

MINUTES OF THE MEETING
OF THE BOARD OF THE
SPORTS & EXHIBITION AUTHORITY OF PITTSBURGH
AND ALLEGHENY COUNTY
HELD THURSDAY, NOVEMBER 14, 2019
AT THE DAVID L. LAWRENCE CONVENTION CENTER
PITTSBURGH, PENNSYLVANIA
COMMENCING AT 10:36 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 the DLCC Executive Board Room in Pittsburgh, PA 15222, on Thursday, November 14, 2019 commencing at 10:36 A.M. E.S.T.

Members of the Authority

Present: Sen. Wayne Fontana, Chairman
Councilman Anthony Coghill, Member
Michael Dunleavy, Vice Chairman
Councilman Nicholas Futules, Member
Rev. Glenn Grayson, Member
Sala Udin, Secretary
Jill Weimer, Treasurer (via phone)

Also Present: Mary Conturo, Doug Straley, Rosanne Casciato, Bill Williams, Rhea Thomas, Steve Morrison, Rifat Qureshi, Simona Loberant, Michael Wassil, Lauren Henderson, and Maggie Pike of the Authority; Morgan Hanson, Solicitor; Tom Ryser of TPR; Clarence Curry of CF3 Management; Tim Muldoon, Ryan Buries, Guy DeFazio, Hiedi Strothers, and Conor McGarvey of SMG; Greg Flisram, Diamonte Walker, Robert Rubinstein, and David Geiger of the URA; Dusty Kirk and Peter Kogan, Reed Smith; Kevin Acklin, Pittsburgh Penguins; Tracey McCants Lewis and Delvina Morrow, PAR; Boris Kaplan, BPG; Craig Dunham, Dunham reGroup; Marimba Milliones, Felicity Williams, Brenda Tate and Mike Dubinski, Hill CDC; Neashia Johnson, Hill District Consensus Group; Mercedes Williams, State Representative Jake Wheatley Jr; Phyllis Ghafoor and Arbie Bankston, Hill District Residents; Frederick Winkler, architect; Mark Belko, Post-Gazette; Luke Terrance, Pittsburgh Business Times; and Margaret Krauss, WESA.

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. Seeing none, he moved to the next item on the agenda, approval of the minutes from the meeting of October 1, 2019. A motion was made, seconded and unanimously approved.

Mr. Hanson added that an executive session was held the week prior to discuss the real estate transaction involving the Lower Hill 28-acre development.

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 Dagostino Electronic Services, Inc. in the amount of \$17,431 for new and replacement security cameras and installation.

Mr. Steve Morrison stated that there are currently 160 security cameras in and around the DLCC. Following a review of the system by Authority staff and DLCC management, it is recommended that four security cameras be replaced and six new cameras be purchased to cover areas such as the east and west lobby vestibule entrance, loading dock emergency exit, and other areas.

This project was advertised on the SEA website. Three companies were solicited for quotes and completed a walk-through of the building. Two companies provided quotes. Dagostino was the lowest quote by a significant margin.

Senator Fontana asked whether the new cameras will add to what is currently in the building. Mr. Morrison replied that the six new cameras are in addition to the cameras that are

currently in the building. DLCC management identified areas that need increased coverage to accommodate security needs.

Councilman Coghill asked what is the shelf life of the cameras. Mr. Morrison replied that cameras usually have a life of ten years. Zoom/tilt/pan and exterior cameras have a shorter shelf life. The cameras being purchased here are expected to last about ten years. Councilman Coghill noted the cameras have a five-year guarantee. Mr. Morrison confirmed.

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. 5642

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 Dagostino Electronic Services, Inc. in the amount of \$17,431 for new and replacement security cameras and installation; 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 DLCC, authorization to enter into an agreement with Tennant Sales and Service Company in a lump sum amount of \$12,741 for the purchase of a riding carpet extractor.

Mr. Conor McGarvey stated that carpet extractors are routinely used at the DLCC to deep clean and remove stains from the carpet as needed. The DLCC currently has two carpet extractors, one walk-behind and one ride-on unit. The walk-behind unit is over ten years old and approaching the end of its useful life. The purchase of an additional riding carpet extractor will support efforts to maintain the quality of the carpet in the building and replace the walk-behind unit when it is no longer functional.

The opportunity to provide a written quote was advertised on the SEA website. Three companies were solicited to submit written quotes. On October 11, 2019 three companies submitted quotes; Tennant Sales and Service submitted the low quote of \$12,741. The unit is a Tennant R14 model. This unit meets or exceeds the DLCC's Indoor Air Quality and Sustainable Purchasing policies because it is battery-operated, carpet and rug institute certified, uses Orbio cleaning solution (in lieu of traditional carpet shampoo), and has a decibel level of 75 dBA or lower at the operator's ear. The warranty on this purchase covers three years or 2,500 hours on all components.

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. 5643

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 an agreement with Tennant Sales and Service Company in a lump sum amount of \$12,741 for the purchase of a riding carpet extractor; 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 DLCC, authorization to enter into an agreement with Imbue Technology Solutions, Inc. ("Imbutec") in the lump sum amount of \$86,792 for replacement of variable frequency controllers on the chilled water pumps.

Mr. Buries explained that the chilled water plant at the DLCC is equipped with four chilled water pumps. It is used to cool the air distributed by air handling units throughout the building. Each pump is equipped with a variable frequency controller ("VFC") which allows

each pump to control the operating speed based on demand to increase energy efficiency. The four existing VFCs are original to construction and have reached the end of their useful lives. There are no existing applicable warranties.

Public bid was issued in March 2019; however, only one bid was received. After a scope review with Advantus Engineering, the decision was made to reject the bid and modify the scope to eliminate the requirement for a reduced voltage bypass feature that was deemed unnecessary. A second public bid notice was advertised in the Post-Gazette, New Pittsburgh Courier, and on the SEA website in September 2019. Three sealed bids were received on October 25, 2019 and Imbutec submitted the low responsible bid. The base bid included replacing two of the VFCs and the alternate included replacing the remaining two. It is recommended to replace all four VFCs at this time. The project is expected to take seven to ten days and there is a three-week lead time on materials. There is a twenty-four month warranty on the new VFCs and Imbutec is a 100% certified MBE company.

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. 5644

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County its Executive Director and other proper officers are authorized to enter into an agreement with Imbue Technology Solutions, Inc. in the lump sum amount of \$86,792 for replacement of variable frequency controllers on the chilled water pumps; 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 DLCC, authorization to enter into an agreement with Veolia Water North America in a lump sum amount of \$14,685 for the replacement of purge units on Chillers #1 and #2.

Mr. Buries stated the chilled water plant has three centrifugal chillers, two of which are original to construction of the chilled water plant and one of which was replaced in 2014. Each chiller is equipped with a purge unit which discharges refrigerant as part of the cooling process. The purge units on the original two chillers have reached the end of their useful lives and are in need of replacement. A notice was posted on the SEA website soliciting quotes for installation of new purge units. Four quotes were solicited, including one from an MBE company. Three quotes were received; Veolia Water North America submitted the low responsible quote. There is minimal lead time on the materials and the project is expected to take three to five days to complete. There is a one year warranty on the new purge units. There is 39% WBE participation via Huckestein Mechanical on this project.

