

COUNTY OF



ALLEGHENY

RICH FITZGERALD  
COUNTY EXECUTIVE

Redevelopment Authority of Allegheny County  
2023 Budget

**ADOPTED**



**Redevelopment Authority of Allegheny County  
General Fund  
2023 Adopted Budget**

	<b>2022</b>	<b>2022</b>	<b>2023</b>	<b>Increase/ (Decrease)</b>	<b>Notes</b>
	<b>Adopted Budget</b>	<b>Projected Revenues / Costs</b>	<b>Adopted Budget</b>		
Beginning Operating Reserve	\$ 343,552	\$ 445,881	\$ 518,302	\$ 174,750	1
<b><u>Revenues</u></b>					
Annual Administrative Fees	\$ 7,918	\$ -	\$ 250	\$ (7,668)	2
Annual TIF Fees	\$ 105,000	\$ 120,000	\$ 75,000	\$ (30,000)	3
TIF Issuance Fees	\$ -	\$ -	\$ -	\$ -	4
Interest Income	\$ 78	\$ 38	\$ 11,647	\$ 11,569	5
RACP Grant Revenue	\$ 180,931	\$ 110,000	\$ 180,931	\$ -	6
Other Income	\$ 503,045	\$ 502,043	\$ 1,000	\$ (502,045)	7
<b>Total Revenues</b>	<b>\$ 796,972</b>	<b>\$ 732,080</b>	<b>\$ 268,828</b>	<b>\$ (528,144)</b>	
<b><u>Expenses</u></b>					
ACED Administrative Contract	\$ 300,000	\$ 300,000	\$ 300,000	\$ -	8
Audit	\$ 70,180	\$ 86,311	\$ 37,300	\$ (32,880)	9
Conference/Travel/Promotion	\$ 5,000	\$ 899	\$ 5,000	\$ -	10
Insurance	\$ 49,997	\$ 29,667	\$ 25,012	\$ (24,985)	11
Legal	\$ 126,275	\$ 128,340	\$ 136,000	\$ 9,725	12
Legal Advertising	\$ 1,000	\$ 110	\$ 1,000	\$ -	13
Professional	\$ 42,000	\$ 42,000	\$ 42,000	\$ -	14
Special Projects	\$ -	\$ -	\$ -	\$ -	15
Prop Mgmt & Maintenance	\$ 25,000	\$ 4,764	\$ 25,000	\$ -	16
Miscellaneous	\$ 67,569	\$ 67,569	\$ 47,736	\$ (19,833)	17
Furniture	\$ -	\$ -	\$ 3,000	\$ 3,000	
<b>Total Expenses</b>	<b>\$ 687,021</b>	<b>\$ 659,660</b>	<b>\$ 622,048</b>	<b>\$ (64,973)</b>	
Excess (Deficit) Revenues Over Expenses	\$ 109,951	\$ 72,420	\$ (353,220)	\$ (463,171)	
Ending Operating Reserve	\$ 453,503	\$ 518,302	\$ 165,082	\$ (288,421)	

**Redevelopment Authority of Allegheny County  
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			<u>Amount</u>
<b>1</b>	<u>Beginning Operating Reserve</u>		
	Projected Beginning Operating Reserve	\$ 445,881	
	Projected 2023 Surplus/(Deficit)	\$ 72,420	
	2023 Projected Beginning Operating Reserve	<u>\$ 518,302</u>	<b>\$ 518,302</b>

- 2** Annual Administrative Fees  
RAAC's annual administrative fees collected on each EDF loan.  
See Schedule A.

	<u>Outstanding Loans</u> <u>(net of delinquents)</u>		
		\$ 250	<b>\$ 250</b>

- 3** Annual TIF Fees (Schedule B)  
RAAC collected several prior year TIF fees in 2022. See table below.  
McClaren is expected to close before Thanksgiving 2022.

