

MINUTES OF THE MEETING
OF THE BOARD OF THE
SPORTS & EXHIBITION AUTHORITY OF PITTSBURGH
AND ALLEGHENY COUNTY
HELD THURSDAY, JULY 25, 2024
IN THE DAVID L. LAWRENCE CONVENTION CENTER, ROOM 405
PITTSBURGH, PENNSYLVANIA
COMMENCING AT 10:06 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 in the David L. Lawrence Convention Center ("DLCC") Room 405, in Pittsburgh, PA 15222, on Thursday, July 25, 2024, commencing at 10:06 A.M. E.S.T.

Members of the Authority

Present: Sen. Wayne Fontana, Chairman
Mike Dunleavy, Vice-Chairman
Councilman Anthony Coghill, Treasurer
Mulu Birru, Member
Councilman Robert Palmosina, Member
Michael Quatrini, Member

Also Present: Aaron Waller, Bridget Pascal, Doug Straley, Rodney Pratt, Jeff Garstka, Theresa King, Alicia Matos, Sandhya Giri, Randall Porch, Kevin Kaiser, Jhason Dixon, Steve Morrison, Robert Baugh, Rohan Ahmad and Paul McDonald Jr. of the Authority; Tom Ryser, TPR, LLC; Morgan Hanson, Solicitor; Tim Muldoon, Ryan Buries, Lucas Kistler, Carrie Yauch, Morgan Schmitt, and Sean Holsing, of SMG; George Meehan, LEVY; Matthew Wilson, Pittsburgh Steelers; Chris Hoffman and Rob Hepson, KDKA-TV; Dave Clark, WPXI-TV; Mark Belko, Pittsburgh Post-Gazette; Dillon Brown, Marimba Milliones, Wade Carison, and Diane Day, Hill CDC; Deb Pittrell Parker, Renee Wilson; Hill District Residents; Craig Dunham, Pittsburgh Penguins; Julia McMahan, URA; Andrea Geraghty, Meyer, Unkovic, & Scott; Sara Silvestri, Tom Loudermilk, Amy Sable, Sheila Small, Dusty Elias Kirk, Keegan Gibson, Tali Hungria; Live Nation, and User name: My Phone.

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.

Before moving to public participation, Mr. Hanson stated that the Authority board met in an executive session on July 11, 2024. Topics disclosed were a status report of real estate leasing of the Authority sports facilities, a promotion of Pittsburgh tourism efforts, the scoreboard litigation involving the Steelers and Authority, and a legal briefing on parking issues on the North Shore and the development of the Lower Hill (“LH”). In compliance with state law, no deliberations occurred, and no official action(s) were taken.

Moving to public participation, Senator Fontana asked if any members of the audience wanted to address the board.

The first public participant is Mr. Dylan Brown, from the Hill CDC

Mr. Brown stated:

During my time at Hill CDC, my focus is working on the Lower Hill Redevelopment (“LHR”). Today, I stand before the Authority board with profound concerns about the promises made to the community regarding the development project in front of the Authority board. And I want to revisit some of these commitments.

A state-of-the-art public safety facility, retail spaces for black-owned businesses, funding for Ammon Recreation Center (“ARC”), and the notable curtain call (“CC”) project designed by the world-renowned architect Walter Hood. The CC, conceived as a symbol of sustainability and solidarity, was meant to capture the essence of the Hill District’s (“HD”) history and engage visitors with its visual narrative before entering the arena. Whose history is forever tied to this community; however, this project has been incomplete since 2009.

Despite the Penguins' legal obligations through the 2019 term sheet, signed by the Urban Redevelopment Authority ("URA") and the Authority, with mandates fulfilling any funding gaps, the realty today is starkly different. The relocation of CC without community input and the prolonged delays in securing this funding, paints a troubling picture. It begs the question, why have public agencies allowed a complete disregard of agreed-upon terms? The community, who is here today to testify, has patiently endured 15 years of setbacks. While the Penguins expeditiously secured funding for art that glorifies their ownership. This is not just about a delayed project; it's about accountability and respect. The HD deserves better than unmet promises and bureaucratic inertia. Today demands action; we cannot allow this legacy of unfulfilled commitments to continue. The Authority must enforce the terms of the 2019 agreement and compel the Penguins to fulfill the financial obligations without delay. I stand with the HD residents and demand justice, accountability, and respect.

Mr. Brown further stated let's remember the CC project is not just about open space, art, or stormwater management. It's about honoring the HD's history, spirit, and resiliency. It's about remembering our past and learning from it by holding those in power accountable for the commitments to equitable development and community benefit. What message are we sending by not completing this project? The people of the HD, your patience and resiliency have been notable and unwavering. Your voices must be heard, and your community must be respected.

The next public participant is Ms. Renee Wilson, a resident of the HD.

Ms. Wilson stated:

I am here because it seems that we always have to be here. We come and say the same thing, all the time, to no avail. ARC should be done. We welcome Live Nation ("LN"), we welcome it, but these other things should be done too, to make the community whole. We talk

about how we want to do things and work with the community and make sure the community is alright; we've been waiting 50 years, so we've been patient. These things should be up, the New Grenada Theatre ("NGT"), ARC, and we want more black people at a job that you when you go past Freedom Corner, we see nothing but other people working on it and not us. We need to change the way, where we are not just lip service, but actually making this a city for everybody.

We are erasing our history; a little bit more is being erased every day. One day it will be forgotten, and we are people who pay taxes and do our part, and we deserve to be heard. We pay enough taxes, and we may not have the money of millionaires, but we pay enough taxes on a day-to-day basis to get some of the things done in our community for something as simple as a recreation center, the NGT, and CC. These are not things that would not cost a lot of money; this is minimal that you can do to save a community, and every time we turn around, we're back here asking the same thing, and it's getting tiring. We can do better than this and find people who look like me and represent the history of that community to work on these sites. It doesn't take a lot to do.

Ms. Wilson further stated: I would hope that you would hear me. I don't know if you will keep this hope alive. I hope that you will understand Pittsburgh in keeping the rich history of the HD. You have made money on our history. There are Negro League statues that were torn up and not even offered to the community. We shouldn't have to leave; we belong here, as we built this place too.

The next public participant is Ms. Debra Pittrell Parker, a resident of the HD.

