

# **Council-Controller Plan**

For

Parking System Monetization and Pension Funding

Presented before

**Pittsburgh City Council**

On

Tuesday, October 19, 2010



## Section 1: Statement of Plan

The Council-Controller Plan is, at its core, a simple land and asset sale to a municipal authority, not unlike countless other municipal transactions that take place every year. The legal structure for this deal is relatively simple, and the financing structure is common. The plan was designed with several core objectives in mind, including:

- Keeping the parking assets under public control;
- Limiting increases in parking rates;
- Affording the City the freedom to pursue economic development strategies that were contractually banned in the concession agreements proposed in the Mayor's privatization plan;
- Avoiding involuntary state takeover of the pension fund;
- Avoiding adding any additional debt service to the City's operating budget and protect the City's debt drop-off;
- Requiring modernization and reform to the Parking Authority's operations;
- Making a large, lump sum payment into the pension fund; and,
- Allowing the City the financial flexibility to maintain its MMO Plus payments and bolster the fund's long term fiscal solubility.

We believe that the Council-Controller Plan meets all of these criteria and will help put our City and our Pension fund on more sustainable financial ground while avoiding many of the negative consequences of pursuing a long term lease of the parking assets to a private corporation or allowing an involuntary state takeover of the pension fund and its assets.

## *Plan Summary*

The Council-Controller Plan is a simple land sale and bond financing plan that is a common type of transaction for municipalities to undertake. It involves the following steps:

1. The City agrees to pass legislation approving the sale of its parking assets, including the Mellon Square garage, 5 surface lots, and the parking meter system to the Parking Authority for at least \$220 million. The 5 surface lots include the 12<sup>th</sup> and East Carson Lot, the Harvard and Beatty Lot, the Forbes and Murray Lot, the Sheridan and Kirkwood Lot, and the Tamello and Beatty Lot.
2. The Pittsburgh Parking Authority (PPA) agrees to purchase the assets for at least \$220 million and float a bond measure to pay for the transaction.
3. The Mayor of the City of Pittsburgh and the Executive Director of the PPA must negotiate and agree to the final terms of the sale.
4. The proceeds from the sale must be deposited into the City's pension fund prior to December 31<sup>st</sup>, 2010.

The legislation to pass this plan in City Council has already been introduced, and includes a detailed account of the requirements of the final terms of the sale. Among them, the PPA would be required to seek approval from the Mayor and City Council before it could monetize, through a lease or a sale, any of the parking assets related to this transaction. The authority also must agree to modernize its systems. Finally, at the expiration of any debt related to the transaction, the City may purchase the facilities and meters back from the PPA for a sale price of \$1. The language of the legislation related to this plan as it was proposed in City Council on Tuesday, October 12, can be found in Appendix K.

It is important to note that this plan, like the Mayor's privatization plan, requires legislation to be passed through both the City Council and the Board of the PPA. The Council-Controller plan considers the Board of the PPA to be an independent body and respects its independent decision making authority. In the process of presenting this legislation we look forward to having an open discussion with the members of the Board of the PPA to consider this plan.

Additionally, we recognize that the Mayor is an independent decision maker within City government. We also respect the administration's independence and we welcome an open discussion with the Mayor regarding the tenets of this plan.

## Section 2: Presentation of Financial Model

The financial model for the Council-Controller Plan is a sustainable, viable, financial plan that will satisfy the additional bond debt requirements of the PPA, allow for a modernization of Pittsburgh's parking assets, and result in a net positive cash flow for the City of Pittsburgh.

Additionally, it should be noted that Financial Scholars Group, the independent financial advisers hired by the City of Pittsburgh to evaluate the various parking plans presented to City Council, have examined the financial model developed for this plan and have concurred with our analysis of the projected cash flows from the meters and garages.

This plan represents the best financial option for the City of Pittsburgh to avert a state takeover, build its pension fund to a sustainable level and keep the promise of a fair pension to the hard working men and women of this City.

### *Analysis of Proposed Parking Rates*

The proposed parking rate increases in the Council-Controller Plan are approximately half as large as the parking rate increases proposed in the Mayor's privatization plan.

Under this plan, 63% of the metered business districts would pay \$1.00 an hour for metered parking, with the exception of Carrick which will remain at \$.50 an hour. These parking zones represent the smaller business districts in the City of Pittsburgh that are primarily comprised of locally owned small businesses. Twenty seven percent of the business districts in our City would have a \$2.00 an hour parking rate. These parking zones represent the larger commercial and employment districts in the City, including Oakland, the North Shore, and the South Side. Downtown would remain to have the highest parking rates in the City with a new rate of \$3.00 an hour, which is a 33% smaller parking rate than what was proposed in the Mayor's privatization plan. Additionally, the plan calls for rate increases at our City's off street metered lots that would match those modest increases proposed in the Mayor's plan.

<b>Parking Zone</b>	<b>C-C Peak Rate</b>	<b>Mayor Peak Rate</b>	<b>% Lower Rate increase C-C Plan</b>
Downtown	\$3.00	\$4.50	60%
Oakland 1	\$2.00	\$3.00	40%
Oakland 2	\$2.00	\$3.00	40%
Oakland 3	\$2.00	\$2.00	0%
Oakland 4	\$2.00	\$3.00	43%
Shadyside	\$2.00	\$3.00	40%
Strip District	\$1.00	\$3.00	80%
North Shore	\$2.00	\$3.00	40%
South Side	\$1.00	\$2.00	67%
Squirrel Hill	\$1.00	\$2.00	67%
Bloomfield/Garfield	\$1.00	\$1.50	50%
North Side	\$1.00	\$2.00	67%
Uptown	\$1.00	\$2.00	67%
Brookline	\$1.00	\$2.00	67%
Mount Washington	\$1.00	\$2.00	67%
East Liberty	\$1.00	\$1.00	0%
Lawrenceville	\$1.00	\$1.00	0%
Mellon Park Area	\$1.00	\$1.00	0%
Beechview	\$1.00	\$1.00	0%
Allentown	\$1.00	\$1.00	0%
West End	\$1.00	\$1.00	0%
Carrick	\$.50	\$.50	0%
<b>Total Average % Lower Rate Increase:</b>			<b>47%</b>

The plan for meter rate changes also keeps more than half of the parking zones in the City at a 6:00 PM end time for enforcement. Those parking zones that will have 6:00 PM enforcement are Bloomfield/Garfield, the North Side, Uptown, Brookline, Mt. Washington, East Liberty, Lawrenceville, Mellon Park Area, Beechview, Allentown, West

End, and Carrick, again protecting our smaller neighborhood business districts. The proposed meter rates can be found in Appendix C. Enforcement hour information can be found in Appendix K.

The Council-Controller Plan also calls for increases in the parking rates at our downtown garages, though these parking rates are being forwarded as a suggestion to the PPA board. They, ultimately, will have control over the final garage parking rates downtown. The rates under this proposal are, by the weighted average of hourly increases, 13% lower than the rates under the Mayor’s privatization plan. Of special note are the lower rates for short term parkers and for all day lease holders. These lower rates will help to keep parking opportunities for downtown shoppers and employers attractive, a vital component of this plan. Furthermore, the PPA would retain the right to grant free shopping days and would retain MBRO options for the parking facilities. For a full assessment of proposed garage rates, see Appendix E.

Garage Facility	% Lower Increase in Garage Parking Rates
Third Avenue	10%
Ninth & Penn	15%
Smithfield Liberty	9%
Ft. Duquesne	15%
Mellon Square	8%
Wood Allies	6%
Oliver	4%
First Avenue	7%
Second Avenue Plaza	2%
Grant Street	4%
Forbes-Semple	39%
Shadyside	32%
Third Avenue	10%
<b>Total Average % Lower Rate Increase:</b>	<b>13%</b>

*Analysis of Cash Flows Generated From Proposed Parking Rates*

The cash flows that would be generated for the PPA would be more than sufficient to satisfy debt service payments and bond debt required for the transaction. Free cash flows are the net revenues from the meters and garages after current operating, capital, debt service expenses are paid. Appendix B and Appendix D present the final analysis of the free cash flows generated under the parking rate scenario proposed in this plan, however the top-line numbers show a significant increase in revenue for the PPA over the next 30 years.

Year	Net Garage FCF	Net Meter FCF	Total Additional FCF
2011	\$ 1,914,076	\$ 6,128,349	\$ 8,042,425
2012	\$ 2,884,371	\$ 8,808,418	\$ 11,692,789
2013	\$ 4,568,172	\$ 9,575,643	\$ 14,143,815
2014	\$ 6,257,931	\$ 9,713,446	\$ 15,971,376
2015	\$ 7,207,453	\$ 9,917,607	\$ 17,125,061
2016	\$ 7,531,326	\$ 10,251,582	\$ 17,782,909
2017	\$ 7,988,053	\$ 10,571,692	\$ 18,559,745
2018	\$ 8,576,641	\$ 10,746,097	\$ 19,322,738
2019	\$ 8,925,095	\$ 10,988,824	\$ 19,913,919
2020	\$ 9,263,199	\$ 11,219,520	\$ 20,482,719
2021	\$ 9,714,863	\$ 11,443,911	\$ 21,158,774
2022	\$ 10,980,325	\$ 11,672,789	\$ 22,653,114
2023	\$ 11,376,872	\$ 11,906,245	\$ 23,283,117
2024	\$ 11,767,482	\$ 12,144,369	\$ 23,911,851
2025	\$ 12,156,124	\$ 12,387,257	\$ 24,543,380
2026	\$ 10,397,090	\$ 12,635,002	\$ 23,032,092
2027	\$ 11,759,833	\$ 12,887,702	\$ 24,647,535
2028	\$ 20,645,463	\$ 13,145,456	\$ 33,790,919
2029	\$ 21,058,372	\$ 13,408,365	\$ 34,466,738
2030	\$ 21,479,540	\$ 13,676,532	\$ 35,156,072
2031	\$ 21,909,131	\$ 13,950,063	\$ 35,859,194
2032	\$ 22,347,313	\$ 14,229,064	\$ 36,576,378
2033	\$ 22,794,260	\$ 14,513,646	\$ 37,307,905
2034	\$ 23,250,145	\$ 14,803,919	\$ 38,054,063
2035	\$ 23,715,148	\$ 15,099,997	\$ 38,815,145
2036	\$ 24,189,451	\$ 15,401,997	\$ 39,591,448
2037	\$ 24,673,240	\$ 15,710,037	\$ 40,383,276
2038	\$ 25,166,704	\$ 16,024,238	\$ 41,190,942
2039	\$ 25,670,039	\$ 16,344,722	\$ 42,014,761
2040	\$ 26,183,439	\$ 16,671,617	\$ 42,855,056
<b>Total Additional Free Cash Flow</b>			<b>\$ 822,329,257</b>

*Analysis of Potential Bond and Debt Service Schedule*

While the final bond measure that is taken out will be the decision of the PPA and will have to come after advice from bond counsel, we have prepared a potential bond and debt service schedule to factor into the model. This bond purposely incorporates several broad assumptions, including the coupon rate and the use of funds within the bond. We are not endorsing this particular bond, and believe this bond is perhaps not the best deal available to the PPA. However, inasmuch as it is not the best deal, it is an excellent model to use to demonstrate the feasibility of the model. The debt schedule for this bond compared to the free cash flows afforded to the PPA would be as follows:

