

FULFILLING OUR MISSION





Grand Opening The Grant Street Transportation Center

From left: Arthur O. Victor, L.C. Greenwood,
Linda S. Judson, Michael S. Jasper
and Mayor Luke Ravenstahl



FROM THE EXECUTIVE DIRECTOR



I am pleased to report that the Pittsburgh Parking Authority recorded another solid performance in the fiscal year ended September 30, 2008. Our garages logged approximately three million vehicle arrivals – an increase of 200,000 transactions – while metered and surface lots parking volume rose substantially as well. The year's operating revenue from those key business sources, consequently, was 2.5 percent higher than their strong fiscal 2007 total. Revenue from Parking Court rose four percent, the result of efficiencies implemented both there and in our enforcement operations. The increase helped boost the year's total of direct payments from our organization to the City of Pittsburgh, net of expenses and including parking tax, to \$14.5 million.

We believe that our improved 2008 results reflect our understanding that, while price is not a dominant determinant of parking demand, it is a deciding factor in parking location. Consequently, we assign priority attention to those measures that preserve or enhance our status as the market's low-cost provider of parking services. We achieve that objective principally by controlling costs and maximizing resources. In that regard, fiscal 2008's operating expenses were just 1.5 percent above their 2007 total, and we negotiated new contracts with the bargaining units representing our unionized employees that will enable us to maintain payroll expenses at a responsible level. The contribution of these cost-reduction efforts to our market position is evidenced by the parking rate comparisons presented in graphic form on pages four and five of this report.

The document's principal focus, however, is appropriately on the completion of the Grant Street Transportation Center, the combination 991-space parking garage and Greyhound Lines terminal that began serving patrons in September. Accommodating uninterrupted Norfolk Southern rail traffic through the center of the site and requiring the relocation and return of Greyhound's Pittsburgh operations, the project was the most challenging in Authority history. The new facility meets a long-standing objective of adding affordable garage parking in an underserved commercial area, and it was deliberately designed to be architecturally suitable to its prominent portal-to-downtown location.

DAVID G. ONORATO

5.5 MILLION
PARKING
TRANSACTIONS

THE NEW GRANT STREET TRANSPORTATION CENTER incorporates design decisions driven both by its planned multi-purpose use and the distinctive site conditions that complicated its construction. The 2004 agreement negotiated with Greyhound Lines to convert its existing terminal location to a multi-modal facility required greater attention to traffic flow, patron volume, and safety and security issues than a parking-only structure would normally demand. Those requirements, to accommodate Greyhound as well as occupants of 7,000 square feet of adjoining retail space, added to the complexity of the project, as did the desire of all parties involved to create an architecturally appropriate gateway to the central business district from downtown's northeastern corner. Accordingly, the building's exterior features the extensive use of glass and stainless steel while a dramatically lit, six-story "sail" component with accompanying fins add to its design distinction. The Norfolk Southern rail line that divides the site at the second level had a more significant impact on the project's cost and duration. The presence of an operating railroad dictated that the garage portion of the building be built as two separate units above the first-floor terminal, and it influenced virtually all aspects of the construction process itself.



SITUATED AMID EIGHT MAJOR EMPLOYMENT DESTINATIONS, the completed facility is positioned to secure a full share of its service area's weekday parking volume. Further, its combination of attractive evening and weekend rates and close proximity to Mellon Arena and the David L. Lawrence Convention Center, Heinz History Center and new August Wilson Center event venues promises a high level of off-peak business as well. As of the September date of its opening, the flat event rate at the new facility was 37 percent below the average charged by nearby garages. Beyond its bullish usage projections for the near term, moreover, the Grant Street Transportation Center was sized to address parking needs generated by additional development activity, downtown and in the nearby Strip District. Its design also includes provision for a light rail transit stop when the Port Authority elects to expand its LRT system to that sector of downtown.

