

**STADIUM AUTHORITY OF THE CITY OF PITTSBURGH
BOARD MEETING
THURSDAY, FEBRUARY 25, 2016
1:05 P.M. E.S.T.**

A general meeting of the Board of Directors of the Stadium Authority of the City of Pittsburgh was held upon proper notice on February 25, 2016 in Room 333 of the David L. Lawrence Convention Center. Board members in attendance: Stanley Lederman, Chairperson; Jay Anderko, Secretary (via telephone); Michael Danovitz; James Malanos, Vice-Chairman; and Reverend Brenda Gregg, Treasurer and Assistant Secretary (via telephone), as well as Authority staff members: Mary Conturo, Doug Straley, Rosanne Casciato, Rosemary Carroll, Theresa Bissell, Taylor Blice, Christina Lynch, Allison Botti, Clarence Curry of CFC-3, and Tom Ryser of TPR, LLC; Also in attendance: William Merchant sitting in for Diane Wohlfarth, Solicitor; Mark Hart of PSSI Stadium, LLC; Jason Wrona of Buchanan, Ingersoll & Rooney; Dennis DePra of Pittsburgh Associates; Renee DeMichiei Falcrow of Architectural Innovations; Mark Belko, reporter, of Pittsburgh Post-Gazette; and Frederick Winkler, architect.

Mr. Lederman called the meeting to order at 1:05 P.M. and requested that everyone rise for the Pledge of Allegiance. Mr. Merchant proceeded with a roll call of the Board Members. Mr. Lederman confirmed with Mr. Anderko and Reverend Gregg that they could hear the present Board Members present in the room and that the Board Members could hear those participating by phone.

The following agenda items were discussed:

1. Public Participation

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

2. Approval of the Minutes from the special meeting of December 15, 2015.

A motion to approve was made, seconded and carried. The Minutes were accepted.

3. New Business.

The first item read was:

- A. Authorization to enter a construction management contract with Massaro Corporation for the construction of the Lot 1 Parking Garage, in form acceptable to the solicitor, and authorization of preconstruction services in the amount of \$21,050 and general conditions up to an amount of \$592,477 with a guaranteed maximum price to be submitted for board approval at a later date.

Mr. Doug Straley introduced Rich DeYoung, Principal of WTW Architects, who gave a presentation of the proposed Lot 1 Parking Garage. He proceeded with the presentation with a

slide showing a map of the North Shore Master Plan and the Lot 1 area. He explained there are a number of features near the site, including the (“LRT”) Light Rail Transit station as well as a bike share station for bikers traveling on major bike paths connecting to the North Shore; pedestrian paths leading from the North Side into the North Shore. The location for the garage is one of the locations recommended in the study prepared by Walker Parking Consultants for the Authority and WTW has slightly modified it.

Benefits of the new Lot 1 Parking Garage will include multiple ingress and egress routes to handle both, daily parkers and event parking. Other benefits include close proximity to bus stops, LRT stations, and a bike share station; level floor plates facing Downtown, a future expansion opportunity to the east of the garage, and sustainable features. The site plan for the garage consists of a six-story garage with the main entrance off of West General Robinson Street with 3 lanes; 1 ingress lane, 1 egress lane, and a middle lane going both ways. The traffic exiting the garage will be separated from the exits that currently exist in the surface lots for the most efficiency. The green areas represent the landscaping around the garage and will help create a sustainable garage. The landscaping may also provide bioswales, which take water from hard surfaces and enter into a landscaped area that slowly percolates the water back into the ground. In addition, there are efforts to achieve the highest level of certification through the Green Parking Council for a green garage, including increased energy efficiency and performance, reduced environment impact, efficient parking space management, integrated sustainable mobility services and technologies, diversity of sustainable transportation options, and building stronger community relationships. The garage itself is a two-way traffic, single ramp garage. The City of Pittsburgh requires protected bicycle spaces, so in addition to 1,002 vehicular spaces, there will be 104 bicycle spaces. Proposed materials for the construction of the garage include a precast concrete structure that is natural and textured to provide character to the garage, aluminum louvers, and glass. Opportunities to install solar panels on the roof of the garage are being pursued. Mr. DeYoung concluded the presentation by showing various views of the new garage from areas on or around the North Shore.

