

MINUTES OF THE MEETING
OF THE BOARD OF THE
SPORTS & EXHIBITION AUTHORITY OF PITTSBURGH
AND ALLEGHENY COUNTY
HELD THURSDAY, SEPTEMBER 12, 2013
AT THE DAVID L. LAWRENCE CONVENTION CENTER
PITTSBURGH, PENNSYLVANIA
COMMENCING AT 10:30 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 of the David L. Lawrence Convention Center in Pittsburgh, PA 15222, on Thursday, September 12, 2013, commencing at 10:30 A.M. E.S.T.

Members of the Authority

Present: Senator Fontana, Chairman
Anthony Ross, Treasurer
Sala Udin, Member
Paul McKrell, Member
Councilwoman Darlene Harris, Member

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

Also Present: Mary Conturo, Doug Straley, Rosanne Casciato, Rosemary Carroll, Taylor Blice, Theresa Bissell, Rifat Qureshi, and Michelle Masters of the Authority; Ryan Buries, Conor McGarvey, Kevin Fonner, Mark Leahy and Linda Mihalic of SMG; George Meehan of Levy; Clarence Curry of CFC-3; Mike Barnard of Oxford Development Company; Tom Vena of A&A Consultants; Jann Chirdon of the Allegheny County Controller's Office; Chris Hunter and Jason Kobeda of Pittsburgh Associates; Scott Wivell of Hill International; Frederick Winkler, architect; and Mark Belko 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.

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 meeting of August 8, 2013. A motion was made, seconded, and unanimously approved.

Senator Fontana began addressing new business with the first item on the agenda, a request for authorization to enter into an \$85,404 contract with Modjeski and Masters, Inc. to perform the roof cable system inspection.

Mr. Barnard stated that as part of the on-going maintenance of the Convention Center's roof structure, Dewhurst McFarland recommended a general maintenance protocol of a cable inspection every three years. After publishing an RFP, four proposals were received. Recommendation was made to award to Modjeski and Masters, Inc. with a not to exceed amount of \$85,404. They identified MBE participation of approximately 20% and will start work immediately with an eight week schedule.

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. 5169

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 \$85,404 contract with Modjeski and Masters, Inc. to perform the roof cable inspection; 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 issue a \$5,557 change order to Carl Walker Construction, Inc. to repair the expansion joint membrane along the X9 line.

Mr. Buries explained that in May 2013, the Board approved a contract with Carl Walker Construction to replace a failed expansion joint membrane on the X9 expansion joint on the terrace roof. Upon commencement of the repairs, an unknown condition was discovered that precluded the implementation of the initial design. An alternative design was agreed after consultation with Thornton Tomasetti. This change order will allow that construction to be completed.

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. 5170

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers are authorized to issue a \$5,557 change order to Carl Walker Construction, Inc. to repair the expansion joint membrane along the X9 line; 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 extend the Food and Beverage Agreement with Levy Premium Food Services through December 31, 2016, with an option to extend for two additional years.

Ms. Casciato explained that Levy has been managing the food and beverage (F&B) services at the Convention Center since 2003. A new contract was negotiated which commenced January 2011 and ends on December 31, 2013, with an option to extend for an additional two years. A committee of Authority board members and staff was convened to review the following

options: i) to extend Levy contract pursuant to the agreement, ii) to discuss new terms or options with Levy, or iii) to issue an RFP for a new F&B operator.

After reviewing the options, it is recommended that the Authority enter into an amended contract with Levy for three years at the same fee structure, with an option to extend an additional two years. Additionally, Levy will contribute \$250,000 up front to be used at the Authority's sole discretion. However, if the Authority elects not to extend the term for the additional two years, \$100,000 will be reimbursed to Levy. Levy has also presented a diversity plan establishing goals for hiring, training and reporting on achieving a diversified workforce and vendor program. It is therefore recommended that the new contract be entered into with Levy, effective January 1, 2014.

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. 5171

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers are authorized to amend the Food and Beverage Agreement with Levy Premium Food Service L.P. in order to extend it through December 31, 2016, with an option to extend for two additional years; 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 \$23,740 contract with Ecological Specialists, Inc. to perform the second of two post-construction habitat surveys as required by the DEP 404/105 permit.

Mr. Ryser stated that as part of the original construction of North Shore Riverfront Park, the Authority obtained the Department of Environmental Protection 404/1050 permit. One of the conditions of this permit was to conduct two post-construction habitat surveys. The first was performed in 2008. The second will be the final survey. DEP has requested that the survey be performed by the same firm with the same techniques and the same team members, and at the same time of year if possible. Ecological Specialists performed the original and first post-construction survey, and it was recommended that they also perform the final.

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. 5172

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 \$23,740 contract with Ecological Specialists, Inc. to perform the second of two post-construction habitat surveys as required by the DEP 404/105 permit; 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 amend the Development Agreement with Federal Street Hospitality Associates, L.P. to extend the construction start date to no later than April 23, 2014 for the planned Holiday Inn Express & Suites Hotel.

Mr. Qureshi explained that the Holiday Inn Express Hotel is a 10-story, 135 room, limited-service hotel to be constructed on land north of PNC Park. The land is currently a 30-space parking lot on Federal Street. The Authority sold the land to the developer, and entered

into a development agreement in 2009. Per the agreement, as amended, the project was required to start construction by August 23, 2013; however, the developer requested an extension to the start date no later than April 23, 2014. The developer explained that the extension would avoid construction in the winter months, which could significantly impact the project schedule and costs, among other things.

The developer has expended effort and monies to this point. They have secured and paid for the necessary construction permits from the City and PWSA, secured construction bids, received approval from the EORC, which is the City's Equal Opportunity Review Commission, with a 19.6% MBE and 19.5% WBE participation for a total of 39%. They also agreed to terms with their construction manager, and they have a commitment from their construction lender for the project.

In consideration of the extension, the developer will contribute an additional \$3,500 a year for 2014, 2015, and 2016, for a total of \$10,500 for the support of the North Shore Riverfront Park maintenance fund. This amount is in addition to the \$10,500 they are already committed in these years. Per the agreement, the Authority is able to park on the lot until construction starts. The Authority's parking operator, ALCO Parking, estimates the lot will generate approximately \$16,380 in gross revenue to the Authority during this extension period. The owner also has paid approximately \$19,600 to date in real estate taxes since the purchase of the land.

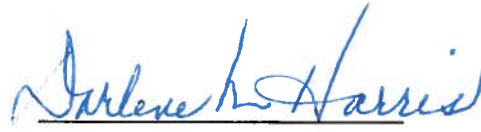
Senator Fontana then asked if there were any further questions and hearing none, the Senator asked for a motion to approve. On a motion duly made, seconded, and unanimously carried, the following resolution was approved:

RESOLUTION NO. 5173

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers are authorized to amend the Development Agreement with Federal Street Hospitality Associates, L.P. to extend the construction start date to no later than April 23, 2014 for the planned Holiday Inn Express & Suites hotel in consideration for additional annual contributions to support maintenance at the North Shore Riverfront Park (an additional \$3,500 per year for 2014 through and including 2016); 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 or comment on the agenda. Hearing none, Senator Fontana asked if there were comments from 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 10:39 A.M.



Darlene Harris
Secretary

