

**STADIUM AUTHORITY OF THE CITY OF PITTSBURGH
BOARD MEETING
WEDNESDAY, JUNE 26, 2013
1:02 PM**

A general meeting of the Board of Directors of the Stadium Authority of the City of Pittsburgh was held on June 26, 2013, in Room 334 of the David L. Lawrence Convention Center. Board members in attendance: Michael Danovitz, Chairperson; Jim Malanos; Corey O'Connor, and Steve Mazza, as well as Authority staff members: Mary Conturo, Douglas Straley, Rosanne Casciato, Taylor Blice, Michelle Masters, Angelica Ciranni, Rifat Qureshi and Rosemary Carroll. Also in attendance: Diane Wohlfarth, Solicitor; Barry Ford of Continental Real Estate; Chris Hunter and Jason Kobeda of Pittsburgh Associates; Frederick Winkler, architect; Bob Bauder of the Pittsburgh Tribune Review; and Mark Belko of Pittsburgh Post-Gazette.

Mr. Danovitz called the meeting to order at 1:02 PM and requested that 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 though Ms. Masloff was not present.

Mr. Danovitz welcomed Mr. Mazza as a wonderful addition to the Board. He also wished Councilman O'Connor well in regards to his approaching wedding over the weekend.

The following agenda items were discussed:

1. Public Participation

Mr. Danovitz asked if any members of the public would like to speak. Seeing none, he moved to the next item on the agenda.

2. Approval of the Minutes from the meeting of March 28, 2013.

The Minutes were accepted, with Mr. Mazza abstaining.

3. New Business.

- A. Authorization to enter into a \$256,514 contract with Carl Walker Construction, Inc. for interior ramp concrete sealant replacement on the 1st and 2nd levels and façade repairs and sealant.

Mr. Blice stated that in May 2013, Wiss, Janney, Elstner Associates, Inc. performed an inspection and submitted a report outlining their recommendations for capital repairs to the West General Robinson Street Garage facility. Among other things, they reported failing sealant in the concrete joints of the interior ramps. WJE recommended replacing the sealant two floors at a time over the next five years. WJE also recommended façade repairs to prevent water infiltration.

WJE prepared the capital repair plans and specifications for the repairs noted. The base bid included two floors of the interior repairs and the alternate related to the exterior façade repairs.

This project was advertised and five bids were received with Carl Walker Construction submitting the lowest overall bid at \$256,514 including the alternate. WJE has reviewed the bids and the scope and is recommending proceeding with Carl Walker. Carl Walker has committed a 10% MBE and 1% WBE participation, which has been reviewed by the Authority's Senior Diversity Coordinator.

Mr. Danovitz asked Mr. Blice if the alternate was a one-time event. Mr. Blice answered yes. Mr. Danovitz then asked to confirm that it was \$150,000 of the cost as opposed to \$106 for the sealant. Mr. Blice stated that the base bid was \$106,164 and the alternate was the one-time event of \$150,350.

A motion to approve was made, seconded, and carried. Mr. Mazza abstained.

RESOLUTION NO. 5 (2013)

RESOLVED, by the Stadium Authority of the City of Pittsburgh and its Executive Director and other proper officers are authorized to enter into a \$256,514 contract with Carl Walker Construction, Inc. for interior ramp concrete sealant replacement on the 1st and 2nd levels and façade repairs and sealant; 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.

- B. Authorization to enter into a not-to-exceed \$32,000 contract with Wiss, Janney, Elstner Associates, Inc. to perform project management and construction inspection for façade repairs.

Mr. Blice stated that as part of the inspection report that WJE developed, certain capital repairs were recommended. Blake Kreuer was the lead inspector for the inspection and developed the plans and specifications of the repair procedures. This authorization is for WJE to perform project management and construction inspection during the façade repairs. Mr. Kreuer will review all contractor documents including but not limited to construction schedules and project submittals, prepare field reports, process contractor payment applications, and perform inspections. The Authority recommends the Board authorize entering the not-to-exceed contract of \$32,000.

A motion to approve was made, seconded, and carried. Mr. Mazza abstained.

RESOLUTION NO. 6 (2013)

RESOLVED by the Board of the Stadium Authority of the City of Pittsburgh that its Executive Director and other proper officers are authorized to enter into a not-to-exceed \$32,000 contract with Wiss, Janney, Elstner Associates, Inc. to perform

project management and construction inspection for façade repairs; 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.

- C. Authorization to enter into a one-year agreement, with an option to extend for two six-month periods at Authority's discretion, with CBRE, Inc. for brokerage services for the retail spaces in the West General Robinson Street Garage.

Mr. Qureshi stated that in April, the Authority issued a request for proposals for real estate broker services for the Stadium Authority and Sports & Exhibition Authority retail spaces. The Stadium Authority's facility is the West General Robinson Street Garage. It has a retail space consisting of 5,390 square feet on the first floor currently available for lease. RFPs were distributed to five locally based national real estate firms: CBRE, Jones Lang Lasalle, Newmark Grubb Knight Frank, CW/Grant Street Associates, Inc. and Langholz Wilson Ellis. It was also advertised on the Authority's website, and in the Pittsburgh Tribune Review and the Pittsburgh Courier. There were only two respondents, CBRE, Inc. and CW/Grant Street Associates.

