

Brief history of WYEP

WYEP-FM signed on the air as an independent, community based public radio station on April 30, 1974. WYEP - 91.3FM has always been a unique spot for programming on the radio dial. Our programming is crafted locally and is a mix of diverse non-mainstream, non-commercial music, public affairs and information spotlights on essential Pittsburgh arts, culture and human service organizations.

In WYEP's first decade of broadcasting its program schedule featured some NPR programming mixed with local offerings, a schedule that closely resembled a public access programming model. This patchwork quilt schedule proved unsustainable. With planning assistance and funding from the Pittsburgh Foundation, WYEP signed off the air in 1985 and reorganized, creating a clear mission statement based on serving a critical mass audience with high quality public radio. The reconstituted WYEP secured a small and space for studios and offices on the campus of Chatham College.

In 1994, after several years of growth and stability, a small but successful capital drive supported by the Heinz Endowments, the McCune Foundation and Federal funding enabled the station's move to Pittsburgh's Historic South Side. A burgeoning movement of arts and entertainment organizations and businesses was reclaiming this neighborhood left blighted by the collapse of Pittsburgh's infamous steel industry. A new synergy was created between this fledgling renaissance and WYEP and a profound evolution was set in motion benefiting both WYEP and the renewed urban neighborhood.

The move was catalytic in fostering WYEP's impact on the quality of life in our region and the growth in listenership, membership and financial stability at the station. The following statistics offer a snapshot of WYEP's growth:

Audience Growth

<u>1994</u>	<u>2004</u>
45,000 weekly listeners	85,000 weekly listeners

Membership Development

<u>1994</u>	<u>2004</u>
3,500	7,100

Average Annual Listener Donation

<u>1994</u>	<u>2004</u>
\$45.00	\$73.00

Cash Reserve

<u>1994</u>	<u>2004</u>
\$106,000	\$867,000

With the goal of sustaining this pattern of dramatic growth and setting the stage for a new round of quality service, WYEP staff and Board of Directors embarked on a professionally facilitated strategic planning process in 2002. The planning group determined that the changing media landscape could limit the impact we have in our community, but more importantly that ongoing commercial media consolidation would create new opportunities for WYEP.

Most urgently, we recognized that physical constraints - a cramped and aging facility utilizing obsolete technology prevented us from expanding our service and realizing growth. The planning group examined the station's strengths to maximize opportunities and articulated goals to ensure a dynamic and growing future. WYEP is implementing a capacity building strategy that includes growing our listener base, membership base and local business support to further enhance its ability to sustain the newly created broadcast center.

Services provided and persons served

As a public radio station our service is available 24 hours a day to anyone in Southwest Pennsylvania, an area of approximately 2.1 million people. The audience for public radio in general and WYEP in particular has enjoyed dramatic growth in the last dozen years. In a recently published study of public radio listening, public radio's audience has been growing by an average of 4% per year since 1989. WYEP's weekly audience has grown from 30,000 to 85,000 during this same time period; we have been outpacing the already impressive national statistics for public radio audience growth.

WYEP, like all of public radio, serves a diverse, curious, thoughtful and well-educated population. We serve people who enhance their lives with quality media, art, music, dance, film, education and volunteer service experiences. The median average age of the WYEP audience is 41 years old - 33% of our audience is between the ages of 25 and 34, 55% is between the ages of 35 and 54. The WYEP audience is evenly split between men and women. The education level of our audience is also widespread: 19% are high school graduates, 21% have completed some college course work, 38% have college degrees and 22% have advanced degrees. These audience demographics reflect a wide cross-section of the population of Southwest Pennsylvania.

Program Service

WYEP's on-air program schedule is also diverse. We are affiliates of both *National Public Radio* and *Public Radio International*. Our programming is supported by the *Corporation for Public Broadcasting* through their Community Service Grant program and by the *Pennsylvania Council on the Arts* for our *Arts Interactive* programming.

WYEP's music programming is an eclectic mix of blues, folk, world, rock, Americana, western swing, Tex-mex, electronic and singer/songwriters. This multi-genre approach to programming has a distinct sound of its own. We also program several hours of locally produced programming each week focusing deeply on many of the above listed genres with specialty programs.

- The *Roots and Rhythm* mix is a three hour exploration of Cajun, Zydeco, Tex-mex, delta blues and honky-tonk swing music.
- Saturday nights on WYEP are an exploration of blues music in its many forms with 3 programs, *Blues and Rhythm*, *Big Town Blues* and *Beale Street Caravan*.
- Sunday morning's *An American Sampler* and Saturday morning's *Acoustic Sunrise* delve into Folk and acoustic music from the mid-twentieth century to present day including a steady dose of acoustic blues of the deep south.
- Celtic music is presented twice weekly on WYEP with Fiona Ritchie's award winning *Thistle and Shamrock*.
- The *Bluegrass Jam Session* and *Traditional Ties* feature music from the Appalachian region – an essential program given that Pittsburgh is the largest population center in Appalachia.
- *Dub Mission* takes music radio in an entirely different direction featuring new music innovations with electronica, downtempo, broken-beat and deep house mixes.
- *The World Café* is a nationally syndicated program that airs daily on WYEP. An eclectic music program that features a live performance and interview with both emerging and critically acclaimed artists.

More than a music station WYEP features an array of unique public affairs programs not heard anywhere else on the radio dial in Pittsburgh.

- *This Way Out* is a nationally syndicated Gay and Lesbian news magazine program.
- *Counterspin* is a program dedicated to challenging mainstream media offering a critical behind the scenes look at major news stories and how they are presented by major media.
- *The Allegheny Front* is the region's only environmental news program. It is produced in the WYEP studios and airs twice weekly.
- *Prosody* explores literature and poetry hosted by an award winning Pittsburgh poet and educator; *Prosody* is produced in the WYEP studios and airs twice a week.
- PRI's award winning *This American Life* airs twice weekly on WYEP.
- NPR news headlines are aired hourly to keep listeners abreast of breaking national and international news.

