



ALLEGHENY REGIONAL ASSET DISTRICT
2022 Preliminary Budget

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INTRODUCTION

The Allegheny Regional Asset District is an area wide 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.

This preliminary budget and individual allocations are subject to modification prior to adoption. It does not represent final Board approval of particular allocations.

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 multi-year 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

436 Seventh Avenue, Suite 2201
Pittsburgh, PA 15219

(412) 227-1900
FAX: (412) 227-1905

info@radworkshere.org
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BUDGET PROCESS AND POLICY OBJECTIVES

The preparation of the preliminary budget follows an application process, which included public announcements and meetings, and evaluation of 110 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 financial position and sustainability, if their organizational structure was adequate to operate efficiently in 2022 and if they have explored any strategic and/or operational alliances or shared staff or services with other assets/non-profit organizations.

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 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.

SALES AND USE TAX GENERAL INFORMATION

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.

2022 RAD REVENUE PROJECTION

RAD anticipates the county's additional 1% sales will conservatively yield \$214M in calendar year 2022 based on economic assumptions. 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 \$107M, 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.

The 2022 minor downward adjustment reflected in the chart below is attributed to consumer spending uncertainties as individual economic impact payments expire, as well as a slowdown of motor vehicles sales due to notable trends that include supply chain challenges and extended teleworking.

RAD TAX REVENUE

Historical Perspective and Future Projections

Year	Revenues	Growth	FY Notes	Historical Notes
2014	\$92,014,354	3.99%		<i>Historical growth has averaged 2.61% (1996-2020), highest growth rate since 2000 was 4.53% (2012)</i>
2015	\$93,195,668	1.29%		
2016	\$94,883,685	1.88%		
2017	\$97,865,305	3.27%		
2018	\$101,929,002	4.41%		
2019	\$105,967,710	4.11%	<i>Highest actual revenue on record</i>	
2020	\$100,240,758	(5.77%)	<i>Pandemic (March 2020)</i>	
2021	\$109,398,763	9.13%	<i>Projected – Would be highest on record</i>	
2022	\$107,000,000	(2.22%)		
2023	\$109,140,000	2.00%		
2024	\$111,322,800	2.00%		
2025	\$113,549,256	2.00%		

ALLOCATIONS COMMITTEE REPORT

SEPTEMBER 30, 2021

Board Members:

Having spent the past several weeks hearing about the diligent, creative, and community-focused work of our regional assets, we are humbled by the responsibility and opportunity to provide public funding to support their efforts. We want to begin by thanking each of the applicants not only for their impactful work in our region, but also for the time they took to speak with us about their missions and plans for the future. Given our projections for 2022 revenue, and being mindful of our responsibility as stewards of taxpayer dollars, we are pleased to present the following recommendations for the 2022 preliminary budget.

While 2021 was a year of survival, we look to 2022 with hope for rebuilding, and we begin by recommending operating support for our region's assets. Operating support is the hallmark of RAD funding, and in a year when our assets' most primary needs will be rebuilding staff, preparing their spaces to reengage with patrons, and returning to full operating capacity, RAD support will be as critical as it has ever been.

Our recommendations for 2022 operating grants include:

- o \$33.4 million for libraries;
 - o \$31.1 million for parks & trails;
 - o \$12.5 million for arts and cultural organizations;
 - o \$8.1 million for the Zoo, Phipps, and Aviary;
 - o \$14.2 million for sports and civic facilities;
 - o \$3 million for public transit;
- Ensuring that libraries and parks remain RAD's highest priority, as entities that are always free and open to the public;
 - And four new assets representing arts and cultural institutions from around the County: Brew House Association, Radiant Hall Studios, Riverlife, and Rivers of Steel Heritage Corporation.

In addition to operating requests, we received over \$18 million in capital grant requests. The committee will further examine and evaluate these requests before a final recommendation is made. This will provide us with additional time to review our tax revenue position and gather critical public feedback between now and our final board meeting on November 30, 2021.

The committee is ready, however, to recommend in this preliminary budget significant capital funding for Allegheny County regional parks and the City of Pittsburgh regional parks. Throughout the pandemic, these parks saw enormous increases in traffic and use as safe, open, outdoor spaces. As such, their capital maintenance and repair needs are substantial. We recommend allocating \$3.5 million in capital support for Allegheny County regional parks and \$3.5 million in capital support for the City of Pittsburgh regional parks.

