

**STADIUM AUTHORITY OF THE CITY OF PITTSBURGH  
BOARD MEETING  
FRIDAY, MARCH 16, 2012  
2:05 PM**

A general meeting of the Board of Directors of the Stadium Authority of the City of Pittsburgh was held on March 16, 2012, in Room 333 of the David L. Lawrence Convention Center. Board members in attendance: Michael Danovitz, Chairperson; Sophie Masloff, Secretary; Jim Malanos; Corey O'Connor; John Jackson, III; as well as Authority staff members: Mary Conturo, Rosanne Casciato, Doug Straley, Mark Johnson, Rosemary Carroll, Rifat Qureshi, Theresa Bissell, Angelica Ciranni and Michelle Masters. Also in attendance: Steve Papernick, Solicitor; Tom Ryser of TPR, LLC; Keith Smith of Smith Construction Group; Mark Popovich of Holliday Fenoglio Fowler, L.P.; Barry Ford, Herky Pollock and Alex Ford of CBRE; Jason Stewart of Jones Lang LaSalle; Tina Farley and Mike Hudec of Continental Real Estate; Jim Sacco of PSSI; Ed Shriver of Strada; Stephen Quick; Frederick Winkler, architect; Elaine Effort of KQV; Mark Belko of the Pittsburgh Post-Gazette and Tony LaRussa of the Tribune Review.

Mr. Danovitz called the meeting to order at 2:05 PM, and requested everyone rise for the Pledge of Allegiance. Mr. Danovitz proceeded with asking Ms. Conturo for a roll call of the Board Members.

A quorum was present and the following agenda items were discussed:

1. Public Participation. Mr. Danovitz asked if any members of the public would like to speak. Hearing none, the Board proceeded to the next order of business.
2. Approval of the Minutes from the meeting of December 21, 2011.

The Minutes were unanimously accepted.

3. New Business.

- A. Authorization to enter into agreements not to exceed \$20,000 with professional service firms for the purpose of providing ongoing professional services.

Ms. Carroll stated that the Authority is currently involved in numerous projects requiring legal and other professional consulting services, such as design consulting, contract development, research, litigation, and construction estimating. Different firms may be used depending on their areas of expertise and the needs of the Authority. K&L Gates, Stephen Quick, FAIA and Keith Smith Construction are firms whose services are currently being used or may be used as part of the Option Area project.

A motion to approve was seconded and unanimously carried.

**RESOLUTION NO. 1 (2012)**

RESOLVED by the Stadium Authority of the City of Pittsburgh that its Executive Director and other proper officers are authorized to enter into agreements not to exceed \$20,000 with professional service firms for the purpose of providing ongoing professional services; and further that the proper officers and agents of the Authority are authorized and directed to take all action and execute such documents as are necessary and proper to effectuate the terms of this Resolution.

- B. Authorization to enter into a contract not to exceed \$4,600 with TPR, LLC for construction oversight of various projects and management of related operating issues.

Mr. Qureshi stated that this item refers to Tom Ryser, who is a consultant to the Authority. Mr. Ryser is a professional engineer who has been working for the Authority to manage certain projects, including the North Shore Connector, which will be opening March 25<sup>th</sup>. This also includes the Option Area development, infrastructure, and future development. Mr. Ryser provides oversight during construction, stakeholder coordination, PennDOT and PWSA coordination, adherence to agreements, and also answers questions on safety, utilities, and punch list items. Prior to working for the Authority, Tom worked with AMEC as a project manager, then at Resource International on the design and construction phases of North Shore Riverfront Park, North Shore infrastructure, and Convention Center infrastructure. TPR bills at an hourly rate of \$80, and this change order will be sufficient through December 21, 2012.

A motion to approve was seconded and unanimously carried.

### **RESOLUTION NO. 2 (2012)**

RESOLVED by the Stadium Authority of the City of Pittsburgh that its Executive Director and other proper officers are authorized to enter into a contract not to exceed \$4,600 with TPR, LLC for construction oversight of various projects and management of related operating issues; and further that the proper officers and agents of the Authority are authorized and directed to take all action and execute such documents as are necessary and proper to effectuate the terms of this Resolution.

