

# Meeting Minutes

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**Project:** Mellon Arena

**Subject:** Interested Parties Meeting #3

**By:** Lisa Olszak

**Date:** March 17, 2010

**Time:** 6:00 – 8:00 pm

**Place:** Room 335  
David Lawrence Convention Center  
Pittsburgh, PA

**Attendees:** See attachment 1

**Handouts:**

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## I. Introductions

A welcome and introduction was provided by Timothy Zinn, architectural historian with Michael Baker, Jr. Tim reviewed the Interested Parties process as a consultation process that seeks to accommodate historic preservation concerns through consultation among agencies and other parties with a demonstrated direct legal or economic relationship to the project or affected properties, or concern with the project's effects on historic properties. The goal of the process is to reach an informed consensus on the recommendation of a redevelopment option that avoids, minimizes, or mitigates potential adverse effects to the arena site.

Tim provided a recap of the alternatives generation activity of the prior meeting that resulted in a list of four primary alternatives:

1. Do nothing (Mothball)
2. Arena Re-Use and Site Development
3. Arena Demo and Site Development
4. Use as a parking garage

Chris Cieslak introduced herself and noted that there were two concerns that emerged during the prior meeting: that the process was being set to a predetermined timeframe that was not long enough and that sharing information in an open format was important for Interested Parties to be more informed in their decisions. In response to those concerns, Chris noted that tonight's meeting was an interim meeting to allow those that have completed a great deal of work on alternatives to provide an overview of their work to the Interested Parties group. The purpose of the meeting was not to analyze their presentations and options but to learn and share.

Chris mentioned another request from the prior meeting to provide a copy of the obligations of the SEA as noted in the sublease and option agreements in preparing the site for redevelopment. Paper copies were available at the front of the room. The executive summary of the results of the environmental studies was also made available in the front of the room.

Chris discussed the importance of creating a continuous process of information sharing, encouraging questions and answers, and increasing the number of meetings. The next Interested Parties meeting is scheduled for March 30 from 6-8 PM at the Convention Center. The Interested Parties meetings will be held every two or three weeks, providing progress reports at each meeting. The first public meeting will be held in conjunction with the quarterly Hill District public meeting which reviews progress on the Consol Energy Center. The meeting will be held on April 15 from 6 – 8 PM in the social hall of the Epiphany Church. (Note: This meeting was subsequently postponed indefinitely). An update of the Interested Parties process will be provided to the public at that time, along with seeking their feedback.

A request was made for Chris to summarize the terms of the Penguins/SEA agreement, to which she responded that there was an initial MOU that outlined the broad framework for development of Consol Energy Center. Within the MOU was an assumption that Mellon Arena would be demolished. The MOU led to the evolution of the Development Agreement and the Sublease. The Development Agreement governs the development of Consol Energy Center and site. The sublease governs the lease of those premises– addressing the rent by the Penguins and the development of the 28 acres.

Tim introduced the presentation plan as outlined on the agenda and presented in the following sections.

## I. Arena Demolition and Site Redevelopment

### Presentation

David Morehouse, President of the Penguins, presented the Penguins' Plan. Highlights from the presentation included:

- A common theme among all proposals is that development of the 28-acre site can be transformative for the region.
- Development focuses on connecting the community, mixed use, restoring the street grid, housing, retail and office space.
- Investors will dictate what eventually happens.
- It is anticipated that 4,000 permanent jobs and 1,100 housing units will be created, along with \$29 million in annual tax revenue.

Don Carter of Urban Design Associates (UDA) also added that:

- UDA has been working with the Penguins for ten years (prior to a new site being identified) and that they have updated the master plan periodically.
- The site (prior to and after Mellon Arena construction) was illustrated through a number of graphics. The numerous displacement impacts and relocated streets were noted.
- Prior to developing a design, a set of design principles were adopted 1.) development to include restoring the street grid, 2.) location of residential development next to residential development, 3.) transition of scale that increases building size and density as the neighborhood transitions to downtown, 4.) pedestrian network with a downtown connection, 5.) creating highway connections (highway and transit), 6.) shared parking (for day workers, residents and event attendees), and 7.) ensuring corridor views remain open.
- The development program currently demonstrates 1,200 residential units, 208,750 sq ft of commercial development, 600,000 sq ft of office space, 150 hotel rooms, 2,200 parking spaces and 5.8 acres of open space for a total of 3,251,750 sq ft of development.
- The most important component of the plan is that the street grid has been recreated for Wylie Avenue, a major Hill District connector. Other elements include new housing, parking that is hidden from the street view, community center, mixed use building and higher density sites with the hotel, office buildings and apartment buildings.
- Recreation of Fulton and Logan Streets, relocation of Mario Lemieux Way and more graceful grading of the site is possible without the Mellon Arena.
- A detailed review of the development of four blocks included townhouses, flats, apartments, parking, wide sidewalks and trees, double-loaded apartment buildings, a community center, park, and combinations of office and green space.
- 4,231 construction jobs will be created for a total payroll of \$160,772,005, with tax recognized by the city, county, and state.