Mr. Lederman confirmed with the Board and Reverend Gregg and Mr. Anderko they received the Lot 1 Parking Garage presentation and they confirmed. Mr. Lederman asked if there were any questions from the Board. Mr. Anderko expressed his desire that sustainability will be a part of the new parking garage. Mr. Lederman emphasized this parking facility will be a certified green building to the highest level possible. Much of the criteria for the facility to be certified as a green building have already been met through the building plans. There are a few components that will still be worked upon, but Mr. Lederman said that Mr. DeYoung believes all the needed green criteria will be met. The Board will be advised and updated as the plans for the development continue.

Following the presentation, Mr. Straley explained that in December of 2015, the Authority issued an RFP to seek the services of a Construction Manager At-Risk for the Lot 1 Parking Facility. The Authority posted a notice on the Authority’s website, contacted construction management

firms, and advertised in the Pittsburgh Tribune-Review and the Pittsburgh Courier. A pre-proposal meeting was held on January 12, 2016 and seven firms attended. Proposals were received on February 5, 2016, and five firms submitted proposals. A review team consisting of Stadium Authority Board Member Jim Malanos and Authority staff members Doug Straley, Christina Lynch; Clarence Curry, Senior Diversity Coordinator for the Authority, and Tom Ryser, Consulting Engineer for the Authority. The review team evaluated the proposals and short-listed to three proposers to interview. Each of these three firms were provided an opportunity after the interviews to resubmit based on factors such as scope clarifications and other information heard during the interview. After reviewing the resubmitted proposals, the review team recommended Massaro Corporation. The committee recommends Massaro considering the following factors, among others:

- Lowest preconstruction and general conditions of the three (3) shortlisted firms for the six level garage,
- Lowest overhead and profit percentage at 2.5% of the cost of the work
- Experience and prior experience with parking facilities (such as First Avenue Parking Garage, Grant Street Transportation Center and North Shore Garage),
- Demonstrated a thorough understanding through their technical proposal and their local experience to deliver on our timeframe
- Commitment to green garage certification and sustainable practices
- 11.2% MBE participation and 2.6% WBE participation
- Institutional knowledge of North Shore parking, North Shore development, and stakeholder expectations will assist in meeting the project's construction timeline.

Mr. Lederman asked if any Board Members had any other questions. Hearing none, he asked for a motion to approve, followed by a roll call vote. All Board Members approved the authorization.

The motion was passed:

RESOLUTION NO. 22 (2016)

RESOLVED by the Stadium Authority of the City of Pittsburgh that its Executive Director and other proper officers are authorized to enter into a construction management contract with Massaro Corporation for the construction of the Lot 1 Parking Garage, in form acceptable to the solicitor, and authorization of preconstruction services in the amount of \$21,050 and general conditions up to an amount of \$592,477 with a guaranteed maximum price to be submitted for board approval at a later date and further that the proper officers and agents of the Authority are authorized and directed to take all action and execute such documents as are related and proper to effectuate the terms of this Resolution.

The next item read was:

- B. Authorization to enter into an amendment to the Authority Agreement with WTW Architects with respect to the Lot 1 Parking Facility for (A) a lump sum amount of \$79,978 for architectural design services to add sixth level to garage, and (B) an amount up to \$39,100 for parking study required by the City of Pittsburgh.

Mr. Straley explained that in December, when the Authority approved a contract with WTW to design a parking garage in Lot 1 on the North Shore, the Authority had each proposer provide their cost for the additional work to add a sixth level to the garage. However, this work was not authorized by the Board in December because the design had not yet been developed enough at that time to know that a sixth level was needed. A five level structure was approved by the Board in December with a sixth level pricing, which is \$79,978, as an option. Authorization for the additional cost for the sixth level, as outlined in the RFP, is now requested.

The second part relates to the traffic study. An initial amount was in the RFP based on some assumptions of the number of intersections to be studied should a parking study be necessary. After the scoping meeting with the City Planning Department, it was determined that the scope had increased. With the scope that was provided by the City, the cost of the traffic study is \$39,100, which is being presented for the authorization at this time.

