



ALLEGHENY REGIONAL ASSET DISTRICT

2023 Budget Book

Amended September 2023

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INTRODUCTION

The Allegheny Regional Asset District is an areawide special purpose unit of local government that exists under authority of Pennsylvania Act 77 of 1993. The area of the District is the same as Allegheny County, PA. The purpose of the District is to distribute one half of the proceeds from an additional one percent county sales tax revenue to projects and facilities designated as regional assets. The act specifically describes those assets as civic, recreational, sports and cultural facilities, libraries and other entities as determined by the Board of Directors.

Grants to regional assets are made through a public budget process. Under the Act, the District is required to prepare a preliminary budget ninety days prior to the end of its fiscal year, which is the same as a calendar year. It then must adopt a final budget thirty days prior to the end of its fiscal year. Final allocations must be supported by six of the seven voting Board members who are required to hold a public hearing on the proposed budget.

Certain assets have been given status as “contractual assets”; that is, they have contracts with the District guaranteeing funding for a period of five years (thru 2024). In addition, the District has entered into a multiyear commitment with the Sports and Exhibition Authority related to finance facility debt service. The District has also elected to fund other organizations referred to as “annual assets” which means they must apply for support consideration each year. The budget is organized to reflect these three asset categories.

Questions or comments concerning the budget may be addressed to the District in writing, via appearance at a public hearing or during the public comment period held at each regularly scheduled Board meeting. A schedule of meetings as well as additional information may be obtained from the District office at:

ALLEGHENY REGIONAL ASSET DISTRICT

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SALES & USE TAX GENERAL INFORMATION

The preparation of the budget follows an application process, which included public announcements and meetings, and evaluation of 105 eligible requests. Applicants were given the opportunity to make a presentation to the Board of Directors and/or Citizens Advisory Board over the course of seven days of public review sessions. Applicants were asked to address the organization's sustainability plans, including development and organizational structure, partnerships and collaborative efforts that can strengthen the organization's opportunities, and executive and board leadership in attaining the organizational goals.

The Board adopted a set of goals and priorities for evaluating the requests:

- To sustain and enhance the growth and quality of a diverse group of well managed and financially sound District-based regional assets.
- To extend the benefits of asset programming to the widest possible audience.
- To encourage the involvement of young people as both audience and participants in asset activities.

Applicants were evaluated in four general areas:

1. **Governance** - including an active and involved board, realistic measurable goals; progress toward meeting the goals, regular strategic planning, accurate and timely financial reporting; realistic projections, operating within means, diversification of revenue, utilization of cash flow monitoring and ability to deal with financial stress (e.g. available cash reserves, low debt); efforts to reduce administrative and overhead costs through cost sharing initiatives.
2. **Programming** - including scheduled, quality programming, outreach, audience development and community impact.
3. **Diversity** - including efforts to encourage and to sustain board, staff and programming diversity through implementation of coherent diversity plans.
4. **Accessibility and Inclusion** - including efforts to accommodate and increase participation by people with physical and cognitive disabilities.

Rate

The state tax rate is 6%. Allegheny County sales tax rate is an additional 1%.

Base

The tax is levied upon the retail sale of tangible personal property and certain services. Use tax is levied upon tangible personal property and taxable services purchased outside the Commonwealth but used therein if tax was not paid at time of purchase. A hotel occupancy tax is levied upon room rentals of less than 30 days by the same person.

Exemptions

Major exemptions include: food (ready-to-eat food is not exempt), most footwear and clothing, textbooks, prescription and non-prescription drugs, sales for resale and residential heating fuels. All government and non-profit purchases are also exempt.

Methodology

The sales and use tax model is a quarterly cash flow model with two components: non-motor vehicle and motor vehicle. Most non-motor sales and use taxes are remitted monthly based on actual collections from the prior month and anticipated collections for the current month. For motor vehicle purchases, the sales tax remittance occurs when the application for title is made.

2023 RAD REVENUE PROJECTION

RAD anticipates the county’s additional 1% sales will conservatively yield \$240M in calendar year 2023 based on data and research provided by the PA Department of Revenue and PA Independent Fiscal Office. Half of the additional county sales tax collected will be formulaically distributed among the county’s 128 municipal government units and the other half, or \$120M, will be provided to RAD for distribution to eligible regional assets as defined in the law.

