

**STADIUM AUTHORITY OF THE CITY OF PITTSBURGH
BOARD MEETING
TUESDAY, MARCH 28, 2017
3:10 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 March 28, 2017 in Room 333 of the David L. Lawrence Convention Center. Board members in attendance: Stanley Lederman, Chairperson; Michael Danovitz; James Malanos, Vice-Chairman; and Reverend Brenda Gregg, Treasurer and Assistant Secretary; as well as Authority staff members: Mary Conturo, Doug Straley, Rosanne Casciato, Tom Ryser, Rifat Qureshi, Rosemary Carroll, Sharon Mink, Clarence Curry, Simona Loberant, and Sara Payne. Also in attendance: William Merchant, Papernick & Gefsky; Hiedi Strothers, SMG; Mark Belko, Pittsburgh Post-Gazette; Evan Ivosevir, University of Pittsburgh and Frederick Winkler, architect.

Mr. Lederman called the meeting to order at 3:10 P.M. and requested that everyone rise for the Pledge of Allegiance. Thereafter, Mr. Merchant proceeded with a roll call of the Board Members, and advised that a quorum was present.

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 meeting of November 22, 2016.

A motion to approve was made, seconded and carried. The Minutes were accepted. Mr. Lederman continued on to the next item on the agenda.

3. Election of Officers.

Mr. Danovitz made a motion to open nominations for officers, which was made, seconded and carried. Mr. Danovitz made the following nominations: Mr. Lederman as chairman of the Authority, Mr. Malanos as the vice-chairman, Reverend Gregg as treasurer and assistant secretary, Mr. Anderko as the secretary, and Ms. Conturo as the second assistant secretary. All motions for elections were seconded and carried.

4. New Business

The first item read was:

- A. Authorization to increase the GMP agreement with Massaro Corporation with respect to the Lot 1 Garage in a lump sum amount of \$34,245.

Mr. Tom Ryser explained that in February and June 2016, the Board authorized entering into an agreement with Massaro for the Construction Management with a guaranteed maximum price for the construction of the Lot 1 Parking Facility.

This Board action is comprised of three items:

The first item is related to the installation of the foundations. During the installation of the foundations, Massaro required the architect and structural engineer to redesign portions of the foundations due to unforeseen field conditions. A deduct of \$56,982 will be taken from Massaro's contract to reimburse the architect and structural engineer for the redesign.

The second item is for furnishing and installing two Electrical Vehicle (EV) chargers. The Authority recently received a grant from Duquesne Light for furnishing and installing two EV chargers. Therefore, we would like to incorporate the furnishing and installation of these chargers into the project. Pricing was solicited and received from three vendors. Several models were reviewed and the BTC model was selected. The cost for the two EV chargers is \$56,634.

The third item is for furnishing and installing a video security system. We would like to incorporate the purchase and installation of 14 cameras in the project. Quotes were received from three companies. Dagostino Electric Services had the lowest quote. The cost for furnishing and installing the security cameras is \$34,593.

The sum of these three items is an increase of \$34,245 to Massaro's current contract.

Mr. Lederman asked if any Board Members had any questions. Hearing none, he asked for a motion to approve.

The motion to approve was made, seconded and the following resolution was passed:

RESOLUTION NO. 1 (2017)

RESOLVED by the Board of the Stadium Authority of the City of Pittsburgh that its Executive Director and other proper officers are authorized enter into an amendment to increase the GMP agreement with Massaro Corporation with respect to the Lot 1 Garage in a lump sum amount of \$34,245; 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 contract with WTW Architects with respect to the Lot 1 Garage, providing for an amount up to \$30,745 for additional services.

Mr. Ryser explained that in December 2015, the Board authorized entering into an agreement with WTW for design services of the North Shore Lot 1 Parking Facility.

The original agreement contained an estimated amount for construction phase monitoring related to earthwork to be billed on hourly rates and actual time. This monitoring is for quality control and is also required by the City of Pittsburgh as part of the special inspections. We have exceeded the contract value. Costs related to this additional work are estimated at \$30,745 and are to be billed on hourly rates and actual hours worked. This amount is estimated through the completion of the project.

Mr. Lederman asked if any Board Members had any questions. Hearing none, he asked for a motion to approve.

The motion to approve was made, seconded and the following resolution was passed:

RESOLUTION NO. 2 (2017)

RESOLVED by the Board of 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 contract with WTW Architects with respect to the Lot 1 Garage, providing for an amount up to \$30,745 for additional services; 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 change order to the agreement with Construction Engineering Consultants, Inc. with respect to the Lot 1 Garage in an amount not-to-exceed \$11,970 to be billed based on unit price, hours and quantities, for construction testing and inspection services.

Mr. Ryser explained that in June 2016, the Board authorized entering into an agreement with Construction Engineering Consultants for construction testing and inspection services.

