

Parking System Report

of

Sports & Exhibition Authority of
Pittsburgh and Allegheny County

and

Stadium Authority of the
City of Pittsburgh

Re: Sports & Exhibition Authority
of Pittsburgh and Allegheny County
Parking System Revenue Bonds,
Series of 2017

as of

December 31, 2019

MaherDuessel

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SPORTS & EXHIBITION AUTHORITY OF PITTSBURGH AND ALLEGHENY COUNTY

PARKING SYSTEM REVENUE BONDS, SERIES OF 2017

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Independent Accountant's Report on Applying Agreed-Upon Procedures

**Board of Directors
Sports & Exhibition Authority of
Pittsburgh and Allegheny County
Pittsburgh, Pennsylvania**

We have performed the procedures enumerated below, which were agreed to by the Sports & Exhibition Authority of Pittsburgh and Allegheny County (SEA), on behalf of itself and the Stadium Authority of the City of Pittsburgh (SA), solely to assist you with respect to compliance with SEA's Continuing

Disclosure Agreement and the SA's Continuing Disclosure Agreement (collectively the "Agreements") related to the SEA's Parking System Revenue Bonds, Series of 2017 as of December 31, 2019. The SEA, on behalf of itself and the SA, has compiled the information on pages 1-8 accompanying this report in order to comply with Section 4 of the Agreement related to certain required financial information. Management is responsible for compliance with the Agreements. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representations regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and results are as follows:

1. Table A-5: Parking System Historical Operations and Debt Service Coverage (Page1)

- a. Agreed the Net Revenues for 2019 to the Net Parking System Revenues per the Detail Summary for Table A-5 (Page 2).
- b. Agreed the Historical Debt Service Requirements for 2019 to the Current Year Debt Service per the Detail Summary for Table A-5 (Page 2).
- c. Recalculated the Debt Service Coverage.

Results: No variances or findings were noted.

2. Detail Summary for Table A-5 Parking System Historical Operations and Debt Service Coverage for SEA and SA (Pages 2-4)

- a. Agreed SEA column on page 2 to total column of detail for SEA on page 3.
- b. Agreed SA column on page 2 to total column of detail for SA on page 4.
- c. Traced the Net Parking System revenues for SEA as presented on page 3 to inclusion in the SEA's financial statements as of December 31, 2019.
- d. Traced the Net Parking System revenues for SA as presented on page 4 to inclusion in the SA's financial statements as of December 31, 2019.
- e. Traced the Current Year Debt Service for SEA as presented on page 3 to SEA general ledger detail.
- f. Traced the Current Year Debt Service for SA as presented on page 4 to SA general ledger detail.

Results: No variances or findings were noted.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an examination or review, the objective of which would be the expression of an opinion on compliance with the terms and conditions of the Indenture noted above. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the SEA and the dissemination agent for the Agreement, and is not intended to be, and should not be, used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Maher Duessel

Pittsburgh, Pennsylvania
April 9, 2020

Historical Operating Performance and Debt Service Coverage*

The table below reflects the Parking System's operational performance history along with the calculation of the historical debt service coverage ratio of the Parking System for the years ended December 31, 2015 through 2019.

TABLE A-5: PARKING SYSTEM HISTORICAL OPERATIONS AND DEBT SERVICE COVERAGE

Historical Parking System Revenues	2015	2016	2017	2018	2019
Leases	\$5,534,869	\$5,447,981	\$7,042,829	\$7,991,656	\$9,070,873
Daily / Transient	3,356,880	3,206,295	3,291,239	3,282,158	2,998,521
Event Parking Receipts – CBD	45,089	46,505	48,636	42,295	42,295
Pittsburgh Pirates Related Revenue	2,957,961	2,599,072	2,331,824	1,862,523	1,843,041
Pittsburgh Steelers Related Revenue	1,229,714	1,215,239	1,688,888	1,698,371	1,632,643
University of Pittsburgh Panthers Related Revenue	463,661	534,645	572,512	505,648	516,723
Rental Revenue	1,425,690	1,515,228	1,702,976	1,701,849	1,777,479
Other Revenue and NS Events	987,895	1,122,027	901,358	960,314	794,053
Non-Operational Revenue	895,240	760,094	794,059	947,439	874,284
Total	\$16,896,999	\$16,447,087	\$18,374,321	\$18,992,253	\$19,549,912

