

2007 ANNUAL REPORT



A CATALYST FOR PROGRESS:
DOWNTOWN AND BEYOND

FROM THE EXECUTIVE DIRECTOR

I am pleased to report that our attended garages and surface lots recorded more than 2.8 million parking transactions during the fiscal year ended September 30, 2007, 65,000 more than the total recorded a year earlier. The performance returned those facilities' business volume essentially to capacity status. It is also a strong indicator of the commuting public's growing recognition that our rates are the lowest available in the downtown business district and the neighborhood markets we serve. Effective January 1, 2008, moreover, we widened our competitive advantage in the city's commercial core by reducing the all-day rate at all eight downtown Authority garages. The year's receipts from metered parking, meanwhile, topped \$6 million for the first time. The record total

reflects both an increased number of metered spaces and our broader application of multi-space meters in high-volume parking locations. Now managing just over 1,000 of our metered spaces, the units have materially improved revenue results everywhere they have been installed.

We continued our emphasis on cost-control initiatives during fiscal 2007 as operating expenses were held virtually at last year's level. A five-percent reduction in the City parking tax during the period's final nine months contributed to the result, but advances in technology and staff efficiencies were also a factor. Importantly, the year's expense reductions were accomplished with no loss in productivity. Instead, we recorded improvements in the management of our administrative, facility and enforcement functions and in our conduct of Parking Court operations as well.

Construction of our signature capital project of the decade, the Grant Street Transportation Center, moved toward completion. The facility's garage component will offer limited parking services starting early in calendar 2008's third quarter and begin operating at its full 1,000-space capacity in August. On a more modest scale, two newly constructed metered lots added more than 90 needed off-street spaces to the South Side and Lawrenceville business districts. The effect of these and other Authority actions on Pittsburgh's economic health and quality of life is examined in the balance of this report.



David G. Onorato

Downtown



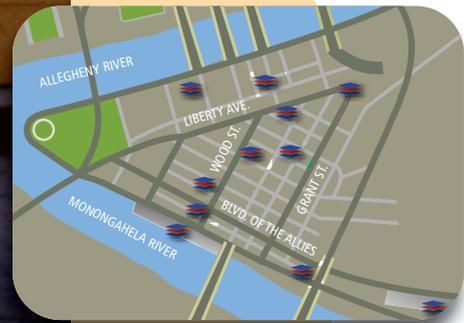
Downtown businesses benefited from free garage parking on Black Friday and five Saturdays during the 2007 holiday season.



PITTSBURGH PARKING AUTHORITY
a catalyst for progress

IN MEASURES ranging from the capacity-expanding commitment of millions of dollars to simply partnering in community-building efforts undertaken by others, Authority activities in fiscal 2007 again contributed to meaningful improvements in Pittsburgh's position as a place to live, work and visit. The scope of the organization's involvement in downtown initiatives was unusually broad, and its role in advancing neighborhood development projects was substantial as well.

THE YEAR'S most visible downtown parking development will, in all likelihood, prove to be its most enduringly beneficial. The nearly completed Grant Street Transportation Center, in addition to housing a modern, new Greyhound Lines terminal operation, will locate 1,000 commuter-convenient spaces in an area where customer demand is increasing rapidly. Importantly, the landmark facility's attractive design is also aesthetically appropriate to its



Free garage parking, implemented principally during the weekends following Thanksgiving, peaked in usage on the Saturday just before Christmas when nearly 5,600 transactions were logged by participating garages.

prominent location at the southern terminus of the city's principal civic and commercial corridor.

