



SUPPORTING A **V**IBRANT CITY





DAVID G. ONORATO  
*Executive Director*



### Board of Directors

FROM LEFT: ARTHUR O. VICTOR, MICHAEL S. JASPER, LINDA S. JUDSON, L.C. GREENWOOD

Members of the Pittsburgh Parking Authority Board of Directors are appointed by Mayor Luke Ravenstahl. Their terms coincide with the start and conclusion of the calendar year and not the organization's fiscal period of October 1 through September 30. Effective with the annual organization meeting in January 2010, Messrs. Greenwood and Victor completed their distinctive service as directors. Assuming their new Board positions at that time were Christopher D'Addario, owner of Just Ducky Tours; Scott Kunka, City of Pittsburgh Department of Finance; and City Councilwoman Natalia Rudiak.



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espite the challenge of a difficult economic environment that reduced facility parking transactions from their record fiscal 2008 level, the Authority recorded increases from each of our operating revenue sources. The gain resulted largely from the first full-year contribution of the new Grant Street Transportation Center that opened fully during the closing months of fiscal 2008. Total 2009 revenue, meanwhile, benefited also from a substantial gain in metered parking receipts – to a level comfortably above the \$6 million benchmark that had once been viewed as a lofty performance target – and from a significant rise in Parking Court results. The year's volume of Parking Court activity helped increase fiscal 2009's direct payments to the City of Pittsburgh, including the Authority-collected parking tax, to \$14.8 million.

Our response to external economic conditions also included continued attention to reducing the expense component of our day-to-day business activity. Accordingly, we extended the cost-saving practice of self-managing our attended parking sites by electing to operate the new Grant Street facility and the Fort Duquesne and Sixth Garage with Authority personnel. The decision more than offset the cost both of staffing those two locations and the escalation in overall payroll expense required by our bargaining agreements. Currently, only one of our 13 staffed locations is managed by an outside provider. The total is in sharp contrast to the early 1990s when none of our facilities was operated in-house. Going forward, we also obtained a substantial degree of future cost certainty by negotiating a new three-year labor contract that will continue the compensation of approximately one-half of our unionized workforce at a responsible level.

In January 2009, the Board of Directors authorized the first of a series of actions that, if implemented fully, will profoundly affect the future of our organization. The Board's decision led to the April retention of a consulting firm charged with assisting in the Authority's efforts to determine the financial feasibility of leasing its parking assets to a private operator. The subsequent conclusion that such a transaction was feasible triggered the November selection of a Morgan Stanley unit to advise the Authority through to the completion of the monetization process. I am pleased to report that our employee team has responded responsibly and professionally to this prospect of major organizational change.



DAVID G. ONORATO

**T**he effect of prevailing economic conditions on Authority results was particularly evident in the financial performance of those attended facilities that operated throughout all of the 2008 and 2009 fiscal years. Of the 12 large parking locations in that category – the Grant Street Transportation Center did not open fully until late in fiscal '08 – nine experienced revenue reductions from their year-earlier totals. The largest component of the revenue decline involved all-day garage parking by commuting customers, reflecting drops both in downtown business activity and in the number of employer-subsidized parking leases. The Authority responded appropriately by aggressively adjusting staffing levels to match any changes in business volume and eliminating valet parking at those locations where demand for the service had diminished. Exploring less conventional opportunities to further reduce daily operating costs, the organization established its eligibility for reimbursement of a portion of both its garage lighting and total energy expenditures, and, in partnership with City government, applied formally for the state-sourced benefit.

Consistent with its function of managing shorter-term visits to popular business, medical, educational and cultural centers, metered parking proved more resistant to fiscal 2009's sluggish economic climate. Whether located on-street or in surface lots, metered spaces were maintained efficiently and enforced effectively to produce a three-percent increase in receipts from fiscal 2008's record level. Again, the performance and payment flexibility of the Authority's 53 multi-space meters continued to support the decisions that led to their purchase and installation. The units' management of just 13 percent of the city's

**The winner of the Pennsylvania Parking Association architectural design award for best large facility, the Grant Street Transportation Center's size and location enables it to offer guaranteed customer parking, 24 hours a day, seven days a week.**





metered spaces generated 27 percent of overall meter revenue, while nearly 40 percent of the multi-space total represented the increasingly apparent preference of many parking customers to pay by credit card when that option is available.

As noted, metered parking is designed to ensure the timely turnover of spaces convenient to high-traffic destinations, and fair, consistent enforcement of clearly posted limits is a necessary component of a successful program. Authority enforcement officers issued tickets for just under 280,000 violations in fiscal year 2009, with only 14 percent of that total remaining open for collection at the close of the 12-month reporting period. The ratio of parking fines paid versus those levied has risen steadily since the former City of Pittsburgh Traffic Court was assigned to Authority control in 2005. Now operating as Parking Court, the unit adjudicates contested tickets in addition to its collection function and, in that capacity, issued decisions involving 11,800 disputes during the year ended September 30.

