



**Pittsburgh
PARKING
Authority**

The Value Parking Network

2016 ANNUAL REPORT



Serving the busy downtown area anchored by PPG Place, a fully restored Third Avenue Garage is capable of meeting the needs of parking patrons for decades to come.



David G. Onorato, CAPP
Executive Director,
Public Parking Authority of Pittsburgh



BOARD OF DIRECTORS
(LEFT TO RIGHT)

JEFF COHEN
Vice Chairperson

ARADHNA OLIPHANT
Treasurer

CATHERINE QURESHI
Chairperson

MATT BARRON
Secretary

From the Executive Director



Our financial performance in 2016 featured receipts from metered spaces that rose another 13 percent while facility-sourced revenues remained relatively flat. Those results reflected the impact of strategies adopted earlier in the decade following City government's formal rejection of a proposal to transfer all the Authority's parking assets to a private operator. That action assured the organization's continued function as a public entity and freed its Board and management leadership to authorize investments that would ensure its effective operation for the years ahead. The dramatic growth in meter-based revenue, for example – to \$19.3 million in 2016 from \$7.5 million five years ago – tracks closely to the sequential purchase and installation of the technologically advanced 1,008 devices that now control all 9,400 of our on-street and off-street metered spaces. The late-2015 activation of an integral pay-by-phone component, moreover, enhanced the new system's contribution to annual Authority results. Rising to more than 30 percent of all of December's meter transactions, the full year's payments for phone-purchased parking averaged nearly 20 percent higher than stays bought by coin or credit/debit card. In part, we attribute the increase to the system feature of enabling patrons to add paid-for time from any distance from their parked vehicles.

The year's modest gain of not-quite 1.5 percent in facility-based revenues can also be traced to the Authority's commitment to ensure the long-term structural integrity and operating capacity of its brick-and-mortar assets. By the close of 2017, nearly \$24 million – all of it internally funded – will have been invested over a period of just four years with the objective of adding at least 25 years of productive life for each of our three oldest facilities. Performing major capital repair activity in confined, multi-tiered structures, however, is inevitably disruptive. And the year's combined construction-related loss of some 3,000 garage spaces substantially reduced the system's 2016 revenue performance. Particularly impactful was the work at our Third Avenue facility where daily reductions averaged more than 240 spaces for nine full months of the project. Headed by a second phase of work at the Fort Duquesne & Sixth Garage, this emphasis on maintaining the Authority's physical plant will continue during 2017, a year also to be marked by the completion of planning for a 700 to 1,000-space structure to replace our Ninth & Penn facility. Given its location in the core of Pittsburgh's Cultural Trust District, we are working closely with that organization's leadership to determine the best use of the garage's current site – both as it relates to our building's existing footprint and the Trust-owned properties that surround it.

David G. Onorato, CAPP

Operations Review

Beyond maintaining a reliable daily supply of affordable public parking services, 2016's principal focus was again on preserving the structural soundness of the Authority's oldest and most heavily used parking structures. Approaching six full decades of continuous operation, the popular Third Avenue Garage was appropriately the subject of the largest capital repair expenditure in the organization's history. The project was the third of a four-facility, \$24-million program begun in 2014 and scheduled for completion with a second round of work at Fort Duquesne & Sixth in 2017. As expressed in the Executive Director's message, the purpose of this ongoing initiative is to add at least a quarter-century of service life at each of the locations involved.

The venerable facilities addressed during the period presented similar obstacles to the long-term presence of intrusive heavy repair.

Most basically, they all involved the challenge of working within confined building footprints in congested downtown settings, together with the multi-level mobilization of equipment and the requirement that parking operations be continued throughout construction.

The properties also featured distinctive characteristics that guided the Authority's selection of the repair approach most appropriate to their individual designs. In the case of Third Avenue, the flat surfaces and spaciousness – fully 3,300 square feet – of each of its five above-ground parking decks permitted the employment of hydro-demolition equipment and techniques to prepare them for replacement. A basement level designated for the exclusive use of premium leaseholders contributes to the building's total of 600 lined spaces, essentially the capacity standard for the four high-rise garages built during the initial years of the Authority's existence.



Typical of major Authority garage capital repair, work at Third Avenue occurred within a congested downtown location and was required to accommodate vehicle traffic on multiple parking levels.