Staff and Board Inclusiveness and Diversity

The programming diversity cited above is an outgrowth of our mission, our policies and practices of inclusiveness. As a public broadcaster our goal is to reflect the community we serve with programming and personnel. At our highest level of responsibility, our Board of Directors (see attachment A), you will find a diverse group of individuals – twelve percent of our Board is African American, equal to the ratio of African Americans to Anglos in our service area; there are six women on our Board, one is a member the executive committee of the Board, while one is the immediate past Chairperson of the Board. Three of our six member volunteer Community Advisory Board are women.

Six of our thirteen staff members are women and five of them are in top level executive positions responsible for critical decision making, setting broad direction for their departments and supervising staff and volunteers:

- Program Director is a gay female who supervises a programming staff of 4 and volunteer staff of 22.
- Development Director, responsible for oversight of all fund raising activities including supervision of membership services.
- Marketing Director, responsible for all external marketing including advertising, print materials, web promotions and internal public relations.
- Internet Services Director, responsible for our web site, newsletter, Email list, archived programming streams on our web site.
- Capital Campaign Specialist.

Of the twenty-two volunteer program producers; eleven are women, two are African American, one is Indian American, one is Turkish American and two are gay. The executive producers of both the *Allegheny Front* and *Prosody* are both women.

Diversity is a work in progress; the diversity we've achieved is probably at an all-time high but we don't ever feel "finished." Operating with a Federal authorization WYEP maintains rigorous Federal standards as an equal opportunity organization.

Quality and Distinction

Award winning radio

Based on the impact the station is having WYEP has been recognized at the city, state and national levels. The following is a list of awards we've received for our programming:

2004 Pennsylvania Association of Broadcaster *Excellence in Broadcasting* for Public Service
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2002 City Paper Reader's Poll: *Best Radio Station* in Pittsburgh
2002 Family Resources *Children First Prevention Award*
2002 Greater Pittsburgh Community Food Bank *Heartfelt Thanks Award*
2002 American Institute of Graphic Artists award for *Best Web Site* design
2001 City Paper Reader's Poll: *Best Radio Station* in Pittsburgh
2001 In Pittsburgh Weekly Reader's Poll: *Best Radio* station in Pittsburgh
2001 In Pittsburgh Weekly: "WYEP, the 8th Best Thing about Living in Pittsburgh Award."
2001 CASA - *Children's Voice Award*
2000 City Paper Reader's Poll: *Best Radio Station* in Pittsburgh
2001 In Pittsburgh Weekly Reader's Poll: *Best Radio* station
1998 Greater Pittsburgh Community Food Bank *Heartfelt Thanks Award*
1997 National Golden Reel Award: *Best Local Program*
1995 Pennsylvania Association of Broadcasters *Excellence in Broadcasting* – Best Children's Program
1995 Pennsylvania Association of Broadcasters *Excellence in Broadcasting* award
1995 In Pittsburgh Weekly Reader's Poll: *Best Radio* station
1995 Pennsylvania Association of Broadcasters *Excellence in Broadcasting* award
1992 Pennsylvania Association of Broadcasters *Excellence in Broadcasting* award - Best Public Affairs Program

Key Issues Facing WYEP and Public Radio

Planning the Future

The need for independent public radio has never been more profound. Since its inception over 75 years ago radio has been the most immediate, most personal and most locally accessible communications media. Today, through a series of media consolidations, local control and local presence on the radio is greatly diminished and at many stations it is non-existent. This loss creates a need and an opportunity

for WYEP. Commercial radio through its narrow formatting, homogenous sound and dramatic increase in commercial content is rapidly alienating listeners - listeners hungry for great music and a connection to their community are finding those qualities at WYEP, goals that are tied directly to the creation of the Community Broadcast Center.

WYEP must remain indispensable in our community. With the growing number of media alternatives from distance sources – satellite audio, the internet, and corporate consolidation of existing media, WYEP must create increased local presence and permanence. After identifying these issues our strategic planning group established the following goals.

Future Goals: to become a highly recognized arts and cultural institution

Stated simply WYEP's goal is to be considered an equal among the top cultural institutions in Pittsburgh – an essential organization that the region cannot do without. In a survey of WYEP's membership our goal is to be rated as one of the five most important institutions in their life; in a survey of our broader listenership our goal is to be rated in the top ten institutions in our region.

Program service expansion via the Broadcast Center

- Live concert broadcasts with an in-studio audience; goal: 30 concerts a year, attendance of 75 persons per performance
- Monthly music and radio education workshops attendance goal: 100 – 125 persons annually
- Increase number of studios for ease and expansion of radio program production
- Intern space for growing internship program: 18 college and graduate students a year

Audience service expansion

- Grow listenership from 85,000 to 100,000 weekly listeners to bring essential public radio programming to more people
- Increase weekly time spent listening by listeners increasing impact for arts, culture and human service organizations

Membership development goals to sustain operations in new facility

- Increase average annual donation from \$73. to \$85.
- Increase membership base from 7,100 members to 8,500 members
- Increase major donor list from 300 to 600

Audience involvement with the station through artist interactions

Becoming indispensable involves quality person-to-person interaction for listeners between WYEP

staff and talented musical artists. It involves having a broadcast center for listeners to come and have a memorable radio and music experience. WYEP has become more than a radio station, we now will become a center of activity where people come together for a one-of-a-kind music and radio broadcast experience.

