

MINUTES OF THE MEETING
OF THE BOARD OF THE
SPORTS & EXHIBITION AUTHORITY OF PITTSBURGH
AND ALLEGHENY COUNTY
HELD THURSDAY, JUNE 12, 2014
AT THE DAVID L. LAWRENCE CONVENTION CENTER
PITTSBURGH, PENNSYLVANIA
COMMENCING AT 10:49 A.M. E.S.T.

A meeting of the Board of Directors of the Sports & Exhibition Authority of Pittsburgh and Allegheny County (the "Authority") was held upon proper notice in Room 330 of the David L. Lawrence Convention Center in Pittsburgh, PA 15222, on Thursday, June 12, 2014, commencing at 10:49 A.M. E.S.T.

Members of the Authority

Present: Senator Fontana, Chairman
Councilman Dan Gilman, Member
Sala Udin, Member
Jill Weimer, Member
Reverend John Welch, Member (via telephone)

Absent: Councilman James Ellenbogen, Member
Michael Dunleavy, Vice-Chairman

Also Present: Mary Conturo, Rosanne Casciato, Taylor Blice, Rifat Qureshi, Angelica Ciranni, and Michelle Masters of the Authority; Morgan Hanson of Cohen & Grigsby, PC; Clarence Curry of CFC-3; Tim Muldoon, Ryan Buries, Linda Mihalic, Kevin Fonner, and Conor McGarvey of SMG; Jason Kobeda and Chris Hunter of Pittsburgh Associates; Stephanie Turman of Always Busy Consulting; Mark McCall of TJ&S; Frederick Winkler, architect; and Max Radwin of Pittsburgh Post-Gazette

Senator Fontana called the meeting to order with the Pledge of Allegiance, followed by a roll call of the Board Members. Ms. Conturo said that Reverend Welch was participating by phone and confirmed that he could hear the Board Members and that the Board Members could hear him.

Beginning with public participation, Senator Fontana asked if any members of the audience would like to address the Board. Hearing none, the meeting continued with the approval of minutes from the meetings of May 8, 2014 and May 20, 2014. Motions were made, seconded, and unanimously approved for both meetings.

Senator Fontana began addressing new business with the first item on the agenda, a request for authorization to enter into a \$10,760 agreement with Nathan Contracting, LP to install insulation to prevent cold air infiltration.

Mr. Buries explained that in April 2014, the Board ratified a contract with StructureTec Corporation to investigate areas in the Convention Center where cold air infiltrated the building resulting in pipes freezing over the winter. The investigation revealed compromises around certain building columns that allowed air to penetrate into the plenum of the east lobby. This cold air enveloped the sprinkler pipe system causing damage, and temporary repairs were implemented to minimize damage. Adding permanent insulation around these columns will help permanently address the air infiltration issues and will also increase the efficiency of the air handling unit that serves the east lobby. This unit uses return air from the plenum and the insulation will ensure that the air is temperate and not cold outside air.

The Authority posted this opportunity on its website and solicited quotes from seven contractors to perform this work. Nathan Contracting submitted the lowest price. Upon approval, this project will begin immediately and will be coordinated with Convention Center events.

After asking for questions and hearing none, Senator Fontana asked for a motion to approve. On a motion duly made, seconded, and unanimously carried, the following resolution was approved:

RESOLUTION NO. 5240

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers are authorized to enter into a \$10,760 agreement with Nathan Contracting, LP to install insulation to prevent cold air infiltration; and further that the proper officers and agents of the Authority are authorized to take all action and execute such documents as are necessary and proper to effectuate the terms of this Resolution.

Senator Fontana introduced the next item, which was a request for authorization to enter into a \$228,700 agreement with H.E. Neumann Co. to install the 750 ton chiller at the chilled water plant.

Mr. Buries stated that the Convention Center's chilled water plant had four 1,500 ton centrifugal chillers installed during original construction, which were sized for a maximum cooling design load for both the Convention Center and a future 500 room hotel. Since the hotel was not constructed, the plant typically has operated at low loads.

