

MINUTES OF THE MEETING  
OF THE BOARD OF THE  
SPORTS & EXHIBITION AUTHORITY OF PITTSBURGH  
AND ALLEGHENY COUNTY  
HELD THURSDAY, APRIL 8, 2021  
REMOTELY VIA ZOOM CONFERENCE  
PITTSBURGH, PENNSYLVANIA  
COMMENCING AT 10:32 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 on Thursday, April 8, 2021 commencing at 10:32 A.M. E.S.T. Due to the COVID-19 pandemic and guidance from public health experts, the meeting was conducted remotely via the online conferencing platform Zoom.

Members of the Authority

Present: Sen. Wayne Fontana, Chairman  
Michael Dunleavy, Vice-Chairman  
Jill Weimer, Treasurer  
Councilman Nicholas Futules, Member  
Rev. Glenn Grayson, Member

Also Present: Mary Conturo, Doug Straley, Rosanne Casciato, Michael Wassil, Bill Williams, Rhea Thomas, Jordann Kline, and Lauren Henderson of the Authority; Morgan Hanson, Solicitor; Clarence Curry, CFC-3 Management Services; Tom Ryser, TPR, LLC; Tim Muldoon, Guy DeFazio, and Ryan Buries, SMG; Gary Desjardins, AEG; Jim Lodge, Clearway Energy dba Energy Center Pittsburgh, LLC; Lance Harrell, Hill CDC; Matthew Wilson, Buchanan Ingersoll and Rooney, PC; Mark Belko, Pittsburgh Post-Gazette; and user “Eric Shultz”.

Senator Wayne Fontana called the meeting to order with the Pledge of Allegiance. Mr. Morgan Hanson followed with a roll call of the Board Members. Mr. Hanson advised that a quorum was present.

Beginning with public participation, Senator Fontana asked if any members of the audience would like to address the Board. Members of the public were offered participation by email, telephone, or the Zoom chat function. Ms. Lauren Henderson stated that a progress report

memorandum sent by the Lower Hill Executive Management Committee (“EMC”) was received, distributed to the Board, and will be included in the minutes for this meeting. Ms. Henderson stated that the Authority had not received any comments via email, no one registered to speak via telephone, and no comments were submitted via the Zoom chat function thus far. Seeing no request from the public to address the Board, Senator Fontana moved to the next item on the agenda, approval of the minutes from the meeting of March 11, 2021. A motion was made, seconded and unanimously approved.

Senator Fontana continued on to the next item on the agenda under the David L. Lawrence Convention Center (“DLCC”), authorization to exercise the option for a five-year extension of agreement with Bottling Group, LLC (“Pepsi”) to be the exclusive beverage provider and receive exclusive pouring rights at the DLCC.

Ms. Rosanne Casciato explained that the Authority’s agreement with Pepsi to provide exclusive beverage pouring rights for the DLCC, as well as vending machine services at the convention center and SEA/SA garages, expires on April 30, 2021.

In 2015, a Request for Proposal (“RFP”) was issued with only one other company providing a proposal. The proposals were reviewed by representatives of the Authority, Levy, SMG, and Clarence Curry, the Authority’s Diversity Coordinator. The proposals were evaluated based on the following: the financial proposal, product offerings, management approach, MBE/WBE plan and workforce diversity, and sustainable practices. The proposal from Pepsi was approved by the Board on March 10, 2016.

This board action is requesting authorization to exercise the option for a five-year extension. Pepsi will continue current contract terms, including paying the Authority: \$25,000 sponsorship fee per year over the five-year extension term, up to \$5,000 per year of Pepsi

marketing efforts, 35% commission on vending machine product, and rebates per case ranging from \$1 to \$4. The commission and rebates total approximately \$30,000 per year to the Authority. Pepsi will also provide a one-time \$30,000 renewal payment to be paid when the extension agreement is signed. In addition to the financial package, all concession equipment and vending machines are and will continue to be provided by Pepsi.