Developing a sense of place and permanence

Pittsburgh is a landmark city – known by and for its neighborhoods, distinct historical architecture and heritage. Radio on the other hand has become bland and characterless due to commercial consolidation. WYEP sees an unparalleled opportunity to set itself apart from the rest of mass media while celebrating the unique character of Pittsburgh. Building our own home, an interactive broadcast center for audience, volunteers and young interns to come to will set WYEP apart. We will make a mark on the cityscape so the general audience will visualize where we are and appreciate our commitment to localism – people will say “WYEP is all about Pittsburgh – something we can’t live without.”

Collaborations, active affiliations and essential media sponsorships

WYEP – A Voice for Many Voices

Critical to mission fulfillment and our public radio ideals, an essential service of WYEP is sponsoring other non-profit organizations and their events. This commitment ensures broad community awareness of the organization we sponsor and increases participation at the events. Sponsorships include

dedicating airtime for interviews, in-depth information spotlights, and public service announcements.

Some of our most successful sponsorships include:

The Three Rivers Arts Festival
Concerts in the County parks
The Three Rivers Film Festival
Pedal Pittsburgh
Pittsburgh Cares Servathon
Art for Aids Auction
Art All Night
Bradley Fest, music festival for the Bradley Center
Pittsburgh Irish Festival
Calliope Folk Society Concert Series
Quantum Theatre
Allegheny County Music Festival benefiting underprivileged children
Attack Theatre
Carnegie Library – Diversity Dialogues
Pittsburgh Gay and Lesbian Film Festival
Jewish Israeli Film Festival
Amnesty International Film Festival
The Empty Bowls Dinner for Second Harvest and the Pittsburgh Community Food bank

Our most recent collaboration is especially noteworthy. WYEP proposed the establishment of a partnership between the station and two other non-profits, the Pittsburgh Cultural Trust and the Three Rivers Arts Festival to produce an ongoing concert series entitled *CD Live!* The series was embraced by our partners and is held in one of the several downtown performance venues owned and operated by the Cultural Trust. The concerts are promoted by WYEP and produced by the Three Rivers Arts Festival. In eighteen months the *CD Live!* series has produced the following concerts: Patty Griffin, Bela Fleck and the Flecktones, Indigo Girls, Richard Thompson, Y'ssou N'dour, John Scofield, Joan Baez, Emmylou Harris, the Blind Boys of Alabama, Rufus Wainright, Keb Mo and David Byrne.

WYEP special events: collaborations that “give back”

WYEP's *Annual Holiday Concert* is a benefit to aid the child abuse prevention programs of CASA

(Court Appointed Special Advocates) and *Family Resources*. Our annual concert features great

musicians but more importantly has raised \$75,000 for *CASA* and *Family Resources* since 1999.

WYEP also produces the annual *Alternative Souper Bowl*, a special food drive collection to benefit *Hearth* a shelter for homeless women and children. The Pittsburgh Blues Festival was created nine years ago by WYEP staff, members of the Greater Pittsburgh Community Food Bank and community volunteers to raise money for the Food Bank. The annual Blues Festival generates as much as \$100,000 each year. WYEP staff no longer organizes the festival but we are the media sponsor and broadcast from the festival every year.

These events raise significant financial resources for the beneficiaries but equally important they raise awareness of issues facing our communities. These events highlight the positive work of the beneficiaries and enable listeners to help them fulfill their missions.

Measuring success

Collaborations work. WYEP spends considerable airtime, as well as web and print materials partnering with these organizations and events. The impact is impressive. A listener study by *Campos Market Research* in Pittsburgh indicate that this area of mission fulfillment is well received by listeners and making an impact:

- Eighty-four percent of listeners report that “it is important for WYEP to be involved in community-based causes”
- Seventy-seven percent report that “WYEP does a good job of keeping them informed about arts and culture in Pittsburgh
- By listening to WYEP seventy-five percent say “they feel like a part of the community”
- Seventy-three percent of listeners say it is “important for WYEP to offer programming on important civic and social issues.”
- Twenty-nine percent say they “depend on WYEP to keep them informed about local issues.”
- Twenty-two percent of listeners said they either donated money to organizations or did volunteer work based on the media sponsorships created by WYEP.

Facility Maintenance

WYEP has one full-time staff person dedicated to maintenance of studio and broadcast equipment and we have one contract employee, a certified electronics engineer, who oversees the operation and maintenance of WYEP's most technically sophisticated broadcast equipment. This person is on call 24 hours a day and performs weekly maintenance duties while maintaining compliance with all Federal broadcast regulations related to our equipment.

As a matter of financial policy WYEP books depreciation of fixed assets on our monthly financial statements and audited financial documents. We have a policy distinguishing fixed asset acquisitions from small equipment items. These policies together give the organization a picture of the relative current health of our broadcast facility ensuring we have funds to maintain and replace worn out equipment.

Thus, there are no serious maintenance issues at WYEP as we have committed human resources to maintaining our facilities. Facility development for expansion of services is the core of our capital campaign. While WYEP's operating funds are stable and growing, capital acquisition for facility and expansion must be accomplished through capital campaigns seeking the generosity of individuals, corporations and Foundations. Our campaign is unique and exciting because it will embrace and showcase a new way of operating utilizing an integrated facility design process and a sustainable building to redirect resources to our program service and expansion.

Project Scope, Square Footage, Program Spaces

WYEP is moving forward with its plans to create the new Community Broadcast Center, ensuring 30 more years of high quality, listener supported community radio in southwest Pennsylvania.

On April 30, 2004 we purchased a blighted property on Bedford Square adjacent to the historic Market House on Pittsburgh's venerable Southside on which to construct the Center. The Federally funded *Main Street Program* has enabled the South Side transformation through the historic restoration of hundreds of storefronts and the creation of a vital arts and entertainment district that includes a myriad of restaurants, clubs and music venues. The property we acquired, roughly 8,500 square feet, was assessed by an independent auditor at \$30.05 per square foot. We purchased the property for \$20.50 per square foot; it was sold to us by a member of WYEP's Board of Directors.