As part of getting a proposal for the traffic study, WTW Architects solicited additional quotes to confirm they had the best pricing for the Authority. WTW changed traffic consultants to Gateway Engineers, as they were the lowest cost provider for the new scope in an amount of \$39,100. They are working with WTW as a sub-consultant. Gateway Engineers has agreed to meet the schedule to allow WTW to go to the City Planning Commission next month.

Mr. Lederman asked if any Board Members had any other questions. Hearing none, he asked for a motion to approve. A motion was made, seconded, and unanimously approved:

RESOLUTION NO. 23 (2016)

RESOLVED by the by the Stadium Authority of the City of Pittsburgh that its Executive Director and other proper officers are authorized to enter into an amendment to the Authority Agreement with WTW Architects with respect to the Lot 1 Parking Facility for (A) a lump sum amount of \$79,978 for architectural design services to add sixth level to garage, and (B) an amount up to \$39,100 for parking study required by the City of Pittsburgh; and further that the proper officers and agents of the Authority are authorized and directed to take all action and execute such documents as are related and proper to effectuate the terms of this Resolution.

The next item read was:

- C. Authorization to enter into a construction loan borrowing in an amount not-to-exceed \$15 million from PNC/Dollar Bank.

Ms. Mary Conturo explained that the existing financings in place for the Stadium Authority and SEA garages on the North Shore are through a bank loan with PNC and Dollar Bank. Those financings pledge the revenues of those garages plus the surface lot revenues of both authorities. The proposal for financing the new garage is to do a one-year construction financing with PNC and Dollar Bank that would be an amendment to our existing financings for the West General Robinson Street Garage and the North Shore Garage. Those two bank loans have a maturity date of May 1, 2017. At that point, all three loans will be refinanced with a master joint refinancing. The proposal we received from PNC and Dollar Bank is a tax-exempt rate, which is 70% of the one-month LIBOR, plus 2%. If calculated today, the rate would be 2.3%. The maturity would be one year from now --May 1, 2017. The collateral would be a joint pledge of all the existing parking revenues that we have already pledged to the existing bank loans, plus the revenues from the new garage. The loan would be closed before the end of May. It would be on a draw-down basis, in that we would draw down money from the loan only to the extent and at the time needed. We would not start paying interest on the entire loan amount on day 1 since the loan would be gradually taken down throughout the year.

Mr. Lederman summarized the board authorization to Reverend Gregg and Mr. Anderko on the phone. Mr. Lederman requested that Ms. Conturo confirm that the interest rate on the existing loans is approximately 3.5%. Ms. Conturo confirmed. Mr. Lederman asked if any Board Members had any questions. Hearing none, he asked for a motion to approve. A motion was made, seconded, and unanimously approved:

RESOLUTION NO. 24 (2016)

RESOLVED by the by the Stadium Authority of the City of Pittsburgh that its Chairman, Vice-Chairman, Executive Director and other proper officers are authorized to enter into a construction loan borrowing in an amount not-to-exceed \$15 million from PNC/Dollar Bank substantially in accordance with the term sheet presented; and further that the proper officers and agents of the Authority, following review and advice of the Authority's solicitor, are authorized and directed to take all action and execute such documents as are related and proper to effectuate the terms of this Resolution, including without limitation, pledging collateral, executing and recording mortgages and paying costs of the transaction.

The next item on the agenda was:

D. Approval of Stadium Authority Budgets for the period ending March 31, 2017.

Ms. Rosanne Casciato explained that the Authority operating budget is broken down into unrestricted and restricted budgets. The unrestricted budget includes ongoing operating costs such as salary reimbursement to the SEA, insurance coverage, and professional fees for legal, auditing, engineering and other consulting services. The budget projects a \$306,722 unrestricted revenue shortage in 2017, which will be funded by cash on hand.

The restricted budget includes daily parking revenues from Lots 1 to 5 and 7A to 7J and the pledge of those revenues to the debt on the North Shore and the West General Robinson Street Garages. The budget projects a \$106,620 restricted revenues shortage which will be funded by cash on hand. At this time, the value of any sale of Option Area development parcels in the year is not known and therefore not reflected in the projected revenues.

The annual budget for the West General Robinson Street Garage estimates garage revenues will be sufficient to cover operating costs and annual debt service payments, without the use of pledged lot revenues.