Ms. Parker stated:

I am here to address concerns about the LH Block E parcel and the commitments made by developers that remain unfulfilled despite repeated assurances. The developers were mandated to

fulfill several community benefit commitments as part of previous board approvals dating back to 2019 and 2023. However, many of the commitments, crucial to the well-being of our neighborhood are still outstanding. The funding promise for the CC, which is vital for community engagement, has not been delivered despite obligations clearly being outlined in the October 2019 term sheet.

Commitments to renovate the ARC, which includes facilities for celebrations and youth programming, have not been fully honored, leaving our children without promised recreational amenities. The agreements for job opportunities through the first source center have not materialized, and the center's virtual operations contradict its intended physical presence as per the option agreement.

Ms. Parker further stated while LN has submitted its development plan to the development review panel ("DRP"), financial closing must be contingent on the project's completion of the DRP process, ensuring community involvement and support. I urge the Authority to communicate clearly with the developers that the complete fulfillment of their obligations under the board's conditions of approval and the October 2019 term sheet is non-negotiable, before any further land transfer or project advancement. Transparency and accountability are essential to upholding the trust of the HD residents, who deserve to see tangible progress and fulfillment of the promises made to our community.

The next public participant is Ms. Marimba Milliones, President and CEO of the Hill CDC.

Ms. Marimba Milliones stated:

I want to remind the Authority board of the extraordinary displacement and destruction on the LH. Sometimes, in the day-to-day business of the Authority, URA, City of Pittsburgh, we forget that 8,000 people were removed and displaced from this site, 2/3 of whom were African American. 430 businesses were removed from this site; many of these were African-American-

owned. 1,100 buildings were demolished, and we cannot separate the context of what happened and the existing condition of the HD from the role the government agencies played in making sure that the land went to public hands, and the tragic outcomes went to the residents.

The Authority board is on behalf of the public, on behalf of residents and taxpayers, and on behalf of the economic development interest of the region, which is very important to the Hill CDC. Economic development cannot be achieved without equity, because only some are benefitting. And generally speaking, those who need the least help are getting the most help. I stand before you to address the most important matter to our community, and the ongoing concerns of the Lower Hill Block E Parcel. The unmet commitments by the developers, specifically the Penguins, despite repeated assurances by our government partners, Authority partners, and the developers. These commitments are essential to the well-being of the advancement of the HD. And they remain outstanding, casting a shadow of doubt and disappointment on the Lower Hill Development.

Ms. Milliones continued, since 2019, and through today, developers have been mandated to fulfill several community benefit commitments. However, today we find ourselves waiting for those mandated fulfillments. The funding that is legally required, according to a document signed by the Authority Board, was for the CC project. This is essential for sustainability, cultural enrichment, remembrance, and respect of the history of the LH, and this has not been delivered as stipulated in the 2019 October term sheet. There are always ways to fix legal agreements; all you have to do is have an executive session and take some actions to change the legal requirements to move forward. But the challenge with that approach is that it lacks transparency and accountability of those parties who continue to make public promises and fail to deliver.

The current resolution you are voting on today directly contradicts the term sheet, creating a legal issue for the Authority board and those the board represents. While there is a legal obligation to the Authority, as a public servant, you also have a legal obligation and requirement to meet the public's needs. Commitments to renovating ARC are crucial for celebrations and youth programming. I don't know if you have visited ARC. It has a beautiful swimming pool and is surrounded by the Josh Gibson Baseball Field, and it has a building that has stood the test of time over many generations. It needs investments, and these were promised to the ARC. There was fanfare with the media to celebrate a small investment in a rec to tech program investment, but it was never finished making that investment; when the cameras were gone, they were gone. The HD is still waiting for this investment.

Ms. Milliones further stated agreements for job opportunities through the First Source Hiring Center ("FSHC") have not materialized. The center's current virtual operation doesn't have the physical operation, which is also stipulated in the 2019 term sheet. The FSHC had a physical location, then it was closed. They said people weren't coming to the local hiring center. When we talk about why people aren't on the site, we can't disconnect that from the fact that they would have to have access to learn about the job opportunities.

If the Authority as a public agency or the URA is not going to ensure the Penguins fulfill these commitments, then who will respond to the needs of the public? I urge you today to communicate unequivocally to the developers that the complete fulfillment of their obligations under the October 2019 term sheet is a non-negotiable term before any further land transfers, which are only \$10, or project advancements proceed with these commitments must be met in their entirety. We do want to recognize LN has actually made a good-faith effort to work with the community, but they still have some outstanding commitments but displayed a different level of

good faith. Transparency and accountability are not mere ideals but essential pillars upon which trust is built within our community. The residents of the HD deserve to witness tangible progress and the fulfillment of promises made.

The next public participant is Mr. Craig Dunham, of the Pittsburgh Penguins.

Mr. Craig Dunham stated CC was a public art project to take concurrently with the construction of the new arena. Walter Hood's firm was engaged by the Authority, and construction documents were completed in 2010. There was an effort that the philanthropic community, Authority, URA, and the Penguins embarked on, and when you take a snapshot of the project, in 2019, a million dollars was raised through various sources, and the project was estimated at \$2.5 million dollars. In 2019, the optionee, the Penguins, was working on a revised master plan. Thinking about open space, the legacy of the open site, and stated the gap would be filled and then embarked on re-engaging with Walter Hood, working to re-envision the project by celebrating the legacy, sharing the stories, the images, stormwater, landscaping, and accessibility and it was evaluated integrating the project into the new system.

The plans were shared in 2023 through a letter of intent, and we submitted a final development plan with the city, and we began to communicate this publicly. We were asked to work with the Hill CDC in a meeting last fall. It's become apparent there is urgency around the project; when we embraced it and proposed moving it, it became integral to the way the site was being developed. It's become absorbingly expensive, and about \$2.7 million of the philanthropic, county, and state funds are compiled to support the artwork and site improvements. The project would have to have a major contribution from a development activity to advance it. We are at a place where we aren't able to deliver today the vision that we put forth with the new location and Walter Hood. We propose shifting our energy to the original location, re-engaging Walter Hood,

and revisiting his practice and the site configuration that is now a reality. In 2010, there were some problems with the ADA access, and stormwater regulations changed. If this is about urgency, the best way to do this is to shift the land back to the arena site; there's no takedown involved, no interdependency on other developments, the site is ready, and we will make sure the work fits.

