional Industrial Development Corporation of Southwestern PA (RIDC) is responsible for managing the SIF fund, identifying projects, performing underwriting, recommending investments to the SIF Board and providing oversight of investments. Founded in 1996 by the Allegheny Conference on Community Development (ACCD), SIF has previously supported 67 projects with \$171.2 million in financing.

The type of “gap” financing SIF provides is intended to bring projects to fruition that have other sources of financing but would be unable to move forward without the additional investment from SIF. The flexibility SIF offers makes new and innovative projects more feasible. Projects must align with one of the following strategic criteria:

- **Regional Cores Investment Strategy (RCIS):** Support regional downtowns by maintaining quality office space, converting vacant buildings, and investing in desirable amenities for workers, residents and visitors.
- **Research & Development Led Industry Strategy (RDIS):** Develop properties integral for the growth of research and development driven companies.
- **Strategic Site Acquisition Strategy (SSAS):** Provide purchasing power when certain projects advance SIF's goals and other strategies.
- **Innovation Strategy (IS):** Remain flexible and responsive to projects that further SIF's mission and objectives as the regional economy evolves and new opportunities present themselves.

More information on SIF can be found at www.strategicinvestmentfund.org.

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