Year	Total Additional FCF	Potential Debt Service	Additional FCF After D/S
2011	\$ 8,042,425	\$ (6,055,506)	\$ 1,986,919
2012	\$ 11,692,789	\$ (12,111,011)	\$ (418,222)
2013	\$ 14,143,815	\$ (12,111,011)	\$ 2,032,804
2014	\$ 15,971,376	\$ (12,111,011)	\$ 3,860,365
2015	\$ 17,125,061	\$ (12,111,011)	\$ 5,014,050
2016	\$ 17,782,909	\$ (12,111,011)	\$ 5,671,898
2017	\$ 18,559,745	\$ (12,111,011)	\$ 6,448,734
2018	\$ 19,322,738	\$ (12,111,011)	\$ 7,211,727
2019	\$ 19,913,919	\$ (12,111,011)	\$ 7,802,908
2020	\$ 20,482,719	\$ (13,101,011)	\$ 7,381,708
2021	\$ 21,158,774	\$ (13,506,511)	\$ 7,652,263
2022	\$ 22,653,114	\$ (13,904,261)	\$ 8,748,853
2023	\$ 23,283,117	\$ (14,278,511)	\$ 9,004,606
2024	\$ 23,911,851	\$ (13,244,261)	\$ 10,667,590
2025	\$ 24,543,380	\$ (14,315,761)	\$ 10,227,619
2026	\$ 23,032,092	\$ (20,695,011)	\$ 2,337,081
2027	\$ 24,647,535	\$ (21,128,761)	\$ 3,518,774
2028	\$ 33,790,919	\$ (21,573,011)	\$ 12,217,908
2029	\$ 34,466,738	\$ (22,030,011)	\$ 12,436,727
2030	\$ 35,156,072	\$ (22,496,761)	\$ 12,659,311
2031	\$ 35,859,194	\$ (22,970,261)	\$ 12,888,933
2032	\$ 36,576,378	\$ (23,452,511)	\$ 13,123,867
2033	\$ 37,307,905	\$ (23,945,261)	\$ 13,362,644
2034	\$ 38,054,063	\$ (24,445,011)	\$ 13,609,052
2035	\$ 38,815,145	\$ (24,958,261)	\$ 13,856,884
2036	\$ 39,591,448	\$ (25,481,011)	\$ 14,110,437
2037	\$ 40,383,276	\$ (26,009,261)	\$ 14,374,015
2038	\$ 41,190,942	\$ (26,549,011)	\$ 14,641,931
2039	\$ 42,014,761	\$ (22,653,545)	\$ 19,361,216
<b>Total</b>	<b>\$ 822,329,257</b>	<b>\$ (513,681,598)</b>	<b>\$ 265,792,603</b>

This potential deal requires the PPA to float a bond sufficient in size to transfer \$225 million to the City of Pittsburgh for the purchase of the parking assets and to cover underwriting fees and other costs associated with issuing and holding this type of debt. After satisfying the requirements of the additional debt service, the PPA would still have access to approximately \$265,792,603 in free cash flows over the term of the bond. A full account of this potential bond deal can be found in Appendix F.

*Analysis of Funds for Capital Investment*

The Council-Controller Plan leaves the PPA with cash flows and reserves that are more than sufficient to make significant capital investments in the parking system. In 2009, the PPA had the following funds available for capital expenditures (Appendix G):

\$3,209,587	Expendable Capital Funds
<u>\$17,576,044</u>	<u>Unrestricted Net Assets</u>
\$20,785,631	Total Current Funds Available

It is important to note that these figures represent an incredibly conservative estimate of funds available to the PPA. The authority operates at a net positive result on an annual basis, and therefore has had an additional year (2010) to accrue cash assets. Additionally, there are multiple funds within the PPA that carry a positive balance, but that have not been calculated into this final figure. This figure is the reported net assets that are unrestricted and assumed to be liquid in the PPA 2009 Annual Report, which can be found in Appendix G.

Under the financial scenario assumed in the Council-Controller Plan, the PPA would also have approximately \$46,992,892 in free cash flows available in the first ten years after paying the debt service on their new and old bonds. (Appendix A).

Additionally, the fiscal scenario developed by Financial Scholars Group, from which our assumptions are based, also includes annual capital expenditures to update the meter system, and in the first ten years the total CAPEX on just the meters totals \$8,857,221.83 (Appendix B).

\$20,785,631	Total Current Funds Available
\$46,992,892	Ten Year Free Cash Flows in Council-Controller Plan (After bond)
<u>\$8,857,221.83</u>	<u>Ten Year CAPEX calculated into Council-Controller Plan for meters</u>
\$76,635,744.83	Total Funds Projected for Capital Improvements

The expected capital outlays to repair the three dilapidated garages will total approximately \$50 million, according to public estimates made by the Office of the Mayor of the City of Pittsburgh (Appendix I) while it will cost approximately \$8 million to install pay and display spaces and expand the meter coverage across the City, a total of \$58 million.

It is clear that the PPA will have approximately \$76,635,744.83 available to pursue modernization and renovation of its facilities and parking system operations, a sufficient level of funding.

*Analysis of Payments to the City of Pittsburgh from the PPA*

The PPA pays the City of Pittsburgh several million dollars on an annual basis for funds related to the collection of the parking tax, payments in lieu of taxes (PILOT), Parking Court revenues, and revenues related to the meter system and wharf lease. Under the Council-Controller plan, several of these revenue sources would be altered and the payments to the City would increase considerably by 2015, even though we are sacrificing a revenue stream from the meter system.

In 2009, the PPA paid the City of Pittsburgh a total of \$14.8 million dollars, only \$293,599 of which was revenue collected from the parking meters. The City does not receive revenue from the garages, nor does it receive revenue from the off street metered lots.

The Council-Controller Plan projects increased parking tax collections of \$3.6 million annually by 2015. It anticipates an increase in PILOT payments to the City of Pittsburgh by \$200,000 annually for the new property the PPA will now own downtown and across the City. Additionally, it anticipates a substantial increase in meter enforcement revenue due to the expansion of the meter system, and the increase of fines City Council passed earlier this year. We anticipate that the PPA payments to the City of Pittsburgh will increase by as much as \$7.1 million annually in 2015.

2009 PPA Payments to City	
Source	Amount
Parking Tax	\$7,938,780.00
PILOT	\$1,132,333.00
Meter Revenue	\$293,599.00
Wharf Lease	\$357,474.00
Parking Court Net Operating Result	\$5,040,583.00
<b>Total</b>	<b>\$14,762,769.00</b>
2015 PPA Payments to City	
Parking Tax	\$11,542,238.00
PILOT	\$1,332,333.00
Parking Court Net Operating Result	\$8,961,007.00
<b>Total</b>	<b>\$21,835,579.00</b>

A full accounting of PPA Payments to the City can be found in Appendix H.

*Analysis of MMO Plus Payments*

Due to the positive revenue flows from the PPA resulting from the Council-Controller Plan, the City will be in the financial position to continue the MMO Plus payments it makes to the pension fund. It is important to note that not only does this plan deposit a significant cash infusion into the pension fund without incurring any additional debt service on the City's operating budget, it also allows for the increased MMOs that are essential in making our pension fund sustainable.

According to the Act 47 recovery plan passed in 2009, and the five year budget plan proposed by the Mayor and passed by City Council in 2009, the City of Pittsburgh is obligated to pay the following MMO payments to the Pension Fund over the next several years:

Year	Total MMO Plus
2011	\$67,991,780.00
2012	\$63,262,108.00
2013	\$63,334,546.00
2014	\$63,409,157.00
2015 (est.)	\$63,483,771.00

If payments from the PPA to the City increase by the \$7.1 million anticipated, there is no reason why the City of Pittsburgh will not be able to continue making its MMO Plus payments. Under the Mayor's privatization plan, and the 5 year projected operating budget the Mayor's office submitted to the PPA, the City will discontinue making MMO Plus payments.

## Section 3: FAQ

### **How much debt does this plan require the PPA to float? Is the plan to retire the existing debt of the PPA and take on a completely new refinancing?**

This plan does not add a single penny of debt to the City's budget, and still protects the City's debt drop off that begins in FY 2018. However, it does call for the PPA to take on almost \$260 million in bond debt to pay for the purchase of the parking assets.

The plan allows the PPA to maintain its current debt schedule, concluding in a final payment in 2026. The new debt would be added on top of that debt service and would result from a 30 year bond. The debt service schedule calls for about \$12-\$14 million annual additional debt service payments until 2026, then the debt service increases to about \$20-\$22 million for the remaining years of the 30 year bond. The increases in parking rates and meters would be used to pay for the bond.

Additionally, the new debt would be subordinate to the current debt, so current bond holders would have priority over revenues. We did consider a complete refinancing but some of the debt at PPA is not yet callable and much of the callable debt is at favorable rates, so it was not the preferred option given the defeasance costs.

A full accounting of the cash flows can be found in Appendix A.

### **Will the PPA be able to make needed capital investments in the parking system under this plan?**

Yes. The PPA will have approximately \$83.8 million at its disposal in cash reserves, capital improvement funds, and free cash flows to make any needed or desired modernization to the parking system. A full accounting of the capital funds available for use can be found in Section 2 of this document.

### **How much will parking rates increase under the Council-Controller Plan?**

The Council-Controller plan does include parking rate increases for the meter system and the garages. However they are significantly smaller than the rate increases proposed by the Mayor in his parking privatization plan.

The meter increases in this plan are approximately half what the Mayor has proposed. The model assumes that the garages will be increased to near market rate, however rate increases for short term parking (4 hours or less) and all day leases have been kept significantly lower than those proposed by the Mayor's lease plan so as to mitigate any disincentive for shoppers or employees to park downtown. A full accounting of the rate

increases and a comparison to the rates proposed by the Mayor can be found in Appendices C and E.

**Is this plan a more preferable option than a state takeover?**

Joining the Pennsylvania Municipal Retirement System (PMRS) might be a good financial decision for the City of Pittsburgh. However, the circumstances surrounding the involuntary assumption of the pension fund by PMRS written into Act 44 may not be favorable to the City. The actuarial assumptions written into the bill as well as the potential size of the MMO payments might be less favorable than what the City would receive if it voluntarily joined PMRS at a later date.

**Are the parking rates in the Council-Controller Plan higher in some neighborhoods than proposed in the Mayor's Lease Plan?**

No, they are not. In 2015, the final year of proposed rate changes, the meter parking rates are significantly lower in the Council-Controller Plan than in the Mayor's privatization plan. We do phase in the rate increases more quickly than the Mayor's privatization plan calls for, however, so for a short period of time the rates are temporarily higher in the Council-Controller Plan. However those rates are quickly overtaken by the rates proposed by the Mayor.

**Will the sale of parking assets to the PPA also include a non-compete clause for the construction of parking garages?**

No, it will not. The construction of subsidized parking facilities is an incredibly important economic development tool. In fact, it is difficult to think of a major economic development that has been carried out in the last twenty years that did not involve the construction of a parking facility with government funds. Under the Council-Controller Plan, the ability to continue this valuable economic development strategy will not be limited in any way, unlike under the Mayor's privatization plan.

**Will the parking assets remain under public control?**

Yes, the parking assets and the parking rates will remain under the control of the PPA. Currently, the PPA operates all of the City's parking assets even though the City owns some of them. Under this plan, the PPA continues to operate the parking assets, but will now also take ownership of them.

The PPA is a municipal authority and the PPA board is appointed by the Mayor of the City of Pittsburgh, and subject to confirmation by the City Council of Pittsburgh. The meetings are all subject to the Pennsylvania Sunshine Act and all proceedings of the board are public.