Mr. Birru discussed his history with the URA and the development of the CCIP in Pittsburgh and the processes which he felt were not currently successful in producing results for the community. He discussed the possibility of finding funding from different sources, including the possibility of developing a committee to see out additional funds.

Seeing no additional requests from the public to address the board, Senator Fontana continued to the next item on the agenda, approval of the minutes from the meeting of June 13, 2024. A motion was made, seconded, and unanimously approved.

Senator Fontana continued to the next item on the agenda, authorization to rescind Resolution #5909 for Lower Hill Block E ("LHBE") development approval.

Mr. Rodney Pratt stated On May 11, 2023, the Authority unanimously approved the final developer selection for the LHBE project. The resolution provided for the construction of a 900-space parking garage with a city public safety facility, ground-level retail, and business incubator space. The resolution also included the approval for the construction of a Music Venue ("MV").

On March 22, 2024, PAR submitted a revised takedown notice, Take-Down ("TD") Notice #13, to the Authority and the URA (together the Authorities), which superseded and replaced TD Notice #7, which was approved by the board in May of 2023. As a result of Take-Down Notice #13, PAR sought to modify their plans with respect to Block E, prioritizing the development of the MV immediately, and choosing to develop the Parking Garage at a later time. As a result of the rescission of TD Notice #7, the \$50,000 good faith deposit paid to the Authority was forfeited.

In order to move forward with the construction of the MV, the Authorities agree that a resolution is necessary to rescind the original takedown approval of Block E from May 2023, and a new resolution will be reviewed by the board regarding TD Notice #13. Authority staff is requesting the Authority board approve the repeal of Resolution 5909.

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 and seconded, and unanimously carried, the following resolution was approved:

RESOLUTION NO. 6017

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County ("SEA") that its Executive Director and other proper officers are authorized to rescind Resolution #5909 for Lower Hill Block E Development approval 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 to the next item on the agenda, authorization to provide final approval of the redeveloper, conceptual development plan, and TD for LH Block E2 for a music venue development.

Mr. Pratt stated Block E is comprised of 2.56 acres bounded by Bedford Avenue to the north, Fullerton Street to the east, Wylie Avenue to the south, and Logan Avenue to the west and is owned by the Authority. Pursuant to the Option Agreement ("OA"), the Authorities' boards must authorize final approval for the TD of Block E2.

On May 11, 2023, the Authority Board authorized final approval of the redeveloper, conceptual development plan, and TD of Block E of the LH Redevelopment site. At the time, Block E was slated to be a 900+ space parking garage with a City of Pittsburgh emergency services operations center and a 4,500-seat indoor live MV with ground floor retail space and a small

business incubator. The Authorities' boards approved this project in May 2023, but the deal never realized a financial or real estate closing.

In February 2024, PAR notified the Authorities that, due to the abundance of surface and garage parking around the site, the ongoing difficulty in the lending markets, and additional factors, PAR intended to modify the Block E project. The parking garage component of Block E would be placed on hold indefinitely, and the MV component would move forward with LN and PAR as the redeveloper. PAR submitted a new written TD notice to the Authorities on March 22, 2024, and negotiations began with a goal to close the revised project by the end of August 2024, with construction to begin in September 2024. PAR represented it still intends to develop the parking garage component of the Block E Project but would likely close when financing becomes more accessible, and the continued development of the LH reduces that existing surface parking.

Mr. Pratt continued, in the original design, PAR intended to construct the parking garage simultaneously with the foundation of the MV and subsequently subdivide the Block E Property into parcels E1 and E2. As PAR intends to develop only Block E2 at this time, PAR has petitioned the City of Pittsburgh Zoning Board of Adjustment ("ZBA") to subdivide the parcel before TD. The ZBA voted favorably to subdivide the property on Tuesday, July 9, 2024, leaving parcel E2 for the LN MV and parcel E1 for surface parking and future development. E1 will also be used for staging during the construction of the MV.

After the subdivision of Block E, Parcel E2 will be transferred to PAR. The Venue Developer will then enter into a ground lease with PAR to construct and operate an 80,000 square foot MV with capacity of approximately 4,500 on Parcel E2. As approved by the Department of City Planning, the MV building will include approximately 7,600 square feet of ground floor retail space of which 1,200 square feet will be reserved for use as part of the URA's Catapult Program

(or a similar program) located along Wylie Avenue. The DT has selected the construction management firms of PJ Dick and Turner to develop workforce plans and specifications for the project and will select a construction manager at the end of July 2024 to lead the venue's construction. The total cost of the MV, currently, as estimated by the Venue Developer, is approximately \$60 million.

The DT has engaged with MBE/WBE organizations to support the project's predevelopment, construction, and operations phases for the project. The DT has committed to EORC requirements and the additional CCIP requirements. The DT has identified targets of 30% MBE participation, 15% WBE participation, and 20% workforce development in their representations to the EORC. In addition, the DT represented the same to the Authority and URA in their letter dated July 19, 2024, included with this resolution.

Mr. Pratt continued, the DT submitted the original Block E project to the Hill District's Development Review Panel ("HDDRP") and presented the project to the DRP in February 2020. At the time, the DRP's score for the project was 89%. In 2022, when the DT submitted the supplemental TD Notice, the DT again interacted with the DRP and was informed by the DRP that due to the length of time that had passed since the initial vote and the material changes to the project, as viewed by the DRP, the DT was required to resubmit the project for a new review. The DT did not agree to a new review of the project. Accordingly, the revised Block E project was not advanced to the community for scoring pursuant to the DRP process.

On October 3, 2022, the DT conducted a community meeting with the HD Collaborative and HD Consensus Group. The Block E project, as it was at the time, was scored by attendees at the meeting and received an HD resident score of 2.7 out of 4 and an overall (non-resident) score of 2.9 out of 4. On October 17, 2022, the DT participated in a community meeting known as a

Development Activities Meeting (“DAM”) that was hosted by City Planning. A DAM meeting is required before a City Planning public hearing. The project is currently working through the HDDRP again starting in July 2024. The anticipated completion of the process is expected to be complete in September 2024 with a final community presentation.

Mr. Pratt continued, The Block E Final Land Development Plan, as it was presented in 2023, received approval from City Planning in January 2023. City Planning subsequently administered an administrative review when PAR re-submitted the revised Block E2 Project. PAR has represented that the site construction of Block E-2 is slated to begin in September 2024. The MV is expected to be completed by the first Quarter of 2026.

