

**MINUTES OF THE REGULAR MEETING OF THE
PUBLIC PARKING AUTHORITY OF PITTSBURGH
THURSDAY AUGUST 19, 2021**

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 9:00 a.m. on August 19, 2021. The following Board members were present at the start of the meeting: Jeff Cohen, Matt Barron, Bobby Wilson, Karina Ricks and Liz Fishback. Present from staff were David Onorato, Christopher Speers, Jo-Ann Williams, Chris Holt, Gwen Bolden, Mark DiNatale, David Perry, Tracy Sowinski and Pat Konesky. Also present were Jason Wrona of Buchanan, Ingersoll & Rooney; Kinsey Casey of the City of Pittsburgh; Bill Stewart of Strategic Communications and Alison Keating.

MINUTES

Mr. Cohen asked for approval of the minutes from the July 17, 2021 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 thanked the Board for its flexibility in rescheduling an early start time for today's meeting. He reminded the Board that he and staff are participating in the Pennsylvania Parking Association's annual conference being held at Station Square.

Mr. Onorato advised the Board that the Authority received the final 2021 garage inspection report and advised that all our garages except Forbes/Semple had good or high marks. He advised that these issues there will be addressed in our 2022 Capital Budget.

Mr. Onorato advised the Board that the City and DOMI received a grant to extend the Automotus work with curbside management and the most productive use of loading zones. He asked Ms. Ricks if she would like to address the Board on this grant. Ms. Ricks stated that she would suggest holding an Executive Session on this topic in order to more completely update the Board.

Mr. Onorato suggested that Ms. Ricks speak to her staff first as they have had more interaction with Automotus.

Mr. Onorato updated the Board on the Friday and Saturday evening enforcement policy now in place in the South Side Enhancement District, advising that the Authority has been asked to add enforcement coverage on Thursday evenings as well. He did advise that we worked out an arrangement with the Bureau of Police to escort our officers through the area during enforcement hours, adding that if the escorts are unavailable, we will suspend enforcement activity for the safety of our officers. He advised that the AFSCME Union's leadership raised concerns over officer safety.

Mr. Wilson stated that a letter was circulated in Council recommending an increase in enforcement and stated that when he spoke with Councilman Kraus regarding the matter, he had the understanding that Sundays would also be included in the enforcement increase.

Mr. Onorato stated that the Authority received written official notification regarding adding enforcement on Thursday evenings as well as to increase the rates. He also noted that Sunday coverage was part of the request.

Ms. Bolden added that after speaking with Mr. Kraus, she can verify that Sunday enforcement was not included in this request but added that she believes it is part of the overall plan.

Mr. Onorato advised the Board that the Authority received verbal communication from the City that it will soon discontinue its hosting of the Authority's website. He noted that we will be looking for alternative options to hosting the service.

Mr. Onorato updated the Board on the parking meter door upgrade project, advising that the first phase has been ordered and we are in the process of scheduling a meeting with the Port Authority, its vendor S&B and our vendor Flowbird to determine if our meters can possibly accept Port Authority's connect cards.

Mr. Onorato reminded the Board that at the last Board Meeting there was a request to reschedule the September Board Meeting to accommodate the Yom Kippur Holiday and advised that we will be examining dates to accommodate a change.

Mr. Onorato advised the Board that effective August 1st, the Authority added three additional pay-by-phone vendors: Flowbird, Pay-by-Phone and Meter Feeder. He explained that in addition to ParkMobile, Pittsburgh parkers now have their choice of four different vendors. He added that we have seen activity on all four payment platforms.

Mr. Onorato advised that Alihan, a commercial tenant at the Fort Duquesne and Sixth Garage, has extended its lease agreement and has withdrawn a lawsuit filed against the Authority for loss of income during a construction period two years ago. Mr. Onorato thanked Mr. Wrona for his work in resolving this issue.

