

**STADIUM AUTHORITY OF THE CITY OF PITTSBURGH
BOARD MEETING
THURSDAY, DECEMBER 15, 2022
11:00 A.M. E.S.T.**

A meeting of the Board of Directors of the Stadium Authority of the City of Pittsburgh was held upon proper notice on December 15, 2022 in Meeting Room 315 of the David L. Lawrence Convention Center. Board members in attendance: Stanley Lederman, Chairperson; Reverend Brenda Gregg, Secretary; Steve Steingart, Member; Ralph Horgan, Member; and Keith Reed, Member; as well as Authority staff members: Aaron Waller, Mary Conturo, Bridget Pascal, Doug Straley, Rhea L. Thomas, Jhason Dixon, Theresa King, Desmond Bentley, Steve Morrison, Sue Ricketts, Randall Porch, and Paul McDonald Jr. Also in attendance: Diane Wohlfarth, Solicitor; Drew Singer and Travis Williams of the Pittsburgh Pirates, Mike Hudec of Continental Real Estate Companies, and Bill Merchant of Papernick & Gefsky.

Mr. Stanley Lederman called the meeting to order at 11:06 A.M and requested that everyone rise for the Pledge of Allegiance. Thereafter, Ms. Diane Wohlfarth 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 29, 2022

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 a Cooperation Agreement with the Sports & Exhibition Authority of Pittsburgh and Allegheny County and execute certain documents in furtherance thereof.

Ms. Mary Conturo stated the Stadium Authority (SA) and the Sports & Exhibition Authority (SEA) have a common public purpose, and the facilities and activities of each are interdependent in their operations and purposes. In order to not duplicate efforts and for governmental efficiency, an

Administrative Services Agreement has been in place since 2002. In reliance thereon, the SA no longer maintained its own office space or employed separate staff, but rather began to use the SEA offices and SEA staff to fulfill its duties and obligations.

Ms. Conturo further stated the SEA and SA entered into a Bond Cooperation Agreement in 2017 in connection with the issuance of the Parking System Revenue Bonds, Series of 2017 to refinance SA and SEA parking garages. Parking revenues that are not needed for maintenance of facilities, debt services, or operating costs transfer to the Trust Indenture General Fund. With respect to each annual transfer of money to the Trust Indenture General Fund, the money is used for general purposes of the SEA and SA.

Ms. Conturo stated circumstances have since changed and the proposed revision to the Cooperation Agreement will provide funds for operating the facilities, administrative needs, and the maintenance, repair, replacement, or improvement of SEA and SA facilities. The SA shall retain at least a \$2m reserve in the General Fund for its operation, audits, SA facility insurance, and legal fee costs. Generally, the costs for SA operations is approximately \$750,000 a year, with a current \$4m reserve outside of the General Fund, which covers 5 years of operation costs.

Ms. Conturo further stated the proposed agreement annually provides the allocation of funds to comply with the terms of the Trust Indenture, and said the agreement may be cancelled by either party upon 12 months notice. The initial grant available in the General Fund is \$4.5m, and an annual grant amount will be based on future parking revenues.

Mr. Lederman asked if each party has a 12 month notice requirement in the termination clause?

Ms. Conturo confirmed that is correct.

Mr. Lederman asked if the SEA board members would conduct business as normal until the end of each year when they would determine if the General Fund has at least \$2m reserved for the upcoming year, and if the excess funds would transferred as a grant to the SEA?

Mr. Lederman also asked for clarification on whether the current \$4m reserve would be effected by the proposed agreement.

Ms. Conturo confirmed Mr. Lederman's questions were correct. She further stated the SEA will provide board members with an annual report on how funds are used on capital improvements and maintenance of facilities.

Mr. Lederman asked if any board members had any questions.

Mr. Steve Steingart asked if late revisions made in the board packet were clarifications?

Ms. Conturo confirmed that to be true.

Mr. Lederman asked if any board members had any other questions. Hearing none, he asked for a motion to approve. The motion to approve was made by roll call, and the following resolution was passed:

RESOLUTION NO. 23 (2022)

RESOLVED by the Board of the Stadium Authority of the City of Pittsburgh that its Executive Director and other proper officers are authorized to enter into the Cooperation Agreement with the Sports & Exhibition Authority of Pittsburgh and Allegheny County (SEA) substantially in the form presented, whereby the SEA will provide staffing and other support services for the Stadium Authority and the Stadium Authority will provide funds for SEA operating and capital expenses; 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, and that all prior inconsistent resolutions or portions of resolutions are hereby repealed.

The next item read was:

B. Approval of Stadium Authority Budgets for the period ending December 31, 2023.

Ms. Bridget Pascal stated the Authority's operating budget includes unrestricted and restricted revenues.

Unrestricted revenues are from interest income, expenses include insurance costs, professional fees for legal, auditing, and participation in the City of Pittsburgh Disparity Study and other consulting services. The budget projects a \$152,600 unrestricted operating deficit in 2023 which will be funded by cash on hand.

Ms. Pascal further stated restricted revenues are daily parking lot revenues from Lots 1, 2, and 5 and 7A through 7J. Expenses include rent paid to PennDot for 7A-7J lots, net revenue pledge supporting the 2017 Parking System Revenue Bonds, and payment to ALCO Parking for surface spaces lost to development.

Garage budgets for the West General Robinson Street Garage and Gold 1 Garage forecast net income sufficient to cover operating costs and annual debt service payments.