RAD considers 20+ years of historic data and statistics to formulate budget projections and annual revenue forecasts. However, it should be noted that sales tax trends in Allegheny County have not necessarily conformed to traditional modeling as would be expected in a pandemic economy.

The 2023 minor downward adjustment reflected in the chart below is attributed to consumer spending uncertainties as inflation lingers, as well as a slowdown of motor vehicles sales due to notable trends that include supply chain challenges.

RAD TAX REVENUE

Historical Perspective and Future Projections

Year	Sales Tax Revenue Only	Growth	FY Notes
1996	\$59,826,998		
2006	\$77,534,427		
2007	\$79,893,644	3.04%	
2008	\$80,893,240	1.25%	
2009	\$78,767,147	(2.63%)	<i>Great Recession effects</i>
2010	\$81,011,301	2.85%	
2018	\$101,929,003		
2019	\$105,967,712	3.96%	
2020	\$100,240,758	(5.40%)	<i>Pandemic effects</i>
2021	\$114,070,160	13.80%	
2022	\$123,118,775	9.13%	
2023	\$120,115,879	(2.44%)	
2024	\$122,518,196	2.00%	
2025	\$125,581,151	2.50%	

ALLOCATIONS COMMITTEE REPORT

November 29, 2022

Board Members:

As 2022 ends and we look ahead to next year with cautious optimism, RAD is strongly positioned to recommend a 2023 final budget that will have significant impact on our regional assets as they continue to regain their strength in the wake of uncertainty and challenge. Thanks to careful budgeting and monitoring of revenues, and stronger than expected sales tax revenue throughout 2022, RAD's financial position allows us to not only provide meaningful operating support, but also significant capital support in 2023. We are submitting for your consideration a final 2023 budget totaling \$126.5 million, the highest in RAD's history. The 2023 budget will be funded by an estimated \$120.1 million in new sales tax receipts with the balance coming from the District's grant stabilization reserve fund.

In the time since we made our preliminary budget recommendations on September 29th, the RAD board and staff have had time to monitor revenue, hear from the public about the proposed allocations, and review several capital grant requests in greater detail. Our final recommendation for the 2023 budget includes a total of \$14.2 million in capital grants, which will support 33 assets with critical capital needs.

Included in our capital recommendations is a total of \$7.1 million to support improvements within our parks and trails. Given their extensive and growing use over the past two years, we want to ensure that they are well resourced to remain safe and open spaces for the public to always enjoy. This capital funding will support renovations and upgrades to playgrounds, tennis courts, walking trails, shelters, restrooms, and recreational facilities, including a rock-climbing wall at Boyce Park, in addition to safety and lighting enhancements within many City and County regional parks. Renziehausen Park in McKeesport will use its capital funds to significantly improve Stephen Barry Field. Capital support for Boyce Mayview Park in Upper St. Clair will be used to build a new accessible playground and upgrades to existing park structures. We are proud to be able to provide such significant support for our parks and trails in 2023 and know that it will be meaningful and fun to all who visit and experience them.

Few understand the hopes and needs of a community more so than its librarians. They are counselors, educators, advisors, researchers, caretakers, and friends of their communities. We applaud their determination and leadership during these challenging times. We also recognize that the current economic climate may force budgetary constraints or insufficient resources to maintain the quality of service that librarians work so hard to provide and that all residents should expect and deserve. As noted previously, RAD revenue is stronger than projected, so we are very pleased to recommend a significant one-time additional investment in our county libraries in 2023 to aid them through their challenges. These one-time funds, in addition to the reliable annual operating support provided by RAD, will be distributed through the Allegheny County Library Association's funding distribution formula, with all monies earmarked for the libraries only.

The final recommended budget for 2023 includes grants to 99 organizations. Parks and libraries will receive 62% of the funds; arts and culture will receive 15.1%; sports and civic facilities: 11.2%; regional attractions (Zoo, Phipps, and Aviary): 8.2%; and, transit: 2.4%. The administrative budget is supported by 1% of the total projected sales tax revenue for 2023 as permitted by the law.