Mr. Onorato advised that the Authority was notified that PACT, the servicer of the HVAC systems in our Ft. Duquesne, Third Avenue, Smithfield/Liberty and Mellon Square garages, was being sold and will no longer service those garages in 2023 and beyond. He advised that the new owner would most likely continue to service the Mellon Square Garage but said we would have to install completely new HVAC systems in the other three. He advised that this will be an unforeseen, expensive capital project and said site-visit meetings involving representatives from the City, PACT and the new owner company are being scheduled.

Mr. Onorato advised the Board that Parking Court sent approximately 2,700 boot-alert notices to owners of tow-eligible vehicles in an attempt to accelerate payment of outstanding fines due.

Mr. Barron asked Mr. Onorato about illegal sidewalk parking, stating that the subject has been mentioned in the news recently, and asked the Authority's policy on the enforcement of this violation. He stated that he is aware that this is a contentious issue and wanted to know our enforcement policy on the practice, if we are implementing it and if there is any educating we can do to communicate our rules for sidewalk parking. He said the drawback of so many people adapting the practice given that it's the responsibility of the property owner, can be very costly. He also cited its negative implications for people with disabilities.

Ms. Bolden responded that sidewalk parking in Pittsburgh is very challenging. She stated that we actively enforce sidewalk parking in the Oakland area because we are specifically asked to do so there. She advised that in other areas of the city, we send an enforcement officer to any location when we have a specific complaint of a hazard having resulted from the incidences of sidewalk parking.

Mr. Onorato responded that we also work with the Bureau of Police on this problem because it also receives a lot of calls on the issue. He said the Bureau's policy is to permit it in some neighborhoods where there is community agreement on the practice unless it creates safety hazards.

Ms. Fishback asked Mr. Barron if he was referring specifically to the area in Lawrenceville where the police were recently alerted to the concern. She stated she believes that there will be additional signage posted in that location.

Mr. Barron replied that while he is aware of the Lawrenceville event, he stated that he believes this is widespread problem happening in areas even where the streets are wide enough that there's no need for vehicles to be parking on sidewalks. He stated that while he believes this has just become a common practice, he does believe that we can enforce it more effectively and should be more proactive in doing so, particularly in areas where there seems to be no reason for it to occur.

Mr. Wilson asked if there were areas of Authority jurisdiction where we had enforced this violation. He also asked if the Authority had the ability to issue warning tickets.

Ms. Bolden responded that we are able to ticket vehicles in any area of the city for parking on the sidewalk and stated that those violations could be responded to with warning tickets.

Mr. Onorato stated that he believes that the police were working with residents in the Mt. Washington area to permit the practice because the streets there are so narrow.

Ms. Ricks stated that this is a significant issue and perhaps a taskforce is needed to deal with it. She noted that the code and the laws are clear that sidewalk parking is not legal. She stated that we may need to look into the code and redefine it if it becomes problematic, a process she said is long overdue. She stated that she has received numerous complaints from homeowners who complain that they are being cited for sidewalks being in poor condition but have a hard time keeping them in good condition when 3000-pound vehicles driving on them. She stated that it's not as simple as adding signage because ignored signage weakens the purpose of good signage that people will actually follow. She stated that this is a very important topic that needs to be discussed further. She also asked the code for parking on sidewalks and also for parking in bike lanes together with the stipulated penalties for both.

Ms. Bolden responded that they are both restricted parking violations.

Mr. Barron added that he does feel that issuing warnings would be a good way to start an education process and stated that he thinks that there are many people who are unaware that this is a violation because it has not been enforced for so long a period. He added that, he does believe that, with the growth of the city's population, this problem could get much worse unless we start to educate the public with whatever tools are at our disposal. He stated that he does not believe that the Parking Authority should just cite everyone without some sort of education before becoming aggressive on any newly adopted program of enforcement.

