

**MINUTES OF THE REGULAR MEETING OF THE  
PUBLIC PARKING AUTHORITY OF PITTSBURGH  
MONDAY SEPTEMBER 15, 2011**

Having been duly advertised in accordance with the Sunshine Act No. 84 of 1986, a regular meeting of the Public Parking Authority of Pittsburgh was held on September 15, 2011 at 10:15 a.m. 232 Boulevard of the Allies, Pittsburgh, PA 15222-1616. The following Board members were present at the start of the meeting: Christopher D'Addario, Natalia Rudiak and Scott Kunka. Present from staff were: David Onorato, Anthony Boule, Christopher Speers, Chris Holt, Judi DeVito, Jo-Ann Williams, Patricia Konesky, Janet Staab, Helen Kain, Shonda Goldsmith, Bill Conner and Wes Pollard. Also present were Jacqui Lazo of Buchanan Ingersoll & Rooney; William Stewart of Strategic Communications; Bob Bauder of the Pittsburgh Tribune Review; Joe Smydo of the Pittsburgh Post Gazette; Jack Johnston of East End Cooperative Ministry; Chuck Watkins of Eastminster Presbyterian Church and Walt Golden of KQV Radio.

**MINUTES**

Mr. Kunka asked for approval of the minutes from the regular meeting held on August 18, 2011.

Mr. Onorato advised that he had a clarification on the minutes under Resolution No. 33. He said the dollar amount listed as the purchase price for the Ford Focus was \$15,907, but the actual price was \$15,218. He also said the purchase would be from Woltz Wind Ford and not Tri-Star. Mr. Onorato advised that the error was on the back-up sheet of Resolution No. 33 and said that the Resolution was correct.

Mr. Kunka asked if the minutes needed to be changed.

Ms. Lazo advised that the minutes did need to be changed and said a vote would be required to amend the minutes.

Mr. Kunka asked for a motion to amend the minutes to reflect the correct cost and provider of the Ford Focus.

Upon motion by Mr. D'Addario and seconded by Ms. Rudiak the minutes were amended and approved as follows: Mr. D'Addario, yes; Ms. Rudiak, yes; Mr. Kunka, yes.

**PUBLIC COMMENT**

Mr. Kunka asked for public comments.

There were none.

## **RESOLUTIONS**

**RESOLUTION NO. 39 OF SEPTEMBER 2011, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO PURCHASE SPECIALIZED PARKING MANAGEMENT OPERATING SYSTEM SOFTWARE AND PAY STATION HARDWARE UPGRADES FOR ALL PSX-SERVICED FACILITIES INCLUDING THE FORBES SEMPLE, THIRD AVENUE, NINTH & PENN, WOOD ALLIES AND SHADYSIDE GARAGES,** was read by Mr. D'Addario and considered by the Board.

Mr. Onorato advised that 50 percent of the garage revenue control equipment is purchased from and maintained by PSX. He said the 10 pay-stations at five Authority facilities are currently running I-PARC Professional 17 software but beginning in 2012, this software will no longer be PCI-compliant. Mr. Onorato advised that the Authority is being proactive in requesting an upgrade to I-PARC Professional 18, which will be PCI-compliant. He advised that the budgeted cost for the software and the hardware is approximately \$150,000 and said a future resolution to purchase the servers to accompany this upgrade should be anticipated. Mr. Onorato advised that, currently, the credit card information is housed on a server at the Authority's main office.

He said that our goal is to have a server located at each facility that would process credit card transactions directly from the garage, reducing the customer transaction time from approximately 30 seconds to three to five seconds.

Ms. Rudiak asked the meaning of PCI compliance.

Mr. Onorato explained that this is the credit card industry's requirements to ensure that patrons' credit card numbers and information are protected. He advised that we must stay in compliance or be heavily fined if we are found to be in violation.

Mr. Kunka asked if there were any questions or comments.

There were none.

Upon motion by Mr. D'Addario and seconded by Ms. Rudiak, Resolution No. 39 of 2011 was approved as follows: Mr. D'Addario, yes; Ms. Rudiak, yes; Mr. Kunka, yes.

