

**MINUTES OF THE REGULAR MEETING OF THE  
PUBLIC PARKING AUTHORITY OF PITTSBURGH  
THURSDAY, OCTOBER 15, 2020**

Having been duly advertised in accordance with the Sunshine Act No. 84 of 1986, a virtual meeting of the Public Parking Authority of Pittsburgh was held at 10:03 a.m. on October 15, 2020. The following Board members were present at the start of the meeting: Jeff Cohen, Matt Barron, Karina Ricks, Liz Fishback and Bobby Wilson. Present from staff were David Onorato, Christopher Speers, Chris Holt, Mark DiNatale, Jo-Ann Williams, Gwendolyn Bolden, Bill Conner, Scott McNaugher and Pat Konesky. Also present were Kinsey Casey of the City of Pittsburgh; Jason Wrona of Buchanan, Ingersoll & Rooney; Antonio Misiti of PNC Capital Markets LLC; Andrew Maher of Clark Hill, PLC; and Bill Stewart of Strategic Communications.

**MINUTES**

Mr. Cohen asked for approval of the minutes from the September 17, 2020 meeting.

Upon motion by Ms. Fishback and seconded by Mr. Wilson, the minutes were approved as follows: Mr. Barron, yes; Mr. Wilson, yes; Ms. Ricks, yes; Ms. Fishback, yes; Mr. Cohen, yes.

**PUBLIC COMMENT**

Mr. Cohen asked if there were any public comments.

There were none.

**EXECUTIVE DIRECTOR'S REPORT**

Mr. Onorato advised the Board that Parking Court is back in operation, with fines and late notices now reallocated. He said the Boot & Tow program will resume on October 19.

Mr. Onorato advised the Board that the Mellon Square Garage experienced an electrical breaker failure causing significant damage by shutting down the sump pumps and allowing water to run into the garage's three elevator shafts, which in turn shut down the elevators. He advised that we estimate the damage to be around \$250,000 and said a claim was submitted to the Authority's insurance carrier. He noted that our coverage's deductible amount is \$25,000.

Mr. Onorato advised the Board that the AAA offices at the Mellon Square garage had given notice that they will not be renewing their lease agreement and said their space is vacant but is paid for through the balance of the year. He advised that the Authority and AAA completed the termination walkthrough and found everything to be acceptable. He advised that AAA was the last of the retail tenants at Mellon Square and said we are in the process of turning all of the formerly leased space over to the URA.

Mr. Onorato discussed the Finance Report, noting that the 2019 and 2020 year-to-date revenue comparisons show a significant drop from last year due to the pandemic. He said the \$13.4 million in parking revenue recorded through September is about six percent out from our amended budget and is back on target with revised projection.

Mr. Onorato discussed the relatively new Monthly Operating Revenue Report, showing January and February receipts to be normal, March somewhat normal and then the severe decline caused by the pandemic. He advised that beginning in September, there was an increase of \$1.3 million in garage revenues and \$954,000 in meter revenues. He stated that since April's low base, there have been constant increases from month to month, with the September's total being \$2.3 million. He advised that before the pandemic an average month's revenue amount would be \$4.7 million.

Mr. Onorato discussed the Revenue Per Space Report, which calculates the gross revenue per space by facility that is an industry tracking standard. He advised that our four garages that have the highest gross revenue per space are Smithfield/Liberty, Mellon Square, Oliver and Forbes/Semple. He advised that to date in 2020 the total average yield is \$1,775 per space compared to 2019's average of \$3,082. He stated that this reduction in per-space performance in another measure of how the pandemic has affected the Authority's revenues.

Mr. Onorato discussed the Facilities Report, which also mirrors the trend shown in the monthly Finance Reports. He advised that they show a year-to-year decline of approximately 54 percent, again caused by the pandemic.

Mr. Onorato discussed the Enforcement Report, which shows the number of violations by category. He advised that we are currently enforcing all violations with the exception of those supporting city street cleaning, which normally ends in October. He noted that enforcement governing that is expected to resume on a normal schedule next year.

Mr. Onorato discussed the Revenue Report, which shows that we are down approximately 46 percent from 2019's total with 2020's September total being \$954,000, again consistent with all of the statistical reports are showing the same declining revenue trend.