Mr. Wilson stated that at one time he believed that involving the police in resolving this matter was absolutely required. He added that policy action to blanket an area for all violations, not just parking on the sidewalk following a first step of issuing warnings, would be a path he'd support.

Mr. Onorato asked Mr. Wilson if he thought that most of the people that are parking on the sidewalks are the owners of the residences involved.

Mr. Wilson responded that he believes that is partly the case and is certainly true in some circumstances, and that the solution should be clear in those instances. He stated that his area representative attempted to work with the police in the past and said that is what he was referring to with the police coming into the area on a sweep and to address all applicable violations, not just parking on sidewalks.

Mr. Onorato stated that just ticketing for violations is not the solution because it would just raise anger with the residents.

Ms. Ricks stated that most of the city was developed in an era prior to the automobile and at that time the streets were of adequate width, but now that the city is auto-orientated the streets are not to scale for these conveyances and properties do not have a place to store auto-sized objects on their property footprints. She stated however that sidewalks are public rights-of-way and we are obligated by the Americans With Disabilities Act to provide that they be safely traversed by all others. She said our challenge is to employ technology and other advances, including citizen education, to provide a safe haven environment across a pre-auto universe during an era marked by prevalent use of auto transportation.

Ms. Bolden added that the shift in the number of single-family homes turning into multiple person dwellings, now requiring three or four vehicles per residence, can contribute substantially to increased parking density.

Mr. Cohen added that the new scooters are also adding to this issue as he believes there is no tracking policies as where and in what status they are to be left after their rental use.

Ms. Ricks stated that is an established system and there are rules regarding their use and compliance that are tracked and recorded. She advised that she would be happy to brief the Board on the programs disposition.

Mr. Onorato discussed the Finance Reports, reminding the Board that at its request we are using the 2019 revenue numbers as the base year. He advised that July 2021 revenues are at about 65 percent of 2019's. He advised that the year-to-date revenue trend is the same showing \$4 Million in 2019, \$1.7 Million in 2021, \$1.8 Million in 2020, with the first three months of 2020 being regular months without the pandemic.

Ms. Fishback asked if we had any information on when businesses in the downtown corridor predicted their returns to their offices.

Mr. Onorato responded that his discussions with some of the businesses indicated a delay in bringing employees back to the office, noting that some of the larger employers stated that many their employees are resisting mandated returns and are even resigning to avoid it. He stated that he anticipates targeted dates for returning to office settings are now moving through the fourth quarter of 2021 into the beginning of 2022, with the actual timeframe being determined by the prevalence of Covid variants. He advised that the hope is for a more rapid return, but the timing is beyond our control. He advised that we have been encouraged by events at the Omni and Renaissance Hotels. He said both reached out to us to reinstate leases they hold at our garages, an indication their business must be picking up at those sites.

Mr. Onorato discussed the Revenue Report, advising that revenues of \$1.8 in January rose to \$3 million in July compared to \$4.7 million in July of 2019. He advised that the first three months of 2020 were higher than 2019 as the pandemic was not yet a factor until March.

Mr. Onorato discussed the Facilities Report, stating that it shows an increase in utilization from 2020 to 2021 and rose dramatically in all of our garages in July 2021.

Mr. Onorato discussed the Enforcement Report, which reports that there was over 14,000 tickets issued in July, up \$12,000 from last year, but lower than 2019's average of \$23,000 per month. He advised that meter violations account for 50 percent of the total cited. He reported that the Authority is hoping to return part-time officers to enforcement duties but is currently finding it difficult to locate people interested in those positions.

Mr. Onorato discussed the Meter Revenue Report, noting that revenues are rising slowly but still more rapidly than garage revenues. He reported that the monthly total in 2019 was \$1.6 million and \$1.2 million in 2021, or roughly 75 percent of the July 2019 performance. He also noted that the total of 433 leases in our surface lots throughout the city in 2019 is now down to 331 but is still above the 2020 level.