The proposed Broadcast Center is now drawn as a two story, twelve-thousand square foot building. We have retained one of Pittsburgh's leading certified "green" architects – Davis + Gardener + Gannon + Pope. Kevin Gannon is the lead architect for our project. (Please see attachment C for the architect's rendering of the Broadcast Center).

Positioning to respond effectively to key issues

The new Broadcast Center is a physical manifestation of our mission statement and our strategic plan. In implementing our Strategic Plan creating the proposed Community Broadcast Center was central to meeting our new initiatives. With this goal established we held a professionally facilitated Board retreat with staff representation to express the vision for the Center, challenge that vision and its

assumptions, revise the vision and ultimately empower existing volunteer Board committees and staff to realize the vision.

Program planning

WYEP's Community Broadcast Center is part of a broader strategic plan created by a representative group of staff and Board members. The heart of the WEYP plan is to build capacity by:

- Enhancing the station as an essential organization in Southwest Pennsylvania
- Proactively position the station against future audio offerings, e.g. satellite radio
- Maintaining the current staff, enhance its professionalism and add an Education and Outreach Director
- Being "more than a radio station" by leveraging our broadcast service to positively impact the quality of life in the region

The Broadcast Center will include the following spaces to fulfill our goals:

- Performance studio for live broadcasts concerts for an audience of up to 100 people
- Expanded production studios and capacity for improved public affairs and public service programming and ease of use for programming staff
- An expanded technology center for improved internal and external communications including new digital advances for program production and distribution from our national partners – National Public Radio and Public Radio International
- New meeting space to meet with our sponsorship partners and to foster increased non-profit collaborations
- Office and production space for local radio producers of the *Allegheny Front* and *Prosody*
- Public space for interacting with listeners and members
- New office space to address inadequacy at present location and expanded education and outreach staff
- New work space for interns in our expanded internship program
- Expanded volunteer work space for volunteer on-air program producers

Mr. Gannon and one of the design firm partners, Jeff Davis, led an all-day space planning session with station staff and key Board members establishing a space program plan that in turn lead to the above space listing. Mr. Gannon continues to lead ongoing meetings of these groups to further develop floor plans to address those needs.

Early floor plans were the basis for the preliminary building budget projection of \$1.9 million put together by our general contractor, SOTA Construction (see attachment D). Mr. Gannon met with SOTA to discuss program plan, share representative drawings, general acoustical treatments, and standard studio infrastructure to assist the general contractor in providing us with as reasonable an estimate as possible.

We are integrating green design, construction with ongoing operations. From the outset our goal has been to create a Community Broadcast Center that respects the built environment utilizing sustainable building practices to maximize overall human, economic and environmental health, creativity and productivity.

Please review the attached LEED Score Card (Attachment E) to see a list of significant, sustainable features we plan to incorporate into the Community Broadcast Center.

We've selected Pittsburgh's leading "green builders," SOTA/Clearview Construction as general contractors for the project. We have created a team that will advance our project and also advance the learning to create valuable lessons about what works for the broader sustainable green building community. Together our design/build team has completed a total of 9 projects and 470,000 square feet of environmentally sustainable buildings in Southwest Pennsylvania.

To date the architectural planning is 70% complete and includes spaces designed for all of the work areas listed above. The building design is 95% complete and construction drawings are far enough along that our architect states he is confident of meeting our self imposed July 1, 2004 deadline.

Architectural plans have progressed to the point where our general contractor is meeting regularly with our architect, mechanical engineers, and energy modelers to create a “design and development” budget for us to compare to his preliminary budget of \$1.9 million dollars. The “design and development” budget is projected to be completed by the third week of May. It will allow our Operation Committee to begin the “value engineering” process and accurately assemble the appropriate “green” building elements for eventual LEED certification.

Of special note is the dramatic rise in the cost of steel since our preliminary budget was drafted. Both our general contractor and architect are pre-cautioning us about our original budget and believe steel prices will likely inflate the budget by as much as ten percent.

We have successfully completed project diligence items including, city zoning, historic review commission and site survey. A final building permit cannot be issued until construction drawings are complete; our self-imposed deadline is July 1, 2004.

WYEP Goals for Community Broadcast Center
Audience Development

Goals: Grow weekly audience from 85,000 to 100,000 listeners by June, 2008.

Grow average time spent listening by listeners from 7 hours weekly to 8 hours weekly by June, 2008

Outcome: More listeners listening longer enhance WEYP’s impact on arts, culture and human service.

Our membership base will grow increasing revenue to sustain operations in the new Broadcast Center.

Measurement: We will use Arbitron and Media Audit research to benchmark audience goals.

Membership Development

Goals: Grow average annual gift from \$73.00 to \$85.00 by December, 2006.

Increase membership base from 7,100 members to 8,500 members by June, 2007.

Increase major donor list from 300 to 600 by December, 2007.

Explore new donor initiatives for implementation - Electronic Funds Transfer sustaining program, enhanced “cold acquisition” membership marketing, ongoing.

Outcome Increased revenue for program expansion and sustaining operations in new center.

Measurement: Memsys, WYEP legacy database and public radio proprietary membership software

Audience Interaction

Goals: Monthly music workshops attendance goal: 100 – 125 persons

Live audience participation broadcasts goal: 25 - 30 concerts per year, average attendance of 75 persons per radio concert.

Pittsburgh Music Legacy project (phase two): 5,000 annual visitors.

Outcome: Increased music education opportunities for the community of musicians and/or aspiring musicians. Intimate experience of radio broadcasting and music for audiences.

Measurement: registration and attendance

Staff Development

Goals: Hire Administrative Assistant to help manage organization’s growth, strengthen bookkeeping, timely financial reporting to management and Board, program log and data management.

