



Pittsburgh **PARKING** Authority

The Value Parking Network



ANNUAL REPORT
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PITTSBURGH PARKING AUTHORITY

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Director of Finance

*T*he Pittsburgh Parking Authority was established in 1947 to ensure that the city's vitality and economic health would not be limited by a shortage of affordable parking. With the opening of the Grant Street Transportation Center early in 2008, 11 Authority garages will offer 7,500 lined spaces at rates consistently below those charged by private operators. The Authority's garage capacity is complemented by its 8,000 on-street and off-street metered spaces located throughout downtown and across Pittsburgh's neighborhood network.



EXECUTIVE MESSAGE

Driven principally by receipts of \$3.6 million during our new Parking Court's first nine months of service, operating revenue for the fiscal year ended September 30, 2005 rose nine percent to a record \$36 million. The court function was established on January 1 when we assumed responsibility for fine collections and adjudication of violations cited by our enforcement officers, and for vehicle booting and towing activity as well. The Authority's administration of Parking Court is governed by an agreement with the City of Pittsburgh which stipulates that 90 percent of each quarter's net proceeds is transferred to the City. The year's revenue results were also aided by the full-year application of parking rate increases implemented in February 2004. As noted in our 2004 Annual Report, those increases were timed to coincide with a rise in the City parking tax to 50 percent – then as now the highest in the nation. The revenue performance, conversely, was reduced by the February removal from service of the popular Schenley Plaza to accommodate a civic construction project and by the subsequent loss of 300 spaces at our Second Avenue surface facility.

Despite a 10-percent increase in the amount of parking taxes paid, our continuing cost-reduction program enabled us to hold fiscal 2005's operating expenses to less than one percent above their 2004 total. The effectiveness of past efforts in that regard was evidenced by a Board of Directors decision to forego a previously approved parking rate increase scheduled to take effect at the October 1 start of fiscal '05. Another Board action, authorizing staff to self-manage four garages formerly operated on a contract basics, also contributed to the year's progress in reducing expenses. Both developments served to solidify our position as the region's low-cost provider of parking services – a distinction not lost on the commuting workers who account for the vast majority of weekday garage and surface lot volume.

The year's capital activity featured considerable pre-construction progress on the Grant Street Transportation Center, a combination 1000-space parking garage, bus terminal and retail space to be built on the site of the former Greyhound Lines, Inc. terminal downtown. Fiscal 2005 saw completion of the project's design; the sale of revenue bonds to finance construction; the temporary relocation of Greyhound operations to our Second Avenue Parking Plaza; and site preparation for the demolition of the existing building.

When completed in early 2008, the new facility will result in a net addition of more than 800 spaces for downtown parking while providing Greyhound patrons with a terminal operation as modern and convenient as any in America. Immediately following construction, our Second Avenue surface lot will be restored to its original 700-space capacity. Other 2005 expenditures resulted in the installation of new revenue control equipment at our Smithfield/Liberty Garage, lobby and exterior improvements at that facility and our first use of multi-space meters for on-street parking. The multi-space units were installed to complement aesthetic improvements occurring at the Oakland entrance to Schenley Park.

Again in fiscal 2005, Authority actions supported economic development initiatives across the city. An exchange of properties in the Lawrenceville business district added an important component to a Butler Street renovation project, and the extension of a property transfer agreement involving an Authority-owned parcel in East Liberty is enabling a developer to proceed with the third phase of a major revitalization of that community's commercial district. We also entered into an agreement to sell as many as 75 spaces in our Oliver Garage to support the conversion of the former downtown Lazarus department store to residential use.

David Onorato

Acting Executive Director

PUBLIC PARKING AUTHORITY OF PITTSBURGH

(A Component Unit of the City of Pittsburgh, Pennsylvania)