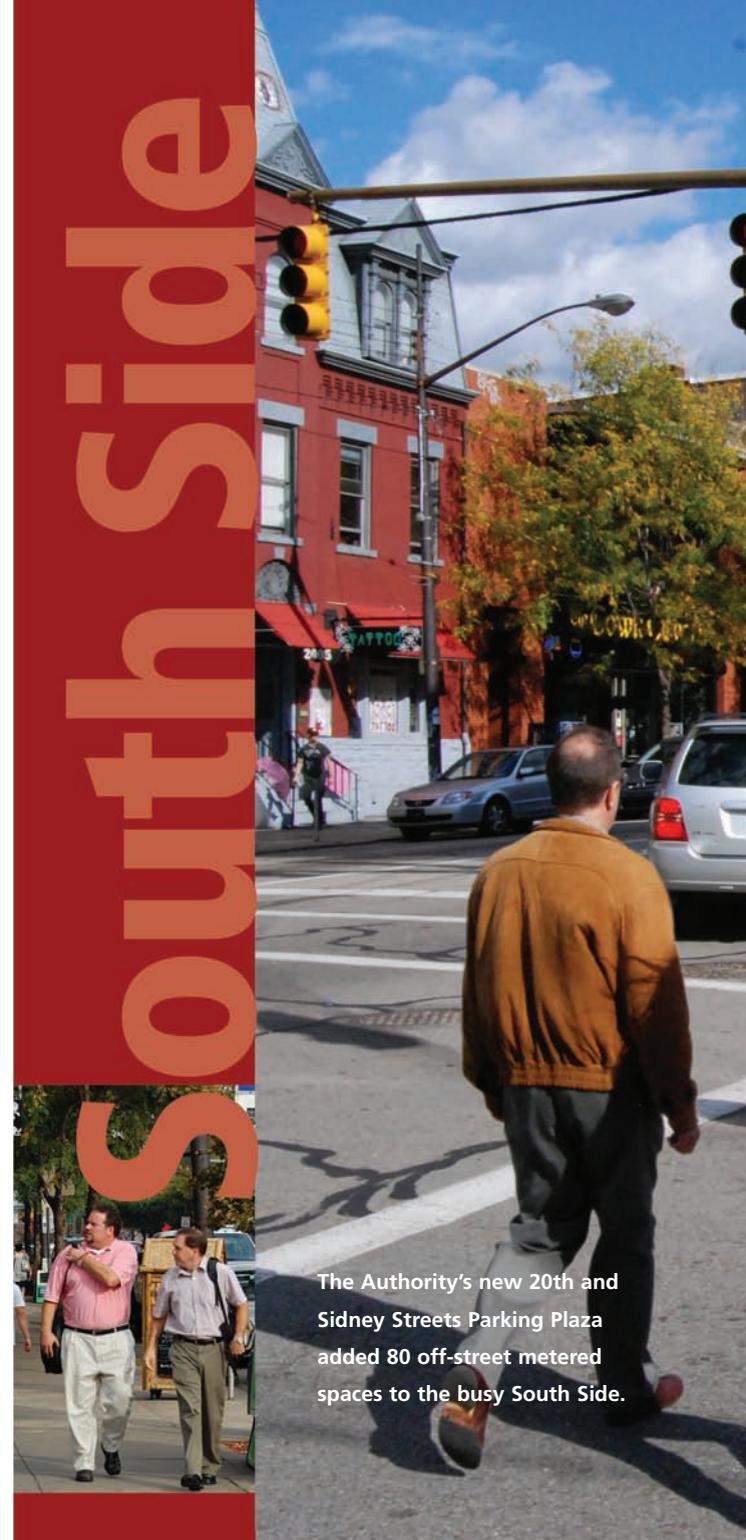
THE NEW GRANT STREET TRANSPORTATION CENTER

was complemented by the application of existing Authority parking assets to support economic growth elsewhere in the downtown core. The organization responded to a request by Mayor Luke Ravenstahl to enable consumers to benefit from a 2007 reduction in the City parking tax by offering a seven-day program of free garage parking. The program was implemented on the evening of Valentine's Day and during the weekends following Thanksgiving, and it peaked in usage on the Saturday just before Christmas when nearly 5,600 transactions were logged by participating garages. The day's total represented an increase of 2,000 vehicles from the number accommodated on the corresponding Saturday in December 2006. Operators of downtown venues welcomed the program enthusiastically and reported that it had a positive impact on holiday-related business.

