

**MINUTES OF THE REGULAR MEETING OF THE
PUBLIC PARKING AUTHORITY OF PITTSBURGH
THURSDAY, JUNE 20, 2019**

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 at 10:13 a.m. on June 20, 2019 at 232 Boulevard of the Allies, Pittsburgh, PA 15222-1616. The following Board members were present at the start of the meeting: Jeff Cohen, Aradhna Oliphant and Matt Barron. Erika Strassburger arrived at 10:15 a.m. Present from staff were: David Onorato, Chris Holt, Gwendolyn Bolden, Jo-Ann Williams, Philip Savino, Janet Staab, Tracy Sowinski, Kathryn Van Why, Bob Wilson and Pat Konesky. Also present was Jason Wrona of Buchanan Ingersoll; Jim Gibbs of Meter Feeder, Charlie Goodwin of BNY Mellon, Alison Keating of Pittsburghers for Public Transit and William Stewart of Strategic Communications.

Mr. Cohen advised that the board held an Executive Session prior to the meeting to discuss real estate and personnel matters.

MINUTES

Mr. Cohen asked for approval of the minutes from the May 16, 2019 meeting.

Upon motion by Mr. Barron and seconded by Ms. Oliphant, the minutes were approved as follows: Ms. Oliphant, yes; Mr. Barron, 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 on the Ninth and Penn Project, advising that the demolition permits are in the process of being finalized and said demolition will begin when they are secured. He advised that Dore has signed the contract and it is in place to be executed.

Mr. Onorato advised that Mr. Cohen and several staff members attended the International Parking and Mobility Conference where they were able to talk to current vendors and review some of the new technology being introduced in the industry.

Ms. Oliphant asked what was the most exciting new technology presented at the conference.

Mr. Onorato responded that most of the changes in technology are coming to the streets involve metering and phone use. He said the technology is changing so rapidly that we are not sure what will be most applicable during the next five years. He noted that the curb management is a big topic, particularly how it relates to the anticipated loss of vehicle parking given the addition of autonomous vehicles, ride sharing, electrical vehicles as well as bicycle parking and the presence of additional bike lanes. He noted that numerous municipalities are trying to determine how to adapt to revenue losses from parking in light of a new demand for curb access.

Mr. Cohen added that it was interesting to see that the technology is in place for garages to adopt mobile apps, therefore eliminating paper tickets. He said he believes that within five years or perhaps sooner, we may be a ticketless society. He advised that attending this conference that affirms the large amount of respect the Pittsburgh Parking Authority has within the industry. He noted that many industry professionals wanted to meet with us and had questions regarding our organization and procedures. He also noted that Mr. Onorato was elected as Chairman of the International Parking Association's Board of Directors. He advised that he and others attended classes during the event and found them to be very informative.

Ms. Oliphant asked if there was anything presented on the adaptability of newly built structures that was found to be helpful.

Mr. Wrona stated that the same struggles that we are encountering, notably if it is worth incurring costs of building structures that will be torn down in the future is the most effective strategy.

He advised that, in discussions with an international real estate developer out of Chicago and a parking consultant from England, we were advised that there is no one right answer but both agreed that teardowns are appropriate when buildings become obsolete.

Mr. Cohen advised that a huge benefit of attending this conference is getting to see all the latest technology in one place and meeting with current vendors as well.

Ms. Oliphant thanked the Board members for taking the time to attend.

Mr. Onorato advised that the International Parking Institute's Leadership Conference will be held here in Pittsburgh on October 3 and 4. He said attendance is limited to 100 attendees on a first-come, first-served basis.

Mr. Onorato advised the Board that the Authority has begun its process of preparing the 2020 budget and said staff will be reaching out to each Board member to schedule dates for the review and discussion of its contents.

Mr. Onorato discussed the Finance Report, stating that revenues from May 2018 to May 2019 are slightly ahead of last years' pace but are right on target. He noted that the we did account for the Ninth and Penn closure in the budget.

Mr. Onorato discussed the Facilities Report, stating that the May-to-May comparison reflects the

data contained in the Finance Reports, showing Ninth and Penn off due to its closure and Shadyside down due to business activity.

Mr. Barron asked if the large increase at Grant Street Transportation Center was due to the patrons moving from Ninth and Penn to that location.

Mr. Onorato responded that those moves account for part of the increase but said it is due more to the addition of the long-term leases acquired by Bombardier.