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. 5645

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County its Executive Director and other proper officers are authorized to enter into an agreement with Veolia Water North America in a lump sum amount of \$14,685 for the replacement of purge units on Chillers #1 and #2; 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 DLCC, authorization to enter into an agreement with Overhead Door Company of Greater Pittsburgh in a lump sum amount of

\$20,594 for replacement of the rolling overhead doors to the 10th Street entrance of the Convention Center Garage.

Mr. McGarvey explained that on September 14, 2019, the security gates at the main entrance to the DLCC parking garage detached from the wall and were damaged beyond repair. The security gates are connected to an entry access system to prevent non-lease holding cars from entering the garage after hours. The overhead doors are original to the building and no existing warranty is applicable.

Four companies were contacted directly and asked to provide quotes for replacement: Overhead Door Company, Arbon Equipment, Specified Supply, and AssaAbloy. Two written quotes were received from Overhead Door Company and Arbon Equipment. Overhead Door Company is recommended because they provided the low responsible quote. This authorization also includes a reimbursement to the Convention Center operating budget in the amount of \$2,236 for work related to removal of the old doors.

The project will commence upon authorization and execution of the contract. There is a three to five-week lead time for delivery of the equipment and it is expected to take five to seven days to complete the installation of both doors. There is a two year warranty on the equipment.

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

Mr. Udin asked what the standard warranty is on a security door and what is the expected useful life of the door. Mr. McGarvey stated that the two year warranty is standard on this type of equipment, and the useful life is expected to be sixteen years. Mr. Udin asked whether it is consistent practice to have a two year warranty with this type of product. Mr. McGarvey confirmed that this warranty is industry standard.

Senator Fontana asked if there were any further questions. 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. 5646

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County its Executive Director and other proper officers are authorized to enter into an agreement with Overhead Door Company of Greater Pittsburgh in a lump sum amount of \$20,594 for replacement of the rolling overhead doors to the 10th Street entrance of the Convention Center 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 Lower Hill Redevelopment, authorization to enter into a term sheet with the Urban Redevelopment Authority of Pittsburgh (“URA”) and Pittsburgh Arena Real Estate Redevelopment LP.

Ms. Rhea Thomas stated that there are four items on the agenda with respect to the Lower Hill 28-acre site, the first being a term sheet. The URA, the SEA, and the Lemieux Group entered into an Option Agreement dated September 18, 2007 for development of the former Civic Arena 28- acre site in the Lower Hill. In June 2018, that agreement was amended and restated among the URA, SEA, and Pittsburgh Arena Real Estate Redevelopment LP (“PAR”), an entity related to the Pittsburgh Penguins. PAR, the URA, and SEA desire to clarify responsibilities and commitments related to the redevelopment of the Lower Hill site. In order to clarify those responsibilities, a term sheet has been negotiated. Between the Authority and URA, URA took the lead on the negotiation of the term sheet. Following a process, on October 18, 2019, the URA Board approved the term sheet. Authorization is now requested to approve that term sheet by the SEA Board. Diamonte Walker, Interim Executive Director of the URA, is here to provide an overview of the term sheet, as approved by the URA.

Mr. Hanson said before proceeding with this item, he wanted to state that Mr. Udin's son is involved with Intergen, which is one of the developers involved with this project. Mr. Udin requested an opinion from counsel as to what is appropriate for him to participate in, deliberate upon, and vote upon among the four resolutions on the agenda. In the opinion rendered by Mr. Hanson as solicitor, Mr. Udin would need to recuse himself and neither deliberate nor participate on the specific resolution that relates to the approval of Intergen. On all other resolutions, including the one being considered at this point, Mr. Udin was free to participate, deliberate, and vote in favor or against it as presented.

Ms. Diamonte Walker explained that the term sheet is a document that formalizes the commitment made by the URA, SEA, and developer at this stage of the negotiation for Blocks B and E. In the contemplation of this term sheet, the URA Board voted to do several things on October 18, 2019. The URA's responsibilities under this term sheet are to work with the City, County, and School Board to amend the LERTA declaration for the LERTA funding that splits the allocation between the on-site Lower Hill Fund and the off-site disbursement to the Greater Hill District Reinvestment Fund. The URA has also agreed to advance the 75% parking tax diversion to City Council on behalf of the development. The URA will also invest three million dollars in support of the parking garage construction, and finally, URA will advance a one million dollar loan for affordable housing investments that exceed the affordability levels outlined in the Community Collaboration and Implementation Plan ("CCIP"). In exchange for those investments, the URA negotiated that the developer would agree to make 50% of the LERTA funding available to the community as a part of an early capitalization strategy. At this time, the conservative estimate is that the 50% early capitalization funding will be approximately \$40 million dollars. The developer also agreed to move a rescue EMS station to Block E without

using any LERTA funding to do so. The developer will also provide 1,200 square feet to URA for one dollar per year for 29 years to allow for MBE/WBE business incubation in the form of URA's Catapult Program. There is an option available to URA to purchase the site at the five year mark. URA will assist the developer in its efforts to pursue affordability vouchers from the Housing Authority of the City of Pittsburgh ("HACP") to deepen the affordability in order to make 20% of the units available for rent at 50% area median income or below. PAR will rehabilitate the Ammon Community Recreation Center, and will not seek any funding from the City of Pittsburgh. It is currently in disrepair and youth do not have anywhere to go to get Rec2Tech programming. URA has found it important for youth to have that opportunity and PAR has assumed responsibility to rehab that space. PAR will also provide a First Source hiring center with Partner4Work to allow for entry-level, mid-level and executive-level job sourcing directly from the neighborhood. Since the decline of the Hill House Association, there is no longer a First Source Center in the Hill District. Lastly, PAR will fill the funding gap to complete the Curtain Call Project that the community has spent considerable time curating photographs to memorialize the space to honor African American cultural history.

The developer for the housing portion on Block B is Intergen, a Hill District based and MBE company. The URA's Board contemplation of this term sheet has allowed the URA to advance forward these two parcels.

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

Mr. Udin stated he would like to begin by acknowledging the work that Councilman Daniel Lavelle has put in to the process over the years and to inform the Board that Councilman Lavelle's family has suffered the loss of his beloved grandmother. Bob Lavelle and Ada Lavelle have been responsible for the majority of Hill District homeowners being able to afford homes

when he operated the Dwelling House Savings and Loan Association. Mr. Udin further stated he was sure that if the family was not grieving, Councilman Lavelle would have been in attendance to participate in today's discussion. He sent his condolences to Councilman Lavelle's family.

Rev. Grayson stated that he is a Board Member for the SEA, but also lives, works, worships and plays in the Hill District. He noted that a lot has been added at the eleventh hour and so the community may not have had enough time to process and to negotiate. He is appreciative of some of the things that have been done, but hopes that it is only the beginning of a true promise for the developer to be good neighbors and partners. He hopes that in time, though perhaps not in this particular request, that parking revenue sharing with the community will be honored so that the Hill District at large can benefit in a true way. Whether it's through garage revenue or otherwise, we hope that the investment is greater than \$40 million to support the new Granada Theater and other developments, because there are so many other pieces that are important. He is supportive of this item, but is concerned, as a resident of the neighborhood, as many promises have been made and forgotten. The stakeholder and community engagement should have been coordinated earlier, in order to prevent negotiation at the eleventh hour. However, he does not want to stop progress today on this item. Kevin Acklin, David Morehouse and others have been good partners and are good in terms of deliberating and processing, but do not always leave sufficient time to dig deep to make sure that everyone comes out winners.

