

STADIUM AUTHORITY OF THE CITY OF PITTSBURGH
BOARD MEETING
TUESDAY, JUNE 8, 2017
2:02 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 June 8, 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 and Sara Payne. Also in attendance: Diane Wohlfarth, Papernick & Gefsky; Hiedi Strothers, SMG; Mark Belko, Pittsburgh Post-Gazette; Mike Hudec and Barry Ford, Continental; Ed Shriver and Rob Dower, Strada; Jason Wrona, Buchanan, Ingersoll and Rooney; and Frederick Winkler, architect.

Mr. Lederman called the meeting to order at 2:02 P.M. and requested that everyone rise for the Pledge of Allegiance. 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 March 28, 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. Authorization to transfer Parcel 14 and adjacent land underneath Fort Duquesne Bridge (approximately 46,120 total sq. ft.) to North Shore Developers – 2013 L.P. or its designee, for a purchase price of \$2,200,000 for the development of a 7-story office building with first floor retail.

Mr. Qureshi explained that this project is the next takedown on the North Shore with respect to the option agreement. The takedown includes the sale of Parcel 14 and adjacent land underneath the Fort Duquesne Bridge. The proposed development is a 7-story office building with first-floor retail. With respect to design review, the developers submitted an initial site improvement plan in December 2016. The Authority's urban planning consultant, Stephen Quick, reviewed the plan and provided a recommendation for approval. The Authority will meet with the developer to resolve any open design issues and review related submittals when available with the assistance of Mr. Quick. The developer also presented to the City of Pittsburgh Planning Commission in January 2017 where the development plan and ID signage for the building were approved with conditions and the developer will return to Planning Commission for final approval prior to issuance of the building permit and occupancy permit.

With regard to the purchase price, Integra Realty provided an appraisal and determined a value of \$2 million. The adjacent land underneath the bridge consists of 36 parking spaces and is not developable, but the land will be used as a service court to support the building. The developer has agreed to provide public amenities, including a bike repair station, mobile phone charging station, lighting and landscaping among other things. The Optionee agreed to a price of \$200,000 for the adjacent land.

With respect to the buyout of parking spaces in Lot 3, Alco Parking is the leaseholder of the parking spaces. The lot is comprised of 140 spaces. If the leasehold spaces are lost due to development, the Authority is required to provide substitute spaces or to buy out the spaces. The cost of the buyout is \$8,416.21 per space. The total cost is: 140 spaces x \$8,416.21 per space = \$1,178,269.40. The Authority elects to buyout the spaces. The buyout is structured where the Authority pays 50% upfront at time of closing, and pays 50% in monthly installments. The initial upfront payment will be paid from land sale proceeds, and the monthly installments will be paid from monthly parking revenues.

In Lot 3, there is parking gate equipment, light poles, guiderails, parking booth and bollards. The Developer requested to purchase the parking gate equipment. Parties agreed to a sale price of \$5,000 for the equipment. Developer also agrees to de-install guiderails (and posts) and parking booth for Authority's reuse. Parties also agree that remaining items in lot (lighting poles, bollards) have no re-sale value and will be included in sale of land to Developer.

The development is estimated to provide 165 temporary construction jobs. Upon completion, the development is estimated to generate \$591,000 in annual real estate taxes (County, City, and School District). It is estimated that 1,000 full-time employees will be located at the building.

Mr. Qureshi introduced Mr. Barry Ford of Continental, developer of the project, and Mr. Ford introduced his team. He explained that the masterplan among the City, teams and Authority staff has proven to be an amenity for the City. He believes the North Shore has become a successful place to work, play and enjoy entertainment. The lead tenant of the building, SAP / Ariba, is

looking to grow its business and representatives see the location as a way to attract and maintain talent in Pittsburgh. SAP will occupy the top five floors of the building, the second floor will be offices and the first floor will be restaurants and some retail.

Mr. Mike Hudec presented the design plans for the building. Mr. Malanos asked if the setback shown on the top floor of the design was a deck. Mr. Hudec confirmed that it was a terrace for SAP. Ms. Conturo asked how many retail spaces will be on the first floor. Mr. Hudec responded the site plan includes three first-floor retail spaces.

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. 10 (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 transfer Parcel 14 and adjacent land underneath Fort Duquesne bridge (46,120 total sq. ft.) (known as Lot 14R on the North Shore Subdivision Plan Revision No 1 (“Lot14R”)), to North Shore Developers – 2013 L.P. or its designee, substantially in accordance with the term sheet attached hereto as Exhibit A, for a purchase price of \$2,200,000, for the development of a 7-story office building with first floor retail; to amend the Option Agreement in accordance with the term sheet; and to “buy out” surface parking spaces currently located in Lot 14R from ALCO Parking, and further that the proper officers and agents of the Authority are authorized and directed to take all actions and execute such documents as are related and proper to effectuate the terms of this Resolution, including, without limitation, an amendment to the Option Agreement, a deed, encroachment and overhang easements, construction license agreement, contribution agreement and such other documents as are otherwise contemplated by the Option Agreement and/or the term sheet, and pay all costs and expenses as necessary and proper to effectuate the terms of this Resolution, and that all prior inconsistent resolutions or portions of resolutions are hereby repealed.