Mr. Onorato discussed the Parking Court Report and said the increase in revenues from August to September were the result of notices sent to all holders of outstanding tickets issued prior to the suspension of enforcement. He said that population was advised that we were resuming enforcement and also returning to our normal policy of increasing fines after allowing 30 days to make payment before any further fines or penalties were assessed. He noted that despite this month's improved results we are still below last year's revenue total.

Mr. Onorato advised that this month's Board packet includes various quarterly reports and stated that the Parking Court summary shows the revenue breakdown by line items. He noted that this report shows the City's share of revenue and projects the 2020 amount to be \$6,387,000.00.

Mr. Onorato discussed the Quarterly Occupancy Report featuring year-to-year comparisons and shows that in 2019 our top four facilities were averaging above 90 percent utilization while 2020 average utilization is between 30 and 40 percent. He noted that while we do track these numbers monthly, they are reported to the Board only quarterly.

Mr. Onorato discussed the Transient Parkers Report, which shows the transient and lease revenues for the garages. He noted that it shows the same pandemic-related timing and trends as the Finance Reports.

Mr. Onorato discussed the Day and Weekend Transient Report, which tracks the number of vehicles that enter and exit each facility and again shows significant decreases beginning in March. He noted that we are beginning to see a slight monthly increase in these numbers and advised that are at approximately 39-percent utilization across the system.

Mr. Onorato discussed the Aggregate of System Report, which shows the same trend of a steep decline at the time the pandemic hit and a slight increase during the last few months.

Mr. Onorato discussed the Downtown Housing Report, which tracks discounted leases for residents of downtown streets. He advised that the discount matches the 37.5 rate of the City parking tax. He stated that at the end of September there were 312 downtown housing leases, more than half of them at Mellon Square and Grant Street Transportation Center. He advised that there has been an increase of approximately 30 leases since the end of the second quarter, describing it as a positive trend.

Ms. Ricks stated it appears that there has been an increase of 20 or more downtown housing leases at the First Avenue garage and asked if the Authority had any indication as to the reason.

Mr. Onorato responded that the old Art Institute building, which is directly across the street from the garage, was converted into apartment units doing business as Terminal 21. He said First Avenue is the ideal parking location for those residents.

Ms. Fishback asked if there was any work being done by the City or Pittsburgh Downtown Partnership with regard to businesses bringing workers back to their locations. She also asked if there was any survey data available for our use to estimate the timing and likely number of returning workers.

Ms. Ricks replied that businesses are slowly starting to come back and the PDP is tracking that trend. She said she believes that the slow and steady return is being shown in the numbers contained in all of the monthly reports. She stated that the PDP is also preparing for the holiday

season and believes that this is something that the Authority should be exploring at the appropriate time.

Mr. Onorato responded that we could certainly have that discussion and stated that we did support last year's effort with free parking on Small Business Saturday.

Mr. Onorato discussed the Meter Space Report, which shows our revenues by location and lots and stated that of the \$7.6 million recorded, 5.7 percent was paid with coins, just under 39 percent was paid by credit card at the meter and 55 percent was paid using the phone app. He noted that the pay-by-phone trend is rising.

Ms. Ricks asked if there is a companion report that shows meter utilization beyond just through revenue results.

Mr. Onorato stated that we do not have that information in one report, but would need to pull data from both Flowbird and ParkMobile to determine utilization.

Ms. Ricks asked if that is a report that we can pull together and share with the Board.

Mr. Onorato confirmed that the report would be created and shared.

Mr. Onorato discussed the Pay-by Phone-Report, stating that 55 percent of the monthly meter transactions occurred through the phone app. He stated that it interesting to note that the average transaction price for the phone usage is almost 25 cents higher than the average transaction price paid at the meter. He advised that there were a significant number of parking time increases paid for via the phone app during the month of September. He stated those numbers show that people are demonstrating increased preference for the phone app, adding that the trend will prove beneficial as new vendors and features of the payment mode are added.

Ms. Ricks asked if a meeting could be scheduled, possibly an executive session, for the Board and staff to talk about the system going cashless in the future.

Mr. Onorato responded that a meeting can be scheduled but said that he did not believe that the topic would require an executive session as he believes that the subjects for those meetings are limited to personnel or legal matters. He reminded the Board that the meters in the downtown area have accepted credit cards as the sole mode of payment for about a year.