Historical Operating Expenses	2015	2016	2017	2018	2019
Parking Tax	\$3,971,572	\$3,858,751	\$4,319,771	\$4,476,295	\$4,608,934
Personnel Related	927,022	997,154	1,184,312	1,159,585	1,150,102
Administration	333,365	335,322	325,030	384,434	448,210
Management Agreements	2,134,551	2,071,245	2,095,519	1,730,896	2,142,348
Insurance	69,371	71,718	185,094	179,685	186,879
Security	504,037	532,326	844,103	727,503	737,326
Utilities	177,968	182,756	216,883	233,643	220,281
Maintenance	932,618	795,695	713,180	972,320	868,525
LRT Agreement (Multimodal)	77,359	81,337	102,337	120,208	127,533
Non-Operational Expenses	215,537	210,520	332,476	231,346	225,335
Total	\$9,343,400	\$9,136,825	\$10,318,705	\$10,215,915	\$10,715,473

	2015	2016	2017	2018	2019
Net Revenues	\$7,553,598	\$7,310,262	\$8,055,616	\$8,776,338	\$8,834,439

Historical Debt Service Requirements	2015	2016	2017	2018	2019
Total	\$4,849,539	\$2,250,093	\$1,431,429	\$3,340,322	\$3,339,100

Debt Service Coverage	1.56 X	3.25 X	5.63 X(b)	2.63 X	2.65 X
Debt Service Coverage – Excluding Variable Rate Demand Note Payoff ^(a)	3.28 X				

Notes: (a) In FY 2015, the Stadium Authority elected to prepay its variable rate demand note (\$2.5 million).

(b) Refinancing of bank notes occurred in 2017.

* Historical figures include Lot 3 and Lot 4 as the demand post-development of those parcels is anticipated to shift to nearby garages/lots that are part of the Parking System. Lot 3 (Parcel 14) was taken down in August 2017. Lot 4 will continue to be included in Net Revenues until it is also taken down for development.

Source: The Authority and Stadium Authority

**COMBINED
SPORTS & EXHIBITION AUTHORITY OF PITTSBURGH
AND ALLEGHENY COUNTY
AND
STADIUM AUTHORITY OF THE CITY OF PITTSBURGH**

**OPERATING RESULTS OF OWNED AND OPERATED GARAGES AND PARKING LOTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Detail for Table A-5 : Parking System Historical Operations and Debt Service Coverage

	SEA	SA*	Total
Spaces	1529	4,906	6,435
<u>OPERATING REVENUE:</u>			
Non-Taxable Revenue	57,829	1,695,624	1,753,453
Taxable Revenue	4,029,136	12,892,531	16,921,667
Other Income	442,505	431,779	874,284
GROSS OPERATING REVENUE	4,529,470	15,019,934	19,549,404
Less: Parking Tax	(1,050,820)	(3,558,112)	(4,608,932)
ADJUSTED GROSS REVENUE	3,478,650	11,461,822	14,940,472
<u>OPERATING EXPENSES:</u>			
Insurance - General Liability	53,928	223,108	277,036
Maintenance - Routine	264,994	598,490	863,484
Maintenance - Special Projects ¹	5,044	-	5,044
Office	108,697	406,300	514,997
Payroll	191,344	736,149	927,493
Security	197,926	538,803	736,729
Utilities	100,904	119,378	220,282
Other	-	101,124	101,124
Other Expenses	22,860	202,475	225,335
Management/Alco Fees	150,114	1,992,234	2,142,348
TOTAL OPERATING EXPENSES	1,095,811	4,918,061	6,013,872
NET OPERATING INCOME	2,382,839	6,543,761	8,926,600
Insurance - Property	(31,544)	(60,617)	(92,161)
NET INCOME	2,351,295	6,483,144	8,834,439
Current Year Debt Service/Fee	1,571,550	1,767,550	3,339,100

¹Maintenance Special Projects paid by the SEA and SA for the garages and management lots are not included above as they are capital expenses. Maintenance Special Projects paid directly by Alco Parking are included above. Maintenance Special Projects for the SEA and SA lease lots are part of the operating expense because costs are split with Alco Parking as part of the lease agreements.

* Team revenue earned from Lots 1-5 (\$198,379) and the IDP Loan (\$83,378) are not included in the Alco parking reports and therefore do not directly match the December 31, 2019 Authority Financial Statements.