A review committee held interviews on April 30 with the two respondents attending. The review committee consisted of Authority staff members Doug Straley, Rosanne Casciato, Angelica Ciranni, and Rifat Qureshi; Stadium Authority Board member Jim Malanos, and Sports & Exhibition Authority Board member Tony Ross. The review committee recommended CBRE as the winning proposal. The committee cited CBRE for its depth of company resources, a large prospect base, expertise, and a good reputation in leasing properties on the North Shore. The Sports & Exhibition Authority approved CBRE for its retail spaces at its May board meeting.

CBRE indicated that they intend to market the space emphasizing green strategies as a key factor in tenant build-out and other operations. CBRE will solicit MBE/WBE firms for any third-party procurement during course of listings, and will convey the Authority's MBE/WBE participation goals to any retail prospects. CBRE will assign two brokers, one for retail prospects and another for office prospects, and provide a monthly report on their ongoing efforts.

The term of the lease is one year of exclusive representation, with an option to extend in two six-month periods at the Authority's discretion. Commission will be 5% of the total base rental for the term of the lease. For transactions involving a cooperating broker, it's 6.25% of the total base rental to be split between CBRE and the cooperating broker. There will be no commissions on extensions.

A motion to approve was made, seconded, and carried. Mr. Mazza abstained.

RESOLUTION NO. 7 (2013)

RESOLVED by the Board of the Stadium Authority of the City of Pittsburgh that its Executive Director and other proper officers are authorized to enter into an agreement with CBRE, Inc.

for brokerage services for the retail space in the West General Robinson Street Garage, and are authorized to exercise one or both of the options to extend the term pursuant to the two six-month option periods; 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 for CJL Engineering to provide bid documents and oversight for the lighting upgrade project at the West General Robinson Street Garage at an amount of \$17,000.

Ms. Ciranni stated that the Board had previously approved Phase I of this contract, where CJL completed a feasibility analysis for an upgrade of the garage lighting at the West General Robinson Street Garage. A request for proposals was publically issued for that work, and CJL provided the lowest priced proposal. At that time, they also provided the lowest priced proposal for the Phase II work, which is this authorization.

The Phase II is for bid documents, construction administration services, and for assistance with the Act 129 reimbursement which the Authority will be eligible for with the upgrade. During Phase I, the feasibility analysis found that the estimated payback period for the garage lighting upgrade would be about 2.4 years, including annual maintenance and utilities savings, and also the estimated Act 129 reimbursement. This change order will be entered into by Alco Parking, in accordance with the management agreement for the garage. There is a 10% WBE participation associated with this work.

Mr. Danovitz asked if the payback period was 2.4 years. Ms. Ciranni stated that it may actually only be 2.3 years. Mr. Danovitz stated that it would just be good business on the Authority's part. It would add lighting, increase safety, and also get a payback of electricity savings.

A motion to approve was made, seconded, and carried. Mr. Mazza abstained.

RESOLUTION NO. 8 (2013)

RESOLVED by the Board of the Stadium Authority of the City of Pittsburgh that its Executive Director and other proper officers are authorized to provide for CJL Engineering to provide bid documents and oversight for the lighting upgrade project at the West General Robinson Street Garage at an amount of \$17,000; 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.

- E. Authorization to grant forbearance of up to an additional 31 days related to the Closing Date for the Fifth Take Down Parcel and the Sixth Take Down Parcel, and to consent to North Shore Developers L.P. ("Optionee") assigning all of its rights under the Option Agreement, as amended, to a new limited partnership named North Shore Developers – 2013, L.P. ("Assignee"), comprised of owners of the Steelers and the Pirates, as provided for in Section 8.6 of the Option Agreement, provided that (i) the Assignee assumes all obligations of the Optionee under the Option Agreement, (ii) the Optionee and the Assignee execute an Assignment and Assumption Agreement in form and substance satisfactory to the Stadium Authority's Executive Director and its counsel, and (iii) the Assignee is acceptable to the Stadium Authority's Executive Director and its counsel.

Mr. Qureshi stated that this item referred to the development of the two three-story buildings called North Shore Place I and North Shore Place II to be built in a portion of Lot 2 along North Shore Drive, across the street from Del Monte Building and next to Stage AE.

At the March 2013 Board meeting, the Board approved the transfer of the land for the development and the purchase price with a closing date by July 1st. Since the March approval, the Optionee, North Shore Developers, L.P., and its Developer, Continental Real Estate, have been diligently working to complete the design review with Authority staff, finalize documentation related to the closing, and other tasks. The Optionee has requested forbearance for up to an additional 31 days related to the closing date to allow the Optionee to complete its documentation and tasks related to closing. The Developer intends to start construction shortly after closing, with a start date in August. Mr. Qureshi mentioned that the president of Continental, Barry Ford, was in the room to answer any questions. He continued to say that North Shore Developers, a joint venture between the Pirates and the Steelers, has requested to assign its rights under the Option Agreement to a new limited partnership of the Pirates and Steelers to be named North Shore Developers – 2013, L.P. This request is intended to reflect the restructuring of the ownership of the Steelers that occurred in 2009. The Authority consents to this assignment based on the new entity assuming all obligations of the Optionee under the Option Agreement in form and substance satisfactory to the Authority and its council, in accordance with the Option Agreement.

