



ALLEGHENY REGIONAL ASSET DISTRICT
2022 Budget Book

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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.

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

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RADworkshere.org

BUDGET PROCESS & POLICY OBJECTIVES

The preparation of the budget follows an application process, which included public announcements and meetings, and evaluation of 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 & 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

NOVEMBER 30, 2021

Board Members:

As we near the end of 2021 and look ahead to a brighter future, RAD is strongly positioned to recommend a 2022 final budget that will have great impact on our regional assets as they continue to rebuild in the wake of the pandemic. Thanks to careful budgeting and monitoring of revenues, and stronger than expected sales throughout 2021, RAD's financial position allows us to not only provide meaningful operating support, but also significant capital support in 2022. We are submitting for your consideration a final 2022 budget that would authorize grants totaling \$118.5 million, the highest in RAD's history. The 2022 budget will be funded by an estimated \$107 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 30, the RAD board and staff have had time to monitor revenue, hear from the public about the proposed allocations, and review in greater detail the capital grant requests. Our final recommendation for the 2022 budget includes a total of \$14,442,436 in capital grants, which will support 30 assets with critical capital needs. Additionally, the committee recommends a one-time operational increase of \$250,000 to the Pittsburgh Cultural Trust in an effort to support all of our Downtown cultural assets (the August Wilson African American Cultural Center, Pittsburgh Ballet, Pittsburgh CLO, Pittsburgh Opera, Pittsburgh Public Theater, and Pittsburgh Symphony Orchestra) in their Shared Services system. In typical times, the system is self-sustaining through ticketing services fees, however, given the steep decline in ticket sales over the past 18 months due to the pandemic, extra support is needed at this time. The committee is also recommending a one-time operational increase of \$22,500 to the Allegheny Land Trust for community engagement around the Churchill Valley Greenway Project. Both operational increases to the Cultural Trust and Land Trust are conditioned to be for 2022 only.

Included in our capital recommendations is a total of \$7,865,000 to support capital improvements within our parks and trails. Given their extensive use over the past two years, we want to ensure that they are well resourced to remain safe and open spaces for the public. RAD is committed to their continued vitality, and we are considering 2022 the "Year of the Parks."

This capital funding will support renovations and upgrades to playgrounds, tennis courts, walking trails, recreational facilities, shelters, and restrooms, in addition to safety and lighting enhancements within our City and County regional parks. Renziehausen Park in McKeesport will use its capital funds to support trail extensions, new exercise equipment, and deck hockey improvements, among other things. Capital support for Boyce Mayview Park in Upper St. Clair will be used for improvements at the Miracle Field accessible playground and perimeter trail extension. We are proud to be able to provide such significant support for our parks and trails in 2022 and know that it will be impactful to all who visit and experience them.

The final recommended budget for 2022 includes grants to 101 organizations. Parks and libraries will receive 61% of the funds, arts and culture will receive 15%, sports and civic facilities: 12%, regional attractions (Zoo, Phipps, and Aviary): 8%, and transit: 3%. The administrative budget, as always, remains below 1% of the total expenditures.

ALLOCATIONS COMMITTEE REPORT (CONT.)

We are pleased to welcome four new assets to the RAD family: Brew House Association, Radiant Hall Studios, Riverlife, and Rivers of Steel Heritage Association. With the addition of Riverlife and Rivers of Steel, RAD is proud to provide support for our waterways and the vital role they play in our region's story.

Regarding capital support for assets with lease agreements, the committee recommends adding criteria for capital requests to be included in the application process and final execution of contracts, if awarded. In addition, the committee has asked staff and Chief Counsel James Norris to include provisions in capital agreements that may be used to recapture funding pro-rata if warranted.

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 in on the pages following this report and will be made available on the RAD website, once approved.

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

2022 FINAL BUDGET

	2022 Preliminary Budget	2022 Final Budget
Sales Tax	\$107,000,000	\$107,000,000
Investment Earnings	\$15,000	\$15,000
Grant Stabilization Reserve	\$3,759,390	\$11,484,401
Total Revenue	\$110,774,390	\$118,499,401
Total Expenditures	\$110,774,390	\$118,499,401

Asset Category	Operating	Capital/Programming	Total
Contractual	\$75,673,755	\$9,525,400	\$85,199,155
Annual	\$13,503,210	\$4,917,036	\$18,420,246
Multi-Year Debt Service	\$13,400,000		\$13,400,000
Administration	\$1,070,000		\$1,070,000
Project Grants + Access & Opportunity		\$410,000	\$410,000
TOTAL	\$103,646,965	\$14,852,436	\$118,499,401

Organization Name	2022 Operating	2022 Capital	Notes
CONTRACTUAL ASSETS			
Allegheny County - Regional Parks	\$23,404,700	\$3,500,000	Capital support for 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.
Allegheny County Library Association*	\$7,085,508		Conditioned on shared services implementation and progress.
Carnegie Library of Pittsburgh	\$21,672,696		Conditioned on shared services implementation and progress.
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	Capital support for renovations to the Carnegie Music Hall, including seating, flooring and HVAC.