**SPORTS & EXHIBITION AUTHORITY OF PITTSBURGH
AND ALLEGHENY COUNTY**

**OPERATING RESULTS OF OWNED AND OPERATED GARAGES AND PARKING LOTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Detail for Table A-5 : Parking System Historical Operations and Debt Service Coverage

	North Shore Garage	10th & Penn and Lot 21, 22 and 23	Total
Spaces	925	604	1529
<u>OPERATING REVENUE:</u>			
Non-Taxable Revenue	325	57,504	57,829
Taxable Revenue	3,244,262	784,874	4,029,136
Other Income	202,505	240,000	442,505
GROSS OPERATING REVENUE	3,447,092	1,082,378	4,529,470
Less: Parking Tax	(884,794)	(166,026)	(1,050,820)
ADJUSTED GROSS REVENUE	2,562,298	916,352	3,478,650
<u>OPERATING EXPENSES:</u>			
Insurance - General Liability	36,788	17,140	53,928
Maintenance - Routine	185,537	79,457	264,994
Maintenance - Special Projects ¹	-	5,044	5,044
Office	85,368	23,329	108,697
Payroll	142,907	48,437	191,344
Security	184,732	13,194	197,926
Utilities	94,107	6,797	100,904
Other Expense (Alco Pd)	-	-	-
Other Expense (SEA Pd)	22,860	-	22,860
Management/Alco Fees	36,900	113,214	150,114
TOTAL OPERATING EXPENSES	789,199	306,612	1,095,811
NET OPERATING INCOME	1,773,099	609,740	2,382,839
Insurance - Property	(31,544)	-	(31,544)
NET INCOME	1,741,555	609,740	2,351,295
Current Year Debt Service/Fee	1,571,550.00	N/A	1,571,550

¹ Maintenance Special Projects paid by the SEA for the garage and management lots are not included above as they are capital expenses. Maintenance Special Projects paid directly by Alco Parking are included above. Maintenance Special Projects for the SEA lease lots are part of the operating expense because costs are split with Alco Parking as part of the lease agreements.

STADIUM AUTHORITY OF THE CITY OF PITTSBURGH
FOR THE YEAR ENDED DECEMBER 31, 2019
OPERATING RESULTS OF OWNED AND OPERATED GARAGES AND PARKING LOTS

Detail for Table A-5 : Parking System Historical Operations and Debt Service Coverage*

	West General Robinson Street Garage	Gold 1 Garage	Lots 1-5	Lots 7A-7J	Total
Spaces	1324	998	1,473	1,111	4,906
OPERATING REVENUE:					
Non-Taxable Revenue	4,035	100	432,890	1,258,599	1,695,624
Taxable Revenue	5,496,741	3,452,743	2,991,991	951,056	12,892,531
Other Income	113,190	-	318,589	-	431,779
GROSS OPERATING REVENUE	5,613,966	3,452,843	3,743,470	2,209,655	15,019,934
Less: Parking Tax	(1,474,225)	(941,642)	(815,224)	(327,021)	(3,558,112)
ADJUSTED GROSS REVENUE	4,139,741	2,511,201	2,928,246	1,882,634	11,461,822
OPERATING EXPENSES:					
Insurance - General Liability	55,551	36,976	90,565	40,016	223,108
Maintenance - Routine	183,516	132,181	123,789	159,004	598,490
Maintenance - Special Projects ¹	-	-	-	-	-
Office	137,178	50,588	151,861	66,673	406,300
Payroll	171,666	117,058	275,968	171,457	736,149
Security	212,226	170,699	62,936	92,942	538,803
Utilities	59,380	34,337	15,659	10,002	119,378
Other	84,273	16,851	-	-	101,124
Other Expenses	114,920	17,475	-	70,080	202,475
Management/Alco Fees	50,430	44,126	1,226,408	671,270	1,992,234
TOTAL OPERATING EXPENSES	1,069,140	620,291	1,947,186	1,281,444	4,918,061
NET OPERATING INCOME	3,070,601	1,890,910	981,060	601,190	6,543,761
Insurance - Property	(35,113)	(25,504)	-	-	(60,617)
NET INCOME	3,035,488	1,865,406	981,060	601,190	6,483,144
Debt Service Payment	739,350	1,028,200	-	-	1,767,550

¹Maintenance Special Projects paid by the SEA and SA for the garages and management lots are not included above as they are capital expenses. Maintenance Special Projects paid directly by Alco Parking are included above.
Maintenance Special Projects for the SEA and SA lease lots are part of the operating expense because costs are split with Alco Parking as part of the lease agreements.

