

*Revenue Sources
Management Study
of the
Allegheny County
Park System*

*Presented by:
The American Institute for Leisure Resources
A Division of The Oglebay Foundation*

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EXECUTIVE SUMMARY

Introduction

The Allegheny County Park System consists of approximately 12,000 acres in 9 regional parks that basically surround the city of Pittsburgh. These parks are located about a 15 to 20 mile radius from downtown, and are listed in order of size:

1. North Park (3,010 acres)
2. South Park (1,999 acres)
3. Settler's Cabin Park (1,589 acres)
4. Deer Lakes Park (1,180 acres)
5. Round Hill Park (1,101 acres)
6. Boyce Park (1,096 acres)
7. White Oak Park (810 acres)
8. Hartwood Park (629 acres)
9. Harrison Hills Park (500 acres)

The park system is rich in recreational, natural and historic resources, and has the potential to be one of the finest county park systems in the country. It also has a tremendous potential to generate revenue from its assets to help with renovation of the facilities and development of recreational programs.

Since each park has to some degree evolved around a theme or distinctive characteristic, the potential for a staffed marketing and revenue development division exists within the department which must go hand-in-hand with generating additional revenues in direct cooperation with a yet-to-be appointed, first class 501(c)(3) organization.

As we all know only too well, the Allegheny County Park System, like many county park systems, is facing a significant financial crisis. The Allegheny County Park System is threatened with less than adequate levels of service particularly as it pertains to its infrastructure, major capital projects, and its service delivery system. The financial resources are being stretched to a critical level at the present time, with inadequate and unstable funding mechanisms other than the Allegheny Regional Asset District (ARAD), to keep pace with the county's population's growing needs and expectations. If the county is to maintain livable quality of life for the short and long term, new policy directions, risks, financial methods, and revenue sources must be sought and considered for immediate action by the administration.

The existing and proposed service levels for park maintenance, recreation programs, and environmental facilities have outstripped the available sources of revenue, creating a major unfunded backlog of current and future needs. This situation is not projected to improve in the near future, even with the long-term programming of funds, and will worsen as the country continues to grow creating more demand for new facilities and capital investments to aging facilities. In reality, Allegheny county parks face two outcomes which are the lowering of its standard of living or the generation of new sources of revenue.

Much has been written about Allegheny county parks and where it needs to be, and how to get there. Both the January 2002 Park Comprehensive Master Plan and the October 2000 Parks Transition Committee Report indicated a number of goals, policies, statements, and recommendations regarding financial issues that need to be resolved.

As a result, a revenue sources management study was undertaken by the American Institute of Leisure Resources (AILR) to analyze current revenue operations and the potential for additional sources of revenue for the 9 regional parks that constitute the Allegheny County Park System. Specifically the AILR team identified significant sources of additional revenue that could help supplement the current operational budget, offset much of the annual maintenance costs, and provide capital funding to accomplish many of the projects outlined and identified in the “County Park Comprehensive Master Plan.”

Study Process

To identify the potential and to understand the revenue philosophy and funding sources, the AILR team completed a series of on-site visitations to the regional parks, had several interviews with administrative and facility based employees, conducted a revenue sources evaluation study, examined various records and documents provided, and met with the County Directors of community development, finance, parks, public works, and the Deputy County Manager and County Chief Executive.

The AILR team consisted of G. Randolph Worls, President and CEO of the Oglebay Foundation and former General Manager of the Wheeling Park Commission; William L. Koegler, Director of Development for the Oglebay Foundation, lead consultant for American Institute for Leisure Resources, and former Tourism and Hospitality Director for the Wheeling Park Commission; and Ralph Cryder, former Director of Los Angeles County and Long Beach, California Parks & Recreation Departments, and currently consultant to a number of Park and Recreation Departments nationwide.

During the study, it became very apparent that the county park system needs to revise and modernize its policies regulating annual fees and charges for park facilities, programs, and services. A 501(c)(3) non-profit organization needs to be established in order to receive funding from the private sector; a county park cost accounting system needs to be established; revenue philosophy and goals need to be developed; and dedicated revenue from fees and charges should be returned to the parks department through the budget process. These and many other suggested recommendations will be made in other sections of this study document.

Study Recommendations

AILR has divided all recommendations into two types:

1. System-wide revenue recommendations of both high priority and lesser priority projects, containing eleven (11) issues in each category; and

2. Individual park recommendations for each of the nine (9) regional parks totaling 63 items for consideration.

The results of the evaluation survey clearly indicated a need to develop written sections that became chapters or “recipes” for the county parks *“Revenue Sources Management Cookbook.”* These 11 segments should go a long way in helping the county establish a foundation, develop a new schedule of fees and charges, and expand its operation into a comprehensive Private Sector Assistance Program.