- C. Approval of the Stadium Authority operating budget for the period ending March 31, 2013.

Ms. Bissell stated that the 2013 unrestricted revenue is mostly comprised of interest income on the Authority's investments. Unrestricted expenses include salary reimbursement to the Sports & Exhibition Authority, insurance coverage, and professional fees for legal, auditing, engineering, and consulting services. The restricted portion of the budget includes daily parking lot revenues for Lots 1 and 7A – 7J, which are restricted to debt on the North Shore Garage, and Lots 2 – 5,

which are restricted to debt on the West General Robinson Street Garage. The budget assumes two parcels from the Option Area will be sold by March 31, 2013. Also included in the annual budget for the West General Robinson Street is an estimate to produce \$1.1 million net revenue generated from daily parkers, leases, team games, and other events. The loan on this garage was refinanced in February 2012, which will result in an annual debt service savings of approximately \$500,000, such that annual debt service is now \$1.3 million. Approximately \$200,000 of the revenue from Lots 2 – 5 will be used to help cover the West General Robinson Street Garage debt service. This assumes a capital cost of the garage at \$300,000 for next year.

Mr. Danovitz commended Ms. Conturo and her staff. He said that a very important part of the presentation is that the garage was refinanced and saving the taxpayers \$500,000 per year in interest. This is important and it helps the garage perform much better. Mr. Danovitz stated that it was pure dollar per dollar savings for the taxpayers, and that the Authority staff needs to be commended publicly for their hard work in this matter.

A motion to approve was seconded and unanimously carried.

### **RESOLUTION NO. 3 (2012)**

RESOLVED by the Stadium Authority of the City of Pittsburgh that the Stadium Authority operating budget for the period ending March 31, 2013 is approved; and further that the proper officers and agents of the Authority are authorized and directed to take all action and execute such documents as are related and proper to effectuate the terms of this Resolution.

- D. Authorization to approve conceptual development plan and sales price for Fifth and Sixth Takedown Parcels located in Lot 2.

Mr. Straley stated that further to the Option Agreement as amended last year, the Teams have been working with the Authority on the development of the next two parcels. The parcels are located on a portion of Gold Lot 2 along North Shore Drive, which is between Chuck Noll Way and Tony Dorsett Drive. The Board is asked to approve the concept of the development of a two-story building that has retail on the first floor and office space on the second floor. The Board is also asked to approve of the purchase price, so that the Optionee can move forward with securing tenants and financing the development. Mr. Straley said that the teams are required to close on the property no later than December 31, 2012 and to start construction within 60 days of closing. Prior to closing, the Developer will return before this Board for final approval of the project. The following professionals who have advised the Authority on this project are present today: Mark Popovich of Holliday, Fenoglio, Fowler, who provided advice with respect to the appraisal and current market conditions; Paul Griffith of Integra Realty who provided the appraisal; Steve Quick who provided advice on the design and urban planning principles and guidelines of the development; and Keith Smith of Smith Construction Consulting who provided the construction cost estimate. All of them are available to answer any questions that the Board may have after

the presentation. Mr. Straley introduced Barry Ford who is representing Continental Real Estate, the developer, to introduce his team and present his development.

MR FORD: I would like to introduce Ed Shriver from Strada Architects, who has led his team to design the Equitable and Del Monte buildings. I feel that it was important to keep Mr. Shriver in the project so that the building was compatible. Mr. Shriver has done a terrific job and knows the lay of the land. I would also like to introduce Herky Pollock from CB Richard Ellis, a retail partner who has helped complete all the leasing of the first floor building and will do the leasing on the second floor. He has been hard at work on the project for over a year. Jason Stewart of Jones Lang LaSalle is the office broker. Mr. Stewart has done all the office leasing and will also do the office leasing on the second floor. Mark Hart and Jimmy Sacco of the Steelers are also here. The Pirates are in Florida today for spring training, so Jim Plake and Dennis DaPra could not be here.

I would like to mention the history of what they we have done and our plans for this project. The projects in the area are the Equitable building, Hyatt Place Hotel, two Del Monte buildings, and Stage AE. The good news is the hotel is performing very well, Equitable is fully leased, and there are only approximately 2500 square feet of vacancies out of 280,000 square feet in the Del Monte building. We have a good prospect for that space.

