



Oxford Chester LLC  
425 Sixth Avenue, Suite 2750  
Pittsburgh, PA 15219  
412.325.3005



TO: Jean Cutler  
FROM: Chris Cieslak  
CC: Mary Conturo, Doug Straley, Rosemary Carroll, Scott Pollock, Tim Zinn, Ray Maginness  
DATE: June 28, 2010  
SUBJECT: PA History Code Process, Mellon Arena and Lower Hill Redevelopment Project

---

We have received your letter to Mary Conturo dated June 16, 2010 regarding the above subject. We have requested that our subconsultant, Baker, provide some clarification (under separate cover) regarding the steps our team has taken to comply with the State History Code and to mirror the Section 106 process.

We thank you for your comments and wanted to provide you with additional information concerning the Sports & Exhibition Authority's (SEA) schedule and redevelopment obligations. In paragraph 7 of your letter, you state that the purpose of the Memorandum of Understanding between the Commonwealth, City, County, Lemieux Group and the SEA is to demolish Mellon Arena to create a parking lot. This is not accurate. As described in the SEA's Request to Initiate Consultation package submitted to you in January 2010, our Project is to develop a comprehensive redevelopment plan for the Mellon Arena Site. The Memorandum of Understanding calls for the timely demolition of Mellon Arena in order to permit parking **UNTIL** the timely and desirable redevelopment can begin (emphasis added).

We have strived to explore alternatives to demolition that permit a desirable redevelopment plan in an evenhanded and expeditious manner. It is important to us to make a timely decision about the future of Mellon Arena for the following reasons:

- As of August 1, 2010, the holding costs (utilities, insurance, operations, maintenance, security, etc.) become the responsibility of the SEA and are estimated to range from \$78,000 to \$124,000 per month depending on the decision about Mellon Arena's future.
- As of August 1, Mellon Arena will 'go dark' and be fenced in and secured from the public. This will further isolate the Hill District from the Central Business District. It would be our desire that this area not be in limbo any longer than necessary for the SEA to make an informed decision about the future redevelopment.
- There is a significant amount of planning that needs to occur to prepare the site for redevelopment (hazardous material abatement, asset liquidation, bid package preparation, contractor procurement). Even under the best case scenario, it will take at least 1 year after the arena site is prepared for redevelopment efforts to begin.
  - o **Design & approvals for arena building footprint 8/15/10 through 3/1/11**
  - o Furnishings & equipment sale & removal 9/1/10 through 12/31/10
  - o Interior hazardous materials remediation 11/1/10 through 12/31/10
  - o Roof remediation/demolition/grading 4/1/11 through 12/31/11
  - o Confirm program concept 9/1/10 through 3/1/11
  - o Design and approvals for infrastructure 3/1/11 through 4/1/12
  - o Prepare site infrastructure (roads, utilities, signals) 4/1/12 through 11/1/12
- We feel that an extended period of uncertainty regarding the future redevelopment discourages development interest and the hopes of nearby residents.

As far as funding sources, we are currently in a much better position regarding identification of funding sources for the preliminary preparation of the Mellon Arena site than we were in January 2010. We are 6 weeks from completing the Consol Energy Center and Garage projects and are optimistic that there will be



Oxford Chester LLC  
425 Sixth Avenue, Suite 2750  
Pittsburgh, PA 15219  
412.325.3005



remaining contingency to be returned to the SEA. We have selected a firm to conduct an inventory and appraisal of the furnishings and equipment at Mellon Arena and are hopeful to realize sizeable proceeds from that sale. And finally, we intend to recycle a significant portion of the Mellon Arena structure (steel, concrete, copper, etc.) to offset the cost of demolition. Cost certainty on these items is expected to fall into place in the coming months, but we can do our best to minimize the overall cost to the SEA by bringing the evaluation of alternatives to a rapid conclusion and by initiating the design and planning.

To be responsive to the suggestions in your June 16, 2010 letter, we have taken the following additional steps: we have advanced another Option for study (Option 6, Restore Arena to Original Design), we have requested that Reuse the Igloo confirm their statement to the media that they would conclude an independent economic analysis by early July, we have delayed our next Interested Parties Meeting until the second week of July, and we have postponed finalizing the Options Report for the time being.

We have also continued to explore a multitude of Reuse Options that have been proposed by the public and other Interested Parties and will issue them as an addendum to the Options Report; we have met with and shared information with Reuse the Igloo such as Arena operating costs, traffic and parking studies and economic assumptions.