Some neighborhood business districts literally share space with the residential properties that surround them. In those locations, the turnover effect of metered parking is complemented by the Residential Parking Program which limits lengthy street parking to those vehicles displaying Authority-issued resident or visitor permits. During fiscal 2009, seven South Side streets were

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Widening its price advantage over private parking operators, the Authority held full-day rates at its 11 attended facilities to their fiscal 2008 levels.

- FT. DUQUESNE & SIXTH STREET GARAGE:  
*Total Spaces: 929 | Daily Maximum Rate: \$9.75*
- NINTH & PENN GARAGE:  
*Total Spaces: 583 | Daily Maximum Rate: \$9.75*
- GRANT STREET TRANSPORTATION CENTER GARAGE:  
*Total Spaces: 991 | Daily Maximum Rate: \$13.00*
- THIRD AVE. GARAGE:  
*Total Spaces: 579 | Daily Maximum Rate: \$12.75*
- WOOD/ALLIES GARAGE:  
*Total Spaces: 541 | Daily Maximum Rate: \$9.75*
- MON WARE PLAZA:  
*Total Spaces: 426 | Daily Maximum Rate: \$8.00*
- SMITHFIELD/LIBERTY GARAGE:  
*Total Spaces: 616 | Daily Maximum Rate: \$13.75*
- OLIVER GARAGE:  
*Total Spaces: 480 | Daily Maximum Rate: \$12.75*
- FIRST AVE. GARAGE:  
*Total Spaces: 1,243 | Daily Maximum Rate: \$8.75*
- SECOND AVE. PLAZA:  
*Free Shuttle Service*  
*Total Spaces: 760 | Daily Maximum Rate: \$6.00*
- MELLON SQUARE GARAGE:  
*Total Spaces: 796 | Daily Maximum Rate: \$13.75*



## SUPPORTING A **V**IBRANT CITY



Parking facilities can be a flexible resource, and those operated by the **Pittsburgh Parking Authority** go beyond their primary function to contribute broadly to the vitality of their respective service areas. The organization maintains close contact with the shapers and hosts of activities that draw visitors to the city or advance its economic health. The relationship fosters an early awareness of a given period's event schedule and permits staff to determine the need, appropriateness, nature and duration of any Authority role. Resulting facility participation could involve hours of operation, entry and exit patterns, pricing, the guarantee of available spaces and other measures deemed necessary for successful activity outcomes. The Authority's support of city initiatives occurs across its full parking network. The organization's affirmative response to a South Side Local Development Company proposal to relocate a weekly Farmer's Market to the new 20th and Sidney Parking Plaza is a recent case in point.



### 1. SHOWCASING PITTSBURGH'S PROGRESS

President Obama's selection of Pittsburgh to host the 2009 G-20 Summit brought worldwide attention to the city. The Authority's involvement throughout the event was a factor in its success.

### 2. MOVEABLE FEASTS

The one-day-a-week use of some off-street surface lots as Farmers Markets offers local food producers direct access to customers residing in high-density urban neighborhoods.

### 3. "HOLLYWOOD ON THE MON"

The term refers to the city's continued attractiveness to film and television producers. In 2009, logistical support was provided to productions starring Russell Crowe and Denzel Washington.

### 4. PATHS TO FITNESS

Major running and cycling events routinely require adjustments in garage operations. Additionally, the property footprints of two Authority locations were altered to permit the continuation of recreational trails.

### 5. GREENING A CITY

As part of a Friends of the Pittsburgh Urban Forest initiative, the perimeters of five East Liberty surface lots were designated for the planting of a large mix of native trees and shrubs.

### 6. KICKOFFS, FACE-OFFS AND FIRST PITCHES

Patrons of almost all Heinz Field, Mellon Arena and PNC Park events benefit from the low off-peak parking rate available at conveniently located Authority garages.





**Receipts from the Authority's multi-space units rose to 27 percent of total meter revenue in fiscal year 2009.**

added to that community's limited-stay zone and, in anticipation of the impact of the relocation of Children's Hospital from Oakland, 10 additional streets in Lawrenceville were posted to provide parking protection for their residents. Both expansions resulted from citizen requests as required by statute, and both contributed to a balance in resident and visitor parking in neighborhoods where new metered surface lots were built by the Authority in fiscal 2008.

