

MINUTES OF THE MEETING
OF THE BOARD OF THE
SPORTS & EXHIBITION AUTHORITY OF PITTSBURGH
AND ALLEGHENY COUNTY
HELD THURSDAY, JULY 7, 2011
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 406 of the David L. Lawrence Convention Center in Pittsburgh, PA 15222, on Thursday, July 7, 2011 commencing at 10:30 A.M. E.S.T.

Members of the Authority

Present: Senator Fontana, Chairman
Reverend Dr. William H. Curtis, Vice Chairman
Anthony Ross, Member
Dr. Edie Shapira, Secretary
Michael Dunleavy, Member
Councilwoman Darlene Harris, Member

Absent: Sean Logan, Member

Also Present: Mary Conturo, Doug Straley, Mark Johnson, Rifat Qureshi, Jason Kobeda, Angelica Ciranni, Rosanne Casciato, Rosemary Carroll and Steve Morrison of the SEA; Mark Hornak of Buchanan Ingersoll and Rooney; Jeff Wilhelm of Reed Smith; Tom Ryser of TPR, LLC; Ryan Buries and Eileen Letson, of SMG; Lee Ward of Levy Restaurants; Renee Aldrich and Carl Redwood of Hill District Consensus Group; Mike Barnard and Scott Pollock of Oxford Development Company; Derek Wahila of Preservation Pittsburgh; Mark Varholla of IBEW Local No. 5; Shay Maunz and Joe Smydo of the Pittsburgh Post Gazette; Walt Golden of KQV; and Bill Vidonic of the Tribune Review

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 comment on the agenda. An audience member responded and Senator

Fontana requested that he state his name and where he is from and informed the speaker that he would be allotted three minutes. Carl Redwood approached the podium.

MR. REDWOOD:

Hi, my name is Carl Redwood Junior. I live on Centre Avenue in the Hill District and I represent the Hill District Consensus Group, which is a community group in the Hill. Basically, we're really concerned that there's no community benefit in these deals around the Lower Hill Development that the Sports & Exhibition Authority is responsible for. We support the redevelopment of the Lower Hill. We also maintain that development in the Hill District provide benefits for Hill District residents. Public subsidy should require public benefit. Where's the community benefit in this deal? Are the Penguins going to pay the cost of tearing down the Civic Arena and site prep? No. The Penguins expect the public, you and me, through the Sports & Exhibition Authority, to pay for the demolition and then turn the land over to them to collect all parking revenue and future revenue.

Even today we own the parking lots in the Lower Hill, but the Penguins are in the booth collecting all the revenue. The Penguins make \$14,000 a day, parking cars everyday when there's no hockey game. Every day they make \$14,000 a day parking cars. Where's the community benefit in this deal? On the larger scale the Penguins are receiving about a billion dollars in public subsidy from the taxpayers in Pittsburgh and Pennsylvania. In return they've offered \$1M for a grocery store. We give them \$1B in subsidy; they give back \$1M for a grocery store. Where's the other \$999M? It's \$999M profit for the rich people in the Penguins' corporation.

The rich people in the Pens corporation who make more than \$250,000 a year don't pay one penny of the city tax. The highest paid hockey players who make more than a million dollars a year don't pay one penny in city tax. Where's the community benefit in this deal? The billion dollars we've provided as a subsidy for the Penguins needs to be repaid in some form. And that form should be community benefit. But no one, not you, the Board Members of the SEA, not the City Council, not anyone at the state level is monitoring the community benefits and see if we really get a return on the investment of our money.

I'm just going to jump real quick. I see today we're going to talk about giving a contract to Noralco Coporation to tear down the arena. As the people who will hire Noralco, can you please make sure Noralco hires Hill District residents to work on whatever work takes place? That's the kind of benefit that could be important, something you can do at this table. You can make sure that the people who work for you hire Hill District residents and don't just keep taking from the Hill District. But the question that somebody has to ask, we have to act like the conscience of

everybody because nobody else cares, is, where's the community benefit in this deal? The people that made the deal are leaving. Rendell is gone. Onorato is going to be gone. By the time the rest of the money you have to raise is, Ravenstahl will be gone and no one will remember the deal and no one will be looking out for the community benefit. Thank you.

Derek Wahila approached the podium next.

MR. WAHILA:

My name is Derek Wahila. I'm from Preservation Pittsburgh. I'm from Pittsburgh, 15206. As you know, yesterday, Preservation Pittsburgh filed suit in federal court to assure that federal funding is available for the redevelopment of the Lower Hill and to assure that the SEA's plans comply fully with Federal laws designed to protect communities and historic assets for future generations. Preservation Pittsburgh contends that the SEA's plan jeopardizes the eligibility of the site for federal funds. Specifically, Preservation Pittsburgh is seeking a declaratory order that the actions of the Sports & Exhibition Authority, the Urban Redevelopment Authority, the City of Pittsburgh and the County of Allegheny are illegal.