The original agreement contained an estimated amount for the testing and inspection services related to concrete, steel, and asphalt to be billed at unit prices, hours and quantities. This testing and inspection is for quality control and also required by the City of Pittsburgh as part of the special inspections. We have exceeded the agreement value. Costs related to this additional work are estimated at \$11,970 to be billed on unit prices for actual hours and quantities. This amount is estimated through the completion of the project.

Mr. Lederman asked if any Board Members had any questions. Hearing none, he asked for a motion to approve.

The motion to approve was made, seconded and the following resolution was passed:

RESOLUTION NO. 3 (2017)

RESOLVED by the Board of the Stadium Authority of the City of Pittsburgh that its Executive Director and other proper officers are authorized to enter into a change order to the agreement with Construction Engineering Consultants, Inc. with respect to the Lot 1 Garage in an amount not-to-exceed \$11,970 to be billed based on unit price, hours and quantities, for construction testing and inspection services; 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:

- D. Authorization to establish parking rates for the new Lot 1 Garage and to approve parking rates at the West General Robinson Street Garage.

Mr. Rifat Qureshi explained that ALCO Parking, operator of the new Lot 1 Garage and West General Robinson Street Garage pursuant to agreements with the Authority, has made recommendations for the initial parking rates for the Lot 1 Garage and for rate changes at WGRSG for daily, night/weekend and event rates. The parking rates will be identical at both locations. ALCO recommended this as both garages are in close proximity to each other, are expected to be utilized similarly by commuter, transient and event parkers, and would not favor one garage over another in terms of parking rates.

The WGRSG opened to the public in June 2006. Daily 0-2 hr. rate was last adjusted in 2014 and will increase from \$4 to \$5. Night & weekend rate was last adjusted in 2010 and will increase from \$4 to \$5. Event monthly lease was last adjusted in 2014 and will increase from \$250 to \$300. Event rate for Stage AE will be set at \$12. All other rates at WGRSG will remain unchanged. ALCO estimates an additional \$68,271 in annual revenues, including \$18,620 in estimated parking tax to City, and estimated \$49,651 net revenues generated to Authority.

The new Lot 1 Garage is under construction and is expected to open in May 2017. It is a 6-story structure and will provide for 1,000 parking spaces. The rates are comparable to parking facilities in the North Shore and Downtown CBD and fringe.

The Authority's new and additional revenues generated by both garages are pledged for debt service. The daily and night/weekend rates are equal or lower to comparable parking facilities in the North Shore and Downtown CBD and fringe. The rates will be effective upon the opening of the new Lot 1 Garage.

Mr. Lederman asked if any Board Members had any questions. Hearing no questions or comments, Mr. Lederman asked for a motion to approve.

The motion to approve was made, seconded and the following resolution was passed:

RESOLUTION NO. 4 (2017)

RESOLVED by the Board of the Stadium Authority of the City of Pittsburgh that its Executive Director and other proper officers are authorized to establish parking rates for the new Lot 1 Garage and to approve parking rates at the West General Robinson Street Garage; 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:

- E. Authorization to enter into a five-year service contract with Otis Elevator Company to provide elevator maintenance at West General Robinson Street Garage for an amount not to exceed \$77,400 and Lot 1 Garage in an amount not to exceed \$37,620.

Mr. Taylor Blice explained that in August 2016, the SEA and Stadium Authority were asked to participate in a request for proposal (RFP) process related to elevator and escalator maintenance and repairs organized by Allegheny County with the goal of reducing maintenance and service costs for the organizations involved. The group includes: Allegheny County Airport Authority, Community College of Allegheny County, Pittsburgh Parking Authority and Allegheny County Housing Authority.

The Stadium Authority has two garages that participated in the RFP. The County issued an RFP for elevator and escalator maintenance services in December 2016. On February 24, 2017, three (3) proposals were received: Otis Elevator Company, KONE Inc. and Schindler Elevator Corporation. The proposals were reviewed by a selection team comprised of representatives from the other organizations and the Authority Staff: Doug Straley and Taylor Blice.

The proposal from Otis Elevator Company provided the lowest monthly fees overall and comparable hourly rates for repairs to the other proposers. Other reasons for selecting Otis Elevator Company were:

- 1. Performance history – In 2016, the David L. Lawrence Convention Center switched from Schindler to Otis for maintenance and the building manager, SMG, has been pleased with their service.

2. Qualified mechanics that can respond quickly. They will assign one mechanic to the account, but they have 10 other downtown mechanics and one rover to cover if needed.

Authority staff has reviewed the scope of work and agrees with the proposed maintenance and service process for the Authority's equipment.

The effective date for the change will be May 1, 2017. Lot 1 Garage service will start a year from that date.