Mr. Ford thanked the Board on behalf of Continental and the teams. He said they are excited

to get it started and appreciated the Authority helping work through all of the details. Mr. Lederman thanked Mr. Ford and said he looks forward to the next takedown.

The next item read was:

- B. Authorization to designate Willis of Pennsylvania as the Authority Broker for insurance and to bind the related insurance for July 1, 2017 to June 30, 2018 at a cost not-to-exceed \$63,826.50 plus processing fees.

Ms. Casciato explained that the Authority, and the SEA, issued an RFP in January for the Insurance Broker and insurance for the period July 1, 2017 to June 30, 2018. The Authority's Risk Management Consultant, Henderson Brothers, assisted in the selection process. The RFP was sent to 14 companies, advertised in two newspapers, and it was placed on the SEA's website.

Three insurance brokers responded to the RFP. Henderson reviewed all of the proposals to verify credentials and the ability to write and service each of the Authority's accounts. Per each broker's request, markets were assigned so quotes could be solicited.

Three proposals were received: Willis, James L. Smith Agency, and HUB International. Henderson and the insurance review committee including Jim Malanos reviewed the proposals. Willis was the only one who provided a full program. Henderson Brothers does not recommend breaking up the program because it would have negative impacts on service (claims management, Certificate Management and Risk Management Services).

We are recommending awarding all insurance for the renewal period to Willis for a total cost of \$63,826.50.

There is a two-year price guarantee on property insurance contingent upon a 40% loss ratio. Cyber insurance is added at Henderson Brothers recommendation, and is a joint policy with the SEA. The cost will be split between the two authorities. The insurance is mainly to cover us for security breaches related to credit card payments in the Authority operations. SA has been added as a loss payee to the SEA Crime insurance at no additional cost. The recommended insurance program also adds the new Gold 1 Garage. Without the garage, the insurance cost increase would have been \$1,360 or 3.3% over last year.

This designation of Willis as the broker is generally for a three year period with the option to extend two additional years assuming quality performance and the ability to obtain renewal terms for insurance. The insurance review committee recommends accepting Willis' proposal.

Ms. Wohlfarth advised the Board that prior to meeting, Mr. Danovitz disclosed that due to the perception of a potential conflict, he had chosen to abstain in the vote.

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. 11 (2017)

RESOLVED by the Board of the Stadium Authority that its Executive Director and other proper officers are authorized to designate Willis of Pennsylvania as the Authority Broker for insurance and to bind the related insurance for July 1, 2017 to June 30, 2018 at a cost not-to-exceed \$63,826.50 plus processing fees; 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 additional comments from the public.

Mr. Frederick Winkler, an architect in Pittsburgh, presented a design for topping of Lot 1 near the new Gold 1 Garage. The design includes striping the parking lot to look similar to the fins on the garage as well as historical markers for Three Rivers Stadium. Mr. Winkler has been updating the SEA Board, Alco Parking and the Steelers with his ideas.

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 2:30 P.M.



ATTORNEYS AT LAW • LIMITED LIABILITY COMPANY

Diane K. Wohlfarth
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June 9, 2017

VIA ELECTRONIC MAIL

Michael Danovitz, Esq.
Eckman & Danovitz, LLC
1001 Liberty Avenue Lobby 11
Pittsburgh, PA 15222

Dear Michael:

This letter confirms that immediately prior to the June 8, 2017 meeting of the Board of the Stadium Authority of the City of Pittsburgh, of which you are a member, you disclosed to me, as Solicitor for the Authority, that you chose to abstain from voting on Agenda item V B on the attached Agenda, due to your concern of the perception of a potential conflict of interest.

You requested that a copy of this letter be included in the official records of the Stadium Authority for the June 8, 2017 meeting.

Very truly yours,

PAPER NICK & GEFSKY, LLC
ATTORNEYS AT LAW

Diane K. Wohlfarth

cc: Mary Conturo, Executive Director

Acknowledged:

Michael Danovitz, Esq.

STADIUM AUTHORITY OF THE CITY OF PITTSBURGH
THURSDAY, JUNE 8, 2017
2:00 PM

- I. Pledge of Allegiance
- II. Roll Call of SA Board Members
- III. Public Participation
- IV. Approval of Minutes from the Meeting of March 28, 2017
- V. New Business

North Shore Option Area

- A. Authorization to transfer Parcel 14 and adjacent land underneath Fort Duquesne Bridge (approximately 46,120 total sq. ft.) to North Shore Developers – 2013 L.P. or its designee, for a purchase price of \$2,200,000 for the development of a 7-story office building with first floor retail.

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- B. Authorization to designate Willis of Pennsylvania as the Authority Broker for insurance and to bind the related insurance for July 1, 2017 to June 30, 2018 at a cost not-to-exceed \$63,826.50 plus processing fees.
- VII. Public Participation
 - VIII. Adjournment