

MINUTES OF THE MEETING  
OF THE BOARD OF THE  
SPORTS & EXHIBITION AUTHORITY OF PITTSBURGH  
AND ALLEGHENY COUNTY  
HELD THURSDAY, JULY 12, 2012  
AT THE DAVID L. LAWRENCE CONVENTION CENTER  
PITTSBURGH, PENNSYLVANIA  
COMMENCING AT 10:41 A.M. E.S.T.

A meeting of the Board of Directors of the Sports & Exhibition Authority of Pittsburgh and Allegheny County (the "Authority") was held upon proper notice in Room 333 of the David L. Lawrence Convention Center in Pittsburgh, PA 15222, on Thursday, July 12, 2012, commencing at 10:41 A.M. E.S.T.

Members of the Authority

Present: Senator Fontana, Chairman  
Michael Dunleavy, Vice-Chairman  
Sean Logan, Secretary  
Anthony Ross, Treasurer  
Sala Udin, Member  
Councilwoman Darlene Harris, Member

Absent: James Ellenbogen, Member  
Greg Miller, Solicitor

Also Present: Mary Conturo, Doug Straley, Rosanne Casciato, Rosemary Carroll, Theresa Bissell, Rifat Qureshi, Angelica Ciranni, Michelle Masters, of the Authority; Tim Mangis, Ryan Buries, Kevin Fonner, Conor McGarvey of SMG; Clarence Curry of CFC-3 Management Services; Tom Ryser of TPR, LLC; Mike Barnard of Oxford Development Company; Jason Kobeda and Tim Loznak of Pittsburgh Associates; Robert Bowden, Carl Redwood and Rene Aldrich of Hill District Consensus Group; Ken Olup of Hill International; Jack Lord of Aramark; Frederick Winkler, architect; Emily Farah of Essential Public Radio; Jeremy Boren of Pittsburgh Tribune-Review; Mark Belko of Pittsburgh Post-Gazette.

Senator Fontana called the meeting to order with the Pledge of Allegiance, followed by a roll call of the Board Members.

Beginning with public participation, Senator Fontana asked if any members of the audience would like to address the Board. Carl Redwood approached the podium.

Mr. Redwood introduced himself as being from the Hill District Consensus Group. He asserted that The Sports & Exhibition Authority has been supportive of the Penguins, and granted them favorable leasing agreements at CONSOL; that the SEA paid to tear down the Civic Arena to subsidize their development, and agreed to give the Lower Hill property to the Penguins, and that the SEA is trying to raise \$40 million in additional subsidy for the Penguins, and asked why they needed public subsidy.

Mr. Redwood said that the SEA is a major Hill District property owner, and that The Hill District Consensus Group is asking for support for the Hill District community plan. The plan and principles include specific things that they would like to see happen on the property. They also want the SEA to support the creation of a Hill District community improvement fund. This fund would encourage the Penguins to donate one dollar from every car that parks in the lower Hill District into this fund, which would help support the Hill District.

Senator Fontana asked if any other members of the audience had comments.

Rene Aldrich approached the podium and introduced herself as also being from the Hill District Consensus Group. She said that prior to the construction of the CONSOL Energy Center, it was established that as part of the master plan, construction would include the "Garden Passage" public art project. It was to be located on the strip of land between the Arena and Epiphany Church that connects Centre Avenue and Washington Place. Ms. Aldrich said that after a bidding process, Walter Hood, a nationally recognized artist, was hired to design the project called "Curtain Call." She explained that the project was to have a path that would allow water from the upper storm to drain through a series of rain gardens. The rain gardens would

incorporate native plants, and would help clean the water as it funnels through the passage before going back into the lower drain stream. She said that this concept, among others, was one of the criteria by which the Penguins were able to receive LEED certification on the CONSOL Energy Center. Curtain Call would also contain 5,000 6x6 photographs of Hill District residents in images that were going to be scanned and transferred to glass cubes, which would give homage to a community still affected from the devastation that occurred there in the 50s. Ms. Aldrich said that Curtain Call would cost \$1.5 million, and questioned why the Penguins could not afford it. Ms. Aldrich also questioned why funders aren't able to pay for it. Ms. Aldrich said that the Consensus Group is in favor of honor and keeping commitments to the community.

Senator Fontana thanked Ms. Aldrich and asked if any other members of the audience would like to address the board. Hearing none, the meeting continued with the approval of minutes from the meeting from June 14, 2012. A motion was made, seconded, and unanimously approved.

Senator Fontana began addressing new business with the first item on the agenda, a request for authorization to enter into an \$8,704 contract with Safeway Services, LLC for the rental and installation of a scaffolding system to access masts X10 & X14.

Mr. Buries stated that in January of 2012, flags became entangled on the X14 and X10 masts of the Convention Center roof and have been stranded there ever since. This contract is to provide, erect, and tear down an OSHA-approved scaffolding system that will enable Unique Services, through their operating agreement with SMG, to remove the flags and repair any lightning protection system as well as the flag raising and lowering mechanisms. The bid was publicly advertised on June 25<sup>th</sup>. Two bids were received after a pre-bid meeting on June 27<sup>th</sup> and Safeway Services was the low bid at \$8,704.

