

**STADIUM AUTHORITY OF THE CITY OF PITTSBURGH
BOARD MEETING
TUESDAY, AUGUST 1, 2017
10:34 A.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 August 1, 2017 in Room 333 of the David L. Lawrence Convention Center. Board members in attendance: Stanley Lederman, Chairperson; Michael Danovitz; James Malanos, Vice-Chairman; Jay Anderko; and Reverend Brenda Gregg, Treasurer and Assistant Secretary; as well as Authority staff members: Mary Conturo, Doug Straley, Rosanne Casciato, Rosemary Carroll, Taylor Blice, Sharon Mink, Rifat Qureshi, Clarence Curry, Simona Loberant, Caitlin Fadgen, Isaiah Faulk, Maggie Pike and Rachel Cohen. Also in attendance: Diane Wohlfarth, Solicitor, Papernick & Gefsky (via telephone); Tim Pratt, Pittsburgh Pirates; and Frederick Winkler, architect.

Mr. Lederman called the meeting to order at 10:34 A.M. and requested that everyone rise for the Pledge of Allegiance. Mr. Lederman confirmed that Ms. Wohlfarth could hear the Board Members present in the room and that the Board Members could hear Ms. Wohlfarth. Thereafter, Ms. Wohlfarth 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 June 8, 2017.

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. New Business

The first item read was:

- A. Approval of the Stadium Authority audit as of March 31, 2017.

Ms. Mink explained that the Stadium Authority audit was completed by Cameron Professional Services Group, LLC. Cameron issued the report with an unmodified opinion, which means that the Financial Statements present fairly, in all material respects, the financial position of the

Authority. There were no significant deficiencies, findings, or questioned costs relating to the audit. Therefore, no management letter was issued. No federal audit was required for this audit period.

On July 28, 2017, the auditor, Francine Cameron, reviewed the draft audit with the Stadium Authority Chairman, Stanley Lederman, Treasurer Reverend Brenda Gregg, Stadium Authority CFO Rosanne Casciato, and Ms. Mink.

Ms. Mink referred the Board Members to the section of the audit called “Management’s Discussion and Analysis” which provided a narrative overview of the Authority’s financial picture.

Mr. Lederman asked if any Board Members had any questions. Mr. Lederman made the comment that the audit was done very well, that the Authority was very happy with the services that were provided, and that it was a clean audit, which is a tribute to the Authority staff. Hearing no questions, he asked for a motion to approve.

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

RESOLUTION NO. 12 (2017)

RESOLVED by the Board of the Stadium Authority of the City of Pittsburgh that the Independent Auditor’s Report for the year ending March 31, 2017 prepared by Cameron Professional Services Group, LLC is hereby accepted; 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.

The next item read was:

- B. Authorization to extend the term of existence of the Stadium Authority of the City of Pittsburgh to accommodate financing.

Ms. Carroll explained that the Stadium Authority of the City of Pittsburgh was organized by the City in compliance with the requirements of the Public Auditoriums Law of 1953. The Pursuant to Articles of Amendment filed in December of 2013, its term of existence was extended until December 31, 2028.

The basic assets of the Authority are the developable land between Heinz Field and PNC Park, the West General Robinson Street Garage, the Gold 1 Garage, and the lease of the surface parking lots from PennDOT. The SEA provides the staff for the Stadium Authority.

The only debt of the Authority is its financing for parking facilities, and this is primarily a \$26.6 million bank loan with PNC/Dollar Bank, secured by parking revenues of the joint parking system of this Authority and the SEA. The Authority and the SEA are working on a joint long term fixed-rate, investment-grade, parking-facility bond issue to replace the bank loan. Such long term financing would benefit the Authority by eliminating the uncertainty of periodic short term financings and locking in the lower interest rate of today's market.

This action would authorize the extension of the Authority existence to April 5, 2049, which would match the SEA term of existence. This extension of term, which otherwise would expire in 11 years, allows for the long-term financing.