We are pleased to welcome one new asset to the RAD family: PearlArts, a black-led arts and dance organization. PearlArts and its dance company have spent the last two years in residency at Kelly Strayhorn Theater. While it is rare for RAD to fund a first-time applicant, it is similarly rare to see such an applicant hit every mark on its first entry. PearlArts is already offering a wide range of

programs and fostering unique collaborations in the arts community. PearlArts is certainly **rad**, and we're proud to offer our support.

Lastly, RAD strongly believes that an inclusive environment promotes and sustains a sense of belonging, provides equal access to opportunities and resources, and allows all people, including those with physical and cognitive disabilities, to participate fully. Inclusion is action-based and requires continued and constant effort. With that in mind, we are recommending that RAD's Projects budget, which covers RAD Connection and Accessibility & Inclusion grant programs, be increased by \$600,000 – to a total of \$1 million. In the 32 years since the enactment of the Americans with Disabilities Act, our regional assets have made great strides in improving experiences for people of all abilities. But we cannot stay stagnant. This infusion of funding toward accessibility will continue to ensure that RAD is for EVERYONE!

We are submitting a resolution with this report that provides the necessary grant approvals and authorizations for staff to implement the budget.

The full budget breakdown is on the pages following this report and will be made available on the RAD website, once approved.

Submitted by the Allocations Committee
Jackie Dixon, Dan Griffin, Tony Ross

AMENDED

May 18, 2023 Public Meeting

The RAD Board voted to amend the budget, adding \$800,000 for an exciting partnership initiative that provides residents with a cost-free opportunity during the entire month of August to visit and celebrate three RAD-funded institutions for their recent national recognition.

AMENDED

September 28, 2023 Public Meeting

The RAD Board passed a second amendment increasing the 2023 Partnerships & Initiatives budget by an additional \$1,870,795 to cover the reimbursement of admissions at three museums: The Andy Warhol Museum – a museum of Carnegie Museums of Pittsburgh – the Children's Museum of Pittsburgh, and the Senator John Heinz History Center during August's incredibly successful 3 For Free events. The total Partnerships & Initiative Budget for 2023 is \$2,670,795.

2023 FINAL BUDGET

Asset Category	Operating	Capital/Programming	Total
Contractual	\$82,660,704	\$9,152,760	\$91,813,464
Annual	\$13,834,170	\$5,085,571	\$18,919,741
Multi year	\$13,400,000	\$0	\$13,400,000
Administration	\$1,327,546	\$0	\$1,327,546
Connection / Accessibility & Inclusion / Partnerships & Initiatives	\$3,680,795	\$0	\$3,680,795
Total	\$114,903,215	\$14,238,331	\$129,141,546

Organization Name	2023 Operating	2023 Capital	NOTES
CONTRACTUAL ASSETS			
Allegheny County - Regional Parks	\$24,340,888	\$4,090,000	
Allegheny County Library Association (See Note)	\$7,368,928		Funding, including increase, is conditioned on RAD Library Committee approving ACLA members' formula for distribution of funds
Allegheny County Library Association	\$3,000,000		One-time supplemental County Library Support for 2023
Carnegie Library of Pittsburgh	\$23,539,604	\$250,000	Funding for shared services contingent on progress reports reviewed by the RAD Library Committee. Capital for Main Library Entrance Accessibility Improvements.

Note: ACLA Distribution formula for member libraries considers the following: Base Factor, Distress Factor, Performance Factor, and Capacity Factor.