**RESOLUTION NO. 40 OF SEPTEMBER 2011, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO RENEGOTIATE THE COMMERCIAL LEASE AGREEMENT WITH GENERAL NUTRITION**

**CORPORATION FOR THE COMMERCIAL SPACE IN THE MELLON SQUARE GARAGE**, was read by Mr. D'Addario and considered by the Board.

Mr. Onorato advised that the lease with GNC for the retail space in the Mellon Square Garage expired in 2007 and said we have been continuing on a month-by-month basis. He also advised that GNC was delinquent on its payments but said that a negotiated payment plan was being followed without issue. He advised that since GNC has shown progress toward making the lease whole, staff would like to exercise the five-year option. Mr. Onorato reported that the option period called for an eight-percent increase but said that GNC is asking that the rate remain the same. He stated that the Authority would negotiate with GNC but would not agree to having the rate remain as is. Mr. Onorato advised that their current rent is \$2,963 per month, or \$35,563 annually.

Ms. Rudiak stated that she recalled that there was a previous issue with water leakage into the storefronts.

Mr. Onorato confirmed that excessive water bills were received by some of the commercial tenants and stated the Authority has been working closely with PWSA to determine the cause. He advised that malfunctioning meters were found, resulting in the reporting of excessive water usage. Mr. Onorato noted that West Penn AAA has a dollar-amount limit in its contract for water usage.

Ms. Rudiak asked if we have seen a decrease in the water consumption since the meter replacements by PWSA and asked if the Authority was certain that this was the source of the problem.

Mr. Onorato stated that the bills have decreased and said that, while we do believe the malfunctioning was the cause of the extremely high water bills, we are continuing to monitor the charges on a monthly basis.

Ms. Rudiak said she was concerned that the high water bills may have been a deterrent for commercial leasing at this location.

Mr. Onorato advised that the tenants located at the Mellon Square Garage have been tenants for a long period of time and said that neither GNC nor Cartridge World, who are on today's agenda for renegotiation, have made the subject an issue in their renewal requests.

Mr. D'Addario inquired if there have been any business interruptions at the Mellon Square garage because of the on-going construction of the Park.

Mr. Onorato advised that our commercial tenants were notified in advance of the construction schedule and said there have been no interruptions. He said they may have experienced a few inconveniences in the operation of their businesses.

Mr. D'Addario inquired as to how long GNC has been our commercial tenant and asked if was it prior to 2006.

Mr. Onorato advised that GNC had been a commercial tenant for a long time prior to 2006 and said that, once we have commercial tenants such as GNC in place, we try to retain them as commercial spaces are difficult to lease in today's economy. Mr. Onorato mentioned as an example, the difficulty the Authority had in renting the commercial space in the Ft. Duquesne and Sixth Garage, which was vacant for a long period of time before it was rented.

Mr. Kunka asked if there were any questions or comments.

There were none.

Upon motion by Ms. Rudiak and seconded by Mr. D'Addario, Resolution No. 40 of 2011 was approved as follows: Mr. D'Addario, yes; Ms. Rudiak, yes; Mr. Kunka, yes.

**RESOLUTION NO. 41 OF SEPTEMBER 2011, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO RENEGOTIATE THE COMMERCIAL LEASE AGREEMENT WITH CARTRIDGE WORLD FOR THE COMMERCIAL SPACE IN THE MELLON SQUARE GARAGE,** was read by Mr. D'Addario and considered by the Board.

Mr. Onorato stated that the resolution addresses the same situation as the previous resolution, but noted that he did incorrectly state the contract expiration dates. He advised that GNC's lease expired in December 2011 and Cartridge World's lease expired in 2009. Mr. Onorato advised that there is one five-year option in the lease agreement and said we are looking to extend that option at \$3,550 per month, or \$42,600 annually.

Mr. Kunka asked if there were any questions or comments.

There were none.

Upon motion by Mr. D'Addario and seconded by Ms. Rudiak, Resolution No. 41 of 2011 was approved as follows: Mr. D'Addario, yes; Ms. Rudiak, yes; Mr. Kunka, yes.

