

Civic Arena Re-Use

On July 6, 2010, the Tribune-Review reported, "Downtown Pittsburgh not saturated with venues, theater leaders say". The struggling August Wilson Center is surrounded by at least 21 other performance spaces in and around Downtown -- many just blocks away -- and more are on the way. But local arts leaders and watchers say the abundance of theaters has not glutted the market.

The same can hold true for the Civic Arena and its \$9.3 million debt. I advocate using the arena for public ice skating, needed ice time for youth hockey, concerts, circuses and more while providing the uniqueness of open air events. Yes, it would directly compete with the Consol Energy Center for all of these events.

The NHL boasts of the "Winter Classic", a hockey game played outdoors in a football stadium. Clearly it is not designed for hockey, but the Civic Arena has had this extraordinarily open air opportunity since 1961.

Now that Lemieux has obtained his new arena by threatening to leave Pittsburgh, why should he be guaranteed all arena events? Competition will lower the costs to concert promoters, bringing more events to Pittsburgh. This would benefit the city in generating more parking, amusement and business revenues to city coffers.

The SEA published unsubstantiated figures regarding the "mothball" approach but failed to report the revenue streams available for the Civic Arena.

1. Using current RAD funding

2. Federal Grants

"\$29 million in Earmarks for demolition could be better used for preservation."

3. DCED/State Grants.

"If the state/DCED can give Red Tettemer, Inc. \$59.7 million to promote tourism and produce a pornographic video on Youtube.com, surely they can support a "regional asset" of historic caliber".

4. 20% Federal Tax Credits for historic preservation

5. Create Sports Player Tax, for assisting all sporting and civic facilities.

"It's about time sports owners and players pay their fair share".

6. Naming Rights of venue, balance of Mellon Arena naming rights.

7. Pouring rights (soda/beer brands)

8. Concession revenues

9. Indoor advertising

10. Ticket revenues/amusement taxes

11. Parking revenues from events

12. Parking revenues from Consol Energy Events

13. Parking revenues from downtown commuters

14. Corporate sponsors

15. Foundation support

The SEA is relying on the HOK report that supported demolition and using the HOK designs for the Consol Energy Center. An independent feasibility study needs to be completed on competing venues and revenue generation, especially since the Tribune-Review report shows that Pittsburgh can sustain multiple venues.

In summary:

Point 1, the SEA violated the State History Code, ensuring that individuals with a demonstrated historic preservation interest in the project is represented was continually ignored in two meetings minutes.

Point 2, failure to identify federal funds for redevelopment and violates Section 106 of the National Historic Preservation Act by using "elements of Section 106" rather than the entire code.

Point 3, no independent consultant was retained, no recusal from future development contracts were made. This is a conflict of interest.

Point 4, SEA Board can not be remain objective and independent, as they are "at will" appointments. This is exemplified with the ouster of RAD Board Member Fred Baker. This is a conflict of interest.

Point 5: The "IP Committee" did not have input as to who should provide redevelopment designs should demolition take place. The Pittsburgh Penguins were given preemptive redevelopment rights without a competitive bid and that represents a "conflict of interest".

Point 6: The presentation given by David Morehouse is prejudicial and a conflict of interest as no report was available about the economics of competing venues.

Point 7, the re-use comment was unsubstantiated and prejudicial to the IP Committee and focuses on a limited contingent Hill District residents when it involves all taxpayers of Allegheny County.

Point 8, PHMC application for historic preservation and those merits were not discussed with the IP Committee and considered or entered into the minutes.

Point 9, no feasibility" studies on competing venues that would bolster preservation including government tax dollars for redevelopment vs historic tax credits and current RAD taxes for preservation and continued operation.

Point 10, the SEA ignored my April 21st presentation on RAD law, failed to discuss this with the IP Committee and \$34 million spent on preservation of this facility.

Point 11, the public hearing process was very limited in scope (just one hearing). The historic merits and redevelopment proposals were not shared countywide.

Point 12, selling off assets of the Civic (mellon) Arena is prejudicial to the fate of the structure.

Point 13, SEA Consultants are making assumptions that the IP Committee supports demolition.

SEA HISTORY HANDOUT:

The SEA is supposed to be stewards of the public trust.

The SEA tore down 3 Rivers Stadium with a \$45 million debt after receiving \$60 million in RAD funds over the last six years. They gave away the naming rights of the two stadiums to the tenants and a sweetheart deal to the Steeler's for land development.

The SEA gave away \$18 million in naming rights to the tenant of the Civic Arena. They stuck the taxpayers with cost of highway sign changeover, from Civic to Mellon Arena. The SEA gave away the development rights of the Civic Arena before a determination has been made on preservation or redevelopment. The SEA auctioned off the Civic Arena basketball court before a determination has been made on preservation or redevelopment.

The SEA received \$34 million in RAD money and failed to do routine maintenance on the dome. So now it is an issue to support \$3.9 million in demolition costs for a "leaky roof". The RAD monies and/or naming rights money should have been used for that basic maintenance.

When asked if the SEA has determined if the cost of roof repair is less than the cost of demolition of the Mellon Arena, SEA Special Counsel, Rosemary Carroll replied, "The SEA has not made this determination." The SEA failed to do a repair estimate for the dome but know the costs of demolition.

The SEA has tried to ignore the \$29 million in federal earmarks.

A Tribune-Review report of July 7th shows the Convention Center is expected to post a \$409,000 operating deficit and closes with a comment that the convention center's electricity and other utilities cost less than expected because "with fewer events, less utilities are consumed." A cursory check shows the SEA received a \$1.5 million grant from the DCED. The grant went for salaries and utilities.

Mary Conturo was asked to open the dome for the James Taylor Concert, she referred the query to the Pittsburgh Penguins. When contacted, the Penguin office said their lease was only for hockey events, therefore they would not be able to make that decision.

For an Executive Director of the SEA making \$126,290 in salary, Ms. Conturo does not know much about who's in charge or what the leases stipulate. The SEA has a very poor track record and is not fulfilling their fiduciary responsibility to the taxpayers.

Recommendations:

We could recommend the IP Process to start over and better publicize for IP Members.

We could recommend the Section 106 of the National Historic Preservation Act be applied from the beginning.

We could recommend for Baker Engineering, Oxford and Chester's contracts be terminated to remove the political influence.

We could recommend for the Arena Development rights be rescinded.

We could recommend the monies for the Arena basketball floor be returned to the Arena's general operating fund.

We could recommend public meetings be held in all 13 County Council Districts.

But since the SEA Board has the final decision, it will be based on politics and not historical merit. Therefore, I recommend that the SEA Board relinquish this decision and remove the dirty politics and place the decision in the hands of the Civic Arena's owners, the Allegheny County voters via a ballot initiative on November 2nd.

Finally, I recommend that Ms. Conturo tender her immediate resignation as it is clear she is not serving the will of the people and has failed the fiduciary responsibilities to the taxpayers.