MINUTES OF THE REGULAR MEETING OF THE PUBLIC PARKING AUTHORITY OF PITTSBURGH THURSDAY, JULY 16, 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 July 16, 2020. The following Board members were present at the start of the meeting: Jeff Cohen, Matt Barron, Karina Ricks and Liz Fishback. Present from staff were David Onorato, Chris Holt, Mark DiNatale, Deb Kerestes, Evan Gornick, Bill Conner and Pat Konesky. Also present were Kinsey Casey and Mohammed Burney of the City of Pittsburgh, A. Apostolou, Alison Keating, an unidentified caller from 412-606-1286 and Bill Stewart of Strategic Communications.

MINUTES

Mr. Cohen asked for approval of the minutes from the June 18, 2020 meeting.

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

PUBLIC COMMENT

Mr. Cohen asked if there were any public comments.

Ms. Keating, a Manchester resident, stated that she is a representative of Pittsburghers for Public Transit, but said she was not commenting in that capacity and explained that she wanted to make the Board aware that the public was unable to access the June 2020 meeting. She noted that, in general, there were issues in attending the Board meetings as they had been moved or cancelled in the past. Ms. Keating said that while she believes that the Sunshine Act was followed on those occasions, she felt the changes showed insufficient consideration for the public. She stated that when she attended meetings in the past, she asked for and was given a copy of the Board packet but said the most recent time she called she was advised that the meeting had been cancelled. She stated that she then discovered that the meetings were back on schedule to be held virtually and asked where she could get an agenda copy. Ms. Keating stated that she is simply asking for a little more transparency in the Authority's means of keeping the public informed.

Mr. Onorato responded that her comments are appreciated and said we would take them under advisement and would reach out to her for more information if necessary.

Mr. Cohen added that meeting information and minutes are posted to the Authority's website each month a meeting is scheduled. He also advised that she contact Mr. Onorato's office with any questions or requests.

Mr. Cohen advised that there was a change in the Board's composition and welcomed Ms. Fishback as a replacement for Ms. Qureshi, who he thanked publicly for her years of service. He also reported Ms. Strassburger's resent resignation from the Board.

Mr. Onorato welcomed Ms. Fishback and stated that, with these changes, there are now three vacancies in the Board officer assignments of Secretary, Treasurer and Assistant Secretary. He said that nominations and elections to those positions will be on next month's meeting agenda.

Ms. Fishback introduced herself as the newest member of the Parking Authority Board, advising that she has lived in the Pittsburgh area since 1996 and currently works for Argo AI, a self-driving car service. She reported that her previous employment positions included working for U.S. Senators Bob Casey and Arlen Spector. Ms. Fishback stated that she is looking forward to working with her fellow Board members and the Authority staff.

Mr. Cohen asked if there were any additional comments or question from the public.

There were none.

EXECUTIVE DIRECTOR'S REPORT

Mr. Onorato advised that meter enforcement in the downtown area and neighborhood surface lots resumed on June 1 and said the balance of the neighborhood meters began to be enforced on June 15. He added that we are currently not enforcing during street cleaning or in residential permit parking locations stating that he doesn't anticipate enforcement in support of street cleaning to resume at all this year. He said he does expect enforcement in residential permit parking zones to resume at some point in 2020. He advised that all of the Authority's full-time Parking Enforcement Officers are working currently, while all part-time enforcement officers remain on furlough.

Mr. Onorato advised that kiosks that accept credit card payments, have been installed in both the Mon Wharf and the Second Avenue surface lots, providing more payment options for our customers. He said cash-only transactions became a main concern during this pandemic. He stated that of yesterday's 70 patron transient customers at Second Avenue, 50 percent paid by credit card. He stated that he believes that, over time, credit card usage will be highly popular at these locations.

Mr. Onorato updated the Board on the Ninth & Penn Project stating, that the demolition work has been completed and the entire project has been placed on hold during the pandemic. He advised that the situation will be reevaluated each month and based on our revenue progress, a decision will be made as to when to proceed. He noted that at the time we issue RFPs for construction we will need to issue debt to pay for the garage.