The Revenue Sources Management Cookbook is broken down into the following recipes:

- Basic Revenue Management
- Philosophy of Fees and Charges
- Developing a Revenue Policy Manual
- Other Revenue Producing Alternatives
- Philanthropic Foundation Support
- The Use of Support Groups
- Lease vs. Self-Operations
- Contractual Services
- Contracting Out (Privatization)
- Capital Outlay
- Grant Funding Resources

Summary

There is no doubt in our minds that the Allegheny County Park System has great potential and the future of the Regional Parks is bright. The current programs and facilities of the park system are being managed professionally, although there is a dire need for additional staff at all levels of the agency. It also appears that near maximum revenues are being realized based upon existing policies, fee structure, contracts, leases, and county ordinances, many of which need to be revised. The future lays in the potential for major monetary support by utilizing private sector assistance programs, updating the fee and charge schedule every 3 to 5 years, establishing a foundation, and pursuing private and public grant funding.

PARK SYSTEM-WIDE REVENUE RECOMMENDATIONS

In making these recommendations it should be understood that many of these issues have been discussed previously in other documents aimed at assisting Allegheny County in improving its Park System. In particular, the Parks Transition Committee report of October 2000 and the Comprehensive Parks Master Plan of January 2002 listed many of these issues that still need to be acted upon for resolution. Perhaps an action oriented priority listing indicating responsibility and time lines for accomplishment might be in order to move some of the issues to adoption.

The American Institute for Leisure Resources (AILA) believes the main financial goal for the Allegheny County Park System, as supported by one of the comprehensive park master plan objectives, is to: secure adequate funding for the operation, maintenance and development of the county park system, including existing programs and facilities as well as those to be developed in the future.

This goal can only be accomplished through a systematic approach in cooperation with the private sector utilizing what is referred to as “The Administrative Process.” A brief explanation of this process can be found in the study section entitled other revenue-producing alternatives.

High Priority Projects

1. Establish a 501(c)(3) non-profit organization in order to receive funding from the private sector to be used for specific goals such as capital projects.
2. Reassess all existing fees and charges and establish new schedule of fees that reflect both the market value and cost of providing the facility and/or program. Utilize a cyclical 3-year program with intervening years equaling the annual consumer price index.
3. Investigate private-public partnership agreements to operate, maintain, and renovate certain special facilities, such as North Park Boat House, various park tennis courts, ice skating rinks, and Boyce Park ski slopes and center.
4. Continue efforts to develop an effective revenue cost-accounting system that allows for informed decision-making on the operation and development of existing and new facilities and programs.
5. Allocate \$750,000 of ARAD funds to the new Allegheny County Park Foundation to jump-start the organization in terms of staff and operating expenses.
6. Allocate another \$250,000 of ARAD funds to the park system to hire a Marketing Specialist, a Development Officer, and a Recreation Coordinator. The Marketing Specialist should develop and administer a marketing and public relations plan, while the Development Officer should coordinate the agency’s revenue producing facilities, and the Recreation Coordinator should operate revenue-supporting recreation programs.

7. Develop a Revenue Sources Manual that include: (A) authority and responsibility, (B) philosophy, (C) fees and charges guidelines, (D) financial assistance guidelines, (e) contractual receipts, (F) compulsory resources, (G) accounting of revenues, and (H) annual review processes. Model provided as a section to this study.
8. Insure all revenue generated to the county's general fund from the park system is re-allocated to the following year's parks operations budget, but not to the individual park from which it came.
9. Make a major effort to improve the cost recovery performance of all programs and facilities. Cost recovery performance should be a factor in considering development of new facilities and programs.
10. Review and recommend changes to concession contracts in terms of bidding vs. offers, short-term vs. long-term, capital improvements and operations, etc.
11. Engage the services of the National Golf Foundation in Juniper, Florida to review county golf course operations for recommendations in terms of general operations, fees and charges, and an addition nine holes at both North and South Parks.