I am here today to talk about the next phase, which is constructing two buildings across the street from Del Monte. I want to talk a little bit about the logic behind the proposal today. A lot of things went into the thought process about the next phase for this development. The economy, the site, the interest, what had been successful, and a couple of key ingredients the City has asked us to consider. Finishing North Shore Drive was a key component for us, and also completing both sides of that street from Tony Dorsett down to Heinz Field. With the success we had with all of our restaurants over there on the other side of the street of Stage AE, Herky brought it to my attention that we had a real opportunity to do first floor leasing over here and finish North Shore Drive. To get that pedestrian experience and enliven that pedestrian experience is critical for us.

The other critical point about this was the site limitations. Some questions have been asked— can we do a multi-story, high-built, six-story, eight-story building here? Our conclusion, after talking to all my experts, was that this site was not a great site for multi-story, high, six-story building. It's underneath the bridge; it's not

on the river. It's on a crowded parking lot. The bridge is noisy if you've ever stood there. And we just thought it was not the right site today or anytime in the near future to do a multi-story building.

We have a much better site for a multi-story building, and that is the site on the riverfront. We believe that when that next multi-story user comes to the North Shore and says, "We want a site," that is exactly where we're going to put them, and that is exactly the right place to put them. So in light of that, how do we keep the project going? How do we keep our momentum going? What can we accomplish in today's economy knowing we don't have a six-story user for here? What can we accomplish that looks great and accomplishes your goals of enlivening the North Shore? The conclusion we quickly came back to, with Herky and Jason's help, is that we can do up to 40,000 square feet of great restaurants, entertainment, and entertainment-restaurants on the first floor. We are talking to national tenants. Some of them are entertainment-related, and some of them are restaurant-related. We're talking to the best of both those folks here to do a restaurant here, to do a sports bar here. It's a great mix. Everybody we're talking to is outside of the city. There's nobody here we're pulling from anywhere else. They're all users that either aren't here or aren't in the city. It's really a great mix of users. We're really excited about that piece of project and that is the piece that's driving this. It's that piece that we're cobbling together, that when you get all these pieces together as Doug said, with your approval today we can take it to our lender, get a loan in place, and get financing in place to do this project.

The second piece is the office above. We are going to do about 40,000 feet of spec office space. How did we come up with that number? It's the second floor of the building; it's that simple. When we did the Del Monte II building, there was about 60,000 feet of spec space in that building, so we know there's a market here to do some spec space. We are not sure of how big that is, but Jason's promised me that he is going to get at least 40,000 square feet leased in the first three months. We do think there's an opportunity to do some spec space and it helps make the building look great, having a second floor on it. Hopefully you've seen the renderings in the packages. The key to us is enlivening the street. There have been discussions with your staff about how best to do that. There have been thoughts and comments to what we're showing here today. This is in fact what we've priced and what we're prepared to build. I know it's conceptual in nature, and it's not final. There are some things that your staff still wants input on

that we're listening to and that we're meeting about. We can't wait three weeks, Rif, we need to meet next week. We've got deadlines and dates we've got to get before planning as soon as we can. Hopefully, even within the next month, we'll be back here with a final plan. Allowing these businesses on the first floor to spill out on three sides of the building is important to us and the building. That these businesses and restaurants open up on the street to create this venue to enliven this area. A lot of thought and discussion has gone on and we think we preserve the view corridor between the buildings, as you can see. It's the same view corridor in the Del Monte building— it goes straight across the street. We think that creates a great opportunity for those restaurants to open up into that view corridor, so we love the fact that even though we've fought some over that view corridor, now that we've preserved it, it adds a lot to the master plan.

Just to show you that we've thought about all sides of these buildings, this is the view if you're coming from the Fort Duquesne Bridge looking toward Heinz Field. Here's the view. The entire building is getting a lot of attention paid to detail. It's a project we can accomplish immediately. That's what I loved about the project. It's a project that we can do, that if we hustle and get going, we can get done and get started in the time frame that's been set up for us. I've got my group here today, ready to chime in on any questions you may have. My experts are here. I'd just maybe like to ask Herky to say a few words on marketing and your thoughts on what we're trying to accomplish here and why you bugged me to get this assignment from us and why you're so excited about it.