Mr. Onorato discussed the Parking Court Report, which shows the same trends of going in the right direction in all measurables but at a slower pace than expected.

Mr. Cohen commented that because of the availability and use of the pay-by-phone apps it was likely that fewer tickets would be issued.

Mr. Onorato confirmed that the goal is to have greater compliance and fewer tickets and said he hoped that adding additional phone vendors and the increase in payment options would help parkers become more compliant. He advised that one of the new pay-by-phone vendors, Meter Feeder, is a local company.

Ms. Fishback asked if the Authority implemented any of the rate changes the Board authorized at last month's meeting.

Mr. Onorato advised that while we have evaluated the rates and found that lowering them would require substantial increase in utilization just to break even so we made the decision to leave them unchanged for now. He stated that we will continue to look at the event rate at Ft. Duquesne and Sixth and will increase it as the market permits. He said that revenue control equipment will have to be updated to accommodate that change.

RESOLUTION NO. 18 OF AUGUST 2021, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO APPROVE A CHANGE ORDER AND FINAL PAYMENT TO DORE AND ASSOCIATES FOR THE NINTH AND PENN GARAGE DEMOLITION, was read by Mr. Cohen and considered by the Board.

Mr. Onorato advised the Board that this is a request for approval for both a change order and final payment for the demolition of the Ninth and Penn Garage. He advised that the demolition was completed some time ago but said there were some outstanding issues that needed to be resolved before final payment would be released. He advised that the most significant issues were outstanding water bills with PWSA that are now resolved and final removal of some equipment from the vacant site. He noted that a reduction in the scope of work

was reduced by not having the sidewalk removed resulted in a \$3,000 credit to make the final contract final amount \$631,400. He said the final payment would be \$69,440.

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

There were none.

Upon motion by Mr. Wilson and seconded by Mr. Barron, Resolution No. 18 of 2021 was approved as follows: Mr. Barron, yes; Mr. Wilson, yes; Ms. Ricks, yes; Ms. Fishback, yes; Mr. Cohen, yes.

RESOLUTION NO. 19 OF AUGUST 2021, “A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A SECOND AMENDMENT TO PARKING AGREEMENTS BY AND BETWEEN THE AUTHORITY AND THE CITY OF PITTSBURGH, was read by Mr. Cohen and considered by the Board.

Mr. Onorato thanked Councilman Wilson for his support and guidance in securing City Council’s approval of the negotiated amendments to the agreement and said we are now seeking approval from the Board as well. He said that, once the agreement is executed by the Authority, the agreement will also be authorized by the City and the Mayor’s office. He advised that the new agreement was required by the Authority’s pandemic-related loss revenues. Nothing that the City also experienced a significant loss of revenue and citing its successful application for reimbursement of lost revenues that the Parking Authority was not eligible to apply for, the City is working with us to amend the current Co-Op agreement for the next 10 years to help offset the \$34 million that the Authority lost during the pandemic. He advised that the first item in the current agreement states that the Authority must meet a 1.5 debt service ratio based on the trust account. He advised that the agreement now requires us to add 1.25 percent of our debt service obligation without subordination to the City, changes that Moody’s and S&P wanted in the agreement to ensure that we are able to pay our bond holders. He stated that in the current agreement, the Parking Authority has been entitled to the first \$4.6 million in meter revenues. He advised that we negotiated an increase in that amount by \$1 million, meaning that we will be able to keep the first \$5.6 million of 2021 in meter revenues and will continue at that level for the next four years before reverting back to \$4.6 million in 2025. He advised that the current agreement permits us to deduct our contract expense and credit card fees from the meter revenue total and said there is no change in that portion of the agreement. He also advised that the annual \$1.9 million payment in lieu of taxes paid to the City is now waived for the next ten years. He advised with those changes result in a relief of \$24 million over the next 10 years that is certainly significant to us but said the full \$34-million loss total will take years to replace. He also advised that the agreement stipulates that we supply 225 leases in the Second Avenue lot to the City, 100 for its vehicle fleet and 125 for the use of individual City employees who will pay a discounted rate of \$70.00 a month directly to the Authority. Mr. Onorato added that the agreement also provided that any parking tax generated by the sale of those leases would be waived by the City.

