

MINUTES OF THE MEETING
OF THE BOARD OF THE
SPORTS & EXHIBITION AUTHORITY OF PITTSBURGH
AND ALLEGHENY COUNTY
HELD THURSDAY, JULY 13, 2017
AT THE DAVID L. LAWRENCE CONVENTION CENTER
PITTSBURGH, PENNSYLVANIA
COMMENCING AT 10:38 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 333 at the David L. Lawrence Convention Center in Pittsburgh, PA 15222, on Thursday, July 13, 2017 commencing at 10:38 A.M. E.S.T.

Members of the Authority

Present: Sen. Wayne Fontana, Chairman
Michael Dunleavy, Vice-Chairman
Sala Udin, Secretary
Reverend John Welch, Member
Jill Weimer, Member
Hon. Daniel Gilman, Treasurer

Also Present: Mary Conturo, Doug Straley, Rosanne Casciato, Rosemary Carroll, Taylor Blice, Rifat Qureshi, Simona Loberant, Maggie Pike, Rachel Cohen, Caitlin Fadgen, Marlee Hune and Tess Brust of the Authority; Tom Ryser of TPR, LLC; Clarence Curry of CF3 Management; Morgan Hanson, Solicitor; Tim Muldoon, Ryan Buries, Conor McGarvey, Linda Mihalic, Hiedi Strothers, and Joseph Garcia of SMG; Kevin Fonner of DLLCC Security; Tim Pratt of the Pittsburgh Pirates; Lance Harrell of LJH Development LLC; and Frederick Winkler, architect.

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 confirmed that Ms. Jill Weimer was attending via telephone, and she could hear the other Board Members and the Board Members could hear her. 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. Seeing none, he moved to the next item on the agenda,

approval of the minutes from the meeting of June 8, 2017. A motion was made, seconded, and unanimously approved. Senator Fontana noted that Mr. Sala Udin had joined the meeting.

Senator Fontana continued on to the next item on the agenda under David L. Lawrence Convention Center, ratification of a contract amendment with Wiss, Janney, Elstner Associates, Inc. for engineering services in an amount up to \$22,467.68, a change order to CPS Construction Group for labor and materials in an amount up to \$11,887.06, and reimbursement to the building operations budget of \$2,714, related to replacement of ballroom concrete.

Mr. Ryan Buries explained that in March 2017, roughness and unevenness of the concrete floor beneath the carpet of an area near the roll-up door at the northeast entryway of the ballroom was noticed. The path from the freight elevator in the south corridor through this door is the primary access point used for moving equipment into and out of the ballroom for event setups. The carpet was removed and inspected by WJE, who subsequently provided design details for the concrete repair and advised that use of forklifts be temporarily restricted. WJE will conduct further analysis of this area and other areas throughout the building with forklift traffic and similar design construction detail. After that investigation, they will assist with establishing conditions and protocols for the resuming of forklift use in the ballroom.

In order to not impact scheduled events, there was a need for the repairs to be done promptly. CPS was on site working on a traffic coating project at the second-floor loading dock, and was able to provide personnel and materials to do the needed work. The unit rates for their existing contract were applied to this repair, and the cost for the work was \$11,887.06. Additional project support was provided through the building operations budget, which will be reimbursed, and the existing contracts with CPS and WJE, to which the amendments will be made, were procured through either a competitive bid or an RFP process. The costs associated

with this repair were completed under the extensions of those rates associated with the existing contracts.

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. 5473

Resolved by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that a contract amendment with Wiss, Janney, Elstner Associates, Inc. for engineering services in an amount up to \$22,467.68 is ratified, a change order to CPS construction group for labor and materials in an amount up to \$11,887.06 is ratified, and reimbursement to the building operations budget of \$2,714 is authorized, all related to replacement of ballroom concrete; 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, authorization to enter into a contract amendment with O&S Associates, Inc. in a not-to-exceed amount of \$50,900 including reimbursable expenses to be billed on an hourly basis for curtainwall inspection and vertical building envelope evaluation.