With all of that in mind, we intend to take the following steps to conclude this process:

- Complete our analysis of Option 6, Restore Arena to Original Design
- Receive and review Save the Igloo/Preservation Pittsburgh analysis
- Issue an addendum to the Options report that includes the above analyses as well as various refinements to the previously considered options (early July)
- Receive and review any additional comments by Interested Parties, the Bureau of Historic Preservation and the public (through July 13)
- Finalize the Options Report and Effects Report
- Submit a recommendation to the Sports & Exhibition Authority for the selection of a preferred option
- Prepare Memorandum of Agreement

It is our intent to conduct the State History Code process appropriately, and to mirror the Section 106 process as closely as we can without incurring unnecessary delays and costs. We began this process in January 2010 and are hoping to conclude it by August 2010. Please confirm for us that our proposed schedule and sequence of steps will not invalidate the process.

**Baker**

June 28, 2010

Jean Cutler, Director  
Bureau for Historic Preservation  
Deputy State Historic Preservation Officer  
Pennsylvania Historical and Museum Commission  
Commonwealth Keystone Building, Second Floor  
400 North Street  
Harrisburg, PA 17120

**Michael Baker Jr., Inc.**  
Airside Business Park  
100 Airside Drive  
Moon Township, PA 15108

(412) 269-6300  
FAX (412) 375-3994

Subject: Mellon Arena and Lower Hill Redevelopment Project

Dear Ms. Cutler:

I am in receipt of your letter (June 16, 2010) addressed to Ms. Conturo, Executive Director of the Sports and Exhibition Authority (SEA) of Pittsburgh and Allegheny County. In addition to informing the SEA that formal comment from the Bureau for Historic Preservation (BHP) will be withheld until receipt of SEA's issuance of a preliminary finding on the project and supportive documentation, the letter goes on to point out areas of BHP's concern related to the consultation process. As moderator of the Interested Party process, the SEA has directed the letter to Michael Baker Jr., Inc. for follow-up and clarification with the BHP.

Expressed in the letter is an appreciation of "the level of communication the SEA has provided". However, the letter goes on to characterize that communication as "piecemeal and what appears to be a somewhat haphazard fashion". We recognize that this process has been fluid in order to ensure that relevant comments have been taken into consideration. We have coordinated with the BHP on the study approaches, proposed Interested Party workshop activities, and the evaluation of development options and refinements, as necessary. A project website has been established and regularly updated as a project information conduit. Additionally, as an Interested Party, the BHP has been involved in meetings and been provided with agendas and meeting minutes on a timely and regular basis.

I am encouraged by your statement that "insofar as using the Section 106 regulations as a template for complying with the State History Code, the SEA has done well". However, we would like to respond to your concern over the "conflated into one parallel, overlapping process" that, although "not...necessarily wrong", is "not...best practices in terms of Section 106 review". Due to the importance of this discussion, we have advanced drafts of reports and sought input so that the SEA, the Interested Parties, BHP could have a more complete picture in which to form the basis for an informed decision. In other words, we hope that an awareness of effects and potential mitigation will drive a more informed decision.

A reference is made in the letter to the purpose and need exercise as an "arbitrary evaluation system", "not something...recommended as an appropriate method of evaluating alternative" and as "previously mentioned both in writing and verbally". However, we revised the purpose and needs statement satisfactorily during Interested Party meeting #2 after discussions with BHP and as summarized in the February 10, 2010 record of telephone conversation.

Finally, BHP's concern over the Development Options Comparison Report (Draft, May 2010) containing "preliminary suggestions of mitigation strategies for adverse effects before consultation about effects has been completed" is not accurate. The report describes, evaluates, and compares the various development options based on a set of project needs prepared by the Interested Parties. The report does not contain a discussion of specific "preliminary suggested mitigation strategies". We do however start to outline them in the draft Effects Report, for all Options to aid the SEA in its decision making, as stated above.

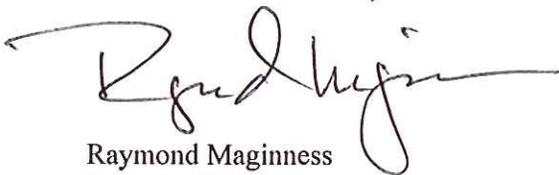
Ms. Jean Cutler, Director  
June 28, 2010  
Page 2

We appreciate the advice of Bill Callahan to ensure that we are appropriately following the PA State History Code while also mirroring the federal Section 106 process. We would like to continue to work together to ensure we are in compliance with the law. Going forward, our intent is to issue an addendum of further alternatives analysis for review and comment, consider the results of ReUse the Igloo! / Reservation Pittsburgh's independent study, and finalize the reports. Subsequent to the SEA's decision, we will begin preparation of the Memorandum of Agreement.

We appreciate the continued feedback and oversight of the BHP has provided in this process. We hope this letter helps to clarify our previous and continued response to the guidance.

Sincerely,

MICHAEL BAKER JR., INC.

A handwritten signature in black ink, appearing to read "Raymond Maginness", written over a horizontal line.

Raymond Maginness  
Technical Manager