Ms. Walker stated that, one of the items the URA Board authorized when they voted on the term sheet, was that URA staff form a working group and provide an action plan that would begin to operationalize the requests made by the community. The URA Board authorized thirty days to review that action plan so they can advance votes with respect to any material investments. This will ensure that the governing body is being used to ensure these items come

to fruition. She stated she did grow up and continues to live in the Hill District, so it is also personal for her to see that the critical investments happen. She explained it is a starting point and not an ending point and she will spend significant hours in the upcoming weeks to ensure the URA can operationalize an action plan so they can be impactful in the neighborhood.

Councilman Coghill stated that he knows this process did not move as fast as many people would have liked it to; however, he is excited about the development. He met with Kevin Acklin and David Morehouse and said they are also excited about the development. The development will transform Downtown as we know it and will be very beneficial to the Hill District. He looks to Rev. Grayson and Councilman Lavelle to make sure that the projects will be beneficial to the Hill District. He spoke with Councilman Lavelle and knows that he is in support of these items. Along with the I-579 Cap project, these will be highly transformative projects.

Ms. Walker agrees with Mr. Udin that Councilman Lavelle has worked very hard, countless hours, working for affordability around business. She would like to honor and commemorate the work that he has done as an elected official for the district. She is very proud of the work that he did and the work he has asked the URA to continue to do to make sure the project is done well.

Mr. Udin stated that he wants to associate himself with the words of Rev. Grayson, that this is an ongoing process and not an end point. It is very important because the community has been fighting since day one for greater benefits and greater input. He is interested in the redevelopment fund, specifically. One of the things that are most important to the community is self-determination, their control of the resources allocated to the community, and the ability to direct where the redevelopment will occur. He asked that Ms. Walker discuss the creation of the

development fund and how the self-determination of the community is enabled by the allocation of the funds.

Ms. Walker replied that her understanding is that the CCIP executive management committee will form an advisory board, based in the neighborhood that will make recommendations as to how the community wants to prioritize those resources. The URA will take and honor those recommendations to help steward those funds, to make sure the funds are invested in the way the community wants. Personally, she thinks it is important that some of those resources be housed in the neighborhood in an account that they have direct governance over. It is an item that the URA intends to contemplate as a part of the action plan, because it is important that the people who do the work in the neighborhood, as opposed to those on the other side of the negotiating table, are the people who benefit. The Hill District is a self-determining community and she believes the URA Board has asked for this in order to be good partners and stewards. The community has done a considerable amount of work to get to this point in this development, and should not be dismissed or undermined. This resolution is the first step in the process and it is done in tandem with the community's work. If the work is not done in tandem, then the development will not be successful. This is a priority and she intends to make recommendations to the action plan which align the URA with that mission.

Rev. Grayson stated there should be stakeholders (e.g., Hill CDC, Jake Wheatley, Councilman Lavelle, the faith-based community, and hopefully a millennial or two, because the future is theirs) on the committee that have input on distribution of the fund. Sometimes people are forgotten and not represented, so it is important to make sure that all are represented. He stated the word "fight" has been used and he hopes that one day there will no longer be a need to

fight. He believes that the right thing to do is, from the start, outline all the planning so there won't be a need to fight so hard.

Ms. Walker stated that she has been thinking of the collaborative efforts as "building" instead of fighting. It is her understanding that the stakeholders will designate who will govern the advisory board.

Mr. Udin asked whether the members of the CCIP executive management committee have been determined.

Ms. Walker stated that the following people are members of the CCIP executive committee: Councilman Daniel Lavelle, Mr. Kevin Acklin, Mr. Majestic Lane, Mr. Glenn Grayson Jr., Marimba Milliones, Dale McNutt, Glenn Mahone, Kimberly Slater-Wood and Irvin Williams. The CCIP executive committee will create the advisory board and the URA intends to honor the names suggested by this committee.

Rev. Grayson stated he knew at least one of the members personally.

Mr. Udin asked if there will be an opportunity to hear from the community regarding any of the resolutions put forth regarding the Lower Hill today.

Ms. Mary Conturo stated that the SEA will engage in community reporting with the URA.

Ms. Walker stated that there will be community reports and regular participation in community meetings. The URA will be working in tandem with the CCIP committee, checking in to make sure the URA understands what is going on in the committee.

Mr. Udin stated he was referring specifically to the discussion this morning. He asked if people will be able to speak today in comment to this term sheet item.

Mr. Hanson stated that public participation is available at the beginning and end of the meeting, but under the SEA Board rules, there is no participation during the meeting. The Board could vote to suspend the rules and allow public participation during an agenda item, but typical practice, in absent a suspension of the rules, would be to proceed through the agenda and allow people to speak at public participation at the end, three minutes per speaker, and then go to new business and conclude.

Mr. Udin said that if there are committee representatives present and wish to speak, he would move to suspend the rules to hear them; otherwise we can wait until the end of the meeting for public participation.

Mr. Hanson suggested that perhaps we should wait and see if there is anyone who wants to participate and then you can renew your motion.

Rev. Grayson stated that if there was public participation after a vote, the Board would have to rescind the vote, which makes the rule seem confusing.

Mr. Hanson stated because it is not on the agenda and the way the rules are currently, public participation is supposed to be front-ended prior to any presentation during the agenda items.

Rev. Grayson stated that if the items are passed, to hear public participation after passing the resolutions seems backwards.

Mr. Hanson stated that that if the Board desires community input before it votes, then it should suspend the rules and allow public participation to occur before the vote takes place. He did not recommend suspending the three minute rule, because to the meeting needed to remain on schedule.

Mr. Acklin stated that PAR will be presenting as a part of agenda item E and will allow community input as a part of the presentation.

Mr. Hanson stated that Mr. Udin's motion is still on the table and it will need to be seconded.

Senator Fontana stated that if Mr. Acklin is going to offer up his time then that works. Mr. Udin's motion was seconded and unanimously carried.

Mr. Acklin stated that he knows that there is a lot of work ahead of the project and, on behalf of the Penguins and PAR, we are cognizant of how heavy a lift this project is. This project is about correcting mistakes that were made at a time when the neighborhood was decimated. PAR feels that as part of the soul of this development and it is something we will work hard to do as a part of this development. The development team is composed of the Penguins; Intergen (made up of Keith Key, Bomani Howze, and Bob Agbede) the lead housing developers who will have a proposal on Block B, the first phase of housing; and Buccini/Pollin Group ("BPG") (Boris Kaplan) the lead commercial real estate developer with respect to a proposal on Block E. The term sheet reflects the requirements set in the Preliminary Land Development Plan ("PLDP"). The PLDP plan is on file with City Planning and has been the guideline by which the development team operates. The PLDP changes that are being pursued are inspired by the I-579 Cap project. Lower Wylie Avenue will become a park space and center of energy for the entire region to reconnect the Hill District with Downtown. Development on Block B (pointing to the bottom right of chart) will be reserved for housing, and on Block E (pointing at the top center) there will be a parking garage and music center, which will be presented today. The top right of the parcel will be a corner open space which will define the center of Wylie Avenue and connect the I-579 Cap with the Hill District.