David Morehouse closed the presentation by noting that there is a great deal of property in Pittsburgh that hasn't been developed and that the success of this project will be to reduce obstacles to development.

### Comment / Response

1. C: If there will be a reconfiguration of Fulton Street, will you work with the Squirrel Hill Institute to have art and plaques as a part of that area?  
R: Yes.
2. C: With regard to the lid [cap over Crosstown Expressway], what is it?  
R: It is open green space – a park, creating a physical reconnection with downtown. The bridges divide the area from downtown and it is expensive to create a structure to build on, so the lid is seen as a green space connection that begins the connection of a series of parks in town.
3. C: Pittsburgh is being marketed in a different way (as exemplified by the G20). That momentum and message

should be built upon to attract developers. The world is our oyster and how we work on development is particular to our city and out of respect for everything we've gone through. We are seeing and hearing about a much brighter Pittsburgh. The invitation to Google to locate in our city is an example of that. Our history doesn't have to be defined by poor urban planning. This is our chance to get it right.

R: We agree.

4. C: Why not consider options for reuse of the building? Portland, OR is an example. Would you be open to other options?  
R: That's why we are here. We are open to looking at anything.
5. C: You said that the lower Hill District site has obstacles. What are they?  
R: If we put restrictions on developers (such as telling them that they must build around the existing building), we may lose their interest. It is customary to provide developers with a pad-ready site with infrastructure ready to go.
6. C: What is included in the 4,000 permanent jobs? Is it from the high-rise office buildings, hotels..?  
R: Yes, and retail, landscaping, parking attendants, everything.
7. C: Will there be an effort to include MBE/WBE participation?  
A: Definitely and including Hill District residents.
8. C: What are the assumptions about subsidies?  
R: We have assumed a public/private partnership which is typical in these types of developments.
9. C: If there is a park created over the Crosstown lid, there will be federal funding involved and require a Section 106 initiation.  
R: We are following the 106 process as closely as possible. If federal funds are obtained, we will identify a lead federal agency and incorporate it into the process.
10. C: Did you consider re-using the arena?  
R: The Hill neighborhood has clearly said, "tear it down, it has destroyed our neighborhood." So it was a non-starter from day one. We already have a challenge to find a developer because of the existing undeveloped space in Pittsburgh and do not want to make it harder to attract a developer to this site. This is a premiere site with great potential but there are no assurances. With Oakland only 1.5 miles away, the attractiveness of this site is increased.

## **II. Arena Re-Use and Site Redevelopment**

### Presentation

Rob Pfaffmann presented the Reuse the Igloo! Plan, noting that the purpose of his presentation was to create a dialogue.

Highlights of his presentation included:

- The purpose of the meetings is for dialogue and we are committed to doing so.
- A number of volunteers have done advocacy for reuse of the arena since 2001 and spent many years working on this effort.
- The site has a very negative and positive history.
- Issues to be considered in development are reconnecting the Hill District and creating an inclusionary process for development.
- There are many meritorious examples across the world for reusing historically significant buildings and the learning from these sites can be applied to the Mellon Arena, which also has historical significance.
- The original Mellon Arena had a mix of progressive elements and oversights.
- The original street structure was more complicated than what focusing on restoration of Wylie Avenue implies. There were numerous alleys and smaller streets.
- Redevelopment could create a pedestrian street of Wylie Avenue.

- Lemieux Way could be left in place and still accommodate the Hill District plan with affordable housing and connections to downtown.
- Planning for incremental growth is important, so we propose focusing on Phase I which includes ideas such as:
  - Developing the parking area with a green plan on top that becomes a new platform. The dome then doesn't need to block views
  - A 120-140 room hotel
  - Creating a sports center with a condo hotel or concert venue for jazz
  - Including office space in the arena
  - Creating an alternative events site to Point State Park and alternative space for cultural groups and city celebrations
  - Consider taking advantage of the embodied energy of the building (what it took to build it)
  - Creating a developer-ready site with removal of the internal seating
- Our plan creates a national destination.
- There appears to be a savings in the Reuse the Igloo! Plan when compared against the Penguins' Plan.