At this time, we are recommending a 2022 preliminary budget containing \$102.3 million for operating grants and debt service; \$7 million in capital for Allegheny County and City of Pittsburgh regional parks; \$400,000 for Connection and Accessibility/Inclusion grants; and \$1.07 million for general administration.

The committee's recommendations for operating grants are detailed in the budget document that follows, along with capital recommendations and requests still under consideration.

The 2022 proposed budget is supported by an estimated \$107 million in sales tax revenue with the balance coming from interest earnings and reserve.

The Board does not vote on the budget until after we hear public comments and review updated revenue estimates. All of the allocations are subject to change before final budget adoption.

We thank the Board, the Citizen's Advisory Board, and all of our applicants for their participation in the application and public hearing process. We look forward to receiving public comment on the preliminary budget at our October 26th hearing.

Submitted by
Allocations Committee
Hilda Fu, Dan Griffin, Tony Ross

2022 PRELIMINARY BUDGET

Asset Category	Operating	Capital / Programming	Total
Contractual	\$75,673,755	\$7,000,000	\$82,673,755
Annual	\$13,230,635		\$13,230,635
Multi-Year Debt Service	\$13,400,000		\$13,400,000
Administration	\$1,070,000		\$1,070,000
Connection, Accessibility & Inclusion Grants	\$400,000		\$400,000
TOTAL	\$103,774,390	\$7,000,000	\$110,774,390

Additional Capital Requests will be outlined in the final budget upon further review.

Organization Name	2022 Preliminary Operating	2022 Preliminary Capital	2022 Capital Requests Under Consideration
CONTRACTUAL ASSETS			
Allegheny County - Regional Parks	\$23,404,700	\$3,500,000	
		<i>To support renovations, upgrades of shelters, restrooms, recreational facilities and infrastructure at the nine county regional parks. Boyce, Deer Lakes, Harrison Hills, Hartwood Acres, North, Round Hill, Settlers Cabin, South, and White Oak.</i>	
Allegheny County Library Association (See Note)	\$7,085,508		
Carnegie Library of Pittsburgh	\$21,672,696		
Carnegie Library eiNetwork	\$3,413,433		
Carnegie Library e-Resources	\$249,486		
Carnegie Library of Pittsburgh-debt service	\$1,000,000		
Carnegie Museums of Pittsburgh	\$3,470,292		\$350,000*
			<i>To support renovations to the Carnegie Music Hall, including seating, flooring and HVAC.</i>

*Under consideration

Note: ACLA Distribution formula for member libraries is weighted as follows: Base Funding (15%), Population Payment (15%), Distress Payment (10%), Non-Resident Use (15%), Computer Usage (7.5%), Wifi Usage (7.5%), and Local Income (15%)

Organization Name	2022 Preliminary Operating	2022 Preliminary Capital	2022 Capital Requests Under Consideration
City of McKeesport - Renziehausen Park	\$783,525		\$250,000* <i>To support bleacher improvements, trail extension, bandshell improvements, exercise equipment, and deck hockey improvements.</i>
City of Pittsburgh - Regional Parks	\$6,509,327	\$3,500,000 <i>To support renovations, enhancements, and upgrades at Highland, Schenley, Riverview, and Frick Parks including playgrounds, tennis courts, lighting, sidewalks, walking trails and safety matters.</i>	
National Aviary in Pittsburgh	\$1,356,098		\$750,000* <i>To support the Wetlands Habitat restoration.</i>
Phipps Conservatory and Botanical Gardens	\$2,614,556		\$400,000* <i>To support the Broderie and East Rooms Roof Restoration.</i>
Pittsburgh Zoo & PPG Aquarium	\$4,114,134		\$1,462,484* <i>To support Tropical Forest, Discovery Pavilion, virtual server, transformers, Easy Assist doors, Elephant barn, Waters Edge, Aquarium and various upgrades and enhancements including lighting, carpeting, and painting.</i>
ANNUAL ASSETS			
Afro-American Music Institute	\$20,900		
Allegheny Brass Band	\$3,800		
Allegheny Land Trust	\$29,925		\$290,000* <i>To support Friends of the Riverfront (\$105,000); Hollow Oak Land Trust (\$40,000); Harmony Trail (\$50,000); Rachel Carson Trail Conservancy (\$20,000); Steel Valley Trail (\$15,000); ALT (\$60,000)</i>
Andrew Carnegie Music Hall	\$7,340		\$150,000* <i>To support major upgrades to the Music Hall.</i>

