

**MINUTES OF THE REGULAR MEETING OF THE
PUBLIC PARKING AUTHORITY OF PITTSBURGH
THURSDAY JANUARY 19, 2017**

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 10:02 a.m. on January 19, 2017 at 232 Boulevard of the Allies, Pittsburgh, PA 15222-1616. The following Board members were present at the start of the meeting: Cathy Qureshi, Jeff Cohen and Matt Barron. Present from staff were: David Onorato, Anthony Boule, Christopher Speers, Chris Holt, Wes Pollard, John Fournier, Tracy Sowinski, Janet Staab, Bill Conner, Philip Savino, and Patricia Konesky. Also present were Jason Wrona of Buchanan Ingersoll and Bill Stewart of Strategic Communications.

MINUTES

Ms. Qureshi asked for approval of the minutes from the December 15, 2016 meeting.

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

PUBLIC COMMENT

Ms. Qureshi asked if there were any public comments.

There were none.

Ms. Qureshi advised that the Board held an Executive Session prior to the day's meeting to discuss pending litigation and real estate matters.

EXECUTIVE DIRECTOR'S REPORT

Mr. Onorato updated the Board on the 2016 Holiday Free Parking Program which included Black Friday and five Saturdays and advised that it produced approximately 42,000 garage transactions for an estimated revenue loss of \$236,000.

Mr. Onorato updated the Board that there have been RFPs issued for three portions of the Ninth & Penn Redevelopment project, one for each of the developments, the owner's representative and the traffic and demand study. He advised that the pre-bid meetings were held on the latter two and said the mandatory pre-bid for the development component will be on January 25, 2017.

Mr. Onorato reminded the Board that the date for the upcoming February Board meeting has been rescheduled from February 16, 2017 to February 23, one week later, with the time remaining at 10:00 a.m.

Mr. Onorato noted that he recirculated the re-evaluation report which the Authority received from Standard and Poors as a result of the Authority's refinancing and was pleased to report that the Authority maintained its A-plus Stable rating.

Mr. Onorato reminded the Board that at a meeting approximately a year ago, its members authorized the Authority to upgrade approximately 500 pay-by-plate meters with 2G modems to 3G capacity. He advised that this proved to be a good decision as effective January 1, 2017, AT&T announced that all communications using 2G modems would be discontinued. He stated that had we not made that change, none of our meters would be communicating and functioning at this time.

Mr. Onorato advised the Board that the projected 2016 payment to the City based on the new Co-Op Agreement will be approximately \$29.4 million.

Mr. Onorato updated the Board that, in this month alone, the Mon Wharf has been closed three and one half days and noted that during all of 2016 it was closed for four full days and four half-days.

Ms. Qureshi stated that she has seen flood warnings on the news and asked if the Wharf was actually flooded or was the Authority being proactive in closing based just on the warnings.

Mr. Onorato responded that while we do take the warnings seriously and follow their projections, the Wharf did flood on the days it was closed to parking.

Mr. Speers advised that the water comes over the deck at 18.6 feet and said that current water level is 22.6 feet, or high as the ramp and into our attendant's booth.

Mr. Onorato discussed the Finance Report, noting that the projected revenues for 2016 will be \$56 million which is slightly above the budget and also slightly more than last year's actuals. He noted that meter revenues are up while garage revenues are down due to having spaces out of service during construction. He stated that at \$27.9 million, we are under the budgeted expense of \$30.6 million, adding that we had a good year with revenues as well as holding costs down.

Mr. Cohen commented that it is really good when we increase revenues while keeping expenses down and asked the reason for the expense decrease.

Mr. Onorato responded that it was from budgeted staff positions not being filled and asked Ms. Williams if there were other areas accounting for the decrease.

Ms. Williams stated that with the 2015 Bond Indenture, the PILOT entry was moved from the General Fund to the Trust portion, accounting for a \$1.9 million change from one section to the other.

