

MINUTES OF THE MEETING
OF THE BOARD OF THE
SPORTS & EXHIBITION AUTHORITY OF PITTSBURGH
AND ALLEGHENY COUNTY
HELD THURSDAY, MAY 14, 2020
REMOTELY VIA ZOOM CONFERENCE
PITTSBURGH, PENNSYLVANIA
COMMENCING AT 10:48 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 on Thursday, May 14, 2020 commencing at 10:48 A.M. E.S.T. Due to the COVID-19 pandemic and guidance from public health experts, the meeting and was conducted remotely via the online conferencing platform Zoom.

Members of the Authority

Present: Sen. Wayne Fontana, Chairman
Michael Dunleavy, Vice Chairman
Sala Udin, Secretary
Councilman Anthony Coghill, Member
Councilman Nicholas Futules, Member
Rev. Glenn Grayson, Member

Also Present: Mary Conturo, Doug Straley, Rosanne Casciato, Bill Williams, Rhea Thomas, Rifat Qureshi, Michael Wassil, Simona Loberant, Breanna Blair, Yvonne Ludwig, Lauren Henderson, and Maggie Pike of the Authority; Morgan Hanson, Solicitor; Tom Ryser, TPR; Clarence Curry, CFC-3 Management Services; Tim Muldoon and Guy DeFazio of SMG; George Meehan, LEVY; Kevin Acklin, Tracey McCants-Lewis, and Delvina Morrow of Pittsburgh Penguins; Boris Kaplan, BPG; Peter Kogan, Craig Dunham, and Dusty Kirk representing PAR; Glenn Mahone and Glenn Grayson, Jr. of CCIP Executive Management Committee; Marimba Milliones, Lance Harrell, Felicity Williams, and David Serbin of Hill CDC; Carol Hardeman, Hill District Consensus Group; J.J. McGraw, Pittsburgh Pirates; Shannon Musgrave, RAD; Tim Schooley, Pittsburgh Business Times; Mark Belko, Post-Gazette; Bob Bauder, Pittsburgh Tribune Review; Jeff Keating, First National Bank; Nathan Simpson and Holly Douglas of Cosmos Technologies; Fredrick Winkler, Architect; Wes Schwant, BPGS Construction; George Moses, East Liberty Family Health Care Center; Johnnie Comer, Ma’at Construction Group; Corey

Carrington, Artist; and users “Harinee,” “HS,” “Deidra,” “J Smith,” “Neashia23,” “Enzo,” “412-443-6198” and “724-612-7854.”

Senator Wayne Fontana called the meeting to order with the Pledge of Allegiance. Mr. Morgan Hanson followed with a roll call of the Board Members. Mr. Hanson advised that a quorum was present.

Beginning with public participation, Senator Fontana asked if any members of the audience would like to address the Board. Members of the public were offered participation by emailing comments before the meeting or by making comments via Zoom during the meeting. Ms. Lauren Henderson stated that the Authority had not received any prior comments via email and none were submitted via Zoom thus far. Ms. Henderson then unmuted all phone lines to see whether participants using phones had any questions.

Ms. Marimba Milliones stated that she is a representative of the Hill CDC representing the Development Review Panel for the Lower Hill community. She stated her intent was to share comments made in the community review panel meeting during the public comment portion of said meeting, with respect to Parcel G-1. The mission of the Hill CDC is to ensure the implementation of the Greater Hill District Master Plan (“Master Plan”). The proposal for the Parcel G-1 development has not yet successfully completed community review. The Development Review Panel has provided multiple points of feedback so that the plan can better comply with the Master Plan and Community Collaboration and Implementation Plan (“CCIP”) before advancing to a public presentation. Additionally, Ms. Milliones stated that a number of obligations for the development of Block E have not yet been fulfilled by the developer. She asked that the Board abstain from voting to approve the developer and Parcel G-1 until there has been sufficient agreement between the developer, government and community.

Senator Fontana asked if there were any other participants who would like to address the Board. Ms. Henderson unmuted all participants again and stated there were no further comments. Senator Fontana thanked Ms. Henderson and moved to the next item on the agenda, approval of the minutes from the meeting of April 9, 2020. A motion was made, seconded and unanimously approved.

Senator Fontana continued on to the next item on the agenda under David L. Lawrence Convention Center (“DLCC”), authorization to amend the existing consultant agreement with Wiss, Janney, Elstner Associates, Inc. (“WJE”) to increase the current authorization amount by \$75,000 for structural engineering services.