Preservation Pittsburgh is further seeking injunctive relief prohibiting the demolition of the Civic Arena and barring the federal government from providing financial assistance for the arena site until the National Historic Preservation Act and National Environmental Protection Act have been complied with. I have copies of that if you would like that and you may direct all further questions regarding this matter to the President of Preservation Pittsburgh: Scott Lieb. Thank you.

Senator Fontana asked if any more members of the audience wished to address the Board. Hearing none, the meeting continued with the approval of minutes from the meeting on June 2, 2011. A motion was made, seconded, and unanimously approved.

Senator Fontana began addressing new business with the first item on the agenda, authorization to enter into a \$150,100 contract with Gunning Inc. for installation of local cooling in main and intermediate distribution frame rooms.

Mr. Johnson stated that the Convention Center is undergoing a case study run by the Green Building Alliance and funded by Heinz Endowments. CJL Engineering, part of the team running the case study, recommends this cooling project in the 22 main and intermediate

distribution frame rooms, which are the computer rooms. The 6,000 ton chiller plant in the Convention Center was built to cool the facility, as well as the adjacent hotel that was never built. The installation of the local cooling project will allow the 6,000 ton plant to be shut down in the winter and off-season days. This is estimated to save energy in the amount of \$75,000 a year. CJL Engineering recommended in the case study report that the project be implemented sooner rather than later to realize the savings as soon as possible. SMG and Constellation Energy, the Chiller Plant manager, both recommend installing the local cooling. This project was put out to public bid and Gunning Inc. is a WBE and was the lowest bidder.

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. 4969

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 \$150,100 contract with Gunning Inc. for installation of local cooling in main and intermediate distribution frame rooms; 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, an authorization to enter into a \$112,899 contract with T.S.B. d/b/a Schultheis Electric for lighting upgrades.

Ms. Ciranni explained that this project was also recommended by CJL Engineering during the Convention Center case study. The scope includes the replacement of fixtures and the addition of occupancy sensors in the loading docks, utility corridors and stairwells. The energy savings are expected to be about \$27,000 annually. The Authority is also expecting to receive a reimbursement through the Duquesne Light Act 129 reimbursement program. The project was

publicly bid and Shultheis was the lowest bidder out of the 10 bids received. There is 37% WBE participation on the project and it will be funded by the Convention Center capital fund.

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. 4970

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 \$112,899 contract with T.S.B. d/b/a Schultheis Electric for lighting upgrades; 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 issue a \$50,216 deduct change order to Cuddy Roofing for modifications to the third floor terrace roof system.

Mr. Barnard explained that the authorization was for a deduct change order for the previously approved green roof terrace at the Convention Center. Engineering discussions with the design team and the contractor resulted in a substitution of materials that will still maintain the design integrity but will improve warranty coverage from the manufacturer and acceleration to the schedule and earlier establishment of the plants on the green roof. StructureTec, the design engineer and Pashek, the landscape architect on the project, both recommend the change order.

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. 4971

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers are authorized to issue a \$50,216 deduct change order to Cuddy Roofing for modifications to the third floor terrace roof system; 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 purchase and install vending concession displays at a cost not to exceed \$108,895.

Ms. Letson stated that Levy Restaurants approached SMG and the Authority to provide vending opportunities in the Convention Center. The vending displays will offer freshly packaged food, snacks and beverages. The intent of these displays is to meet the demand for servicing smaller meetings and exhibitions without incurring a large expense. This will allow attendees to have some sort of snack or beverage when Levy is not staffing outlets in the Convention Center. The units are portable and will be utilized throughout the building. The design of these units will be customized to the Convention Center in color, identification and signage. The payback period will be approximately two and a half years. This purchase will be funded by the food and beverage reserve account.

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. 4972

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers are authorized to purchase and install vending concession displays at a cost not to exceed \$108,895; 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 as a request for authorization to issue a \$29,482 change order to Dagostino Electronic Services, Inc. for various change orders including replacement security cameras and upgrades to the intercom system.

Mr. Morrison explained that the change order to Dagostino Electronic Services was in association with the 2010 security project. The intensive work includes replacement of six of the original Convention Center's cameras as well as an intercom system upgrade.

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. 4973

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers are authorized to issue a \$29,482 change order to Dagostino Electronic Services, Inc. for various change orders including replacement security cameras and upgrades to the intercom system; 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, an authorization to issue purchase orders totaling up to \$13,617 for edge kits, table carts and table covers.