STATEMENTS OF NET ASSETS

AS OF SEPTEMBER 30, 2005 AND 2004

	2005	2004
ASSETS		
CURRENT ASSETS:		
Cash	\$ 7,035,413	\$ 3,446,347
Investments	6,615,214	10,639,827
Accounts receivable	613,156	373,694
Notes receivable—current portion	223,103	207,045
Accrued interest receivable and other assets	804,369	482,743
Total current assets	15,291,255	15,149,656
NONCURRENT ASSETS:		
Investments	60,097,091	16,888,845
Notes receivable	4,053,642	4,277,362
Bond issuance costs—net of accumulated amortization of \$278,475 and \$284,133	2,945,398	1,274,823
Fixed assets—net	94,708,259	90,186,580
Leasehold improvements—net	423,171	299,551
Total noncurrent assets	162,227,561	112,927,161
TOTAL	\$ 177,518,816	\$ 128,076,817
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Current liabilities:		
Accounts payable	\$ 3,271,065	\$ 3,012,174
Accounts payable—City of Pittsburgh	2,337,626	410,462
Accrued expenses and deferred income	1,019,927	1,025,182
Accrued interest payable	1,580,362	877,850
Current maturities of bonds payable	3,945,000	4,555,000
Total current liabilities	12,153,980	9,880,668
Non current liabilities:		
Bonds payable—noncurrent portion	111,408,404	73,593,458
Other non current liabilities	6,242,000	
Total non current liabilities	117,650,404	73,593,458
Total liabilities	129,804,384	83,474,126
NET ASSETS:		
Invested in capital assets—net of related debt	18,178,067	15,983,389
Restricted for—		
Expendable:		
Capital	2,461,373	2,153,635
Debt service	9,812,687	6,168,053
Indenture funds	9,852,839	11,210,373
Total expendable	22,126,899	19,532,061
Unrestricted	7,409,466	9,087,241
Total net assets	47,714,432	44,602,691
TOTAL	\$ 177,518,816	\$ 128,076,817

PUBLIC PARKING AUTHORITY OF PITTSBURGH
(A Component Unit of the City of Pittsburgh, Pennsylvania)

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED SEPTEMBER 30, 2005 AND 2004

	2005	2004
OPERATING REVENUES:		
Parking facility receipts	\$ 25,948,389	\$ 25,584,992
On-street/off-street meter receipts	5,353,148	4,991,041
Residential permit parking receipts	244,598	245,022
Commercial rentals	343,731	320,550
Parking court	3,632,781	
Other income	473,541	563,081
	<u>35,996,188</u>	<u>31,704,686</u>
Total operating revenues		
OPERATING EXPENSES:		
Salaries	4,073,169	3,937,608
Retirement	486,633	408,256
Payroll taxes	365,646	345,384
Health benefits	1,038,021	1,011,389
Supplies and equipment	371,259	312,710
Utilities	873,626	850,063
Insurance	560,706	512,564
Repairs and maintenance	473,452	464,565
Fleet expenses	47,572	54,004
Facility management fees	1,256,481	3,323,705
Taxes and licenses	9,137,337	8,277,610
Contractual and professional services	1,762,807	693,716
Security	1,387,259	1,288,488
Depreciation and amortization	4,374,719	4,442,809
Other expenses	309,131	402,466
	<u>26,517,818</u>	<u>26,325,337</u>
Total operating expenses		
OPERATING INCOME	<u>9,478,370</u>	<u>5,379,349</u>
NON-OPERATING REVENUES (EXPENSES):		
Interest income	1,840,132	653,892
Other income	328,278	55,319
Interest expense	(4,898,424)	(3,774,251)
In lieu of real estate taxes to City of Pittsburgh	(1,708,733)	(1,900,000)
Meter, wharf and parking court payments to the City of Pittsburgh	(2,784,428)	(410,462)
Other expenses	(86,436)	(984,098)
	<u>(7,309,611)</u>	<u>(6,359,600)</u>
NET NON-OPERATING EXPENSES		
INCOME (LOSS) BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES	2,168,759	(980,251)
CAPITAL GRANTS	<u>942,982</u>	<u>234,280</u>
INCREASE (DECREASE) IN NET ASSETS	3,111,741	(745,971)
NET ASSETS—Beginning of year	<u>44,602,691</u>	<u>45,348,662</u>
NET ASSETS—End of year	<u>\$ 47,714,432</u>	<u>\$ 44,602,691</u>

PUBLIC PARKING AUTHORITY OF PITTSBURGH
(A Component Unit of the City of Pittsburgh, Pennsylvania)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2005 AND 2004