Hire Education and Outreach Director to coordinate monthly music workshops, explore the creation of the Pittsburgh Music Legacy Project, liaison with schools and community groups and additional outreach efforts as presented by creating the broadcast center.

Outcome: Increased staff creativity and productivity through enhanced facility and better resource utilization. Music Education opportunities for the broader community. Enhancing connections broadcasting and music to new listeners.

Measurement: timely completion of administrative duties, attendance figures at workshop and training events, increased number of interns and volunteers.

Operational Developments

Goals: Dedicated programming space for music listening, program planning and program staff meetings.

Expanded studios for ease and expansion of production.

Small meeting spaces for increased communication and task completion.

Intern space for expanded internship program: 18 college and post graduate students per year.

Large meeting room for Board meetings and staff, volunteer and intern training events.

Secure music library.

Essential technological upgrades for:

- Web site service development: online arts and event calendars, e-news, interactive services, archived audio
- Audio delivery cabling and systems to optimize program production and distribution to on-air and web site.
- Computer network for increased staff productivity and resource utilization
- Phone system – WYEP’s current system is antiquated and at capacity, a replacement is essential
- Expanded office space for growing staff and increased professionalism and productivity

Outcome: Professional work environment aligned with staff professional growth and commitment.

Retain current staff and attract new talent, paid, volunteer and interns. New programming: public service, public affairs, local music and art, on the air and on station web site. Expanded internship and volunteer education program.

In the spring of 2003 WYEP retained the services of fundraising counsel, *First Side Partners* to conduct a capital campaign feasibility study to determine WYEP strengths and to gauge whether there was enough Foundation and membership support for a capital campaign. In spite of a “challenging” economic climate *First Side Partners’* study stated that WYEP has the capacity to raise \$2.5 million dollars for a new Community Broadcast Center. WYEP’s Board of Directors adopted the study at its June 2003 Board meeting.

In the summer of 2003 we retained the services of *First Side Partners* to work with the staff and Board to organize a capital campaign structure, timeline, communication and major donor cultivation plan.

Project’s impact on over all budget

Revenue

Through a capital campaign we are cultivating large donations from our existing group of major donors by establishing deeper personal connection to the station and demonstrating to donors how their gift will create a stronger Independent Public Radio station through expanded service at the Community Broadcast Center. We will maintain these strengthened relationships through engaging events at the Center and ongoing communication, including a new major donor newsletter.

Additionally, the capital campaign presents an outstanding opportunity to renew WYEP lapsed donors, members who have not contributed for over 17 months. There are 10,000 lapsed members in our membership file. Capital campaigns generate enthusiasm and new generosity from past supporters. A donation to a capital campaign presents an excellent opportunity to re-enlist the lapsed member as an ongoing donor once they’ve made a capital gift. This pool of 10,000 people who have donated to

WYEP in the past is a tremendous source of support for both the capital campaign and operations. We expect to re-enlist 750 – 1,000 lapsed members as ongoing members through our capital campaign.

The same enthusiasm will be created with our growing audience – new listeners who are not yet members will be seize the chance to make a capital gift to the campaign. We will work aggressively to transition this group of campaign supporters into sustaining members supporting of our operational budget.

The capital campaign, through the volunteer Steering Committee and volunteer Board of Directors, is building new relationships with major donors as they solicit capital gifts from \$500 to \$50,000.

WYEP's small development staff is not able to reach out to new donors in this gift range thus the work of the volunteer committees will be invaluable in building up our operating revenues through this enhanced revenue stream.

A capital campaign and new home for WYEP is already generating attention from other media; on April 29, 2004 the two largest newspapers, the largest television broadcaster and Pittsburgh's public television station all did stories about WYEP purchasing property and planning a new home. This attention broadens awareness of the station in the business community. We will be adding a second underwriting sales person to our staff with a goal of growing our sales from \$250,000 annually to \$450,000 over the next 4 years.

While our capital campaign for a new Broadcast Center is a capacity building initiative, our discussion here is founded on very conservative growth assumptions citing only incremental increases in revenue

based on audience and membership levels. Meeting our increased audience and membership goals will assuredly result in even greater revenue growth from members.

Expense

New operational expenses are being planned for. We retained the services of a real estate development specialist to create a building pro-forma so we know exactly what new expenses to include in our 10 year projected budget. A successful capital campaign will result in the elimination of one major expense from our current budget, specifically \$41,500 annual rent expense for our present space. New expenses at the Broadcast Center per the building pro-forma total \$126,165. Subtracting our current rent expense, the projected net difference in operation expenses is projected at \$82,665* more than present expenses. New expense line items include:

- Electricity service: \$37,000
- Gas service: \$9,100
- Maintenance contracts for mechanical systems, heating, cooling, and elevator: \$5,870
- Janitorial, trash removal, grounds keeping services: \$16,575
- General building maintenance service: \$2,080
- Water and sewage: \$1,040
- Security system maintenance: \$520
- Insurance: \$6,980
- Property taxes: \$5,000 - \$45,000*

*As a tax-exempt 501(3)c we will be applying for a waiver from property taxes. If property taxes are not waived we will qualify for a tax abatement program which will reduce annual property taxes from an estimated \$45,000 to \$5,000 for the first five years of occupancy. Thus the net difference in operating expenses will be \$44,665 in the first year of occupancy going to \$82,665 five years later, assuming taxes are not waived permanently.

WYEP has consistently raised an average cash surplus of approximately \$80,000 every year over the past seven fiscal years. We are projecting a cash surplus of \$60,000 in our present fiscal year. Our cash surplus budget allows us to easily meet the additional Broadcast Center operating expenses in the first five years if revenue generation sited above is not as successful as planned. We confidentially expect and our track record supports membership donations and underwriting revenue growing in the first five years allowing us to meet the \$84,165 additional expense in the sixth year of occupancy.