Ms. Ricks stated that according to her colleagues at the National Association of City Transportation officials, especially in light of Covid, many cities are contemplating the pros and cons of the ways to troubleshoot for equity issues while also providing the safety advantages associated by the cashless, no-touch, low-touch payment practices.

Mr. Barron added that it would be interesting to see the geographic breakdown of locations where cash is being used more than other payment methods.

Mr. Onorato advised that we do track this information and can provide it to the Board.

He noted that he is aware that coin use is particularly high in the Brookline neighborhood.

**RESOLUTION NO. 22 OF OCTOBER 2020, “A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO AMEND LANGUAGE CONTAINED IN RESOLUTION 26 OF JULY 2019, A COPY OF WHICH IS ATTACHED TO THIS RESOLUTION, TO MODIFY THE FUNDING SOURCE TO UTILIZE ELECTRICAL SERVICES FOR AUTHORITY GARAGES AND SURFACE LOTS WITH ALLEGHENY CITY ELECTRIC, INCORPORATED,** was read by Mr. Cohen and considered by the Board.

Mr. Onorato advised the Board that in 2019, following the Authority’s issuance of an RFP, its members approved a resolution authorizing a three-year contract for Allegheny City Electric for emergency electrical repairs with the funding source identified as the general fund when it should have been both the general and capital funds. He stated that we recently had repairs to the lights and poles in our neighborhood surface lots done by Allegheny City Electric and plan to pay for that work with the capital fund budget identified correctly as the payment source.

Mr. Cohen asked if there were any comments.

There were none

Upon motion by Mr. Barron and seconded by Mr. Wilson, Resolution No. 22 of 2020 was amended as follows: Mr. Barron, yes; Mr. Wilson, yes; Ms. Ricks, yes; Ms. Fishback, yes; Mr. Cohen; yes.

**RESOLUTION NO. 23 OF OCTOBER 2020, “A RESOLUTION AUTHORIZING AND APPROVING: THE ISSUANCE OF ONE OR MORE SERIES OF PARKING SYSTEM REVENUE REFUNDING BONDS, SERIES OF 2020 IN A MAXIMUM PRINCIPAL AMOUNT NOT TO EXCEED \$30,000,000 TO FINANCE A PROJECT CONSISTING OF (A) THE REFUNDING OF ALL OR A PORTION OF THE AUTHORITY’S PARKING SYSTEM REVENUE REFUNDING BONDS, SERIES A OF 2015, (B) FUNDING ANY NECESSARY RESERVES AND (C) PAYING THE COSTS OF ISSUING AND INSURING THE 2020 BONDS; EXECUTION AND DELIVERY OF A SUPPLEMENTAL TRUST INDENTURE; APPOINTING A PRICING COMMITTEE TO APPROVE FINAL TERMS OF THE 2020 BONDS; AND AUTHORIZING ANY AND ALL OTHER ACTIONS AS MAY BE REQUIRED TO CARRY OUT AND**

**CONSUMMATE THE TRANSACTIONS TO BE CARRIED OUT AND CONSUMMATED BY THE AUTHORITY FOR THE ISSUANCE OF THE 2020 BONDS AND THE COMPLETION OF THE PROJECT,** was read by Mr. Cohen and considered by the Board.

Mr. Onorato advised that the Authority is seeking authorization to refinance a portion, up to \$30 million, of the Authority's debt. He stated that due to the pandemic the Authority revenues have taken a drastic loss of approximately a \$32 million loss this year. He advised that we did amend the budget to recognize the lost revenue and said we are now looking to refinance to lower our annual 2020 debt payment from \$8.1 million down to about \$3-to-\$3.5 million. He said that, without the refinancing, we will not be able to meet our debt service coverage ratio. Mr. Onorato said that when that ratio is met, we will be able pay the City its share of the 2020 revenue total. He advised that we are not intending to issue new debt but to extend the existing debt, which is scheduled to be paid in full in 2026. He stated that if this resolution is approved, we will be extending our payment period an additional three to five years based on the rates and the amount borrowed. He also advised that we are planning to issue the debt by December 1<sup>st</sup> when our principal and payments are due, meaning that we need to close the transaction by November 1<sup>st</sup>.