IN CONTRAST to the immediate benefit generated by the seven-day availability of free parking, the Authority's involvement in the Piatt Place development at the anchor intersection of Fifth Avenue and Wood Street will provide

long-term value to the city. The sale of 43 spaces in the Oliver Garage is critical to the marketing of the condominium component of the retail/office/residential project now being built above the garage. The Authority-owned facility is also providing evening parking to accommodate the valet service offered by the Capital Grille, a street-level, restaurant addition to the Piatt complex that began operation in mid-2007. Regarding another application of parking assets to facilitate downtown development, the Authority now anticipates the planned loss of 300 spaces at its Monongahela Wharf surface facility to occur in mid-2008. The reduction in capacity is to accommodate the Riverlife Task Force's construction of a waterfront park and trail that will link the newly renovated Point State Park located east of the Wharf with the Eliza Furnace Trail to its west. The scheduled loss of Wharf parking will essentially coincide with the return to service of the 300-space portion of the Second Avenue Parking Plaza that has housed Greyhound terminal operations since the start of construction at the Grant Street Transportation Center.

AGAIN IN FISCAL 2007, the Authority participated in projects sponsored by the Pittsburgh Downtown Partnership (PDP), a business development group formed to advance the interests of a broad range of member organizations. The Authority's garages accommodated an average of more than 100 patrons a month who took advantage of the PDP Call-Ahead Reserved Parking Program. And it designated approximately 20 garage and metered street spaces for the parking of vehicles employed during the one-year trial period of a car-sharing service initiated by PDP representatives.



The Authority's new 20th and Sidney Streets Parking Plaza added 80 off-street metered spaces to the busy South Side.



a catalyst for progress



THE TRANSFER of a portion of the Oliver Garage's parking inventory to private use supports the efforts of City officials to transform the heart of Pittsburgh's downtown to a true 24-hour neighborhood. The benefit of the transaction, however, will not be limited to new downtown residents alone. Working closely with the Urban Redevelopment Authority, an arrangement was structured to apply the proceeds of the sale of the Piatt-dedicated spaces to collateralize the financing of the South Side's newest metered surface parking facility – the 20th and Sidney Streets Parking Plaza. Construction of the new lot realizes a long-standing Authority objective to meaningfully increase off-street parking in a location characterized by around-the-clock commercial activity. Opened in November 2007 and managed by efficient and productive multi-space meters, the 80-space addition meets the fencing, lighting, brickwork and landscaping standards featured in recent Authority installations to increase parking in neighborhood business districts across the city. The new lot is the South Side's fifth off-street Authority facility.



Its completion complements the 2007 installation of nearly 140 new meters on streets east of the Birmingham Bridge. Those additions help manage day-time parking availability for visitors to the expanding and increasingly popular South Side Works retail and restaurant complex.

a catalyst for progress



BEGINNING WITH the negotiations that resulted in an East Liberty address for the city's only Home Depot outlet and the region's only Whole Foods store, the strategic deployment of publicly held property assets has been central to the neighborhood's resurgence as a shopping destination. Both location decisions, in fact, hinged on the inclusion of Authority-owned parking capacity in assembling the construction footprints those projects required. That pattern was repeated – again with crucial Authority involvement – during a second phase of development that added complementary, high-traffic elements to the business corridor anchored by the hugely successful Whole Foods operation. The additions included a mega-pharmacy, new Starbucks and Borders facilities and Pittsburgh's largest wine and spirits shop. Progress toward completion of a substantially larger third phase, to feature a mix of residential, commercial and retail components, was aided considerably by the





The transfer of Authority property enabled all three stages of a major East Liberty development project to proceed as planned.

fiscal 2007 sale of a sizeable Authority property to the project team responsible for the East Liberty development to date. Importantly, the sales agreement was structured to require the Authority's approval for the site's ultimate use. Following a subsequent review of the master plan for the development's complete third phase, the organization's Board of Directors approved the intended use and authorized the closing of the transaction.

TWO OTHER EAST LIBERTY projects now in the advanced planning stage are also benefiting from the Authority's involvement. The East End Cooperative Ministry is a nationally recognized social service agency now completing its fourth decade of meeting the housing, nutritional and counseling needs of the community's most vulnerable residents. For a number of years, the organization has been securing the funding for – and the site to build – a facility capable of accommodating its multi-dimensional operations in a single location. The 2007 purchase of the Station/Collins surface lot, at appraised market value in accordance with the Authority's governance requirements, enabled EECM to complete its large construction parcel. The attractive, totally "green" facility the agency plans to build will enhance both its immediate Highland Avenue setting and the streets surrounding it as well. The Station/Collins lot will remain in operation until construction is actually underway. The Authority is contributing to the progress of the new Bakery Square project, meanwhile, by helping to underwrite a study to determine the parking requirements of that development's residential and commercial occupants. The conversion of the presently dormant National Biscuit Company production facility located at the junction of Penn Avenue and Washington Boulevard will serve as the centerpiece of the Bakery Square complex.