Fundraising Track Record: Annual giving appeals, previous capital campaigns

WYEP has seen membership growth to parallel the growth in listeners. Since 1997, WYEP has averaged 6% annual increases in membership revenue. We follow "Best Practices" for public broadcasting fundraising as defined in studies funded by The Corporation for Public Broadcasting.

Our annual giving appeals consist of a five-letter renewal cycle, twice annual lapsed mail and tele-funding campaigns, twice annual additional gift and acquisition mail appeals, three on-air membership campaigns, and daily on-air membership spots. The WYEP renewal rate is a strong 59%, equal to the national average for all public radio stations and above the average for music-only public stations. Our average pledge has increased from \$66.00 in 1999 to \$73.00 in 2004. Underscoring the relevance and importance of our internet service, revenue from the secure pledge form on our web site has grown from \$815.00 in 1999 to \$55,000 in 2003.

Previous capital campaign

In 1994 WYEP conducted a two phase capital campaign. Phase one enabled us to move from a small cramped space – 800 square feet, on the campus of Chatham College to our present south side location. Nearly \$250,000 was raised to renovate 3,000 square feet of raw warehouse space for studios and offices. Phase two of the campaign, conducted shortly after studio construction was complete, brought in \$210,000 to upgrade our studio infrastructure to digital equipment and a digital audio distribution network.

Major contributors to that campaign:

The Heinz Endowments	\$100,000
Public Telecommunications Facility Project	\$102,000
McCune Foundation	\$ 40,000
The Pittsburgh Foundation	\$ 35,000
Jennings Hillman Foundation	\$ 25,000

Rockwell Family Foundation	\$ 10,000
Simmons Family Foundation	\$ 10,000
PNC Bank Foundation	\$ 9,000
WYEP listeners	\$119,000

The current Capital Campaign fund raising plan

In November of 2003 a volunteer Steering Committee was organized by our volunteer capital campaign Chairman, Sean Sebastian. Mr. Sebastian solicited donations from the Steering Committee totaling \$236,900. The Committee met and generated a list of 400 top prospects to solicit from their personal contact list and WYEP's member file. Our capital campaign is broad-based and well planned.

The following outline is the foundation of our planned success:

June – December 2003

- Plan roll-out of the campaign
- Develop volunteer leadership at major gift level
- Begin education and cultivation of major donor prospects
- Solicit lead gifts from Foundations
- Host invitation only events

January – May 2004

- Solicit select major donors; first round
- Begin education of broad public
- Host invitation only donor cultivation events

May 2004 – July 2005

- Public Kick-off of WYEP's 30th Anniversary Celebration to raise awareness
- Public launch of capital campaign once we reach \$1,500,000 in awards and pledges – anticipated by June 25, 2004, coordinated with WYEP Annual Summer Music Festival
- Educate the public about the capital campaign
 - Information booth with campaign promotional materials at Arts Festival
 - Information booth with campaign promotional materials at summer concert series in the parks
 - WYEP newsletter
 - Dedicated web site with capital campaign information

- Concert receptions at all WYEP concerts, including *CD Live!* and ongoing member appreciation concerts
- Solicit broad membership of 7,100 members for a capital gift
 - Direct mail appeals
 - Special on-air membership campaign
 - eMail appeals to 3,000 eMembers
- Solicit select major donors; second round
- Solicit non-members
- Host several high visibility events
 - Groundbreaking at construction site
 - Annual Holiday concert at Carnegie Music Hall
 - Auction/Gala fund raiser for capital campaign

Research was conducted on this list, Steering Committee members established donation ranges for individuals based on the research and personal knowledge for each potential donor. The Steering Committee began cultivating and in some cases soliciting prospects for capital gifts in March, 2004.

Upcoming cultivation events include house concerts, tours of our present studios and bi-weekly music radio workshops with station staff. This volunteer effort is planned to continue through July 1, 2005.

Several grants were submitted by the Chairman, Steering Committee members and WYEP's General Manager beginning in November, 2003; grant submission is an ongoing process with the following progress to date:

- The capital campaign volunteer Steering Committee has pledged \$236,900 to the project
- In May, 2004 the Heinz Endowments awarded WYEP \$500,000 to the project
- In December, 2003 the McCune Foundation awarded WYEP \$250,000
- In December, 2003 the Rockwell Family Foundation made a \$30,000 grant
- In December, 2003 the Simmons Family Foundation requested a proposal for \$75,000
- In November, 2003 the J.R. McCune requested a proposal for \$75,000
- A Senior Program Officer at the Richard King Mellon Foundation requested a proposal for \$500,000
- The Birmingham Foundation has requested a proposal from WYEP for \$50,000
- In April, 2004 we submitted a proposal requesting \$30,000 from the Massey Charitable Trust
- In April, 2004 we submitted a proposal to the [Example] Green Initiative requesting \$100,000
- In May, 2004 we submitted a proposal requesting \$75,000 from the PNC Bank Foundation
- In May, 2004 we submitted a proposal requesting \$25,000 from the Giant Eagle Foundation

- Applications will be submitted to: The Cooper-Siegel Family Foundation, The Sason-Elligator Foundation, The Hillman Foundation, The Jennings-Hillman Foundation, The Millstein Foundation, The Eden Hall Foundation, and The Byham Family Trust. All of the above Family Foundations are current supporters of operations at WYEP.
- We will also submit applications to The Heinz Company Foundation, The Alcoa Foundation, The Eden Hall Foundation, The Laurel Foundation and the Bayer Foundation
- In-kind donations to date:
 - Case Statement print project \$21,000
 - Pro-bono legal services \$18,000
 - Property (sale price v. market assessment) \$80,000

“Stretch” donations to Capital Campaign

Campaign Chairman, Sebastian family gift of \$75,000 (average annual gift in past was \$1,000.)