Ms. Linda Mihalic explained that the David L. Lawrence Convention Center has glass curtainwalls enclosing the east and west ends of the main exhibit halls and adjacent to the roof-level bridge. In May 2017, a request for proposals was issued for two related scopes of work. The first is routine inspection of the glass curtainwalls. Inspections are conducted every five years. The second scope is evaluation of the condition and integrity of the vertical building envelope, a.k.a. "the glass walls," on the second-level north, east, and west facades, and on the third-floor northwest corner, to determine air and water tightness.

The RFP requested separate pricing for each scope of work, as well as hourly rates. The RFP was advertised in the Post-Gazette and the Pittsburgh Courier, and a notice was posted on the SEA website. Eight firms attended the pre-proposal meeting, and six proposals were received. The review committee, which consisted of SEA and SMG staff, recommends O&S for some of the following reasons: they had the lowest price of all of the proposals, both separate and combined, hourly rates for any future work necessary were very competitive, O&S is a 100% MBE firm, and has a MBE sub-consultant if needed, their technical expertise is appropriate to this project, and the SEA's past experience with O&S on the inspection of the North Shore Garage and West General Robinson Street Garage was positive.

The work will commence in August 2017, and is expected to be completed by the end of September.

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. 5474

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 contract with O&S Associates, Inc. in the amount not to exceed \$50,900 including reimbursable expenses, to be billed on an hourly basis, for curtainwall inspection and vertical building envelope evaluation; 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 under David L. Lawrence Convention Center, authorization to enter into a lump sum contract with Graciano Corporation in the amount of \$306,022 for exhibit hall concrete repairs.

Ms. Linda Mihalic explained that the concrete topping slab flooring in Exhibit Halls A, B, C, D, and E is original to construction. Barber and Hoffman Inc. conducted a condition survey of the concrete flooring, and determined that due to the age of the building, routine repairs are needed. All conditions noted were non-structural. Barber and Hoffman prepared drawings and specifications for concrete repairs and caulking replacements throughout the exhibit halls.

The bid package was advertised in the Post-Gazette and the Pittsburgh Courier, and a notice was placed on the SEA website. Eleven firms attended the pre-bid meeting, and five bids were submitted. Graciano provided the low-base bid, and low bids on Alternates 1 and 2, which were accepted for additional caulking replacement.

The work will commence in August 2017. Depending on the event schedule, work is expected to be completed prior to the contract completion date of June 30, 2018. The contract requires a five-year warranty on joint sealants and crack repairs, and a two-year warranty on surface concrete repairs. Graciano's construction contract includes 11% MBE and 4% WBE participation.

Senator Fontana asked if there were any questions from the Board. Councilman Gilman asked if there was consideration given to making a more complete replacement of the concrete rather than spend a substantial amount on temporary repairs. Additionally, Councilman Gilman asked if there was a sense of how long the repairs were expected to last.

Ms. Mihalic reiterated that the warranty lasts five years for the caulking and sealant, and two years for the concrete replacement. She added that the repairs are expected to last longer than the duration of the warranties. She also added that the full-scale replacement of all of the concrete would be an order of magnitude greater. She mentioned she could calculate some estimates for a full-scale replacement after the meeting to compare with the cost of the repairs.

Senator Fontana asked if there were any other 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. 5475

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 lump sum contract with Graciano Corporation in the amount of \$306,022 for routine exhibit hall concrete maintenance and repairs; 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 under David L. Lawrence Convention Center, authorization to enter into a 36-month lease, with options to extend for two periods of 36 months each, with BTG Rentals LLC and Bike the Burgh Tours, LLC for retail space along Penn Avenue.

Mr. Rifat Qureshi explained that there are four retail spaces along Penn Avenue located at the David L. Lawrence Convention Center. Currently, the western-most space is occupied by Jimmy John's, and the eastern-most space is CobblerWorld. Avison Young is the Authority's real estate broker, and has recommended leasing the space next to CobblerWorld, which is approximately 350 square feet, for a bike rental store. BTG Rentals will provide bike rentals for Bike the Burgh Tours and Bike the Gap Tours. Bike the Burgh Tours will offer bike tours in the city of Pittsburgh. Your Active City, doing business as Bike the Gap, offers self-guided, multi-day bike tours on the Great Allegheny Passage between Pittsburgh and Washington, D.C.