Mr. Lederman asked if any board members had any other questions after reviewing the numbers included in the budget.

Mr. Ralph Horgan asked if parking numbers are rising?

Ms. Pascal stated parking leases drop annually, but daily parking is rising.

Mr. Lederman asked if any board members had any other questions. Hearing none, he asked for a motion to approve. The motion to approve was made, and the following resolution was passed:

RESOLUTION NO. 24 (2022)

RESOLVED that the Stadium Authority Budgets for the period ending December 31, 2023 are hereby approved; and further that the proper officers and agents of the Authority are authorized and directed to take all action and execute such documents as are related and proper to effectuate the terms of this Resolution.

Mr. Lederman concluded formal business and continued to the next item on the agenda.

4. Developer's Update of North Shore Projects

Mr. Lederman introduced Mr. Travis Williams, Pittsburgh Pirates President, and Mr. Mike Hudec, from Continental Real Estate to provide an update on the PNC Park North Shore projects.

Mr. Hudec reminded the board of his 20 year involvement in North Shore projects with the Authority. The current project's goal is to develop a six-story mixed use building on the corner of North Shore Drive and Mazeroski Way. Foundation construction is complete and the next phase underway is construction of podium slabs to provide a ceiling for the retail section of the building on the ground floor, and five-stories of apartments above. The majority of the first-floor is dedicated to a plaza retail space for the Pirates, along with dedicated space for utility rooms and the apartment's lobby entrance.

Mr. Hudec stated construction was slated to begin in April 2022, but issues regarding approval of a license agreement with Port Authority delayed foundation construction until July 20, 2022. Excavation of subway station rubble along North Shore Drive reached a depth of 27 feet, adding another delay to foundation construction.

Mr. Horgan asked where the subway station was located underground?

Mr. Hudec stated its placed along the east portion of the current development.

Mr. Hudec explained all underground work is complete, and by mid-January 2023 the podium slab will be complete, effectively finalizing the first-floor structure. He further explained the process is lengthy, but not uncommon given the removal of obstructions.

Mr. Hudec stated the podium slab construction will allow the next phase of the project to begin; a masonry shaft wall construction that's needed for wood framing construction. Wood framing construction is slated to be complete by August 2023. Simultaneously façade construction will also take place, and by September 2023, the façade construction will be finalized, giving insight to what the building will look like. Terrace projects and sitework will be complete by October 2023, and apartment interior finishes will be installed by December 2023. Final inspections will be concluded by the beginning of January 2024.

Mr. Lederman asked for clarification on construction completion dates of the podium slab and first floor? He also asked if contractors would still need to maintain the pile of dirt on the Pirates plaza development?

Mr. Hudec stated the dirt is set aside for construction of the Pirates plaza, with an estimate of 800-900 cubic yards needed.

Mr. Lederman asked what is the anticipated start date for grading or construction on the Pirates plaza site?

Mr. Hudec explained the contractor intends to build the subgrade in July 2023. Currently, underground utility connections required to connect the Pirates retail space and plaza are underway.

Mr. Lederman reminded Mr. Hudec of the March 31, 2023 deadline to take down the Pirates plaza, with 30 days to start construction. Mr. Lederman asked when construction will commence given the current time frame of work to complete.

Mr. Hudec stated construction is slated to start July - August 2023, depending on final approvals between the Pirates and the Authority, permits from the City of Pittsburgh, and the removal of asphalt.

Mr. Lederman asked if any board members had any other questions.

Mr. Horgan asked if any value engineering efforts needed to take place on the façade?

Mr. Hudec stated no, but value engineering took place for engineering systems and solutions are being explored with the contractors.

Mr. Travis Williams stated approvals will be needed for the Pirates plaza, so place order designs were implemented for preliminary city planning approval but they will be replaced with final designs. Mr. Williams further stated initially, the first-floor was designated as an indoor retail space to provide a food and beverage for the plaza. A local design firm operator was chosen due to their familiarity with the North Shore, and their understanding of entertainment, retail food and beverage to determine what will bring more vibrancy to the area outside of events and game days for the Steelers, Pirates, and Panthers.

Mr. Horgan asked what is the square footage of the development.

Mr. Hudec stated the retail square footage is 15,500 feet, and 28,500 square feet for the plaza. Mr. Hudec further stated the mixed-use development is a joint venture between the Pittsburgh Pirates and Continental, the Pirates also have an agreement with a joint venture group to own the first-floor retail/condo space. Mr. Hudec explained that they are behind schedule, but they are hoping to finalize a design firm deal by the end of 2022, and move into the design phase of the plaza by the first quarter of 2023.

Mr. Hudec stated that with the current time frame of approvals and construction, an extension of the March 31, 2023 deadline may be requested from the board at the next meeting.

Mr. Lederman asked if any board members had any other questions.

Mr. Horgan asked if the operator would program the exterior space and retail portion of the development?

Mr. Hudec stated that was correct as the concept for the spaces is continuous.

Mr. Lederman asked if timing was dependent on final approval from the City of Pittsburgh to start take down of the plaza.

Mr. Hudec stated that was correct, and an early 2024 Pirates preseason completion date is expected.

Mr. Lederman asked if any board members had any other questions. Hearing none, the next item read was:

VII. Public Participation

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

Hearing none, Mr. Lederman asked for a motion to adjourn. The motion was unanimously carried.

VIII. Adjournment

The meeting was adjourned at 11:49 A.M.