Mr. Onorato discussed the Enforcement Report, noting that the trend shows that the issuance of tickets has increased with meter, residential permit parking and street cleaning violations accounting for over 80 percent of the number issued. He noted that increased use of the License Plate Recognition (LPR) vehicles enables us to cover more area. He advised, however, that meter enforcement is still being done by officers on foot and said that increase is due principally to officers' performance.

Mr. Onorato discussed the Meter Revenue Report, which shows that lot and lease revenues are up slightly from last year.

Mr. Cohen noted that enforcement is doing a good job but said it's unusual that tickets continue to increase even with the app when one would logically think its wider use would reduce the number of tickets due to increased compliance.

Mr. Onorato discussed the Parking Court Report, reporting that, 2019 to 2018, there is a net increase of \$869,000 through May.

Mr. Barron asked why there is a big increase.

Mr. Onorato advised that Parking Court is more diligent in collecting all fines outstanding, adding but that the increased issuance of tickets has an effect as well.

Mr. Cohen asked if the revenues and expenses are split with the City.

Mr. Onorato responded that the Authority deducts its enforcement expenses and forwards 100 percent of the program's net revenues to the City.

Ms. Strassburger asked if the Authority officers were authorized to enforce wrong-way street parking and asked if there has been any effort to increase that practice. She said has seen a recent increase in that parking pattern.

Mr. Onorato responded that we have not increased enforcement of this code but said that we did emphasize it at one time to enhance the LPR enforcement as cameras cannot read the license plate if the vehicle is parked the wrong way. He stated that we do enforce the code if we get a complaint call regarding the location of a specific parked vehicle.

Mr. Cohen asked if there were any questions.

There were none.

RESOLUTION NO. 21 OF JUNE 2019, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO RETAIN CLARK HILL PLC TO SERVE AS BOND COUNSEL IN THE ISSUANCE OF NEW PARKING SYSTEM REVENUE BONDS BY THE AUTHORITY, was read by Mr. Cohen and considered by the Board.

Mr. Onorato advised that the Authority issued a bid for Bond Counsel, not based solely on price considerations. He said the proposals received were evaluated in three categories: Organization and qualifications; Fees; and MBE participation. He stated that the highest score determined by the committee was also the lowest price submitted. He described the result as a win-win for the Authority and said the proposal sheet is attached for the Board's review.

Mr. Onorato advised that Mr. Goodwin of BNY Mellon, the Authority's Financial Advisor, was present at today's meeting should there be any questions.

Ms. Oliphant asked if the Authority had ever used Clark Hill in the past.

Mr. Goodwin responded that the firm was counsel to the bond underwriters in 2015 and said that one of the attorneys who is now at Clark Hill had previously acted as counsel to the Authority on a 2005 bond issuance.

Ms. Oliphant asked the name of that attorney.

Mr. Goodwin stated that the attorney is Jim Webster.

Mr. Cohen noted that there is a large difference between the highest and lowest fees proposed and asked if the Authority felt confident that Clark Hill could indeed perform the work for \$26,000.

Mr. Onorato responded that the subject of price will be discussed during actual contract negotiations and said the Authority will insist on holding the vendor to no changes that would increase the total cost.

Ms. Oliphant asked for comment on what types of changes could be involved.

Mr. Goodwin stated that from a legal standpoint, the assignment should be relatively straightforward so he is fairly confident that the firm will be able to provide superior services. He noted that they are a high-quality firm and said working with them in 2015 involved a more complex transaction that requires significantly more work by their attorneys. Mr. Goodwin stated that Buchanan Ingersoll has done great work in preparing a large portion of what needs to be done. He stated that he believes the Authority received a terrific fee for work that would typically total between \$35,000 and \$40,000.

Mr. Cohen asked if this fee comes out of the total cost of the project.

Mr. Onorato confirmed that it does and noted that it is paid only on the condition that a deal actually closes.

Mr. Cohen asked if there were any questions.

There were none.

Upon motion by Ms. Oliphant and seconded by Mr. Barron, Resolution No. 21 of 2019 was approved as follows: Ms. Oliphant, yes; Mr. Barron, yes; Ms. Strassburger, yes; Mr. Cohen, yes.