After asking for questions and hearing none, Senator Fontana asked for a motion to approve. On a motion duly made, seconded, and unanimously carried, the following resolution was approved:

**RESOLUTION NO. 5088**

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 \$8,704 contract with Safeway Services, LLC for the rental and installation of a scaffolding system to access masts X10 & X14; and further that the proper officers and agents of the Authority are authorized to take all action and execute such documents as are necessary and proper to effectuate the terms of this Resolution.

Senator Fontana introduced the next item, which was a request for authorization to issue a \$1,710 change order to Glass Erectors Inc. for aesthetic repairs related to the replacement of emergency exit doors in the east and west lobbies.

Mr. Buries stated that in April 2012, the Authority Board approved the replacement of emergency exit doors in the east and west lobbies so the doors would not require a manual function in order to operate properly. Upon removal of the doors, it was discovered that they were framed into the vestibule in a manner that did not allow for easy removal and caused gaps that are present in the absence of the previous doors. Some minor aesthetic repairs are necessary at the vestibule area to conceal these gaps. The contractor who installed the doors, Glass Erectors, can perform these repairs for an additional \$1,710. It is the opinion of SMG that it is a reasonable cost for those repairs.

After asking for questions and hearing none, Senator Fontana asked for a motion to approve. On a motion duly made, seconded, and unanimously carried, the following resolution was approved:

## **RESOLUTION NO. 5089**

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers are authorized to issue a \$1,710 change order to Glass Erectors Inc. for aesthetic repairs related to the replacement of emergency exit doors in the east and west lobbies; and further that the proper officers and agents of the Authority are authorized to take all action and execute such documents as are necessary and proper to effectuate the terms of this Resolution.

Senator Fontana introduced the next item, a request for authorization to enter into a three-year \$71,340 contract with American National Skyline Inc. for interior and exterior window cleaning.

Mr. McGarvey explained that in 2009, the Board approved a three year contract with American National Skyline, Inc. for annual window cleaning services. That contract expired last year. SMG issued an RFP on June 22<sup>nd</sup> for a new three-year contract. The RFP was posted on the SEA website and two local newspapers. In addition to posting publicly, SMG also solicited proposals from 13 companies including two MBE companies and one MBE/WBE company. Only American National Skyline submitted a proposal at a total cost of \$71,340, for an annual cost of \$23,780 over three years. It is SMG's recommendation to award this contract to American National Skyline, Inc.

After asking for questions and hearing none, Senator Fontana asked for a motion to approve. On a motion duly made, seconded, and unanimously carried, the following resolution was approved:

## **RESOLUTION NO. 5090**

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers are authorized to enter into a three-year \$71,340 contract with American National Skyline Inc. for interior

and exterior window cleaning; and further that the proper officers and agents of the Authority are authorized to take all action and execute such documents as are necessary and proper to effectuate the terms of this Resolution.

Senator Fontana introduced the next item, a request for authorization to enter into a \$4,000 not to exceed contract with Pugliano Construction Company for floor grinding and epoxy crack injections related to the construction of the SEA office space.

Mr. Ryser stated that the new SEA office space is currently being constructed in the junior ballroom area that was previously being used as a storage area. After removing the stored material, a significant cosmetic crack was noticed in the existing concrete topping slab. The repair of this crack is a task beyond the standard floor preparation that was part of the flooring contract. Therefore, the Authority solicited three prices to grind the area down and fill it with epoxy. After receiving the three prices, Pugliano Construction had the lowest price.

After asking for questions and hearing none, Senator Fontana asked for a motion to approve. On a motion duly made, seconded, and unanimously carried, the following resolution was approved:

#### **RESOLUTION NO. 5091**

**RESOLVED** by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers are authorized to enter into a \$4,000 not to exceed contract with Pugliano Construction Company for floor grinding and epoxy crack injection related to the construction of the SEA office space; and further that the proper officers and agents of the Authority are authorized to take all action and execute such documents as are necessary and proper to effectuate the terms of this Resolution.

Senator Fontana introduced the next item, a request for authorization to issue a \$12,850 change order to Alliance Fire Systems related to the relocation of piping outside of the SEA office space.

Mr. Ryser explained that during the installation of the new sprinkler system for the new SEA office space, it was determined that if the main line that services the rest of the junior ballroom was relocated, the existing sprinkler system above the Authority space could be eliminated. Relocating the main line would eliminate some challenges with access and maintenance in the future. If any maintenance needed to be done on either system, it could be performed while minimizing the interruption of both spaces. Alliance Fire is doing the work for \$12,850. Mr. Ryser recommended moving forward with that work.

After asking for questions and hearing none, Senator Fontana asked for a motion to approve. On a motion duly made, seconded, and unanimously carried, the following resolution was approved:

**RESOLUTION NO. 5092**

**RESOLVED** by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers are authorized to issue a \$12,850 change order to Alliance Fire Systems related to the relocation of piping outside of the SEA office space; and further that the proper officers and agents of the Authority are authorized to take all action and execute such documents as are necessary and proper to effectuate the terms of this Resolution.