TWO OTHER ADDITIONS TO PARKING CAPACITY – both in thriving Pittsburgh neighborhoods – opened in fiscal 2008's first quarter. The 80-space 20th and Sidney Streets Parking Plaza began serving South Side patrons in November 2007, and a smaller off-street surface lot in Lawrenceville came on line a month later. Parking at these new facilities is controlled by the

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ZONE 1	FT. DUQUESNE & SIXTH STREET GARAGE	PRIVATE OPERATORS
TOTAL SPACES	920	1707
DAILY MAX RATE	\$9.75	\$16.10

Accommodates commuters to Gateway Center and Stanwix Street employment destinations; event venues served includes the Byham Theater, Heinz Hall, Point State Park and, via the Clemente Bridge, the PNC Park and Heinz Field homes of the Pirates and Steelers.

The Authority regularly monitors the relationship of its rates to those charged by private operators in each of six downtown business sectors. While the rate disparity varied by individual parking “zones,” the organization concluded its fiscal year offering all-day, weekday parking at prices that averaged 34-percent lower than the competition. The year-end comparison includes the impact of the implementation of a January 1, 2008 rate reduction in response to the decrease in the City of Pittsburgh parking tax that took effect on that date. When no private operator took similar action to reduce parking costs for full-day customers, the competitive position of downtown Authority garages improved accordingly.

At only one location – the commercial center served by the Mellon Square Garage – was the Authority rate above the sector average. That circumstance is largely attributable to the inclusion in the zone of several low-priced surface lots surrounding Mellon Arena. Further, the Mellon Square all-day rate ended the year comfortably below that charged by four of the five garages in its service area.

ZONE 3	THIRD AVE. GARAGE	WOOD/ALLIES GARAGE	MON WARE PLAZA	PRIVATE OPERATORS
TOTAL SPACES	570	542	700	2762
DAILY MAX RATE	\$12.75	\$9.75	\$8.00	\$16.76

Zone visitors include commuters to the PPG Place complex and Point Park University as well as patrons of the restaurants and other businesses surrounding Market Square Place; wharf parkers also enjoy riverwalk access to Point State Park events and, via the Smithfield Street Bridge, to Station Square activities on the South Side.

DOWNTOWN PARKING BY THE NUMBERS

ZONE 2

	NINTH & PENN GARAGE	GRANT STREET TRANSPORTATION CENTER GARAGE	PRIVATE OPERATORS
TOTAL SPACES	586	991	2556
DAILY MAX RATE	\$9.75	\$13.00	\$15.56

Daily users include commuters to at least eight major employment locations along Liberty Avenue and the northern portion of Grant Street; event facilities served are headed by the Benedum Center, the O'Reilly Theater and the four venues surrounding the Grant Street Transportation Center.

ZONE 4

	SMITHFIELD/LIBERTY GARAGE	OLIVER GARAGE	PRIVATE OPERATORS
TOTAL SPACES	596	480	250
DAILY MAX RATE	\$13.75	\$13.75	\$22.00

Serving the city's most diverse blend of employment, Cultural District, dining and retail locations, Authority facilities in this central zone enjoy a rate advantage greater than in any other downtown sector; Smithfield/Liberty amenities include indoor access to the historic and nationally acclaimed Duquesne Club.

ZONE 6

	MELLON SQUARE GARAGE	PRIVATE OPERATORS
TOTAL SPACES	798	6612
DAILY MAX RATE	\$13.75	\$12.76

The customer profile of the Authority facility in this zone includes commuters to a strong mix of employment destinations and patrons of a concentration of popular dining and shopping venues; also, it is the parking location of choice for guests of, and visitors to, the landmark Omni William Penn Hotel.