Councilman O'Connor inquired about the completion date. He stated that he understood it was only being pushed back a month, he was glad that another story had been added to the buildings because it showed that there would be more people in the North Shore and it would help make the area more vibrant.

Mr. Ford stated that they expected the construction to be completed by September 2014. He then thanked everyone for considering the request. When they made the decision to add another story, they changed the design. The new documents were completed July 9th and were currently out to bid and also notified many union subcontractors. The bid due dates are set for the week of July 8th. A final amount for construction costs would be critical to get financing. He confirmed that they would start construction in August.

Mr. Danovitz said that he looked favorably on the project because Continental was handling it in a thoughtful manner. He told Mr. Ford that their decision to go from two stories to three stories

was important to the Board. Because of their commitment and thoughtful build out, Mr. Danovitz said he had no problem granting extra time to work through the process to ensure the right building was build the right way, on the right parcel. He expressed that he hoped 31 days would be enough and asked Mr. Ford to work with the Authority staff if it would not be enough and they could discuss it again.

Mr. Ford stated that they were working very hard to get everything completed in the time frame, and that he hoped there would be a groundbreaking in August to celebrate. Mr. Danovitz asked if there were any questions. Hearing none, he asked for a motion to approve. Councilman O'Connor made the motion and read the resolution.

The motion was seconded, and carried. Mr. Mazza abstained.

RESOLUTION NO. 9 (2013)

RESOLVED by the Board of the Stadium Authority of the City of Pittsburgh that its Executive Director and other proper officers are authorized to grant forbearance of up to an additional 31 days related to the Closing Date for the Fifth Take Down Parcel and the Sixth Take Down Parcel as provided for in the Option Agreement, dated September 25, 2003, as amended.

RESOLVED, further, that the Board of the Stadium Authority of the City of Pittsburgh authorizes its Executive Director to consent to North Shore Developers L.P. ("Optionee") assigning all of its rights under the Option Agreement, dated September 25, 2003, as amended (the "Option Agreement") to a new limited partnership named North Shore Developers – 2013, L.P. ("Assignee"), comprised of owners of the Steelers and the Pirates, as provided for in Section 8.6 of the Option Agreement, provided that (i) the Assignee assumes all obligations of the Optionee under the Option Agreement, (ii) the Optionee and the Assignee execute an Assignment and Assumption Agreement in form and substance satisfactory to the Stadium Authority's Executive Director and its counsel, and (iii) the Assignee is acceptable to the Stadium Authority's Executive Director and its counsel in accordance with Section 8.6 of the Option Agreement.

RESOLVED, 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 the foregoing resolutions.

- F. Authorization to bind all insurances for the period of July 1, 2013 to June 30, 2014, at a cost of \$41,566.

Ms. Casciato stated that in 2011, the Authority issued an RFP for Insurance Brokers. With the assistance of insurance consultant Mark McCall from TJ&S, the Authority named James Smith Agency as the broker for property insurance and Willis as the broker for all other insurances for a period of three years ending June 30, 2014.

The strategy for this year, as provided by the brokers and reviewed by the insurance consultant, was to approach incumbent insurers and negotiate the most favorable terms and pricing. Smith Agency also approached Lexington for pricing, which was higher. Willis did not approach other carriers because the Authority had already locked in a three - year rate with Cincinnati for general liability and umbrella insurance.

The Board was provided with a summary sheet from TJ&S with their recommendations. The overall premium increase is 5.8% over the current program and \$8,500 or 17% less than the 2010-2011 program before it was put out to bid. These numbers also include a 2% increase in property values.

A motion to approve was made, seconded, and carried. Mr. Mazza abstained.

RESOLUTION NO. 8 (2013)

RESOLVED by the Board of the Stadium Authority of the City of Pittsburgh that its Executive Director and other proper officers are authorized to bind all insurances for the period of July 1, 2013 to June 30, 2014, at a cost of \$41,566; 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.

4. Public Participation.

Mr. Danovitz asked if there were any comments from the public. Hearing none, he asked for a motion to adjourn.

Councilman O'Connor announced that there were calls made to Council recently regarding the clean up process at the stadium and about garbage in the area. He knew that the teams had their own private entities to clean up, but he asked Ms. Conturo if there was any way she could verify their system to see if they need help from the City in certain areas. He thought they could discuss it as a Board and then he could relay it back to the City.

Ms. Conturo stated that the Authority was planning to do that. The Authority would be participating in a review of the coordination and responsibilities with respect to clean up and improvements that could be made.

Councilman O'Connor agreed and explained that there were a lot of questions and concern. He thanked Ms. Conturo.

Mr. Danovitz asked for a motion to adjourn. The motion was seconded and unanimously carried.

The meeting was adjourned at 1:22 PM.