Regarding community engagement, we are at the starting line. The outreach dashboard presented today (pointing to board) summarizes the work that has been done in the last year. The public actions are outlined and the URA will be advancing to City Council the parking tax diversion, including public meetings and the bi-weekly CCIP meetings. The CCIP is an agreement that was entered into in 2014, signed among PAR, Hill District stakeholders, the City, and County to define seven planned focus areas: job creation, MBE/WBE participation, inclusionary housing and home-ownership, communications reporting and tracking, wealth building initiatives, culture and community legacy initiatives (such as Curtain Call, which is one of the components we are committed to delivering as a part of the term sheet), and coordinated community development. The CCIP is a framework and an actual document that the developer is using as a blueprint to ensure the community is engaged and empowered as a part of the development. The CCIP executive management committee meets regularly and has discussed the advancing development. There is also a website and there have been newsletters sent to members of the community. Mr. Acklin stated he believes the term sheet is a good deal. It was heavily negotiated by Councilman Lavelle. There were a number of public benefits that can be reduced to dollars invested, such as the new EMS station, dedicated space to small business incubation through the URA Catapult program, deeper affordability with respect to housing, and working to capitalize the 50% off-site LERTA. Instead of letting the 50% trickle in over the next ten years, we are talking with banks to lend against that money to put it to work now. To Mr. Udin's point, that money is not for the developer to control. It will go back to the URA and perhaps deposited to the Hill District Federal Credit Union for further development. We are working with Parnter4Work to bridge the gap between the trades and minority community. There are too few

opportunities for African American contractors and workers and we want to create those opportunities with the Lower Hill development.

Senator Fontana asked if there were any questions for Mr. Acklin.

Councilman Coghill stated that the City's loss is the Penguin's gain and thanked Mr. Acklin for the hard work that has gone in to this plan by him and all entities involved. He further stated that knowing Councilman Lavelle is on board with the changes, he is looking forward to the work ahead.

Rev. Grayson stated that in terms of support, he has faith that we will go forward as true partners in the community. He would like to see added to the dashboard the new advisory committee that will be formed to monitor the estimated \$40 million LERTA funds, but hopes that number is conservative. The CCIP committee will be reporting back to that committee in a larger way conveying the weight of the process that has transpired. He is looking forward to that project and other supportive ways to balance the community at large. The Hill has great history and he is proud of the Hill and wants to see it look like other neighborhoods. Pittsburgh is voted the most livable city, but it cannot be until we become intentional about how we get there.

Councilman Futules stated that he is a representative of Allegheny County as a whole. He spoke to the County Executive and is delighted to see the project move forward. The goal has been to see new development and new jobs, construction and future jobs upon project completion.

Senator Fontana asked if there were any questions for Mr. Acklin. Seeing none, he asked for public participation.

Ms. Phyllis Ghafoor introduced herself as a resident of the Hill District. She stated there is more to the story of the development, there are constructs and then there is reality. She stated

she was a part of the process before the Civic Arena was demolished eight years ago. The whole process was grueling, but getting here has been through the efforts of hard work of a lot of people. She hopes that the term sheet will be passed with conditions, as there is still a long way to go. She is a part of a new coalition, because there is only one community voice on the CCIP executive management committee. When she came before the URA, prior to Ms. Walker's time, the community was alarmed because there was not a broad voice. Nonetheless, there must be forward movement on the development. She wants to briefly discuss things like the people who needed to be dislocated due to disrepair of their homes to the West End, trees growing in the middle of structures on Center Avenue. She is speaking not about times long ago, but rather present day. There are structures falling down due to lack of support in the Middle Hill. There needs to be work done to get a number for how many people are going through the dislocation crisis right now. She also wanted to mention that she passed along a letter during the previous URA board meeting. It is not a construct of poverty or unemployment, she is a real person who has gone and who is still going through those things. In the letter are a few recommendations for percentage distribution that may be used for the \$40 million LERTA fund: 70% for direct housing and tax relief for homeowners in the Hill, especially the Middle Hill; 15% for the Hill faith-based communities who have been feeding, clothing, and using their monies to keep Hill residents going; up to 10% to finish Hill CDC critical projects, such as, the new Granada Theater, and new housing next door; and up to 5% for innovative community news initiatives, since many residents do not have computers or internet. Also, the Ammon Recreation Center is included and is the City Councilman's choice. He has to get complaints day in and day out. Whatever the LERTA money can legally fund, the community wants it and needs it now.

Senator Fontana thanked Ms. Ghafoor for her time.

Ms. Milliones introduced herself as President and CEO of the Hill Community Development Corporation (“Hill CDC”). The organization has been around for about 32 years focused on the revitalization of the neighborhood. First, she commended the SEA on its intentionality on completing the infrastructure before there was even a development plan. The roads were referred to as the roads to nowhere, but now they might be taking the community to somewhere. She stated that the places the development is heading needs to be contextualized in the broader conversation and history of the Hill District neighborhood. She asked that the SEA not only be a high performer on the infrastructure, but continue to maintain the administrative high-ground that is required throughout the duration of the project. As an example, when the SEA did the I-579 Cap project, input was solicited from the community early-on, Hill District artists were hired, MBEs were hired, and the community was engaged deeply and consistently before advancing the project. The reason people do not hear resistance about the I-579 Cap Project is because community engagement was done properly. There was room for growth, but as the plan was submitted to the Hill Development Review Panel, it was one of the very first projects submitted through the community’s review process. She says that to encourage everyone to be accountable to the same standard, including the URA and the City of Pittsburgh. The SEA can be a fail-safe when processes do not go forward in the manner that they should at some of the other agencies. In this case, the URA did not give sufficient time to allow the community to engage deeply in conversation and get input for the term sheet. As a result, it is a relatively weak document given the amount of public subsidy that is being considered towards the private development. She asks the Board, as stewards of public resources, to consider this moment and ask what else the public is deserving of as residents and tax-payers. There have been a number of changes as a result of the advocacy, and she is grateful for those revisions. Other items have been

pushed into the planning process. The Hill District has been extensively planned, has a comprehensive Greater Hill District Master Plan, a Center Avenue Commercial Corridor, two Green Prints, a Hill District Arts plan, and others at hilldistrict.org/hilldistrictplans. The community does not need more plans. There have been multiple years advising the vision for how this development should be carried out. When the term sheet is in front of the SEA Board, this is where the plans can be made into action. She has enjoyed working with the development team and the Penguins, so this is not personal; it is business, and she is speaking as a tax-payer and contributor to public money. She encourages the SEA to make sure the returns come to the community, especially when land is being taken-down. The CCIP has a number of wonderful things that we all agree should be fulfilled. This plan should be fulfilled here and now. The Hill CDC sent a letter to Ms. Conturo, Ms. Walker, the Mayor, Councilman Lavelle, and a number of Hill District stakeholders who are engaged in the neighborhood around development issues. She seeks to remind that random public meetings held by public agencies are not effective. It is better to engage the people who have been consistently, authentically, and respectfully engaged in development issues. There is a memorandum of agreement that came out of community advocacy. The community learned about the term sheet very late, but still was able to get their requests to the URA and SEA, which she asks to be signed prior to the term sheet. She is not asking to vote no or delay the development unreasonably, she is asking that the Board review the documentation and encourage public agencies to revisit the returns to the community, per the plan. She asked for a two-week delay to make sure the returns are clear.