Mr. Guy Defazio explained that in 2012, 2015, and 2018, the Authority issued public requests for proposals (“RFPs”) to provide, on an as needed basis, (a) architectural services, (b) structural engineering services, and (c) mechanical, electrical and plumbing (“MEP”) engineering services.

These contracts were put in place and were to stay “open” for a three-year term in order to provide for an efficient means of undertaking small projects at the DLCC. The process followed is that the consultant is given the scope of work, the consultant then provides a not-to-exceed fee proposal based on their fixed hourly rates as set by the contract, and then the Authority/SMG determine whether or not to move forward. These contracts are “non-exclusive.”

After the public RFP process in February 2018, the Board authorized an agreement with WJE whereby it has served as the open-ended structural engineer for the DLCC. The total authorization of the agreement is up to \$240,000 and the term expires February 28, 2021. The dollar limit for the contract has almost been reached. SMG is recommending increasing the contract amount by \$75,000, under the same hourly rates established, but not extending beyond

the February 2021 expiration date. Under the current WJE open contract for structural engineering, work authorizations were issued for eight projects, for a projected total expenditure of \$233,608. The majority of the eight assignments were structural evaluations and design of structural repairs; no M/WBE participation was identified.

SMG finds WJE's quality of work and expertise beneficial to the building and recommends proceeding with WJE due to its structural knowledge of the DLCC, the qualifications of the personnel assigned to the project, technical knowledge regarding the types of projects outlined in the RFP, and its competitive hourly rates.

Due to the specialized nature of the building's structure and the small size of the assignments, WJE did not identify any portions of the work for M/WBE sub-consultants. However, Mr. Clarence Curry, the Authority's Senior Diversity Coordinator, and WJE agreed that if the need arose for a less specialized service, WJE would find a M/WBE firm to add as a part of the work authorization. WJE remains committed to good-faith efforts to actively encourage and solicit subcontracting work from M/WBE firms. SMG has offered to work with WJE to contact local university programs with a focus on entrepreneurial studies to begin exploring the development of a mentoring/training program for graduate students interested in founding MBE or WBE companies involved in structural engineering.

Senator Fontana asked if there were any questions from the Board. Hearing none, he asked for a motion to approve. On a motion duly made, seconded, and unanimously carried, the following resolution was approved:

RESOLUTION NO. 5683

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers are authorized to amend the existing consultant agreement with Wiss, Janney, Elstner Associates, Inc. ("WJE") to increase the current

authorization amount by \$75,000 for structural engineering services; 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 on the agenda, authorization to enter into an agreement with H-Mak in the amount of \$165,000 for the purchase and installation of a flight dishwasher.

Mr. George Meehan stated that Levy Restaurants (“Levy”) is recommending the purchase and installation of a flight dishwasher to replace the existing dishwasher that is 18 years old. The current model has been discontinued and parts are becoming increasingly difficult to procure. This dishwasher is the only high-volume dishwashing machine at the DLCC. Levy advises that it is prudent to procure and install a new machine to alleviate future downtime which in turn can lead to canceled events. Levy believes that a newer, more efficient machine will increase efficiency and lower machine operating costs. In October 2019, a RFP was issued and advertised for the renovation of the dish room including the replacement of the dishwasher and the racking and hand washing system in the room, but only one proposal was received with an incomplete scope of work. A revised RFP was issued in March 2020, and three proposals were received. Steve Steingart, Stadium Authority Board Member and Food Safety Consultant with over 40 years of food safety experience, reviewed the existing machine, the RFP, and proposed machine specifications.

H-Mak is recommended due to their being the low and responsible proposer, extensive installation of equipment experience, installation plan completeness, and installation schedule flexibility. The removal, recycling and disposal of the existing machine is included in the overall cost provided. The warranty on the machine is three years and the lead time on the equipment is

8 to 12 weeks. The RFP allows the Authority to install anytime until December 31, 2021 and H-Mak will store the equipment for up to six months.

There was no M/WBE participation from any of the three proposals. Mr. Curry and Mr. Bill Williams are working with H-Mak to potentially identify some M/WBE participation related to electrical or plumbing work. The contract amount would be paid from the Food and Beverage Capital Reserve Fund.

Senator Fontana asked if there were any questions from Board.

Mr. Udin asked for a description of a flight dishwasher.

Mr. Meehan replied that it is a dishwasher with a conveyer belt. The dirty dishes and glassware are placed on the belt and go through the three cycles of cleaning on the belt.

Mr. Udin asked where the term “flight” comes from to describe the dishwasher.