Mr. Onorato advised that the Authority is working with the City on street reconfigurations to assist those businesses that would benefit from additional outdoor seating capacity during the pandemic. He said that, to date, Strawberry Way has been closed to vehicle traffic, Market Square is experiencing a partial closure, and Sixth Street from Ft. Duquesne Blvd. and Penn

Avenue have been reconfigured. He also advised that Shiloh Street in Mt. Washington has been closed on weekends, Oakland Avenue has been closed, and Walnut Street has been reconfigured. He said that while all of these actions are benefitting businesses of many types, they all contribute to the number of Authority parking spaces that have been removed from service.

Mr. Onorato updated the Board on the City's project to reconfigure the bike lanes and parking around Allegheny Center. He said approximately 100 parking spaces will be lost by the time the project is completed.

Mr. Onorato advised that the Fairmont Hotel, including the restaurant located on its second floor, is scheduled to reopen July 24.

Mr. Onorato discussed a new revenue report, which shows Authority revenues of approximately \$4.7 million in January and February before dropping dramatically in March. He stated that to date through June, we recorded 58 percent of our budgeted revenues, or \$16.4 million, compared to the budgeted amount of \$28.7 million. He noted that we will continue to monitor the revenue returns through July and anticipate presenting an amended budget at the August Board meeting.

Mr. Onorato advised that last week's meter revenue total increased about 50 percent to \$170,000 from the prior week. He noted that the prior week included the Fourth of July holiday and the July 3 Union holiday. both days with no enforcement.

Mr. Onorato advised that the Finance Report, which compares the revenues from year to year, also shows revenue at 40 percent of budget. He added that the reports show the same directional trends as the new one just presented and said it was more instructional to show just this year's month-to-month results than to compare them to 2019's monthly and year-to-date figures.

Mr. Onorato advised that the tickets being issued are about 50-percent fewer per month than prior to the pandemic, with the majority of them resulting from meter violations. He said only full-time officers have returned to work and repeated that there has been no enforcement activity in the residential permit areas.

Mr. Onorato discussed the Quarterly Parking Court Report, which compares 2019 and 2020 and shows the drop in revenues and expenses from 2019's \$4.2 million total at this point to \$1.7 million to date in 2020.

Mr. Onorato discussed the Quarterly Transient and Net Revenue Report, which shows the significant scale of the drop in number of vehicles utilizing the garages.

Mr. Onorato discussed the Quarterly Revenue per Space Report, which estimates the industry average of revenue per space that was \$2,000 before the pandemic to the current average of \$1,300 per space. He noted that we use this report internally to compare per-space expenses from facility to facility.

Mr. Onorato discussed the Parkmobile Pay-by-Phone report that showed 138,000 transactions in June, again noting the average revenue gap from \$2.11 for a traditional transaction to 42.48 for one involving a phone payment. He stated that while volume is increasing, we will continue to monitor it and will return to the Board next month with adjusted revenue projections.

Mr. Onorato noted that there are no resolutions for the Board this month and stated that he was prepared to respond to any questions on any of the monthly or quarterly reports.

Ms. Ricks welcomed Ms. Fishback as the newest member of the Board. She asked why the revenue trend analysis runs from Wednesday to Wednesday and said she wondered why the reporting was structured in that manner.

Mr. Onorato advised that we track it that way because it gives the garages adequate time to record and include the weekend transactions and for the Finance Department to complete the report. Mr. DiNatale added that not all of our garages employ the same system from the same vendor and said the garage managers need to submit their information as early as possible on Monday for it to be reviewed by the Parking Services Director before being forwarded to Finance.

Ms. Ricks asked if the data actually reflects all the parking consumed in that week and did not include any lag in usage. She also asked if the week noted on the report is the date at the beginning of the week or at its close. Ms. Ricks stated that the end date serves as the identifier, adding that the reported week ending July 8 would have included the Fourth of July weekend.

Mr. DiNatale confirmed that the weekend numbers are the actual numbers counted in the July 8 report and did include the holiday weekend.

Ms. Ricks asked Mr. Onorato the correct number of spaces being removed in Oakland for the outdoor dining program, explaining that she does not believe that there are 42 spaces in the 150 feet she feels is being referenced in the program.

Mr. Onorato advised that he will verify the number involved and share it with the entire Board.

Ms. Ricks stated that she is very happy with the work of Ms. Bolden, the Parking Authority's Director of Enforcement, and noted that she has been sharing her department's information as needed.

Mr. Barron asked if there were any updates on the Ninth and Penn project.

Mr. Onorato responded that the most significant update is that the design is almost 100-percent complete, adding that the rendering is not complete as we put a hold on the entire project at the beginning of the Covid-19 pandemic. He said that in addition to the design we have the drawings and costs that are available to be shared with the Board.

