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CONTACT: David Donahoe, Executive Director
Julie Goetz, Communications Manager
(412) 227-1900 ext. 14



RAD BOARD TO RELEASE WITHHELD FUNDS TO ASSETS

PITTSBURGH—The Board of Directors of the Allegheny Regional Asset District today announced that it will release the additional sum of funds that it had been setting aside since December of 2008 while it monitored economic trends and sales tax revenues.

“The District’s grant program is a substantial public investment in our region” said Dusty Elias Kirk, chair of the RAD board. “The grant program currently funds operating and capital grants to 90 diverse assets that are making a significant contribution to the vitality of this region. While we are cautious about current trends, we also remain committed to fulfilling the mission of the District.”

In December, at the height of the economic downturn, the Board approved a 2009 budget of \$80.3 million that maintained grants at prior year levels but with a condition that it would withhold 10% of operating grants and all discretionary capital grants as it reviewed receipts during the year. The District retained the right to reduce grants permanently if it found that it would not meet revenue targets.

The Board’s Allocations Committee was charged with monitoring revenue and today issued a report indicating that it was now satisfied that the District would meet its tax revenue target of \$76.6 million in 2009. The balance of the budget is funded from reserve.

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Revenue for August (representing June sales) was about the same as August of 2008 at \$7.4 million. Revenue for September (representing July sales) is expected to be \$6.7 million, 2.9% lower than the same month in 2008. For the year, revenue of \$59.6 million is 2.5% lower than the same period in 2008 but is within the projected decline of 5% used when adopting the 2009 budget.

The Committee cautioned assets that the bumpy road for local sales tax may not yet be over. For example, while the September report showed a total decline of 2.9%, this was made up of a decline in general sales of 7% but an increase in auto sales of 38%. In the prior month sales activity in both categories was about the same as last year.

The committee said, "What is clear is that there is no upward trend in sight and assets anticipating RAD support should continue to develop conservative budgets and contingency plans."

Since 1995 RAD has funded over \$1 billion in operating and capital grants. It is currently conducting a series of public meetings on requests for the 2010 budget which will be released in preliminary form later this month.

The Allegheny Regional Asset District (RAD) supports and finances regional assets in the areas of libraries, parks and recreation, cultural, sports and civic facilities and programs. The District receives one-half of the proceeds from the 1% Allegheny County Sales and Use Tax, and the other half is paid directly to the county and municipal governments by the State Treasurer.

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