## Section 4: Appendices

Appendix A: Council-Controller Plan Free-Cash-Flow Overview

Appendix B: Council-Controller Plan Valuation of Meter System

Appendix C: Council-Controller Plan Meter Rates Compared to Lease Plan Meter Rates

Appendix D: Council-Controller Plan Valuation of Garages

Appendix E: Council-Controller Plan Garage Rates

Appendix F: Potential PPA Revenue Bond

Appendix G: PPA 2009 Annual Report

Appendix H: PPA Payments to the City of Pittsburgh (2009-2015)

Appendix I: Press Release from Mayor's Office, August 11, 2010

Appendix J: Council-Controller Plan Off-street Meter Rates

Appendix K: Legislation Related to Council-Controller Plan as Introduced on 10/12/2010

Appendix A:

Council-Controller Plan Free-Cash-Flow Overview

### Council-Controller Plan Free-Cash-Flow Overview

	Garage Free Cash Flow	Current Debt Service	Net Garage Free Cash Flow	Meter System Free Cash Flow	Additional FCF	Sample \$260M Debt Service	Additional FCF After Debt Service
2011	\$ 10,447,796	\$ (8,533,720)	\$ 1,914,076	\$ 6,128,349	\$ 8,042,425	\$ (6,055,506)	\$ 1,986,919
2012	\$ 11,518,938	\$ (8,634,568)	\$ 2,884,371	\$ 8,808,418	\$ 11,692,789	\$ (12,111,011)	\$ (418,222)
2013	\$ 13,316,910	\$ (8,748,738)	\$ 4,568,172	\$ 9,575,643	\$ 14,143,815	\$ (12,111,011)	\$ 2,032,804
2014	\$ 15,007,728	\$ (8,749,798)	\$ 6,257,931	\$ 9,713,446	\$ 15,971,376	\$ (12,111,011)	\$ 3,860,365
2015	\$ 15,959,615	\$ (8,752,161)	\$ 7,207,453	\$ 9,917,607	\$ 17,125,061	\$ (12,111,011)	\$ 5,014,050
2016	\$ 16,278,806	\$ (8,747,480)	\$ 7,531,326	\$ 10,251,582	\$ 17,782,909	\$ (12,111,011)	\$ 5,671,898
2017	\$ 16,604,383	\$ (8,616,330)	\$ 7,988,053	\$ 10,571,692	\$ 18,559,745	\$ (12,111,011)	\$ 6,448,734
2018	\$ 16,936,471	\$ (8,359,830)	\$ 8,576,641	\$ 10,746,097	\$ 19,322,738	\$ (12,111,011)	\$ 7,211,727
2019	\$ 17,275,200	\$ (8,350,105)	\$ 8,925,095	\$ 10,988,824	\$ 19,913,919	\$ (12,111,011)	\$ 7,802,908
2020	\$ 17,620,704	\$ (8,357,505)	\$ 9,263,199	\$ 11,219,520	\$ 20,482,719	\$ (13,101,011)	\$ 7,381,708
2021	\$ 17,973,118	\$ (8,258,255)	\$ 9,714,863	\$ 11,443,911	\$ 21,158,774	\$ (13,506,511)	\$ 7,652,263
2022	\$ 18,332,580	\$ (7,352,255)	\$ 10,980,325	\$ 11,672,789	\$ 22,653,114	\$ (13,904,261)	\$ 8,748,853
2023	\$ 18,699,232	\$ (7,322,360)	\$ 11,376,872	\$ 11,906,245	\$ 23,283,117	\$ (14,278,511)	\$ 9,004,606
2024	\$ 19,073,217	\$ (7,305,735)	\$ 11,767,482	\$ 12,144,369	\$ 23,911,851	\$ (13,244,261)	\$ 10,667,590
2025	\$ 19,454,681	\$ (7,298,558)	\$ 12,156,124	\$ 12,387,257	\$ 24,543,380	\$ (14,315,761)	\$ 10,227,619
2026	\$ 19,843,775	\$ (9,446,685)	\$ 10,397,090	\$ 12,635,002	\$ 23,032,092	\$ (20,695,011)	\$ 2,337,081
2027	\$ 20,240,650	\$ (8,480,818)	\$ 11,759,833	\$ 12,887,702	\$ 24,647,535	\$ (21,128,761)	\$ 3,518,774
2028	\$ 20,645,463		\$ 20,645,463	\$ 13,145,456	\$ 33,790,919	\$ (21,573,011)	\$ 12,217,908
2029	\$ 21,058,372		\$ 21,058,372	\$ 13,408,365	\$ 34,466,738	\$ (22,030,011)	\$ 12,436,727
2030	\$ 21,479,540		\$ 21,479,540	\$ 13,676,532	\$ 35,156,072	\$ (22,496,761)	\$ 12,659,311
2031	\$ 21,909,131		\$ 21,909,131	\$ 13,950,063	\$ 35,859,194	\$ (22,970,261)	\$ 12,888,933
2032	\$ 22,347,313		\$ 22,347,313	\$ 14,229,064	\$ 36,576,378	\$ (23,452,511)	\$ 13,123,867
2033	\$ 22,794,260		\$ 22,794,260	\$ 14,513,646	\$ 37,307,905	\$ (23,945,261)	\$ 13,362,644
2034	\$ 23,250,145		\$ 23,250,145	\$ 14,803,919	\$ 38,054,063	\$ (24,445,011)	\$ 13,609,052
2035	\$ 23,715,148		\$ 23,715,148	\$ 15,099,997	\$ 38,815,145	\$ (24,958,261)	\$ 13,856,884
2036	\$ 24,189,451		\$ 24,189,451	\$ 15,401,997	\$ 39,591,448	\$ (25,481,011)	\$ 14,110,437
2037	\$ 24,673,240		\$ 24,673,240	\$ 15,710,037	\$ 40,383,276	\$ (26,009,261)	\$ 14,374,015
2038	\$ 25,166,704		\$ 25,166,704	\$ 16,024,238	\$ 41,190,942	\$ (26,549,011)	\$ 14,641,931
2039	\$ 25,670,039		\$ 25,670,039	\$ 16,344,722	\$ 42,014,761	\$ (22,653,545)	\$ 19,361,216
2040	\$ 26,183,439		\$ 26,183,439	\$ 16,671,617	\$ 42,855,056		

2041	\$	26,707,108	\$	26,707,108	\$	17,005,049	\$	43,712,157
2042	\$	27,241,250	\$	27,241,250	\$	17,345,150	\$	44,586,400
2043	\$	27,786,075	\$	27,786,075	\$	17,692,053	\$	45,478,128
2044	\$	28,341,797	\$	28,341,797	\$	18,045,894	\$	46,387,691
2045	\$	28,908,633	\$	28,908,633	\$	18,406,812	\$	47,315,445
2046	\$	29,486,805	\$	29,486,805	\$	18,774,948	\$	48,261,754
2047	\$	30,076,541	\$	30,076,541	\$	19,150,447	\$	49,226,989
2048	\$	30,678,072	\$	30,678,072	\$	19,533,456	\$	50,211,528
2049	\$	31,291,634	\$	31,291,634	\$	19,924,125	\$	51,215,759
2050	\$	31,917,466	\$	31,917,466	\$	20,322,608	\$	52,240,074
2051	\$	32,555,816	\$	32,555,816	\$	20,729,060	\$	53,284,876
2052	\$	33,206,932	\$	33,206,932	\$	21,143,641	\$	54,350,573
2053	\$	33,871,071	\$	33,871,071	\$	21,566,514	\$	55,437,585
2054	\$	34,548,492	\$	34,548,492	\$	21,997,844	\$	56,546,336
2055	\$	35,239,462	\$	35,239,462	\$	22,437,801	\$	57,677,263
2056	\$	35,944,251	\$	35,944,251	\$	22,886,557	\$	58,830,808
2057	\$	36,663,136	\$	36,663,136	\$	23,344,288	\$	60,007,425
2058	\$	37,396,399	\$	37,396,399	\$	23,811,174	\$	61,207,573
2059	\$	38,144,327	\$	38,144,327	\$	24,287,398	\$	62,431,724
2060	\$	38,907,213	\$	38,907,213	\$	24,773,146	\$	63,680,359
	\$	1,236,578,528	\$	1,095,263,630	\$	789,156,075	\$	1,884,419,705
			\$	(141,314,899)	\$	(513,681,598)	\$	265,792,603

Appendix B:

Council-Controller Plan Valuation of Meter System

Pittsburgh Parking Authority  
EXHIBIT IV-B.1

Council Controller Plan Valuation of Meter System

Lease Year	Off-street Metered Lots		On-street Meters		Total Meter Revenues	Operating Expenses	Parking Taxes <sup>(1)</sup>	Capital Expenses	Free Cash Flow	Discount Factor <sup>(2)</sup>	Present Value
	Metered Lots	Current Meters	Expanded Hours	Multi-Space							
FY2010	1,686,542	4,659,916	\$ -	\$ -	\$ 4,659,916	\$ 1,366,080	\$ 459,971	\$ -	\$ 6,128,349	n/a	n/a
1	2,026,438	5,672,159	975,653	39,343	7,292,584	1,393,402	552,670	-	8,808,418	0.93	5,674,398
2	2,046,767	7,253,896	1,285,003	121,919	9,568,761	1,421,528	558,215	827,625	9,575,643	0.86	7,551,799
3	2,388,690	7,633,453	1,340,113	189,776	10,193,241	1,449,696	651,467	905,125	9,713,466	0.79	7,601,454
4	2,425,631	7,636,897	1,340,113	241,261	10,248,171	1,478,689	661,542	820,125	9,917,607	0.74	7,139,672
5	2,746,252	7,636,897	1,340,113	301,850	10,306,960	1,508,263	748,985	880,156	10,251,582	0.68	6,749,757
6	2,801,177	7,789,635	1,366,915	375,908	10,582,956	1,538,428	765,968	830,157	10,251,582	0.63	6,460,236
7	2,857,200	7,945,428	1,394,253	406,194	10,817,383	1,569,197	779,244	754,450	10,571,692	0.58	6,168,481
8	2,914,344	8,104,337	1,422,139	437,910	11,057,323	1,600,581	794,829	830,160	10,746,097	0.54	5,805,782
9	2,972,631	8,266,423	1,450,581	502,870	11,334,671	1,632,593	810,726	875,160	10,988,824	0.50	5,497,148
10	3,032,084	8,431,752	1,479,593	520,847	11,569,284	1,665,244	826,940	889,663	11,219,520	0.46	5,196,809
11	3,092,576	8,600,387	1,509,185	531,263	11,800,670	1,698,549	843,479	907,456	11,443,911	0.43	4,908,097
12	3,154,580	8,772,395	1,539,369	541,889	11,833,031	1,732,520	860,349	925,606	11,672,789	0.40	4,635,425
13	3,217,672	8,947,843	1,570,156	552,726	12,077,417	1,767,171	877,556	944,118	11,906,245	0.37	4,377,901
14	3,282,025	9,126,799	1,601,559	563,781	12,522,965	1,802,514	895,107	963,000	12,144,369	0.34	4,134,685
15	3,347,666	9,309,335	1,633,590	575,057	12,773,425	1,838,564	913,009	982,260	12,387,257	0.32	3,904,980
16	3,414,619	9,495,522	1,666,262	586,558	13,028,893	1,875,336	931,269	1,001,905	12,635,002	0.29	3,688,037
17	3,482,911	9,683,432	1,699,587	598,289	13,289,471	1,912,842	949,894	1,021,943	12,887,702	0.27	3,483,146
18	3,552,570	9,879,141	1,733,579	610,255	13,555,260	1,951,099	968,892	1,042,382	13,145,456	0.25	3,289,638
19	3,623,621	10,076,724	1,768,251	622,460	13,826,366	1,990,121	988,270	1,063,230	13,408,365	0.23	3,106,880
20	3,696,093	10,278,258	1,803,616	634,909	14,102,893	2,029,924	1,008,036	1,084,494	13,676,532	0.21	2,934,276
21	3,770,015	10,483,824	1,839,688	647,607	14,384,951	2,070,522	1,028,196	1,106,184	13,950,063	0.20	2,771,260
22	3,845,416	10,693,500	1,876,482	660,559	14,672,650	2,111,933	1,048,760	1,128,308	14,229,064	0.18	2,617,301
23	3,922,324	10,907,370	1,914,011	673,771	14,966,103	2,154,171	1,069,734	1,150,874	14,513,646	0.17	2,471,896
24	4,000,770	11,125,517	1,952,291	687,246	15,266,195	2,197,255	1,091,130	1,173,892	14,803,919	0.16	2,334,568
25	4,080,786	11,348,028	1,991,337	700,991	15,570,733	2,241,200	1,112,953	1,197,370	15,099,997	0.15	2,204,870
26	4,162,401	11,574,988	2,031,164	715,011	15,888,427	2,286,024	1,135,212	1,221,317	15,401,997	0.14	2,082,377
27	4,245,650	11,806,488	2,071,787	729,311	16,199,791	2,331,744	1,157,916	1,245,743	15,710,337	0.13	1,966,690
28	4,330,562	12,042,618	2,113,223	743,897	16,523,787	2,378,379	1,181,074	1,270,658	16,024,238	0.12	1,857,429
29	4,417,174	12,283,470	2,155,488	758,775	16,854,262	2,425,947	1,204,696	1,296,071	16,344,722	0.11	1,754,239
30	4,505,517	12,529,140	2,198,597	773,951	17,191,348	2,474,466	1,228,790	1,321,993	16,671,617	0.10	1,656,781
31	4,595,628	12,779,722	2,242,569	789,430	17,535,175	2,523,955	1,253,366	1,348,433	17,005,049	0.09	1,564,737
32	4,687,540	13,035,317	2,287,421	805,218	17,885,878	2,574,434	1,278,433	1,375,401	17,345,150	0.09	1,477,808
33	4,781,923	13,296,023	2,333,169	821,322	18,243,596	2,625,923	1,304,001	1,402,909	17,692,053	0.08	1,395,707
34	4,876,917	13,561,944	2,379,832	837,749	18,608,468	2,678,441	1,330,082	1,430,967	18,045,894	0.07	1,318,168
35	4,974,455	13,833,183	2,427,429	854,504	18,980,637	2,732,010	1,356,683	1,459,587	18,406,812	0.07	1,244,936
36	5,073,944	14,109,846	2,475,978	871,594	19,360,250	2,786,650	1,383,817	1,488,779	18,774,948	0.06	1,175,773
37	5,175,423	14,392,043	2,525,497	889,026	19,747,455	2,842,383	1,411,493	1,518,554	19,150,447	0.06	1,110,452
38	5,278,932	14,679,884	2,576,007	906,806	20,142,404	2,899,231	1,439,723	1,548,925	19,533,456	0.05	1,048,761
39	5,384,510	14,973,482	2,627,527	924,943	20,545,252	2,957,216	1,468,517	1,579,904	19,924,125	0.05	990,496
40	5,492,200	15,272,951	2,680,078	943,441	20,956,157	3,016,360	1,497,888	1,611,502	20,322,608	0.05	935,469
41	5,602,044	15,578,410	2,733,679	962,310	21,375,286	3,076,732	1,527,846	1,643,732	20,729,660	0.04	883,498
42	5,714,085	15,889,979	2,788,353	981,556	21,808,786	3,138,221	1,558,402	1,676,606	21,143,641	0.04	834,415
43	5,828,367	16,207,778	2,844,120	1,001,188	22,238,841	3,200,985	1,589,571	1,710,139	21,566,514	0.04	788,059
44	5,944,934	16,531,934	2,901,002	1,021,211	22,683,618	3,265,005	1,621,362	1,744,341	21,997,844	0.03	744,277
45	6,063,833	16,862,572	2,959,022	1,041,636	23,138,221	3,330,305	1,653,789	1,779,228	22,437,801	0.03	702,929
46	6,185,110	17,199,824	3,018,203	1,062,468	23,600,036	3,396,911	1,686,865	1,814,813	22,886,557	0.03	663,877
47	6,308,812	17,543,820	3,078,567	1,083,718	24,072,037	3,464,849	1,720,602	1,851,109	23,344,288	0.03	626,995
48	6,434,988	17,894,697	3,140,138	1,105,392	24,553,478	3,534,146	1,755,014	1,888,131	23,811,174	0.02	592,162
49	6,563,688	18,252,591	3,202,941	1,127,500	25,044,547	3,604,829	1,790,115	1,925,894	24,287,398	0.02	559,264
50	6,694,962	18,617,643	3,267,000	1,150,050	25,545,438	3,676,926	1,825,917	1,964,412	24,773,146	0.02	528,194
<b>Total 2011-2060</b>	<b>\$ 213,017,975</b>	<b>\$ 595,851,302</b>	<b>\$ 104,552,232</b>	<b>\$ 35,227,241</b>	<b>\$ 80,126,224</b>	<b>\$ 117,853,113</b>	<b>\$ 58,096,392</b>	<b>\$ 63,669,392</b>	<b>\$ 789,156,075</b>		<b>\$ 143,211,987</b>