In October 2013, the Board authorized a contract to recondition two of the malfunctioning chillers, and the repairs were completed in January 2014. The Board also authorized a contract with H.F. Lenz, who was hired to determine the correct size for purchasing a smaller sized chiller and design the installation. In April 2014, the Board authorized the purchase of a 750 ton chiller from Trane US. This request is to authorize a contract to install the purchased chiller. The public bid was advertised in the Pittsburgh Tribune, the Pittsburgh Courier, and added to the Authority website. A pre-bid meeting was held on May 21, 2014, and H.E. Neumann submitted the low bid at \$228,700. There is 29.1% WBE participation through this contract.

After asking for questions and hearing none, Senator Fontana asked for a motion to approve. On a motion duly made, seconded, and unanimously carried, the following resolution was approved:

RESOLUTION NO. 5241

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers are authorized to enter into a \$228,700 agreement with H.E. Neumann Co. to install the 750 ton chiller at the chilled water plant; and further that the proper officers and agents of the Authority are authorized to take all action and execute such documents as are necessary and proper to effectuate the terms of this Resolution.

Senator Fontana introduced the next item, a request for authorization to enter into a \$38,350 contract with Deckman Control Systems for hardware and software repairs to the building automation system; and authorization to enter a three year service contract totaling \$167,450, with the option to extend for two additional years.

Ms. Ciranni stated that in August 2012, the Board authorized a contract with CJL Engineering to provide engineering services to repair the Building Automation System (BAS) at the Convention Center. The BAS is used to control the heating and air conditioning systems. The system manufacturer is Alerton. No significant changes have been made to the system since it was installed during the original construction of the building. In the last few years, the BAS has been experiencing equipment failures and functionality issues due to obsolescence and parts are increasingly difficult to acquire. When the BAS was installed, a service contract was not purchased. Alerton, the manufacturer, was unable to provide the service needed to sustain the system. For that reason, CJL initially advised the Authority to purchase new components from another manufacturer that could provide the services needed. However in 2014, Alerton

announced a long term agreement making Deckman Control Systems its newly authorized representative for this service area. The Deckman staff has extensive experience and is capable of providing the level of service needed. Therefore, CJL is now recommending that the most cost effective approach is to continue with the existing system manufacturer rather than purchase an entirely new system. CJL advises that the Deckman costs are fair and that the hourly rates are below market value. This revised approach will streamline the overall project and account for an estimated \$210,000 in avoided costs through completion of all phases. That number also does not include any additional unknown cost regarding compatibility with the new manufacturer and the Alerton system, if a new system was purchased. It should be recognized that this approach, as with any other controls manufacturer, will cause this work and some certain future work and repairs to be sole sourced through Alerton.

There are two parts to the authorization. The first is the hardware and the software updates. Because the current system has never received a software update, many routine functions are no longer working. This upgrade will restore those functions and provide web-based access to the system for the staff. The hardware repairs are related to the network-level controllers which are the communication gateway between the user interface and the equipment in the building. As the controllers have aged, their performance has become inconsistent and unreliable. They will be replaced with the newest technology from Alerton.

The second component is the service contract. The service contract provides for ongoing support, troubleshooting, maintenance, and access to Alerton parts. The Year 1 cost of approximately \$132,000 is the most significant because it includes a re-commissioning of all 13,000+ devices throughout the building. Beginning in Years 2 and 3, and for Option Years 3 and 4, the Authority will be updating one third of the building's equipment per year.

The Year 1 scope also includes implementation of new programming logic that CJL provided. Both the re-commissioning and the new programming will provide significant energy savings and operational efficiencies. The Authority anticipates two future work phases, including end device repairs related to the re-commissioning, and will be issuing an RFP later in the month for a mechanical contractor to provide those services. There is also a potential future phase of integrating other systems in the building, like the chilled water plant and the waste water plant.

The total energy savings expected is approximately \$110,000 annually, and the Authority is also expecting a \$50,000 rebate through the Act 129 program.