Mr. Meehan stated that he was not certain where the term comes from, but it does have a conveyer belt which carries the dirty dishes through the cleaning stages.

Councilman Futules asked if the installation takes eight to twelve weeks.

Mr. Meehan stated the lead time on equipment is for the machine to be manufactured. The time also includes the installation, which accounts for approximately seven to ten days.

Councilman Futules stated that the DLCC is closed with no time schedule for reopening. He asked if this project could be installed at a later date and why it needs to be done now.

Senator Fontana stated that the money exists in a separate fund currently.

Ms. Mary Conturo stated that the information from Levy and SMG implies that the existing machine is showing strain, stress and is original to the building. They feel it would be prudent to get the dishwasher installed during the downtime so that Levy will be prepared when the building reopens.

Mr. Meehan agreed that with the significant lead time, this is the optimal time to install. If Levy waited to purchase, dishwasher rental costs may be incurred and/or the kitchen may be forced to shut down.

Senator Fontana asked if there were any further questions from the Board. Hearing none, he asked for a motion to approve. On a motion duly made, seconded, and unanimously carried, the following resolution was approved:

RESOLUTION NO. 5684

RESOLVED by the Board of the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers are authorized to enter into an agreement with H-Mak in the amount of \$165,000 for the purchase and installation of a flight dishwasher; 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 continued on to the next item on the agenda, authorization to extend the term of the Lease with CobblerWorld, LLC from May 25, 2020 to May 25, 2021 for retail space along Penn Avenue.

Mr. Rifat Qureshi explained that there are four tenants along Penn Avenue at the DLCC. CobblerWorld, a bakery and pastry shop, occupies the easternmost 252 sq. ft. retail space. Terina Hicks is the owner and chief chef. It is a 100% MBE owned company. Ms. Hicks has been a tenant at the space since 2016 and the Board has authorized one-year extensions of the lease term each year. Her current lease term ends May 25, 2020. She provides her products to established patrons, to local farmers markets, through catering services, and to restaurants and grocery stores in city neighborhoods and the surrounding region.

She has requested an additional year extension under the same terms. Her annual base rent is \$6,300 (or \$25 per sq. ft.) with utilities included. She employs one female minority employee at the DLCC location.

Due to the COVID-19 impacts to the DLCC, the retail tenants at the building have been shut down since mid-March. Ms. Hicks has applied for and received stimulus funding. She will notify Authority staff on reopening plans based upon Governor Wolf's guidelines.

Staff recommends the one-year extension under the same terms, as it is an effective use of the retail space and an added amenity along Penn Avenue.

Senator Fontana asked if there were any questions from the Board.

Mr. Udin asked Mr. Qureshi to describe the length of the terms of other tenants at the DLCC.

Mr. Qureshi stated that YouthPlaces has a five-month lease, Bike the Gap is nearing the end of their current lease and has an option to extend, and Jimmy Johns has a ten-year lease of which they are approximately half way through.

Mr. Udin asked whether or not the lease term for CobblerWorld was the owner's or the Authority's choice.

Mr. Qureshi responded that the initial decision, in 2016, was the Authority's and Ms. Hicks was amenable to requesting yearly extensions.

Mr. Udin stated that the Board was likely being cautious due to business viability initially. Since the business has been compliant with the terms of the lease, it would be prudent to discuss with the owner a longer lease term for business planning. He asked if the Authority has discussed with the owner the possibility of a longer lease term.

Mr. Qureshi replied that he has not had that discussion, but he will have that conversation with the owner.

Senator Fontana stated that a discussion involving longer lease terms would be fine, but renegotiating the lease term might include price escalations, which could deter the owner from signing a lease with a longer term. Additionally, the pandemic guidelines could also have an impact on lease negotiations.

Mr. Udin moved that the Board supports the one-year lease term, but would be open to a revised extension if that works out in both parties.

Senator Fontana asked if there were any questions from the Board. Hearing none, he asked for a second to Mr. Udin's motion to approve. On a motion duly made, seconded, and unanimously carried, the following resolution was approved:

RESOLUTION NO. 5685

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County its Executive Director and other proper officers are authorized to extend the lease term of CobblerWorld, LLC from May 25, 2020 to May 25, 2021, or for a longer lease term if mutually agreed upon, for retail space along Penn Avenue; 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 under North Shore Garage, authorization to enter into an agreement with ABM Electrical Power Solutions ("ABM") in an amount not-to-exceed \$19,260 for electrical inspections and testing (2020 and 2023) along with an updated arc flash study for the North Shore Garage.