Notes:  
(1) - Parking tax of 27.273% applied to off-street metered lot revenues.  
(2) - Discount rate of 8%.

Appendix C:

Council-Controller Plan Meter Rates Compared to  
Lease Plan Meter Rates



Appendix D:

Council-Controller Plan Valuation of Garages

Pittsburgh Parking Authority  
EXHIBIT IV-A.1

Council Controller Plan Valuation of Garages

Lease Year		Total Revenues	Total OPEX <sup>(1)</sup>	Total Parking Taxes <sup>(2)</sup>	Total CAPEX	FCF	Discount Factor <sup>(3)</sup>	Present Value FCF
	FY2010	\$ 26,749,721	\$ 7,930,136	\$ 7,159,258	\$ 3,683,500	\$ 7,976,827	1.00	\$ 7,976,827
1	2011	30,653,844	8,088,739	8,360,139	3,757,170	10,447,796	0.93	9,673,885
2	2012	32,452,428	8,250,514	8,850,662	3,832,313	11,518,938	0.86	9,875,633
3	2013	35,256,916	8,415,524	9,615,523	3,908,960	13,316,910	0.79	10,571,392
4	2014	37,920,715	8,583,835	10,342,013	3,987,139	15,007,728	0.74	11,031,128
5	2015	39,575,260	8,755,511	10,793,253	4,066,882	15,959,615	0.68	10,861,845
6	2016	40,366,766	8,930,622	11,009,118	4,148,220	16,278,806	0.63	10,258,409
7	2017	41,174,101	9,109,234	11,229,300	4,231,184	16,604,383	0.58	9,688,498
8	2018	41,997,583	9,291,419	11,453,886	4,315,807	16,936,471	0.54	9,150,248
9	2019	42,837,534	9,477,247	11,682,964	4,402,123	17,275,200	0.50	8,641,901
10	2020	43,694,285	9,666,792	11,916,623	4,490,166	17,620,704	0.46	8,161,795
11	2021	44,568,171	9,860,128	12,154,956	4,579,969	17,973,118	0.43	7,708,362
12	2022	45,459,534	10,057,330	12,398,055	4,671,569	18,332,580	0.40	7,280,120
13	2023	46,368,725	10,258,477	12,646,016	4,765,000	18,699,232	0.37	6,875,669
14	2024	47,296,099	10,463,647	12,898,936	4,860,300	19,073,217	0.34	6,493,687
15	2025	48,242,021	10,672,919	13,156,915	4,957,506	19,454,681	0.32	6,132,927
16	2026	49,206,862	10,886,378	13,420,053	5,056,656	19,843,775	0.29	5,792,209
17	2027	50,190,999	11,104,105	13,688,454	5,157,789	20,240,650	0.27	5,470,419
18	2028	51,194,819	11,326,187	13,962,223	5,260,945	20,645,463	0.25	5,166,507
19	2029	52,218,716	11,552,711	14,241,468	5,366,164	21,058,372	0.23	4,879,479
20	2030	53,263,090	11,783,765	14,526,297	5,473,487	21,479,540	0.21	4,608,397
21	2031	54,328,352	12,019,441	14,816,823	5,582,957	21,909,131	0.20	4,352,375
22	2032	55,414,919	12,259,830	15,113,160	5,694,616	22,347,313	0.18	4,110,576
23	2033	56,523,217	12,505,026	15,415,423	5,808,508	22,794,260	0.17	3,882,211
24	2034	57,653,681	12,755,127	15,723,731	5,924,679	23,250,145	0.16	3,666,532
25	2035	58,806,755	13,010,229	16,038,206	6,043,172	23,715,148	0.15	3,462,836
26	2036	59,982,890	13,270,434	16,358,970	6,164,036	24,189,451	0.14	3,270,456
27	2037	61,182,548	13,535,843	16,686,149	6,287,316	24,673,240	0.13	3,088,764
28	2038	62,406,199	13,806,559	17,019,872	6,413,063	25,166,704	0.12	2,917,166
29	2039	63,654,323	14,082,691	17,360,270	6,541,324	25,670,039	0.11	2,755,102
30	2040	64,927,409	14,364,344	17,707,475	6,672,150	26,183,439	0.10	2,602,040
31	2041	66,225,957	14,651,631	18,061,625	6,805,593	26,707,108	0.09	2,457,483
32	2042	67,550,477	14,944,664	18,422,857	6,941,705	27,241,250	0.09	2,320,956
33	2043	68,901,486	15,243,557	18,791,314	7,080,539	27,786,075	0.08	2,192,014
34	2044	70,279,516	15,548,428	19,167,141	7,222,150	28,341,797	0.07	2,070,235
35	2045	71,685,106	15,859,397	19,550,484	7,366,593	28,908,633	0.07	1,955,222
36	2046	73,118,808	16,176,585	19,941,493	7,513,925	29,486,805	0.06	1,846,599
37	2047	74,581,184	16,500,116	20,340,323	7,664,204	30,076,541	0.06	1,744,010
38	2048	76,072,808	16,830,119	20,747,130	7,817,488	30,678,072	0.05	1,647,120
39	2049	77,594,264	17,166,721	21,162,072	7,973,837	31,291,634	0.05	1,555,614
40	2050	79,146,150	17,510,056	21,585,314	8,133,314	31,917,466	0.05	1,469,191
41	2051	80,729,073	17,860,257	22,017,020	8,295,980	32,555,816	0.04	1,387,569
42	2052	82,343,654	18,217,462	22,457,360	8,461,900	33,206,932	0.04	1,310,482
43	2053	83,990,527	18,581,811	22,906,507	8,631,138	33,871,071	0.04	1,237,677
44	2054	85,670,338	18,953,447	23,364,638	8,803,761	34,548,492	0.03	1,168,917
45	2055	87,383,744	19,332,516	23,831,930	8,979,836	35,239,462	0.03	1,103,978
46	2056	89,131,419	19,719,167	24,308,569	9,159,433	35,944,251	0.03	1,042,646
47	2057	90,914,048	20,113,550	24,794,740	9,342,621	36,663,136	0.03	984,721
48	2058	92,732,329	20,515,821	25,290,635	9,529,474	37,396,399	0.02	930,014
49	2059	94,586,975	20,926,137	25,796,448	9,720,063	38,144,327	0.02	878,347
50	2060	96,478,715	21,344,660	26,312,377	9,914,465	38,907,213	0.02	829,550
<b>Total 2011-2060</b>		<b>\$ 3,077,935,341</b>	<b>\$ 684,140,711</b>	<b>\$ 839,436,911</b>	<b>\$ 317,779,191</b>	<b>\$ 1,236,578,528</b>		<b>\$ 222,562,914</b>

Notes:

(1) - OPEX excludes depreciation and parking taxes.

(2) - Taxes calculated as 27.273% of revenues.

(3) - Discount rate of 8%.