MR. POLLOCK: September 5, 1991 was a very important day in the history of Pittsburgh. That was the day that the Honorable Mayor Sophie Masloff presented her plan to the public announcing the plans to build Roberto Clemente stadium on the North Side of Pittsburgh. After an evolution of time, that vision became a reality. It became PNC Park. The plan grew, and a seed was planted. That grew into ultimately having Heinz Field bookending what is now known to be the North Shore. That vision created excitement and vitality, however, 21 years later, ironically, Roberto Clemente's number, we're coming before you today with the crown jewel of the retail component of the North Shore. To add vitality, to add excitement, to add life.

We have 30 million square feet, in and around downtown, of office space. Those 30 million square feet have a 130,000 daytime population. Those people work in town and go home at 5 o'clock

at night or on the weekends and often times do not return until the next day or the following week. Our goal is to add vitality. Our goal is to create 40,000 square feet of entertainment, "eatertainment" and restaurants catering to that population and the greater population at large to bring them to downtown Pittsburgh from a very, very long distance, 24 hours a day, seven days a week, not just on game days. We are searching far and wide for the nation's best concepts to locate in the brand new 40,000 square foot space of the North Shore. We hope to have the best regional, local and national concepts anchoring this project and adding vitality; perhaps doing as much as \$35-40M in sales and creating vitality like Pittsburgh's never seen in the North Shore. When Mayor Masloff had her vision, we sprinkled that vision with some retail on the first floor of the office buildings. Adding 40,000 square feet of density, high attractive retail gives critical mass that makes the North Shore a destination from a very, very, very far distance away.

As Barry touched on before, even if we could build a six-story office building there, it may be the highest use, but it certainly isn't the best use. The best use is adding attractive retail and entertainment that brings people day in and day out to the North Shore. The one point that's lacking in our downtown urban core that people continue to point to is that the evenings and weekends can be very, very quiet. We hope to change that problem. We're not going to compete with downtown. We're not going to compete with the South Side. We're going to complement them. We believe that with the urban core growing the way it's growing and expanding beyond its natural seams, we think that having that kind of vitality on the North Shore only complements downtown and the South Side and ultimately, the 28 acres and the Strip District to create one cohesive urban core. People from Cleveland, Columbus, and surrounding markets will come to Pittsburgh, much like they are today for the NCAA, and visit Pittsburgh and have 40,000 more square feet of attractive eatertainment, restaurants and entertainment. The goal of each one of our concepts will not be to have bars. Every one of our concepts will have at least 50% of their volume derived from food. We're not looking to attract a quarter beer crowd. We're not looking to attract the college crowd. We're looking to attract a broad base of perspective of people who can bring their families, their friends, their business colleagues, to come and frequent the North Shore, have a meal, attend a game, come on off days, and enjoy the casino, the Science Center, the Warhol Museum, on days when there isn't a game going on the North Shore.

I think September 5, 1991 was a very important day. 21 years later we come to you with another important day, the crown jewel of the retail component of the North Shore. With your approval we'll be able to move forward and make this project a reality. Thank you very much.

MR. FORD: Thank you, Herky. His passion for the project could be heard in his voice, and hopefully it's the same passion that you hear from me. I love working on this project. It is an amazing honor to work between the stadiums, to partner with the Pirates and the Steelers, to work with you folks. This is very important to my company, to me personally. I live here. This is my area, my town. This is a project that's important for a lot of reasons. We're prepared to get going and working hard on this. We could go through the economic numbers; I know you have them in your packets, so I won't bore you with it. This generates parking taxes, sales taxes, drink taxes, and real estate taxes. It's a great solution. It's a project we can start this year. We can start construction early next year. It's a project we can do. And it's a project we can all be proud of. We are asking for your support here to approve the concept today. Does anybody has any questions for me or any of the other experts, architects here, or office folks?

Mr. DANOVITZ: Everyone in the committee will have an opportunity to ask you and your team some questions. Ms. Masloff, do you have any questions?