*Under consideration

Organization Name	2022 Preliminary Operating	2022 Preliminary Capital	2022 Capital Requests Under Consideration
Arcade Comedy Theater	\$4,490		
Associated Artists of Pittsburgh	\$7,480		
Attack Theatre	\$49,875		\$86,280* <i>To support equipment and renovations in their Creative Learning Lab.</i>
Audubon Society	\$26,250		
August Wilson African American Cultural Center	\$500,000		\$550,000* <i>To support additional renovations to HVAC (RAD provided a capital grant of \$345,000 in 2020) and for outside perimeter renovations to the building.</i>
August Wilson House (a project of the Daisy Wilson Artist Community, Inc)	\$4,900		
Avonworth Municipal Authority	\$35,000		
Bach Choir of Pittsburgh	\$9,120		
Belle Voci	\$2,450		
Brew House Association	\$2,500		
Bulgarian Macedonian National Educational & Cultural Center	\$4,750		\$20,000* <i>To support kitchen renovations.</i>
Calliope: The Pittsburgh Folk Music Society	\$9,790		
Chamber Music Pittsburgh	\$16,960		
Chatham Baroque	\$19,950		
Children's Museum of Pittsburgh	\$500,000		\$445,000* <i>To support improvements and repairs to the HVAC system.</i>
City of Asylum/Pittsburgh	\$40,000		
City Theatre Company	\$125,000		\$75,000* <i>To support facility repairs.</i>
Contemporary Craft	\$79,800		
corning dances & company (dba corningworks)	\$3,420		\$10,000* <i>To support a portable floor.</i>
Dreams of Hope	\$10,770		

*Under consideration

Organization Name	2022 Preliminary Operating	2022 Preliminary Capital	2022 Capital Requests Under Consideration
Edgewood Symphony Orchestra	\$4,640		
Film Pittsburgh	\$6,990		
Focus on Renewal (Father Ryan Arts Center)	\$10,500		
Front Porch Theatricals	\$9,790		\$12,000* <i>To support wireless microphones.</i>
Gemini Theater Company	\$6,950		
Greater Pittsburgh Arts Council	\$99,750		
Guardians Of Sound	\$2,500		
Hill Dance Academy Theatre (HDAT)	\$27,440		\$1,000,000* <i>To support renovations to the recently purchased St. Benedict the Moor School.</i>
Holocaust Center of Pittsburgh	\$5,000		
Kelly Strayhorn Theater	\$72,000		
Manchester Craftsmen's Guild	\$410,000		
Mattress Factory	\$89,780		
Mendelssohn Choir	\$12,360		
New Hazlett Theater	\$34,920		\$75,000* <i>To support HVAC replacement.</i>
New Horizon Theater	\$30,400		
North Hills Art Center	\$13,210		\$7,000* <i>To support a sensory/healing garden and parking lot maintenance.</i>
North Pittsburgh Symphonic Band	\$2,000		
PICT Classic Theatre	\$42,080		
Pittsburgh Arts & Lectures	\$19,950		
Pittsburgh Ballet Theatre	\$189,530		\$250,000* <i>To support improvements to their campus including an amphitheater.</i>