Appendix E:

Council-Controller Plan Garage Rates

Council-Controller Plan Garage Rates and Weighted Average Increase in Rates (Blue indicates a lower rate than Lease Plan, red indicates a higher rate)

	Rates										Percent Increase and Usage					Weighted Average Price Increase	Elasticity Factor												
	1 Hr or less					Evening/Weekend					Evensg																		
	1 Hr or less	2 hrs or less	4 hrs or less	5 hrs or less	6 hrs or less	24 hrs	6 hrs or less	24 hrs	6 hrs or less	24 hrs	1 Hr or less	2 hrs or less	4 hrs or less	5 hrs or less	6 hrs or less			6 hrs to 24 hrs	Rate (flat fee)	Regular Day/Lease									
<b>Third Avenue</b>	\$ 3.75	\$ 4.75	\$ 7.50	\$ 12.75	\$ 250.00																								
January 1, 2011	6.00	7.00	12.00	16.00	5.00	290.00														23.9%	-4.8%								
January 1, 2012	7.00	10.00	13.00	17.00	6.00	300.00														7.8%	-1.6%								
January 1, 2013	7.00	10.00	15.00	19.00	6.00	300.00														6.7%	-1.3%								
January 1, 2014	8.00	12.00	17.00	21.00	7.00	320.00														10.2%	-2.0%								
January 1, 2015	8.00	12.00	18.00	22.00	7.00	320.00														2.7%	-0.5%								
Usage (i)																													
<b>Ninth &amp; Penn</b>	\$ 3.75	\$ 4.75	\$ 7.50	\$ 9.75	\$ 5.00	\$ 220.00																							
January 1, 2011	5.00	7.00	9.00	12.00	6.00	225.00																	17.9%	-3.6%					
January 1, 2012	6.00	8.00	10.00	13.00	6.00	250.00																	7.5%	-1.5%					
January 1, 2013	8.00	10.00	12.00	15.00	7.00	300.00																	15.0%	-3.0%					
January 1, 2014	8.00	10.00	14.00	17.00	7.00	300.00																	8.6%	-1.7%					
January 1, 2015	8.00	10.00	16.00	19.00	7.00	300.00																	5.5%	-1.1%					
Usage (i)																													
<b>Smithfield Liberty</b>	\$ 5.00	\$ 8.00	\$ 11.00	\$ 13.75	\$ 5.00	\$ 275.00																							
January 1, 2011	7.00	9.00	12.00	16.00	6.00	290.00																			13.4%	-2.7%			
January 1, 2012	8.00	10.00	13.00	17.00	6.00	300.00																			5.1%	-1.0%			
January 1, 2013	10.00	12.00	15.00	19.00	7.00	300.00																			9.9%	-2.0%			
January 1, 2014	11.00	13.00	17.00	21.00	7.00	320.00																			8.2%	-1.6%			
January 1, 2015	11.00	13.00	18.00	22.00	7.00	325.00																			3.0%	-0.6%			
Usage (i)																													
<b>Pt. Duquesne</b>	\$ 3.75	\$ 4.75	\$ 7.50	\$ 9.75	\$ 5.00	\$ 220.00																							
January 1, 2011	5.00	7.00	9.00	12.00	6.00	225.00																				19.9%	-4.0%		
January 1, 2012	6.00	8.00	10.00	13.00	6.00	250.00																				8.8%	-1.8%		
January 1, 2013	8.00	10.00	12.00	15.00	7.00	250.00																				12.3%	-2.5%		
January 1, 2014	8.00	10.00	14.00	17.00	7.00	275.00																				10.2%	-2.0%		
January 1, 2015	8.00	10.00	16.00	19.00	7.00	275.00																				6.3%	-1.3%		
Usage (i)																													
<b>Mellon Square</b>	\$ 5.00	\$ 8.00	\$ 11.00	\$ 13.75	\$ 5.00	\$ 275.00																							
January 1, 2011	9.00	11.00	14.00	18.00	6.00	290.00																					22.5%	-4.5%	
January 1, 2012	10.00	12.00	15.00	19.00	6.00	300.00																					4.7%	-0.9%	
January 1, 2013	12.00	14.00	17.00	21.00	7.00	300.00																					8.4%	-1.7%	
January 1, 2014	13.00	15.00	19.00	23.00	9.00	320.00																					10.7%	-2.1%	
January 1, 2015	13.00	15.00	20.00	24.00	10.00	325.00																					4.1%	-0.8%	
Usage (i)																													
<b>Wood Allies</b>	\$ 3.75	\$ 4.75	\$ 7.50	\$ 9.75	\$ 5.00	\$ 220.00																							
January 1, 2011	5.00	7.00	9.00	12.00	6.00	225.00																					14.3%	-2.9%	
January 1, 2012	6.00	8.00	10.00	13.00	6.00	250.00																					8.8%	-1.8%	
January 1, 2013	8.00	10.00	12.00	15.00	6.00	275.00																					14.5%	-2.9%	
January 1, 2014	10.00	12.00	14.00	17.00	6.00	300.00																					11.0%	-2.2%	
January 1, 2015	10.00	12.00	16.00	19.00	7.00	300.00																					7.9%	-1.6%	
Usage (i)																													
<b>Oliver</b>	\$ 3.50	\$ 4.25	\$ 7.50	\$ 12.75	\$ 5.00	\$ 250.00																							
January 1, 2011	7.00	9.00	12.00	16.00	6.00	290.00																						26.5%	-5.3%
January 1, 2012	8.00	10.00	13.00	17.00	6.00	300.00																						5.5%	-1.1%
January 1, 2013	10.00	12.00	15.00	19.00	7.00	350.00																						13.5%	-2.7%
January 1, 2014	12.00	14.00	17.00	21.00	7.00	350.00																						8.0%	-1.6%
January 1, 2015	12.00	14.00	18.00	22.00	7.00	350.00																						3.4%	-0.7%
Usage (i)																													



Appendix F:

Potential PPA Revenue Bond

**\$259,190,000**

Public Parking Authority of Pittsburgh  
Parking System Revenue Bonds, Series 2010

## Table of Contents

### Report

Sources & Uses	1
Pricing Summary	2
Net Debt Service Schedule	3

**\$259,190,000**

Public Parking Authority of Pittsburgh  
Parking System Revenue Bonds, Series 2010

## Sources & Uses

Dated 12/01/2010 | Delivered 12/01/2010

### Sources Of Funds

Par Amount of Bonds	\$259,190,000.00
Reoffering Premium	12,789,837.00
<b>Total Sources</b>	<b>\$271,979,837.00</b>

### Uses Of Funds

Total Underwriter's Discount	1,555,140.00
Costs of Issuance (est.)	350,000.00
Gross Bond Insurance Premium (est. at 100.0 bp)	5,785,150.00
Deposit to Debt Service Reserve Fund (DSRF)	21,212,216.67
Deposit to Capitalized Interest (CIF) Fund	18,076,061.49
Deposit to Project Construction Fund	225,000,000.00
Rounding Amount	1,268.84
<b>Total Uses</b>	<b>\$271,979,837.00</b>

**\$259,190,000**

Public Parking Authority of Pittsburgh  
Parking System Revenue Bonds, Series 2010

## Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
12/01/2024	Term 1 Coupon	5.000%	3.970%	6,735,000.00	110.981%	7,474,570.35
12/01/2025	Term 2 Coupon	5.000%	4.050%	1,470,000.00	110.601%	1,625,834.70
12/01/2030	Term 3 Coupon	5.000%	4.430%	44,680,000.00	107.510%	48,035,468.00
12/01/2040	Term 4 Coupon	5.000%	4.740%	206,305,000.00	104.139%	214,843,963.95
<b>Total</b>	-	-	-	<b>\$259,190,000.00</b>	-	<b>\$271,979,837.00</b>

### Bid Information

Par Amount of Bonds	\$259,190,000.00
Reoffering Premium or (Discount)	12,789,837.00
Gross Production	\$271,979,837.00
Total Underwriter's Discount Bid (104.335%)	\$(1,555,140.00) 270,424,697.00
Total Purchase Price	\$270,424,697.00
Bond Year Dollars	\$6,386,500.00
Average Life	24.640 Years
Average Coupon	5.00000000%
Net Interest Cost (NIC)	4.8240868%
True Interest Cost (TIC)	4.6979401%

**\$259,190,000**

Public Parking Authority of Pittsburgh  
Parking System Revenue Bonds, Series 2010

### Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	DSR	CIF	Net New D/S
12/31/2010	-	-	-	-	-	-	-
12/31/2011	-	-	12,959,500.00	12,959,500.00	(424,244.33)	(12,959,500.00)	-
12/31/2012	-	-	12,959,500.00	12,959,500.00	(848,488.66)	(6,479,750.00)	6,055,505.67
12/31/2013	-	-	12,959,500.00	12,959,500.00	(848,488.66)	-	12,111,011.34
12/31/2014	-	-	12,959,500.00	12,959,500.00	(848,488.66)	-	12,111,011.34
12/31/2015	-	-	12,959,500.00	12,959,500.00	(848,488.66)	-	12,111,011.34
12/31/2016	-	-	12,959,500.00	12,959,500.00	(848,488.66)	-	12,111,011.34
12/31/2017	-	-	12,959,500.00	12,959,500.00	(848,488.66)	-	12,111,011.34
12/31/2018	-	-	12,959,500.00	12,959,500.00	(848,488.66)	-	12,111,011.34
12/31/2019	-	-	12,959,500.00	12,959,500.00	(848,488.66)	-	12,111,011.34
12/31/2020	-	-	12,959,500.00	12,959,500.00	(848,488.66)	-	12,111,011.34
12/31/2021	990,000.00	5.000%	12,959,500.00	13,949,500.00	(848,488.66)	-	13,101,011.34
12/31/2022	1,445,000.00	5.000%	12,910,000.00	14,355,000.00	(848,488.66)	-	13,506,511.34
12/31/2023	1,915,000.00	5.000%	12,837,750.00	14,752,750.00	(848,488.66)	-	13,904,261.34
12/31/2024	2,385,000.00	5.000%	12,742,000.00	15,127,000.00	(848,488.66)	-	14,278,511.34
12/31/2025	1,470,000.00	5.000%	12,622,750.00	14,092,750.00	(848,488.66)	-	13,244,261.34
12/31/2026	2,615,000.00	5.000%	12,549,250.00	15,164,250.00	(848,488.66)	-	14,315,761.34
12/31/2027	9,125,000.00	5.000%	12,418,500.00	21,543,500.00	(848,488.66)	-	20,695,011.34
12/31/2028	10,015,000.00	5.000%	11,962,250.00	21,977,250.00	(848,488.66)	-	21,128,761.34
12/31/2029	10,960,000.00	5.000%	11,461,500.00	22,421,500.00	(848,488.66)	-	21,573,011.34
12/31/2030	11,965,000.00	5.000%	10,913,500.00	22,878,500.00	(848,488.66)	-	22,030,011.34
12/31/2031	13,030,000.00	5.000%	10,315,250.00	23,345,250.00	(848,488.66)	-	22,496,761.34
12/31/2032	14,155,000.00	5.000%	9,663,750.00	23,818,750.00	(848,488.66)	-	22,970,261.34
12/31/2033	15,345,000.00	5.000%	8,956,000.00	24,301,000.00	(848,488.66)	-	23,452,511.34
12/31/2034	16,605,000.00	5.000%	8,188,750.00	24,793,750.00	(848,488.66)	-	23,945,261.34
12/31/2035	17,935,000.00	5.000%	7,358,500.00	25,293,500.00	(848,488.66)	-	24,445,011.34
12/31/2036	19,345,000.00	5.000%	6,461,750.00	25,806,750.00	(848,488.66)	-	24,958,261.34
12/31/2037	20,835,000.00	5.000%	5,494,500.00	26,329,500.00	(848,488.66)	-	25,481,011.34
12/31/2038	22,405,000.00	5.000%	4,452,750.00	26,857,750.00	(848,488.66)	-	26,009,261.34
12/31/2039	24,065,000.00	5.000%	3,332,500.00	27,397,500.00	(848,488.66)	-	26,549,011.34
12/31/2040	42,585,000.00	5.000%	2,129,250.00	44,714,250.00	(22,060,705.33)	-	22,653,544.67
<b>Total</b>	<b>\$259,190,000.00</b>	<b>-</b>	<b>\$319,325,000.00</b>	<b>\$578,515,000.00</b>	<b>(45,394,143.48)</b>	<b>(19,439,250.00)</b>	<b>\$513,681,606.52</b>

Appendix G:

PPA 2009 Annual Report

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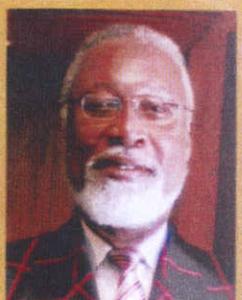
2009 ANNUAL REPORT



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.