Given that only one other proposal was received in 2015, the effects of COVID-19 on 2020 and 2021 DLCC events, and the exceptional service received by Pepsi over the last five years, the same committee is recommending extending the agreement for the additional five years.

Pepsi was asked to provide diversity information for the McKees Rocks facility from where all of the products are delivered. Pepsi reported that their local facility currently has a 26% minority workforce.

Senator Fontana asked if there were any questions from the Board.

Councilman Nicholas Futules asked if the COVID-19 pandemic has had any effect on the current contract.

Ms. Casciato stated that it has only impacted the amount of commission received by the Authority. Normally, the Authority receives approximately \$20,000 to \$25,000 in commission, and this year the Authority has received approximately \$15,000. Otherwise, Pepsi has paid the sponsorship fee and has completed everything they are obligated to do under the current agreement.

Senator Fontana asked if there were any further questions from the Board. Hearing none, he asked for a motion to approve. On a motion duly made, seconded, and unanimously carried, the following resolution was approved:

## **RESOLUTION NO. 5740**

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers are authorized to exercise the option for a five-year extension of agreement with Bottling Group, LLC (“Pepsi”) to be the exclusive beverage provider and receive exclusive pouring rights at the David L. Lawrence Convention Center; 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 on the agenda, authorization to enter into a 20-year agreement with Clearway Energy dba Energy Center Pittsburgh, LLC for the purchase of steam heat for the David L. Lawrence Convention Center.

Mr. Doug Straley stated that, since the DLCC opened in 2003, it has purchased steam from Pittsburgh Allegheny County Thermal (“PACT”), a district heating cooperative. PACT has advised its members that it does not have a financially viable solution to the increasing repair and maintenance costs of the tunnel distribution system and its decreasing customer base beyond July 2023. PACT has also advised that it has commenced negotiations with Clearway Energy (“CWEN”) to sell or transfer certain PACT assets.

In light of this, the DLCC evaluated two options: (1) install an on-site boiler in the convention center to generate steam, or (2) purchase steam from a district energy system being planned by CWEN. These options were explored with the help of a working group that included Authority Board Members (Senator Fontana, Mike Dunleavy and Councilman Coghill), Dentons Cohen & Grigsby (Morgan Hanson, Maureen Jordan) and Authority staff.

In October 2019, CWEN provided a proposal to the Authority to supply steam to the DLCC via a 20-year agreement. CWEN is currently operating a district heating system on the North Shore and in Uptown, with a boiler plant located behind PPG Paints Arena. It is

proposing to extend the Uptown system with a distribution line that would run to the DLCC. The payment structure has a fixed and a variable component for the steam rate. The fixed payment would be \$33,800 per month, escalating by CPI, but capped at 3% per year, and a variable payment would be a pass through of the actual cost of utilities (gas, water, and sewer) that CWEN pays, as approved by Pennsylvania Utility Commission (“PUC”).

The Authority obtained the advice of a consultant with the relevant expertise and experience in energy systems: FVB Energy (“FVB”). FVB reviewed the CWEN proposal and its agreement, making recommendations on both the economics and agreement language, and also evaluated the possibility of installing/operating a plant in the DLCC and the costs associated with doing so. The conclusion of the due diligence was that FVB recommended proceeding with CWEN due to the following: price, the risk associated with an on-site boiler plant, and the lost square footage of usable space if the boiler plant is located in the DLCC. Based on that information, the working group and FVB recommend proceeding with a CWEN agreement.

Senator Fontana mentioned that the working group had questions during the process that Mr. Straley has adequately answered and explained. He went on to mention that if they go out of business or do not undertake the extension, there was discussion regarding a temporary set-up, and asked if Mr. Straley planned on continuing to look into that possibility and how long it would last.

Mr. Straley replied that he is correct, plans are being made to address contingencies.