Mr. Cohen said that when this is accounted for, we are closer to our actual budgeted figures. He recommended that material information of this nature be footnoted on these reports to inform the Board of the change.

Ms. Qureshi commented that the budget projection of \$55.1 million was so close to the actual with \$55.7 million result.

Ms. Williams added that the Authority is currently completing the analysis of the garage and meter revenue performances to explain budget-versus-actual variances.

Mr. Onorato noted that the Authority is currently finalizing the year's expenses and will have those completed in the next few weeks. He noted that the garage facility reports match up with the finance revenue reports.

Mr. Onorato discussed the Enforcement Report, noting that both meter revenue and ticket fines increased and said ticket issuance increased approximately seven and a half percent to total 17,000 tickets.

Mr. Cohen stated that enforcement shows that productivity has increased.

Ms. Qureshi asked the difference between the overtime parking and expired meter designations.

Mr. Fournier responded that overtime parking is if the vehicle is parked longer than the posted time limit.

Ms. Qureshi stated that she did not think the Authority had time limits on the meters any longer.

Mr. Onorato responded that time limits have been removed only in areas with rates of \$3.00 per hour or higher.

Mr. Cohen asked if there have been any issues in the areas whose time limits have been removed.

Mr. Onorato replied that there have been no concerns or comments from parkers, business owners or the public. He noted that if the City begins nighttime enforcement in the South Side Business District, part of that program would be to eliminate the time limit component. He said that action could create a nice test area to determine the impact of removing time limits in areas charging lower parking rates.

Onorato discussed the Meter Revenue Report, noting that revenue increased consistently though the year. He noted that the gross revenue for the year is \$19.3 million, which includes street, lot and leased meter spaces.

Mr. Onorato discussed the Parking Court Report, stating that gross revenues for 2016 were \$10.5 million. He said that the City's share, after Court expenses, is approximately \$8.2 million.

Mr. Onorato discussed the quarterly Garage Transaction Report, which compares the actual number of vehicles utilizing each garage for both day and evening parking. He noted that while revenues have increased, the number of vehicle transactions declined.

Mr. Cohen asked if weekend events affect these numbers dramatically.

Mr. Onorato replied that community events affect usage at various garages depending on the proximity to the event.

Mr. Speers noted that the Pirates' games affect the Ninth & Penn Garage particularly and noted that the team's website indicate that attendance was down overall in 2016 by approximately 3,000 patrons per game.

Ms. Qureshi stated that she found it interesting that the daytime revenues were consistently down more than those resulting from evening volume.

Mr. Onorato responded that he believes that this is a result of the rate increase, which is why revenues are still up.

Mr. Speers stated that 2016 was a perfect storm, with a nine-month closure of Smithfield Street affecting our Smithfield/Liberty, Oliver and Mellon Garages. He noted that PWSA work lasting for about three and a half months on Oliver Avenue also affected our Oliver Garage. He said he believes that the performance of all of those locations will improve now that Smithfield Street is open and noted that the Authority can also boost utilization by increasing the amount of leases issued as we did during the year.

Mr. Onorato stated that anyone walking by Oliver Garage can see that the work there is continuing and the street is very messy. He said he believes that conditions affect people to the point where they begin to look for alternate parking locations.

Mr. Cohen asked if the Authority was aware of when the new garage on the former Saks site was scheduled to open.

Mr. Speers replied that the new garage on the North Shore is scheduled to open in May and the Saks' opening is scheduled for late summer of 2017. He said he believes that that projection may be moved back closer to the end of the year.

Mr. Onorato discussed the Downtown Housing Report, stating that the Authority made a concerted effort to make more leases available to downtown residents. He noted that we increased the number of those leases by 79 since the beginning of the year, bringing the current total to 246.

Mr. Barron asked if we had a projection of how that might increase this year given the number of new units now opened.

Mr. Onorato responded that we do not have any projections, explaining that residents contact the Authority once they obtain occupancy.