	2005	2004
CASH PROVIDED BY OPERATING ACTIVITIES:		
Parking facility receipts	\$ 25,835,036	\$ 25,932,456
On-street/off-street meter receipts	5,353,148	4,991,191
Residential permit parking and commercial rental receipts	559,649	598,288
Parking court receipts	3,566,446	
Payments to and on behalf of employees	(6,076,525)	(5,361,722)
Payments to suppliers	(232,511)	(48,720)
Payments for utilities, insurance, repairs, and maintenance	(2,008,513)	(1,828,253)
Facility management fees	(1,256,481)	(3,323,705)
Taxes and licenses	(9,137,337)	(8,277,611)
Contractual and professional services	(1,762,807)	(693,716)
Security	(1,387,259)	(1,288,488)
Other receipts—net	<u>167,493</u>	<u>90,288</u>
Net cash provided by operating activities	<u>13,620,339</u>	<u>10,790,008</u>
CASH USED IN NON-CAPITAL FINANCING ACTIVITIES:		
In lieu of real estate taxes to City of Pittsburgh	(1,425,000)	(1,900,000)
Meter, wharf and parking court payments to City of Pittsburgh	(1,140,997)	(216,771)
Advance payment of rent	6,242,000	
Other receipts—net	<u>390,945</u>	<u>16,142</u>
Net cash provided by (used in) non-capital financing activities	<u>4,066,948</u>	<u>(2,100,629)</u>
CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES:		
Additions to property, plant, and equipment	(8,840,749)	(3,072,575)
Additions to capital meters and leasehold	(183,955)	(446,599)
Capital grants	942,982	138,309
Issuance of bonds	82,273,024	4,688
Repayment of bonds	(46,732,996)	(3,130,000)
Interest paid	<u>(4,165,547)</u>	<u>(3,845,837)</u>
Net cash provided by (used in) capital and related financing activities	<u>23,292,759</u>	<u>(10,352,014)</u>
CASH PROVIDED BY INVESTING ACTIVITIES:		
Sale of investments	4,024,613	1,417,427
Purchase of investments	(43,208,246)	
Payments received on notes receivable	207,662	209,495
Interest received	<u>1,584,991</u>	<u>667,414</u>
Net cash provided by (used in) investing activities	<u>(37,390,980)</u>	<u>2,294,336</u>
INCREASE IN CASH	<u>3,589,066</u>	<u>631,701</u>
CASH—Beginning of year	<u>3,446,347</u>	<u>2,814,646</u>
CASH—End of year	<u>\$ 7,035,413</u>	<u>\$ 3,446,347</u>
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 9,478,370	\$ 5,379,349
Adjustments to reconcile net operating income to cash provided by operating activities:		
Depreciation and amortization	4,374,719	4,442,809
Decrease in accounts receivable	(239,462)	299,492
Increase in other assets	(41,977)	(25,266)
Increase in accounts payable and accrued expenses	<u>48,689</u>	<u>693,624</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 13,620,339</u>	<u>\$ 10,790,008</u>

NEIGHBORHOOD LOTS

ALLENTOWN

- Asteroid Way

BEECHVIEW

- Beechwood Avenue

BLOOMFIELD

- Friendship / Cedarville
- Taylor Street

BROOKLINE

- Brookline Boulevard

CARRICK

- Brownsville / Sankey

EAST LIBERTY

- Sheridan / Harvard
- Sheridan / Kirkwood
- Tamello / Beatty
- Station / Collins
- Eva / Beatty
- Stevenson Place
- Harvard / Beatty
- Penn Circle N.W.
- Ansley / Beatty

HOMEWOOD

- Homewood / Zenith

LAWRENCEVILLE

- 42nd & Butler

MT. WASHINGTON

- Shiloh Street

OAKLAND

- Centre / Craig

SHADYSIDE

- Ivy / Bellefonte

SOUTH SIDE

- 18th & Sidney
- 12th & Carson
- Southside Vietnam Veterans Memorial Lot (18th & Carson)
- 19th & Carson

SQUIRREL HILL

- Beacon / Bartlett
- Forbes / Shady
- Douglas / Phillips
- Forbes / Murray (Library)
- Forbes Avenue (JCC)

WEST END

- Main / Alexander

ATTENDED LOTS

DOWNTOWN

- Monongahela Wharf
- Second Avenue Parking Plaza

GARAGES

DOWNTOWN

- First Avenue Garage & Station
- Fort Duquesne / Sixth
- Ninth / Penn
- Smithfield / Liberty
- Third Avenue
- Wood / Allies
- Mellon Square
- Oliver Garage

OAKLAND

- Forbes / Semple

SHADYSIDE

- Shadyside





Pittsburgh
PARKING
Authority

The Value Parking Network

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