Mr. Buries stated that SMG was requesting to enter into contracts with Mighty Lite to provide aluminum edge kits for protection of the 72 inch round tables used throughout the facility. 100 edge kits had already been purchased and installed and worked so well that SMG wanted to cover the rest of the inventory of the round tables. A separate bid for storing round and rectangular tables produced Mighty Lite again was the low bid for carts for both kinds of tables, which allows for ease of storage and transport. The last bid to purchase vinyl table covers

for 30 inch round tables is a correction of a mistake made in the previous order, which ordered the wrong style. SMG has to work with the vendor to obtain the correct covers.

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. 4974

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers are authorized to issue purchase orders totaling up to \$13,617 for edge kits, table carts and table covers; 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 issue a \$299,554 final change order to Mascaro Contracting, LP. for final quantity adjustments and other changes.

Mr. Ryser stated that the Convention Center Riverfront Park project was a unit price project; the bulk of the change order is for final quantities that have been measured by an inspection staff and approved through PennDOT. It also consists of several other items such as improvement and patching of some of the existing spalls on the riverwall that's outside of the scope for the contractor. It also included the demolition of a curb and replacing it with sandstone. They also installed a junction box for the permanent Duquesne Light electrical feed as requested by Duquesne Light. The existing electrical conduit for the street lights and traffic control signals was relocated and unanticipated.

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. 4975

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers are authorized to issue a \$299,554 final change order to Mascaro Contracting, LP. for final quantity adjustments and other changes; 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 issue a purchase order to Recreational Resource, Inc. in the amount of \$11,437 for the purchase of five (5) additional trash receptacles and to Laface McGovern in the amount of \$1,075 for the purchase of five (5) replacement lamp assemblies, plus installation by SMG.

Mr. Ryser stated that the original Convention Center Riverfront Park consisted of three trash cans and that the Authority and SMG decided that five additional trashcans would be more suitable. Victor Stanley, the original manufacturer of the original trashcans in the park, offers a recycling station, so the five additional cans will be recycling stations and SMG will incorporate picking up the recycling as part of the building operations. Victor Stanley is a costar member so we'll receive the costar pricing. During the last flood, several of the water-resistant lamps along the riverwalk were damaged, so there is also a request for replacement bulbs. Working with the manufacturer, as part of the installation, the Authority will modify them to make them water tight for future floods.

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. 4976

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers are authorized to issue a purchase order to

Recreational Resource, Inc. in the amount of \$11,437 for the purchase of five (5) additional trash receptacles and to Laface McGovern in the amount of \$1,075 for the purchase of five (5) replacement lamp assemblies, plus installation by SMG; 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 reimburse PSSI Stadium LLC up to \$342,376 from the Capital Reserve Fund for phase II ramp repair and lower bowl waterproofing.

Mr. Johnson explained that Heinz Field is undergoing a multi-year project which phases repairs to stadium ramps. This phase involves removal of corrosion, painting and repairing. The project was initially three years long with the final phase being in 2012. Since the scope for 2011 was completed early, Authority staff requests that the project move forward to complete the 2012 work in 2011, which will save the Authority escalation costs in labor and material.

In addition to the ramp repairs, there are recommendations for seating bowl sealant repairs from Chronicle Consulting, who inspects the stadiums annually. A structural inspection performed this year also recommended that the waterproofing be maintained. Leaking water can create corrosion. CPS Construction, who is repairing the ramps, will also be repairing the seating bowl waterproofing sealant.

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. 4977

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers are authorized to reimburse PSSI Stadium LLC up to \$342,376 from the Capital Reserve Fund for phase II ramp repair and lower bowl waterproofing; 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 or ratification of agreements for the purpose of providing for the preservation of records, items and materials with respect to the Civic Arena and for providing funding toward the creation of an educational guidebook on the modern buildings of Pittsburgh and the region.

Ms. Carroll stated that the Authority desires to honor the history of the Civic Arena and the neighborhood that preceded it, and accordingly has first caused a Historic American Building Survey to be prepared to applicable federal standards. The Authority also assembled a collection of videos that document the history of the neighborhood, the arena and show the roof in motion. In addition, one thousand architectural and engineering drawings have been scanned so they can be made available for educational purposes. The Authority also worked with Heinz History Center to create a list of artifacts to be contributed. The Authority requests that the Board authorize or ratify execution of Deeds of Gift or letters in order to transfer these items to the Carnegie Library, the CMU Libraries, the Heinz History Center and/or the State Bureau of Historic Preservation. Additionally, authorization is also requested to enter into a contract with Pittsburgh History and Landmark Foundation to provide funding for creation of a guidebook for modern buildings of Pittsburgh and the region.