Mr. Onorato discussed the Multi-Space Meter Revenue Report, noting that 12.3 percent of our meter revenues are paid by coin, 63 percent by credit card transactions, and the remaining 25 percent through the pay-by-phone app. He noted that the revenues are listed by quarter and show the Oakland, South Side and downtown units generate the highest revenue.

Mr. Onorato discussed the Revenue Per Space Report, stating that the industry standard is to track revenue results on that basis.

Mr. Onorato discussed the Pay-by-Phone Report, which shows that since the adoption rate, more than 100,000 downloads have been recorded and said that in December usage of the mode passed 30 percent of all meter transactions for the first time. He advised that the average payment through the phone app is \$2.72 while direct meter payments average \$2.30.

RESOLUTION NO. 1 OF JANUARY 2017, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO PURCHASE ONE (1) ADDITIONAL PARKING SERVICES FLEET VEHICLE NECESSARY FOR ONGOING OPERATIONAL MAINTENANCE AT ITS GARAGE FACILITIES AND LOTS, was read by Ms. Qureshi and considered by the Board.

Mr. Onorato distributed a photo of the fleet vehicle and stated that it will be used for the maintenance and cleaning of the garage roofs and surface decks and will be bought using the Co-stars contract at a not-to-exceed cost of \$60,000.

Ms. Qureshi questioned the high cost of this type of equipment and stated it seemed really expensive.

Mr. Speers responded that this is really a sophisticated piece of equipment with the base price typically being around \$54,000. He said the addition of a pressure washing assembly increases the cost.

Ms. Qureshi asked if this equipment could go throughout the garage and not just be used on the parking decks.

Mr. Speers replied that we do use this equipment on all levels of the garages and said we have previously purchased one of its type approximately two years ago. He advised that the Authority has three riding sweepers for sweeping only and with this purchase will also have three combo units to be used as sweepers during the winter and as scrubbers as required. He said this particular unit will be housed at the Grant Street Transportation Center.

Mr. Cohen asked if the purchase will be outright.

Mr. Onorato responded that we will purchase this unit.

Mr. Cohen asked if we knew the dollar value of one of the existing units.

Mr. Speers responded that he believes they are valued at approximately \$20,000. He noted that the Authority had solicited pricing a few years ago and back then vendors were charging \$20,000 to scrub one garage.

Mr. Cohen said that he always looks at the purchasing process from a standpoint that if you choose the financing route, cash on hand can be used for other items.

Mr. Barron asked the life time expectancy of these types of vehicles.

Mr. Speers advised that he has had Tenant equipment such as these last over twenty years. He noted that they are very well-built machines that provide long service life if they are maintained properly.

Mr. Qureshi asked if these machines run on gas.

Mr. Speers responded that these units run on liquid propane and will be located in a fireproof cage in our First Avenue Garage. He stated that his objective is to have these machines located in the outlying garages in a triangular formation around the city so they can be easily transported by trailer to our interior facilities.

Mr. Cohen asked how often our garages are scrubbed.

Mr. Speers responded that it depends on their usage levels, noting that facilities such as Ft. Duquesne and Sixth can literally be scrubbed on a weekly basis. He noted that the removal of salt helps to extend the life of the facility.

Ms. Qureshi asked if there were any additional questions.

There were none.

Upon motion by Mr. Barron and seconded by Mr. Cohen, Resolution No. 1 of 2017 was approved as follows: Mr. Cohen, yes; Mr. Barron, yes; Ms. Qureshi, yes.

RESOLUTION NO. 2 OF JANUARY 2017, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO PURCHASE ONE (1) ADDITIONAL PARKING SERVICES FLEET VEHICLE NECESSARY FOR ONGOING SNOW REMOVAL AND OPERATIONAL MAINTENANCE AT ITS GARAGE FACILITIES AND LOTS, was read by Ms. Qureshi and considered by the Board.