**D**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.

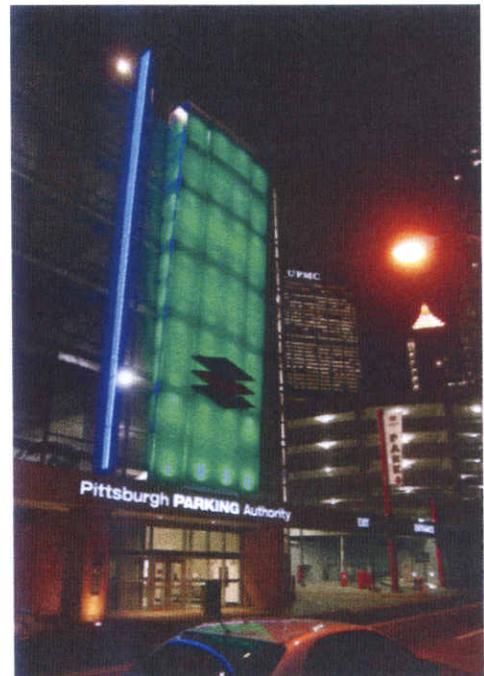
  
DAVID G. ONORATO

## OPERATIONS REVIEW

**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

*Continued on page 6*

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 WARF 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*



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

	2009	2008
<b>CURRENT ASSETS:</b>		
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>
<b>NONCURRENT ASSETS:</b>		
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>
<b>TOTAL</b>	<u>\$179,707,398</u>	<u>\$184,804,242</u>

### LIABILITIES AND NET ASSETS

#### LIABILITIES:

<b>Current liabilities:</b>		
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	<u>4,680,000</u>	<u>4,515,000</u>
Total current liabilities	<u>12,906,410</u>	<u>15,753,670</u>
<b>Noncurrent liabilities:</b>		
Bonds payable—noncurrent portion	96,592,768	100,495,462
Other noncurrent liabilities	<u>6,352,104</u>	<u>6,567,492</u>
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	<u>10,483,259</u>	<u>12,296,820</u>
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>
<b>TOTAL</b>	<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

<b>OPERATING REVENUES:</b>	<b>2009</b>	<b>2008</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	61,987,618	57,040,065
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

	2009	2008
<b>CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
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>
<b>CASH USED IN NONCAPITAL FINANCING ACTIVITIES:</b>		
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>
<b>CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
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>
<b>CASH PROVIDED BY INVESTING ACTIVITIES:</b>		
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	8,493,364	6,519,203
CASH—End of year	<u>\$7,216,750</u>	<u>\$8,493,364</u>
<b>RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
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>
<b>NON-CASH TRANSACTIONS</b>		
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*

232 Boulevard of the Allies  
Pittsburgh, PA 15222-1616  
412-560-7275 | Fax: 412-560-7200  
[www.pittsburghparking.com](http://www.pittsburghparking.com)



Appendix H:

PPA Payments to the City of Pittsburgh (2009-2015)

<b>Parking Authority Payments to the City of Pittsburgh (2009)</b>			
Parking Tax Collected by PPA			\$7,938,780
PILOT Payments (Real Estate Tax)			\$1,132,333
Meter, Wharf, & Parking Court Payments			
Meter Revenue		\$293,599	
Wharf Lease		\$357,474	
Parking Court Net Operating Result			
Parking Court Revenue	\$7,780,428		
Paking Court Expenditures	\$2,739,845		
Operating Result	\$5,040,583	\$5,040,583	
Total		\$5,691,656	\$5,691,656
<b>Grand Total</b>			<b>\$14,762,769</b>
<b>Parking Authority Payments to the City of Pittsburgh (2015 Projected)</b>			
Parking Tax Collected by PPA			\$11,542,238
PILOT Payments (Real Estate Tax)			\$1,332,333
Meter, Wharf, & Parking Court Payments			
Meter Revenue		\$0	
Wharf Lease		\$0	
Parking Court Net Operating Result			
Parking Court Revenue	\$12,452,263		
Paking Court Expenditures	\$3,491,255		
Operating Result	\$8,961,007	\$8,961,007	
Total		\$8,961,007	\$8,961,007
<b>Grand Total</b>			<b>\$21,835,579</b>
<b>Net Increase (2009-2015)</b>			
	2009		\$14,762,769
	2015		\$21,835,579
Difference			\$7,072,810

\*Factored out because of uncertainty of future of lease

<b>Projected Increase in Parking Court Expenditures</b>		
<i>Annual 2% Increase in Expenditures, 13.15% increase in administrative costs based on increased fine volume from additional parking spaces.</i>		
Year	Amount	
2009	\$2,739,845	
2010	\$2,794,641.90	
2011	\$3,225,380.06	
2012	\$3,289,887.66	
2013	\$3,355,685.41	
2014	\$3,422,799.12	
2015	\$3,491,255.10	
<b>Projected Increase in Parking Meter Enforcement Revenue</b>		
<i>Average increase of 57% in fines in first year, 13.15% increase in spaces by 2nd year, 2% annual increase in revenues, and a 20% annual discount rate to account for deterrent effect of fine increases.</i>		
Year	Amount	Discounted Amount
2009	\$7,780,420.00	-
2010	\$12,459,564.59	\$9,967,651.67
2011	\$14,379,957.28	\$11,503,965.82
2012	\$14,667,556.42	\$11,734,045.14
2013	\$14,960,907.55	\$11,968,726.04
2014	\$15,260,125.70	\$12,208,100.56
2015	\$15,565,328.22	\$12,452,262.57
<b>Meter Enforcement Revenue Changes (2010)</b>		
<i>Reported Revenue Figures from PPA Monthly Reports</i>		
Month	2009	2010 % Increase
May	\$632,704.70	\$675,429.29 6.75%
June	\$630,376.61	\$685,106.02 8.68%
July	\$643,539.61	\$731,598.15 13.68%
August	\$648,440.15	\$827,133.14 27.56%



Appendix I:

Press Release from Mayor's Office, August 11, 2010

Press Release from the Office of the Mayor  
August 11, 2010

## CITY RELEASES FINAL PARKING PROPOSAL

### Mayor makes changes in final proposal which reflect public's concerns

Mayor Luke Ravenstahl announced today that the City released the final request for proposals (RFP) for seven pre-qualified investors to submit a final proposal on the City's parking plan. Following an extensive public process, including several neighborhood public meetings, the Mayor announced changes from the draft proposal that address the public's concerns and ensure that the City still receives a significant upfront payment that will prevent a state takeover of its pension fund.

"We have addressed the concerns of residents, small business owners and council members as best as we could while still ensuring that the upfront value is generated to protect those same constituents from drastic tax increases, service cuts, or a combination of both," Ravenstahl said. "Unfortunately, we have inherited this serious problem and are now forced into a situation where doing nothing is not an option. This solution is the best solution for our City."

Among the key change resulting from the public comment period are no enforcement Citywide on Sunday; stopping meter enforcement at 6 p.m. in neighborhoods such as East Liberty, Carrick and Lawrenceville; ensuring that meter rates are not increased until technology upgrades are complete; the sharing of any new advertising or retail revenue between the operator and the City; and expanding and streamlining the City's residential parking permit program. In addition, on-street parking meter rates, which haven't been increased since 1995, will be adjusted to a lower rate in the areas of Bloomfield and Garfield near West Penn Hospital and in Carrick which borders a suburban business district.

The City needs at least a \$300 million upfront payment in order to have a successful transaction that will get the pension fund above half-funded and prevent a state takeover of the City's pension fund which contains only 30 percent of its \$697 million liability. In the event of a takeover, the City will be forced to pay \$30 million more annually to the state. With limited options to come up with that additional payment, which is the equivalent of the entire department of public works, or the amount it costs to pay for 400 cops, residents will face drastic tax increases, service cuts, or a combination of both.

The parking plan was proposed more than a year-and-a-half ago. In June, the Mayor released the draft parking proposal to Council and the public, the first time a document of that nature was publicly released before the transaction took place. In addition to three Citywide public meetings, the Mayor communicated with council members and many of their suggested changes are reflected in the final proposal. According to the proposed plan, the City will continue to receive all of the parking tax and parking fine revenue and receive a portion of all new advertising/retail revenue generated. City Council and the Parking Authority would be responsible for approving rate increases.

"It was my goal to give the public and council plenty of time to review this plan and offer suggestions and changes," Ravenstahl said. "Their input was valuable and many of their suggestions are reflected in the final proposal."

The City worked with its parking consultant on weighing the financial impact of the changes before releasing the final proposal.

"In order to make these improvements to the final proposal, we also had to compromise on other changes to ensure that we receive an upfront value that is significant enough to shore up our pension fund and save our residents from the ramifications of a state takeover," Ravenstahl said.

Among the concessions the City had to make in order to make the public's requested changes are expanding the non-compete zone into an area that extends further into the Golden Triangle; increasing parking enforcement; and eliminating the mandatory public parking requirement in all parking garages except for in the core of downtown.

The responses to the RFP are due Sept. 15, 2010. If the proposals of multiple investors are within 10 percent of each other, they will each have the opportunity to increase that offer as part of a Best-and-Final Offer (BAFO). This will ensure that the City receives the full potential monetary value from the proposed 50-year lease. The BAFO will take place within one week following the final proposal submission, and the highest proposal will be accepted. City Council will vote on the plan through a series of ordinances in late September.

#### *Changes in Response to Public Comment*

- Meter enforcement in tier-three neighborhoods will stop at 6 p.m. Tier-three neighborhoods include East Liberty, Lawrenceville, Mellon Park area, Carrick, Beechview, Allentown and the West End.
- There will be no Sunday enforcement Citywide. The draft proposal called for meter enforcement in all neighborhoods until 10 p.m. and Sunday enforcement beginning at 1 p.m.
- The City will expand and streamline its residential parking permit program should the deal pass.
- Rates in Carrick will be lowered to \$.50/hour over the first five-years to allow competition with bordering suburban business districts. The draft proposal called for an increase of from \$.50 to

\$1.00 per hour in the first five years.

- Meters surrounding West Penn Hospital in Bloomfield will be lowered to \$1.50 per hour in 2015 in comparison to the draft proposal, which called for an increase to \$2.00 per hour in 2015. In addition, the new schedule freezes rates at \$.50 per hour until January 1, 2012
- On-street meter rates will not be increased until March 31, 2011.
- Rate cannot be increased when an on-street meter reaches \$1.50/hour or more until new technology is installed.
- Concessionaire must implement technology for local businesses to provide validation or discounts for parkers at meters and parking lots.
- Any new revenues from advertising or other retail must be approved by City Council and the Parking Authority, and shared between the City/Authority and parking vendor.
- Areas for bicycle parking will be maintained under the agreement. Specifically, on each block there must be either an on-street meter pole that is specially equipped so that it is able to secure bicycles or a designated bicycle rack.
- The operator must have an office in Pittsburgh through the entire 50-year lease agreement.

### Stronger Language Added to the Final Proposal

- The operator must rehabilitate three aging downtown parking garages located at: Smithfield St. and Liberty Ave.; Ft. Duquesne Blvd. and Sixth Avenue; and Ninth and Penn Avenues. This must happen during a strict time schedule and will cost the operator approximately \$50 million.
- Operator must pay all relevant taxes to the City on time or risk default.
- Bidders are required to submit a lobbyist disclosure form.

### Other Changes/ Clarified Language

The Competing Parking Area now reflects a region in Pittsburgh's central business district directly surrounding the existing facilities (*see attached map*).

- New parking can continue to be built in this area by private developers, the Urban Redevelopment Authority and the City/Authority for use by municipal buildings such as a courthouse, police station, fire station, government administrative building, correctional facility, public school, public library, public parking or recreational facilities.
- If the City and Authority build a competing public parking facility in this area, the Concessionaire must prove any damages caused to its operation before any compensation event occurs.

Forty-five percent of parking at each facility in a designated core area will be reserved for daily parkers. The core facilities include: Fort Duquesne and Sixth Garage; Oliver Garage; Third Avenue Garage; Wood-Allies Garage; Ninth and Penn Garage; Smithfield Liberty Garage; Forbes and Semple Garage; and Mellon Square Garage. Excluded are: Grant Street Garage; First Ave. Garage; 2<sup>nd</sup> Avenue Garage and Shadyside Garage.