MS. MASLOFF: I've lived with this project for a long, long time. And I'm going to be voting for it today because I want to support the original idea of development in this area. We've always said, and I do believe that to get the most benefit from the stadiums and everything else we have built; we have to replace the parking lots with real development. And for development to be economically viable and safe for people, it needs people 24 hours a day. So we need residents, office users, shoppers, and entertainment activities unrelated to the Pirates or the Steelers. I understand that our appraiser tells us that some day we might be able to get a bigger building with more stories if we wait. I think we've waited long enough. It sounds like we have a pretty good project, in my way of thinking, that's ready to go. But I do have some concerns and would like to hear about a couple of things. First, the papers are full of stories of office space in the city getting full. So why are you proposing just one floor of office space? Isn't there a market for more space?

Mr. POLLOCK: A couple things weigh into that. The Class A office in town had a great resurgence in the last couple years. Pittsburgh's been



very fortunate. Unlike the rest of the country, we have not taken a huge hit in office space. That being said, there's still a very large vacancy of the Class B space in town. The simple fact is there is no large user today that will commit to this space on the North Shore. Without that commitment, we would not be able to finance empty office space. What we're building is what we can finance without a commitment in hand today. Without somebody committing to this space up front, it is the most we can build.

Mr. STEWART: I agree. Pittsburgh is experiencing record highs in terms of its occupancy rate. And that occupancy rate and the reason why Pittsburgh has done so well is because there had been so much vacancy downtown. The businesses, the banks, and the law firms have all taken advantage of those low occupancy rates over the past few years and they've absorbed a tremendous amount of space. There's one thing that's worth noting. The type of transaction that would precipitate a five or six story building in today's lending environment is called a *build to suit* where somebody has to sign up for a lease for virtually all of the building before the building could break ground.

In the last 15 years, there have been four *build to suit* transactions on the city's rivers. The last two transactions were done on the North Shore. So we feel their batting average has been really high since Continental has been involved in the project with the Del Monte Corporation and with Equitable Resources. We're very excited about the 40,000 square feet of office space that we're going to be able to deliver. We also think that the region is only able to yield so many build-to-suit transactions and that type of build-to-suit transaction is what is necessary to finance a multi-story building.

MS. MASLOFF: Second, I'd like to understand the thinking behind all the new restaurants. What impact will they have on the restaurants we already have? And what will this do to Station Square and the Southside Works?

MR. POLLOCK: Thank you, Mayor— that is another good question. In the last two years, downtown, 24 restaurants have opened up. People are now coming downtown to eat. For many years they weren't doing that. The critical mass of having synergy between the restaurants and the other users, the hotels, and the convention center, and entertainment concepts adds vitality. It doesn't compete, it creates a critical mass of restaurants of synergy that brings people from a long distance away. It benefits the hotels, it benefits the cultural district, it benefits office space, it benefits Pittsburgh in total because the vitality of all of those restaurants adds to our ambiance nationwide. I think we're going to complement the Southside, we're going to complement

downtown, we're going to complement the Strip District, and we're going to complement the 28 acres once that gets built. Our goal is not to cannibalize, but to complement those components of the vitality of downtown Pittsburgh and the urban core and create more excitement with like concepts, different concepts, one-of-a-kind concepts that Pittsburgh's never seen before. If you create that kind of synergy, the overall vitality of the whole entire urban core brings people from long distances away to vacation in Pittsburgh, to convention in Pittsburgh, to hotel in Pittsburgh and the ultimate goal is to have everyone be successful. I'm sure when we're complete, they will be.

MS. MASLOFF: You don't think we have a saturation point for restaurants and bars?

MR. POLLOCK: No, ma'am, I don't. Given the new restaurants that have been created in the last two years, they're all doing quite well. The other restaurants are still doing quite well. We're seeing a population growth in Pittsburgh. We're seeing an office growth in Pittsburgh. We're seeing 9,000 residents now living in downtown Pittsburgh whereas when you were in office, we had two or three thousand living in downtown. People want to be around excitement. They want to be around vitality. Having those restaurants, having those eatertainment concepts creates that vitality, makes people want to be around that on a daily basis. I think it benefits the greater good by having multiple restaurants competing with one another, cannibalizing very few people and having synergy, in total.

