

**STADIUM AUTHORITY OF THE CITY OF PITTSBURGH
BOARD MEETING
WEDNESDAY, OCTOBER 30, 2019
2:05 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 September 27, 2019 in the Executive Board Room of the David L. Lawrence Convention Center. Board members in attendance: Stanley Lederman, Chairperson; James Malanos, Vice-Chairman; Reverend Brenda Gregg, Treasurer and Assistant Secretary; Keith Reed, Member and Steve Steingart, Member; as well as Authority staff members: Mary Conturo, Doug Straley, Rosanne Casciato, Rhea Thomas, Rifat Qureshi, Bill Williams, Maggie Pike, Lauren Henderson, and Clarence Curry. Also in attendance: Bill Merchant, Acting Solicitor; Jason Wrona, Buchanan Ingersoll & Rooney, P.C.; Bryan Stroh, Pittsburgh Pirates; and Mark Belko, Pittsburgh Post-Gazette.

Mr. Lederman called the meeting to order at 2:05 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 confirmed 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 September 27, 2019.

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 enter into an amendment to the Option Agreement with North Shore Developers—2013, LP.

Ms. Mary Conturo stated that the amendment before the Board is regarding the Option Agreement for the North Shore. She stated that she would summarize the amendment and then let the developer explain the development plan.

Lots 2, 4 and 5 are surface parking lots currently and are addressed in the amendment to the Option Agreement.

The amendment to the Option Agreement provides that Lot 4 will be subdivided into three development parcels. One of those parcels will be the site of an eight-story building that includes residential, office, and retail space. Another parcel will be an approximate 445 space public parking garage which will be privately owned and operated. The parking garage will include spaces needed for the residential portion of the development. The third parcel will be a retail and entertainment space, across from to the front door of PNC Park, which will serve as a public plaza.

Lot 2 has a portion of land subject to the Option Agreement and a portion of land which is not included in the Option Agreement. The Authority is interested in having this land developed and if there is a concept and density agreed upon by the parties, the additional land will be included in the Option Agreement. If the additional land is included, the teams will have an additional three years – until December 2024 – to develop this Lot 2 parcel. All other parcels will expire in May 2021.

The last piece is Lot 5, which is catty corner to the front door of PNC Park. It is a parcel which is covered by the highway overpass and has the subway underneath. The development there would include a combination of green and flex space, related to operations of the ballpark.

The amendment also simplifies the development fund. All the event day parking revenues that were previously divided up are now going into the capital reserve funds for Heinz Field and PNC Park, respectively. For example, the event day revenues related to Heinz Field will now be deposited into the Heinz Field capital reserve fund. Initially, approximately \$300,000 will go into the Heinz Field capital reserve fund and about \$800,000 into the PNC Park capital reserve fund.

If none of the development were to occur, the parcels would generate about \$200,000 per year. As the parcels are developed the amount of parking revenues will gradually decline, but funding from parking revenues will still help the Authority to maintain the stadiums.

The next deadline is related to the development of the parcels along North Shore Drive and is being extended to August 2020.

The developers of the teams are in attendance and can explain the Lot 4 development and the timeline.

Mr. Lederman then introduced Mr. Barry Ford to explain the Lot 4 development.

Mr. Ford stated that the plan for this development has had the support of all parties and the Mayor's office. The plan has involved much discussion in order to have a successful implementation.

The plaza and green space have been an important part of the planning for Lot 4 parcels. When the project was started, this plaza was the most important piece.

The parking garage removes the surface parking space and adds approximately 75 spaces for the residents of the building.

Phasing of the project should be fairly simple.

In 2020 late spring and early summer the developer will take down the garage portion of the parcel. The planning process began in May 2019. The goal is to deliver the project by baseball season the following year.

The mixed-use building will take a few more months before it is approved at City Planning and to obtain the permits. The goal is to begin the project in the fall of 2020 and be completed in the spring of 2022, although the office space may be completed earlier than the condominium portion of the project.

The plaza area will take six to eight months to build. The Pirates and Strada are currently working on a design. That piece will be introduced to the Board at a later date. It will be started about a year from now, in order to complete at the same time as the rest of the development.

Mr. Ford stated they are very excited about the development, although it has been very complicated to design. He then introduced Mr. Mike Hudec to discuss the design.

Mr. Hudec stated he wanted to emphasize the importance of a pedestrian alleyway behind the mixed-use building. While it is important for building services, such as window cleaning, it is primarily for pedestrian access. There is outdoor seating which opens up to the plaza and retail space.

The existing sidewalks on Mazerowski Way and North Shore Drive will not experience impact from construction.

Port Authority has two light rail transit (“LRT”) tunnels so the design needs to be cognizant of that. Columns will be along Mazerowski Way, which will extend past the LRT on both sides and support the building. It will also create a partial outdoor cover for the retail tenants.

All buildings have been modeled with similar design as the other developments on the North Shore. There will be many terraces on the mixed-use building and a rooftop deck.

Mr. Lederman asked whether there might be a restaurant or entertainment facility on the plaza portion of the site.

Mr. Hudec stated that the developer believes that a restaurant against the garage wall may extend into the plaza.

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. 12 (2019)

RESOLVED 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 Option Agreement with North Shore Developers—2013, LP; 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 enter into an agreement with East West Manufacturing for a lump sum amount of \$102,000 for installation of elevator equipment room space conditioning at the West General Robinson Street Garage.