	Project	Collected in 2022	Projected 2023
	Mt. Nebo Pointe (2003)	\$ -	\$ -
	Frazier Mills (2004)	\$ -	\$ -
	Clinton Industrial Park Phase 1 (2005)	\$ 15,000.00	\$ 15,000.00
	Northfield (2006)	\$ 45,000.00	\$ 15,000.00
	Westport Woods (2014)	\$ 30,000.00	\$ 15,000.00
	Clinton Industrial Park Phase 2 (2016)	\$ 15,000.00	\$ 15,000.00
	McClaren Road (2022)	\$ 15,000.00	\$ 15,000.00
	Total	<u>\$ 120,000.00</u>	<u>\$ 75,000.00</u>

- 4** TIF Issuance Fees  
For each new TIF deal, RAAC collects a closing fee equal to 2% of the bond issue.  
In addition to the closing fees, for each new TIF project, RAAC will receive \$ 11,500  
in other fees (\$ 10,000 for the TIF Plan Report, a \$ 1,000 agenda fee and a \$ 500  
application fee). We are forecasting 1 new TIF closings in 2023 and is included  
in our annual TIF projection.

\$ -

- 5** Interest Income  
Interest rates for 2023 are expected to increase from 2022. This assumption is  
based on our observation that actual interest earnings have been increasing.  
The following projects interest earnings:

Anticipated Interest Rate	2.50%
Beginning Equity Balance	\$ 445,881
Projected Interest Revenue	<u>\$ 11,147</u>

CD Interest Rate	0.50%
CD Balance	\$100,000
Projected Interest Revenue on CD	<u>\$500</u>

Total Interest Income      FY 2023      **\$ 11,647**

- 6** RACP Grant Revenues  
RACP Grant Revenues are the administrative fees collected on each RACP Grant.  
The administrative fees on grants that were awarded prior to 2017 was 1% of the  
total grant. On grants awarded after 2017, the administrative fee was increased to 2%  
See Schedule C for detail.

FY 2023      **\$ 180,931**

**Redevelopment Authority of Allegheny County  
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**7 Other Income**

\$1K origination fee for loan scheduled to close in 2023.

FY 2023      \$            **1,000**

**8 ACED Administrative Contract**

ACED's annual administrative fee of \$ 300,000 for administrative services provided to RAAC will continue through 2023

FY 2023      \$            **300,000**

**9 Audit**

Professional audit fees are typically contracted every three (3) years, however RAAC extended it's current contract with Maher Duessel for an additional two years. In 2024, the authorities will issue another RFP for years 2024-2027.

FY 2023      \$            **37,300**

**10 Conference/Travel/Promotion**

The general fund will incur \$5,000 for conferences and travel expenses annually.

FY 2023      \$            **5,000**

**11 Insurances**

Below are our insurance premium projections listed by service provider and type of insurance coverage for the period. General liability insurance is primarily for properties purchased by RAAC for future development. RAAC no longer has to pay insurance on 200 Industry Dr in 2023.

FY 2023

James L. Smith Insurance Agency, Inc.

General Liability Insurance: VPRP & vacant Dick's bldg (increase of \$20K from 2021) November 5, 2023 to November 5, 2023

\$            23,021

Defurio Mongell & Associates

Directors and Officers Liability Insurance April 9, 2023 to April 8, 2023

\$            1,700

Defurio Mongell & Associates

Crime Insurance September 24, 2021 to September 24, 2023

\$            291

\$            25,012      \$            **25,012**

Total Insurance

**12 Legal**

The legal contract with Papernick & Gefsky, LLC was renewed in August 2008.

Papernick & Gefsky, LLC

Comprehensive Legal Services Contract

Other additional fees

Monthly                      Annual

\$            135,000

\$            1,000

\$            136,000      \$            **136,000**

Total Legal Services

**13 Legal Advertising**

The general fund will incur \$ 1,000 for legal advertising annually.

FY 2023      \$            **1,000**

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<b>14 Professional</b>			
Consulting fees are \$ 42,000 annually.	FY 2023	\$	<b>42,000</b>
Cramner & Associates provide consulting services to RAAC.			
<b>15 Special Projects</b>			
Special Projects is comprised of projects that cannot be properly classified into any other expense category. Because of its uncertain nature and immateriality RAAC did not budget for any special projects.	FY 2023	\$	-
<b>16 Property Management &amp; Maintenance</b>			
Property Management & Maintenance is an expenditure item for costs incurred for the maintenance of property owned by RAAC such as snow, tree and weed removal. The general fund will be reimbursed from specific projects when funding is available.	FY 2023	\$	<b>25,000</b>
<b>17 Miscellaneous</b>			
The general fund will incur the following miscellaneous expenses in 2023.	FY 2023		
Parking	\$	37,248	
Meeting Expenses	\$	2,500	
Copier	\$	1,300	
Office Supplies	\$	500	
Dues & Subscriptions	\$	1,475	
PNC Pinnacle	\$	4,713	
	<u>\$</u>	<u>47,736</u>	
		\$	<b>47,736</b>
<b>18 Furniture</b>			
Allowance for purchase of furniture, file cabinets.	\$		<b>3,000</b>