* Team revenue earned from Lots 1-5 (\$198,379) and the IDP Loan (\$83,378) are not included in the Alco parking reports and therefore do not directly match the December 31, 2019 Authority Financial Statements.

Summary of the Parking System

Set forth in the table below is a summary of the parking facilities of the Authority and the Stadium Authority comprising the parking system, as such term is defined in the Indenture. Please see Property Overview Map in the back of this report.

TABLE A-1: SUMMARY OF PARKING SYSTEM ^{(2) (3) (4)}

	<u>Parking Facilities</u>	<u>Owner</u>	<u>Location</u>	<u>Year Opened</u>	<u>Spaces</u>
Garage Structures:					
1	North Shore Garage	SEA	North Shore	2001	925
2	West General Robinson Street Garage	SA	North Shore	2006	1,324
3	Gold 1 Garage	SA	North Shore	2017	998
Total Garage Spaces:					3,247
Surface Lots:					
1	10th & Penn (East Lot, West Lot)	SEA	CBD ⁽⁵⁾	2002	97
2	P1/Green 21 (Reedsdale Street)	SEA	North Shore	2000	122
3	P2/Green 22 & P3/Green 23 (Ridge Avenue)	SEA	North Shore	2000	385
4	Lot 1	SA	North Shore	2001	759
5	Lot 2	SA	North Shore	2001	255
6	Lot 5	SA	North Shore	1970	118
7	Lots 7A-J* ⁽¹⁾	SA	North Shore	1989	1,111
Total Surface Lot Spaces:					2,847
Total Parking System Capacity:					6,094

NOTES:

(1) Lots 7A-H and J are located on land leased from PennDOT to the Stadium Authority. *There is no Lot 7I.

(2) Pursuant to the Indenture, the Parking System may be expanded to include additional lots or garages or improvements (a) financed with proceeds of Additional Bonds or (b) for which an Officer’s Certificate has been delivered to the Trustee in accordance with Section 7.08 of the Indenture.

(3) Lots or garages may be removed from the Parking System in accordance with the terms of the Indenture.

(4) The following Authority and Stadium Authority garages and lots are not included in the Parking System: the Convention Center garage, the PPG Paints Arena garage, the surface spaces at the 28 acre development site, and Lot 4 on the North Shore.

(5) CBD means the City’s Central Business District.

Source: The Authority, Stadium Authority and ALCO Parking facility space counts.

Historical Utilization of the Parking System Facilities

The Authority and the Stadium Authority have historically experienced consistently strong occupancy at its Parking System facilities. The Car Count statistics below reflect actual number of gated vehicles for each respective year shown, and the Average Utilization Statistics reflect monthly averages based on weekdays (Daily) and actual number of events (Sports Venue Events).

TABLE A-3: PLEDGED PARKING SYSTEM UTILIZATION HISTORY

Facility	Annual Car Counts by Category					Average Utilization Statistics			
	Calendar Year	Sports Venue			Annual Totals	Daily Parking: Avg / %		Sports Venue Events:	
		Daily Parking	Events ^(b)	Entertainment ^(c)		of Capacity ^(d)	Avg / % of Capacity ^(e)		
Garages									
North Shore	2015-18 Avg	84,621	63,005	381	148,007	1,137	122.9%	620	67.0%
	2019	71,382	46,971	97	118,450	1,107	119.7%	479	51.8%
West General Robinson Street	2015-18 Avg	107,735	95,191	4,464	207,390	1,723	130.1%	936	70.7%
	2019	123,036	67,806	2,672	193,514	1,916	144.7%	692	52.3%
Gold 1 Garage (Opened May 2017)*	2017-2018 Avg	45,435	42,566	2,757	90,757	572	57.3%	430	32.3%
	2019	70,249	65,927	9,738	145,914	1,158	116.1%	673	67.4%
Surface Lots									
P1 (Reedsdale) (Green 21)	2015-18 Avg	1,793	1,998	0	3,792	137	112.2%	20	16.1%
	2019	1,548	1,842	0	3,390	129	105.7%	19	15.4%
P2 & P3 (Ridge) (Green 22 & 23)	2015-18 Avg	4,538	4,739	87	9,364	337	87.6%	47	12.1%
	2019	4,099	4,510	0	8,609	342	88.7%	46	12.0%
10th & Penn	2015-18 Avg	12,605	0	0	12,605	105	108.1%	0	0.0%
	2019	9,873	0	0	9,873	133	137.0%	0	0.0%
Lot 1	2015-18 Avg	99,808	67,754	25,631	193,194	845	99.0%	663	75.3%
	2019	63,076	34,263	20,491	117,830	599	78.9%	350	46.1%
Lot 2	2015-18 Avg	75,738	22,278	14,082	112,098	357	140.0%	220	86.1%
	2019	81,247	21,040	17,156	119,443	374	146.9%	215	84.2%
Lots 7A-J**	2015-18 Avg	40,690	50,071	677	91,438	1,137	102.4%	492	44.3%
	2019	50,345	40,096	436	90,877	1,459	131.4%	409	36.8%
Garage Totals	2015-18 Avg	215,073	179,480	6,223	400,775	3,260	109.7%	1,769	60.5%
	2019	264,667	180,704	12,507	457,878	4,182	128.8%	1,844	56.8%
Lot Totals	2015-18 Avg	302,029	186,635	41,179	529,844	3,447	102.1%	1,832	53.7%
	2019	247,608	137,675	39,717	425,000	3,391	106.4%	1,405	44.1%
System Totals	2015-18 Avg	517,102	366,115	47,402	930,618	6,707	105.2%	3,601	56.7%
	2019	512,275	318,379	52,224	882,878	7,572	117.7%	3,249	50.5%