The Sports and Exhibition Authority Act provides the manner in which an authority may amend its Articles of Incorporation to, among other things, increase the term of existence. The following steps are required: Resolution of this Board of Directors, Resolution of the City of Pittsburgh authorizing the extension, advertising and then filing of the Articles of Amendment. The complete Resolution put before you directs that all of these steps be taken.

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. 13 (2017)

RESOLVED, by the Board of Directors of the Stadium Authority of the City of Pittsburgh that the term of existence of the Stadium Authority of the City of Pittsburgh shall be extended to April 5, 2049 and the attached resolution is hereby adopted authorizing the Executive Director and other proper officers to take all actions necessary or appropriate to extend the term of existence by amending the Articles of Incorporation of the Authority.

STADIUM AUTHORITY OF THE CITY OF PITTSBURGH

**RESOLUTION
(Adopted August 1, 2017)**

RESOLVED, by the Board of Directors of the Stadium Authority of the City of Pittsburgh that the term of existence of the Stadium Authority of the City of Pittsburgh shall be extended to April 5, 2049 and that this resolution is adopted authorizing the Executive Director and other proper officers to take all actions necessary or appropriate to extend to the term of existence by amending the Articles of Incorporation of the Authority.

FURTHER RESOLVED, by the Board of Directors of the Stadium Authority of the City of Pittsburgh that its Executive Director and other proper officers are authorized and directed to submit the following resolution to the City of Pittsburgh for adoption:

“RESOLVED, that the term of existence of the Stadium Authority of the City of Pittsburgh shall be extended to April 5, 2049.”

FURTHER RESOLVED, by the Board of Directors of the Stadium Authority of the City of Pittsburgh that any two of the officers of this Authority are authorized and directed to execute Articles of Amendment to amend the Articles of Incorporation of this Authority, in substantially the form attached hereto, following the adoption of the resolution by the City of Pittsburgh for extending the term of existence of this Authority to April 5, 2049, in compliance with section 5504-A of Sports and Exhibition Authority Act, and upon such other terms and conditions as such officer shall in his/her discretion determine to be appropriate.

FURTHER RESOLVED, by the Board of Directors of the Stadium Authority of the City of Pittsburgh that its Executive Director and other proper officers are authorized and directed to advertise its intention to file Articles of Amendment with the Secretary of the Commonwealth of Pennsylvania, in compliance with section 5504-A of Sports and Exhibition Authority Act in such form and content as such officer shall in his/her discretion determine to be appropriate.

FURTHER RESOLVED, by the Board of Directors of the Stadium Authority of the City of Pittsburgh that its Executive Director and other proper officers are authorized and directed to deliver the Articles of Amendment and proof of advertisement to the Secretary of the Commonwealth of Pennsylvania and to pay such fees and charges as are required for proper filing of the Articles of Amendment.

FURTHER RESOLVED, by the Board of Directors of the Stadium Authority of the City of Pittsburgh that its Executive Director and other proper officers are authorized and directed to take all action, pay all costs and execute such documents as are necessary and proper to effectuate the terms of this Resolution.

Ms. Conturo added that periodically the Authority reviews this matter with the City in regards to whether it would be more efficient if the Authority were merged into either another city authority or the SEA. The Authority and the City have gone through that analysis. Because of the cooperation between the two Authorities, and because this Authority and the SEA are formed under the same state law, as opposed to the URA or the Parking Authority which are formed under different laws, because of the significant legal expense that would be incurred by rearranging things, and because we have been able to cut down the overhead of this Authority to almost nothing in terms of no paid staff, and no rental cost, it was considered that it remains the most efficient way to operate and to oversee these assets.

The next item read was:

- C. Authorization for additional parking revenue analysis related to parking refinancing from Walker Parking Consultants for a lump sum of \$35,000, plus reimbursable expenses.

Mr. Straley explained that the Stadium Authority and the SEA are intending to refinance the short term bank loans with a fixed-rate, long-term rated bond financing, and that a current third-party financial analysis of the projected parking revenues is needed to support that financing.