Senator Fontana asked if there were any questions from the Board. Hearing none, he asked for a motion to approve. On a motion duly made, seconded, and unanimously carried, the following resolution was approved:

## **RESOLUTION NO. 5741**

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 20-year agreement with Clearway Energy dba Energy Center Pittsburgh, LLC for the purchase of steam heat for the David L. Lawrence Convention Center; 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 on the agenda, authorization to enter into an agreement with Mariani & Richards in a lump sum amount of \$9,800 for concrete and sealant repairs at the Tribute to Children Memorial, paid for by the Colcom Foundation.

Mr. Bill Williams stated that a visual inspection is conducted of the Tribute to Children Monument biennially to identify maintenance needs and confirm structural integrity. The most recent inspection recommended repairs to mortar and sealant joints. Minor caulking repairs are needed at a vent at the base of the statue. Graffiti has been scratched into the arches of the memorial and needs to be removed. Lastly, the access door beneath the deck is rusted and needs to be replaced.

A RFP was developed to address these items, with pricing requested on a per-item basis. On February 4, 2021, the Authority publicly advertised this RFP in the New Pittsburgh Courier, the Pittsburgh Post-Gazette, posted it on the SEA website, and the URA assisted the Authority with social media communication. The RFP was sent to 19 firms, three of which were MBE or WBE. A non-mandatory pre-proposal meeting was conducted with two (2) companies present, and two (2) proposals were received. Mariani & Richards is recommended because they provided a complete proposal and have the knowledge and skills to perform the tasks required.

This project will be funded by the Colcom Foundation and will take approximately five (5) weeks to complete, with projected completion in late spring/early summer. The warranties are one year for workmanship and product.

There is no MBE/WBE participation for this project, however, the overall workforce consists of two employees. Mariani & Richards has committed that one employee will be a minority and the other will be a woman. This has been reviewed by the Authority's Diversity Coordinator, Clarence Curry.

Senator Fontana asked if there were any questions from the Board. Hearing none, he asked for a motion to approve. On a motion duly made, seconded, and unanimously carried, the following resolution was approved:

**RESOLUTION NO. 5742**

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers are authorized to enter into an agreement with Mariani & Richards in a lump sum amount of \$9,800 for concrete and sealant repairs at the Tribute to Children Memorial, paid for by the Colcom Foundation; 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 on the agenda, authorization to enter into license agreements with Cruisin' Tikis, Point of Pittsburgh Sailing League, and Pittsburgh Pirate Ship for docking at the North Shore Riverfront Park.

Mr. Williams explained that this board action is for three separate license agreements at the North Shore Riverfront Park ("NSRFP").

The first license agreement is for Cruisin' Tikis. Last year, the Board approved a one-year license agreement for Cruisin' Tikis to dock at the NSRFP. They are now requesting

another one-year agreement for this 2021 season. Cruisin' Tikis provides recreational boating activities and their tiki boats meet necessary standards and are U.S. Coast Guard compliant. They have three tiki boats and each boat can carry a maximum of six people. With the license agreement, Cruisin' Tikis would be permitted to dock along the river wall for the purpose of loading and unloading its passengers only. Their operating season will be from June to November 2021, and the boats can dock along the river wall only during NSRFP hours. Cruisin' Tikis has provided information regarding operations, safety protocols, insurance, and COVID-19 protocols. The license fee for the 2021 season is \$2,500.