Senator Fontana thanked Ms. Milliones for her time.

Mr. Arbie Bankston introduced himself as a resident of the Hill District. There used to be a grocery store at the corner of Herron and Center that was taken by urban redevelopment. His

family was displaced by the construction of the Civic Arena. There are plenty of plans, but the community does not have control of the funding to correct things that have been done in the past. He commended the Penguins for moving forward with the development, despite natural barriers. One of the barriers is the amount invested between Chatham and U.S. Steel Building so people can walk from downtown to the development. Other barriers have not been addressed on the East side of the development, no grocery stores, and only three schools. There are plans in place, but there is no implementation. One item that concerns him is the Residential Façade program guidelines, distributed by the URA to residents of the Upper Hill. The document is redlined, because not everyone is able to participate. The Board cannot choose who can participate in the development. The community does not have control over implementation of the plan because they do not have funding. The LERTA would fund these plans. Plans have been developed over the course of ten years with no results. There has not been implementation on the plans or any issued progress reports in this development thus far. This cannot benefit the community without control of the funding and because there is no control of the funding, the community cannot be sure of the outcome. The term sheet does not provide anyone control of the funding except for the URA. He wondered why not the community. The history of collaboration with the community should be continued. Pittsburgh can show the rest of the country how to get things done, but there is no clear, collaborative effort to get things done. In closing, he requests the term sheet be tabled temporarily to put controls for the community to hold the URA accountable to levels of disbursement. Controls are necessary to protect the public's interest. Small businesses will struggle without anchor stores and the anchor stores in the area are struggling.

Senator Fontana thanked Mr. Bankston for his time.

Ms. Felicity Williams introduced herself as the Programs & Policy Manager and Special Assistant to the President and CEO of the Hill CDC. She appreciates the comments thanking Councilman Lavelle, and she wholeheartedly agrees he has put a great amount of work into negotiating for returns to the community in the term sheet. She also believes it would be remiss to not recognize the work and efforts of the community. She thanked Mr. Udin and Rev. Grayson for mentioning it. Items that Rev. Grayson and Ms. Walker mentioned were added to the term sheet. Specifically, the URA considering putting the funds in a Hill District community bank is a result of items the community mobilized around and articulated in the development stakeholders' letter that resulted in a memorandum of agreement (MOA) that some board members received this morning. This happened as a process over the last forty-five days. As a result of that letter, the URA removed the language about "commercially reasonable standards" for the Penguins commitments, language for the URA to work with InterGen to reach deeper levels of housing affordability, working closely with the Macedonia Church (a stakeholder with direct interest in the rehabilitation of Ammon), and language for the coordination of the Lower Hill music venue with the new Granada Theater programming. She thinks sometimes we forget about all the work that the community puts into the development. She asks the Board to take time to review the MOA, an equitable development model that has not been in place thus far. Every time the Penguins take down URA and/or SEA land, the community will have a tangible realization of the CCIP. This would be positive for all entities involved in development. The fund should be under community control and be housed at a community banking institution.

Senator Fontana thanked Ms. Williams for her time.

As a closing comment, Rev. Grayson stated that as a part of the community, he heard what the public has had to say and shares the sentiment that there must be trust as parcels are

taken-down, that the process continues to be collaborative with the community. It is important that the community does control the funds. He stated that so long as he is on the SEA Board he will do all that he can, in the fairest and most right way, to make sure the Hill District community and City at large is considered with every item brought to the Board. He will try to be honest, fair and supportive so that this City will be great one day. The disparities are great at present. If an African American moved to a city of comparable size, he or she would benefit greater in another city. He wants development that is intentional and that provides everyone opportunities to grow.

Mr. Udin stated the he wanted to correct the notion that this project will correct past mistakes. It does not. This project cannot begin to correct the devastation that was done to the Hill community when he was a child. The effects continue on today. He asked what the status is of the term sheet, legally. The project is moving forward and requires approval of a term sheet, but he asked to understand what the legal status of the term sheet is and what role it plays in the development.

Mr. Hanson stated there was originally an Option Agreement created in 2007, which was then amended in 2018. The term sheet is a binding document on all parties. It is not an agreement to agree. It modifies the Option Agreement to the extent that it expressly deals with the terms of the Option Agreement, but it is really a plan for how these parcels will be taken down. It will become a binding contract among PAR, the SEA, and the URA.

Mr. Acklin added that the term sheet outlines conditions that are being placed on the developments. It is the first step. The project will come back to the SEA and URA Boards, before legal title transfers. At that time, the developer will be measured against the conditions of the term sheet. It is a preliminary approval, not transferring of a deed. We will be able to proceed

with a plan, get bank financing and continue to engage the community in accordance with the term sheet. If the developer does not abide by the term sheet, that would be a legally acceptable reason to not transfer title of the land. Ms. Milliones and other community members did have input in the term sheet and progress will continue to be made to collaborate with the community.

Mr. Udin stated that he is struggling because he wants to move the project forward, but feels improvements need to be made to the term sheet due to the shortcomings made apparent by community members. He asked how can the Board do both.

Senator Fontana stated he has not had an opportunity to review all of the improvements suggested by the community document that was just distributed. Based on what has been said today, from both URA and PAR, the term sheet is only the beginning of the process. As a representative of the Hill, along with Representative Jake Wheatley, as well as Councilman Lavelle, he wishes to support them going forward. He stated he does not know anyone who will object to going through the MOA and seeing what can and cannot be done. There might be some legal aspect to this, but it should be reviewed by all parties and what can be done. The Board is unable to sign anything during a Board meeting, but we can weigh in and insist things get done. The Board knows the parties well enough, and as an elected official, they will take our calls and will listen. He believes and has faith that all parties will live up to their word. The term sheet has been negotiated in good faith, not to say it cannot be improved or expanded, but he has to believe that this is a starting point and it will get better. It will only improve if we understand what we can actually do and accomplish. He is thinking it is not the end and is encouraged by it. People were allowed to speak over the three minutes limit because he appreciates what people have to say and wants to hear what the community has to say. Personally, and as an elected official, he believes things will move forward. There are conversations between the parties and community

members, and he will review the MOA and ask the solicitor to review the MOA to understand what can be done. He will support Councilman Lavelle, Representative Wheatley, the Hill CDC, Rev. Grayson, Mr. Udin and the Penguins.

Mr. Udin requested that the legal counsel review the MOA and report back to the Board at a timely manner.

Senator Fontana stated that it is a good idea and will be done promptly.

Rev. Grayson stated he also has trust that the collaboration will go forward and that the Board will hold the developer accountable to the term sheet.

Ms. Williams asked to clarify the point about the term sheet. The term sheet is what the developer will be held to when the developer comes back. If certain items are not in the term sheet, they cannot be held accountable for those items.

Rev. Grayson stated that if we approve the term sheet, and because of the lateness of receiving the MOA, if in good-faith, during the development process we still have real community input and support and negotiation we can potentially add more to benefit the community. Although, he conceded that Ms. Williams may be correct legally in her point.

Ms. Williams stated she is encouraged by the discussion. She asked that there be a resolution that it will be reviewed legally.