- This will maintain significant transient parking in the core downtown area and move monthly parking to the radius of the Central Business District.
- The composition of transient vs. monthly parkers at other facilities will depend on the market

dynamics of that specific location.

### Stronger Enforcement Standards

The Concession Agreement now includes more specific enforcement standards for the City/Authority.

- The City/Authority will visit each meter on a regular basis every few hours.
- This will improve in-and-out parking and help increase revenues to the City, as the City will still receive revenue from parking fines.
- There will be a one-year ramp up period, during which the City/Authority will hire additional employees to comply with the specific enforcement standards.
- During this one-year transition period, the Authority will leverage the resources of the operator to ensure standards are met at a compensation of \$6 / ticket. However, after the transition is completed, the operator will be able to supplement enforcement efforts only at its own expense.

### Protecting Jobs

Operator assumes full responsibility for Teamsters contract and related pension.

- At operators cost, they will deploy current AFSCME employees for meter repair and collection.
- Operator is required to interview non-union employees. Each of these employees will also have the opportunity to work at the Parking Authority or City.

Appendix J:

Council-Controller Plan Off Street Meter Rates

Council-Controller Plan Off-Street Meter Elasticity Factors, Hours Demanded and Revenues

Location	Off-Street Hourly Fees						Percentage Increase in Hourly Fees						Elasticity Factor for Hourly Demand = Elasticity * Percentage Increase in Fees					
	Current	Jan. 1, 2011	Jan. 1, 2012	Jan. 1, 2013	Jan. 1, 2014	Jan. 1, 2015	Jan. 1, 2011	Jan. 1, 2012	Jan. 1, 2013	Jan. 1, 2014	Jan. 1, 2015	Jan. 1, 2011	Jan. 1, 2012	Jan. 1, 2013	Jan. 1, 2014	Jan. 1, 2015		
	\$	\$	\$	\$	\$	\$	0%	0%	25%	0%	20%	0%	0%	-8%	0%	-6%		
Sheridan/Harvard	1.00	1.00	1.25	1.50	1.75	2.00	0%	0%	25%	0%	17%	0%	0%	-8%	0%	-5%		
Sheridan/Kirkwood	1.00	1.00	1.25	1.50	1.75	2.00	0%	0%	25%	0%	17%	0%	0%	-8%	0%	-4%		
Tamello/Beatty	1.00	1.00	1.25	1.50	1.75	2.00	0%	0%	25%	0%	17%	0%	0%	-8%	0%	-4%		
Eva/Beatty	1.00	1.00	1.25	1.50	1.75	2.00	0%	0%	25%	0%	17%	0%	0%	-8%	0%	-4%		
Harvard/Beatty	1.00	1.00	1.25	1.50	1.75	2.00	0%	0%	25%	0%	17%	0%	0%	-8%	0%	-4%		
Ansley/Beatty	1.00	1.00	1.25	1.50	1.75	2.00	0%	0%	25%	0%	17%	0%	0%	-8%	0%	-4%		
Penn Circle NW	1.00	1.00	1.25	1.50	1.75	2.00	0%	0%	25%	0%	17%	0%	0%	-8%	0%	-4%		
Beacon/Barlett	1.00	1.50	1.50	2.00	2.00	2.50	50%	0%	33%	0%	0%	25%	-15%	0%	0%	-8%		
Forbes/Shady	1.00	1.50	1.50	2.00	2.00	2.50	50%	0%	33%	0%	0%	25%	-15%	0%	0%	-8%		
Douglas/Phillips	1.00	1.00	1.25	1.50	1.75	2.00	0%	0%	25%	0%	17%	0%	0%	-8%	0%	-4%		
Forbes/Murray	1.00	1.50	1.50	2.00	2.00	2.50	50%	0%	33%	0%	0%	25%	-15%	0%	0%	-4%		
JCC	1.00	1.50	1.50	2.00	2.00	2.50	50%	0%	33%	0%	0%	25%	-15%	0%	0%	-8%		
Ivy/Bellefonte	1.00	1.50	1.50	2.00	2.00	2.50	50%	0%	33%	0%	0%	25%	-15%	0%	0%	-8%		
Homewood/Zemith	1.00	1.00	1.00	1.25	1.25	1.50	0%	0%	0%	0%	0%	0%	0%	0%	0%	-6%		
Taylor Street	1.00	1.50	1.50	2.00	2.00	2.50	50%	0%	33%	0%	0%	25%	-15%	0%	0%	-8%		
Friendship/Cedarville	1.00	1.50	1.50	2.00	2.00	2.50	50%	0%	33%	0%	0%	25%	-15%	0%	0%	-8%		
5224 Butler Street	1.00	1.00	1.00	1.25	1.25	1.50	0%	0%	0%	0%	0%	0%	0%	0%	0%	-6%		
42nd/Butler	1.00	1.00	1.25	1.50	1.75	2.00	0%	0%	25%	0%	17%	0%	0%	-8%	0%	-4%		
18th/Sidney	1.00	1.50	1.50	2.00	2.00	2.50	50%	0%	33%	0%	0%	25%	-15%	0%	0%	-8%		
East Carson	1.00	1.50	1.50	2.00	2.00	2.50	50%	0%	33%	0%	0%	25%	-15%	0%	0%	-8%		
19th/Carson	1.00	1.50	1.50	2.00	2.00	2.50	50%	0%	33%	0%	0%	25%	-15%	0%	0%	-8%		
18th/Carson	1.00	1.50	1.50	2.00	2.00	2.50	50%	0%	33%	0%	0%	25%	-15%	0%	0%	-8%		
20th/Sidney	1.00	1.00	1.25	1.50	1.75	2.00	0%	0%	25%	0%	17%	0%	0%	-8%	0%	-4%		
Brownsville/Sankey	1.00	1.00	1.00	1.25	1.25	1.50	0%	0%	0%	0%	0%	0%	0%	0%	0%	-6%		
Walter/Warrington	1.00	1.00	1.00	1.25	1.25	1.50	0%	0%	0%	0%	0%	0%	0%	0%	0%	-6%		
Asteroid/Warrington	1.00	1.00	1.00	1.25	1.25	1.50	0%	0%	0%	0%	0%	0%	0%	0%	0%	-6%		
Shiloh	1.00	1.00	1.00	1.25	1.25	1.50	0%	0%	0%	0%	0%	0%	0%	0%	0%	-6%		
Brookline Blvd garage	1.00	1.00	1.00	1.25	1.25	1.50	0%	0%	0%	0%	0%	0%	0%	0%	0%	-6%		
Beechview Blvd lot	1.00	1.00	1.00	1.25	1.25	1.50	0%	0%	0%	0%	0%	0%	0%	0%	0%	-6%		
Main/Alexander	1.00	1.00	1.00	1.25	1.25	1.50	0%	0%	0%	0%	0%	0%	0%	0%	0%	-6%		
East Ohio	1.00	1.00	1.25	1.50	1.75	2.00	0%	0%	25%	0%	17%	0%	0%	-8%	0%	-4%		
Observatory Hill	1.00	1.00	1.00	1.25	1.25	1.50	0%	0%	0%	0%	0%	0%	0%	0%	0%	-6%		
<b>Total</b>																		

Location	Off-Street Lease Fees						Percentage Increase in Lease Fees						Elasticity Factor for Lease Demand = Elasticity * Percentage Increase in Fees					
	Current	Jan. 1, 2011	Jan. 1, 2012	Jan. 1, 2013	Jan. 1, 2014	Jan. 1, 2015	Jan. 1, 2011	Jan. 1, 2012	Jan. 1, 2013	Jan. 1, 2014	Jan. 1, 2015	Jan. 1, 2011	Jan. 1, 2012	Jan. 1, 2013	Jan. 1, 2014	Jan. 1, 2015		
	\$	\$	\$	\$	\$	\$	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%		
Sheridan/Harvard	60.00	60.00	60.00	60.00	65.00	65.00	0%	0%	0%	0%	8%	0%	0%	0%	0%	-3%		
Sheridan/Kirkwood	60.00	65.00	70.00	70.00	75.00	80.00	8%	0%	8%	0%	7%	0%	0%	0%	0%	-2%		
Tamello/Beatty	60.00	65.00	70.00	70.00	75.00	80.00	8%	0%	8%	0%	7%	0%	0%	0%	0%	-2%		
Eva/Beatty	60.00	65.00	70.00	70.00	75.00	80.00	8%	0%	8%	0%	7%	0%	0%	0%	0%	-2%		
Harvard/Beatty	60.00	65.00	70.00	70.00	75.00	80.00	8%	0%	8%	0%	7%	0%	0%	0%	0%	-2%		
Ansley/Beatty	60.00	65.00	70.00	70.00	75.00	80.00	8%	0%	8%	0%	7%	0%	0%	0%	0%	-2%		
Penn Circle NW	60.00	65.00	70.00	70.00	75.00	80.00	8%	0%	8%	0%	7%	0%	0%	0%	0%	-2%		
Douglas/Phillips	60.00	65.00	70.00	70.00	75.00	80.00	8%	0%	8%	0%	7%	0%	0%	0%	0%	-2%		
42nd/Butler	60.00	65.00	70.00	70.00	75.00	80.00	8%	0%	8%	0%	7%	0%	0%	0%	0%	-2%		
18th/Sidney	60.00	65.00	70.00	70.00	75.00	80.00	8%	0%	8%	0%	7%	0%	0%	0%	0%	-2%		
East Carson	60.00	65.00	70.00	70.00	75.00	80.00	8%	0%	8%	0%	7%	0%	0%	0%	0%	-2%		
19th/Carson	60.00	65.00	70.00	70.00	75.00	80.00	8%	0%	8%	0%	7%	0%	0%	0%	0%	-2%		
20th/Sidney	60.00	65.00	70.00	70.00	75.00	80.00	8%	0%	8%	0%	7%	0%	0%	0%	0%	-2%		
Brownsville/Sankey	60.00	60.00	60.00	60.00	65.00	65.00	0%	0%	0%	0%	8%	0%	0%	0%	0%	0%		
Shiloh	60.00	60.00	60.00	60.00	65.00	65.00	0%	0%	0%	0%	8%	0%	0%	0%	0%	0%		
Brookline Blvd garage	60.00	60.00	60.00	60.00	65.00	65.00	0%	0%	0%	0%	8%	0%	0%	0%	0%	0%		
Beechview Blvd garage	60.00	60.00	60.00	60.00	65.00	65.00	0%	0%	0%	0%	8%	0%	0%	0%	0%	0%		
East Ohio	60.00	65.00	70.00	70.00	75.00	80.00	8%	0%	8%	0%	7%	0%	0%	0%	0%	-2%		
Observatory Hill	60.00	60.00	60.00	60.00	65.00	65.00	0%	0%	0%	0%	8%	0%	0%	0%	0%	0%		
<b>Total</b>																		