The East End Cooperative Ministry plans to build a totally "green" facility that will enhance its Highland Avenue setting and the streets surrounding it as well.

a catalyst for progress

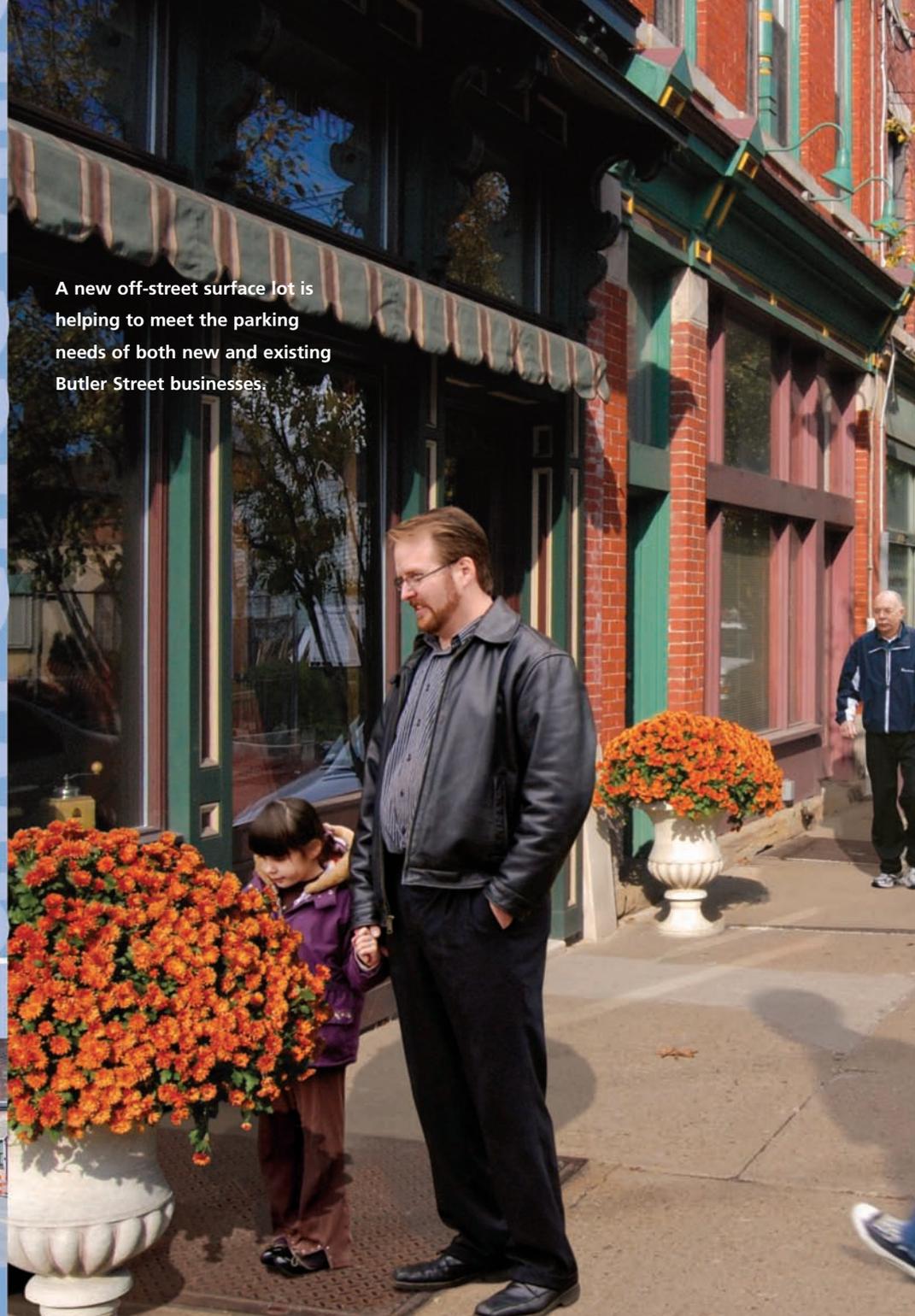


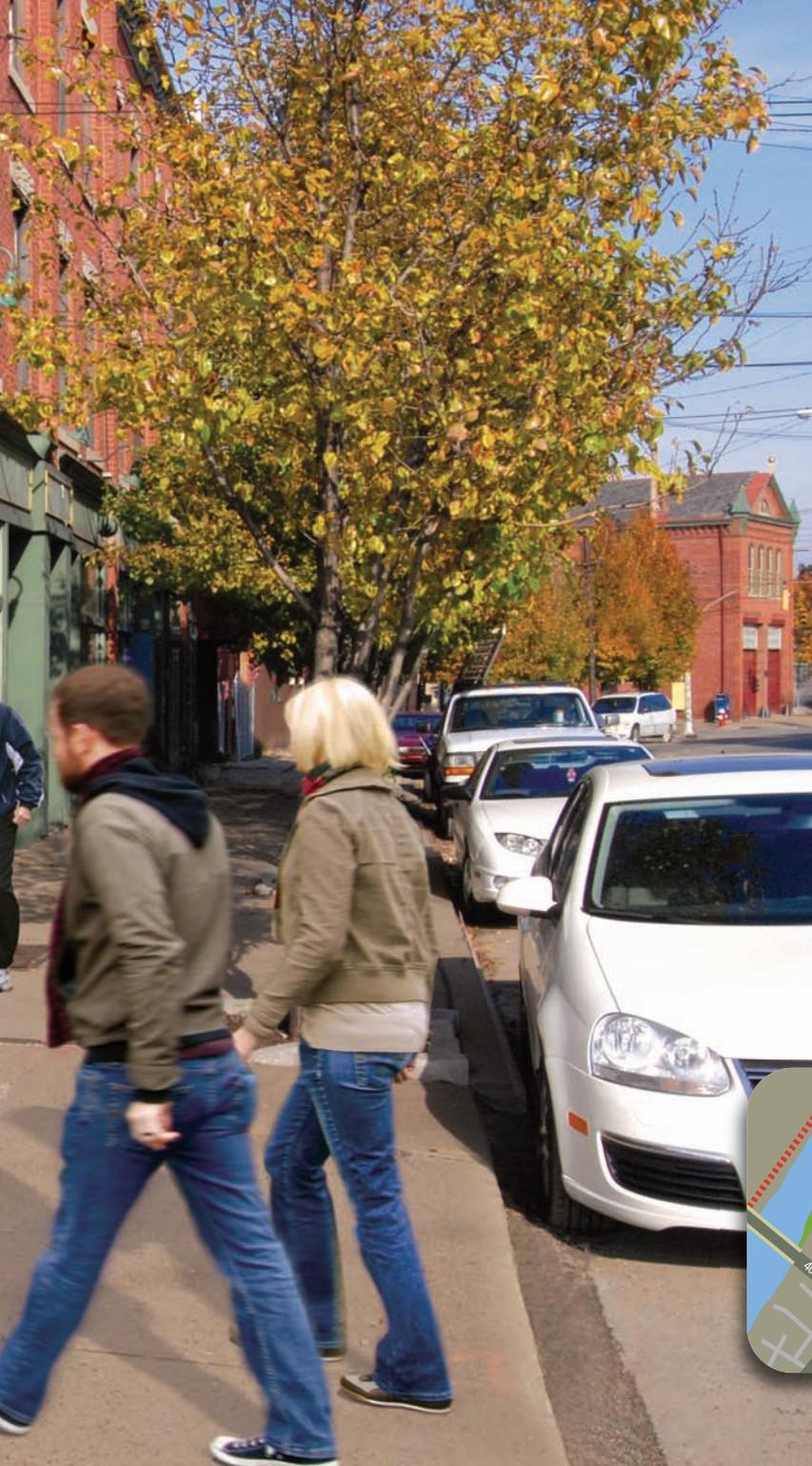
A HISTORICALLY STABLE population base has sustained the businesses operating in Pittsburgh's Lawrenceville district for more than a century. And for most of that period, even during hours of peak commercial activity, access to convenient parking has been adequate to neighborhood needs. But changes are occurring that will require ongoing attention to the availability and management of parking supply. Recent building conversions and new construction have increased both the quantity and diversity of Lawrenceville's housing inventory. Occupants of the new units, drawn by their contemporary design and the decidedly urban character of their location, have added a distinctive dimension to Lawrenceville's demographic makeup. Many of the arriving residents were artisans, and their creations soon became available in new and existing shops along the Butler Street business corridor. The opening of specialty restaurants added to the street's vitality and contributed to its emerging status as a shopping and dining destination for local residents and visitors from nearby neighborhoods as well.