Senator Fontana asked if there were any further questions. 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. 5647

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County its Executive Director and other proper officers are authorized to enter into a term sheet with the Urban Redevelopment Authority of Pittsburgh and Pittsburgh Arena Real Estate Redevelopment

LP; 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 Redevelopment, authorization to provide preliminary approval of a redeveloper and a conceptual development plan for a commercial development to be located on Block E of the Lower Hill site.

Mr. Rifat Qureshi explained that as a part of the process required by the Option Agreement, preliminary approval of a conceptual development plan and a proposed redeveloper is brought to the Board for consideration. This item is based on a proposal submitted by PAR and its designated redeveloper, Lower Hill Redeveloper, LLC, to construct a mixed-use facility consisting of a live music entertainment venue, retail space, and integrated parking structure on Block E. PAR and its designated redeveloper, an affiliate of BPG, are here today to present the plan. This item will return to the Board for final approval when more complete information has been submitted and undergoes the necessary reviews and approvals under the Option Agreement. Mr. Qureshi introduced Mr. Acklin to present the Block E development plans.

Mr. Acklin stated the first phase of the development is Parcel E. Originally, the Option Agreement called for the URA and SEA – the public – to build a garage on the 28-acre site. It was a heavily negotiated provision that required parking commitments under city code. Structured parking is a core component in order to support the development. It is a very difficult and expensive endeavor to build a parking structure. They may carry losses for several years. In exchange, instead of having the public build the garage at the public's expense, what has been proposed on behalf of the Penguins is to build a garage of approximately 850 spaces with a live music venue on top. The idea is that the structure will generate significant tax from the music

venue and parking revenue from the garage, with taxes going back to the City. The garage will sit at the corner of Logan Street and Wylie Avenue, bounded on the east by Fullerton Street. The backend of the garage will sit on Bedford Avenue. There will be retail space on Wylie Avenue that represents dedicated space for local small businesses. This is called a three in one music venue. There will be a stage and floor with seating and will open up to an outdoor performance lawn. The idea is that it could be a small jazz nightclub with the curtains drawn. The music venue is a development concept at this point.

At the left side of the parking structure, there is space dedicated to the City at no cost. It represents a Rescue 2 and EMS 14 station. The stations are presently situated at the corner of Smithfield and the Boulevard of the Allies in an old, costly building that represents a development opportunity for the City. By PAR building this station at this location, it will be a more centrally located facility for public safety purposes and will relieve the City of the costs to rehabilitate the current stations and enable them to sell the current building at a later date as a development opportunity.

The space along Wylie Avenue is retail space dedicated to the URA for its Catapult program. The program was initially launched on Penn Avenue in East Liberty. The Catapult program allows entrepreneurs to start their businesses at low cost in a highly visible space and to develop into a sustainable business. This development seeks to be a place where small businesses can set up shop and take advantage of the activity and foot traffic attracted to the new developments.

Block E plans will be submitted to the Development Review Panel (“DRP”) process through the Hill CDC. Block B plans have already been submitted to the DRP process. We will go through the design review process with the community and have conversations about the

development. As part of the URA Board voting, a future vote for parking taxes to be diverted back to the project was authorized. That vote will be before City Council soon. It will be a 75%/25% split. The value of the space and public safety benefits are all to the credit of Councilman Lavelle and the community. The Penguins seek to be good public stewards. With approval, we believe we can deliver on the public benefits.

Rev. Grayson stated that many of the comments that he makes are representative of the community, based on previous conversations. He expressed gratitude for opportunities for entrepreneurs, but the reality is that 1,200 square feet is not a significant amount of space for small businesses. Secondly, he says the 75%/25% split is not sufficient because the community already struggles with parking availability on special event days at PPG Paints Arena. Compensation to assist the community should be reconsidered and renegotiated to reflect more balance, although he expressed that he is supportive of this first phase.

Mr. Acklin stated that given the building is so expensive, the value of the Catapult space is larger than it would seem. There are additional commitments to small businesses in the development including kiosks throughout the site. This is the first commitment, but we think there will be additional opportunities to support small businesses throughout the site. The parking complaints are a common complaint and it is a large issue for ticket holders and employees. Other parking solutions are being sought by the URA and PAR has a parking plan along with a comprehensive parking study underway that has been commissioned for the area. PAR does not want the community to feel a negative impact on parking if the demands from the development cannot adequately accommodate parking. There is also a commitment to coordinate with the Hill CDC on the new Granada Theatre, in terms of operations and surface parking to

support activities. Parking is a consideration in the CCIP agreement and there are many community meetings that sought to mitigate parking impact into the Hill.

Rev. Grayson stated that he still wondered the reasoning behind the 75%/25% split and the intentionality of the dollars used in that split. It is a concern he hears frequently from the community. If it truly is in good faith, it needs to be stated.

Mr. Acklin stated that the reinvestment fund, which is a part of the term sheet, gives the developer the opportunity to leverage against those funds in order to build the development. It is also the predominant way the development will be able to funnel revenue back to the community. As the development grows, this will help to align the interests of the community and developer.

Rev. Grayson stated for the record, the \$40 million dollar estimate could end up being any amount. For the City to make a 50%/50% split would set an important precedent. These figures are projections, what is not a projection is everyday parking. As a community member, he is grateful for the LERTA split, but at the same time parking revenue is guaranteed daily income.

Mr. Udin stated that the LERTA funds provide for a split of the real estate tax on the land occupied on the 28-acres. He asked what benefit comes to the Hill District community from the parking revenue generated on the 28-acres.

Mr. Acklin stated the LERTA is a ten-year tax abatement by all three taxing bodies that was granted to the development. The Penguins committed to capitalize 50% of that to the URA for investment in the Middle and Upper Hill District. The other 50% is committed to on-site infrastructure and development costs to complete the development. The value of the LERTA for

the Block E development is projected to be \$7.5 million (the 50%) which will be reinvested. We can tell you what will be the estimated parking tax.

Mr. Udin asked what the parking revenue will be.

Mr. Acklin stated that if the public was building this garage, the cost will be about \$47 million. The revenue is pledged to a bank to then lend against with personal guarantees. It is being privately built and those revenues will be generated over time and used to pay the bank loan. The parking revenue is not going into the pockets of the Penguins. It is going to support construction of the project. When we discuss revenue being taken out of the project, a gap is created. During discussions with Councilman Lavelle, the issue came up and the decision was made that the public benefit from getting free space from Catapult and the build out for the EMS station is substantial. The idea is that parking revenue will be pledged in order to get the loan to actually build the parking structure. The debt financing for this is between 60-70%, which means that much of the project will be financed by the bank. The revenues will be pledged to support debt service for the garage; if the public built it, according to the URA, the savings are approximately \$47 million.

Mr. Udin stated that he would have much preferred to see a financial plan that provided a revenue benefit to the Hill community rather than a plan that did not. He appreciates the benefit of the 1,200 square feet and EMS station. He would also appreciate revenue from the parking garage going to the community.

Rev. Grayson stated that part of the struggle is that the community cannot justify, psychologically, that LERTA contributions are sufficient enough to cover issues arising from lack of parking availability. If residents knew that parking revenues support the community, it would be an easier justification for the parking availability issues.

Mr. Acklin said he understands and it is a matter of trust. He will go back to the table with the developer to see what is available in terms of getting the project built. If there is a way to share parking revenue, it will be explored.

Mr. Udin stated he does not have faith and wants to see all of the commitments in writing. In terms of the entertainment center, he asked what minority business participation is expected.

