

MINUTES OF THE MEETING
OF THE BOARD OF THE
SPORTS & EXHIBITION AUTHORITY OF PITTSBURGH
AND ALLEGHENY COUNTY
HELD THURSDAY, JUNE 11, 2020
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, June 11, 2020 commencing at 10:32 A.M. E.S.T. Due to the COVID-19 pandemic and guidance from public health experts, the meeting and was conducted remotely via the online conferencing platform Zoom.

Present: Board Members:
Sen. Wayne Fontana, Chairman
Michael Dunleavy, Vice Chairman
Sala Udin, Secretary
Councilman Nicholas Futules, Member
Rev. Glenn Grayson, Member
Jill Weimer, Member

Also Present: Mary Conturo, Doug Straley, Rosanne Casciato, Bill Williams, Rhea Thomas, Rifat Qureshi, Michael Wassil, Simona Loberant, Yvonne Ludwig, Lauren Henderson, and Maggie Pike of the Authority; Morgan Hanson, Solicitor; Tom Ryser, TPR; Clarence Curry, CFC-3 Management Services; Tim Muldoon and Guy DeFazio of SMG; Peter Kogan representing PAR; J.J. McGraw, Pittsburgh Pirates; and Mark Belko, Post-Gazette.

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 emailing

comments before the meeting or by making comments via Zoom during the meeting. Ms. Lauren Henderson stated that the Authority had not received any prior comments via email and none were submitted via Zoom thus far. Ms. Henderson then unmuted all phone lines to see whether participants using phones wished to make comment. Hearing none, Senator Fontana moved to the next item on the agenda, approval of the minutes from the meeting of May 14, 2020. A motion was made, seconded and unanimously approved.

Senator Fontana continued on to the next item on the agenda under David L. Lawrence Convention Center (“DLCC”), authorization to enter into an agreement with Dalton’s Service Company LLC in a lump sum amount of \$8,950 for the evacuation, hauling, and disposal of mixed liquids from the membrane bioreactor tank in the Waste Water Treatment Plant.

Mr. Guy DeFazio explained that the DLCC’s Waste Water Treatment Plant collects all waste water from sanitary and potable uses. The water is then recycled throughout the building for toilet flushing. The DLCC contracts with Veolia Water North America (“Veolia”) for the operation and maintenance of the Waste Water Treatment Plant. As part of the maintenance of the Waste Water Treatment Plant, the membrane bioreactor tank is inspected every 7-10 years. The last inspection and coating repair occurred in 2011. The first step in doing the inspection is to drain the tank.

Veolia solicited four quotes for the draining and removal of approximately 40,000 gallons of mixed liquids from the membrane bioreactor tank and Dalton’s Service Company LLC provided the lowest responsible quote at \$8,950 (\$0.20 per gallon for disposal above the 40,000 gallons estimate).

Veolia staff will be conducting intensive cleaning of the aerator and repair or replacing diffusers inside the bioreactor tank, as well as removal, cleaning, and preservation of the membrane modules, in accordance with the manufacturer's recommendations.

Upon approval of this contract, work will begin in June 2020 and targeted completion by the end of June 2020. No MBE firms were identified for this work.

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. 5689

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 Dalton's Service Company LLC in a lump sum amount of \$8,950 for the evacuation, hauling, and disposal of mixed liquids from the membrane bioreactor tank in the Waste Water Treatment Plan; 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 on the agenda under North Shore Garage, authorization to enter into a five-year license agreement with an option to extend for two additional five-year periods with First National Bank of Pennsylvania ("FNB") to install an ATM machine in the lobby of the North Shore Garage.

Mr. Doug Straley stated that in 2004 the Authority entered into an agreement with PNC Bank to install an ATM machine in the lobby at the North Shore Garage. Under that agreement, PNC Bank paid the Authority \$600 per year and an additional percentage related to use, which was never reached over the term of that agreement. The Authority has the ability to terminate that agreement with 60 days' notice.

FNB, the tenant that occupies the entire second floor of the North Shore Garage, came to the Authority looking to replace the PNC ATM with an FNB ATM. FNB offered the following terms: \$16,000 per year in rent plus a \$1.10 transaction fee for first five-years and two five-year renewal options, with the rent to increase by 5% upon the exercise of each renewal option. If approved, the installation of the new machine would begin in August 2020.