The “white” noise generated during hydro-demolition activity is in sharp contrast to the constant din of jackhammer drilling more routinely employed for the replacement of worn or damaged concrete. Further, the process’s noise-reduction component was complemented by its substantial water requirement to nearly eliminate the need to dust-proof sequential garage work areas. Conversely, applying hydro-removal techniques to 900,000 square feet of the building’s concrete total demanded strict attention to legislated environmental controls, principally to collect and dispose of surface fragments and liquid runoff produced during demolition. Applied at a constant drilling pressure level of 20,000 psi, some eight million gallons of water passed through a contractor-installed filtration system to ensure compliance with prevalent quality standards.

Its sound-reducing benefit notwithstanding, the hydro process, was judged incapable of maintaining a compatible nighttime environment

for nearby Point Park University dormitories.

Daily drilling, consequently, ceased at 10:00 p.m.

Third Avenue’s on-site presence of the Authority’s Parking Court operation and the building’s proximity to the six glass-sheathed structures of PPG Place – one immediately abutting an exterior garage wall – were other factors demanding contractor attention. Despite work occurring directly beneath and above its street-level space, Parking Court activity continued without interruption, and the 14-month span required for mobilization and construction occurred free of damage to any PPG facility. Evidencing the effectiveness of the Authority’s approach to large capital repair, a similar scope of work performed at the Smithfield/Liberty Garage was cited for its quality by a 2016 jury of International Parking Institute professionals. In May 2017, the Third Avenue project exceeded that level of achievement by being named to receive the top honor in the Large Facility Renovation category of the IPI’s latest awards competition.

Improvements to the Third Avenue streetscape reflected the project’s attention to the appearance of both the garage’s facade and the entrance to the building’s Parking Court function. Although surrounded by repair work for lengthy periods, Court operations continued without interruption.



**Pittsburgh
PARKING
Authority**

The Value Parking Network

2016



Personnel

Administrative	40
Operations	56
Enforcement	38



Transactions

Garages	1,834,116
Staffed Lots	233,110
Metered Street	1,402,948
Metered Off-Street	218,015



Metered Payments

Cash	\$ 2,268,118
Credit/Debit	\$11,571,660
Pay-by-Phone	\$ 4,532,353



Residential

Active Zones
Participating Streets
Permits Issued

BY THE NUMBERS



Capacity (Spaces)

Garages	7,370
Staffed Lots	1,268
Metered Street	7,811
Metered Off-Street	1,674



Holiday Free Parking

Patrons Accommodated	42,914
Revenue Impact	(\$236,320)



Parking Court

Hearings Conducted	22,895
Online	16,207
In Person	6,688

Permits

38
453
40,000

Enforcement

Violations Cited	256,096
Collection Percentage	88
Booted/Towed Vehicles	1,774

Operations Review (Continued)



The decision to manage all metered spaces with pay-by-license-plate technology contributed to the Authority's recognition as an Accredited Parking Organization by the International Parking Institute

Approximately one-fifth of the organization's metered parking spaces are housed in its network of off-street surface lots. The condition and appearance of those locations are also closely monitored, and any necessary repair or improvement activity is sourced from funds set aside annually for that purpose. During 2016, work at four neighborhood facilities prioritized for upgrades was completed at a combined cost below the \$300,000 typically budgeted for any given year. Contract award dates for 2017's project targets, meanwhile, have been timed to coincide with the return of favorable construction weather. The Authority's aggregate of off-street metered parking was reduced by 31 spaces with the third-quarter sale of the Centre/Craig lot to a private developer who plans a mixed-use office and parking complex for the site. Conversely, some 450 new on-street metered locations were added to increase their total to just under 7,800 at year's end.

Both the scope and effectiveness of Residential Permit Parking increased during 2016. The program enables residents of neighborhood streets to elect to have parking near their homes managed to limit stays of parked vehicles not displaying current permit documentation to

one or two hours. Purchased at modest cost for either resident or visitor use, nearly 40,000 permits were issued during 2016 as the number of streets participating in the program rose to 453. Historically, individual permits could be obtained only by visiting the Authority's downtown headquarters location. During 2017's second quarter, however, they also were made available for purchase online. The program's enforcement component was also enhanced considerably through the increased use of camera-equipped, plate-reading vehicles to identify and issue overtime violations. Similar recently adopted measures, both technological and operational, contributed to the Authority's recognition as an IPI Accredited Parking Organization member. Established just a year ago to broaden the application of best-practices standards across the industry, the accreditation process measures organizational progress toward excellence in such categories as management and operations quality; customer service; professional development; safety; and security. The Authority's recognition was awarded with distinction, indicating that its performance exceeded program-established benchmarks across the board.