Notes: (a) Former Lot 3 & current Lot 4, while not pledged to Parking System, are parcels in various stages of development. They are included in the historical utilization reflected above because their demand is anticipated to shift to nearby garages/lots that are a part of the Parking System. Lot 3 was sold in 2017. Lot 4 is still being operated as a parking lot in 2018.

(b) Sports Venue Events include all Pittsburgh Steelers, University of Pittsburgh Panthers and Pittsburgh Pirates game events and other "Bowl" and "Non-Bowl" events.

(c) Entertainment includes all evening, restaurant, Stage AE concerts and other events and are not factored into Average Utilization Statistics

(d) Daily utilization figures are based on 21 weekdays per month for all garages and lots.

(e) Sports Venue utilization statistics are based on the actual number of events in each particular year.

* Gold 1 Garage not included in the above 2014-2017 statistics as it opened in May 2017.

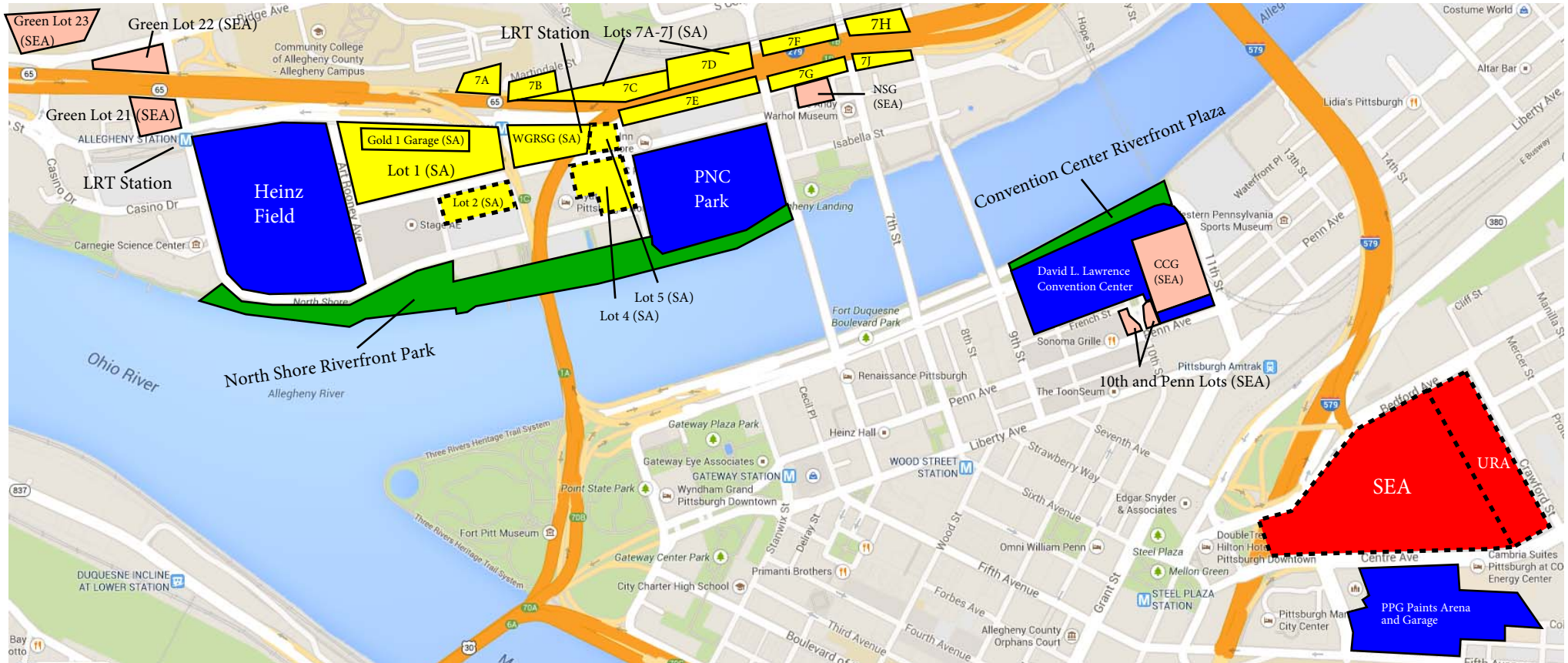
** There is no Lot 7I.