Carnegie Library eiNetwork	\$3,549,970		
Carnegie Library e-Resources	\$259,465		
Carnegie Library Debt Service	\$1,000,000		
Carnegie Museums of Pittsburgh	\$3,609,104	\$309,760	Capital for skylight repair and replacement
City of McKeesport - Renziehausen Park	\$814,866	\$500,000	Capital for Stephen Barry Field lighting
City of Pittsburgh - Regional Parks	\$6,769,700	\$2,000,000	
National Aviary in Pittsburgh	\$1,410,342	\$565,000	Capital for \$465,000 for safety and security infrastructure upgrades; \$100,000 for the new "70 Years of Impact" exhibit
Phipps Conservatory and Botanical Gardens	\$2,719,138	\$400,000	Capital for Desert room restoration
Pittsburgh Zoo & PPG Aquarium	\$4,278,699	\$1,038,000	Capital for \$153,000 for ADA audit remediation problems; \$85,000 for carpet replacement; \$650,000 for education center roof; \$150,000 for upgrades to server
ANNUAL ASSETS			
Afro-American Music Institute	\$24,500		Conditions include timely reporting and the re-engagement of the Boys Choir
Allegheny Brass Band	\$3,800		
Allegheny Land Trust	\$30,000	\$111,555	Capital funding for Allegheny Land Trust for infrastructure improvements at Wingfield Pines (\$17,500), Hollow Oak Land Trust to improve public access trails and boardwalk construction at Montour Woods (\$45,055), Mon Yough Trail Council for rock slide remediation (\$11,000), and

			Rachel Carson Trail to construct an accessible trail and connector through Springdale and Frazer (\$20,000); Steel Valley Trail Council for maintenance shed (\$18,000)
Andrew Carnegie Music Hall	\$7,500		
Arcade Comedy Theater	\$6,000		
Assemble	\$3,500		
Associated Artists of Pittsburgh	\$8,000		
Attack Theatre	\$55,000		
Audubon Society	\$35,000	\$30,000	Capital for Raptor Center Rehab
August Wilson African American Cultural Center	\$525,000	\$200,000	Capital for \$200,000 as matching funds to repair the Milt and Nancy Washington plaza on the William Penn Place side of the building and for lighting upgrades on the perimeter of the building
August Wilson House (a project of the Daisy Wilson Artist Community, Inc)	\$25,000		
Avonworth Municipal Authority	\$35,000		
Bach Choir of Pittsburgh	\$9,120		
Belle Voci	\$2,500		
Brew House Association	\$3,000		
Bulgarian Macedonian National Educational & Cultural Center	\$5,000	\$18,000	Capital funding contingent on BMNECC raising the remaining project funds and completion in 2023
Calliope: The Pittsburgh Folk Music Society	\$9,500		
Chamber Music Pittsburgh	\$18,000		
Chatham Baroque	\$22,000		
Children's Museum of Pittsburgh	\$600,000		

City of Asylum/Pittsburgh	\$45,000		
City Theatre Company	\$140,000	\$80,000	Capital for Accessibility upgrades and theatre equipment replacement
Contemporary Craft	\$82,000		
corning dances & company (dba corningworks)	\$3,500		
Dreams of Hope	\$11,000		
Edgewood Symphony Orchestra	\$4,800		
Film Pittsburgh	\$7,500		
Focus on Renewal (Father Ryan Arts Center)	\$10,500	\$11,300	Capital for meeting space renovation for Arts Center
Front Porch Theatricals	\$10,000	\$12,000	Capital for sound equipment including microphones and wireless receivers
Gemini Theater Company	\$7,500		
Greater Pittsburgh Arts Council	\$102,000		
Guardians Of Sound	\$2,500		
Hill Dance Academy Theatre	\$30,000		
Holocaust Center of Pittsburgh	\$9,000	\$10,000	Capital for technology upgrades
Kelly Strayhorn Theater	\$90,000		
Manchester Craftsmen's Guild	\$450,000	\$125,000	Capital for accessibility upgrades to concert hall and ceramic studio
Mattress Factory	\$90,000		
Mendelssohn Choir	\$12,650		
New Hazlett Theater	\$40,000	\$57,500	Capital funding for exterior lighting enhancements and other safety repairs
New Horizon Theater	\$40,000		
North Hills Art Center	\$14,250		