Mr. Cohen stated that he wanted to thank Mr. DiNatale and Ms. Williams for the working so quickly to get this on track. He stated that initially he was initially opposed to refinancing as he doesn't like to extend debt, but based on our revenues and projected utilization rates for the next 12 to 24 months, he said he does not believe that there is any other choice than refinancing. He said the only question he has is that when this refinancing is complete and when things turn around, if we will we be able to accelerate payments.

Mr. Onorato responded that the penalty for any early payoff drastically increases the cost of the borrowing. He advised that representatives from Clark Hill and PNC are present at today's meeting and asked if either of them would be able to answer this question.

Mr. Misiti of PNC responded that there will be an optional redemption feature associated with the refunding bonds and said it's just a matter of what the costs will be to the Authority in relation to the timeline involved. He advised that a fixed-rate transaction to carrying that optional redemption feature typically involves a 10-year call feature giving the Authority the ability at year 10 to pull in the bonds at par. He added that prior to then the Authority always has the opportunity to put cash in escrow, especially since the majority of these bonds are going to be federally taxable due to current tax law. Regarding their taxable status he said that what would occur is the Authority would put money in escrow and put that in any investment to accrue until the actual arrival of the call date. He advised that it is the length of that call should determine whether investors may or may not view the need for some additional benefit in the form of the interest rate that they feel they require to protect themselves in the market. Mr. Misiti explained that, again in a traditional setting, these bonds would have either a 10-year call or is something called a make-hold call that would give the Authority the ability to call the bonds at any time. He said that in a make-hold call situation when the Authority's revenues are in an accelerated catch-up phase, and the investor will not charge any increased interest rate the Authority then has

the ability to set on a 30-day call notice the ability to pull the bonds in and refund them earlier than scheduled. He said the process includes a provision for something called a make-whole payment requiring the Authority to pay a premium to make those investors whole for any interest income they may have lost on a present-value basis through to the final maturities of the bonds pulled. He said a shorter explanation is that the Authority will have the ability to refinance the bonds at some point in the future but it all depends on the cost, adding that the advisory group will perform as the process proceeds.

Mr. Cohen asked if we would be extending our debt from 2026 to 2030.

Mr. Onorato responded that we were looking a minimum extension of three years and a maximum of five years, the duration dependent on how rapidly we are able to get our 2020 debt service payment down to around \$3.2 million.

Mr. Cohen stated that we really don't have a choice and said while the Authority does have some reserve, we don't want to use it now. He noted that because rates are low, and we should be able to recoup some of our borrowing costs because of it.

Mr. Cohen asked if the team is ready to have this done by December 1st.

Mr. Onorato confirmed that we need to have it completed before December 1<sup>st</sup>.

Mr. Misiti advised that we are currently on track to have everything completed by that date, particularly as the project is to go into a second phase next week. He said that this is in open document preparation being structured to head into the rating process at an accelerated pace next week. and they head into the rating process next week. He advised that this schedule will enable us to enter the market at the end of October or beginning of November so we can close by the end of November. He acknowledged the completion schedule is a bit aggressive but one that can certainly be met.

Mr. Cohen asked if there were any comments.

There were none.

Upon motion by Ms. Ricks and seconded by Mr. Wilson, Resolution No. 23 of 2020 was approved as follows: Mr. Barron, yes; Mr. Wilson, yes; Ms. Ricks, yes; Ms. Fishback, yes; Mr. Cohen, yes.

## **NEW BUSINESS**

Mr. Onorato reminded the Board members that meetings to review the 2021 budget are set starting tomorrow.

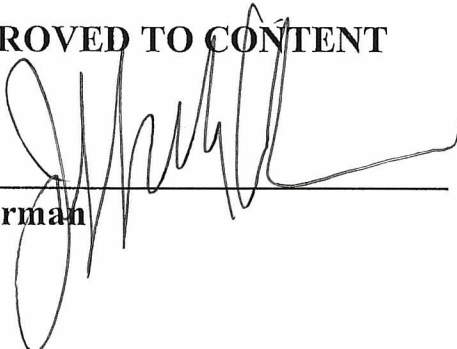
Mr. Cohen asked if there were any new or old business.

There were none.

The next Board meeting is scheduled for Thursday November 19, 2020 at 10:00 a.m.

The meeting was adjourned at 10:56 a.m. with all Board Members in approval.

**APPROVED TO CONTENT**

  
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**Chairman**

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

  
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**Approval**