

**MINUTES OF THE REGULAR MEETING OF THE
PUBLIC PARKING AUTHORITY OF PITTSBURGH
THURSDAY, MAY 21, 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 10:08 a.m. on May 21, 2020. The following Board members were present at the start of the meeting: Jeff Cohen, Cathy Qureshi, Matt Barron, Bobby Wilson and Karina Ricks. Present from staff were David Onorato, Christopher Speers, Chris Holt, Gwendolyn Bolden, Jo-Ann Williams, Mark DiNatale, Philip Savino, Deb Kerestes and Pat Konesky. Also present were Jim Gibbs of Meter Feeder, Kinsey Casey of the City of Pittsburgh and Jason Wrona of Buchanan Ingersoll and Rooney.

MINUTES

Mr. Cohen asked for approval of the minutes from the February 20, 2020 meeting.

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

PUBLIC COMMENT

Mr. Cohen asked if there were any public comments.

There were none.

EXECUTIVE DIRECTOR'S REPORT

Mr. Onorato updated the Board that, in accordance with the Mayor's news release of March 18, 2020 regarding the Covid-19 pandemic, the Parking Authority suspended enforcement and Parking Court operations, closed operations at the main office, reduced and eventually stopped the shuttle at Second Avenue, suspended garage security and stopped cash transactions at both the Mon Wharf and Second Avenue surface facilities. He added that, effective May 1, all enforcement personnel were furloughed. He stated that effective May 20, enforcement in the Downtown area resumed with the issuance of warning tickets for meter violations but said that live tickets were issued for safety violations such for parking in handicap, fire hydrant and crosswalk locations. He said that live ticketing will begin in the Downtown zones on May 26, 2020 for violations of posted meter information.

Mr. Onorato advised that when enforcement does resume, the Authority will be offering

a free half hour of parking to assist small businesses with deliveries and take-out, noting that parkers will need to activate a metered stay in order to get the 30 minutes of free parking. He noted that this incentive is temporary and will be reassessed on a monthly basis.

Mr. Onorato advised that the pandemic has had a hard impact on the Authority but said he believes that our revenues have hit bottom and is now seeing the usage trend going in the right direction.

Mr. Onorato advised that, also due to the pandemic, the March and April Board meetings were cancelled.

Mr. Onorato updated the Board on the Ninth and Penn Redevelopment project, advising that the demolition is completed and reporting that once Dore completes its demolition for the Cultural Trust, it will vacate the site. He noted that both Massaro and Tim Haahs contracts have been suspended with the drawings completed but said that we did not go out to rendering. He said we will continue to hold on the project until we reassess the pandemic's full impact on our revenue.

Mr. Onorato advised that due to the pandemic the Authority had concerns regarding acceptance of cash via hand-to-hand transactions and is adding a kiosk to each location to make them credit-card accessible. He noted that Second Avenue will also accept leases and the Mon Wharf may still have some cash transactions, offered by both ParkMobile and Meter Feeders as a phone option.

Mr. Onorato advised the Board that the audit has been completed by Maher Duessel and was pleased to report that the Authority received an unmodified opinion with no management letter. He thanked the Audit Committee. Mr. Barron and Ms. Qureshi for their time and assistance.

Ms. Williams thanked the Parking Authority staff for its assistance and cooperation with Maher Duessel.

Mr. DiNatale seconded Ms. Williams in thanking staff and the committee.

Mr. Onorato updated the Board on the Mural Project at the Forbes/Murray Lot, stating that staff is working with community groups and representatives from the Carnegie Library to complete this addition to the site.

Mr. Onorato reported that we have received notification from the City that it will be discontinuing the maintenance of our and other Authority websites and we will now need to prepare a RFP to obtain a developer. He advised that, while there is no timeframe on this as yet, it is something that we will need to plan for in the near future.