North Pittsburgh Symphonic Band	\$2,000		
PearlArts Movement and Sound	\$5,000		
Pittsburgh Arts & Lectures	\$30,000		
Pittsburgh Ballet Theatre	\$194,000		
Pittsburgh Botanic Garden	\$65,000		
Pittsburgh Camerata	\$4,000		
Pittsburgh Center for Arts and Media	\$28,000		
Pittsburgh CLO	\$215,000		
Pittsburgh Community Broadcasting Corp. - WYEP	\$42,500		Funding to support RAD assets marketing efforts.
Pittsburgh Concert Chorale	\$4,750		
Pittsburgh Cultural Trust	\$2,000,000	\$950,000	Capital as matching funds for Greer Cabaret only
Pittsburgh Girls Choir	\$2,500		
Pittsburgh Glass Center	\$75,000	\$250,000	Capital for roof replacement and expansion
Pittsburgh Musical Theater	\$67,000	\$82,000	Capital for Water Mitigation and Masonry Repair with the condition of raising the remaining \$100,000 to complete the project
Pittsburgh New Music Ensemble	\$7,600		
Pittsburgh Opera	\$215,000	\$73,239	Capital for HVAC and security upgrades
Pittsburgh Philharmonic	\$4,900		
Pittsburgh Playwrights Theatre	\$50,000		
Pittsburgh Public Theater	\$220,000	\$75,000	Capital for production equipment
Pittsburgh Regional Transit	\$3,000,000		
Pittsburgh Savoyards Inc.	\$2,500		

Pittsburgh Symphony Orchestra	\$1,650,000	\$500,000	Capital for boiler conversion project
Pittsburgh Youth Chorus	\$12,000		
Pittsburgh Youth Symphony Orchestra	\$20,000		
Prime Stage Theatre	\$17,000		
Quantum Theatre	\$48,000		
Radiant Hall Studios	\$4,000		
Renaissance City Choir	\$5,000		
River City Brass	\$115,000	\$25,000	Capital of \$25,000 towards the total cost of \$42,043 for instruments. Contingent on balance being secured first.
Riverlife	\$10,000	\$50,000	Capital for Allegheny Landing on the North Shore
Rivers of Steel Heritage Corporation	\$35,000		
Saltworks Theatre Company	\$11,600		
Senator John Heinz History Center	\$680,000	\$85,000	Operating increase dedicated to new Museum of African American History. Capital funding towards replacement of Customer Relationship Management (CRM) system.
Silver Eye Center for Photography	\$24,500		
SLB Radio Productions	\$7,000		
Soldiers and Sailors Memorial Hall & Museum	\$354,000	\$1,233,867	Capital for surveillance system upgrade (\$105,531), upper roof parapet restoration & repair (\$1,095,000), and carpet replacement (\$33,336)
South Hills Chorale	\$4,500		
South Park Theatre	\$11,000		
Sports and Exhibition Authority	\$800,000		