Mr. Bill Williams stated that electrical distribution and switchgear inspection and testing is an industry standard and an effective program to ensure the safe and reliable distribution of

energy. The services under this contract include visual inspection, general cleaning, infrared thermography, and breaker operational testing. Infrared thermography finds hot spots caused by defects in connections and components so that these problems can be corrected. Breaker operational testing is performed to verify proper trip settings for the safety of electrical equipment and personnel. The last electrical inspection and testing service for the garage was done by Schultheis Electric in 2014.

An “arc flash” analysis is an OSHA requirement. Arc flash is a phenomenon where a flashover of electric current leaves its intended path and travels through the air from one conductor to another, or to the ground. This analysis will identify potential hazards to protect employees and contractors working on electrical equipment. The scope of work for the arc flash analysis includes: 1) data collection, 2) detailed single line diagram development, 3) system analysis, and 4) affixing arc flash labels. The analysis report will also include recommendations for changes or upgrades to address any issues found during the study. This is an updated study of the original arc flash study performed by ABM in 2014.

The Authority issued an RFP which was sent to nine firms with three of these firms being either MBE or WBE. The RFP was also advertised in the Pittsburgh Post-Gazette, the New Pittsburgh Courier and on the Authority’s website. Six companies attended the non-mandatory pre-proposal meeting and subsequently five proposals were received, one of which was an WBE. A review team consisting of Mr. Curry, Dave Fahringer (Alco), Mrs. Simona Loberant, Mr. Doug Straley and Mr. Williams reviewed the proposals and interviewed four companies. After these interviews, clarifications were obtained and the review team recommends proceeding with ABM for the following reasons: knowledge of systems and testing methodologies; lowest cost proposal; past working experience at garages, and DLCC; and M/WBE participation plan.

ABM has proposed hourly rates which are to be used for any out of scope work that is requested. There is 30.7% MBE participation with Imbutec performing the inspection and testing services. This project will be funded from the North Shore Garage Capital Budget.

Senator Fontana asked if there were any questions from the Board. Hearing none, he asked for a motion to approve. On a motion duly made, seconded, and unanimously carried, the following resolution was approved:

RESOLUTION NO. 5686

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County its Executive Director and other proper officers are authorized to enter into an agreement with ABM Electrical Power Solutions in an amount not-to-exceed \$19,260 for electrical inspections and testing and an updated arc flash study for the North Shore 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.

Senator Fontana introduced the next item under Lower Hill Development, authorization to provide preliminary approval of a redeveloper and a conceptual development plan for a mixed-use tower to be located on Parcel G-1 of the Lower Hill site.

Mr. Qureshi stated that Pittsburgh Arena Real Estate Redevelopment LP (“PAR”), a related entity to the Pittsburgh Penguins, and its proposed redeveloper, Lower Hill Developer, an affiliate of the Buccini/Pollin Group, Inc. (“BPG”) have submitted a Take Down Notice for Parcel G-1 located on the Lower Hill site. Parcel G-1 is approximately 1.51 acres and is at the corner of Bedford Avenue and Washington Place. The proposed redeveloper plans to construct a 26-story office tower with 434,000 sq. ft. of office space, 20,000 sq. ft. of ground floor retail and two floors of integrated parking with approximately 110 spaces on Parcel G-1.

First National Bank (“FNB”) has committed, to the proposed redeveloper, to occupy approximately 159,000 sq. ft. as the building’s anchor commercial tenant. The two floors of public structured parking will service the tower’s commercial tenants and visitors. The proposed tower will be across Washington Place from the I-579 Cap Park, which is currently under construction. The proposed redeveloper plans to subdivide Block G, as depicted in the master plan for the Lower Hill, into four sub parcels. The subdivided parcels will include the office tower (Parcel G-1), a future hotel (Parcel G-2), a future food court (Parcel G-3), and a proposed public open space (Parcel G-4).

The proposed redeveloper has selected Gensler as the designer of the office tower, and PJ Dick/Massaró Construction Group/Mascaró joint venture (“PJ Dick Joint Venture”) for construction of the building. The project budget is estimated at \$221 million. The project will be developed in accordance with LEED-ND requirements and the office tower will be LEED certified.