ZONE 5

	FIRST AVE. GARAGE	SECOND AVE. PLAZA	PRIVATE OPERATORS
TOTAL SPACES	1,243	420	3935
DAILY MAX RATE	\$8.75	\$6.00	\$14.02

Featuring the region's largest public garage offering doorstep access to light rail service to downtown employment and event locations served by more expensive parking options, the zone also contains the seats of City and County government and the operations center of a major financial institution.

multi-space meters that have proved successful in other installations across the city. To illustrate their impact, the 10 percent of on and off-street spaces managed by the devices accounted for nearly one-fourth of the fiscal year's meter revenue total. The Authority's ongoing role in neighborhood-based development activity, meanwhile, was evidenced by its work with private and public sector partners to support a major project in Oakland and three others in the East Liberty business district. The organization also continued to work with representatives from Lawrenceville neighborhood groups to address any anticipated parking concerns related to the May 2009 opening of a new Children's Hospital of Pittsburgh campus.

NOT UNLIKE THE BRIDGES THEIR PATRONS CROSS TO REACH THEM, Authority garages accommodate shifting weight loads, experience extreme temperature variances and are subject to the corrosive effects of road salt during winter weather. Maintaining them in a

sound, safe operating condition is therefore an ongoing organizational concern. The structures are inspected annually by an independent engineering firm, and any need for repair work is prioritized by the severity of the condition discovered. Fiscal 2008 capital improvements were headed by replacement of a helix ramp at the Ft. Duquesne and Sixth Garage, roof deck work at the First Avenue Garage and T Station, and the installation of new elevators at the Wood/Allies and Forbes/Semple facilities. Deck repair

at the latter two garages is scheduled for fiscal 2009, together with the replacement of an entire stair tower at Smithfield/Liberty. These projects are funded on a pay-as-you-go basis, another reason for the organization's leadership to hold the line on expenses. Investments in technological upgrades also are sourced by currently available funds, and the year's gains in that regard featured the addition of GPS capability to the handheld computers carried by meter maintenance, repair and collection personnel. The handhelds have proved their worth both by improving preventative maintenance procedures and speeding the repair of out-of-service meters. The GPS component documents service activity and, through its reliable tracking capacity, contributes to the on-the-job safety of field employees.



Multi-space units
account for nearly
25 PERCENT
of total meter revenue.

STATEMENTS OF NET ASSETS
As of September 30, 2008 and 2007

ASSETS

CURRENT ASSETS:

	2008	2007
Cash	\$8,493,364	\$6,519,203
Investments	15,277,935	16,341,013
Accounts receivable	457,211	469,145
Notes receivable—current portion	282,290	1,880,546
Accrued interest receivable and other assets	899,213	1,042,192
Total current assets	<u>25,410,013</u>	<u>26,252,099</u>

NONCURRENT ASSETS:

Investments	21,089,978	35,267,052
Notes receivable	3,268,379	3,550,669
Bond issuance costs—net of accumulated amortization of \$849,889 and \$659,418 in 2008 and 2007, respectively	2,373,984	2,564,455
Fixed assets—net	125,293,207	117,937,715
Leasehold improvements—net	7,368,681	429,443
Total noncurrent assets	<u>159,394,229</u>	<u>159,749,334</u>
TOTAL	<u>\$184,804,242</u>	<u>\$186,001,433</u>

LIABILITIES AND NET ASSETS

LIABILITIES:

Current liabilities:

Accounts payable	\$2,918,125	\$4,841,600
Accounts payable – retention	1,900,909	2,607,871
Accounts payable – City of Pittsburgh	3,533,249	2,418,312
Accrued expenses and deferred income	1,263,085	1,135,286
Accrued interest payable	1,396,962	1,452,774
Deferred revenue	325,720	105,845
Note payable		922,000
Current portion of capital lease obligation	199,987	189,660
Current maturities of bonds payable	4,515,000	4,350,000
Total current liabilities	<u>16,053,037</u>	<u>18,023,348</u>

Noncurrent liabilities:

Bonds payable—noncurrent portion	100,495,462	104,261,843
Other noncurrent liabilities	6,268,125	6,676,177
Total noncurrent liabilities	<u>106,763,587</u>	<u>110,938,020</u>
Total liabilities	<u>122,816,624</u>	<u>128,961,368</u>

NET ASSETS:

Invested in capital assets—net of related debt	<u>21,054,029</u>	<u>22,423,322</u>
Restricted for—		
Expendable:		
Capital	3,192,271	3,095,869
Debt service	9,955,996	10,150,903
Indenture funds	12,296,820	11,854,086
Total expendable	<u>25,445,087</u>	<u>25,100,858</u>
Unrestricted	<u>15,488,502</u>	<u>9,515,885</u>
Total net assets	<u>61,987,618</u>	<u>57,040,065</u>
TOTAL	<u>\$184,804,242</u>	<u>\$186,001,433</u>

STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
For the years ended September 30, 2008 and 2007

OPERATING REVENUES:

	2008	2007
Parking facility receipts	\$26,830,608	\$26,157,295
On-street/off-street meter receipts	6,170,497	6,060,501
Residential permit parking receipts	249,765	251,208
Commercial rentals	428,921	399,860
Parking Court	7,439,986	7,150,193
Other income	25,470	15,978
Total operating revenues	<u>41,145,247</u>	<u>40,035,035</u>

OPERATING EXPENSES:

Salaries	4,480,095	4,324,324
Retirement	283,192	329,679
Payroll taxes	384,881	392,211
Health benefits	1,178,658	1,124,653
Supplies and equipment	341,296	302,437
Utilities	1,158,160	983,028
Insurance	540,153	497,576
Repairs and maintenance	605,692	533,868
Fleet expenses	86,612	72,673
Facility and parking court management fees	2,650,283	2,551,999
Taxes and licenses	8,380,207	8,818,576
Contractual and professional services	1,081,934	971,871
Security	1,421,708	1,400,818
Depreciation and amortization	4,507,558	4,466,519
Other expenses	286,454	251,878
Total operating expenses	<u>27,386,883</u>	<u>27,022,110</u>
OPERATING INCOME	<u>13,758,364</u>	<u>13,012,925</u>

NONOPERATING REVENUES (EXPENSES):

Interest income	1,569,570	2,669,439
Other income	185,058	575,101
Interest expense	(3,727,617)	(4,530,646)
In lieu of real estate taxes to City of Pittsburgh	(1,278,569)	(1,280,125)
Meter, wharf and parking court payments to the City of Pittsburgh	(5,536,482)	(5,343,765)
Other expenses	(22,771)	(31,298)
Net nonoperating revenues (expenses)	<u>(8,810,811)</u>	<u>(7,941,294)</u>
INCOME BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES	4,947,553	5,071,631
CAPITAL GRANTS		88,897
INCREASE IN NET ASSETS	<u>4,947,553</u>	<u>5,160,528</u>
NET ASSETS—Beginning of year	57,040,065	51,879,537
NET ASSETS—End of year	<u>\$61,987,618</u>	<u>\$57,040,065</u>

STATEMENTS OF CASH FLOWS
For the years ended September 30, 2008 and 2007

CASH PROVIDED BY OPERATING ACTIVITIES:

	2008	2007
Parking facility receipts	\$26,891,720	\$26,149,587
On-street/off-street meter receipts	6,171,067	6,060,501
Residential permit parking and commercial rental receipts	673,489	628,512
Parking court receipts	7,412,661	7,140,699
Payments to and on behalf of employees	(5,957,746)	(5,781,165)
Payments to suppliers	(295,992)	(536,630)
Payments for utilities, insurance, repairs and maintenance	(2,286,697)	(2,109,085)
Facility management fees	(2,650,283)	(2,551,999)
Taxes and licenses	(8,380,207)	(8,818,576)
Contractual and professional services	(1,081,934)	(971,871)
Security	(1,444,165)	(1,731,100)
Other receipts (expenditures)—net	(260,921)	(242,784)
Net cash provided by operating activities	<u>18,790,992</u>	<u>17,236,089</u>

CASH USED IN NONCAPITAL FINANCING ACTIVITIES:

In lieu of real estate taxes to City of Pittsburgh	(1,278,569)	(1,280,125)
Meter, wharf and parking court payments to City of Pittsburgh	(4,421,545)	(4,918,668)
Other receipts—net	<u>136,747</u>	<u>(161,009)</u>
Net cash used in noncapital financing activities	<u>(5,563,367)</u>	<u>(6,359,802)</u>

CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES:

Additions to property, plant and equipment	(13,575,861)	(20,557,475)
Additions to capital meters and leasehold improvements	(7,146,525)	(84,854)
Capital grants	150,952	88,897
Proceeds from (payment of) note payable	(922,000)	922,000
Repayment of bonds	(4,350,000)	(4,210,000)
Interest paid	(4,274,608)	(4,415,395)
Net cash used in capital and related financing activities	<u>(30,118,042)</u>	<u>(28,256,827)</u>

CASH PROVIDED BY INVESTING ACTIVITIES:

Sale of investments	127,900,738	128,007,191
Purchase of investments	(112,660,586)	(114,100,692)
Payments received on notes receivable	1,880,546	241,779
Interest received	<u>1,743,880</u>	<u>2,746,442</u>
Net cash provided by investing activities	<u>18,864,578</u>	<u>16,894,720</u>
INCREASE (DECREASE) IN CASH	1,974,161	(485,820)
CASH—Beginning of year	6,519,203	7,005,023
CASH—End of year	<u>\$8,493,364</u>	<u>\$6,519,203</u>

RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:

Operating income	\$13,758,364	\$13,012,925
Adjustments to reconcile net operating income to cash provided by operating activities:		
Depreciation and amortization	4,507,558	4,466,519
Decrease (increase) in accounts receivable	8,282	(51,130)
Increase in other assets	(32,877)	(77,197)
Increase (decrease) in accounts payable and accrued expenses	549,665	(115,028)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$18,790,992</u>	<u>\$17,236,089</u>
NON-CASH TRANSACTIONS		
Capital additions in accounts payable	<u>\$654,187</u>	<u>\$3,052,185</u>

NEIGHBORHOOD LOTS

EAST LIBERTY

ANSLEY/BEATTY
EVA/BEATTY
HARVARD/BEATTY
PENN CIRCLE N.W.
SHERIDAN/HARVARD
SHERIDAN/KIRKWOOD
STATION/COLLINS
STEVENSON PLACE
TAMELLO/BEATTY

OAKLAND

CENTRE/CRAIG

SOUTH SIDE

12TH & EAST CARSON
18TH & SIDNEY
18TH & CARSON
19TH & CARSON
20TH & SIDNEY
PARKING PLAZA

SQUIRREL HILL

BEACON/BARTLETT
FORBES/SHADY
DOUGLAS/PHILLIPS
FORBES/MURRAY (LIBRARY)
FORBES AVENUE (JCC)

CARRICK

BROWNSVILLE/SANKEY

WEST END

MAIN/ALEXANDER

SHADYSIDE

IVY/BELLEFONTE

ALLENTOWN

ASTEROID/WARRINGTON
WALTER/WARRINGTON

BLOOMFIELD

FRIENDSHIP/CEDARVILLE
TAYLOR STREET

BROOKLINE

BROOKLINE BOULEVARD

LAWRENCEVILLE

42ND & BUTLER
5224 BUTLER STREET
PARKING PLAZA

NORTH SIDE

EAST OHIO STREET
OBSERVATORY HILL

BEECHVIEW

BEECHVIEW BOULEVARD

MT. WASHINGTON

SHILOH STREET
PARKING PLAZA

HOMEWOOD

HOMEWOOD/ZENITH

GARAGES

DOWNTOWN

FIRST AVENUE GARAGE
& T STATION
FORT DUQUESNE/SIXTH
GRANT STREET
TRANSPORTATION CENTER
MELLON SQUARE
NINTH/PENN
OLIVER GARAGE
SMITHFIELD/LIBERTY
THIRD AVENUE
WOOD/ALLIES

OAKLAND

FORBES/SEMPLE

SHADYSIDE

SHADYSIDE

ATTENDED LOTS

DOWNTOWN

MONONGAHELA WHARF
SECOND AVENUE
PARKING PLAZA



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