MS. MASLOFF: Well, I am more interested in what you have to say. But I will be more interested in what you do.

MR. FORD: Hopefully we've got enough into the tank as far as credit goes for what we've accomplished today. Hopefully we've got a little credibility for you here.

Ms. Masloff had no more questions. Mr. Danovitz asked Mr. Jackson if he had any questions for the team.

MR. JACKSON: I don't know if you really want to call it a question. But I know for me, I really enjoy walking around Homestead, especially when my children were smaller. And walking through there with my family and looking at the stores. I know for me, I would like to see some retail go into there. While I'm at a restaurant, I'd like look at some stores and things of that nature. I'm voting yes for the project because I think it's a wonderful thing. It looks like it's going to be a beautiful outcome, when it's all said and done.

MR. FORD: Thank you, I appreciate that. I'm going to let Herky address retail as well, because it's a question I get a lot and there's an answer to it. It may not be the one you want to hear, but there's an answer to it.

MR. POLLOCK: Very good question, again. A retailer, in general, likes to have synergy and a critical mass, and with a 40,000 square foot project, it's very difficult to create that. We may have a smattering of small retail stores but for the most part, I believe the market will demand restaurants and eatertainment concepts. The retailers themselves, much like the Waterfront, which you touched on, like to have a million square feet or at least half a million square feet, 100,000 square feet of synergy working together as a retail concept. In the absence of that space, they find it very difficult, because a gentleman like yourself and the mayor like to go from store to store to store, not just one store and go home. Having a couple stores certainly would not be a draw for any critical mass of people.

Mr. Danovitz asked Mr. Malanos if he had any questions.

MR. MALANOS: I don't know if I have any questions as much as just wanting to think through as I look at the project. Probably a lot of cities have done a similar thing, build a retail strip or retail center close to the downtown area. Chicago, Boston, those kinds of cities. But I don't think there's one that links a subway and puts that into the mix, which is about to open. I think that's probably my biggest reason to be excited about this because once that subway starts to work and we get everybody in the city to start thinking about the convenience, you know, I'm in town. I can get on the subway and come over and have lunch, from anywhere in the downtown area and it's a free ride over and back. By the same token, at night, when people start to park in that garage, I think they'll go to this development for dinner, and then get in the car after rush hour and head home. I think there are a lot of positives. I do have one question. I notice we have a lot of mature trees that are in front of where this building would be built. Is there a plan to save those or will they be replaced?

MR. SHRIVER: What we've done previously is to pull those trees, try to save them, if we can. Unfortunately with the construction, it's a little bit tough, but we'll try to reuse them wherever we can. The intent is that we'd like to keep those to the greatest extent possible.

Mr. Danovitz welcomed Mr. Malanos to the Board and then asked Mr. O'Connor if he had any questions.

MR. O'CONNOR: Most of them were answered this week, in calling everybody. Obviously, I'm going to vote for it, I think anything you can bring to the neighborhood, especially jobs. And I guess that's one question— they're all union jobs, right? I think Herky said it best if he didn't say it this way: that competition is good for all businesses. Especially those stores downtown, Macy's or wherever, see that there's another retail type store we're opening up here. You mention what the financial numbers are now for the shops over there of the bars and restaurants. Can somebody get us a print out of how much they make? If you can't, that's okay. I just wanted to have those details, if we could.

MR. FORD: We could talk offline, maybe. If you'd like, call me. I don't mind sharing that with you, confidentially, it's probably not information they want—

MR. O'CONNOR: I didn't know if you had a general number.

MR. FORD: We know what those are. That is between Bettis and Hyde Park. They've been very successful. They're very happy being there and they're great, great tenants.

MR. O'CONNOR: Yes, we can do that offline. The other part we were talking about residential. And that's a component we definitely need downtown right now. I talked to Councilman Lavelle whose district it actually is and we both take the public safety side to things. I know they're not all bars but they're still letting people out at maybe two AM. That's a concern, especially if you're going to get residential and try to sell that area residential. I think that by adding more of a mix and I learned that throughout this week the type of shops we're looking for, I think that's going to lower the actual let-out of the bar at two in the morning and what goes on because I don't think that would help a residential piece, which we hope to bring into the future. I support it, but I'm just a little concerned with some public safety matters.