Off-Street Meter Elasticity Factors, Hours Demanded and Revenues

Location	Hours Demanded					Off-street Hourly Meter Revenue				
	= Current Hours * (1 - elasticity factor) * (1 - annual growth rate)					= Hours Demanded * Hourly Meter Fees				
	Jan. 1, 2011	Jan. 1, 2013	Jan. 1, 2014	Jan. 1, 2015	Jan. 1, 2016	FY 2010	Jan. 1, 2011	Jan. 1, 2013	Jan. 1, 2014	Jan. 1, 2015
Sheridan/Harvard	746	746	690	649	649	\$ 746	\$ 746	\$ 746	\$ 863	\$ 973
Sheridan/Kirkwood	19,708	18,230	17,136	16,279	15,582	19,708	19,708	22,787	25,704	28,489
Tamello/Beatty	2,622	2,425	2,280	2,166	2,073	2,622	2,622	3,032	3,420	3,790
Eva/Beatty	22,582	20,888	19,635	18,653	17,854	22,582	22,582	26,110	29,453	32,643
Harvard/Beatty	1,628	1,506	1,416	1,345	1,287	1,628	1,628	1,882	2,123	2,353
Ansley/Beatty	844	781	734	697	667	844	844	976	1,101	1,220
Penn Circle NW	122	113	106	101	96	122	122	141	159	176
Beacon/Bartlett	107,583	107,583	96,825	89,563	83,625	126,588	161,374	161,374	193,649	223,907
Forbes/Shady	121,502	121,502	109,352	109,352	101,151	142,944	182,254	182,254	218,704	252,877
Douglas/Phillips	12,762	11,805	11,097	10,542	10,090	12,762	12,762	14,756	16,645	18,448
Forbes/Murray	166,777	166,777	150,099	150,099	138,842	196,208	250,165	250,165	300,198	347,104
JCC	26,357	26,357	23,721	23,721	21,942	31,008	39,535	39,535	47,442	54,855
Ivy/Bellefonte	214,807	214,807	193,326	178,827	178,827	252,714	322,210	322,210	386,652	447,067
Homevue/Zenith	434	434	401	377	377	434	434	434	502	566
Taylor Street	26,355	26,355	23,720	23,720	21,941	31,006	39,533	39,533	47,439	54,852
Friendship/Cedarville	75,738	75,738	68,165	63,052	63,052	89,104	113,608	113,608	136,329	157,631
5224 Butler Street	2,164	2,164	2,002	2,002	1,882	2,164	2,164	2,164	2,502	2,822
42nd/Butler	10,480	9,694	9,112	8,657	8,286	10,480	10,480	12,118	13,669	15,149
18th/Sidney	71,913	71,913	64,722	64,722	59,868	84,604	107,870	107,870	129,444	149,670
East Carson	48,742	48,742	43,868	43,868	40,578	57,344	73,114	73,114	87,736	101,445
19th/Carson	34,088	34,088	30,680	30,680	28,379	40,104	51,133	51,133	61,359	70,946
18th/Carson	101,351	101,351	91,216	84,374	84,374	119,236	152,026	152,026	182,431	210,936
20th/Sidney	35,406	32,751	30,786	29,246	27,993	35,406	35,406	40,938	46,178	51,181
Brownsville/Sankey	7,176	7,176	6,638	6,240	6,240	7,176	7,176	7,176	8,297	9,359
Walter/Warrington	360	360	333	313	313	360	360	360	416	470
Asteroid/Warrington	2,492	2,492	2,305	2,305	2,167	2,492	2,492	2,492	2,881	3,250
Shiloh	23,878	23,878	22,087	22,087	20,762	23,878	23,878	23,878	27,609	31,143
Brookline Blvd garage	146	146	135	135	127	146	146	146	169	190
Beechview Blvd lot	746	746	690	649	649	746	746	746	863	973
Main/Alexander	1,348	1,348	1,247	1,247	1,172	1,348	1,348	1,348	1,559	1,758
East Ohio	23,954	22,157	20,828	19,787	18,939	23,954	23,954	27,697	31,242	34,627
Observatory Hill	2,664	2,664	2,464	2,464	2,316	2,664	2,664	2,664	3,080	3,475
<b>Total</b>	<b>1,167,476</b>	<b>1,157,718</b>	<b>1,047,814</b>	<b>1,042,158</b>	<b>968,035</b>	<b>\$ 1,343,102</b>	<b>\$ 1,665,083</b>	<b>\$ 1,685,412</b>	<b>\$ 2,009,819</b>	<b>\$ 2,332,001</b>

Location	Off-street Hourly Lease Revenue				
	= Current Revenues * (1 - elasticity factor) * (1 - annual growth rate) * (1 - price increase)				
	FY 2010	Jan. 1, 2011	Jan. 1, 2012	Jan. 1, 2013	Jan. 1, 2014
Sheridan/Harvard	\$ 9,240	\$ 9,240	\$ 9,240	\$ 9,240	\$ 9,760
Sheridan/Kirkwood	37,680	39,800	39,800	41,872	43,901
Tamello/Beatty	37,920	40,053	40,053	42,139	44,181
Eva/Beatty	61,440	64,896	64,896	68,275	71,584
Harvard/Beatty	32,400	34,223	34,223	36,005	37,750
Ansley/Beatty	10,800	11,408	11,408	12,002	12,583
Penn Circle NW	65,280	68,952	68,952	72,542	76,058
Douglas/Phillips	7,320	7,732	7,732	8,134	8,529
42nd/Butler	7,560	7,985	7,985	8,401	8,808
18th/Sidney	7,920	8,366	8,366	8,801	9,228
East Carson	6,240	6,591	6,591	6,934	7,270
19th/Carson	2,880	3,042	3,042	3,200	3,356
20th/Sidney	15,360	16,224	16,224	17,069	17,896
Brownsville/Sankey	6,480	6,480	6,480	6,480	6,845
Shiloh	2,880	2,880	2,880	2,880	3,042
Brookline Blvd garage	1,800	1,800	1,800	1,800	1,901
Beechview Blvd garage	3,120	3,120	3,120	3,120	3,296
East Ohio	25,680	27,125	27,125	28,537	29,920
Observatory Hill	1,440	1,440	1,440	1,440	1,521
<b>Total</b>	<b>\$ 343,440</b>	<b>\$ 361,355</b>	<b>\$ 361,355</b>	<b>\$ 378,871</b>	<b>\$ 397,429</b>

Sources:  
(1) - Schedule 3 of Pittsburgh Public Parking Facilities System Concession and Lease Agreement dated August 11, 2010.  
(2) - Table 25 of the Financial Analysis of Parking Assets of the Public Parking Authority of Pittsburgh prepared by Desman Associates in April 2010.

Appendix K:

Legislation Related to Council-Controller Plan  
as Introduced on 10/12/2010

**City Council Bill # 2010-1026**

Resolution authorizing the Mayor and the Director of Operations of the City of Pittsburgh to sell city parking facilities to the Pittsburgh Parking Authority for the sum of \$220,000,000 (two hundred and twenty million dollars). (Parking Assets)

**Body**

**WHEREAS**, the City of Pittsburgh ("City") has established a Parking Meter Network ("Network") utilizing certain public streets, rights-of-way and properties with the jurisdiction of the City; and,

**WHEREAS**, the City currently owns Mellon Square Garage and five street lots; and,

**WHEREAS**, taken together, Mellon Square Garage, the five street lots, and the Network are known collectively as the City Parking Facilities; and,

**WHEREAS**, pursuant to the Pennsylvania Motor Vehicle Code, 75 Pa.C.S. §6109(h)(1), Section 4404(d)(21) of the Parking Authority Law, 53 Pa. C.S. §5505(d)(21) and various agreements between the City and the Pittsburgh Parking Authority ("Authority"), the Authority manages the City Parking Facilities, including the enforcement and administration of the ordinances and regulations adopted by the City of Pittsburgh with respect thereto; and,

**WHEREAS**, the Authority is a public authority created by the City in 1947 to provide and maintain spaces for vehicle parking throughout the City and to support the efforts of the City and its agencies to ensure the economic progress of our region; and,

**WHEREAS**, the Authority has sufficient cash reserves to modernize its meter operation and can utilize current cash reserves and future revenues for the rehabilitation and renovation of parking facilities in the City; and,

**WHEREAS**, the Authority desires to use the City Parking Facilities to influence public policy relative to the transportation needs of both the City and the region, to advance economic development of Pittsburgh's downtown and neighborhood business districts, to utilize parking tools to enhance the quality of life of residents, commuters and visitors in the City; and,

**WHEREAS**, the City welcomes partnership with a publicly-minded partner and desires to protect the public rights-of-way, require high standards of customer service, receive financial compensation for the Authority's use of the City Parking Facilities, establish certain reporting and records access requirements, and provide for the future parking needs of its residents; and,

**WHEREAS**, the City has determined the Authority to be financially, technically and legally qualified to own and operate the City Parking Facilities and to provide parking services,

**Be it resolved by the Council of the City of Pittsburgh as follows:**

**Section 1.** The Mayor and the Director of Operations on behalf of the City are hereby directed to enter into an Agreement or Agreements in a form approved by the City Solicitor, providing for the sale of the City Parking Facilities which include Mellon Square Garage ("Mellon Garage") (Block and Lot - 2-A-132-0000-01, 2-A-132-0000-02), five surface parking lots: 12th & East Carson Lot (Block and Lot 3-H-163), Harvard/Beatty Lot (Block and Lot 83-P-230), Forbes/Murray Lot (Block and Lot 86-G-284), Sheridan/Kirkwood Lot (Block and Lot 84-C-236), and Tamello/Beatty Lot (Block and Lots 84-B-256 and 84-B-240) and the City of Pittsburgh's Parking Meter Network to the Authority for the price of \$220,000,000 (two hundred and twenty million dollars);

**Section 2.** As a condition of the sale, the Authority agrees to seek approval from the Council and Mayor of the City of Pittsburgh for any potential future lease or sale agreement involving City Parking Facilities;

**Section 3.** As a condition of the sale, the Authority agrees to modernize meter operations within twelve months of the closing of the sale, to set aside current cash reserves and future revenues for the rehabilitation and renovation of existing parking structure and that the City shall retain the right to the net operating result of all enforcement revenue;

**Section 4.** As a condition of the sale, the City and Authority agree that all proceeds of the sale of City Parking Facilities must be deposited into the General Fund and transferred to the Comprehensive Municipal Pension Trust Fund no later than December 31, 2010;

**Section 5.** As a condition of the sale, the Authority agrees that on the expiration, termination and satisfaction of any debt related to this transaction, the City has the sole and exclusive right to buy back the City Parking Facilities for the price of \$1.

**City Council Bill # 2010-1027**

Ordinance amending and supplementing the Pittsburgh Code, Title Five - Traffic, Article VII - Parking, Chapter 543 - Parking Meters, Section 543.01 - Parking Meter Zones and Rates, so as to conform metered parking zones, rates and hours of enforcement to those set forth in the sales agreement between the City of Pittsburgh and the Pittsburgh Parking Authority. (Parking Assets)

**Body**

**WHEREAS**, the Council of the City of Pittsburgh has adopted a Resolution authorizing and directing the Mayor of the City to enter into a sales agreement with the Pittsburgh Parking Authority ("Authority") for the sale of Mellon Square Garage, five street lots and all of the street meters known collectively as the City Parking Facilities ; and

**WHEREAS**, the Council has determined and it is hereby declared as a matter of legislative finding that, in connection with the sale of the City Parking Facilities, it is in the best interest of the City to amend and restate the provisions of the Pittsburgh Code regarding the establishment of parking meter zones and rates,

**The Council of the City of Pittsburgh hereby enacts as follows:**

**Section 1.** The Pittsburgh Code, Title Five - Traffic, Article VII - Parking, Chapter 543 - Parking Meters, Section 543.01 - Parking Meter Zones and Rates, is hereby amended and restated, as follows:

**§ 543.01 PARKING METER ZONES AND RATES.**

(a) The following on-street surface parking meter zones are hereby established, and the boundaries of each such zone shall be as set forth in the maps contained in Appendix 1 to this Ordinance:

- Downtown
- Oakland - Zone 1
- Oakland - Zone 2
- Oakland - Zone 3
- Oakland - Zone 4
- Shadyside
- Strip District
- North Shore
- South Side
- Squirrel Hill
- North Side
- Uptown
- Brookline



**Note:**

1. Rate at transaction closing date for Oakland Zone 4 reflects an average rate based on 260 spaces at \$0.50 / hour and 176 spaces in Schenley Plaza at \$1.00 / hr for the first 4 hours and \$2.00 / hr for each additional hour thereafter.

(c) Assuming an average rate of inflation, no rate increases will be required by this transaction until January 1, 2017. For the life of any debt associated with this transaction, the board of the Authority will increase rates so as to comply with all bond covenants. If no rate adjustment ordinance is so adopted, then the rates for the immediately preceding period shall remain in effect