Lesser Priority Projects

1. Develop and implement a policy of fees and charges for special events and major concerts that reflect costs and potential financial return to the sponsor and county parks.
2. Encourage the development of additional revenue-producing facilities and programs.
3. Develop a list of areas and facilities that need capital improvement funds that can be utilized in a gift catalog, or other sources of funding.
4. Complete the establishment of friend's organizations in each regional park to assist the department's efforts for minor fundraising, programming, building volunteerism, partnerships, sponsorships, etc.
5. Pursue non-traditional funding sources such as advertising, corporate sponsors, and other potential individual donors, for special events and various park projects.
6. Prior to closing, demolition or replacing existing buildings and structures, review possible adaptive uses that have new revenue potential.
7. Encourage school districts, fraternal organizations, and other private institutions to adopt-a-park for community service projects, i.e. Round Hill Park Farm.
8. Work with the justice system and law enforcement agencies to establish a supplemental labor force to perform special maintenance projects within the Park System. These

include: weekend offenders, community service workers, welfare workers, juvenile work crews and prison labor.

9. Analyze the feasibility of naming various major park buildings and structures, in an effort to establish endowments for on-going maintenance.
10. Pursue the acquisition of large trash containers from the private sector in return for simple low-keyed or logo advertisement potential in all the parks. Each park should develop a signature color scheme.
11. Analyze the potential of constructing cabins in both North and South Parks as a private section venture. Other parks could be considered as well, i.e. Boyce Park, Deer Lakes Park, White Oak, and Settlers Cabin.

INDIVIDUAL PARK REVENUE RECOMMENDATIONS

North Park

Revenue Signature – Boat House and Lake

1. Revise and update current fee and charge schedule (see System-Wide Recommendations).
2. Develop a request for proposal for the re-development, operation and maintenance of the boat house and lake facilities.
3. The large pool and playground should be developed into a major aquatic theme park with several different water features. We suggest the county engage an aquatic firm with expertise in this area to design a new plan with basic cost estimates for construction.
4. Analyze the feasibility of renovating the water tank and installing coin operated telescopes at the top of the facility.
5. Pursue a medium-term operations contract with the private sector to rehabilitate, maintain and operate the tennis courts.
6. Golf Course (see System-Wide Recommendations).
7. Review potential revenue opportunities at the nature center, i.e. special lecture series, small entertainment groups, gift shop, donation box, educational classes, etc.
8. Ice skating rink (see System-Wide Recommendations).
9. After the lake is dredged, pursue an operations contract with the private sector to maintain and operate the boats, docks and fishing aspects of this facility. Perhaps a bait and tackle shop will make good financial sense. This operation could be tied into the boat house contract.
10. If the soccer complex is an exclusive use facility, then a revenue lease should be entered into, regardless of whether the organization services youth programs.
11. Create a North Park Garden Club in conjunction with the friend's organization to operate and maintain flower beds around monuments and gateways to special facilities.
12. Pursue a private donor(s) to restore North Park arboretum.
13. Consider portable food and beverage concessions at various locations on high-use days with the private sector.

South Park

Revenue Signature – Old Fairground Complex

1. Revise and update current fee and charge schedule (see System-Wide Recommendations).
2. Pursue a re-adaptive use of the old fairground buildings into a multi-faceted artesian center under a single organization to create various vendors in each building. These could include antique shops, arts and craft sales, certified farmers market, flea market, artesian groups performing their tasks, painters, sculptures, etc. This would be a year round retail venture.
3. Pursue a long-term contract with the private sector to relocate, construct, maintain and operate the old tennis court facilities to some other area in the park.
4. Contract with the private sector to operate the concert food and beverage concession with a fair return to the county.

Note: Non-profit organizations should pay a reasonable share of the profits to the county for being permitted to operate on public park property.

5. Ice skating rink (see System-Wide Recommendations).
6. Pursue a medium-term contract with the private sector to rehabilitate, maintain and operate the BMX track and the skateboard facilities, perhaps as one complex.
7. Golf course (see System-Wide Recommendations).
8. Review current operations contract involved with VIP complex to ascertain whether the county is receiving a fair rate of return.
9. Analyze the feasibility of a private sector contract for the entire operation of the wave pool, including the pool, life guards, food service, rafts, and parking facilities, etc.
10. Develop a model hobby support group in conjunction with the friend's organization to operate and maintain the model airplane field.
11. Review the potential of moving the nature center to the buffalo game preserve area and review the potential revenue opportunities at the new facility, as suggested for North Park.
12. Analyze the potential to enhance the equestrian facilities as revenue-producing.
13. Review current operating contract involved with the South Park Theatre to ascertain whether the county is receiving a fair rate of return.