With the new Grant Street facility having been completed prior to the start of fiscal 2009, the focus of the new year's capital activity shifted to major maintenance projects at two downtown garages and a third in Oakland. Significant repairs were made to the parking decks of the Wood/Allies and Forbes/Semple facilities, and a stair tower at the Smithfield/Liberty Garage was completely replaced. This work was accompanied by the upgrading of all revenue control systems at those facilities whose units were not yet compatible with recently adopted upgrades in software. As a result of the changes in equipment, all Authority garages now accept credit card payments for parking stays. Internally generated funds again served as the payment source for all of the year's garage improvements.

The Authority's support of events and activities that contribute to Pittsburgh's stature and quality of life, addressed on pages four and five of this report, included a prominent role in the city's hosting of the G-20 Summit in September. All of its downtown facilities suspended parking services during the two-day duration of the meeting itself, with three of those locations remaining closed for a longer period to accommodate Summit-related logistics. Specifically, the Ninth and Penn Garage served as the staging area for all EMS personnel and equipment assembled for the event, while the Grant Street Transportation

Center met the considerable needs of the large contingent of Pennsylvania State Police assigned to Summit security duties. The First Avenue Garage and Station, meanwhile, housed the hundreds of other vehicles brought to Pittsburgh to service the most visible international event in the city's history.

**The Residential Parking Program increases the availability of resident spaces in high-traffic locations.**





## STATEMENTS OF NET ASSETS

As of September 30, 2009 and 2008

### ASSETS

#### CURRENT ASSETS:

	2009	2008
Cash	\$7,216,750	\$8,493,364
Investments	15,209,344	15,277,935
Accounts receivable	482,776	457,211
Notes receivable—current portion	9,257	282,290
Accrued interest receivable and other assets	529,755	899,213
Total current assets	<u>23,447,882</u>	<u>25,410,013</u>

#### NONCURRENT ASSETS:

Investments	21,834,224	21,089,978
Notes receivable	3,259,123	3,268,379
Bond issuance costs—net of accumulated amortization of \$1,039,672 and \$849,889 in 2009 and 2008, respectively	2,171,701	2,373,984
Fixed assets—net	121,918,300	125,293,207
Leasehold improvements—net	7,076,168	7,368,681
Total noncurrent assets	<u>156,259,516</u>	<u>159,394,229</u>
TOTAL	<u>\$179,707,398</u>	<u>\$184,804,242</u>

### LIABILITIES AND NET ASSETS

#### LIABILITIES:

##### Current liabilities:

Accounts payable	\$2,647,337	\$2,618,758
Accounts payable – retention	319,978	1,900,909
Accounts payable – City of Pittsburgh	2,193,654	3,533,249
Accrued expenses and deferred income	1,194,036	1,263,085
Accrued interest payable	1,348,734	1,396,962
Deferred revenue	316,345	325,720
Current portion of capital lease obligation	206,326	199,987
Current maturities of bonds payable	4,680,000	4,515,000
Total current liabilities	<u>12,906,410</u>	<u>15,753,670</u>

##### Noncurrent liabilities:

Bonds payable—noncurrent portion	96,592,768	100,495,462
Other noncurrent liabilities	6,352,104	6,567,492
Total noncurrent liabilities	<u>102,944,872</u>	<u>107,062,954</u>
Total liabilities	<u>115,851,282</u>	<u>122,816,624</u>

#### NET ASSETS:

Invested in capital assets—net of related debt	<u>22,698,071</u>	<u>21,054,029</u>
Restricted for—		
Expendable:		
Capital	3,209,587	3,192,271
Debt service	9,889,155	9,955,996
Indenture funds	10,483,259	12,296,820
Total expendable	<u>23,582,001</u>	<u>25,445,087</u>
Unrestricted	<u>17,576,044</u>	<u>15,488,502</u>
Total net assets	<u>63,856,116</u>	<u>61,987,618</u>
TOTAL	<u>\$179,707,398</u>	<u>\$184,804,242</u>

See notes to financial statements.