Pursuant to the OA, upon completion of construction and compliance with all of the disposition agreement terms (including applicable exhibits), the Authority will provide the redeveloper with an appropriate instrument confirming the completion of construction.

Mr. Pratt continued with the resolution stating resolved by the Authority Board of Directors that its Executive Director and other proper officers are authorized to provide Final Approval pursuant to the Amended and Restated Comprehensive OA among the Authority, the URA, and PAR of the TD Notice Re: TD Tract #13 (LH Redevelopment Site), for the TD of Block E2 (to be a subdivision of Block 2-C, Lot 406) in the 3rd Ward (“Block E2” or “TD Tract #13”) to develop a live entertainment venue on Block E2 (“Block E2 Venue”) subject to all reviews and approvals provided in the OA. This Resolution is further conditioned upon the following requirements:

A. PAR shall cause LN Worldwide, Inc., Fenway Sports Group, Parcel E. Holdco, LLC, or a related entity acting as the developer of the Block E2 Venue (“Venue Developer”), to fully comply with the Minority and Women-Owned Business Enterprise (“MWBE”), Sustainability,

Economic Impact, and Workforce Development reporting and compliance measures, as described in the OA, for the Block E2 Venue.

B. If the Final Land Development Plan for Block E, as approved by the City of Pittsburgh Planning Commission, is modified with respect to the Block E2 Venue, PAR shall cause the Venue Developer to submit the revised drawings/plans to the Authority and URA for review before submission of the Final Land Development Plan to the City of Pittsburgh Planning Commission, if required.

C. PAR shall use, or shall cause the Venue Developer or the entity leasing and operating the Block E2 Venue to use commercially reasonable efforts to reengage with financial institutions to monetize 50% of the Block E LH Local Economic Revitalization Tax Assistance ("LERTA") Owner Payment for the benefit of the Greater Hill District Neighborhood Reinvestment Fund ("GHDNRF") at the earlier of (a) 36 months from the financial closing of Block E2 or (b) when commercial lender interest rates fall below 5%, with an interest rate and assessment methodology acceptable to the Authorities.

Mr. Pratt continued D. Execution of a Ticket Surcharge Agreement, in a form acceptable to Authority and URA staff, by and between the Authority, URA, PAR, and the Venue Developer, which will provide a \$2 surcharge on every sale of a public ticket for the first 10 years, beginning with the first ticketed event of the operation of the Block E2 Venue to the GHDNRF.

E. PAR shall submit, or shall cause its developer to submit, to the Authority and URA proof of financing of the CC project, when the CC TD Notice is submitted.

F. PAR shall cause the Venue Developer to enter into a Booking Agreement requiring the Venue Developer to book and promote at least 25 events per year at the ng during the NGT's first five years of operation.

Mr. Pratt continued, G. PAR or the Venue Developer shall make up to 250 parking spaces available for New Granada Theater events occurring on days where there are no events at the PPG Paints Arena during the NGT's first five years of operation at no cost to NGT.

H. PAR shall cause the Pittsburgh Penguins Foundation (or a related entity) to serve as a member of the NG fundraising committee.

Mr. Pratt further stated, I. PAR or a related entity shall make a \$900,000.00 donation to the City of Pittsburgh for the rehabilitation of the ARC, which shall be payable as follows: \$250,000.00 shall be paid at the financial closing of the Block E2 Venue, \$250,000.00 shall be paid 12 months after the financial closing of the Block E2 Venue; and the remaining \$400,000.00 shall be paid at the financial closing of the take down in connection with the pending E1 subdivision or as otherwise required by the Authority or the City of Pittsburgh.

J. PAR and the Venue Developer shall pursue or continue to pursue a HD-oriented training program through the FSHC and Partner4Work focusing on training and hiring employees (consistent with the Community Collaboration & Implementation Plan) for the service, hospitality, and technical trade jobs at the Block E2 Venue.

Furthermore, the Authority authorizes its Executive Director and other proper officers to enter into an agreement to allow the Venue Developer to temporarily utilize the adjacent portion of the lot ("Block E1") as a temporary lay down area to be used by the Venue Developer in the construction of the Block E2 Venue.

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

Mr. Michael Quatrini asked when the financial closing of Block E 2 is.

Mr. Dunham stated the closing will be in late August 2024.

Mr. Quatrini asked if financing has been completed and if we are waiting on closing.

Ms. Andrea Geraghty stated that is correct.

Mr. Quatrini asked about the community benefits agreements, the same as the previous take-down agreements, and whether they were changed in any way.

Mr. Hanson stated that is correct; however, these were not a part of the original Authority resolution, these were adopted by URA, and the Authority is working closely with the URA and these are the same being presented by the URA.

Mr. Birru encouraged the developer to find financing to advance the development of the garage.

Mr. Quatrini asked if there is a timeline for where the developers are going to move forward or notify with the parking garage.

Mr. Pratt stated there is nothing substantive or specific as of right now.

Mr. Dunham stated the garage is an important piece to the development and the issues are cost and supplies. Additionally, that area would be used for staging for the MV development.

Mr. Birru asked when the parking garage construction would begin.

Mr. Dunham stated he wants the groundbreaking for the garage when the venue is complete.

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. 6018

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County ("Authority") Board of Directors that its Executive Director and other proper officers are authorized to provide Final Approval pursuant to the Amended and Restated Comprehensive Option Agreement ("Option Agreement") among

the Authority, the Urban Redevelopment Authority of Pittsburgh (“URA”) and Pittsburgh Arena Real Estate Redevelopment LP (“PAR”) of the Take Down Notice Re: Take Down Tract #13 (Lower Hill Redevelopment Site), for the take down of Block E2 (to be a subdivision of Block 2-C, Lot 406) in the 3rd Ward (“Block E2” or “Take Down Tract #13”) to develop a live entertainment venue on Block E2 (“Block E2 Venue”) subject to all reviews and approvals provided in the Option Agreement. This Resolution is further conditioned upon the following requirements:

- a. PAR shall cause Live Nation Worldwide, Inc., Fenway Sports Group, Parcel E. Holdco, LLC or a related entity acting as the developer of the Block E2 Venue (“Venue Developer”), to fully comply with the Minority and Women Owned Business Enterprise (“MWBE”), Sustainability, Economic Impact, and Workforce Development reporting and compliance measures, as described in the Option Agreement, for the Block E2 Venue;
- b. If the Final Land Development Plan for Block E, as approved by the City of Pittsburgh Planning Commission, is modified with respect to the Block E2 Venue, PAR shall cause the Venue Developer to submit the revised drawings/plans to the Authority and URA for review before submission of the Final Land Development Plan to the City of Pittsburgh Planning Commission, if required;
- c. PAR shall use, or shall cause the Venue Developer or the entity leasing and operating the Block E2 Venue to use commercially reasonable efforts to reengage with financial institutions to monetize 50% of the Block E Lower Hill Local Economic Revitalization Tax Assistance (“LERTA”) Owner Payment for the benefit of the Greater Hill District Neighborhood Reinvestment Fund (“GHDNRF”) at the earlier of (a) 36 months from the financial closing of Block E2 or (b) when commercial lender interest rates fall below 5%, with an interest rate and assessment methodology acceptable to Authority and URA staff;
- d. Execution of a Ticket Surcharge Agreement, in a form acceptable to Authority and URA staff, by and between the Authority, URA, PAR, and the Venue Developer, which will provide a \$2 surcharge on every sale of a public ticket for the first 10 years, beginning with the first ticketed event, of the operation of the Block E2 Venue to the GHDNRF;
- e. PAR shall submit, or shall cause its developer to submit, to the Authority and URA proof of financing of the Curtain Call project, when the Curtain Call Take Down Notice is submitted;

f. PAR shall cause the Venue Developer to enter into a Booking Agreement requiring the Venue Developer to book and promote at least 25 events per year at the New Granada Theater during the New Granada Theater's first five (5) years of operation;

g. PAR or the Venue Developer shall make up to 250 parking spaces available for New Granada Theater events, occurring on days where there are no events at the PPG Paints Arena, during the New Granada Theater's first five (5) years of operation, at no cost to New Granada Theater;

h. PAR shall cause the Pittsburgh Penguins Foundation (or a related entity) to serve as a member of the New Granada Theater fundraising committee;

i. PAR or a related entity shall make a \$900,000.00 donation to the City of Pittsburgh for the rehabilitation of the Ammon Recreation Center, which shall be payable as follows: \$250,000.00 shall be paid at the financial closing of the Block E2 Venue, \$250,000.00 shall be paid 12 months after the financial closing of the Block E2 Venue; and the remaining \$400,000.00 shall be paid at the financial closing of the take down in connection with the pending E1 subdivision or as otherwise required by the Authority or the City of Pittsburgh; and

j. PAR and the Venue Developer shall pursue or continue to pursue a Hill District-oriented training program through the First Source Center and Partner4Work focusing on training and hiring employees (consistent with the Community Collaboration & Implementation Plan) for the service, hospitality, and technical trade jobs at the Block E2 Venue.

Furthermore, the SEA authorizes its Executive Director and other proper officers to enter into an agreement to allow the Venue Developer to temporarily utilize the adjacent portion of the lot ("Block E1") as a temporary lay down area to be used by the Venue Developer in the construction of the Block E2 Venue.

Senator Fontana continued to the next item on the agenda, authorization to award a purchase order to Veolia North America ("VNA") for \$114,344 to purchase membrane modules for use in the waste-water treatment plant at the DLCC.

Mr. Ryan Buries stated the DLCC has an on-site Waste Water Treatment Plant (“WWTP”) that uses microbes to break down and digest waste material from sanitary drain lines in the building. Wastewater is treated and disinfected to be reused for toilet and urinal flushes. The WWTP was installed as part of the original construction of the DLCC. In 2023, approximately 3.6 million gallons of water were treated, processed, and used for toilet/urinal flushing within the DLCC, which accounted for 30% of the building’s total water use. The membrane modules are the final step in the biological treatment process, separating the biomass from the treated water by a mechanical filtration process. There are ten modules used for this purpose. The modules were last replaced in 2012. The modules have an expected life of eight to ten years; however, through efficient operations and maintenance performed by third-party operator Veolia, the effective life of the modules has been extended to approximately 13 years at the time of replacement.

Veolia Water recommends purchasing the modules at this time; SMG concurs with this recommendation. The modules are a proprietary component of the WWTP and are only available from VNA. As these components are proprietary and are unable to be obtained in any other way, the procurement of the membrane modules falls under sole source procurement. There are no other retail options to obtain the membrane modules. After taking inflation into account, SMG reviewed the 2012 membrane pricing and determined the 2024 pricing was fair compared to the prior purchase price.

Mr. Buries further stated there is a 60-week lead time for the modules, and the modules come with a two-year warranty. The modules will be installed by the operator of the plant upon receipt in Q3 2025. A 50% deposit will be paid upon execution of the purchase order with the balance paid upon receipt of the equipment.

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. 6019

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers are authorized to award a purchase order to Veolia North America for \$114,344 to purchase membrane modules for use in the waste-water treatment plant at the David L Lawrence Convention Center; 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 to the next item on the agenda, authorization to ratify a final change order with SSM Industries ("SSM") in a lump sum amount of \$18,704 for additional work discovered during the DLCC Kitchen Biodigester project.

Mr. Buries stated in August 2023, the board authorized an agreement with SSM to install a biodigester system in the main kitchen of the DLCC. Also included in this project was the replacement of 4" sanitary piping from the kitchen's coffee room. As the work progressed, additional undiscovered conditions were revealed, and additional scope was added for the contractor to complete the work during their mobilization: the installation of a direct sanitary line from the biodigester, the discharge plumbing was modified to eliminate the air gap on the drain line thus eliminating odors (\$8,519). During the replacement of the trough drains, fireproofing was installed on structural members, and it was discovered that the fireproofing had worn off the structural members located beneath the drains (\$5,355). and mold remediation, during the reinstallation of the tile in the ice room, mold was discovered behind the adjacent wall (\$4,830).

Mr. Buries further stated CJL Engineering and Wiss, Janney, Elstner have reviewed the quotes and agree that they are fair prices for the work. All of the work is either completed or in process. The original contract included 17% MBE participation with Arimas, LLC for being a full-service supplier of the biodigester system. Change order #1 included 46% M/BE. The current change order includes 27% MBE participation with TRE Construction for fireproofing work. With this final change order, the total SSM contract MBE participation is 23.9%

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. 6020

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers are authorized to ratify a final change order with SSM Industries in a lump sum amount of \$18,704.00 for additional work related to the DLCC Kitchen Biodigester project; 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 to the next item on the agenda, authorization to enter into an agreement with SunriseSESA ("SS") for \$445,000 to repair the Jenny Holzer ("JH") artwork at the DLCC.