Mr. Acklin stated that the minority business participation is identified in the CCIP agreement. The construction phase is expected to have 30% MBE participation. Currently, in the ownership phase it will be 10% commitment. It is expected that there will be 10% or 20% MBE occupancy of the business space in the entire development.

Councilman Futules noted the cost of the parking garage would double with the addition of the entertainment center on top. He asked whether the value justifies the increase in construction cost.

Mr. Acklin stated that the construction cost would not exactly double. Since the land is not flat, the cost is significant. The foundation of the Civic Arena is still underneath in Block E, making costs even higher. There have been meetings with prospective contractors to drive down the costs. Project costs will be reviewed by the Board prior to takedown. The music venue is not adding significant costs; the main costs of the project come from site conditions. Since the garage is being privately built, it will not be larger than can be afforded.

Councilman Futules asked whether the music venue will be open seasonally.

Mr. Acklin stated that it will be open all year, but the outdoor component will be seasonal. It will generate amusement and employment taxes generating revenue to the City. The garage by itself is not exceptionally profitable. This project attempts to advance development

while creating a soul to Block E from the music component and playing upon the idea that Wylie Avenue has a history of being a cultural center of the Hill District.

Mr. Hanson stated he had a clarification about the resolution, relating to Councilman Futules' earlier question. He stated that regardless of the cost, the SEA will not be contributing one dollar to construct it and therefore cost overruns or cost structures are all the responsibility of the developer.

Mr. Acklin said that is correct. This resolution effectively is a site control vote. The SEA owns this land and the developers are coming forward with a plan that allows them to advance with other pieces of the development on Block E.

Councilman Coghill stated that he is happy the parking garage is built in the hillside. It is difficult to make a parking garage visually attractive and expects this will be an attractive development. He stated that this development is open-ended to the community. There will be ongoing negotiations and he believes good-faith discussions. He sees that the community will work hard to get what it deserves.

Mr. Acklin stated that the development will be an energetic, public space. There will be a marquee on the corner of Wylie Avenue and Logan Street.

Mr. Udin stated that these streets are culturally significant and he hopes that the ethos of the development will capture the history. Teenie Harris and old, local newspapers have a lot of archival photography that can recapture Logan Street. Logan Street represented ethnic diversity that attracted Jews, Eastern Europeans, and African Americans to Pittsburgh. The commercial sector ran throughout Logan Street from Fifth Avenue to Bedford Avenue. He hopes there are plans to maintain and capture that history.

Rev. Grayson stated that this development is wonderful and exciting, but the fear is that this development will be beautiful and two blocks past the development is a blighted area. The ideal scenario would be if after visiting this development, people would walk through and support the Hill District. These efforts have to be intentional at this point in the development.

Mr. Acklin stated he agrees and is ready for that work.

Councilman Futules stated that the development looks exciting, but wonders if it will compete with other neighborhoods for business in the future.

Councilman Coghill stated it could be a tourist attraction.

Mr. Acklin stated that since many people come to PPG Paints Arena, it is important to convey the understanding of what was, and also capture economic activity in a comprehensive way. The coordination needs to happen with the community or the development will be inward facing, like the Waterfront development in Homestead. Creating physical, cultural, and economic connections throughout the community is what makes this an exciting opportunity for the community and developer.

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. 5648

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County its Executive Director and other proper officers are authorized to provide preliminary approval of a redeveloper and a conceptual development plan for a commercial development to be located on Block E of the Lower Hill site; 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 Redevelopment, authorization to provide preliminary approval of a redeveloper and a conceptual development plan for a residential development and urban open space to be located on all or portions of Blocks A and B of the Lower Hill site.

Mr. Qureshi stated this item was submitted by PAR and its designated redeveloper, Intergen Lower Hill Initial Phase, LLC, to construct a residential development and a one-acre urban open space in Blocks A and B. This item will also return to the Board for final approval. Once again, Mr. Acklin will present the Blocks A and B preliminary plan.

Mr. Acklin stated this action is a proposed preliminary approval for takedown of Block A and B. These Blocks are intended for residential development. The planning idea was to transition from downtown to the center of the site and the buildings will begin converting from commercial to residential. This layout of residential buildings also preserves site lines. There is a development agreement with Intergen for the first phase of housing. Along Wylie Avenue, PAR is proposing open space. It is a steep grade down along Wylie from Crawford and the developer has programmed a terraced park as an entrance to the site from the community. This could be a potential alternate site for the Curtain Call project, subject to conversation with the artist and the community. There is a commitment as a part of the term sheet for PAR to implement the Curtain Call project. The site will include open space access and a tower with retail space on the first floor and residential housing above. The plan for Block B, the first phase of housing, is 288 units of which 20% (58) will be affordable. The building will be twelve stories, with a pool and multiple terraces. Parking will be accommodated inside the residential building. Across the street is Freedom Corner. The juxtaposition of Freedom Corner is informing the plans for the residential development in Block B. The project will be taken down and bid in early 2020.

Completion is currently expected to be spring 2022. As a component of the term sheet, there is an incentive approved by the URA for the Intergen team to work closely with the HACP on reaching deeper levels of affordability. All of the development will be subject to community conversation and was submitted to the Hill District CDC's Development Review Panel. There will be meetings soon regarding how the open space is planned and programmed. There will be some townhomes designed, inspired by Crawford Square, from Wylie towards Centre Avenue along Blocks A and B. The townhomes will have external and internal entrances. Intergen is managed by people who grew up in the Hill District.

Mr. Hanson stated that he would like to remind the Board that this is a matter that Mr. Udin cannot participate in, due to his conflict of interest. Please do not direct any questions to him and Mr. Udin, please state for the record that you will recuse yourself for this part of the discussion.

Mr. Udin then recused himself for this part of this discussion.

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

Rev. Grayson stated that there are no funds set aside, to his knowledge, to support and maintain Freedom Corner. There will be new buildings around Freedom Corner, but there are no funds earmarked to make sure that Freedom Corner, a very historic location, stays beautiful. It is an example of how things are missed when development is not intentional.

Mr. Acklin stated that voters recently spoke to the importance of public space and landmarks. Freedom Corner could be explored. It is one of the items that the CCIP is built to accommodate.

Councilman Coghill stated that as he is from the South Hills, he thinks the most important part of this discussion today is not losing the fabric of the Hill District and recognizing

the history and great people who are from the area. He stated he trusts that Rev. Grayson, Mr. Udin, and Ms. Milliones will make sure that the fabric of the Hill District will not be lost.

Rev. Grayson stated that he asked about the funds for Freedom Corner today to emphasize the importance of the intentionality of the funding. Since there are no funds earmarked, it is lucky that the corner is still there today. Freedom Corner is important to the community and it is important to have funding for its cleaning and repair. It is used for skateboarding, wedding photos, protests, and assembly. It is symbolic to the work done at the 28-acres. Wherever the funding comes from, it cannot be forgotten.

Councilman Futules asked whether the residential housing is purchased or rental units.

Mr. Acklin stated that all of the units are rental. The affordability commitments in the term sheet outline goals of 20%, 60%, and 80% AMI. We are intentional about moving forward with affordability in the area.