With respect to community engagement, the proposed redeveloper has been engaged with the Executive Management Committee (“EMC”) that oversees the Community Collaboration and Implementation Plan (“CCIP”). It has also met with the Hill CDC’s Development Review Panel (“DRP”) on April 1 and May 6, 2020 and indicated it is continuing to work through the DRP process. With respect to inclusionary goals, Gensler and the PJ Dick Joint Venture represented they are pursuing a target goal of 45% M/WBE participation and 20% workforce participation consistent with the CCIP goals. With respect to schedule, the proposed redeveloper has submitted the Parcel G-1 proposal to City Planning and it is under review. The proposed redeveloper represents it will continue to work with SEA and URA staff to deliver all outstanding take down items pursuant to the Option Agreement, including completing the

community review process, prior to final approval by the SEA and URA boards. The proposed redeveloper represents that it anticipates closing in November 2020, with construction to start after closing, and occupancy of tower to occur in 2022-3Q.

This project will come before the Board twice; first, for preliminary approval of the proposed redeveloper and the conceptual plan, and second, for final approval and authorization for the transfer of the land pursuant to the Option Agreement. The proposed redeveloper has represented it is working with FNB on a community impact plan that includes: monetizing the off-site LERTA for the Greater Hill Reinvestment Fund, and the public portion of the Block E Parking Tax Diversion for the URA's Hill District Housing Opportunity Fund, among other items. Mr. Qureshi then asked Mr. Kevin Acklin, Senior Vice President and General Counsel of the Pittsburgh Penguins and Mr. Boris Kaplan, Vice President of BPG if they would like to address the board.

Mr. Acklin and Mr. Kaplan made the following remarks:

Mr. Acklin stated that he would be giving an update regarding project context, public impact, inclusive procurement, community engagement and next steps. Then Mr. Kaplan would be giving a more in-depth description of the development. He stated that PAR, BPG, and Intergen, the lead residential developer, are very mindful of the intent to reconnect the Hill District with downtown and the rest of the City, that the G-1 project was first announced in December and was filed with the DRP in January and the developer is continuing the process in good faith, and that all social equity goals established through prior agreements and for the overall development, are present in the development plan for Parcel G-1.

Parcel G-1 is a 26-story office building, and will be FNB's financial center. PAR came before the board last fall with the plan for Block E, which includes a large parking garage, music

venue, public safety facility, as well as the Catapult program. The plan for Block B is the first phase of residential housing. PAR is actively engaged with the DRP and has bi-weekly meetings with the CCIP committee. The anchor tenant, FNB, has proposed several additional community impacts, as Mr. Qureshi mentioned. The authorization in front of the board today, under the Option Agreement, establishes the proposed redeveloper, allows for increased spending on the project (including increased spending on community engagement efforts), and effectively allows for site control.

The proposed FNB financial tower is across from the I-579 Cap Project. The conceptual rendering will be improved as the community engagement process continues. The site lines and continued open space have been a main consideration for the developer in the planning process for this Parcel.

FNB has submitted term sheets for financing the 50% LERTA that would generate from this single building, approximately \$8 million, as well as \$3 million from the Block E parking tax diversion. At closing, we expect \$11 million will be deposited for direct investment to the Hill District, with guidance from the community through the URA. The public portion of the parking tax diversion would be invested in a housing opportunity fund that would support existing residents in the Hill District. Construction jobs (1350) will be created from this project and businesses located in the tower are expected to employ over 2,000 people. This will be a LEED-certified building and will be a part of a district energy plan. FNB is already a partner in the Hill District, they have existing relationships with the Hill CDC and Hill District Federal Credit Union. They have committed to making additional investments to the Hill District, as a part of this development.

Ms. Felicity Williams made a comment using the chat function of Zoom: “As of right now that capitalization of the LERTA is a LOAN with interest that is designated to be paid by the community fund - 2% interest fee of \$40 million is \$800,000 LOST to the Hill District community. A request to PAR and their affiliates has been made to pay that loan fee instead. We do not have a written commitment to do so.”

Mr. Acklin responded that any interest costs regarding the loan are to be borne by the Penguins and development team. That was a request from the CCIP committee and is in writing.

Mr. Kaplan stated that BPG is the commercial developer of the Lower Hill project. BPG has over 25 years of experience in commercial and mixed-use development projects. BPG is excited and committed to advancing this critical project. The development partners also include Gensler, Pittsburgh Penguins, and FNB. Gensler is the design lead on the project and well-known in Pittsburgh planning and design circles. Gensler is the gold standard on community engagement and have been critically involved in creating a road-map that has allowed the developer to implement the CCIP plan. The construction team, led by PJ Dick, will include the building trades, and Partner4Work. The construction team also works on outreach related to the Lower Hill project. Additionally, there is a minority equity investor who will shortly become public.