Mr. Buries stated Stretching across the DLCC's swooping roofline are 688 feet of blue light-emitting diode ("LED") tubes. JH created this kinetic display, officially titled *For Pittsburgh*, to present important books that tell compelling stories about Pittsburgh, including Thomas Bell's *Out of This Furnace*; John Edgar Wideman's *Homewood Trilogy: Damballah, Hiding Place, and Sent For You Yesterday*; and Annie Dillard's *An American Childhood*. The artwork's monumental

scale creates a significant contribution to the city's skyline. The texts scroll 24 hours a day, 7 days a week. *For Pittsburgh* is one of JH's largest LED projects in the United States.

As the electrical components have reached and exceeded their useful lives, DLCC staff has kept the piece operational. However, this maintenance has exhausted our stock of replacement components. Due to the unique nature of the installation, The DLCC has not been able to identify a manufacturer who is willing and able to fabricate additional replacement parts. Over time, as components have failed, DLCC staff has cannibalized functioning components to maintain one side, thus leaving the other side non-functional. A proposal was received in 2015 for a full replacement of the hardware. This proposal was approximately \$800,000.

Mr. Buries further stated in 2023, Sunrise Systems, the original installer approached DLCC staff expressing interest in revitalizing the artwork. Their proposal includes replacing the failed LED components, media distribution hardware, controllers, power supplies, and other miscellaneous wiring & hardware. They propose to re-use the existing infrastructure & fiber cabling. The first step in the process will be a detailed site visit to assess the condition of the piece. JH's studio has reviewed the proposal and agrees with the repair. The Authority Art Committee has also been briefed and recommends moving forward with Sunrise's proposal. Upon approval and execution of the agreement, the process is expected to take 16 weeks. The new components will come with a three-year warranty.

Senator Fontana asked if there were any other 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. 6021

RESOLVED by 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 SunriseSESA for \$445,000.00 to repair the Jenny Holzer artwork at the David L. Lawrence Convention Center; 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 to the next item on the agenda, authorization to enter into an agreement with V-Systems in a lump sum amount of \$10,370 for the rebuild of chilled water pump #2 in the Chiller Plant at the DLCC.

Mr. Morgan Schmitt stated The Chilled Water Plant ("CWP") at the DLCC provides cold water for circulation throughout the building to provide air conditioning in occupied spaces. The chilled water pumps are the driving force of this process. Upon start-up for the cooling season, a significant leak was found coming from pump #2, which led to the complete shutdown of the pump. With four total pumps on the skid, we have been able to operate without #2, but this puts a greater strain on the other pumps, in turn causing other issues to arise. It was decided to rebuild and repair the pump to maximize the ability to have a fully functional skid of chilled water pumps.

Veolia obtained three quotes to fully rebuild the aforementioned pump. The companies providing quotes were V-Systems, Industrial Pump & Motor Repair, and Holt Ramsey Pump & Equipment. Veolia and ASM Global staff recommend awarding the contract to V-Systems because they have the lowest dollar value and because of their past experience working on our pumps. The anticipated lead time for the rebuild is around ten weeks, from the date of removal to the date of installation. V-Systems provides a one-year warranty on parts/labor.

Senator Fontana asked if there were any other 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. 6022

RESOLVED by 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 V-Systems in a lump sum amount of \$10,370 for the rebuild of chilled water pump #2 in the Chiller Plant at the David L. Lawrence Convention Center; 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 to the next item on the agenda, authorization to award a purchase order to Carpenter Connection (“CA”) for \$15,200 for 10 podiums.

Mr. Schmitt stated podiums are used throughout DLCC for almost every event. The current inventory of podiums is being depleted through attrition due to constant use. In 2021, the board authorized the purchase of ten podiums from CA, with additional purchases over the past few years. The design for these custom-made podiums satisfies speakers' needs at the DLCC and has proven to be durable enough to survive multiple moves for varied event needs. The custom design incorporates power needs and properly sized grommets to accommodate our AV equipment. The DLCC has budgeted money over the next one - two years for additional podiums. The intent is to replace the existing inventory on pace with attrition of existing inventory. The current inventory is 30 podiums. This approval would yield ten more, with an ultimate goal of having an inventory of 55 custom podiums in the next two years.

In July 2024, a notice was publicly advertised on the Authority's website while additionally sending the notice to seven vendors, including one MBE vendor, and two quotes were received on July 12, 2024. SMG (d/b/a ASM Global) staff recommends CA, they submitted the lowest quote and are able to match the design of the existing inventory. Fabrication of the podiums will begin

upon approval of the purchase order, and delivery is expected in four weeks. The podiums will have a one-year warranty.

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

Councilman Coghill asked if the new podiums are identical to the ones currently.

Mr. Schmitt confirmed that is correct.

Councilman Coghill asked if each podium is roughly \$1,200 per.

Mr. Schmitt stated \$1,520 per.

Councilman Coghill asked what happens with the old ones

Mr. Buries stated the podiums are kept in-house.

Senator Fontana asked if there were any other 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. 6023

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers are authorized to award a purchase order to Carpenter Connection for \$15,200 for 10 podiums; 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 to the next item on the agenda, authorization to enter into an amendment with Bike the Burgh ("BTB") to extend the lease term from December 1, 2024 to November 30, 2025 for retail space located at 1049 Penn Avenue on the street level of the DLCC.

Mr. Jeff Garstka stated BTB has been operating its bike tour and bike rental business out of the ground floor retail space at the DLCC since September 1, 2017. During the initial term of

the lease, BTB occupied a 350-square-foot storefront retail space. In April 2023, the Fourth Amendment was entered into, adding a 250-square-foot storage area behind the bike shop to accommodate the company's growth and inventory. A Fifth Amendment was approved in September 2023 for the period December 1, 2023 - November 30, 2024, at a rate of \$24/sf for the retail space and \$17/sf for the storage space. There is a 3% increase to the cost per square foot for the Sixth Amendment covering December 1, 2024 – November 30, 2025. This rate increase is consistent with other Authority rental property renewals this year, and BTB has signed off on the increase.