Senator Fontana introduced the next item, a request for authorization to issue a \$14,776 change order to THP Limited, Inc. for additional design services associated with building envelope repairs.

Mr. Barnard stated that THP Limited is the consultant working on the evaluation of the building envelope issues in several areas of the Convention Center, including the fourth floor terrace. This change order is for the incorporation of additional area on that terrace and some modifications of their specifications with the consultants involved in the previously-conducted membrane litigation.

After asking for questions and hearing none, Senator Fontana asked for a motion to approve. On a motion duly made, seconded, and unanimously carried, the following resolution was approved:

#### **RESOLUTION NO. 5093**

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers are authorized to issue a \$14,776 change order to THP Limited, Inc. for additional design services associated with building envelope repairs; and further that the proper officers and agents of the Authority are authorized to take all action and execute such documents as are necessary and proper to effectuate the terms of this Resolution.

Senator Fontana introduced the next item, a request for authorization to amend the development agreement with Federal Street Hospitality Associates, L.P. to, among other things, extend the construction start date to no later than May 1, 2013, for the planned Holiday Inn Express & Suites Hotel.

Mr. Qureshi explained that this item refers to the planned limited service hotel to be built on Federal Street adjacent to the Authority's North Shore Garage. The developer is Federal Street Hospitality Associates, which is a related entity to Kratsa Properties. The developer purchased this property from the Authority and purchased the adjacent property from another entity. Both parcels make the footprint of the plan of the hotel. In July 2009, the Authority



entered into the agreement with the developer to construct the 135-room hotel. The development plan was approved by the City Planning Commission and the Authority's consultant: WTW Architects. The hotel is a Holiday Inn Express and Suites. It was previously intended as a Fairfield Suites but that group did not proceed and the developer has secured a new franchise agreement with Holiday Inn Express. The exterior design of the building, as approved, has not changed. The developer was required to start July 29<sup>th</sup> of this month.

In May of this year, the developer approached the Authority to give a progress update on the project and to request an extension as they prepare for construction start. This extension was needed due to several factors. Developer will submit construction drawings to the building inspection department this week in order to procure the building permit. The developer has let the construction documents and will receive the bids later this month, and they estimate hiring the general contractor in August. The developer has also changed its construction lender. After the bids are received and project budget set, the developer will pursue financing from the new lender. They anticipate closing financing in September, and the developer estimates the actual construction to start in October. The developer has requested an extension to May 1, 2013, to anticipate any unforeseen delays to this current schedule and to account for the winter season. In consideration of this extension, the developer agrees to forego a portion of the reimbursement amount due if reconveyance is triggered, specifically monies actually invested in improvements to the property would no longer be eligible for reimbursement. The developer has expended \$50,266 for demolition work on the site, and half of which would have been reimbursed. This amount would no longer be eligible.

Also, Kratsa Properties has committed to pay \$7,000 to be used for the maintenance of North Shore Riverfront Park to be paid in 2012 and 2013. Kratsa Properties is a long-standing

stakeholder in the continuing development of the North Shore. They previously developed two other hotels on the North Shore: the Marriott Springhill Suite and the Marriott Residence Inn, both located across the street from PNC Park.

For this planned hotel property, Kratsa has paid \$8,886 in real estate tax since its purchase. Also, the Authority continues to park on the lot, per the agreement. Alco Parking, the Authority's operator of the lot, estimates that from this year, January 1<sup>st</sup> through January 29<sup>th</sup>, the lot will generate approximately \$13,815 in gross revenues to the Authority. If the developer starts construction in October, the two-month extension will generate an additional \$11,192 in gross revenues. If the developer starts construction May 1, that extension would generate \$18,552 in gross revenues. As the developer's preliminary work is diligently underway for this construction start, the Authority staff recommends approving this extension.

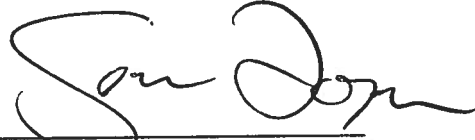
After asking for questions and hearing none, Senator Fontana asked for a motion to approve. On a motion duly made, seconded, and carried with one abstention, the following resolution was approved:

#### **RESOLUTION NO. 5094**

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers are authorized to amend the development agreement with Federal Street Hospitality Associates, L.P. to, among other things, extend the construction start date to no later than May 1, 2013, for the planned Holiday Inn Express & Suites Hotel; and further that the proper officers and agents of the Authority are authorized to take all action and execute such documents as are necessary and proper to effectuate the terms of this Resolution.

Finishing new business, Senator Fontana asked if any members of the audience would like to address the Board or comment on the agenda. Hearing none, Senator Fontana asked if there were comments from Board Members.

There being no comments or business, Senator Fontana asked for a motion to adjourn. Upon a motion duly made, seconded and unanimously carried, the meeting was adjourned at 10:58 A.M.

A handwritten signature in black ink, appearing to read "Sean Logan", written over a horizontal line.

Sean Logan  
Secretary