There are schedule impacts and broad economic issues from the COVID-19 pandemic. This development is a critical catalyst for the overall development and will bring much needed jobs and commercial activity to the Hill District during this calendar year. Proposed timelines for the Block G project is further advanced than the Block E project at this time. Working remotely, BPG is appreciative of its partners moving the project forward.

The G-1 building is designed by Gensler, in a modern and iconic style. It is an exciting addition to the skyline with important ground plane and public-run components, which will provide an inclusive and welcoming public open space. The integration of open space exceeds the preliminary land development requirements, in addition to meeting the requirements for this project. In addition to leading-edge commercial space for office tenants, the building will have the latest technology and feature premium indoor air quality systems that the developer feels will differentiate it for future leasing activity.

The overall framework for the open space will be extended from the I-579 Cap Park through the entire development plan. Parcel G-4, future public open space, will be presented to the board soon. Together, Parcels G-1 and G-4 constitute two acres, the entire Block G is approximately 3 acres in size. The community amenities around the building and open space are a critical component to the development of Parcel G-1. Blocks B and E are complimentary projects, which help create need for parking infrastructure. Clearway Energy District will extend and provide service for this tower. The future food hall will also be made possible by the need created from the FNB tower.

Progress is being made on inclusive project goals through coordination and cooperation by Gensler and PJ Dick Joint Venture's outreach team. There have been several rounds of presentations to community stakeholders about the plans and very specific commitments that have been made to local M/WBE firms. The URA M/WBE participation requirement is 25%. For this project, the CCIP requires participation of 45% M/WBE. With the help of Gensler on the design work, the project is on its way to meeting those requirements. Presently, of committed contracts, the project has reached just above 39% M/WBE participation in the design and predevelopment phase of the project. These commitments are focused on businesses in the

Greater Hill, then the broader Pittsburgh region, and finally Pennsylvania and national M/WBE firms supplement the focus on the project. Public partners have been helpful and BPG has provided access to its DBE firm database. As procurement increases over the next three to four months, the development team expects momentum around design service and construction service commitments in relation to construction of the tower.

Mr. Acklin stated there is a draft community impact plan and comments were received by the community this week. The plan is meant to be a road map, not only with respect to this development, but thanks to Councilman Lavelle's leadership, for the overall development. FNB will be moving their headquarters to the Lower Hill District and has, independently from PAR, been making additional commitments to the neighborhood. The \$8 million LERTA could fund off-site Greater Hill projects such as the Centre Avenue plan, at the discretion of the URA and community. There is also an executed term sheet between PAR and FNB that would generate \$3 million in direct investment that would go to the URA's Housing Opportunity fund. All fees, interest, and additional outside expenses will be paid by the borrower, which is the development team and not by the community. The FNB community impact plan also includes a partnership with URA to serve as Small Business Administration Loan Partner, strengthening community partnerships through the Neighborhood Partnership Program, and encourage Community Wealth Building and Special Initiatives Programming. There is a proposal from the CCIP for an innovation fund, enhancing the credit union's impact on the community, and discussion of a separate development fund between FNB and the community.

A number of public actions have been prohibited by COVID-19 guidelines, but there have been several meetings with the community before the institution of the stay-at-home order and meetings have been coordinated virtually in the meantime. PAR will continue to update the

community outreach dashboard in order to reflect increased outreach and community meeting access.

That concluded the remarks of Mr. Acklin and Mr. Kaplan.

Senator Fontana asked if there were any questions from the Board.

Mr. Udin thanked Mr. Acklin and the development team for their presentation. He also wanted to remind the Board of the historic nature of this development. When he was young, development displaced homes and businesses in the Lower Hill. The citizens of the Lower Hill have been working and waiting for 60 years to develop the Civic Arena location. He congratulated the developer, the Pittsburgh Penguins, the City and the URA on getting so close to realizing redevelopment. He stated that at this point in the development, there is a fork in the road. There are specific demands the community has made with respect to the development projects in the area and the community benefits outlined in the CCIP. The URA has been the primary negotiator, with the Penguins and the developers, regarding these benefits. Although the parties are close conceptually, agreement has not been reached. Mr. Udin urged the Authority Board to put the URA in front of the negotiations and make sure the URA, developers, DRP, and the CCIP Executive Management Committee reach agreement. He stated he did not think it would take a long time, but we need to know this will be done in good faith. Mr. Udin then suggested that the Authority await the URA's decision and allow the URA to complete its discussions and negotiations with the Executive Management Committee and the Hill District DRP. Once the parties agree and capture that agreement in a term sheet, then the Authority should approve the plan to go forward.

Senator Fontana thanked Mr. Udin and asked if there were any further questions from the Board.