STATEMENTS OF NET POSITION

DECEMBER 31, 2016 AND 2015

	2016	2015
ASSETS		
Current Assets:		
Cash	\$ 12,418,727	\$ 10,836,784
Escrow cash	255,965	242,315
Investments	10,157,465	7,738,861
Investments - restricted	28,694,170	23,887,707
Accounts receivable	952,297	885,502
Notes receivable - current portion	1,012,209	12,644
Accrued interest receivable and other assets	305,752	327,061
Total current assets	53,796,585	43,930,874
Noncurrent assets:		
Investments	9,778,350	15,481,873
Investments - restricted	8,889,677	8,822,232
Notes receivable	3,176,233	3,189,524
Prepaid bond insurance	244,000	271,365
Capital assets, net	120,139,371	118,843,298
Leasehold improvements, net	4,960,822	5,182,469
Net pension asset	1,870,398	1,141,653
Total noncurrent assets	149,058,851	152,932,414
Total Assets	202,855,436	196,863,288
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	5,037,559	5,565,451
Net difference between projected and actual earnings on pension investments	587,466	704,063
Total Deferred Outflows of Resources	5,625,025	6,269,514
LIABILITIES		
Current liabilities:		
Accounts payable	3,076,982	3,410,346
Accounts payable - retention	157,583	318,570
Accounts payable - City of Pittsburgh	14,569,325	13,401,976
Accrued expenses	778,119	743,146
Accrued interest payable	229,437	243,787
Unearned revenue	968,232	913,495
Current portion of capital lease obligations	18,921	18,486
Current maturities of bonds payable	5,215,000	5,740,000
Total current liabilities	25,013,599	24,789,806
Noncurrent liabilities:		
Bonds payable - noncurrent portion	58,724,124	65,415,946
Other noncurrent liabilities	4,848,101	5,092,984
Total noncurrent liabilities	63,572,225	70,508,930
Total Liabilities	88,585,824	95,298,736
DEFERRED INFLOWS OF RESOURCES		
Deferred gain on refunding	2,789,117	3,070,372
Differences between expected and actual experience for pension plan	716,937	53,229
Total Deferred Inflows of Resources	3,506,054	3,123,601
NET POSITION		
Net investment in capital assets	59,102,003	50,858,204
Restricted for, expendable:		
Capital	7,614,950	11,670,674
Debt service	533,739	569,669
Indenture funds	29,958,624	22,197,746
Total restricted	38,107,313	34,438,089
Unrestricted	19,179,267	19,414,172
Total Net Position	\$ 116,388,583	\$ 104,710,465

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
OPERATING REVENUES:		
Parking facility receipts	\$ 35,273,990	\$ 34,800,280
On-street/off-street meter receipts	19,316,837	17,111,656
Residential permit parking receipts	428,049	417,899
Commercial rentals	624,887	647,378
Parking court	10,545,381	10,238,112
Other income	127,180	174,894
Total operating revenues	66,316,324	63,390,219
OPERATING EXPENSES:		
Salaries	5,594,633	5,404,188
Retirement	465,999	544,022
Payroll taxes	473,876	455,460
Health benefits	1,490,524	1,378,899
Supplies and equipment	421,603	370,101
Utilities	1,294,508	1,183,552
Insurance	675,116	677,471
Repairs and maintenance	2,210,332	2,192,201
Fleet expenses	118,462	102,027
Facility and parking court management fees	2,060,848	2,070,215
Taxes and licenses	10,265,761	10,171,397
Contractual and professional services	3,024,607	2,698,859
Security	2,038,298	1,984,293
Depreciation and amortization	5,961,814	5,489,504
Other expenses	274,471	281,182
Total operating expenses	36,370,852	35,003,371
Operating Income	29,945,472	28,386,848
NONOPERATING REVENUES (EXPENSES):		
Interest income	249,780	314,068
Other income	3,027,422	1,425,709
Interest expense	(1,548,072)	(3,237,812)
In lieu of real estate taxes to the City of Pittsburgh	(1,900,000)	(1,900,000)
Meter, wharf, and parking court payments to the City of Pittsburgh	(17,497,846)	(16,433,858)
Other expenses	(598,638)	(728,306)
Total nonoperating revenues (expenses)	(18,267,354)	(20,560,199)
Change in Net Position	11,678,118	7,826,649
NET POSITION:		
Beginning of year	104,710,465	96,883,816
End of year	\$ 116,388,583	\$ 104,710,465