Lawrenceville

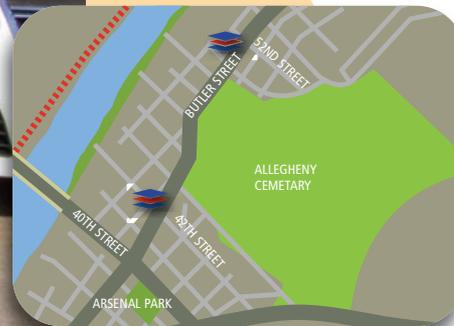
A new off-street surface lot is helping to meet the parking needs of both new and existing Butler Street businesses.





PREVIOUS AUTHORITY actions in support of Lawrenceville development initiatives included the sale of a metered surface lot to accommodate the expansion of a major Butler Street renovation project. In December 2007, the organization opened a facility to replace the off-street parking lost in the earlier sales transaction. Aesthetically lit, fenced and landscaped, the new Butler Street Parking Plaza represents a significant upgrade from the location transferred to private use in 2004. Looking ahead, the opening of Children’s Hospital’s new Lawrenceville campus is certain to have an impact on visitor volume and is likely to trigger other development activity as well. In close coordination with community representatives, the Authority intends to monitor the parking-related impact of these events and will develop supply and/or management recommendations to address them in a timely manner.

The planned opening of Children’s Hospital new Lawrenceville campus is certain to have an impact on visitor volume and is likely to trigger further parking-sensitive development activity.



STATEMENTS OF NET ASSETS

As of September 30, 2007 and 2006

	2007	2006
CURRENT ASSETS:		
Cash	\$6,519,203	\$7,005,023
Investments	16,341,013	10,625,741
Accounts receivable	469,145	399,185
Notes receivable—current portion	1,880,546	991,096
Accrued interest receivable and other assets	<u>1,042,192</u>	<u>928,817</u>
Total current assets	<u>26,252,099</u>	<u>19,949,862</u>
NONCURRENT ASSETS:		
Investments	35,267,052	54,888,823
Notes receivable	3,550,669	4,961,898
Bond issuance costs—net of accumulated amortization of \$659,418 and \$468,946	2,564,455	2,754,927
Fixed assets—net	117,937,715	97,478,867
Leasehold improvements—net	<u>429,443</u>	<u>492,655</u>
Total noncurrent assets	<u>159,749,334</u>	<u>160,577,170</u>
TOTAL ASSETS	<u>\$186,001,433</u>	<u>\$180,527,032</u>
LIABILITIES:		
Current liabilities:		
Accounts payable	4,841,600	5,009,956
Accounts payable – retention	2,607,871	364,315
Accounts payable – City of Pittsburgh	2,418,312	1,993,215
Accrued expenses and deferred income	1,135,286	1,052,723
Accrued interest payable	1,452,774	1,490,824
Deferred revenue	105,845	89,793
Note payable	922,000	
Current portion of capital lease obligation	189,660	61,186
Current maturities of bonds payable	<u>4,350,000</u>	<u>4,210,000</u>
Total current liabilities	<u>18,023,348</u>	<u>14,272,012</u>
Noncurrent liabilities:		
Bonds payable—noncurrent portion	104,261,843	107,890,743
Other noncurrent liabilities	<u>6,676,177</u>	<u>6,484,740</u>
Total noncurrent liabilities	<u>110,938,020</u>	<u>114,375,483</u>
TOTAL LIABILITIES	<u>128,961,368</u>	<u>128,647,495</u>
NET ASSETS:		
Invested in capital assets—net of related debt	<u>22,423,322</u>	<u>19,979,445</u>
Restricted for		
Expendable		
Capital	3,095,869	2,825,756
Debt service	10,150,903	10,148,966
Indenture funds	<u>11,854,086</u>	<u>9,775,323</u>
Total expendable	<u>25,100,858</u>	<u>22,750,045</u>
Unrestricted	<u>9,515,885</u>	<u>9,150,047</u>
Total net assets	<u>57,040,065</u>	<u>51,879,537</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$186,001,433</u>	<u>\$180,527,032</u>