**RAAC - Economic Development Fund**  
**Active Loans as of December 31, 2022**  
**Schedule A - Admin Fee Revenue**

<u>Company</u>	<u>Loan Amount</u>	<u>Interest Rate</u>	<u>Closing Date</u>	<u>Maturity Date</u>	<u>Month Due</u>	<u>Projected for 2022</u>	<u>Budgeted for 2023</u>
Blakey Center LLC ( Hill House)	\$ 999,600.00	3.00%	11/16/2017	11/16/2032	November	\$ -	\$ -
Innovation Ridge	\$ 3,510,031.00	4.00%	9/23/2010	9/23/2030	September	\$ -	\$ -
261 Center Street Property, LLC	\$ 907,750.00	3.75%	10/26/2004	4/1/2025	December	\$ -	\$ -
Westpointe Corp. Center Two, LP	\$ 2,000,000.00	4.00%	7/18/2000	7/18/2025	July	\$ -	\$ -
Connections for Success	\$ 50,000.00	3.25%	2/1/2022	1/31/2023	January	\$ 250.00	\$ 250.00
<b>Total Active Loans</b>	<b>\$ 8,467,381.00</b>			<b>Annual Estimated Totals</b>		<b>\$ 250.00</b>	<b>\$ 250.00</b>

In Bankruptcy

Black Forge Grounds	\$ 113,000.00	2.50%	8/31/2018	8/31/2028	August	\$ 250.00	
One Jet Inc.	\$ 500,000.00	3.00%	4/21/2016	4/21/2023	April	\$ -	
One Jet Inc.	\$ 1,000,000.00	3.00%	4/18/2017	4/1/2021	April	\$ -	

**RAAC  
Annual TIF Fees  
For Year 2023  
Schedule B**

<b>Project</b>	<b>Year Financed</b>	<b>Annual TIF Fee</b>
Mt. Nebo Pointe	2003	\$ -
Frazier Mills	2004	\$ -
Clinton Industrial Park Phase 1	2005	\$ 15,000.00
Northfield	2008	\$ 15,000.00
Westport Woods	2014	\$ 15,000.00
Clinton Industrial Park Phase 2	2016	\$ 15,000.00
McClaren Road	2022	\$ 15,000.00
Total		<u>\$ 75,000.00</u>



**Redevelopment Authority of Allegheny County  
2023 RACP Admin Fees  
Schedule C**

<b>Contract #</b>	<b>Contract Year</b>	<b>Project Name</b>	<b>Contract Amt</b>	<b>Admin Fee</b>	<b>Admin %</b>
300-1602	2018	RMU Convacation Center	\$ 5,000,000.00	\$ 40,000.00	2%
300-1638	2016	Sports Complex Montour	\$ 2,000,000.00	\$ 40,000.00	2%
300-1673	2018	Allegheny County Airport Authority	\$ 9,000,000.00	\$ 68,431.00	1%
300-1052	2012	Jefferson Regional Medical Center	\$ 250,000.00	\$ 2,500.00	1%
300-1515	2018	Industrial Center of Mckeesport Commons 1	\$ 1,000,000.00	\$ 10,000.00	2%
300-1521	2016	Allegheny Petroleum (invoiced 12/7/21)	\$ 1,000,000.00	\$ 20,000.00	2%
			<u>\$ 18,250,000.00</u>	<u>\$ 180,931.00</u>	

**Remaining RACP Admin Fees**

<b>Contract #</b>	<b>Contract Year</b>	<b>Project Name</b>	<b>Contract Amt</b>	<b>Admin Fee</b>	<b>Admin %</b>
300-922	2011	McClaren Road	\$ 5,000,000.00	\$ 50,000.00	1%
300-1317	2012	Naser Road Project	\$ 250,000.00	\$ 2,500.00	1%
			<u>\$ 5,250,000.00</u>	<u>\$ 52,500.00</u>	