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Parking facility receipts	\$ 35,334,226	\$ 34,761,060
On-street/off-street meter receipts	19,316,833	17,111,593
Residential permit parking and commercial rental receipts	853,479	852,850
Parking court receipts	10,508,870	10,199,027
Payments to and on behalf of employees	(7,782,908)	(7,886,887)
Payments to suppliers	(166,243)	(545,816)
Payments for utilities, insurance, repairs, and maintenance	(4,217,297)	(4,072,231)
Facility management fees	(2,068,775)	(2,083,732)
Taxes and licenses	(10,246,463)	(10,157,170)
Contractual and professional services	(3,027,373)	(2,696,953)
Security	(2,033,516)	(1,971,468)
Other receipts (expenditures), net	(145,399)	(123,482)
Net cash provided by (used in) operating activities	36,325,434	33,386,791
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
In lieu of real estate taxes of the City of Pittsburgh	(2,005,845)	-
Meter, wharf, and parking court payments to the City of Pittsburgh	(16,224,652)	(7,671,460)
Deposits to escrow cash	(13,650)	(9,680)
Other receipts (expenditures), net	(182,140)	428,836
Net cash provided by (used in) noncapital financing activities	(18,426,287)	(7,252,304)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Additions to property, plant, and equipment	(9,041,279)	(6,290,176)
Additions to leasehold improvements	(2,098)	(1,867,028)
Capital lease payments	(18,486)	(71,206)
Capital grants	420,834	596,764
Proceeds from long term debt	-	78,482,564
Repayment of bonds and refunding escrow transfers	(5,754,349)	(77,555,740)
Bond issue costs and other	-	(5,784,983)
Proceeds from sale of capital assets	2,180,000	9,400
Interest paid	(2,778,256)	(3,578,965)
Net cash provided by (used in) capital and related financing activities	(14,993,634)	(16,059,370)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sale of investments	110,626,925	201,947,936
Purchase of investments	(112,215,915)	(212,306,458)
Payments received on notes receivable	13,726	12,029
Interest received	251,694	314,142
Net cash provided by (used in) investing activities	(1,323,570)	(10,032,351)
Increase (Decrease) in Cash and Cash Equivalents	1,581,943	42,766
CASH AND CASH EQUIVALENTS:		
Beginning of year	10,836,784	10,794,018
End of year	\$ 12,418,727	\$ 10,836,784
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Operating income	\$29,945,472	\$28,386,848
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:		
Depreciation and amortization	5,961,814	5,489,504
Change in:		
Accounts receivable	(66,795)	(124,098)
Other assets	(29,095)	(10,251)
Net pension asset	(728,745)	634,812
Deferred outflows related to pension plan	116,597	(625,817)
Deferred inflows related to pension plan	663,708	(17,625)
Accounts payable and accrued expenses	462,478	(346,582)
Net Adjustments	6,379,962	4,999,943
Net cash provided by (used in) operating activities	\$ 36,325,434	\$ 33,386,791
NONCASH TRANSACTIONS:		
Capital additions in accounts payable	\$ 495,550	\$ 3,410,345

NEIGHBORHOOD LOTS

EAST LIBERTY

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

SQUIRREL HILL

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

SHADYSIDE

Ivy/Bellefonte

BLOOMFIELD

Friendship/Cedarville
Taylor Street

LAWRENCEVILLE

42nd & Butler
5224 Butler Street
Parking Plaza

BEECHVIEW

Beechview Boulevard

SOUTH SIDE

12Th & East Carson
18Th & Sidney
18Th & Carson
19Th & Carson
20Th & Sidney
Parking Plaza

CARRICK

Brownsville/Sankey

WEST END

Main/Alexander

ALLENTOWN

Asteroid/Warrington
Walter/Warrington

BROOKLINE

Brookline Boulevard

NORTH SIDE

East Ohio Street
Observatory Hill

MT. WASHINGTON

Shiloh Street
Parking Plaza

HOMEWOOD

Homewood/Zenith

GARAGES

DOWNTOWN

First Avenue Garage & 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

EXECUTIVE STAFF

DAVID G. ONORATO, CAPP
Executive Director

ANTHONY BOULE, MPA
Director of Administration
and Parking Court

JOHN FOURNIER
Director of Enforcement and
Residential Permit Parking

CHRISTOPHER HOLT
Director of Project Management

H. WESLEY POLLARD
Director of Meter Services

CHRISTOPHER J. SPEERS, CAPP
Director of Parking Services

JO-ANN WILLIAMS
Director of Finance

2017 IPI AWARD OF EXCELLENCE - CATEGORY V Best Parking Facility Restoration or Rehabilitation **Third Avenue Garage Renovation**



**Pittsburgh
PARKING
Authority**
The Value Parking Network

232 Boulevard of the Allies
Pittsburgh, PA 15222-1616
412-560-7275 • Fax: 412-560-7200
www.pittsburghparking.com