Volunteer Steering Committee capital gifts:

- Eles family gift of \$50,000 (average annual gift in past was \$1,000.)
- Condrón family gift of \$25,000 (average annual gift in past was \$500.)
- Cardamone family gift of \$10,000 (average annual gift in past was \$1,000.)
- Strome family gift of \$10,700 (average annual gift in past was \$700.)
- Zappala family gift of \$10,500 (average annual gift in past was \$500.)
- Blair family gift of \$10,000 (average annual gift in past was \$1,000.)
- Karet family gift of \$10,000 (average annual gift in past was \$250.)
- Klemash family gift of \$10,000 (average annual gift in past was \$500.)
- McGill family gift of \$5,700 (average annual gift in past was \$500.)
- Reese family gift of \$5,000 (average annual gift in past was \$500.)
- Simpson family gift of \$5,000 (average annual gift in past was \$500.)
- O’Brien family gift of \$5,000 (average annual gift in past was \$500.)
- Lucas family gift of \$5,000 (average annual gift in past was \$500.)

Other individual “stretch” donations secured by the Steering Committee

- Hammel corporate gift of \$25,000 (annual membership gift is \$10,000.)
- Strosnider corporate gift of \$25,000 (average annual gift in past was \$1,000.)
- Nimitz family gift of \$5,000 (average annual gift in past was \$250.)
- Lampl family gift of \$5,000 (average annual gift in past was \$250.)
- Crocker family gift of \$1,500 (average annual gift in past was \$150.)
- Staley family gift of \$1,000 (average annual gift in past was \$0.)

Board Giving

The WYEP Board have all made financial commitments to the capital campaign, total pledges from the Board is \$133,250. Several Board members are leveraging relationships in the business and Foundation community to secure donations for the campaign. Capital Campaign Chairman, Sean Sebastian was instrumental in meetings with the Heinz Endowments, the Richard King Mellon Foundation and secured a \$75,000 award from the Simmons Family Foundation. Bill Strome has been working with the PNC Bank CEO and CFO to gain consideration of a \$75,000 proposal. WYEP's Board Chairman and/or Capital Campaign Chairman have attend all meetings with Foundations and major corporate solicitations.

The professional staff of WYEP has all made capital gifts to the campaign, the largest gift being \$6,500. Most of the gifts from the staff are 10 times higher than their annual membership.

Three largest gifts from “Gifts by Source” section on “Gift Chart”

Trustees:

Sean Sebastian - \$75,000
Bill Strome - \$10,700
Marco Cardamone - \$10,000

Staff:

Lee Ferraro - \$6,500
Tony Pirollo - \$2,250
Rhonda Campanella - \$1,000

Corporations:

Pitt-Ohio - \$25,000
Modern Transportation - \$25,000

Individuals:

Gus Eles - \$50,000
Condrion Family - \$25,000
Mark Zappalla - \$10,500

Foundations:

Heinz Endowments - \$500,000
McCune - \$250,000
Simmons - \$75,000

Fund raising planned between May 15, 2004 and September 30, 2004

We anticipate a positive response from the Richard King Mellon Foundation to our proposals seeking \$500,000 by June 7, 2004. Our application to the PNC Bank Foundation (\$75,000), the Massey Charitable Trust (\$30,000) and the J.R. McCune Foundation (\$75,000), Giant Eagle Foundation (\$25,000) will be reviewed in June, 2004. Our proposal to the [Example] Green Initiative (\$100,000) was submitted in early April; we anticipate a response by early June.

Implementation of the second phase of our Foundation appeals will begin at the end of June to align with autumn, 2004 proposal review dates at local Foundations. The constituents listed below, the top 6 in particular, will likely to respond positively to a [Example] challenge grant. The top six have all made or make regular operating grants to WYEP; several participated in our campaign feasibility study or have met with Steering Committee members. The remaining five all have a history of contributing to public broadcasting in southwest Pennsylvania. We will continue to research other potential Foundations for this round of applications. Appeals and request range to the following Foundations are being planned:

- | | |
|----------------------------------|---------------------|
| 1. Jennings-Hillman Foundation | \$35,000 - \$50,000 |
| 2. Hillman Family Foundation | \$35,000 - \$50,000 |
| 3. Byham Charitable Trust | \$15,000 - \$30,000 |
| 4. Cooper-Siegel Family Trust | \$10,000 - \$25,000 |
| 5. Sanson-Elligator Family Trust | \$10,000 - \$15,000 |

6. The Millstein Family Foundation	\$10,000 - \$15,000
7. The Birmingham Foundation	\$35,000 - \$50,000
8. The Heinz Company Foundation	\$15,000 - \$25,000
9. The Alcoa Foundation	\$25,000 - \$35,000
10. Mellon Financial Foundation	\$25,000 - \$35,000
11. The Eden-Hall Foundation	\$10,000 - \$15,000

Public phase – July 1, 2004 to September 1, 2005

We bring to this phase an integrated fundraising and education plan that includes our broadcast signal, our membership file, and ongoing communication via newsletters, e-news, web site, member events and concerts. This phase plays directly into WYEP’s long-term strength

A challenge grant from the [Example] Foundation will be catalytic in the public phase of our campaign. A challenge grant will ensure we meet the campaign goal and most importantly build our capacity to implement our goals for the Broadcast Center expanding our service. Current members, lapsed members and new donors have the highest inclination towards meeting a challenge grant and thus are our focus constituents for this campaign.

The kick-off of our Capital Campaign is scheduled for June 25, 2004 with a press conference coinciding with the annual WYEP Summer Music Festival. The kick-off will be followed by a summer long public education and communication program including our print newsletter, a special web site, and on-site information booths at weekly concerts in the parks and art festivals. We will launch our first capital appeal to current and lapsed WYEP members through a direct mail initiative in the summer months. This phase run continuously until July, 2005.