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 carried with one abstention, the following resolution was approved:

RESOLUTION NO. 5649

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County its Executive Director and other proper officers are authorized to provide preliminary approval of a redeveloper and a conceptual development plan for a residential development and urban open space to be located on all or portions of Blocks A and B of the Lower Hill site; 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 Redevelopment, authorization to amend documentation pertaining to the Lower Hill LERTA District.

Ms. Rhea Thomas stated in December 2015, pursuant to Pennsylvania's Local Economic Revitalization Tax Assistance Act ("LERTA") which provides for real estate tax abatements to eligible property owners, the three taxing bodies – Pittsburgh School District, City of Pittsburgh, and Allegheny County approved a Lower Hill LERTA district. In accordance with the terms of a Cooperation Agreement among the taxing bodies, the URA, and the SEA, the tax abatement given to property members within the Lower Hill LERTA district required owners to make annual owner payments. 50% of the owner payments would be for the benefit of the Greater Hill Reinvestment Fund and the other 50% would be for the benefit of the Lower Hill Development Fund. In accordance with the term sheet, the following amendment would be proposed to the three taxing bodies: retention of the 50% owner payment for the benefit of the Lower Hill Development Fund by PAR to be used for project development and public infrastructure costs at the Lower Hill site, consistent with the LERTA legislation and guidelines adopted by the URA Board. The proposed amendment would require the authorization of all three taxing bodies. The SEA is a party to the Lower Hill Cooperation Agreement as well as the Declaration of Restrictive Covenants, which is recorded with the Allegheny County Department of Real Estate to ensure the acknowledgement and agreement by owners of property within the Lower Hill LERTA district, per the terms and conditions required to maintain the LERTA grant of tax abatement. Authorization is requested to amend documentation pertaining to the Lower Hill LERTA district, on behalf of the SEA.

Mr. Acklin stated that the proposal requested is technical. The intent of the LERTA funds and the control over the funds are not being changed by this proposal. 50% is being paid by the developer's future tenants to a fund that the URA will program with the community. PAR will support projects in the Middle and Upper Hill, but that is money that is going back to the

community. The on-site fund supports the open space and will resolve ongoing public infrastructure issues. The term sheet says that the developer will program the on-site LERTA and come back to the URA and disclose how PAR intends to use the funds. The current way the guidelines states that the dollar would be paid to the URA and PAR would have to return to the URA and get it approved. This causes issues to the developer for bank funding. Instead of being reimbursed, the developer is proposing to the SEA and URA that this is how the developer intends to spend the money for the on-site LERTA, consistent with URA guidelines. The URA is the administrator of the LERTA by the three taxing bodies. The change being proposed amends the guidelines to allow PAR and the developers to present to the URA how the on-site revenue will be used and then the Board will vote consistent with the guidelines. The guidelines have not been passed. Councilman Lavelle is negotiating those guidelines with the CCIP executive committee. The purposes are not changing and the public will still vote upon the use of the proceeds, the only change is now the developer will have access to the LERTA funds up-front instead of paying and seeking reimbursement, the developer will present the programming. The pro formas presented to the URA have a line item which states this is how the 50% of LERTA funds are being used on-site. The other commitment is allowing PAR to utilize the on-site funds, subject to public approval, would be to not come back to the City, SEA, or URA for funding on public infrastructure and open space projects. These projects benefit the public and the development.

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. 5650

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County its Executive Director and other proper officers are authorized to amend documentation pertaining to the Lower Hill LERTA District; 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 execute agreements with various banks for purposes of establishing depository, account and cash management agreements.

Ms. Rosanne Casciato stated that authorization is requested for the Executive Director, Chief Financial Officer ("CFO"), and the Controller to have the ability to open checking or investment accounts and to add, change, or delete users. Any account opened will require the involvement of all three users and will require prior written approval from the Chairman of the Board.

The Authority's internal controls for writing checks and authorizing wire transfers are as follows. For check signing, checks are prepared by a staff person. Checks require live signature from two of the above-mentioned staff managers. Wire transfers/ACH payments require a second approval for electronic transfers. Every wire transfer/ACH, regardless of amount, requires authorization from one staff manager and approval from a second different staff manager to serve as a control mechanism. A limited number of bills are routinely paid electronically. The CFO approves the initial set up of the information and the Controller executes the action. All other electronic fund transfers ("EFTs") to third parties, per SEA policy and as set up with each financial institution, require two staff manager authorizations. On a regular basis, finance department staff purchases CDs and other investment vehicles to maximize investment dollars. Authorization is given by CFO and implementation is by the Controller. The structure

and bank documentation is reviewed annually to confirm that there have been no inadvertent changes or oversights.

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

Mr. Udin asked if the legal staff would assure the Board if they have reviewed the revised banking process and that it will prevent, as much as possible, any fraud or theft to the extent that we can.

Senator Fontana asked if these changes were as a result from any recommendation and who made the recommendation.

Ms. Casciato stated that staff reviewed the structure. Now no staff member can make transfers or make changes to the structure independently.

Ms. Conturo stated that the auditor made the recommendations during their review with SEA staff.

Senator Fontana asked whether a legal review has been done. Since the auditor has reviewed and made the recommendation, it should help.

Mr. Hanson stated that he has reviewed the auditor's recommendation. There is no way that fraud can be prevented with 100% certainty, but these are excellent steps to take to secure the finances of the Authority. He believes the steps are sufficient, but will say that the Authority is in constant discussion of ways to operate better.

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. 5651

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

authorized to execute agreements with various banks for purposes of establishing depository, account and cash management agreements; 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 made a motion to restore the rules for public participation, since they were suspended earlier in the meeting. The motion was made, seconded, and unanimously carried.

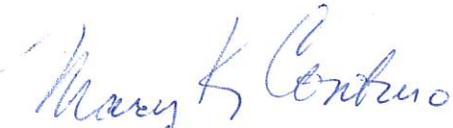
The next item was public participation, and Senator Fontana asked if anyone in the audience desired to address the Board.

Ms. Milliones stated that by not entertaining comments during all votes on the agenda, the Board voted on an item which she believes violated the CCIP agreement. She encourages the Board to revisit the public comment process so that the Board can be as knowledgeable as possible prior to entertaining votes. Specifically, the commercial, entertainment, and retail portion of the plan according to CCIP requires a 25% MBE development partner or developer. Perhaps the community is not aware of that partner yet, but BPG and the Penguins have not provided a name for that partner. The reason that this is an important meeting, while it is not the end and will be an ongoing process, in many ways it is the end for these parcels. While the MBE partner is established for the residential portion of the project, it is not for the other uses. There is a 10% occupancy requirement for MBEs within the development, specifically retail. The status of that is uncertain at this point. The Catapult program, while creative, may not be an impactful economic development effort. It is impactful for the small businesses that exist there, but 1,200 square feet is not sufficient and the ownership would go to the URA and not to an MBE or Hill District-based organization. Perhaps the balance sheet approach to public investment and public return should not be the focus of this development. The focus of the development should be on

private return to public investment and the amount of public investment is being diverted from the neediest areas of the Middle and Upper Hill. There is not enough coordination being discussed of the development and economic empowerment of the Middle and Upper Hill Districts, which is also a requirement of the CCIP. If deals that come forth do not demonstrate broader neighborhood investment, then the outcome will be similar to the Waterfront project.

Senator Fontana asked if there were any further public comments.

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 12:56 P.M.



Mary Conturo
Assistant Secretary