The Authority approached three companies to provide proposals to conduct that analysis. Walker Parking was the low proposal at \$35,000. The other two proposals came in at \$41,000 and \$45,000. Staff is recommending approval of Walker, who, in 2014, did a conceptual design and financial feasibility study for the North Shore parking system, so Walker has a good basis from which to do this analysis.

The costs of this financing are going to be shared between the SEA and the Stadium Authority, and the work with Walker may be contracted through an amendment to the existing contract, a new contract, or through a joint contract with the SEA. Staff is unsure at this time what the best way to proceed would be. The project will be funded initially from the Stadium Authority Operating, and may be reimbursed in whole or in part from the bond proceeds.

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. 14 (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 contract with Walker Parking Consultants for additional parking revenue analysis related to parking refinancing for a lump sum of \$35,000, plus reimbursable expenses, through an amendment to their existing contract, a new contract, or otherwise, 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 amend the agreement with O&S Associates for a not-to-exceed amount of \$19,250 for engineering and bidding services for garage maintenance and repairs and

\$20,000 allowance for construction administration based on hourly rates and construction schedules.

Mr. Blice explained that in March of 2017, the Board authorized O&S to perform a condition assessment of the West General Robinson Street Garage. This assessment is done every two years. With the inspection, a report is provided, and in the report, the consultants provided priorities for projects. Priority one is anything that needs to be done within one year, priority two within one to three years, and priority three was everything within three to five years.

There were several projects recommended to be completed within the first 12 months, such as concrete repairs, deck joint caulking replacement, repairs of cracks and flashing, with a total estimated cost of \$375,000. The project work recommended to be completed within the three-year period, between 2018, 2019, and 2020, has an estimated cost of \$378,000. That work includes removal and replacement of floor slab joint sealants, which was not part of the priority one phase.

All the recommended project work will be included in the 2017 bid documents to save on design and bidding costs. When the original Request for Proposal (RFP) for the inspection was issued in January, the Authority required all bidders to submit hourly wages to use for such instances as project supervision, construction documents and such. O&S had the lowest hourly rates.

The services that O&S will perform will be a detailed assessment of the garage, prepare construction documents, and oversight, and for that, the fee is a not-to-exceed amount of \$19,250. Once the contractor is authorized by the Board to perform the repairs, O&S will review the documents and do the inspection and construction oversight. Because staff does not know what the schedule is, how long it is going to take, and what is going to be included, there is an allowance of \$20,000. This will be billed monthly based on hourly wages.

O&S estimates nine weeks to prepare the bid package and they'll also manage the bid process. When that is completed, staff will return to the Board for consideration for construction.

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. 15 (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 amend the agreement with O&S Associates for an amount not-to-exceed \$19,250 for engineering and bidding services for garage

maintenance and repairs and \$20,000 allowance for construction administration based on hourly rates and construction schedules; 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 necessary 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 additional comments from the public.

Mr. Frederick Winkler, an architect in Pittsburgh, presented a striping design for Lot 1 near the new Gold 1 Garage. At the last Stadium Authority Board Meeting, Mr. Winkler's design included only the area in front of the garage. The first drawing he presented at today's Board Meeting showed how the design has expanded to the whole garage. A page included with his drawings summarizes the goal, concept, scheme, and preliminary costs. Mr. Winkler mentioned it is to his understanding that Merrill Stabile is responsible for the maintenance, and Mr. Winkler is currently getting estimates.

Mr. Lederman responded to Mr. Winkler and stated that the Board was interested with his submission the last time he presented it, and that it will be given consideration. Mr. Winkler said he has given the drawings to Merrill Stabile and the Steelers.

Mr. Winkler explained that in his summary page he estimates the cost would be one percent of the \$22 million estimate for the garage project.

Mr. Lederman stated that the cost is important, but the aesthetic value is also considered, and whether the project enhances the site.

Mr. Winkler added the design shows from all different views including the highways and the East Club Lounge, and that it adds to the festive spirit of the site.

Mr. Lederman asked if any other 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 10:52 A.M.