After asking for questions and hearing none, Senator Fontana asked for a motion to approve. On a motion duly made, seconded, and unanimously carried, the following resolution was approved:

RESOLUTION NO. 5242

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers are authorized to enter into a \$38,350 contract with Deckman Control Systems for hardware and software repairs to the building automation system; and are authorized to enter into a three year service contract totaling \$167,450, with the option to extend a fourth year at a cost of \$18,640 and a fifth year at a cost of \$19,280; and further that the proper officers and agents of the Authority are authorized to take all action and execute such documents as are necessary and proper to effectuate the terms of this Resolution.

Senator Fontana continued on to the next item, a request for authorization to amend Resolution No. 5210, relating to consultant services in the preparation of an application for a FY 2014 TIGER Discretionary Grant, to reflect a change of the licensing entity to Roy Kienitz, LLC.

Ms. Ciranni stated that in April 2014, the Board approved an item with Parsons Brinckerhoff to assist the Authority with the TIGER VI application for the Lower Hill Redevelopment, and Roy Kienitz was going to work on behalf of Parsons Brinckerhoff. This authorization is only to change the contracting entity from Parsons Brinckerhoff to Roy Kienitz, LLC. No other terms are changing, and that half of his \$10,000 is paid for by the Pittsburgh Penguins.

After asking for questions and hearing none, Senator Fontana asked for a motion to approve. On a motion duly made, seconded, and unanimously carried, the following resolution was approved:

RESOLUTION NO. 5243

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers are authorized to amend Resolution No. 5210 to reflect a change of the licensing entity to Roy Kienitz, LLC; and further that the proper officers and agents of the Authority are authorized to take all action and execute such documents as are necessary and proper to effectuate the terms of this Resolution.

Senator Fontana introduced the next item, a request for authorization to designate Willis of Pennsylvania, Inc. as the broker for all insurance from July 1, 2014 to June 30, 2017, with an option to extend two additional years, and authorization to bind the related insurance for July 1, 2014 to June 30, 2015 (property to be bound through June 30, 2016) at a cost not-to-exceed \$299,756 plus related fees.

Ms. Casciato stated that the Authority issued an RFP in February for the Insurance Broker and Insurance Carrier coverage. The Authority's Risk Management Consultant, Mark McCall assisted in the selection process. Four insurance brokers responded to the RFP. TJ&S reviewed all of the proposals to verify credentials and the brokers' ability to write and service

each of the Authority's accounts. Per each broker's request, Markets were assigned so quotes could be solicited.

Three complete proposals were received. TJ&S reviewed the proposals with an insurance review committee. Willis provided the lowest cost for a total package of \$299,000, which is a \$124,000 decrease from last year's package. It also includes a two year price guarantee on property insurance contingent upon a 30% loss ratio, it increases the public officials limit from \$3M to \$5M, and it decreases the deductible to the Convention Center property insurance from \$50,000 to \$10,000. The authorization for Willis' service is for a three year period with the option for the Authority to extend two additional years. TJ&S and the insurance review committee recommend accepting Willis' proposal.

Senator Fontana asked what the deadline was for the proposals. Ms. Casciato responded that the RFP was released in February and the proposals were due on May 16th.

After asking for more questions and hearing none, Senator Fontana asked for a motion to approve. On a motion duly made, seconded, and unanimously carried, the following resolution was approved:

RESOLUTION NO. 5244

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers are authorized to designate Willis of Pennsylvania, Inc. as the broker for all insurance from July 1, 2014 to June 30, 2017, with an option to extend two additional years; and authorization to bind the related insurance for July 1, 2014 to June 30, 2015 (property to be bound through June 30, 2016) at a cost not-to-exceed \$299,756 plus related fees; and further that the proper officers and agents of the Authority are authorized to take all action and execute such documents as are necessary and proper to effectuate the terms of this Resolution.

Senator Fontana introduced the next item, which was a request for authorization of new parking rates for Convention Center Garage, 10th & Penn West Lot, North Shore Garage and Ridge Avenue Lots (Lots P2/P3).