The second license agreement is for the Point of Pittsburgh Sailing League ("PPSL"). Last year, the Board approved a one-year license agreement for PPSL to provide sailing lessons to high school students. They are now requesting another one-year agreement for this 2021 season. Mr. Joe Kirk is a certified sailing instructor who developed an instructional sailing program for high school students. They will provide sailing lessons on the waters of the Allegheny River between NSRFP and Point State Park. The lessons will be held twice a week from May to October 2021. The program will start with 4 – 6 sailing boats, carrying two students each. They have one (1) power boat that will carry two certified instructors. They will utilize a landing area on Authority property near the Carnegie Science Center, where they will use a temporary floating "mini-barge" system that can be moved to and from the property. The PPSL has met with all necessary regulatory entities and has initiated outreach with the Pittsburgh Public School District as a registered after school program. They have also provided brochures to Pittsburgh Public high schools via the after school coordinator. Recruitment in other Pittsburgh-area high schools will also be initiated. They have submitted information regarding operations, safety protocols, parental waiver forms, insurance, COVID-19 protocols, and letters



of support. The license fee for the 2021 season is \$1,500, with an additional refundable security deposit of \$500.

The last license agreement, which is for one-year, is for the Pittsburgh Pirate Ship (“PPS”) which is a new venture this year. They are providing two-hour tours and can carry a maximum of six passengers. Currently, all passengers are required to be from the same group. With the license agreement, PPS would be permitted to dock along the river wall of NSRFP for the purpose of loading and unloading its passengers only. They are complying with all U.S. Coast Guard standards and the vessel is inspected daily for safety and operational performance. Their operating season will be from April to November 2021, and their daily hours of operation will be 10:00 A.M. to 10:00 P.M. Currently, they are providing music and activities for children. They are not providing any snacks or drinks, but passengers are permitted to bring their own food and drink. They are following COVID-19 protocols, including the crew wearing masks at all times and the vessel being sanitized between each use. The license fee for the 2021 season is \$2,500.

Senator Fontana asked if there were any questions from the Board.

Councilman Futules asked, in reference to the areas outlined in the backup material provided to the Board, where exactly each group would be docking along the NSRFP.

Mr. Williams explained that the groups will be allowed to dock anywhere within those outlined areas, depending on if there are other boats already docked there or not. There are anchor points located all along the river wall, and they are allowed to choose wherever is open.

Councilman Futules mentioned that he believed they would have designated areas.

Mr. Williams replied that, technically speaking, they only need an area where they can load and unload.

Councilman Futules noted that he was wondering in relation to potentially busy times, such as Pirates games, when a plethora of boats can be docked at NSRFP.

Senator Fontana asked if there were any further questions from the Board. Hearing none, he asked for a motion to approve. On a motion duly made, seconded, and unanimously carried, the following resolution was approved:

**RESOLUTION NO. 5743**

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers are authorized to enter into license agreements with Cruisin' Tikis, Point of Pittsburgh Sailing League, and Pittsburgh Pirate Ship for docking at the North Shore Riverfront Park; 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 on the agenda, authorization to enter into an agreement with Mariani & Richards in a lump sum amount of \$9,800 for stainless steel, glass, and granite maintenance at the WWII Memorial, paid from the WWII Memorial Fund.

Mr. Williams stated that the WWII Memorial was dedicated at the NSRFP in 2013 and the memorial ownership was transferred to the Authority in 2015. A maintenance fund was part of the transfer agreement and this fund is to be used for capital repairs and maintenance of the memorial.

In 2015, the stainless steel spires were cleaned to remove rust-like discoloration. Currently, a few stainless steel spires again exhibit some rust-like discoloration. Also, the glass walls of the exhibit are discolored and in need of cleaning. Lastly, the granite is dirty and needs cleaning. The original fabricator of the spires and glass graphic panels provided recommended cleaning methods.

Authority staff requested quotes for these items from three (3) contractors, including an MBE contractor. Two (2) quotes were received, with Mariani & Richards being the lowest quote.

This project will be paid for from the WWII Memorial Fund and will take approximately five (5) weeks to complete, with projected completion in late spring/early summer.

There is no MBE/WBE participation for this project. The overall workforce consists of only two employees. Mariani & Richards has committed that one employee will be a minority and the other will be a woman. This has been reviewed by Clarence Curry.

Senator Fontana asked if this fund was sustainable, or if there would need to be an influx of dollars at some point.