MR. FORD: We've got our management office. Our management office is down there and our folks are down there and work with all of our tenants on a daily basis down there for those reasons. I think you've identified the kind of folks that are there already, and it is pretty representative of what's across the street. For the most part they are restaurants feeding food to families and maybe after a certain time, then maybe turn into a sports bar. But for the most part what you're getting there are more restaurants like that. And entertainment venue is one we were considering shooting after folks, the non-Stage AE folks, the 30-50 crowd. Our management folks are down there and work with

our tenants every day. I've got the Steelers and Pirates to answer to and they're as concerned about this as anyone. We pay a lot of attention to it.

MR. O'CONNOR: I'm very supportive of any new development, especially the jobs and taxes you're bringing in. Public safety is the biggest concern for me, especially if you're going to try to sell residential in the future. That's the only concern I'd have.

MR. FORD: Well, I have to have office above and folks are going to pay rent up there. What's going on downstairs needs to be organized and controlled and make sense.

MR. DANOVIK: Barry, we've talked a couple times and I first want to say that I appreciate you working so closely with our staff. We may not see eye to eye on every issue, but I think we're all in agreement. We want to keep moving forward, we want to bring buildings and tax revenue and enjoyment to our facilities on the North Shore. So I want to thank you, first, for that.

MR. FORD: I'd like to thank Mary and her staff as well.

MR. DANOVIK: Second, you said something very important and I wanted to highlight it. The family-friendly atmosphere you're bringing. You're not bringing a shot, a nip in an iron bar, as I used to call it, a 25 cent draft bar. You're thinking ahead. We've developed a facility where children go to the baseball games and children go to the museum on the North Shore, so any development that you're going to bring in there is going to be family-friendly as a contrast to some of the bars in the South Side. I want to make sure that's your intent.

MR. FORD: That is absolutely our intent.

MR. POLLOCK: As I've mentioned before, Mr. Chairman, every restaurant down there will have at least 50% of their revenue derived from food. We're catering to the family. People will come down there with their children. I have two young children myself, 13 and 16, I'm sure I want them to frequent every single establishment that's there when we build it.

MR. DANOVIK: And that's what we want, too. We want that as a differentiating factor between Southside.

MR. FORD: Obviously we're in discussion with a number of folks, now we've shared some of those names with your staff and I'm not prepared to announce any of that publicly, but I think they have a

sense of what we're trying to do as well and some confidence that, it is in fact who we are talking to.

MR. DANOVIK: We also appreciate you working with Steve Quick and some of our other experts as to activation of the flow of people on the facility and also your commitment to using the same construction materials that we've already used on the North Shore so that this doesn't stand out; it blends in and adds to that construction.

MR. FORD: You know, that's a good point. So let me address that quickly. We've put a lot of thought and effort into this. These are going to be buildings that are going to be here 30-40 years from now. We are absolutely using the exact, similar material palettes to all the other buildings that are down there. When this building's done, it's going to look like it's been there, that it belongs there. It'll be something we can all be proud of. Not to critique anything in suburbia, but this kind of building in a suburban environment would be very different from the building we're building here. It's going to be all masonry, glass, metal; it's something we'll all be very proud of when we're done. Just like the other building.

MR. DANOVIK: We don't want to cheapen what we already put up, which you've done a great job on.

MR. FORD: Nor do we want to do that either. So, that's a great point.

MR. DANOVIK: We've had that commitment from you. We appreciate it. So I just want to highlight that. You're going to have two major projects this year coming up. You've already committed, and Mr. Rooney's already committed, to finishing the amphitheatre parking lot slash common areas and that should start sometime in May for the planning and sometime late summer—

MR. FORD: Mike and Heidi are working on those plans right now.

MR. DANOVIK: How are two major projects going to stress your office or the Steelers' office? I don't want one to be delayed because of the other or vice versa. I've always been a big proponent of needing to finish that park in order to just finish the Great Lawn. I don't want to see any delay.

MR. FORD: This is completely open-ended. In the scheme of things that project, while I know it's important to you, is very small compared to a \$20 million project like this. I really don't see any conflict of one holding up the other. They will run independently and move forward independently.