Senator Fontana asked if there were any other 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. 6024

RESOLVED by the Sports & Exhibition Authority of Pittsburgh and Allegheny County that its Executive Director and other proper officers are authorized to enter into an amendment with Bike the Burgh to extend the lease term from December 1, 2024 to November 30, 2025 for retail space located at 1049 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 continued to the next item on the agenda, authorization to reimburse the Pittsburgh Penguins in an amount not-to-exceed \$590,500 for a new IPTV distributed display system provided by WiPro VisionEDGE ("WV").

Mr. Doug Straley stated per the terms of the sublease between the Authority and the Penguins, the Authority is required to pay for eligible capital projects. In June of 2024, the

Penguins informed the Authority that the existing Cisco IPTV system failed. The IPTV display system is responsible for routing video feeds, menus, and advertisements to all 900 common area TVs, menu boards, Loge iPads, and Suite TVs in the Arena. The IPTV system is also utilized for public address notifications in the event of an emergency.

As early as 2020, the Penguins internally identified the IPTV system as a system which would need replacement. This was brought to the Authority's attention in the 2022 Facility Condition Assessment ("FCA") for PPG Arena where Stanec identified that the IPTV system would need replacement in near future. This was again highlighted in the 2024 FCA as completed by Stanec but was raised to a "high priority". In April of 2024, the IPTV system failed, which prevented the TVs in the arena from displaying a live feed of the games and further prevented the TVs from displaying any other video feeds.

Mr. Straley further stated the Penguins received two proposals from WV and Tripleplay by Unicast for a replacement IPTV system. The systems will be installed by the Penguins' internal technology team. The Authority's technology consultant, Anthony James Partners, reviewed the request and stated that the system replacement quote was comparable to industry standards. The Penguins requested reimbursement of \$590,500, which is the WV replacement cost. It is recommended, under the sublease, reimbursement be made in the amount of \$590,500. This project is scheduled to start upon board approval, with a six - eight-week duration. It is anticipated to be completed by mid-September. The warranty is four to seven years for the hardware.

Senator Fontana asked if there were any other 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. 6025

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 reimburse the Pittsburgh Penguins in an amount not-to-exceed \$590,500 for a new IPTV distributed display system provided by WiPro VisionEDGE; 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 to the next item on the agenda, authorization to enter into an agreement with CAA ICON in an amount not to exceed \$40,000 for Phase II of the NBA / WNBA study to conduct a financial feasibility analysis for securing a WNBA expansion team.

Ms. Alicia Matos stated the Authority is a public entity that owns the DLCC, Acrisure Stadium, PNC Park, and PPG Paints Arena. The Authority is seeking to conduct a financial feasibility analysis for securing a WNBA expansion team for the City of Pittsburgh and Allegheny County. This analysis aims to create a baseline operating and financial profile for the team, including detailed operating revenues and expenses.

Phase I of this project has been completed, which included a Market Demand Analysis and Market Validation. The data from the surveys, focus groups, and corporate interviews confirmed a market for NBA and WNBA franchises in the City of Pittsburgh and Allegheny County. The study also evaluated the competitive set of cities that are also seeking expansion teams for both leagues, and due to various factors, it is unlikely that an NBA franchise would be awarded at this time. Therefore, the recommendation is to focus on the WNBA opportunity and proceed with the financial feasibility analysis portion of the CAA ICON original proposal as Phase II. The output of both Phase I and II will be presented to potential ownership groups with the intent that they will incorporate this information into a formal proposal for submission to the WNBA to acquire an expansion franchise. It is estimated that Phase II will be completed in 8-12 weeks.

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

Councilman Coghill asked if this board action was to continue pursuit for a possible WNBA team.

Ms. Matos confirmed that this is correct.

Councilman Coghill asked if the Authority has given up the notion on an NBA team

Ms. Matos confirmed that this is correct.

Senator Fontana asked if there were any other 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. 6026

RESOLVED by 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 CAA ICON in an amount not to exceed \$40,000 for Phase II of this study to conduct a financial feasibility analysis for securing a WNBA expansion team 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 to the next item on the agenda, the DLCC Monthly Update.

Mr. Tim Muldoon stated Anthrocon was a massive success. Additionally, he noted that over the next few months the DLCC will be busy with events. Mr. Muldoon discussed the overall target of the economics for the DLCC, the success of other events which are beneficial, and additional events which are being targeted by the sales team for DLCC. He addressed additional incentive programs for the sales term to pursue non-peak time programs. Additionally, Mr. Muldoon noted that the sports events continue to be beneficial for the DLCC. The board asked

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questions regarding repeat business, coordination with restaurants in the area, and the economic impact of tourism and the DLCC to the city and state.

Senator Fontana asked if there was any additional public participation.

Mr. Aaron Waller stated there are two letters regarding the Lower Hill, and these letters will be added to the minutes.

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 11:40 A.M.



Aaron Waller
Assistant Secretary

July 23rd, 2024

Susheela Nemani-Stanger
Executive Director
Urban Redevelopment Authority of Pittsburgh
Via Email: snemanistanger@ura.org

Aaron Waller
Executive Director
Sports & Exhibition Authority of Pittsburgh & Allegheny County
Via Email: awaller@sea-pgh.com

Executive Directors Nemani-Stanger and Waller,

The undersigned are Co-Chairs of the Executive Management Committee (EMC) as established by the Community Collaboration & Implementation Plan (CCIP, or Plan) for the Lower Hill. The EMC's primary role is to take such actions as may be necessary or desirable to ensure that the Optionee and its selected redeveloper(s) comply with this Plan. The five principal focuses of the EMC are: 1) setting the vision and preserving the legacy, 2) developer selection input, 3) Plan compliance, 4) dispute resolution and 5) making recommendations.

In its compliance capacity, the EMC is writing regarding pending actions before your respective boards concerning Lower Hill Block E2, which would authorize the Optionee to proceed with redevelopment of the parcel as a music venue in partnership with Live Nation. We understand that the proposed board actions established a series of conditions that must be met prior to final closing of the related land transfer. We further understand that the conditions being considered are based on conditions that were approved by the URA Board in May 2023 for a takedown of the entirety of Block E, but ultimately not consummated.