Mr. Wilson stated that he would like to thank Mr. Onorato and Chief Casey for working through this amendment process and to reach an agreement that supports both parties. He stated that he and City Council believes that agreement provides a path to the Authority's recovery from the impact of the pandemic.

Mr. Barron asked if the Authority has an estimate of the positive economic effect of the revised agreement. He also thanked everyone involved in completing this necessary revision.

Mr. Onorato stated that over the 10 years it will increase the bottom-line impact of our revenue totals and enable us to meet the required 1.25 debt service ratio. He advised that the retention of \$1 million in meter revenues for four years is also significant, noting that this year's result would not meet our requirement for debt coverage service.

Mr. Cohen stated that we are estimating \$34 million in revenues this year, \$26 million less than past years and stated that the City's being flexible in working with us has been tremendous. He noted, however, that if the 2022 revenue numbers do not increase, we may need to look at different options as our operations are based on a \$60-million-a-year revenue stream. He stated that his principal concerns are our ability to meet our debt-service ratios and making sure there are sufficient capital improvement funds to ensure the safety of our facilities. He stated that we cannot spend the same amount of money we have in the past while being down \$20 million in revenues.

He stated that it is too early to talk in an informed way about these matters now, but said he wanted the Board to think about it before they need to be discussed sometime next year.

Mr. Onorato noted that while our reduced expenses are based on revenues he wanted to note that staff directors did take a look at drastic cuts within their respective departments. He stated that we will continue to closely monitor our headcount needs and said the refinancing of our debt substantially improved our financial position in the short term

Mr. Cohen asked the amount saved by refinancing.

Mr. DiNatale advised that refinancing the payment in 2021 reduced it to under \$3 million from \$7 million. He stated that if you look at cash revenue, we are trending about \$65,000 above our projections and said that while we are not in dire need this year the trend direction indicted that we needed to get the new agreement done to continue operating from a position of strength. He stated that by getting the first four years of an extra additional \$1 million from the meters will continue to allow us to fund all of our capital projects with our own cash without taking on extra debt. He said although volume is coming back slower than anticipated our trends are exactly as we projected entering into 2021's fourth quarter. He said he wanted to make it clear that we will be able to self-fund our capital projects for the next few years and said the Desman report of garage conditions was a very positive one for us adding that the sole Forbes-Semple exception was one we were already in the process of addressing. Mr. DiNatale repeated that the Authority's position is still one of strength.

Mr. Cohen asked if there was any questions or comments.

There were none.

Upon motion by Mr. Barron and seconded by Mr. Wilson, Resolution No. 19 of 2021 was approved as follows: Mr. Barron, yes; Mr. Wilson, yes; Ms. Ricks, yes; Ms. Fishback, yes; Mr. Cohen, yes.

NEW BUSINESS

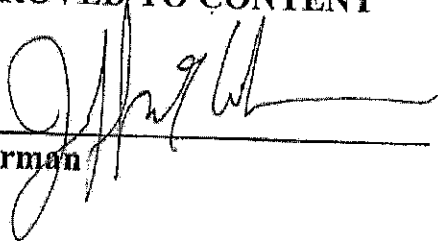
Mr. Cohen asked if there were any new or old matters to discuss.

There were none.

Mr. Onorato reminded everyone that we will be in touch with them to reschedule the September Board Meeting from its scheduled date.

The meeting was adjourned at 10:01 a.m. with all Board members in approval.

APPROVED TO CONTENT



Chairman

ACCEPTED FOR FILING IN THE AUTHORITY'S BOOK OF MINUTES



Approval