MR. DANOVIK: So you're still on-course for the park?

MR. FORD: We're still working with the Steelers and we're still looking at options right now and we'll be back shortly with some suggestions.

MR. DANOVIK: Perfect. Last time I voted for this, this was the commitment of Mr. Rooney and I just wanted to make sure we're continuing forward with that. That ends my questions.

Mr. Danovitz asked if there were any other questions.

A motion to approve was seconded and unanimously carried.

#### **RESOLUTION NO. 4 (2011)**

RESOLVED, that the concept of a two-story building comprised of retail on the first floor and office space on the second floor on the two parcels of property known as the Fifth Take Down Parcel and Sixth Take Down Parcel (each as referenced in the Option Agreement), proposed drawings of which are attached hereto as Schedule 1, is approved, subject in all respects to further approval by this Authority in accordance with the Option Agreement between this Authority and North Shore Developers, L.P., dated as of September 25, 2003, as amended (collectively, the "Option Agreement"), including without limitation, approval of final design, the Site Improvement Plan and other approvals pursuant to Section 4.3 of the Option Agreement;

RESOLVED, FURTHER, that the proposed collective purchase price of \$900,000 for the Fifth Take Down Parcel and the Sixth Take Down Parcel, is hereby, approved, provided that the development of the Fifth Take Down Parcel and Sixth Take Down Parcel is in accordance with the above paragraph; provided that the assumptions upon which the \$900,000 market value appraisal is based are still valid at closing and subject to the conditions set forth in Schedule 2 hereto; and

RESOLVED, FURTHER, that the proper officers and agents of the Authority are authorized and directed to take all actions and execute such documents as are related and proper to effect the terms of the foregoing Resolutions.

#### **4. Public Participation.**

Mr. Danovitz asked if there were any comments from the public. Frederick Winkler stepped up to the podium.

Mr. Winkler said that this was his master plan that he proposed early in 2002, and that he had a whole series of hotels. This particular project, which is adjacent to the Steelers' stadium, is a curved piece that follows the geometry of the former Three Rivers Stadium.

MR. DANOVIKZ:

Fred, if I recall correctly, this is the same design that you wanted us and Continental to consider at the last meeting. Is that correct?

Mr. Winkler affirmed, and said that he has more drawings and is analyzing the cost of it. He said that he thinks the Steelers and Pirates are beginning to show interest, because the building offers different amenities. The first amenity is a 2000 car garage at the bottom. Mr. Winkler also said that the proposal is for a mixed-use building, and that there can be five floors of office space and five floors of condos above the garage. Each floor would be 60,000 of square feet.

Mr. Winkler noted that he was researching the project, and gave an example that a 1,000 square foot unit condo downtown could potentially sell for \$100,000 more than the construction cost. The garage would cost approximately \$30M if the \$15,000-\$20,000 per space estimate was used.

He said that there could also be a dynamic courtyard that expresses the sports-game atmosphere, along with other things happening in the North Shore. He is pursuing seating for people in the courtyard. Mr. Winkler said that he would like to have retail in the building as well. People can park their cars, shop, eat, and have families throughout the space.

Mr. Winkler said that his idea is a buildable site, and could work with Continental's idea. He also explained the traffic circulation into and out of the garage meshing with the other buildings in the area.

MR. DANOVIKZ:

We, as an Authority, have never contemplated building on Gold Lot 1, which is the lot that you're proposing that the majority of the land be used for. I refer you to Continental and the Steelers because it's not in the master plan as of yet to build there. Any development on our part that creates tax revenue, that creates vibrancy, creates more usage on the North Shore is a great usage. My thought is to refer you to Barry Ford, whom you've met to see if he can use your plans and integrate them into his ideas. And as far as building where you want to build, if it's going to create tax revenue, if it's going to do all the things that we want it to do, then we'd welcome any thoughts you have. We welcome any thoughts that Mr. Ford and Continental and the Steelers may have. We appreciate you coming in today and talking to us.

Mr. Danovitz asked if there were any comments.



There being no further business, Mr. Danovitz asked for a motion to adjourn. The motion was seconded and unanimously carried.

The meeting was adjourned at 2:57 PM.