Mr. Onorato provided an update on the City's capital project at Second Avenue to relocate the electrical power source within the lot, noting that the City has secured grants and plans on increasing its current number of electric vehicles by eight. Mr. Onorato also advised that the Authority has \$100,000 in its 2020 Budget for this project which is anticipated to cost \$416,000 to move the charging stations. Mr. Onorato stated that he did advise the City that all of our capital budget projects are currently on hold and advised the Board that the project had to be completed by the end of this year or early next year to avoid the City's loss of the grants to

fund it.

Mr. Onorato advised that the Authority is working with AT&T to place its antenna on the roof of the Third Avenue Garage. He advised that this is something that the Board approved previously and said that the work is only now beginning. He advised that we will receive a monthly rental fee from ATT&T once the installation is completed.

Mr. Onorato advised the Board that the Authority has been inundated with suspension and cancellation requests of leases due to the Covid-19 pandemic and said that we have been working diligently to address those requests.

Mr. Onorato also advised that the Authority has been working with our commercial tenants on a case-by-case basis on suspending their rent payments for April and May, depending on their individual circumstances.

Mr. Onorato updated the Board that the Authority will be moving to a paperless lease payment process and will no longer be sending paper invoices on a monthly basis.

Mr. Onorato advised that he has been selected by the Mayor to part of a task force headed by Ms. Ricks, to support the vitality of Pittsburgh during the Covid-19 period.

Ms. Ricks commented that during discussion of commercial areas, a recurring theme was the efficient use of curbside space and how we can manage the time at the curb in increments as small as 10 minutes. She advised that there was a technologist on the panel who took all of the suggestions and developed an innovative tool which will be presented within the next day or two. She stated that a lot of good things has come out of this task force to date but stated that there is a lot of thinking that needs to be done if we are to convert paid curbside spaces to other vitally important uses, such as outdoor dining, to support streetscape businesses.

Mr. Cohen advised that the task force needs to move strategically and not just close streets to accommodate certain businesses, as there are other businesses besides restaurants on those streets and reducing access may drastically affect those businesses.

Mr. Onorato thanked Ms. Ricks for her efforts on this task force and noted that this is part of the reason the Authority is offering a free 30-minute grace period at the beginning of patron parking stays.

Mr. Onorato advised that currently the Authority is only enforcing in the Downtown area and advised that he and Mr. Cohen are in constant communication with the Mayor's Office regarding resuming enforcement in the rest of the City. He stated that the feedback from businesses has been positive and said believes that it is time now to return to regular enforcement city-wide. He stated that he believes that the Mayor is waiting to see the course the Governor is taking before he makes any decisions on the restart of enforcement.

Mr. Cohen added that the Authority has bonds that we are in jeopardy of defaulting on, an event that will trigger a decrease in our rating and in turn will raise our interest rates. He advised that he has been asking Mayor Peduto to resume enforcement and noted that the Mayor has asked

for additional data to review. He advised that the Authority is not a tax-based Authority and said estimates we are losing \$4 to \$5 million a month in revenue and he does not believe we can sustain that loss over time. He noted that he does not see any other Authority, such as the Water Authority, offering free services during this pandemic. He said he is not concerned about ticketing but is more so concerned that the public knows that we are enforcing and will pay the meter for the parking time it uses.

Mr. Cohen asked Mr. Onorato the revenue loss total for the month of April. He stated that very few businesses can sustain the monthly loss rate now occurring at the Authority and still be able to remain in business.

Mr. Cohen stated that he believes it is critical that the Authority gets back to full-time enforcing so that people come back to the garages and lots, noting again that the Authority needs to begin generating some revenue.

Mr. Barron asked that when enforcement resumes, if it is anticipated that all employees that were furloughed will be called back and what type of precautionary methods will be taken for both employees and vehicles.

Mr. Onorato responded that we currently have four officers enforcing the downtown meters and have masks and gloves available to them and all employees. He said we will be staggering officers start times so that there are never four in a room at the same time to will keep them at the recommended safety distance of six feet adding that steps have been taken within the office for all common areas, requiring masks be worn and also looking into temperature screening. He noted that once we resume operations we will still be closed to the public. Mr. Onorato advised that all vehicles will be cleaned and disinfected before the return of officers and that once a vehicle is assigned to an individual officer it will stay with that officer and will not be rotated on a daily basis as has previously been our practice.