RESOLUTION NO. 21 OF JUNE 2019, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO RETAIN SIEBERT CISNEROS SHANK & CO. LLC AND PNC CAPITAL MARKETS LLC TO SERVE JOINTLY AS CO-LED MANAGING BOND UNDERWRITERS, WITH STIFEL, INC. AS A CO-MANAGING UNDERWRITER, IN THE ISSUANCE OF NEW REVENUE BONDS BY THE AUTHORITY, was read by Mr. Cohen and considered by the Board.

Mr. Onorato advised that we received 11 proposals for Bond Underwriter and evaluated them by applying the eight different criteria outlined in the RFP. He stated that there four or five vendors scored in the top tier and advised that the PNC and Siebert Cisneros scores were almost identical. He said that after reviewing their proposals, the scoring committee decided to name them co-managers for the project and named Stifel to be brought on for the retail portion of the underwriting.

Mr. Barron asked if it was common to have co-managers and asked the pros and cons of having both.

Mr. Onorato stated that the approval is new to the Authority, but not new to the industry, noting that currently both the Airport Authority and Alcosan have co-managers on their current projects.

Mr. Goodwin stated that bringing a new parking garage to the market always adds some complexity in educating investors to the risks associated with project of this type. He said he thinks it is appropriate to have the two firms as co-leads because of the complementary nature of PNC's exceptional local knowledge and Siebert's national presence.

Ms. Oliphant inquired as to Stifel's responsibilities.

Mr. Goodwin advised that Stifel's focus on selling to individual investors will attract potential parties that might not have accounts with PNC or Siebert. He said the addition will maximize the number of bond investors, therefore bringing rates down as low as possible. He noted that rates are really good right now so it's a great time for the Authority to come to market.

Ms. Oliphant asked if, as our Financial Advisor, was expected to see this much of a difference in pricing between PNC and the New York firm.

Mr. Onorato responded that pricing equated to 20 points out of the 100 in the scoring template and said we did not believe we would see that much of a gap in that component. He added that, when the proposals were scored overall, the two firms were pretty much dead even.

Ms. Oliphant asked the nature of some of the items.

Mr. Onorato responded that organization qualifications MBE status, structuring the deal, rating agency strategy, bond insurance, market plan and syndicate composition were among the items scored.

Mr. Wrona added that there is roughly a one-dollar difference between the pricing and, to put it in perspective, a \$35 million issuance that would translate to \$35,000.

Mr. Barron asked if we or any of our consultants spent any time with the rating agency to prep for the sale.

Mr. Onorato stated that we have not but said he believes that the agencies may be anticipating that step as we are required to send them updates from the last bond issuance.

Ms. Williams advised that we are required to have annual discussion with each of the agencies to supply them the information that forms a review report, they submit to us. She said that new ratings are issued every two years. Ms. Williams stated that both agencies recently changed their metrics on how they measure and said we have been trying to make sure that we fit into those metrics. She said that this deal was listed in the 2015 Bond issue so they should have been aware that it was coming.

Ms. Oliphant inquired who the members of the committee were.

Mr. Onorato replied that he, Mr. Goodwin and Ms. Williams made up the committee.

Mr. Cohen asked if we were paying PNC more than the other two firms.

Mr. Onorato stated that payments to all three would be equal.

Mr. Goodwin added that the ways to optimize the bond issue to the Authority's needs will be implemented once we know the ratings and a final price is determined. He said price is often less of a factor because what they really care about is who is going to give the Authority the lowest overall cost of borrowing.

Mr. Cohen asked the timetable of the project.

Mr. Onorato advised that the goal is three months following the start of the process, noting that a feasibility study, a final design and a final budget will be needed before we know the amount that is needed.

Mr. Cohen asked if there were any questions.

There were none.

Upon motion by Mr. Barron and seconded by Ms. Strassburger, Resolution No. 21 of 2019 was tabled as follows: Ms. Oliphant, yes; Mr. Barron, yes; Ms. Strassburger, yes; Mr. Cohen, yes.

OLD/NEW BUSINESS

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

Mr. Cohen welcomed Ms. Strassburger back from maternity leave and congratulated her on the new addition to her family.

Ms. Strassburger stated that Evan is now three months old and was currently spending the day with his grandmother.

The next Board meeting is scheduled for Thursday July 18, 2019 at 10:00 a.m.

The meeting was adjourned at 10:43 am with all Board Members in approval.

APPROVED TO CONTENT



Chairman

ACCEPTED FOR FILING IN THE AUTHORITY'S BOOK OF MINUTES



Approval