### Comment / Response

1. C: My sense of travel and tourism is that it offers enormous possibilities that aren't factored into the Penguins' Plan. The Reuse the Igloo! Plan has an increasing following and support as demonstrated by the number of those signing up on Facebook. There are people in the Hill District who feel it would be a shame to throw away this asset.
2. C: The Hill District does not want remnants of the arena to remain, so why is a plan to save it presented? The human factors are not considered. The Hill District development principles very clearly state that they want the facility completely removed.  
R: I talked with others who say that the phrases within the Hill District development principles that refer to completely removing the arena were not included until later in the development process. I do not believe we have a true picture of Hill District support. We encourage a continued dialogue to determine if it is the true wish of the Hill District.
3. C: With the construction of the Mellon Arena, the Hill District lost more than economic opportunity of the region, they lost connection with one another and the opportunity cost of selling their own properties. We have a chance to create purpose, planning, and prosperity from developing the neighborhood. Those who want to cling to the building don't understand how the Mellon Arena affected the Hill District.  
R: I agree with all that you said except that we do not understand the Hill District's needs. We want to keep the dialogue open.
4. C: The process for creating development principles in the Hill District was very open. They have emphatically stated that they want the arena to come down. It is the political will of a lot of people.  
R: Why have you attended a meeting about considering options if you are not open to them?
5. C: Shame on all of you for talking about the Hill District in paltry ways. They are most upset about the destruction of the business corridor. Neither presenter has addressed a business plan for Centre Avenue. This is about space, place, and people. You need to revisit the Hill District. I invite you to attend the upcoming performances of Radio Gulf and Jitney as one way to better understand the community. Please take a tour of the Hill. Put people first.  
R: Thank you. Your charge and critique is on us. We had been forced into a legal and political process that hasn't allowed us to engage. We need to continue the dialogue.

### III. Preservation Pittsburgh's Plan

#### Presentation

Board members Peter Margittai and Scott Lieb presented on behalf of Preservation Pittsburgh. Highlights of their presentation included:

- The goals and aspirations between all the presenters are similar. They all strive for something great in the Lower Hill. Each plan is not mutually exclusive. The divisive element is whether to keep the Arena or not. We believe it doesn't have to be an either/or.
- The history of the development of the Arena still greatly affects the Hill District.
- Preservation can be a resource for great development evidenced by the fact that some of Pittsburgh's most visited resources are those that have been preserved (i.e., the Grand Concourse).
- The Arena is highly charged in that it represents the best and worst of Pittsburgh. Tearing down the building won't restore what was there, so we would like to investigate options. We need to understand the potential of the building before demolishing it versus saying it has to be maintained.
- We understand that saying the Arena must be maintained is sentimental, impractical, and not economical without further study to determine what makes sense. We suggest that saying the Arena must be taken down without further study is also sentimental, impractical, and not economical.
- We support the goal of the Pennsylvania Historical and Museum Commission in ensuring that alternatives are considered.
- We encourage SEA to take a rational, independent approach before discussions are finalized to determine what is practical, green, sustainable, and economically viable.
- We charge the Penguins with considering how the building might be reused as a destination.
- Critical questions must be considered such as the cost and benefit of reconnection and reconciling the past with the reality of the present.
- A four-month study time frame is too short.
- Preservation Pittsburgh recommends that SEA complete the following:
  - Hold a design competition.
  - Commission an independent study.
  - Request a revised proposal from the Penguins.
  - Hold additional community meetings.

#### Comment / Response

1. C: In regard to economics, have you done a study to determine if there are real estate investors interested in acquiring and reusing the steel?  
R: The SEA has not considered it, but there may be interested parties in the room who have.
2. C: The Hill District has never found a way to reconnect and as a result is still struggling. If you want to maintain the arena so much, have you considered picking it up and moving it?  
R: It hasn't been considered but could be.

#### IV. Summary

Chris reiterated the purpose of the meetings as one of dialogue and exploring viable preservation alternatives that bridge the gap between removing and preserving the arena. The purpose was to consider and not critique options.

The next step is a broad brush economic analysis that reviews assumptions of the various options.

The March 30 meeting will provide a progress update, acknowledging that there will still be holes in the analysis.

Follow-up Items: None

Next Meeting: March 30, 2010, 6-8 PM, Convention Center