**RESOLUTION NO. 42 OF SEPTEMBER 2011, "A RESOLUTION AUTHORIZING THE SALE OF LOT 3 IN THE STATION-COLLINS PLAN OF LOTS, NO. 2, WHICH COMPRISES PART OF THE STATION - COLLINS-PARKING LOT IN THE EAST LIBERTY NEIGHBORHOOD OF THE CITY OF PITTSBURGH ("LOT 3") BY THE PUBLIC PARKING AUTHORITY OF PITTSBURGH (THE "PPAP") TO THE EASTMINSTER PRESBYTERIAN CHURCH ("EASTMINSTER"),** was read by Mr. D'Addario and considered by the Board.

**RESOLUTION NO. 43 OF SEPTEMBER 2011, "A RESOLUTION AUTHORIZING THE SALE OF LOT 4 IN THE STATION-COLLINS**

**PLAN OF LOTS, NO. 2, WHICH COMPRISES PART OF THE STATION – COLLINS-PARKING LOT IN THE EAST LIBERTY NEIGHBORHOOD OF THE CITY OF PITTSBURGH (“LOT 3”) BY THE PUBLIC PARKING AUTHORITY OF PITTSBURGH (THE “PPAP”) TO THE EAST END COOPERATIVE MINISTRY (“EECM”),** was read by Mr. D’Addario and considered by the Board.

Mr. Onorato advised that this agreement dated back to 2007 and since then there have been several amendments, one which also changed the sale from one buyer to two buyers. Mr. Onorato advised that Ms. Lazo of Buchanan, Ingersoll & Rooney has been overseeing this closing process since its beginning.

Ms. Lazo stated that Mr. Johnson of East End Cooperative Ministry and Mr. Watkins of Eastminster Presbyterian Church were both in attendance at today’s meeting. She stated that the Parking Authority entered into an agreement on November 15, 2007 with EECM, which will construct a mixed-use campus to serve vulnerable adults and at-risk youths in Pittsburgh’s East End neighborhood. Ms. Lazo stated that her personal church as well as other surrounding churches, the City and the community all support this venture. She explained however, that this is an economically challenged project and over time it was realized that EECM no longer required the Parking Authority entire lot and therefore asked permission to work with Eastminster Presbyterian Church which could use the site for green space and to support some of its initiatives.

Ms. Lazo reminded the Board that any time there is a sale of Authority property, a certificate stating that the sale will not negatively impact the Authority financially is required. She stated that those certificates are applicable for the balance of the Authority fiscal year in which they are issued.

Ms. Lazo stated that the sale price originally negotiated in 2007 remained the same, adding that while the terms of the original contract require a 100-percent financing in place East End Cooperative Ministry’s current financing level is at 90 percent. She reported that they have all of the required City approvals, have acquired the additional land needed for the project to begin and have filed to receive tax credit, for which there is a filing deadline, which if not met will result in the loss of those credits. Ms. Lazo stated that the Authority does not want East End Cooperative Ministry to lose those tax credits and is recommending that we proceed with the closing. She also stated that there is a right-of-reverter clause in the deed, which has been part of the sales agreement since 2007, would allow the Authority to re-acquire these lots should the project not materialize.

Ms. Lazo stated that a clause will be added to the sales agreement that requires the shell of the building to be completed within one year of the closing or the Authority has the right to re-acquire those properties for this purchase price.

Mr. Johnson stated that the East End Cooperative Ministries has been in business for approximately 40 years providing a variety of services to the East End Community. He stated

that there are approximately 15 different programs running but those are currently located at 14 different locations throughout the community, which makes it difficult for their business to operate efficiently.

Mr. Johnson introduced a rendering showing the projected building, which will include a homeless shelter for both men and women and a respite center for people released from hospitals with no other place to go. He said the first-floor public space will house classroom and administrative facilities, a food pantry, a soup kitchen, a central courtyard and a chapel. He said the second floor will contain residential spaces.

Mr. Johnson noted that various property purchases, including the purchase of Authority's lot, were required to enable the planned consolidation to occur. He reported that early in the process, Eastminster Church expressed its intent in purchasing any excess space that may become available during the progress of the project. Mr. Johnson stated this request will be accomplished by the Authority selling Lot 4 to East End Cooperative Ministry and Lot 3 to Eastminster Presbyterian Church.