Mr. Qureshi stated that ALCO Parking, the operator for the Authority's parking facilities, including the North Shore Garage, Convention Center Garage, Convention Center surface lots, and two North Shore surface lots. ALCO has recommended certain parking rate increases further to its evaluation of parking rates, which is an annual requirement of its Authority management agreements. Staff analyzed the recommendations based on capacity at the facilities with respect to daily and event usage, parking rates at comparable facilities using Pittsburgh Parking Authority's most recent market rate survey conducted in April 2014, and when the rates were last increased at the facilities.

The rate schedules to the resolution show the proposed hourly, monthly lease, and event rate increases. Generally, these provide for \$1 to \$2 increases for hourly rates, \$3 to \$5 increases for event rates, and \$10 to \$30 for monthly lease increases. It is expected that the additional net revenue will be used to pay debt service on the facilities, fund capital repairs at the garages and lots, and provide support for a future parking facility on the North Shore.

Councilman Gilman asked for the number of residential leases currently in place at the facilities.

With the help of Ms. Casciato, Mr. Qureshi reported that the Convention Center had 17 residential leases.

Councilman Gilman stated that the numbers made perfect sense, with comparable loss and inflation. He said that he was being cautious about the residential leases since the Mayor is trying to encourage increased downtown living by 20,000 people. Councilman Gilman said that

he just wanted to ensure that the Authority does not increase downtown living expenses, but at \$17 leases, it does not sound significant. Senator Fontana commented that the proposed increased prices are still below other rates, and Councilman Gilman concurred.

After asking for more questions and hearing none, Senator Fontana asked for a motion to approve. On a motion duly made, seconded, and unanimously carried, the following resolution was approved:

RESOLUTION NO. 5245

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers are authorized to implement new parking rates for Convention Center Garage, 10th & Penn West lot, North Shore Garage and Ridge Avenue Lots (Lots P2/P3), as attached; and further that the proper officers and agents of the Authority are authorized to take all action and execute such documents as are necessary and proper to effectuate the terms of this Resolution.

Finishing new business, Senator Fontana asked if any members of the audience would like to address the Board of if there were comments from the Board Members. There being no comments or business, Senator Fontana asked for a motion to adjourn. Upon a motion duly made, seconded and unanimously carried, the meeting was adjourned at 11:04 A.M.



Mary Conturo
Assistant Secretary

**SEA Parking Facilities
Proposed Rate Increases**

(effective upon board action and 30-day notice prior to implementation)

North Shore Garage

Daily / Weekend	Current	Recommended
0 - 2 hrs	\$3.00	\$4.00
2 - 4 hrs	\$7.00	\$8.00
4 - 24 hrs	\$9.00	\$10.00
Night / Weekend	\$4.00	\$5.00
Events		
Panthers	\$15.00	\$20.00
Leases		
Regular Monthly Leases	\$150.00	\$160.00
Event Monthly Leases	\$235.00	\$250.00

Convention Center Garage

Daily / Weekend	Current	Recommended
0 - 2 hrs	\$5.00	\$6.00
4 - 6 hrs	\$8.00	\$10.00
6 - 8 hrs	\$11.00	\$12.00
8 - 15 hrs	\$13.00	\$14.00
15 - 24 hrs	\$20.00	\$25.00
Events	\$10.00	\$12.00
Leases		
Monthly Leases	\$245.00	\$275.00
Residential Leases	\$178.00	\$200.00

10th/ Penn Surface Lot (West Lot)

Daily / Weeked	Current	Recommended
5:00 am - 5:00pm	\$12.00	\$13.00
Events	\$10.00	\$12.00
Leases		
Monthly Leases	\$235	\$260
Residential Leases	\$171	\$189

RIDGE LOTS (P2 - P3)

Daily / Weekend	Current	Recommended
5:00am - 5:00 pm	\$6.00	\$7.00
Night & Weekend Rate	\$5.00	\$7.00
Events		
Pirates	\$12.00	\$15.00
Pirates Post Season	\$20.00	\$25.00
Pirates World Series	\$25.00	\$30.00
Panthers	\$15.00	\$20.00