BTG Rentals and Bike the Burgh will sign the lease, joint and several. The lease will be guaranteed by Your Active City. There will be approximately 20 to 30 bikes for rent at the space. Approximately two tours per day are anticipated. The space will be used to house, clean, and

maintain the bikes, as well as pick up and drop off the rental bikes. They will operate year-round, but their prime season is spring to fall. They plan to occasionally wash the bikes in front of the storefront after tours, but will be required to clean and keep the sidewalk clean and free of dirt at all times. They will use biodegradable cleaning supplies.

The Authority will provide for minor aesthetic improvements, including removing existing carpeting, painting, fixing ceiling tiles, and adjusting the sink plumbing in the restroom for the tenants' use. That cost will be approximately \$2,000. The initial term will be 36 months with two option periods of 36 months each. Avison Young recommends the rent of \$24 per square foot, including utilities. It is comparable to similar retail downtown use. The annual base rent is \$8,400. The first option period is \$25 per square foot and the second option period is \$26 per square foot. SMG, the general manager of the David L. Lawrence Convention Center, reviewed the proposal and recommends the lease as a good use of the space.

Parking is not included, but the tenant may request a parking lease from the convention center parking operator, and will be charged at the standard rates.

Senator Fontana asked if there were any questions. Mr. Udin questioned whether the cleaning of the bikes in front of the store on Penn Avenue was a good idea. Mr. Qureshi reiterated that some of the bikes would need to be cleaned following the longer trips to Washington, D.C. Mr. Udin asked if there was an alternative, more discreet location for cleaning the bikes. Mr. Qureshi mentioned he could ask Bike the Burgh and Bike the Gap about an alternative space to clean the bikes. Senator Fontana suggested potentially cleaning the bikes in the convention center garage, or the loading dock area, and Mr. Qureshi agreed that the staff would explore this solution.

Senator Fontana asked if there was any other available space on Penn Avenue with the addition of the bike rental store. Mr. Qureshi confirmed that there is one space remaining.

Senator Fontana asked if there were any other questions from the Board. Councilman Gilman commended the team for strategic use of the space given its proximity to the convention center, as it offers a great opportunity for people attending conventions to take tours of the city.

Senator Fontana asked if there were any other 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. 5476

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 36-month lease, with options to extend for two periods of 36 months each, with BTG Rentals LLC and Bike the Burgh Tours, LLC as joint tenants for retail space along Penn Avenue; 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 under North Shore Garage, authorization to amend the agreement with O&S Associates for a not-to-exceed amount of \$19,250 for engineering and bidding services for garage maintenance and repairs and \$20,000 allowance for construction administration based on hourly rates and construction schedules.

Mr. Taylor Blice explained that in March 2017, the Board authorized O&S Associates to perform a condition assessment, which takes place every two years. In May 2017, O&S Associates performed the inspection, and created a report that listed the deficiencies, which O&S prioritized as Priority 1, which would be completed within one year, Priority 2, which would be completed in 1-3 years, and Priority 3, which would be completed in 3-5 years. There are several repairs that need to be made within the first 12 months, which amount to \$390,000. That work

includes concrete repair, repointing certain sections of the mortar joints, and washing and sealing the façade. Priority 2 will also be included in the initial bid documents in order to save money on design and bidding costs. That repair is estimated to be \$254,000.

When the RFP for the inspection was issued in January, hourly rates were requested to anticipate fees from proposers for the creation of the bid documents and other inspections. O&S has provided a proposal for creation of bid documents, a not-to-exceed amount of \$19,250. O&S will prepare the bid documents, and construction oversight of an allowance of \$20,000, to oversee the construction itself. Authorization of an allowance is requested because the length of the project and how many visits is uncertain. Actual fees will be based on their hourly rates and time actually spent on the job. O&S has a schedule to create the bid documents of approximately nine weeks. We're hoping to come back to the Board in September or October for the authorization of the project. O&S is a 100% MBE firm.