Mr. Johnson stated that the cost of the EECM project is approximately \$13.5 million project and approximately \$12.4 million has been committed. He said the organization is continuing to fund-raise and is confident that they will be able to obtain the additional funds needed. Mr. Johnson stated that there is approximately \$3 million available in tax credits for this project but, due to the required filing deadline, the closing will need to occur by November. He said property ownership would have to be consolidated prior to closing, meaning that they will not be able to satisfy the 100-percent funding requirement at the time of the closing. He said EECM is asking the Authority Board to approve its request without this requirement.

Mr. Watkins of Eastminster Presbyterian Church thanked the Authority for cooperating with East End Cooperative Ministry and stated that the new facility will be a fine addition to the community and keep its momentum moving in the right direction.

Mr. Onorato advised that the Board will need to sign documents as early as next week.

Mr. D'Addario, noting that there was a filing deadline for the new market tax credits and that the forms needed to be executed in November, asked the expiration date of the credits. Mr. Johnson stated that the credits extend through next year, but said that in order to receive the credits next year, the URA's requirement was that they be filed this year. He said that is what is driving this filing deadline.

Mr. Kunka asked if there were any additional questions or comments.

There were none.

Upon motion by Ms. Rudiak and seconded by Ms. D'Addario, Resolution No. 42 and 43 of 2011 was approved as follows: Mr. D'Addario, yes; Ms. Rudiak, yes; Mr. Kunka, yes.

## **EXECUTIVE DIRECTOR'S REPORT**

Mr. Onorato stated he was prepared to discuss the analysis report which the Board requested at last month's meeting regarding the effects on the Authority should enforcement hours be scaled back to 6:00 p.m.

Mr. Kunka stated he would address this issue and said that, subsequent to the Mayor's request, City Council introduced a legislation doing just that and passed it preliminarily just yesterday. Mr. Kunka stated that he was given a draft analysis of the raw data and said that he publically disclosed the pertinent information at yesterday's City Council hearing. He said the report showed that approximately one-third of the tickets issued daily were within the 6:00 – 10:00 p.m. period and represented a face value of approximately \$776,000. He noted that the total was the face value of the tickets and wouldn't necessarily be the revenue that would be received. Mr. Kunka stated that as a result of Council's action, this request is now moot. Mr. Kunka said because we expect that the State will rule on the Council/Controller Plan as early as next week regarding the status of a State take-over of the City Pension Plan, he believes that it is premature to ask the Authority to make any moves at this time. He said that obviously if the plan is accepted, the Authority will need to move in one direction, and if it is not, the Authority will chart its course in the direction required.

Mr. Onorato shared with the Board a document developed for each garage detailing a floor-by-floor layout of each facility, including the location of all key identifying items such as fire and panic alarms, hose connections, electrical shut-off panels, hoses and elevators that both staff or emergency personnel may need to access in an emergency.

## **OLD/NEW BUSINESS**

Mr. Kunka asked if there was any old or new business.

Ms. Rudiak asked if the study on the condition of the four facilities identified during the monetization process as in need of structural improvement was received.

Mr. Onorato advised that he anticipated receipt of those reports by the end of this month.

Ms. Rudiak inquired about the status of the issuance of the RFP for the meter technology upgrade.

Mr. Kunka responded and advised that the RFP is complete but said there was some minor tweaking that he would like to do before it is released. He stated that, given that imminent outcome of the findings of the State take-over of the City Pension Plan and the Council/Controller Plan will be accepted, he believes that it is best that the Authority chart its course after the decision by the State is made.

Ms. Rudiak asked for clarification that the Authority is holding the release of the RFP until there is confirmation from the State regarding the status of the Pension Fund.

Mr. Kunka stated that is the case, adding that the Authority does not have the funds to implement the upgrade. He stated that the Council plan required the Authority to modernize its system but didn't provide the revenue to do so. Mr. Kunka stated that we need to wait for the State's decision on the issue.

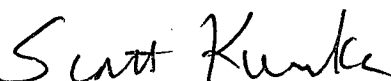
Mr. Kunka asked if there were any additional questions.

There was none.

The next Board meeting is scheduled for Thursday, October 20, 2011 at 10:00 a.m.

Upon motion by Mr. D'Addario and seconded by Ms. Rudiak the meeting was adjourned at 10:47 a.m.

**APPROVED TO CONTENT**

  
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**Chairman**

**ACCEPTED FOR FILING IN THE AUTHORITY'S BOOK OF MINUTES**

  
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**Approval**