Rev. Grayson stated that he agrees with Mr. Udin, especially with respect to the Authority's voting before the URA. He is on numerous committees within the Lower Hill community, and the sentiment of the stakeholders is that the URA should be allowed to move first and take the necessary time to resolve these important issues given the COVID-19 pandemic. Rev. Grayson felt that too often, the urgency necessary to complete these tasks at the last minute becomes the driving narrative. And Rev. Grayson would like to change the narrative to be less rushed.

Senator Fontana asked if there were any further questions from the Board. Hearing none, he made a suggestion. He understood Rev. Grayson and Mr. Udin's point, but in the spirit of wanting to move the project along, he suggested options to move forward with conditions. Specifically, he proposed that the board approve the item under an express condition that the URA Board also approves the project within a timeframe, perhaps thirty days, under similar terms. If the URA board fails to approve it within thirty days, the Authority's approval would be null and void. If the URA approves a project materially different, the Authority's approval would be null and void and a new action would need to be presented. Senator Fontana asked for Mr. Hanson to express his opinion whether such an action would be doable or logical.

Mr. Udin stated that rather than request total URA approval, that the board add an asterisk that the approval includes finalization and agreement of community benefit terms, as expressed in the CCIP, and discussions with the Hill District DRP and the developer. There is a process in place, and we do not want to disrupt the process. The community is very excited about the economic and job possibilities of the development, but such possibilities need to be spelled out as a part of the URA approval. He asked if there was language that could be added to the resolution.

Senator Fontana stated Mr. Hanson would need to speak on such suggested language. The developer and community want to move the project along and the final approval is the URA and Authority's responsibility. He could not speculate whether or not discussions have been made in good faith, but there has to be an end date at some point, which is why thirty days was suggested. He asked Mr. Hanson how to move this along, with final approval, but to encourage continued discussions.

Rev. Grayson stated that he still prefers the URA lead with their approval.

Senator Fontana stated he is ok with that, but he does want to demonstrate that the Authority wants to move the project forward. He does not wish to stall the project with Authority approval. The Authority has not been at the table negotiating and neither has its staff, but the Authority does own the land and the URA should be leading as they are actively negotiating. At the same time, we want to let all the other players, FNB included, know that we are in favor. It is important for the board to convey that message also.

Mr. Udin stated that it is worth noting that the URA board expects to meet today. Giving a window for final agreements is reasonable. He suggested that the URA going first and finalizing community terms that have essentially been agreed to conveys Authority approval and optimism to the project.

Mr. Hanson stated that there are two concepts that are being discussed and two different routes the board could choose to take. The first would be to have a motion to approve upon express condition to occur within a certain amount of time. He stated he is not sure that the Authority can make the resolution contingent upon "agreement with the community" because that condition may not be sufficiently specific. Moreover, he would worry that the Authority would be dictating to the URA what it has to accomplish. He suggested that if the Authority

chooses to make a conditional approval, they should make the terms clear, such as formal approval of the project by the URA within a certain amount of time. The alternative option would be a motion to postpone consideration of this matter for a definite time. The postponement would be until the next meeting or a special meeting. That would not move the motion forward; it would simply pause it.

Senator Fontana asked if the Authority made a motion to approve contingent upon the URA's approval, is that basically what the board wants? It would move the project along, but would not put the Authority's vote ahead of the URA's vote.

Mr. Hanson stated that this is possible and would be a motion to approve upon completion of the condition subsequent, i.e., URA approval of the same or similar project within 30 days.

Mr. Udin moved to approve upon completion of the condition subsequent, URA approval of the same or similar project within 30 days.

Senator Fontana stated that he believes this moves the project along on our end and puts the URA ahead of our decision.

Mr. Hanson confirmed that the Authority's action becomes a nullity if the URA does not approve their item.

Senator Fontana confirmed the motion had been made and asked for a second. On a motion duly made, seconded, and unanimously carried, the following resolution was approved:

RESOLUTION NO. 5687

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers are authorized to provide preliminary approval of a redeveloper and a conceptual development plan for a mixed-use tower to be located on

Block G-1 of the Lower Hill site upon completion of the condition subsequent, that the URA approve the same or similar project within thirty (30) days; 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 was public participation, and Senator Fontana asked if anyone in the audience desired to address the Board.

Mr. Fred Winkler asked whether an architect had been selected for the parking garage.

Senator Fontana stated that is a question for the Penguins.

Mr. Kaplan stated there has not been named an architect of the parking garage.

Mr. Acklin stated the owner of the parking garage would be an entity of the developer.