Ms. Ricks stated that she concurs that there are many strategic items that need to be done in order to keep the Authority financially sound, which is the purpose of this Board in many respects, but she said one thing she believes needs talked about is metering the loading zones, which is something that is common in other cities and is increasingly becoming common now with the high demand of pick-up and drop-off capacity. She stated that there would be some revenue replacement by better efficiency from the curbside spaces that remain and stated this would require a lot more discussion but generally concurs that it needs to be done strategically and with an eye towards the various impacts of any change.

Mr. Cohen replied that he agrees with Ms. Ricks but stated that we do not enforce after 6:00 pm daily so he's stating that changes would need to be made going forward. He stated that he does not know how some of the businesses are going to survive. He described his own business as solid but said if he didn't own his own building his business would have a hard time surviving. He stated that most business are barely making bills and payroll and estimates that most likely 30 percent of restaurants that are closed now due to the Covid-19 pandemic will not reopen. He said that the Authority has do everything it can to not push any of these restaurants out of business. He stated that the Executive Director and Management needs to coach our enforcement officers in a much different way as we cannot just return to business as usual, adding that he feels there should be a little consideration and understanding. He stated that there

are going to be challenges going forward but his opinion is the biggest challenge is that the Authority needs to get back to receiving revenues. He advised that if our revenues continue to decline and our bond rating decreases, no matter how quickly enforcement returns its going to be a long time, possibly up to a year, before we get back to our normal monthly revenues. He stated it is critical that the Board convinces the Mayor that we need to return to enforcement city-wide. He noted that parking was free throughout the city for the last eight weeks but that we need to return to the new normal and make sure that spaces are available for the businesses that rely on them.

Ms. Qureshi stated that the Authority is the single largest taxpayer to the City and we have always in the past talked hypothetical, and while we never anticipated any financial crisis, here we are. She said her other comment is that the Board is responsible for the fiscal responsibility of the Authority and to our bond holders, and we also are an economic development arm of the City in terms of small businesses and supporting the revenues to the City of Pittsburgh. She stated that she recommends forming committees, following the Sunshine Laws, to review reopening procedures.

Mr. Barron stated that perhaps the Authority should initiate some type of study or analysis addressing the very real possibility of the major offices downtown having a much higher proportion of employees working from home after the crisis.

Mr. Onorato responded that this is being considered as well as the possible effect of people returning to work and requesting parking leases rather than taking public transportation during this time.

Mr. Cohen stated that some of his business acquaintances with companies that offer work from home are concerned that not all employees are motivated enough to work from home and that the productivity is not good. He stated that he looks at work from home as not fostering any synergy, no engagement, no real strategy, resulting in employees being not as effective as when they are together. He stated that he believes that some companies will leave their standard office formats and switch to remote working but said he also believes that the landlords will offer better packages that result resulting in vehicles returning to the garages. He stated that at the end of the day, he does not believe you can grow and keep your business together by people being apart. He stated that he supports establishing committees to look at these situations.

Mr. Wilson stated he also likes the idea of studies that will identify some of those issues and changes. He stated that there have been discussions of the different stages the Authority has experienced while not receiving revenues and said he wanted to know if there is a similar strategy for coming out of the yellow phase and into the green phase, such as the timing of hiring back furloughed employees.

Mr. Onorato responded that we are developing policies on the various stages of reopening our offices, noting that we will bring back staff once we are permitted to reopen but believes that security will be one of the last services being returned to normal staffing.

Mr. Cohen stated that based on the current revenues he does not believe that the Authority can keep the same employee counts and may need to furlough additional employees. He described that possibility as another tough discussion that may need to occur.

Mr. Onorato stated that he does believe that the Board will need to have that discussion. He advised that most of our staff is already working except for the enforcement staff.

Ms. Qureshi commented that there should be subcommittees consisting of board and staff members to have those conversations. She stated that she believes that Mr. Onorato is already doing this but added that she believes the subcommittees, including Board, legal and human resources, would be a good approach. She stated that there are not best practices for this situation but we need to be sensitive in our approach.