Mr. Lederman asked if any Board Members had any questions. Hearing none, he asked for a motion to approve.

The motion to approve was made, seconded and the following resolution was passed:

RESOLUTION NO. 5 (2017)

RESOLVED by the Board of the Stadium Authority of the City of Pittsburgh that its Executive Director and other proper officers are authorized to enter into a five-year service contract with Otis Elevator Company to provide elevator maintenance at West General Robinson Street Garage for a total amount (for the five years) not to exceed \$77,400 and Lot 1 Garage in an amount not to exceed \$37,620 over five years; 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:

- F. Authorization to enter into an agreement with O&S Associates for biennial condition inspections for the Authority's parking garages, for a total of \$12,500 for three inspections of West General Robinson Street Garage and a total of \$8,500 for two inspections of Lot 1 Garage plus travel reimbursements.

Mr. Blice explained that the consulting engineer will conduct visual inspections biennially of the West General Robinson Street Garage (WGRSG) and the Lot 1 Garage (L1G). The inspection includes the façade, interior structural members, waterproofing, concrete as well as other structural components. A report will then be generated describing deficiencies with locations and estimated quantities and costs. The report would be used to develop a maintenance and repair program. As part of the proposal, the Authority received a list of hourly rates that would be used to develop drawings and specifications for maintenance and repair programs.

The Authority advertised a notice to proposers in the Pittsburgh Post-Gazette, Pittsburgh New Courier, and on the Authority's website. The notice was sent to 21 companies, including four

MBE and two WBE firms. Eight companies attended the non-mandatory pre-proposal meeting. Eight proposals were received from O&S Associates, Inc., Walter P. Moore and Associates, Inc., THP Limited Inc., Wiss, Janney, Elstner Associates, Inc. (WJE), TRC Engineers, Inc., Desman Design Management, CannonDesign Pennsylvania, Inc., and Pennoni Associates Inc. A summary of the proposal results is attached.

A selection committee comprised of SEA and Alco staff reviewed the proposals and recommends that the contract be awarded to O&S Associates due to proposal price, similar project experience and MBE/WBE participation. The SEA paid a sum of \$30,000 (for three inspections) in the previous contract with WJE for WGRSG. O&S will be a significant savings at a sum of \$12,500 for three inspections of WGRSG and a comparable price for LIG. O&S is a certified MBE firm and has worked on local garage inspection and restoration projects for United States Steel Tower, UPMC Magee-Women's and Mercy Hospitals and Carnegie Museums. The reference provided in their proposal provided positive reviews.

The annual amounts for each facility inspection are lump sum amounts, and O&S will be reimbursed for mileage on travel at \$0.535/mile.

The inspections will be scheduled for the summers of 2017, 2019 and 2021 for WGRSG and LIG inspections will begin in 2019. Inspections will take approximately one-two days per facility. A similar agreement with O&S was approved by Sports & Exhibition Authority Board at its March meeting to inspect North Shore Garage and Tribute to Children Monument.

Mr. Lederman asked if any Board Members had any questions. Mr. Malanos confirmed with Mr. Blice that the firm is an MBE company.

Mr. Lederman asked if any Board Members has any other questions. Hearing none, he asked for a motion to approve.

The motion to approve was made, seconded and the following resolution was passed:

RESOLUTION NO. 6 (2017)

RESOLVED by the Board of the Stadium Authority of the City of Pittsburgh that its Executive Director and other proper officers are authorized to enter into an agreement with O&S Associates for biennial condition inspections for the Authority's parking garages, for a total of \$12,500 for three inspections of West General Robinson Street Garage and a total of \$8,500 for two inspections of Lot 1 Garage plus travel reimbursements; 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:

- G. Authorization to issue a change order to TPR, LLC in an amount not-to-exceed \$38,458, to be billed on hourly rates, based on actual hours, for general owner's representation services.

Mr. Doug Straley explained that Tom Ryser has worked on SEA projects as a project manager for AMEC, then for Resource International, and now for TPR, LLC. Mr. Ryser is a registered professional engineer in Pennsylvania (License #PE80263) and has 20 years of experience working in the engineering and construction field. Mr. Ryser's experience with Authority projects and facilities is significant. His expertise with respect to infrastructure and transportation projects is particularly helpful with respect to the Lot 1 Garage construction project.

This requested extension to his professional services contract keeps the billing rate unchanged at \$80 per hour. He is only paid for hours worked on a monthly basis. It is estimated that this amount will cover the cost of 12 months of service.

Mr. Lederman asked if any Board Members had any questions. Hearing none, he asked for a motion to approve.

The motion to approve was made, seconded and the following resolution was passed:

RESOLUTION NO. 7 (2017)

RESOLVED by the Board of the Stadium Authority of the City of Pittsburgh that its Executive Director and other proper officers are authorized to issue a change order to TPR, LLC in an amount not-to-exceed \$38,458, to be billed on hourly rates, based on actual hours, for general owner's representation services; 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:

- H. Approval of Stadium Authority Budgets for the period ending March 31, 2018.