Mr. Onorato advised the Board that the Authority is being proactive in addressing snow removal at our garages. He stated that most of the function is contracted out, but we feel it would be less expensive to bring this service in house and noted that some of the larger trucks that the current snow removal vendor uses do not fit into some of the garages.

Mr. Speers responded that Parking Services has a fleet of five Kawasaki Mules, which are small 40-hp vehicles equipped with five-foot wide plows that are not effective in cleaning large decks such as those at First Avenue and Grant Street Transportation Center. He noted that this would be Parking Services first vehicle-type purchase and said he believes that the Westmoreland County COG program is very similar to the one available from Co-Stars. He said price comparison has already been reviewed.

Mr. Holt stated that this is a timing issue because the service contract that is in place right now calls for the vendor to address the Authority lots first and, by the time they get to the garage roof levels, the facilities are already open and partially occupied.

Mr. Barron inquired as to why the Authority was purchasing this item through the Westmoreland COG and if the deal is better than can be obtained through Co-Stars.

Mr. Holt responded that at the time of this process it was not vetted out.

Ms. Qureshi asked when this equipment would arrive.

Mr. Speers advised that the Authority has not made any commitments as to the delivery dates.

Mr. Onorato added that we would hope to receive delivery at the end of the 2016 winter season.

Ms. Qureshi asked for clarification in that the Authority determines the locations where the vendor is scheduled to provide snow removal, and their contract does not give them rights to the roof areas,

Mr. Onorato confirmed that her understanding of the arrangement was correct.

Mr. Speers added that the Parking Services Department has, with the exception of the Mon Wharf and Second Avenue, taken all of the garage snow removal responsibilities in-house.

Mr. Cohen asked why this purchase was not made sometime around November 2016 so that the equipment would arrive and be available to use during this winter season.

Mr. Onorato responded that the Authority did not plan for this purchase in its 2016 Budget.

Mr. Speers added that he did include this purchase in his 2017 Budget and said that he prefers to make purchases early in that budget year.

Mr. Cohen acknowledged that but said that if we had funds leftover in the 2016 Budget we should have made the adjustment and purchased it then.

Mr. Speers noted that this particular unit is going to be housed at Grant Street and that facility does not have the immediate need to have the roofs cleared as we are not now filling to capacity. He said that is beginning to change due to an increase of leases in that facility.

Mr. Cohen stated that he would like the Authority to obtain bids on this purchase just to make sure that we are receiving the best possible price and that the Westmoreland County COG quote is in line with others that were available.

Mr. Wrona stated that if the Board wanted to authorize the purchase now for a not-to-exceed price of \$35,000, the resolution could be amended to authorize a purchase from a cooperative purchasing arrangement at a price resulting from comparing different piggy-backing services.

Mr. Cohen asked if the Authority ever purchased any vehicles from Westmoreland COG.

Mr. Fournier responded that we have purchased two enforcement vehicles through the phone quote process and said Westmoreland County COG was the lowest cost in this case.

Ms. Qureshi asked if there were any additional questions.

There were none.

Upon motion by Mr. Cohen and seconded by Mr. Barron, Amended Resolution No. 2 of 2017 was approved as follows: Mr. Cohen, yes; Mr. Barron, yes; Ms. Qureshi, yes.

RESOLUTION NO. 3 OF JANUARY 2017, "A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO NEGOTIATE AND ENTER INTO, ON BEHALF OF THE PUBLIC PARKING AUTHORITY OF PITTSBURGH, A SEVENTH AMENDMENT TO THE COMMERCIAL LEASE AGREEMENT WITH THE PORT AUTHORITY OF ALLEGHENY COUNTY, was read by Ms. Qureshi and considered by the Board.

Mr. Onorato stated that this resolution seeks authorization to extend the Port Authority's current commercial lease in the Mellon Square Garage by seven months under the same terms and conditions to now expire at the end of 2017. He advised that the retail square footage is 2,085 space feet and rents for approximately \$21.27 per square foot, amounting to an annual return of \$44,340.00 and a monthly total of \$3,695.00. Mr. Onorato advised that the Authority is currently in discussion with City administrators and the URA to shape a master plan for the commercial space area.