Mr. Barron asked if there has been any thought on right-sizing project based upon the potential for some significant changes in the downtown office environment and the possibility that fewer people will be commuting post-Covid and needing to park. He stated that this possible impact of office downsizing could be discussed later, if it's not too late, but asked if there has been any thought to date regarding it. He stated that it is probable that we could save money with a smaller project more in tune with changes in market conditions that could occur.

Mr. Onorato responded that Mr. Barron's point was valid and stated that it is really not too late in the process to consider it. He stated that we are in a good place with the demolition being done and having issued no RFPs for construction. He advised further that we are not under contract with anyone and, if the direction changes, we may just lose a little money on the design process that is already completed. He advised that Mr. Cohen and he had the same discussion earlier in the week and agreed that we are currently in a good holding position. He stated he believes that it is too early to make a decision regarding the building's size, capacity or configuration.

Mr. Barron said he agreed that it is a little early to be making any decisions and asked Ms. Ricks if DOMI is seeing any trends that might help with that decision.

Ms. Ricks stated that nationally, even with the significant portion of the workforce working remotely, we are seeing a resumption of on-street traffic volume. She said it is noteworthy that only 20 percent of the household trips that are made represent commuting travel while 80 percent of household trips involve going to grocery stores, schools, obtaining healthcare and the like. She stated that if we do start seeing more tele-commuting, which she believes that we will, the parking industry will experience more of the now hoteling concept occurring in office buildings where every worker is not present on his or her same day. She stated that an employer with 100 leases who now assigns them to 100 employees and any other employees who need to procure their parking independently could now make those 100 leases available to 200 or more employees. She stated that she hopes we will still see the same levels of employment and even a growth of employment but said they all won't necessarily be commuting downtown at the same time. She stated that parking accommodations also might well be required for commuting trips to work destinations not downtown or central business districts.

Mr. Onorato added that he agrees with Mr. Barron's comment regarding the occupancy in downtown office space possibly being reduced but said we are also trying to monitor trends across the industry and country where fewer people could be working in downtown locations but may prefer driving because of increased concerns and questions stemming from the safety of public transportation.

Ms. Fishback stated that the Ninth &Penn garage is also highly utilized by patrons of sports arenas and the Cultural District and asked if the revenue source for that particular facility is generated by daily or lease parkers or patrons using the nearby amenities. She asked that we keep this in mind so that when things return to normal, we are prepared to accommodate that all of the garage's principal customer bases.

Mr. Onorato advised that our Ft. Duquesne & Sixth Garage is the one most highly utilized for evening activities such as sporting events and theaters. He stated that basically fills during the day with commuters and then again in the evening for special events. He stated that Ninth & Penn usually fills during the day and also gets a heavy evening crowd for events. He stated that all nine of our downtown facilities are filled to capacity early in the morning on most weekdays and said those most utilized during the evening for cultural and North Shore events are Ft. Duquesne & Sixth and Ninth & Penn. He said our Mellon Square facility's major off-peak usage is for events at PPG Paints Arena.

Mr. Cohen added that we will evaluate the parking climate further down the line as it is too early to know what the trends and needs will be. He advised that he and Mr. Onorato will be

meeting early next week with representatives of CMU regarding an 800-space garage they are proposing building near their campus. He stated he believed we have a least a full year before we need to decide a direction for our own facilities.

Mr. Onorato expressed his agreement with that assumption, stating that while we may need to bring resolutions to the Board for the design and demolition already completed, we are not committing any additional monies going forward until we make a decision on the size, capacity and amenities appropriate to Ninth & Penn's Cultural District location.

Mr. Cohen asked the amount of the Authority's debt payment amount.

Mr. DiNatale responded that the debt service for 2020 is \$7.4 million, adding that a \$1 million interest payment was made in June leaving a payment of \$6.4 million due at the end of the year.

Mr. Cohen stated that the Authority's ability to make its debt service payment was the reason why it was so important to resume enforcement as rapidly as possibly during the pandemic.

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 August 20, 2020 at 10:00 a.m.

The meeting was adjourned at 10:39 a.m. with all Board Members in approval.

APPROVED TO CONTENT

Chairman

ACCEPTED FOR FILING IN THE AUTHORITY'S BOOK OF MINUTES

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