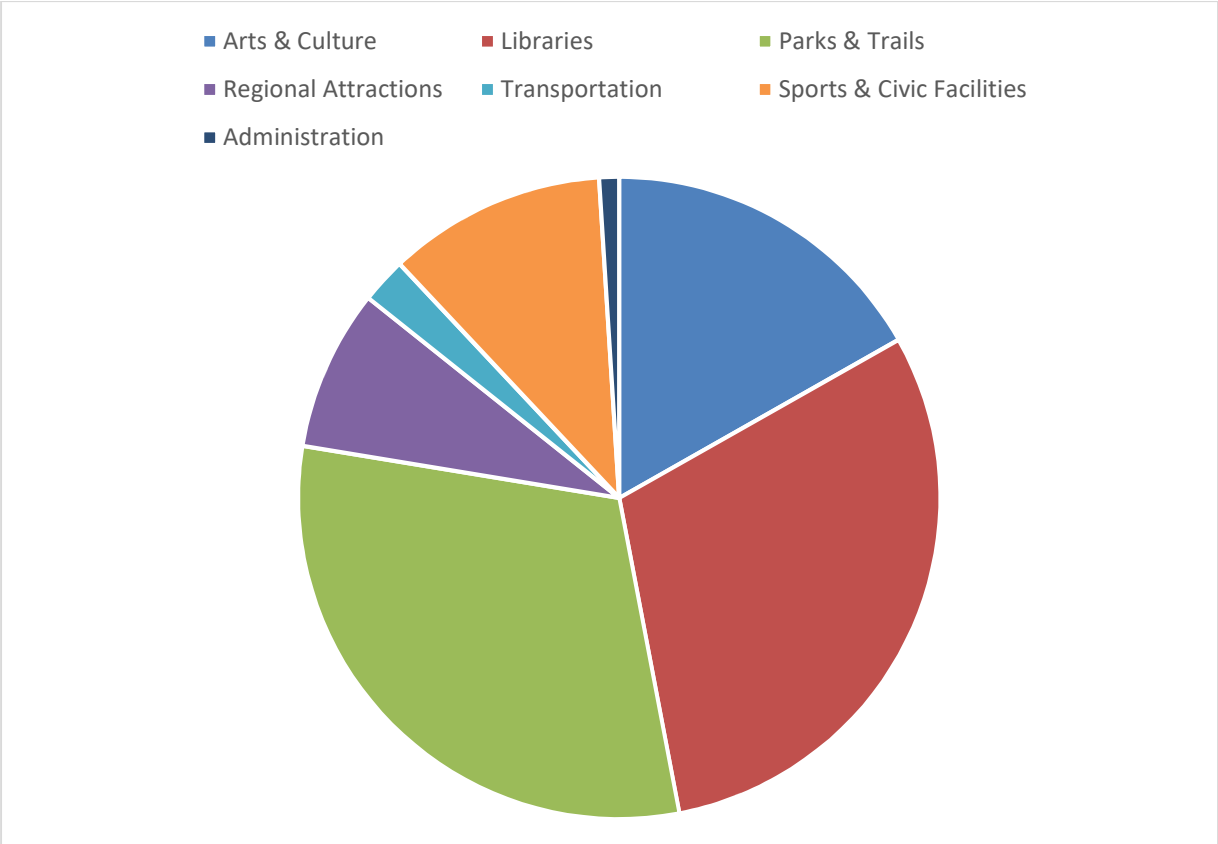
Squonk Opera Inc.	\$15,000		
Sweetwater Center for the Arts	\$52,500	\$6,110	Capital for ceramic pugmill
The Frick Pittsburgh	\$175,000	\$400,000	Capital for campus lighting and security upgrades
Three Rivers Young Peoples Orchestras	\$20,000		
Tickets for Kids	\$30,000		
Tuesday Musical Club	\$4,900		
Union Project	\$16,000	\$75,000	Capital for Roof Replacement and Related Masonry Work
Upper St. Clair Twp. Boyce-Mayview Regional Park	\$252,000	\$375,000	Capital for Miracle field, old farm trail, Pavilion-playground
Western Pennsylvania Conservancy	\$95,800		
WQED Pittsburgh	\$500,000	\$250,000	Funding to support RAD assets marketing efforts. Capital for FM transmitter replacement

MULTI-YEAR			
Sports and Exhibition Authority	\$13,400,000		
OTHER			
Connection, Accessibility & Inclusion Grants	\$1,000,000		
Access & Opportunity	\$10,000		
Partnerships & Initiatives	\$2,670,795		amended September 28, 2023
RAD Administration	\$1,327,546		
TOTAL	\$114,903,215	\$14,238,331	

GRAND TOTAL	\$129,141,546
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2023 Budget Percentages

Totals include operating and capital.



2023 ADMINISTRATIVE BUDGET

2023 BUDGET	
Account Name	\$
60000 · Salaries & Wages	\$700,000
60028 · Payroll Fees	\$2,730
60029 · Payroll Taxes	\$53,550
60071 · Health Benefits	\$80,000
60072 · Insurance (Employee)	\$8,640
60073 · Retirement	\$49,000
60075 · Travel	\$5,000
60079 · Marketing/Communications	\$32,000
60083 · Parking	\$18,253
60087 · Insurance (Business)	\$35,000
60088 · Contract Services	\$128,000
60091 · Advertising	\$1,500
60093 · Training/Development	\$2,000
60094 · Software/Equipment	\$22,000
60095 · Voice/Data/Mail	\$20,000
60096 · Memberships/Subscriptions	\$5,500
60097 · Professional Services	\$55,000
60098 · Conferences/Meetings	\$6,000
60099 · Consulting Services	\$6,000
60101 · Koppers Lease	\$73,413
60103 · Copier Lease	\$3,360
60102 · Postage Meter lease	\$600
61000 · Operations/Expenses	\$20,000
TOTAL EXPENSES	\$1,327,546
FUNDING	
2023 Sales Tax Revenue	\$1,201,159
Interest / Investment Earnings	\$32,000
Surplus	\$94,387
Total Revenue	\$1,327,546