Senator Fontana asked if the terms of the agreement would be renegotiated if FNB wanted to keep their ATM at North Shore Garage beyond the initial five-year term of the lease.

Mr. Straley said that the rent would automatically increase by 5% for each five-year extension.

Senator Fontana asked if, because it is an option to renew, either party could walk away after the five-year term.

Mr. Straley confirmed that is correct.

Councilman Futules asked about the \$1.10 transaction fee. Mr. Straley confirmed that that would be due to the Authority.

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. 5690

RESOLVED by the Board of the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers are authorized to enter into a five-year license agreement with an option to extend for two additional five-year periods with First National Bank of Pennsylvania to install an ATM machine in the lobby of the 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 continued on to the next item on the agenda under SEA Operating, authorization to bind the insurance for July 1, 2020 to June 20, 2021.

Ms. Rosanne Casciato explained that Willis of Pennsylvania is currently in the 4th year of a five-year agreement as the insurance broker for the SEA and Stadium Authority. In that capacity, quotes were obtained for insurance for the upcoming insurance year. In total, 13 different carriers responded to Willis' request for pricing for our various insurance needs. For property insurance, due to the COVID 19 pandemic, no companies performed inspections of the properties this year.

Five carriers presented quotes for property insurance. AIG, the Authority's existing carrier, has presented two quotes: one with the current \$25,000 deductible and one with a \$50k deductible. Given our claims history which is two small claims in the last six years, it is recommended we increase the property insurance deductible to \$50k. Quotes were also received for Worker's Compensation; Public Officials Liability; General, Umbrella and Excess Liability; Cyber insurance; and Business Auto. In total there is a 1.9% increase in the cost of all policies.

Willis reviewed the proposal with Jill Weimer (Treasurer), SEA staff and Henderson Brothers our Risk Management Consultant. Henderson Brothers recommends accepting the Willis proposal and binding the insurance effective July 1, 2020. A list of policy terms can be found on page 14 of the attached Willis Insurance Proposal.

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. 5691

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers are

authorized to bind the insurance for July 1, 2020 to June 20, 2021; 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.

Ms. Lauren Henderson stated that the Authority has allowed the public three options for public participation: email, telephone, or zoom chat. Ms. Henderson stated that those wishing to submit comment via zoom chat should do so at that moment. No public comments were submitted via email, by zoom chat and there were requests to provide public comment via telephone. Ms. Henderson yielded the floor back to Senator Fontana.

Senator Fontana stated that he had been discussing the state of the tourism and convention industry in Pittsburgh with the President and CEO of VisitPittsburgh, Jerad Bachar. During those conversations, he decided it would be a good idea to have a presentation to the Board about the outlook of the DLCC and whether the marketing strategies need to be updated. He suggested that the DLCC ought to reexamine its renting strategies going forward, given COVID-19 guidelines. The DLCC may still be under an obligation to the Army Corps of Engineers, and the amount of cases of COVID-19 have risen since reopening the state, but he would like to see the DLCC look to the future and evaluate changes that will make the facility more marketable. He was aware that Ms. Conturo has had conversations with VisitPittsburgh and thinks that a presentation regarding future outlooks would be beneficial.

Ms. Conturo replied that she will get a presentation organized either for the next Authority board meeting or the following board meeting.

Senator Fontana asked for any additional comments from the Board.

Councilman Futules stated that the County is estimating that its tax base will be reduced by 20%, which will affect funding for many public amenities, including the DLCC. He stated that he would like to know the DLCC's plan for handling the financial losses. He asked what the green phase guidelines meant for the DLCC, specifically related to the gathering restrictions of 250 people or 50% capacity per the fire marshal. He wondered if it were 250 per room or per facility.

Senator Fontana stated that he assumed it would be per room, but he would need to check with the state to be certain.

Councilman Futules stated that it seems as though the state is still updating and changing its policies to be clearer, but the guidelines for convention centers do not seem to be clear.

Councilman Futules asked if Senator Fontana could apply for exemptions from the state.

Senator Fontana stated that he would like to understand the policy for convention centers all over the state and get a write up from the state regarding its recommendations. He hoped that it would be ready by the next meeting.

Ms. Conturo asked for direction about where to ask for clarification or further guidance.

Senator Fontana stated that he believes the DCED is handling those types of guidelines, but he will figure out the exact process and then get back to her.

Senator Fontana asked if there were any further comments from the Board.