*Under consideration

Organization Name	2022 Preliminary Operating	2022 Preliminary Capital	2022 Capital Requests Under Consideration
Pittsburgh Botanic Garden	\$63,610		\$195,000* <i>To support a visitor safety and accessibility project at the east entrance.</i>
Pittsburgh Camerata	\$3,900		
Pittsburgh Center for Arts and Media	\$25,000		
Pittsburgh CLO	\$199,500		
Pittsburgh Civic Orchestra	\$1,800		
Pittsburgh Community Broadcasting Corp. - WYEP	\$41,580		
Pittsburgh Concert Chorale	\$4,750		
Pittsburgh Cultural Trust	\$1,945,130		\$4,000,000* <i>To support Greer Cabaret and Theater Square modernization (\$2,000,000), COVID-19 mitigation updates (\$1,000,000), and capital remodeling of 937 Liberty Avenue (\$1,000,000).</i>
Pittsburgh Festival Opera	\$17,960		
Pittsburgh Girls Choir	\$2,450		
Pittsburgh Glass Center	\$64,840		\$300,000* <i>To support roof and HVAC system replacement.</i>
Pittsburgh Musical Theater	\$64,840		\$500,000* <i>To support elevator to access all floors, new accessible lobby experience and accessible patron restrooms.</i>
Pittsburgh New Music Ensemble	\$7,600		
Pittsburgh Opera	\$189,530		\$239,009* <i>To support theatrical, house lighting and production equipment.</i>
Pittsburgh Philharmonic	\$4,900		
Pittsburgh Playwrights Theatre	\$22,950		

*Under consideration

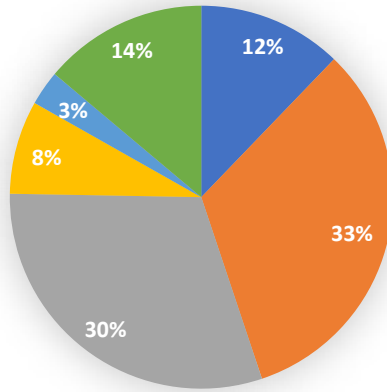
Organization Name	2022 Preliminary Operating	2022 Preliminary Capital	2022 Capital Requests Under Consideration
Pittsburgh Public Theater	\$200,000		\$100,000* <i>To support lighting and projection equipment.</i>
Pittsburgh Savoyards Inc.	\$2,375		
Pittsburgh Symphony Orchestra	\$1,596,000		\$100,000* <i>To support new seating at Heinz Hall's main auditorium, including 40% increase in handicapped accessible seating.</i>
Pittsburgh Youth Chorus	\$11,260		
Pittsburgh Youth Symphony Orchestra	\$19,570		
Port Authority of Allegheny County	\$3,000,000		
Prime Stage Theatre	\$14,970		
Quantum Theatre	\$45,000		
Radiant Hall Studios	\$2,500		
Renaissance City Choir	\$4,990		
River City Brass	\$112,220		\$51,138* <i>To support instruments for students attending the River City Brass Band School of Brass.</i>
Riverlife	\$2,500		\$750,000* <i>To support the upper promenade of Allegheny Riverfront Park.</i>
Rivers of Steel Heritage Corporation	\$25,000		
Saltworks Theatre Company	\$11,260		
Senator John Heinz History Center	\$648,380		\$245,500* <i>To support roof replacement.</i>
Silver Eye Center for Photography	\$19,950		
SLB Radio Productions	\$5,090		
Soldiers & Sailors Memorial Hall & Museum	\$303,340		\$209,756* <i>To support the exterior entrance and ADA upgrades and to replace the emergency back-up generator fuel tank.</i>

*Under consideration

Organization Name	2022 Preliminary Operating	2022 Preliminary Capital	2022 Capital Requests Under Consideration
South Hills Chorale	\$4,400		
South Park Theatre	\$9,790		
Sports and Exhibition Authority	\$800,000		
Squonk Opera Inc.	\$9,980		
Steeltown Entertainment Project	\$13,700		
Sweetwater Center for the Arts	\$51,300		
The Frick Pittsburgh	\$159,600		
Three Rivers Young Peoples Orchestras	\$15,960		
Tickets for Kids	\$25,000		
Tuesday Musical Club	\$4,900		
Union Project	\$14,000		\$158,025* <i>To support parapet walls and lobby roof renovation.</i>
Upper St. Clair Twp. Boyce-Mayview Regional Park	\$240,000		\$275,000* <i>To support Miracle League playground improvements, including equipment, internet and security and for perimeter trail extension.</i>
Western Pennsylvania Conservancy	\$93,000		\$50,000* <i>To support community vegetable garden at a City-owned vacant lot.</i>
WQED Pittsburgh	\$500,000		\$125,000* <i>To support replacement of an editing server and asset management system.</i>

*Under consideration

Preliminary Operating Budget



■ Arts&Culture ■ Library ■ Parks ■ Reg Facilities ■ Transportation ■ Sports