Mr. Lederman asked if any Board Members had any questions. Hearing none, he asked for a motion to approve. A motion was made, seconded, and unanimously approved:

RESOLUTION NO. 25 (2016)

RESOLVED by the by the Stadium Authority of the City of Pittsburgh that the Stadium Authority Budgets for the period ending Mach 31, 2017 are hereby approved; and further that the proper officers and agents of the Authority are authorized and directed to take all action and execute such documents as are related and proper to effectuate the terms of this Resolution.

The final item read was:

4. Public Participation

Mr. Lederman asked if there were any comments from the Board. Hearing none, Mr. Lederman asked if there were any comments from the public. Mr. Mark Hart expressed an interest. Mr. Lederman asked Mr. Hart to identify himself for the record. Mr. Hart introduced himself and said he is representing the Steelers and North Shore Developers. He explained that on behalf of the Steelers and the Pirates, he wanted to reiterate their commitment to completing the North Shore Development, finishing everything we have started, including completion of agreements and various amended agreements, and the delivery of the proposed \$65 million, 250 unit residential apartment complex project in Lot 4. He said the Board's actions today in approving the construction management contract, design fees, and the construction loan were very much appreciated and the Authority is applauded for their quick effort and diligence in completing the work for the Lot 1 Garage. He stated that it is apparent this project has been a high priority, and we appreciate and support that.

However, he said he wanted to remind the Board that there is no formal agreement between the Authority and the teams with respect to the garage location, design, sizing, siting, operations, and how the project affects the various option agreements and the joint obligations and rights of the optionee and the Authority on the North Shore. He told Mr. Lederman that last year on the day of the Pirate's home opener, that they had a discussion about the North Shore with regard to parking, garages, development, scheduling, and other concerns. He said that we are now approaching almost a year later, and we are no closer to a global solution now than we were then. He said he felt the Lot 1 Garage decision was made in isolation without considering the rest of the issues on the North Shore, including parking, development, schedule, parcels, financing, etc. He stated that the optionee has no option but to reserve our rights under all our various agreements in light of what has been done today regarding the garage, and we reserve our rights in the future regarding actions with the project. He said that we encourage everyone to work together on this project, and we are committed to working together and having discussions and negotiations for a global solution. We want to make sure we are clear in understanding future developments including fulfilling our obligations and our various rights.

Mr. Lederman questioned the purpose of Mr. Hart's statement and responded that the Stadium Authority, the teams, and the City met numerous times in 2015 about the Lot 1 Garage development and the rest of the North Shore. After those meetings, at the last Authority meeting in December, the Board authorized the development of the Lot 1 Garage, which garage location had been the location requested by the Steelers. The Authority will act in accordance with the option agreement, as amended, and its terms. If we eventually come to disagree in how that is defined, then we will eventually agree to disagree. We remain committed to work with you based on what the Option Agreement is, as amended, and if it is to be amended in any further way, it will be the result of negotiations that are made. We are proceeding on that basis.

Mr. Hart replied that he does not agree with the characterization of the purpose of his statement or the context of the discussions of the garage and the North Shore. However, Mr. Hart wanted to reiterate that he and the teams are in support of the Lot 1 Garage, and they are committed to working together to figure out an agreeable Lot 1 framework and he appreciated the Authority's expeditious efforts to make this project a priority. He expressed his concerns about how the Lot 1 Garage will impact parking and development, and the project is being done in isolation and is not being done in a global development setting. The amended option agreement never considered this project, which we both support. He said he felt the project will negatively affect the leases of PNC Park and Heinz Field. Mr. Hart said he is not disagreeing on global intent, but on the process of the project.

Mr. Lederman said that to date in developing the Lot 1 Garage, the Authority has, to the best of its ability, kept in mind the total global development at this site. He said that this site will be developed, and hopefully in an amicable way. If the option agreement needs to be amended in any way, then so be it, but it will be in the best interest of the taxpayers and the City of Pittsburgh, which is whom we represent. Mr. Lederman said he will be ready to discuss any issues as soon as possible.

Mr. Lederman asked if there were any comments from the Board. Hearing none, Mr. Lederman asked if there were any additional comments from the public. Hearing none, he asked for a motion to adjourn. The motion was seconded and unanimously carried.

The meeting was adjourned at 1:55 P.M.