One condition of the May 2023 Block E takedown authorization contemplated certain progress on the Curtain Call. This condition required that work to advance the Curtain Call through the zoning and development review process be paused until a community meeting could be held concerning revised plans for the location of the Curtain Call prior to the end of August 2023. Though that meeting took place within the required timeframe, work to advance the Curtain Call has remained stalled. This lack of forward progress on the Curtain Call is the latest in a cumulative five years in delays to this project, which stands in direct contradiction to the 2019 term sheet, in which PAR agreed to immediately fill any outstanding funding gap and support the Seller (SEA and URA) with the design and installation of the Curtain Call.

The Curtain Call is more than a public art installation. It is a symbolic reminder of the harm done to the Hill District community by the previous round of redevelopment of the Lower Hill, which systematically displaced hundreds of Hill District residents, destroyed Hill District businesses, and irreparably damaged the fabric of the community. Representation of current and former Hill District residents, and especially of the Lower Hill community that was lost, is a community demand that must be honored. For this reason, completion of the Curtain Call is a foundational expectation that should stand as a prerequisite for further

development of the site. This expectation was reflected in the 2019 Term Sheet, and it is unacceptable that it remains unfulfilled.

The EMC respectfully calls on the URA and SEA to confirm its commitment to assure Optionee's timely resumption of work on the Curtain Call in conjunction with allowing Block E2 to proceed to closing and further development.

Yours in service,

/Jake Pawlak/ Co-Chair, Executive Management Committee

/Daniel Lavelle/ Co-Chair, Executive Management Committee

/Craig Dunham/ Co-Chair, Executive Management Committee

Note: Craig Dunham and Tracey McCants Lewis, both employees of the Penguins, recused themselves with respect to this letter.

Cc: Mayor Gainey, Office of the Mayor

Councilman Lavelle, City Council District 6



M E M O R A N D U M

TO: Sports and Exhibition Authority Board of Directors
FROM: Hill CDC
DATE: July 23, 2024
RE: July 25th Special Board Meeting on Lower Hill Block E

For years, the Hill CDC has advocated to private and public partners that any plan for the Lower Hill must reflect the desires and aspirations of Hill District residents. Some progress towards this goal has been made, but efforts by the development team to date have fallen short. I am writing to highlight specific commitments that have previously been promised, yet remain unfulfilled, specifically related to this pending action.

The Hill CDC and residents of the Hill District have expressed numerous concerns related to the Lower Hill Block E parcel advancing toward final board approvals given this reality. Chief among outstanding issues is the delivery of community benefits from the Developers (Pens/PAR) who secured your previous approvals in 2019 and 2023. The majority of these benefits remain incomplete and are outlined in detail below. The legally binding term sheet and related URA board meetings are also included here as links in the attached article entitled, "Are the Curtains Closing on Curtain Call?". We strongly encourage you to review this memo and article in full before the meeting.

Curtain Call Funding

Complete funding for this project was to be evidenced by the developers nearly five years ago. The 2019 Term Sheet explicitly states, "the Optionee (or its affiliates) shall fill any remaining funding gap as of the date of this Term Sheet." **These funds were never secured.** Additionally, the language of the URA's approval conditions for Block E in 2023 is adverse to the legally binding October 2019 Term Sheet. Given the SEA's general rule that all agreements are aligned with the URA's Board Conditions, we request that you mutually enforce the legally binding terms outlined in the 2019 Amended Term Sheet and require the Pens to immediately escrow funds to fully fund the Curtain Call project.

Ammon Recreation Center

The Pens were also to provide the City of Pittsburgh with funding for the rehabilitation of the Ammon Recreation Center, "including but not limited to, the installation of a

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multipurpose space for celebrations and deck hockey, refurbishment of playground and basketball court, and development of Rec2Tech programming space." These critical items have still not been delivered in full, and the funding for this project has been split over an unclear timeline and as a result, children and families of the Hill District remain deprived of promises made by the Pens.

First Source Center

A partnership with Partner4Work remains undefined for forthcoming hospitality jobs on Block E, and the Pens have not evidenced any contractual requirement with Live Nation to hire from the Hill District first. In addition, due to the First Source Hiring Center's exclusively virtual operation, the location of the Center is no longer in compliance with the Option Agreement which required its location to be "on or near the option premises".

New Granada Theater Programming Support and Parking Agreement

Although the Lower Hill Development team is building a new entertainment multiplex, they have not completed their commitments with the Hill CDC to support the historic and nationally important New Granada, a \$55M+ historic restoration project in the Middle Hill District that is currently under construction. Good faith efforts are underway to finalize a booking agreement with Live Nation. Providing parking spaces for the theater was a Pens' commitment and URA Board condition for Block E as well, but a signed agreement with the Pens has not been completed, and no efforts have progressed relative to a parking agreement. The Penguins' Foundation did complete their contribution of 100K to the project.

Separately, the URA board will vote on a \$2M City investment of \$5M requested in short order.

LERTA Capitalization and Parking Tax Diversion

The Lower Hill Development Team is attempting to make their LERTA payments over time versus upfront (capitalized) as initially promised. In addition, the inequitable 75-25% split of Parking Tax revenue remains unrectified. Public agencies have not publicly shared where the community's 25% portion will be held.

Completion of the Hill District's Development Review Panel Process

We are encouraged that Live Nation independently submitted its development to the Development Review Panel ("DRP"), and we ask that financial closing with the URA and SEA be conditioned on completing the DRP process as an affirmation and transparent expression of community input. The DRP Committee will review this project at its August 7th meeting as the first step. If it receives a satisfactory score of 80% - B or higher, the project will be on the September 5th Hill District Community Meeting Agenda. At that time, Hill District residents are invited to vote on the venue's presentation, and an 80% cumulative

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score would secure community support. We will promptly communicate these results as the project progresses.

We ask that you protect Hill District residents and hold corporate interests, and specifically the Pittsburgh Penguins, accountable to providing their legally binding community benefits as a part of any formal action. More specifically, we request that another public board meeting of the URA and SEA be held to ensure that obligations can be evidenced in a transparent manner versus in private board and staff briefings that deprive the impacted community, public and decision makers of full insight and engagement. Please be reminded that that your approval is for exchange of the public's land which is being sold for a mere \$10 per parcel – far less a price than the parcels that were recently posted for sale in the rest of the Hill District.

Thank you for your consideration and public service.