**STATEMENTS OF REVENUES, EXPENSES,  
AND CHANGES IN NET ASSETS**

For the years ended September 30, 2009 and 2008

	2009	2008
<b>OPERATING REVENUES:</b>		
Parking facility receipts	\$26,976,293	\$26,830,608
On-street/off-street meter receipts	6,342,820	6,170,497
Residential permit parking receipts	263,519	249,765
Commercial rentals	660,478	428,921
Parking Court	7,714,077	7,439,986
Other income	50,978	25,470
Total operating revenues	<u>42,008,165</u>	<u>41,145,247</u>
<b>OPERATING EXPENSES:</b>		
Salaries	4,771,561	4,480,095
Retirement	292,805	283,192
Payroll taxes	391,170	384,881
Health benefits	1,314,201	1,178,658
Supplies and equipment	435,868	341,296
Utilities	1,341,339	1,158,160
Insurance	568,501	540,153
Repairs and maintenance	684,573	605,692
Fleet expenses	57,167	86,612
Facility and parking court management fees	2,008,767	2,650,283
Taxes and licenses	7,973,424	8,380,207
Contractual and professional services	1,306,371	1,081,934
Security	1,688,650	1,421,708
Depreciation and amortization	5,865,748	4,507,558
Other expenses	402,914	286,454
Total operating expenses	<u>29,103,059</u>	<u>27,386,883</u>
OPERATING INCOME	<u>12,905,106</u>	<u>13,758,364</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Interest income	539,578	1,569,570
Other income	235,454	185,058
Interest expense	(4,845,083)	(3,727,617)
In lieu of real estate taxes to City of Pittsburgh	(1,132,333)	(1,278,569)
Meter, wharf and parking court payments to the City of Pittsburgh	(5,692,473)	(5,536,482)
Other expenses	(141,751)	(22,771)
Net nonoperating revenues (expenses)	<u>(11,036,608)</u>	<u>(8,810,811)</u>
INCREASE IN NET ASSETS	<u>1,868,498</u>	<u>4,947,553</u>
NET ASSETS—Beginning of year	<u>61,987,618</u>	<u>57,040,065</u>
NET ASSETS—End of year	<u>\$63,856,116</u>	<u>\$61,987,618</u>





## STATEMENTS OF CASH FLOWS

For the years ended September 30, 2009 and 2008

CASH PROVIDED BY OPERATING ACTIVITIES:	2009	2008
Parking facility receipts	\$26,863,067	\$26,891,720
On-street/off-street meter receipts	6,339,771	6,171,067
Residential permit parking and commercial rental receipts	722,659	673,489
Parking court receipts	7,780,428	7,412,661
Payments to and on behalf of employees	(6,437,382)	(5,957,746)
Payments to suppliers	(392,031)	(295,992)
Payments for utilities, insurance, repairs and maintenance	(2,677,002)	(2,286,697)
Facility management fees	(2,008,767)	(2,650,283)
Taxes and licenses	(7,973,424)	(8,380,207)
Contractual and professional services	(1,306,371)	(1,081,934)
Security	(1,363,148)	(1,444,165)
Other expenditures—net	(353,315)	(260,921)
Net cash provided by operating activities	<u>19,194,485</u>	<u>18,790,992</u>
CASH USED IN NONCAPITAL FINANCING ACTIVITIES:		
In lieu of real estate taxes to City of Pittsburgh	(1,132,333)	(1,278,569)
Meter, wharf and parking court payments to City of Pittsburgh	(7,032,068)	(4,421,545)
Other (payments) receipts—net	(293,934)	136,747
Net cash used in noncapital financing activities	<u>(8,458,335)</u>	<u>(5,563,367)</u>
CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES:		
Additions to property, plant and equipment	(3,638,938)	(13,575,861)
Additions to capital meters and leasehold improvements	(189,442)	(7,146,525)
Capital grants	225,465	150,952
Payment of note payable		(922,000)
Repayment of bonds	(4,515,000)	(4,350,000)
Interest paid	(4,106,045)	(4,274,608)
Net cash used in capital and related financing activities	<u>(12,223,960)</u>	<u>(30,118,042)</u>
CASH PROVIDED BY INVESTING ACTIVITIES:		
Sale of investments	88,425,175	127,900,738
Purchase of investments	(89,100,830)	(112,660,586)
Payments received on notes receivable	282,289	1,880,546
Interest received	604,562	1,743,880
Net cash provided by investing activities	<u>211,196</u>	<u>18,864,578</u>
(DECREASE) INCREASE IN CASH	<u>(1,276,614)</u>	<u>1,974,161</u>
CASH—Beginning of year	<u>8,493,364</u>	<u>6,519,203</u>
CASH—End of year	<u>\$7,216,750</u>	<u>\$8,493,364</u>
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$12,905,106	\$13,758,364
Adjustments to reconcile net operating income to cash provided by operating activities:		
Depreciation and amortization	5,865,748	4,507,558
Decrease in accounts receivable	109,299	8,282
Increase (decrease) in other assets	337,085	(32,877)
(Decrease) Increase in accounts payable and accrued expenses	(22,753)	549,665
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$19,194,485</u>	<u>\$18,790,992</u>
NON-CASH TRANSACTIONS		
Capital additions in accounts payable	<u>\$621,478</u>	<u>\$654,187</u>

See notes to financial statements.





**Pittsburgh PARKING Authority**

*The Value Parking Network*

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