Senator Fontana asked if there were any questions. Mr. Udin asked why there was no information on other organizations' responses to this specific RFP in this particular Board Action Request as there have been in the past. Ms. Conturo explained that those proposals were included in the March Board Packet, when O&S was first authorized to do this inspection, and that this amendment is simply a continuation of the original contract. Mr. Straley added that eight firms originally submitted proposals on the project, and O&S offered the lowest hourly rate of those eight firms.

Senator Fontana asked if there were any other 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. 5477

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers are authorized to amend the agreement with O&S Associates for an amount not-to-exceed \$19,250 for engineering and bidding services for garage maintenance and repairs and \$20,000 allowance for construction administration based on hourly rates and construction schedules; 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 under Lower Hill Project, authorization to enter into a supplement to the agreement with HDR Engineering, Inc. for engineering services related to final design for the I-579 Urban Open Space Cap for a not-to-exceed amount of \$335,690, based on billable hours.

Mr. Tom Ryser explained that the I-579 Cap project will be a structure over I-579, creating an urban open space bound by Washington Place, Centre Avenue, Chatham Square, and Bedford Avenue.

Through a public process conducted in February and March of 2014, HDR was selected for the preliminary and final design of the I-579 Cap, and in August of 2014 and November of 2015, the Board approved entering into an agreement with HDR for the preliminary design and final design services, respectively.

This supplement to the contract is for additional time needed to complete the final design tasks. Because 80% of the cost of this supplement will be funded by federal dollars, PennDOT negotiation procedures were followed. These steps include first the development of the scope of work. Then, once all parties concurred with the additional scope of work and approach, HDR submitted the anticipated hours needed to complete that scope of work. Then a negotiation meeting was held among the SEA and PennDOT and HDR to review and agree upon the hours

for the scope of work. Once all parties agree on the anticipated hours, HDR and its sub-consultants submit their pricing.

Including this supplement, the total MBE percentage will be 13%, and the WBE percentage will be 10%.

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. 5478

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 supplement to the agreement with HDR Engineering, Inc. for engineering services related to final design for the Lower Hill I-579 Urban Open Space Cap for a not to exceed amount of \$335,690, based on billable hours; 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 under SEA Operating, authorization to amend agreement with Avison Young – Pittsburgh LLC to extend term for one year with options to extend for two six-month periods, at Authority's discretion, for brokerage services for the retail space in the David L. Lawrence Convention Center and North Shore Garage.

Mr. Qureshi explained that in 2015, the Authority, jointly with the Stadium Authority, issued an RFP for the retail spaces to be leased at the convention center and the North Shore Garage, and the Stadium Authority's West General Robinson Street Garage. Avison Young entered into brokerage agreements in August 2015. The term was one year, with two (2) six-month extensions. They have an MBE sub-consultant, Bridget Canedy, and her participation is 40%. To date, Avison Young has secured three tenants in the SEA spaces and Stadium Authority

space. FNB signed a 36-month lease in September 2016 on the second floor of the North Shore Garage. CobblerWorld signed a one-year lease in May of 2016, which was extended for an additional year. Rally House signed a 10-year lease in July of 2016 in the West General Robinson Street Garage space for the Stadium Authority. Today, the bike rental store was approved.

In August 2016, the Authority elected to extend for two six-month extensions, since Avison Young was closing the FNB lease at the time, and was pursuing other prospects to fill the remaining spaces. Their agreement expires August 12th 2017.

In the past year, Avison Young has diligently shown the remaining Authority spaces along Penn Avenue and also on the first floor of the North Shore Garage, which consists of vacant restaurant space. For the Penn Avenue spaces, they've been creative in showing the space by pursuing different types of viewers such as an Indian restaurant, a hair salon, a pop-up store and gallery, and a craft beer distributor, among others. For the North Shore Garage space, Avison Young advised the Authority that the North Shore is saturated with restaurants, and the best course of action is to market the space to a variety of different users. Avison has shown the spaces to a Medical Express-type store, a cartoon museum, a medical marijuana provider, and also a Thai restaurant, among others.