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

For the years ended September 30, 2007 and 2006

	2007	2006
OPERATING REVENUES:		
Parking facility receipts	\$26,157,295	\$25,381,342
On-street/off-street meter receipts	6,060,501	5,838,091
Residential permit parking receipts	251,208	244,211
Commercial rentals	399,860	412,550
Parking Court	7,150,193	7,630,781
Other income	<u>15,978</u>	<u>22,912</u>
Total operating revenues	<u>40,035,035</u>	<u>39,529,887</u>
OPERATING EXPENSES:		
Salaries	4,324,324	3,911,739
Retirement	329,679	327,360
Payroll taxes	392,211	371,210
Health benefits	1,124,653	1,012,533
Supplies and equipment	302,437	294,208
Utilities	983,028	949,890
Insurance	497,576	599,850
Repairs and maintenance	533,868	503,118
Fleet expenses	72,673	82,801
Facility and Parking Court management fees	2,551,999	2,651,289
Taxes and licenses	8,818,576	8,977,111
Contractual and professional services	971,871	1,125,893
Security	1,400,818	1,393,281
Depreciation and amortization	4,466,519	4,450,159
Other expenses	<u>251,878</u>	<u>351,787</u>
Total operating expenses	<u>27,022,110</u>	<u>27,002,229</u>
OPERATING INCOME	<u>13,012,925</u>	<u>12,527,658</u>
NONOPERATING REVENUES (EXPENSES):		
Interest income	2,669,439	2,720,132
Other income	575,101	776,875
Interest expense	(4,530,646)	(5,104,439)
In lieu of real estate taxes to City of Pittsburgh	(1,280,125)	(1,305,217)
Meter, Wharf, and Parking Court payments to the City of Pittsburgh	(5,343,765)	(5,423,632)
Other expenses	<u>(31,298)</u>	<u>(26,272)</u>
NET NONOPERATING EXPENSES	<u>(7,941,294)</u>	<u>(8,362,553)</u>
INCOME (LOSS) BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES	<u>5,071,631</u>	<u>4,165,105</u>
CAPITAL GRANTS	<u>88,897</u>	<u></u>
INCREASE IN NET ASSETS	<u>5,160,528</u>	<u>4,165,105</u>
NET ASSETS—Beginning of year	<u>51,879,537</u>	<u>47,714,432</u>
NET ASSETS—End of year	<u>\$57,040,065</u>	<u>\$51,879,537</u>

STATEMENTS OF CASH FLOWS

For the years ended September 30, 2007 and 2006

CASH PROVIDED BY OPERATING ACTIVITIES:	2007	2006
Parking facility receipts	\$26,149,587	\$25,466,682
On-street/off-street meter receipts	6,060,501	5,838,091
Residential permit parking and commercial rental receipts	628,512	683,567
Parking Court receipts	7,140,699	7,606,035
Payments to and on behalf of employees	(5,781,165)	(5,335,543)
Payments to suppliers	(536,630)	(330,510)
Payments for utilities, insurance, repairs, and maintenance	(2,109,085)	(2,302,936)
Facility management fees	(2,551,999)	(2,651,289)
Taxes and licenses	(8,818,576)	(8,977,111)
Contractual and professional services	(971,871)	(1,125,893)
Security	(1,731,100)	(1,393,281)
Other receipts (expenditures)—net	(242,784)	(330,480)
Net cash provided by operating activities	<u>17,236,089</u>	<u>17,147,332</u>
CASH USED IN NONCAPITAL FINANCING ACTIVITIES:		
In lieu of real estate taxes to City of Pittsburgh Meter, Wharf, and Parking Court payments to City of Pittsburgh	(1,280,125)	(1,305,217)
Other receipts—net	(4,918,668)	(5,768,043)
Net cash used in noncapital financing activities	<u>(6,359,802)</u>	<u>(6,299,901)</u>
CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES:		
Additions to property, plant, and equipment	(20,557,475)	(6,295,845)
Additions to capital meters and leasehold improvements	(84,854)	(286,773)
Capital grants	88,897	
Proceeds from note payable	922,000	
Repayment of bonds	(4,210,000)	(3,945,000)
Interest paid	(4,415,395)	(4,501,638)
Net cash used in capital and related financing activities	<u>(28,256,827)</u>	<u>(15,029,256)</u>