Senator Fontana asked if there were any other questions for the board.

Ms. Henderson stated that Ms. Felicity Williams asked in the Zoom Chat if the board could clarify their vote on the Lower Hill item.

Mr. Hanson stated that the vote was to approve the item contingent on the URA approval of the same or similar project.

Ms. Henderson then stated that Ms. Milliones asked to address the board during public comment and would be unmuted.

Ms. Milliones stated that she would like to remind the board about the project from last October. The same developer was before the Authority regarding Block E. She stated she remembered the conversation was specifically about good faith efforts and making sure good faith efforts deliver on community benefits. The Authority approved the advancement of Block E, the live music venue parcel. She advised there are at least four outstanding community commitments that have not yet been fulfilled. While the Authority has deferred to the URA on its

vote today, it ultimately has control of the site, while the URA only owns the top portion, Melody Tent site. Relative to the public responsibility to the ownership of this site and the ability to enforce the CCIP, there is a lot of power within the Authority board in the actions it can take to enforce community benefits. The good faith action that was taken a few months ago with the same developer has not been satisfied. Further, the developer has not provided an acceptable signature on the statement of affirmation to the CCIP. Every developer, per the CCIP, must sign the statement of affirmation. The signature is illegible and no title to the signatory has been provided, the information has been requested but not provided. As a member of the Executive Management Committee, this is not sufficient alignment with the CCIP. In order to right the historic wrongs previously made, action needs to be taken now. Currently, progress is made one third of the way through the development, with the densest sites off the table. Please consider the good faith efforts and the Authority's power now and in the future.

Senator Fontana thanked Ms. Milliones for her comments.

Mr. Glenn Grayson Jr. stated that as a member of the EMC, there has been communication between the developer and the EMC and DRP; however, the details have not been agreed upon. The community loses in negotiation moving forward when parking tax diversion and LERTA funds are being given away in exchange for not completing the deal. The community is being told what is being given away, but not the breakdown of costs and how the funds will be spent. He requested that the process be postponed and the URA be called upon to postpone the vote for thirty days. The goal is not to delay development, but to take thirty days to reach complete agreement.

Senator Fontana asked if there were any other comments for the Board.

Mr. Udin asked for a second motion to ensure engagement with the community. He asked whether Mr. Hanson could advise on a method for making the progress contingent on community support.

Senator Fontana asked if Mr. Udin was seeking a new resolution expressing the will of the board to encourage the engagement and negotiation with community groups.

Mr. Udin confirmed that is what he is seeking.

Mr. Hanson asked if Mr. Udin is suggesting to alter the prior motion.

Mr. Udin stated he is not suggesting altering the prior motion, but would like a separate resolution reflecting the will of the board. He asked Mr. Hanson to send out draft language for the board to approve post-meeting.

Mr. Hanson stated that post-meeting action would be a violation of the Sunshine Act, but it could be done today, at a special meeting, or at the June SEA Board meeting.

Mr. Udin then moved that the SEA board anticipates the key players in this development will give their best effort to comply with the agreements of CCIP and Hill District Master Plan in reaching agreement on the development.

Mr. Hanson asked if everyone understands the motion (it being an expression of the will of the board and not an amendment of any provision of the Option Agreement or of any other contract to which the Authority is a party).

Senator Fontana asked what Mr. Hanson had recorded.

Mr. Hanson stated he had written down so far "It is the intent of the SEA that the developer" and then Mr. Udin finished "URA, EMC, and Hill District DRP, agree to the community benefit terms as expressed in the CCIP and Hill District Master Plan."

Mr. Hanson then suggested the resolution be, "it is the intent of the SEA that the developer, the URA, the EMC and the Hill District DRP give their best efforts to reach a community benefits agreement that effectuates the CCIP and Hill District Master Plan."

Mr. Udin agreed and so moved.

Senator Fontana seconded.

Ms. Henderson advised that Ms. Williams sent an image to the chat about the signature page where it shows, consist with Ms. Milliones' public comment, there is no discernable name and title.

Senator Fontana asked for any further comments from the Board. On a motion duly made, seconded, and unanimously carried, the following resolution was approved:

RESOLUTION NO. 5688

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County, regarding the preliminary and conditional approval of the Parcel G-1 project made today by the Authority, that it is the will of the board that the developer, the URA, the Executive Management Committee and the Hill District Development Review Panel give their best efforts to reach a community benefits agreement that effectuates the CCIP and Hill District Master Plan; 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.

There being no additional 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 12:25 P.M.

Mary Conturo
Assistant Secretary