Staff recommends extending the current agreement for an additional year, with an option to extend for two six-month periods under the same terms and conditions. Avison Young has shown more success in leasing the Authority's retail spaces than other previous brokers over a long period of time, and also, due to their experience with the remaining Authority spaces, has demonstrated its understanding of the changing market demands in downtown and the North Shore, and ongoing feedback from brokers and prospects.

The regular course of action would be to issue an RFP for a new broker, but that would halt the continuity and success that Avison Young has demonstrated, as evidenced by the signing of the three leases to date, and soon, the fourth lease.

The terms remain the same: 4% of the annual total base rent for years one and five, and 2% total base rent for years six to ten of the lease. For transactions involving a cooperating broker, it would be 6% of the total base rent for years one and five, and 3% for years six and ten, and that will be split between Avison and the participating broker. There are no commissions on extensions or renewals on the lease, and 40% MBE participation will continue.

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. 5479

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers are authorized to amend agreement with Avison Young – Pittsburgh LLC to extend term for one year with options to extend for two six-month periods, at Authority's discretion, for brokerage services for the retail space in the David L. Lawrence Convention Center and North Shore Garage; 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 under SEA Operating, authorization to extend term of parking license agreement with Summit Hospitality 139, LLC (successor to IA Lodging Pittsburgh Penn TRS DST) until December 31, 2022.

Mr. Qureshi explained that this parking license is for fifty parking spaces to be used for valet parking for the Courtyard by Marriott Hotel along Penn Avenue. This arrangement was required when the Authority sold the property in 2002 for the hotel development. In 2012, the

hotel was sold to IA Lodging Pittsburgh. The current parking agreement provides for 45 spaces on the east side of the 10th & Penn surface lot, which is adjacent to the convention center garage, and five spaces on the west surface lot if the East Lot gets filled. The hotel agrees to utilize its own internal parking spaces for the hotel before using the Authority's spaces. The current agreement ends at the end of this year, December 31, 2017.

In June, last month, IA Lodging Pittsburgh was sold to Summit Hospitality 139, LLC. Summit requested the Authority an extension of the agreement for an additional five years, ending December 31, 2022. This extension will be under the same terms and conditions. Currently, the parking rate is that of the event monthly parking lease rate of \$375 per space per month, or a total of \$18,750 per month. The license fee is calculated based on the convention center garage monthly lease rate for daily plus event use. The license fee for the hotel parking can be increased only once annually, and the license fee is due monthly, whether the hotel uses the spaces or not.

Senator Fontana asked if there were any questions from the Board. Senator Fontana asked about the maintenance of the parking spaces and who is responsible. Mr. Qureshi responded that Alco is responsible.

Senator Fontana asked if there were any other 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. 5480


RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers are authorized to extend term of parking license agreement with Summit Hospitality 139, LLC (successor to IA Lodging Pittsburgh Penn TRS DST) until December 31, 2022; 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.

The next item was public participation, and Senator Fontana asked if anyone in the audience desired to address the Board. Frederick Winkler, an architect in Pittsburgh, presented a parking lot striping design for Gold Lot 1 Garage, which he earlier presented to the Board. He handed out photographs to show how the continuation of the original design would be extended to the western section of the garage. Mr. Winkler also noted that his preliminary cost estimate for the striping would be approximately \$100,000.

Thereafter, Mr. Udin expressed his concern that the Pittsburgh Penguins have not moved forward with the development of the Lower Hill. He proposed that an update meeting regarding the Pittsburgh Penguins be scheduled to understand their timeline, and to possibly require time limits on the development to ensure progress is made in a timely manner. Rev. Welch supported Mr. Udin's comments. Senator Fontana agreed that an update meeting would be favorable.

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 11:10 A.M.


Mary Conturo
Mary Conturo
Assistant Secretary