Source: ALCO Parking automated car counts generated by gate revenue control equipment.

TABLE A-4: PLEDGED PARKING SYSTEM RATE HISTORY

Daily/Monthly Parking Rates						
Authority		2015	2016	2017	**2018	2019
Stadium Authority	Lot 1					
	Daily	\$7.00	\$7.00	\$7.00	\$8.00	\$8.00
	Monthly	\$140.00	\$140.00	\$140.00	\$160.00	\$160.00
Stadium Authority	Lot 2					
	Daily	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
	Monthly	\$140.00	\$140.00	\$140.00	\$170.00	\$170.00
Stadium Authority	Lot 5					
	Daily	\$7.00	\$7.00	\$7.00	\$8.00	\$8.00
	Monthly	\$140.00	\$140.00	\$140.00	\$160.00	\$160.00
Stadium Authority	Lots 7A-H and J*					
	Daily	\$7.00	\$7.00	\$7.00	\$8.00	\$8.00
	Monthly	\$125.00	\$125.00	\$125.00	\$150.00	\$150.00
Stadium Authority	WGRS Garage					
	Daily	\$8.00	\$8.00	\$8.00	\$9.00	\$9.00
	Monthly	\$140.00	\$140.00	\$140.00	\$170.00	\$170.00
Stadium Authority	Gold 1 Garage					
	Daily	n/a	n/a	\$8.00	\$9.00	\$9.00
	Monthly	n/a	n/a	\$140.00	\$150.00	\$150.00
Sports & Exhibition Authority	Lots P1, P2, P3					
	Daily	\$7.00	\$7.00	\$7.00	\$8.00	\$8.00
	Monthly	\$125.00	\$125.00	\$125.00	\$150.00	\$150.00
Sports & Exhibition Authority	North Shore Garage					
	Daily	\$10.00	\$10.00	\$10.00	\$11.00	\$11.00
	Monthly	\$160.00	\$160.00	\$160.00	\$170.00	\$170.00
Sports & Exhibition Authority	10th and Penn					
	Daily	\$13.00	\$13.00	\$13.00	\$14.00	\$14.00
	Monthly	\$260.00	\$260.00	\$260.00	\$260.00	\$260.00
<p>* There is no Lot 7I.</p> <p>**December 3, 2018 the new rates were put into effect.</p> <p>Source: The Authority and Stadium Authority.</p>						

Sports & Exhibition Authority (SEA) and Stadium Authority (SA) Property Overview Map



- Sports and exhibition venues owned by SEA (PPG Paints Arena includes a 640 space integral garage leased to the Penguins)
- SA parking lots and garages: land for Lots 7A-7J leased long-term from PennDOT; "WGRSG" refers to West General Robinson Street Garage
- SEA parking lots and garages: "NSG" refers to North Shore Garage; "CCG" refers to Convention Center Garage
- 28-Acre Lower Hill Redevelopment site (19 acres owned by SEA; 9 acres owned by Urban Redevelopment Authority); Penguins hold development option; SEA currently coordinating with City and PennDOT on I-579 Cap Project construction; Penguins currently receive surface parking revenues
- North Shore Riverfront Park and Convention Center Riverfront Plaza, both owned by SEA
- Remaining North Shore development parcels (owned by SA); joint venture of Steelers and Pirates holds development option; development of Lot 4 in planning stages