STATEMENTS OF CASH FLOWS (continued)

For the years ended September 30, 2007 and 2006

CASH PROVIDED BY INVESTING ACTIVITIES:	2007	2006
Sale of investments	128,007,191	101,571,108
Purchase of investments	(114,100,692)	(100,373,367)
Payments received on notes receivable	241,779	223,751
Interest received	<u>2,746,442</u>	<u>2,729,943</u>
Net cash provided by investing activities	16,894,720	4,151,435
DECREASE IN CASH	(485,820)	(30,390)
CASH—Beginning of year	<u>7,005,023</u>	<u>7,035,413</u>
CASH—End of year	<u>\$6,519,203</u>	<u>\$7,005,023</u>
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$13,012,925	12,527,658
Adjustments to reconcile net operating income to cash provided by operating activities:		
Depreciation and amortization	4,466,519	4,450,159
(Increase) decrease in accounts receivable	(51,130)	213,971
Increase in other assets	(77,197)	(33,004)
Decrease in accounts payable and accrued expenses	<u>(115,028)</u>	<u>(11,452)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$17,236,089</u>	<u>\$17,147,332</u>
NON-CASH TRANSACTIONS		
Capital additions in accounts payable	<u>\$3,052,185</u>	<u>\$2,547,502</u>

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NEIGHBORHOOD LOTS

EAST LIBERTY

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

SQUIRREL HILL

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

SHADYSIDE

IVY/BELLEFONTE

BLOOMFIELD

FRIENDSHIP/CEDARVILLE
TAYLOR STREET

LAWRENCEVILLE

42ND & BUTLER
5224 BUTLER STREET
PARKING PLAZA

BEECHVIEW

BEECHVIEW BOULEVARD

OAKLAND

CENTRE/CRAIG

SOUTH SIDE

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

CARRICK

BROWNSVILLE/SANKEY

WEST END

MAIN/ALEXANDER

ALLENTOWN

ASTEROID/WARRINGTON
WALTER/WARRINGTON

BROOKLINE

BROOKLINE BOULEVARD

NORTH SIDE

EAST OHIO STREET
OBSERVATORY HILL

MT. WASHINGTON

SHILOH STREET

HOMEWOOD

HOMEWOOD/ZENITH

GARAGES

DOWNTOWN

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

OAKLAND

FORBES/SEMPLE

SHADYSIDE

SHADYSIDE

ATTENDED LOTS

DOWNTOWN

MONONGAHELA WHARF
SECOND AVENUE
PARKING PLAZA

BOARD OF DIRECTORS

PATRICK A. FORD, CHAIRMAN

Executive Director • Urban Redevelopment Authority
of Pittsburgh

L.C. GREENWOOD, VICE CHAIRMAN

Owner • Greenwood Enterprises Co.

MICHAEL S. JASPER, SECRETARY

Partner • Jasper Group, Inc.

LINDA S. JUDSON, TREASURER

Attorney • Fried, Kane, Walters, Zuschlag & Grochmal

DAN DEASY, ASST. SECRETARY & ASST. TREASURER

Pittsburgh City Council • Council District 2



From Left, Mr. Jasper, Ms. Judson, Mr. Greenwood, Mr. Ford, Mr. Deasy

EXECUTIVE STAFF

DAVID G. ONORATO

EXECUTIVE DIRECTOR

ANTHONY BOULE

DIRECTOR OF ADMINISTRATION

JUDITH DeVITO

DIRECTOR OF ENFORCEMENT

CHRISTOPHER SPEERS

DIRECTOR OF PARKING SERVICES

JO-ANN WILLIAMS

DIRECTOR OF FINANCE

CHRISTOPHER E. HOLT

ASSISTANT DIRECTOR OF PROJECT MANAGEMENT