Mr. Barron inquired if there was any indication of when this plan may be implemented.

Mr. Onorato responded that he hopes that it will be early next year but does not want to lose any rental income or have the space become or remain empty. He noted that this will bring all of the rental leases at this location in line to expire concurrently at the end of 2017.

Ms. Qureshi asked if there were any additional questions.

There were none.

Upon motion by Mr. Cohen and seconded by Mr. Barron, Resolution No. 3 of 2017 was approved as follows: Mr. Cohen, yes; Mr. Barron, yes; Ms. Qureshi, abstained.

RESOLUTION NO. 4 OF JANUARY 2017, “A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO NEGOTIATE AND ENTER INTO, ON BEHALF OF THE PUBLIC PARKING AUTHORITY OF PITTSBURGH, A FIRST AMENDMENT TO THE COMMERCIAL LEASE AGREEMENT WITH GEORGE T. WELLINGER, T/D/B/A 9TH & PENN NEWS-NUMBERS, was read by Ms. Qureshi and considered by the Board.

Mr. Onorato advised that the current lease for Ninth & Penn News-Numbers is set to expire March 31, 2017 and said the lessor is a good tenant who would like to stay in this location longer. He said the Authority is giving him advance notice of its development plans for the facility and is asking to extend the current lease through the end of 2017 on the same terms and conditions, namely for approximately \$29.00 per square foot or \$605.00 per month and \$7,260 annually.

Ms. Qureshi asked that should the Authority begin demolition of the structure earlier than anticipated, if there is a clause that would allow it to get out of the lease.

Mr. Onorato advised that there is such a provision, but said that he doesn't foresee any demolition beginning before the end of the year.

Ms. Qureshi asked if there were any additional questions.

There were none.

Upon motion by Mr. Barron and seconded by Mr. Cohen, Resolution No. 4 of 2017 was approved as follows: Mr. Cohen, yes; Mr. Barron, yes; Ms. Qureshi, yes.

RESOLUTION NO. 5 OF JANUARY 2017, “A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO SOLICIT BIDS FOR THE REPAIR AND PREVENTIVE MAINTENANCE AT THE FORT DUQUESNE & SIXTH PARKING GARAGE, was read by Ms. Qureshi and considered by the Board.

Mr. Onorato advised that this is the second phase of the rehabilitation project at the Fort Duquesne & Sixth Street Garage and said the engineer has identified all the areas to be addressed including major deck replacement, that are listed in the RFP. He advised that we anticipate this project lasting 10 months, and this request is only to solicit bids which will be presented to the Board at a later date to award.

Ms. Qureshi asked if the Authority had an idea of the ballpark cost of this project and when the original facility was built.

Mr. Onorato advised that we do have cost estimates but that we usually don't discuss them publically prior the issuance of the RFP.

Mr. Holt advised that the garage was built in 1956 and an expansion portion was completed in 1967.

Mr. Barron asked if this project would take a good number of parking spaces out of service.

Mr. Speer responded that we budgeted for a daily loss of 250 spaces during the 10-month period.

Ms. Qureshi asked if there were any additional questions.

There were none.

Upon motion by Mr. Cohen and seconded by Mr. Barron, Resolution No. 5 of 2017 was approved as follows: Mr. Cohen, yes; Mr. Barron, yes; Ms. Qureshi, yes.

OLD/NEW BUSINESS

Ms. Qureshi asked if there were any additional new or old items for discussion.

There were none.

The next Board meeting is scheduled for Thursday, February 23, 2017 at 10:00 a.m.

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

APPROVED TO CONTENT



Chairman

ACCEPTED FOR FILING IN THE AUTHORITY'S BOOK OF MINUTES



Approval