Mr. Bill Williams explained that the West General Robinson Street Garage (“WGRSG”) has five elevators which service all ten floors of the parking garage. On the garage’s eighth floor, there are three small mechanical equipment rooms for the elevators. Otis Elevator, the garage’s elevator maintenance company advised that throughout the year, the elevator mechanical rooms experience excessive heat which makes equipment susceptible to shut-downs and causes increased wear of the elevator equipment. At times during early spring and late fall, condensation forms within the elevator shafts. In order to address this issue, Otis recommended that the machine rooms be conditioned.

In June 2019, the Board authorized entering into an agreement with engineering firm (BDA Engineering) to develop a design to remedy the elevator conditions at the WGRSG elevator space. The design includes two separate corrective actions: (1) minimizing surface condensation within the elevator shafts, and (2) preventing the overheating of the elevator equipment.

To address the elevator equipment overheating, a secured enclosure will be added around the existing three small mechanical equipment rooms to create a single equipment room. Two split air conditioning systems will be installed inside the equipment room to maintain a preferred temperature range. A room exhaust system will also be installed to control heat in the event of a power outage. No parking spaces will be lost due to this project. To address the condensation issue, a packaged heating, cooling, and dehumidification unit to lightly pressurize the shafts with warm, dehumidified air will be installed on the tenth (top) level of the parking garage.

In September 2019, the Authority advertised for a combined bid of both the elevator machine room conditioning and elevator shaft condensation removal. It was publically advertised, but only one bid was received from WG Tomko for \$195,000. Since the bid was over budget, the decision was made to reject all bids and re-advertise the project as two separate bids.

In October 2019, a bid package was publically advertised for the two corrective actions. Five companies attended a pre-proposal meeting and four proposals were received. Siemens' bid had an incorrect scope and the Hranec bid was withdrawn due to clerical errors. The review of East West Manufacturing's bid determined their scope of work to be complete. At this time, only the elevator room overheating condition will be addressed. It is recommended to award the contract to East West Manufacturing as the low responsible bidder for the elevator room space conditioning.

East West Manufacturing has a participation plan of 25% MBE and 5% WBE. The work will start in early November with anticipated completion in late-December. There is a one year warranty on equipment and labor. The project will be funded from the West General Robinson Street Garage Capital Budget.

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 (2019)

RESOLVED by the Stadium Authority of the City of Pittsburgh that its Executive Director and other proper officers are authorized to enter into an agreement with East West Manufacturing for a lump sum amount of \$102,000 for installation of elevator equipment room space conditioning at the West General Robinson Street Garage; 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:

- C. Authorization to execute agreements with various banks for purposes of establishing depository, account, and cash management agreements.

Ms. Rosanne Casciato stated that authorization is requested for the Executive Director, the Chief Financial Officer and the Controller to have the ability to open checking or investment accounts, if needed, and to add, change or delete users. Any account opened will require the involvement

of all three of these individuals and will receive prior written approval from the Chairman of the Board.

Checks for the SA Operating accounts require two signatures from the Executive Director, Chairman, Vice Chairman or Treasurer.

Checks for the West General Robinson Street Garage and Gold 1 Garage checking accounts require two signatures from the Executive Director, Chief Financial Officer and the Controller.

Wire transfers are done monthly to transfer parking revenues from lots and garages to Zions Bank to cover debt service payments. There are rare occasions when transfers are required such as the takedown of lots for development. Every wire transfer, regardless of the amount, requires authorization from one staff manager and approval from a second different staff manager to serve as a control mechanism.

On a regular basis, finance department staff may purchase CDs and other investment vehicles to maximize investment dollars. Authorization is given by the CFO and implementation is by the Controller.

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 (2019)

RESOLVED by the Stadium Authority of the City of Pittsburgh that its Executive Director and other proper officers are authorized to execute agreements with various banks for purposes of establishing depository, account, and cash management agreements; 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.

Mr. Lederman asked if there were any comments from the public.

Mr. Bryan Stroh introduced himself as the Senior Vice President of the Pirates and stated he would like to express on behalf of Chairman, Robert Nutting, and everyone at the Pirates organization, their enthusiasm for the development. The Pirates believe that it will enhance the

game day experience and the area on non-game days. They are excited to be a part of the development.

Additionally, the project has been complicated so on behalf of the Pirates, he would express thanks to the partners at Continental, Strada, and the Steelers for making the project as good as it is. Additionally he would express gratitude to Mr. Lederman, Ms. Conturo, the Mayor, and Chief of Staff, Dan Gilman, for their instrumental help in getting the development done and making the project better.

Mr. Lederman thanked Mr. Stroh for his time. Mr. Lederman introduced Mr. Jason Wrona.

Mr. Wrona introduced himself as counsel for the Pittsburgh Steelers from Buchanan, Ingersol, and Rooney. He wanted to thank the partners and leadership at the Authority and the Mayor's office. He stated he had been involved in North Shore projects for ten years and is most excited about this project.

Mr. Lederman thanked Mr. Wrona. He thanked Ms. Conturo for her hard work on this development. He also expressed his excitement for the project and that both sides are pleased with the conversations that lead to the development. He also thanked the project partners for their help in moving the development forward. He stated he is excited for the groundbreaking in a few months.

Mr. Lederman asked if there were any further comments. Hearing none, Mr. Lederman asked for a motion to adjourn. The motion was seconded and unanimously carried.

The meeting was adjourned at 2:35 P.M.