Ms. Rosanne Casciato explained that the Authority operating budget includes unrestricted and restricted revenues.

Unrestricted revenues are budgeted for operating costs such as salary reimbursement, insurance coverage, and professional fees such as legal, auditing, and engineering services. The budget projects a \$270,000 unrestricted deficit in 2018 which will be funded by cash on hand.

The restricted revenues are daily parking lot revenues from Lots 1 through 5 and 7A through 7J and land sale proceeds. The restricted expenses include the related parking, financing and take-down costs.

The annual budgets for the West General Robinson Street Garage and Lot 1 Garage project that revenues will be sufficient to cover operating costs and annual debt service payments.

Mr. Lederman said that his understanding is the Stadium Authority is on sound financial footing. Ms. Casciato confirmed.

Mr. Lederman asked if any Board Members had any questions. Hearing none, he asked for a motion to approve.

The motion to approve was made, seconded and the following resolution was passed:

RESOLUTION NO. 8 (2017)

RESOLVED by the Board of the Stadium Authority of the City of Pittsburgh that the Stadium Authority Budgets for the period ending March 31, 2018 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 next item read was:

- I. Authorization to enter into a short term borrowing with PNC/Dollar Bank in an amount not to exceed \$28 million and to assess through S&P Rating Evaluation Service the possibility of thereafter providing for long term, fixed rate, investment grade, rated debt.

Ms. Mary Conturo explained that the Authority currently has outstanding two bank loans that financed the West General Robinson Street Garage and one that is funding the construction of the Lot 1 Garage. Similarly, the Sports & Exhibition Authority has an outstanding loan that financed its parking garages. All three loans are with PNC/Dollar Bank and come due May 1, 2017.

As in the past, the two Authorities have cooperated in their financings and allowed for a cross collateralization of all of the parking revenues of both Authorities into one system that secures the loans of both Authorities.

The Authority has been working with its financial advisor PFM to find the best way to proceed. One possibility was to go to the public market and do long-term, fixed-rate, tax-exempt financing that would put all the financings in place on a long-term basis, so the Authority wouldn't have to continually enter into and replace shorter term bank loans. The Authority has been exploring that option and has been given the recommendation from PFM that the Authority enter into a short-term financing for up to a year (basically extending what is in place) during which time the Authority will be able to fully explore the long-term financing and allow the Lot 1 Garage to have an operating history. PFM is expecting that the long-term financing will be in place by the end of summer.

Mr. Lederman said that hopefully by the end of the summer, one loan will pay off all of the loans from the SEA and Stadium Authority. It will result in lower monthly payments and actually enhance the financial stability of both organizations.

Ms. Conturo said the long-term borrowing will eliminate uncertainty and fix the interest rates long term the lower interest rates of today's market.

Mr. Lederman asked if any Board Members had any questions. Hearing none, he asked for a motion to approve.

The motion to approve was made, seconded and the following resolution was passed:

RESOLUTION NO. 9 (2017)

RESOLVED by the Board of the Stadium Authority of the City of Pittsburgh that its Chairman, Vice-Chairman, Executive Director and other proper officers are authorized:

(1) to enter into a short term borrowing, not-to-exceed \$28 million from PNC/Dollar Bank to refinance the Authority's outstanding 2012 and 2016 PNC/Dollar Bank loans which come due May 1, 2017, substantially in accordance with the attached term sheet,

(2) to provide for the cross collateralization and other documentation in order that the Stadium Authority and the SEA parking debt is jointly secured by the joint parking system of the Authorities,

(3) to expend up to \$20,000 to, jointly with the SEA, obtain preliminary assessment through the S&P Rating Evaluation Service of replacing the proposed short term PNC/Dollar Bank borrowing with permanent long term, fixed rate, investment grade, rated debt.

Further, 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, including without

limitation, executing loan documents and notes, pledging collateral, executing and recording security documents and paying fees, expenses and costs.

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 additional comments from the public.

Mr. Frederick Winkler, an architect in Pittsburgh, said he is beginning a proposal for the North Shore. He said with the construction of the Lot1 Garage, he was hoping that the entire lot would be re-topped. He sees the lot as a canvas that could become a piece of artwork similar to the parking lot at his church, which has the parking lines painted into crosses that point toward the church. Mr. Winkler said he is going to contact Merrill Stabile of Alco and the Mayor to bring the project to their attention.

Mr. Lederman asked if any of members of the audience would like to present to the board. Hearing none, he asked for a motion to adjourn. The motion was seconded and unanimously carried.

The meeting was adjourned at 3:44 P.M.