Mr. Onorato advised that HR has been in contact and working with Buchanan Ingersoll's staff on the various return-to-work policies that will be in compliance with the CDC guidelines.

Mr. Onorato discussed the Finance Report and based on the 2020 budget said the monthly garage revenue average was to be \$2.9 million but this month the revenues were \$750,000. He advised that the meter revenue averages \$1.7 million per month and this month's revenues were between \$100,000 and \$115,000. He advised that we will continue to monitor revenues as well as expenses, advising that at the beginning of the pandemic we reduced our expense by over \$7 million. He said that total included including the City's meter revenue sharing line item and also stated that there was a hold put on all capital expenditures and travel.

Mr. Onorato discussed the Facility Report, which shows how significantly each facility has been affected by the pandemic. He noted the Finance Reports reflect the same 75-percent reduction in revenues for the month.

Mr. Onorato discussed the Meter Enforcement Report, noting that with the suspension of enforcement there were no tickets written for the month of April, a function that normally averages 20,000 to 24,000 per month.

Mr. Onorato discussed the Parking Court Report, which also shows a significant drop in revenues again directly related to the meter enforcement. He noted that the monthly average typically ranges from \$700,000 to \$1 million and said that this month's collections were \$109,000.

Mr. Speers stated that we really lost the bulk of everything beginning March 16, with restaurants and bars closing on March 17 and the stay-at-home order becoming effective on March 18. He advised from March 24 to April 14 revenues completely bottomed out at 15-percent utilization and were at approximately \$5,100 in transient transactions across the garage system. He stated right now, looking at last week before parking enforcement was brought back, we bottomed out again in the middle of April at 15 percent and were at 19 percent by the middle of the week, which generated approximately \$9,000. He stated that just this week we jumped up 36 percent in utilization and we are now showing combined occupancy of 24 percent, up nine percent from the middle of April. He said just in the one week, after moving to the yellow stage and having made the parking enforcement announcement, we are already starting to see a significant increase, noting that we are back to the levels of the utilization level of March 23. Mr. Speers advised that the real hurdle is getting back to the first and second weeks of March and that is going to take a lot more work and, in his opinion, is where we are going to see the new normal. He advised that we are gaining ground and this was a significant revenue week for the Authority, noting that

getting some enforcement services back was absolutely critical, as nobody is going to park in a garage and pay a fee when they can park on the street with no charge or penalty. He stated that he believes that at the beginning of June we will be back to where we were at the week of March 17, but we still have significant hurdles to overcome.

Mr. Cohen stated that he would like to give the Mayor credit for not delaying in approving the return of enforcement in the downtown area.

Mr. DiNatale added that we have done all the steps necessary to cut expenses but we need the revenues to return. He stated that we will continue to monitor those trends

RESOLUTION NO. 12 OF MAY 2020, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A COORDINATION AGREEMENT WITH THE DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES (DCNR), was read by Mr. Cohen and considered by the Board.

Mr. Onorato advised that the Authority is looking to execute a contract with DCNR and the City to complete the bike trail along the Mon Wharf. He said the work would require a few parking spaces to be eliminated but added that we would gain a few spaces further down the trail. He stated that this is a good project for the City and said the Authority has no issues or concerns regarding its completion.

Mr. Cohen asked if there were any questions.

There were none.

Upon motion by Mr. Barron and seconded by Ms. Ricks, Resolution No. 12 of 2020 was approved as follows: Ms. Qureshi, yes; Mr. Barron, yes; Mr. Wilson, yes; Ms. Ricks, yes; Mr. Cohen, yes.

NEW BUSINESS

Mr. Cohen asked if there were any new business issues to discuss.

There were none.

The next Board meeting is scheduled for Thursday June 18, 2020 at 10:00 a.m.

The meeting was adjourned at 11:03 am with all Board Members in approval.

APPROVED TO CONTENT



Chairman

ACCEPTED FOR FILING IN THE AUTHORITY'S BOOK OF
MINUTES



Approval