Ms. Mary Conturo replied that that will eventually be the case, as there is no revenue stream that goes into the fund. As it gets spent down, the Authority will have to address that issue.

Senator Fontana asked if there is a yearly average estimate for maintenance costs.

Ms. Conturo stated that the costs will most likely increase as the memorial ages, and asked Mr. Williams to confirm that the cost is generally around \$10,000 per year.

Mr. Williams acknowledged that to be a correct estimate, suggesting that it can vary up to \$15,000 as well.

Senator Fontana stated that if that is the case, the Authority may want to begin attempting to find a sustainable source of income for the fund. Further, he mentioned that an individual had contacted him regarding flags, and asked if the cost of flags currently comes out of that fund.

Mr. Williams stated that that is correct, noting, however, that flags have been donated in the past.

Senator Fontana mentioned that the individual he had previously mentioned was looking for a Prisoner of War (“POW”) flag, and asked if there is currently a POW flag flying at the WWII Memorial.

Mr. Williams stated that there was.

Senator Fontana asked if there were any further questions from the Board. Hearing none, he asked for a motion to approve. On a motion duly made, seconded, and unanimously carried, the following resolution was approved:

**RESOLUTION NO. 5744**

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers are authorized to enter into an agreement with Mariani & Richards in a lump sum amount of \$9,800 for stainless steel, glass, and granite maintenance at the WWII Memorial, paid from the WWII Memorial Fund; 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 on the agenda, authorization to approve, as an alteration, a new lounge area in the lower seating bowl, Section 120, of PPG Paints Arena.

Mr. Straley explained that the Pittsburgh Penguins have requested approval to add a new lounge in the lower bowl of PPG Paints Arena (the “Rivers Lounge”). The lounge alteration is part of a sponsorship deal with Rivers Casino. The Rivers Lounge will be located on the concourse level at Section 120. Under the lease agreement, an alteration is a project paid for 100% by the Penguins. The lounge area will feature a large bar area with seating and club chairs and multiple live action screens.

In November 2020, the Authority hired Stantec Architecture and Engineering to conduct a structural peer review of the alteration plans. Stantec issued their report on November 25, 2020

and on November 30, 2020, Thornton Tomasetti, who is the structural engineer of record for the project, worked to respond to all comments. Stantec was satisfied with Thornton Tomasetti's response.

The total cost of the project is approximately \$2.3 million. The Penguins expect it to be completed in May 2021. PJ Dick, who is the general contractor for the project, provided an MBE/WBE plan for the project showing 18% MBE and 18% WBE. The cost of the project will be paid for entirely by the Penguins. When complete, the project will become part of the premises owned by the Authority and leased to the team. Authority staff is recommending approval with the condition that the Penguins shall be solely responsible for all maintenance of the project, routine and capital, for the duration of the lease.

Senator Fontana asked if there were any questions from the Board. Hearing none, he asked for a motion to approve. On a motion duly made, seconded, and unanimously carried, the following resolution was approved:

**RESOLUTION NO. 5745**


RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers are hereby authorized to approve, as an alteration, construction of a new lounge area in the lower seating bowl, Section 120, of PPG Paints Arena, on the condition that the Authority is not responsible for any costs (including but not limited to initial construction costs and capital repair and improvement costs) and all requested documents and agreements, acceptable to the solicitor, are received; 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 the Resolution.

The next item was public participation, and Senator Fontana asked if anyone in the audience desired to address the Board.

Ms. Henderson stated that the Authority has provided the public with three options for public participation: email, telephone, or Zoom chat.

No public comments were submitted via email (other than the previously mentioned memo from the EMC) and there were no registrations to submit a public comment via telephone or the Zoom chat function.

Senator Fontana asked if there were any comments from the Board. There being no additional 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 10:58 A.M.

 5/13/21  
Mary Conturo  
Assistant Secretary