Boyce Park

Revenue Signature – Four Seasons Ski Slope

1. Pursue a private sector contract to redevelop the Four Seasons Ski Slope and Lodge into a year-round recreation facility to generate additional revenues. Adding snow tubing will help, but installing a pond for snow making and fishing might work well together. Plus, adding a golf driving range in front of the Lodge with a small restaurant on the second floor would open up the facility year round. Add to this, banquets, weddings, parties, and fee-oriented recreation classes in the Lodge, and a rock climbing feature outside the Lodge. A request for proposals would seem to be worth the effort.
2. Revise and update the current fee and charge schedules (see System-Wide Recommendations).
3. Develop a request for proposal for the re-development, operation, and maintenance of the tennis courts. Since there is a question about the existing facility being over an archeological site, the timing is right to move the courts.
4. Analyze the feasibility of a contract with private sector to operate and maintain the new skateboard facility.
5. Develop a model hobby support group in conjunction with the friend's organization to operate and maintain the model airplane field.
6. Analyze the feasibility of a private sector contract for the entire wave pool operations including the pool, life guards, food service, rafts and parking facilities, etc.

Deer Lakes Park

Revenue Signature – Fishing Lakes

1. Revise and update the current fee and charge schedule (see System-Wide Recommendations).
2. Develop a Request for Proposal for the construction, operation and maintenance of a concession stand for food service, bait and tackle, and disc golf equipment. This could start with a portable facility on weekends to ascertain feasibility.

Harrison Hills Park

Revenue Signature – Allegheny River Overlook

1. Revised and update current fee and charge schedule (see System-Wide Recommendations).
2. Install coin operated telescopes at the Watts Memorial Overlook.
3. The McCurdy Sport Fields are under an exclusive use contract, and should pay the county a fee for leasing the facility, regardless of the age group the lessee represents.
4. Review potential revenue opportunities at the new nature center (old house) i.e. special lecture series, classes, gift shop, small entertainment group concerts, donation box, etc.
5. Establish a concession stand contract for food and beverages, at least on weekends, and if necessary a permanent facility.

White Oak Park

Revenue Signature – Natural Areas

1. Revise and update current fee and charge schedule (see System-Wide Recommendations).
2. Establish a concession stand contract for food and beverages, at least on weekends, and if necessary a permanent facility.
3. Create a White Oak Garden Club in conjunction with the friend's organization to operate and maintain flower beds around road entrances and on the slope areas in the groves and shelter areas, not to mention the gardens around the John J. Muse House.

Round Hill Park

Revenue Signature – Visitors Center and Exhibition Farm

1. Review and update current fee and charge schedule (see System-Wide Recommendations).
2. Considerable private sector assistance is needed at the exhibition farm area. Much could probably be accomplished through the staff with the aide of a special needs list for help by various vendors of equipment and supplies, plus gifts from individual and foundations, etc.

3. Establish a concession stand contract for food and beverages, at least on weekends, and if necessary a permanent facility.
4. Install a donation box near the exit of the exhibition farm.
5. Hold special demonstrations and fundraising events for the farm.
6. Lease farmland to area farmers to create revenue.
7. Institute a program of “feed-a-friend and adopt-a-pet, to be renewed each year.
8. Volunteers are needed to conduct on-site tours and help create an on-going Docent program.

Setter’s Cabin Park

Revenue Signature – Wave Pool Complex

1. Review and update current fee and charge schedule (see System-Wide Recommendations).
2. Analyze the feasibility of a private sector contract for the entire operation of the wave pool complex including the pool, life guards, food service, rafts, parking facilities, etc.
3. Analyze the feasibility of developing a private sector contract to rehabilitate, operate and maintain the Walker-Ewing Log House.
4. Pursue a medium-term contract with the private sector to rehabilitate, maintain and operate the tennis courts.
5. Pursue a private donor(s) to restore and operate the Setter’s Cabin Arboretum and Nature Center.
6. Analyze the feasibility of developing a private sector contract to build, operate and maintain a 9 or 18-hole golf course as suggested by the County Park Master Plan.

Hartwood Park

Revenue Signature – Mansion and Stables

1. Review and update current fee and charge schedule (see System-Wide Recommendations).

2. If major concerts are going to remain in this park, a vehicle entrance fee should be pursued for each event, or at least a donation booth as cars exit the park.
3. Contract with the private sector to operate the concert food and beverage concession with a fair return to the county.
4. A vehicle entrance donation for cars and busses should be pursued for the Celebration of Lights event.
5. Assess the mansion's assets/antiques to determine if any can be sold to create an endowment fund to care for the facility.
6. Pursue a medium to long-term contract with the private sector to rehabilitate, operate and maintain the stables as a public venue, including the establishment of other venues for horse shows, trail rides, indoor ring, tack shop and an English café in one of the cottages.
7. Actively pursue revenue generating opportunities at the Mansion House with rentals for parties, wedding banquets and other special events. A donation box should be established for guided tours.