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. 4978

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers are authorized to enter into letter agreements or deeds of gift in order to provide certain not for profit entities, including the Heinz History Center, Carnegie Mellon University Libraries and Carnegie Library of Pittsburgh, together with the PA Bureau of Historic Preservation with documents, studies, videos or objects to memorialize the Civic Arena and to enter into a contract with Pittsburgh History & Landmarks Foundation in an amount not

to exceed \$30,000 in order to support the creation of a guidebook on the modern buildings of Pittsburgh and the region and this Board hereby ratifies the actions of the Executive Director in executing a Deed of Gift for the donation of items to the Hockey Hall of Fame; 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 or ratification of agreements for the purpose of providing for the reuse or recycling of items and materials with respect to the Civic Arena.

Mr. Straley stated that the Authority would like to reuse and recycle as much of the Civic Arena as possible, keeping with its sustainable practices. To that extent, the Authority would like the Board's permission to enter various agreements with Construction Junction to reuse building materials that would otherwise end up in a dump, such as ceiling and floor tiles, lights and other materials that can be salvaged and resold. Goodwill would come in and take remaining technology to use it for parts and to recycle. The Urban Tree Forge would like to reuse the lumber from the trees to make them into plywood and other kinds of wood in order to be reused in construction. There are various artifacts the Authority would like to store, such as center ice, terrazzo, the stainless steel that's in the exterior marquee, the exterior gate pylons and some of the roof panels to be used in the redevelopment efforts on the Civic Arena site.

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. 4979

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers hereby ratify or are authorized to enter into agreements and/or deeds of gifts for the purpose of providing for the reuse or recycling of items and materials with respect to the

Civic Arena; 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 an agreement with Noralco Corporation in the amount of \$2,909,000 for the Hazardous Materials Abatement and Demolition of the Civic Arena and to enter into a memorandum of understanding with the Building Trades Council.

Ms. Conturo specified that this action would authorize a contract and identify the contractor. The Authority had previously stated that this was the next step in the process based on the Board's prior actions and from here, will have a contractor develop a detailed demolition plan for review. This item was set to be part of this Board meeting's agenda well before the filing of the lawsuit yesterday that was reported in the papers. The Authority is confident in its legal position and has engaged in an open and very inclusive process and has complied with every requirement of the law. The Authority is proceeding in an orderly fashion with the project and will take whatever action is appropriate based on any legal requirements, but the court filing yesterday does not prevent action on this agenda item in the regular course. The Authority has been threatened with litigation from the start of the process and this appears to be the latest effort to attempt to delay the work. The Authority will respond to this lawsuit appropriately, but it should also be noted that at every stage of the process, all the public votes from the Historic Review Commission, the Planning Commission and City Council have been in support of the Authority's plan. Ms. Conturo then invited Mr. Barnard to discuss the details of this action item.

Mr. Barnard said that Noralco Corporation was identified by the project team as the low responsible bidder and was unanimously recommended for award by the bid review committee, which consisted of Oxford Chester, Langan Engineering, PSI, Authority staff and the independent demolition consultant. This recommendation is a result of a process consisting of a

publicly advertised predetermination of responsibility process where 22 contractors were approved to bid the project. Bids were received from 12 contractors with six shortlisted and invited to participate in scope review meetings. Revised bids were received in response to a post bid bulletin issued to confirm clarifications made during the meetings with all bidders and require additional information regarding subcontractor qualifications and MWBE participation plans. The MWBE participation plan submitted by Noralco anticipates 27% minority participation and 6% participation from a woman-owned business. The plan has been reviewed and approved by the Authority's diversity coordinator as well as City of Pittsburgh Equal Opportunity Review Commission.

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. 4980

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers hereby ratify or are authorized to enter into an agreement with Noralco Corporation in the amount of \$2,909,000 for the Hazardous Materials Abatement and Demolition of the Civic Arena, provided that the obligations of the Authority under any such contract are expressly conditioned and contingent upon the contractor's submission of a demolition plan acceptable to the Authority in its sole discretion, the contractor's receipt of necessary permits, and the Authority's issuance in its sole discretion of a written notice to proceed, and to enter into a memorandum of understanding with the Building Trades Council; 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 asked if any members of the audience would like to address the Board or comment on the agenda. Hearing none, he asked for comments from the Board members. Mark Hornak asked that the minutes from today's meeting reflect that at his request, an executive

session was held with the Board immediately prior to the meeting today. The purpose of the executive session was to provide the Authority Board and senior staff confidential legal advice including on matters asserted in litigation, specifically the case of Preservation Pittsburgh v. Conturo et. al., filed in Federal Court.

There being no further 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 11:01 A.M.



Mark R. Hornak
Assistant Secretary