Capital Campaign dollar goals (from Gift Chart)

Foundations: \$1,700,000

Individuals: \$900,000 (includes Board of Directors, Steering Committee, staff and public appeals)

Corporations: \$200,000

New donor strategy

In planning the broader public phase of the campaign we have developed a two pronged approach to enlisting new donors to support our capital campaign. At the conclusion of our summer long public education and communication effort we will implement a coordinated campaign appeal, one, a traditional on-air public radio campaign focused specifically on new donors and two, a 100,000 piece acquisition direct mail appeal. Names and addresses will be gathered from arts and culture organizations WYEP supports and through purchase. These campaigns will occur concurrently so as to reinforce one another, a long established “best practice” in public radio. A challenge grant will be a powerful incentive to enlisting new members.

The on-air component is our best opportunity to quickly and efficiently enlist donors – our goal for the on-air campaign is \$150,000 donated by 1700 new and current donors. The goal for our direct mail appeal is 1,000 donors contributing \$70,000. The direct mail appeal will likely raise less money per donor but is very cost effective. More importantly, direct mail donors are most reliable source of ongoing contributions – 62% of contributors through a mail appeal renew their membership every year over a five year period. Of that 62% about 80% of those current members upgraded their giving an average of 1.6 times.

The new donors generated by these efforts will be cultivated for sustaining memberships once the Broadcast Center is complete. “Welcome” and “Celebration” events at the Center, newsletters, our annual Year In Review booklet, Email, and free member concerts will be central to our ongoing efforts at membership renewal.

Estimate the percentage of donors you expect will be new contributors.

It is difficult to pinpoint what percentage contribution new donors will make to our campaign. We are expecting 1,400 new donors primarily through our direct mail acquisition to 100,000 households in the region and our on-air capital campaign fund drive. Statistics indicate that 60% of these new donors will remain members for 5 years past their initial gift.

Current member appeal

This base of support sets WYEP apart from traditional capital campaigns. These are the 7,100 individuals who contribute nearly \$600,000 a year to WYEP. We bring to this fund raising effort an existing powerful relationship, and a tradition of supporting the station. This is WYEP's long-term strength, I believe there is tremendous potential to exceed our goal of \$400,000 for our current membership base.

Direct mail appeals to current members will begin late in the summer. While our on-air campaign will focus on new donors, the reality is that many current members will choose this vehicle for supporting our campaign.

Additionally, our Development Director and Capital Campaign Specialist have identified 1,700 members who have significant capacity and excellent inclination to make a capital gift. Prospect research provided by Marts and Lundy and our data base highlighted this group. A special series of mailings is presently being developed to communicate with this group. A series of summer and fall receptions is being planned to make personal contact with as many of the 1,700 members as possible and unveil to them our plans for creating the Community Broadcast Center.

Lapsed Member Appeal

WYEP maintains current records of all its donors as our goal is to promote participation in the station through financial support and as our business plan compels us to be good stewards of the financial health of the station. WYEP has 7,100 current members and records of 10,000 donors who have not made a contribution between 17 months and 60 months.

This group of lapsed donors will be cultivated and courted through direct mail appeals featuring custom “ask arrays” beginning the summer of 2004 and the efforts will continue beyond the opening of the Broadcast Center. This group represents an outstanding opportunity to build capacity, and a [Example] challenge grant is an unparalleled incentive. The custom “ask arrays” will be based on lapsed members history of giving and include naming incentives akin to the classic “buy a brick” programs of tradition bricks and mortar capital campaign.

Some important fund raising wisdom suggests that a capital campaign including challenge grants is a powerful incentive for lapsed members to renew their support. Capital Campaigns and challenge grants demonstrate to current and lapsed members that the organization is committed to meeting their needs for the long term, thus they are highly motivated to respond to the challenge with capital gifts of support.

The pool of lapsed donors will have a major impact on our capacity building initiative; this source of support will be a cornerstone for future growth in revenue at WYEP as capital donors will be committed to sustaining the Community Broadcast Center knowing they’ve made an investment in creating the Center.

The Three Most Important Effects After of our Campaign

1. Through the Community Broadcast Center and program expansion WYEP will be perceived as one of the most essential cultural organizations in Pittsburgh. Thus we will see an increase in the commitment of major donors particularly through the upgrade of the annual membership gift to WYEP. This group has the capacity and inclination to make generous gifts to the station. A capital gift is likely to be between 5 and 10 times their annual membership. The campaign will naturally add new major donors to our membership file. We believe that after making a sizable capital gift major donors will continue to make membership gifts for operational expenses that exceed their present membership level
2. The investment that current members will make to the capital campaign will further cement an already positive relationship with the station. This strengthened relationship will lead to upgrades in annual membership gift and our average annual membership will increase from \$73. to \$85.
3. The renewed financial support of lapsed donors. All fund raising professionals know that the hardest support to get is new support. A phenomenal fact of our campaign is our opportunity to appeal to a group of people who have already made donations to WYEP. The combined power of a capital campaign and challenge grant cannot be over stated.

WYEP's strategic plan to build capacity by expanding service crystallizes opportunities into action plans, enabling the station to continue enhancing the quality of life in Southwest Pennsylvania for

another 30 years. WYEP will raise \$2.8 million to create an environmentally sustainable Community Broadcast Center that will spur further growth of the station and be a national model of interactivity between the public and listener supported non-commercial radio.

Local support will be critical to the success of our campaign, expanding our service and sustaining the Center. To date \$1.2 million dollars has been pledged locally. We expect to be approaching \$1.9 million pledged by the October 1, 2004. In the coming year we are confident of meeting our goal. A challenge grant will ensure continued local support, reinforce our capacity building strategies and ensure we meet our goal. We respectfully request a \$350,000 challenge grant from the Trustees of the [Example] Foundation in support of our campaign and the Community Broadcast Center.