Councilman Futules asked when board meetings would be conducted in person again.

Senator Fontana stated that he was unsure, since there were still questions about safe social distancing and policies to be established at the DLCC. Additionally, the meetings would need to be moved to a larger space in the DLCC. Ultimately, he said, the remote meetings are more accessible for people right now.

Mr. Udin stated that he has questions about the role of the Authority and Urban Redevelopment Authority (“URA”) with respect to the development at the Lower Hill. Much of the oversight of the development appears to be surrendered to the URA, but the Authority is the land owner for a significant portion of the property under consideration for takedown. He asked for a review of the role of the Authority in relation to the URA. He stated there are changes at the URA that he finds problematic. The URA is taking the position that they need a percentage of ownership of projects that are developed in collaboration with the URA due to a need of revenues. This changes the role of the URA and he finds it problematic. He does not want the URA to be pursuing policies that run contrary to the Authority’s project goals, since the Authority is not overseeing the development. He wants to ensure that the Authority’s interests are still being honored by the URA.

Ms. Conturo responded that generally speaking, the role of the Authority is to comply with its contractual obligations under the Option Agreement. The URA has a larger mission that enables them to implement the LERTA and develop the Greater Hill guidelines. She stated she was not aware of any thought that the public body would maintain ownership on any of the Lower Hill parcels, but will review that issue. Once she has more information, she said that she would review with the Board.

Mr. Udin stated that his concern is not only with the issue of the URA joint-ownership, but he would like to review the terms of the Authority’s role as specified in the Option Agreement and whether that role needs to be reviewed. He believes the entire project could benefit from an additional voice to help the development progress between all involved parties. Going forward, he would like to see the Authority take a closer role. The Authority’s approval of the latest project assumed there would be best efforts to work with the community, but the developers do not always

live up to the terms of the CCIP. If the URA is the only body holding them accountable, that could be problematic. The Authority could help ensure all bodies are compliant to the terms of the CCIP. He asked that the Authority be monitoring the situation more closely and be more involved.

Ms. Conturo confirmed that the Authority's contractual obligations and rights and role would be reviewed. She stated she would create a summary for the Board.

Mr. Hanson added that he agreed with what Mr. Udin and Ms. Conturo stated. He stated that he will review all legal documents and review both the legal and de facto structure of the Authority's role in the development to see if there are ways the Authority could be more actively involved. He then clarified that at the May Board Meeting, the Authority approved the initial developer for the parcel conditioned upon the URA approval under same or similar conditions within 30 days, which did occur so that approval is final. Then the Authority approved an intention resolution, which stated that it is the intention of the Board that the parties use their best efforts to reach an agreement under the CCIP with the community. Additionally, under the agreement, the Authority Board remains an important decision maker because the Authority must give ultimate approval through multiple phases. If the Authority is unsatisfied with the URA or the developer, the Board does have the ability to withhold approval.

Mr. Udin stated that he hoped that the results of the legal research into the Authority's role would be shared with the URA. He added it may be helpful to schedule regular updates, beyond at the staff level, to meet with the URA, either the Chairman, Ms. Conturo and maybe Mr. Hanson. More communication with the URA is needed, especially considering once takedown begins as he expects progress will move quickly.

Senator Fontana stated that he has no issue meeting with the URA for those purposes. He was wondering whether someone would facilitate with the public bodies, community and

developer. Having resolved the intention resolution that the parties use their best efforts, he expects people to step up to facilitate that communication. He wondered why the Mayor is not getting involved. The fact that this is not moving forward, he thinks that someone needs to get involved, whether it be a member of the Authority Board or the Mayor, since he appoints half of the Authority Board and the entire URA Board. He is bothered by the fact that progress gets stalled continually by the development parties.

Mr. Udin stated that he is in agreement.

Ms. Conturo stated that she would consider how to better work through the projects so that the Board is more aware of its role and the interaction with the URA and developers.


Mr. Udin thanked Ms. Conturo.

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

Mr. Udin asked if Rev. Grayson had anything to add to the last conversation.

Rev. Grayson stated that the Authority needs to protect its commitment and stamp of approval. He believes the Authority put itself in a vulnerable position with respect to following the URA's lead in last month's resolution, but ultimately, he concurs that the Authority needs to protect the community and stay on top of communication.

Senator Fontana asked if there were any other further 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 11:11 A.M.



Mary Conturo
Assistant Secretary