* 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 Operating	2022 Capital	Notes
<u>City of McKeesport - Renziehausen Park</u>	\$783,525	\$250,000	Capital support for bleacher improvements, trail extension, bandshell improvements, exercise equipment, and deck hockey improvements.
<u>City of Pittsburgh - Regional Parks</u>	\$6,509,327	\$3,500,000	Capital support for renovations, enhancements, and upgrades at Highland, Schenley, Riverview, and Frick Parks including playgrounds, tennis courts, lighting, sidewalks, walking trails and safety matters.
<u>National Aviary in Pittsburgh</u>	\$1,356,098	\$750,000	Capital support for the Wetlands Habitat restoration.
<u>Phipps Conservatory and Botanical Gardens</u>	\$2,614,556	\$400,000	Capital support fo the Broderie and East Rooms Roof Restoration.
<u>Pittsburgh Zoo & PPG Aquarium</u>	\$4,114,134	\$775,400	Capital support for Tropical Forest Complex, Discovery Pavilion roof, new transformers, and easy assist door operators at several locations around the park.
ANNUAL ASSETS			
<u>Afro-American Music Institute</u>	\$20,900		
<u>Allegheny Brass Band</u>	\$3,800		
<u>Allegheny Land Trust</u>	\$52,500	\$290,000	Capital support for Friends of the Riverfront (\$105,000); Hollow Oak Land Trust (\$40,000); Pine Township (\$50,000); Rachel Carson Trail Conservancy (\$20,000); Steel Valley Trail (\$15,000); Churchill Valley Greenway (\$60,000)
<u>Andrew Carnegie Music Hall</u>	\$7,340	\$150,000	To support major upgrades to the Music Hall.
<u>Arcade Comedy Theater</u>	\$4,490		
<u>Associated Artists of Pittsburgh</u>	\$7,480		
<u>Attack Theatre</u>	\$49,875	\$86,280	Capital support for equipment and renovations in their Creative Learning Lab.
<u>Audubon Society</u>	\$26,250		
<u>August Wilson African American Cultural Center</u>	\$500,000	\$350,000	Capital support for additional renovations to HVAC.
<u>August Wilson House</u> (a project of the Daisy Wilson Artist Community, Inc)	\$4,900		
<u>Avonworth Municipal Authority</u>	\$35,000		

Organization Name	2022 Operating	2022 Capital	Notes
<u>Bach Choir of Pittsburgh</u>	\$9,120		
<u>Belle Voci</u>	\$2,450		
<u>Brew House Association</u>	\$2,500		
<u>Bulgarian Macedonian National Educational & Cultural Center</u>	\$4,750	\$20,000	Capital support for kitchen renovations.
<u>Calliope: The Pittsburgh Folk Music Society</u>	\$9,790		
<u>Chamber Music Pittsburgh</u>	\$16,960		
<u>Chatham Baroque</u>	\$19,950		
<u>Children's Museum of Pittsburgh</u>	\$500,000	\$445,000	Capital support for improvements and repairs to the HVAC system.
<u>City of Asylum/Pittsburgh</u>	\$40,000		
<u>City Theatre Company</u>	\$125,000	\$75,000	Capital support for facility repairs.
<u>Contemporary Craft</u>	\$79,800		
<u>corning dances & company</u> (dba corningworks)	\$3,420	\$10,000	Capital support for a portable floor.
<u>Dreams of Hope</u>	\$10,770		
<u>Edgewood Symphony Orchestra</u>	\$4,640		
<u>Film Pittsburgh</u>	\$6,990		
<u>Focus on Renewal</u> (Father Ryan Arts Center)	\$10,500		
<u>Front Porch Theatricals</u>	\$9,790		
<u>Gemini Theater Company</u>	\$6,950		
<u>Greater Pittsburgh Arts Council</u>	\$99,750		
<u>Guardians Of Sound</u>	\$2,500		
<u>Hill Dance Academy Theatre</u>	\$27,440	\$300,000	Capital support for renovations to the recently purchased St. Benedict the Moor School.
<u>Holocaust Center of Pittsburgh</u>	\$5,000		
<u>Kelly Strayhorn Theater</u>	\$72,000		
<u>Manchester Craftsmen's Guild</u>	\$410,000		
<u>Mattress Factory</u>	\$89,780		
<u>Mendelssohn Choir</u>	\$12,360		
<u>New Hazlett Theater</u>	\$34,920	\$75,000	Capital support for HVAC replacement.
<u>New Horizon Theater</u>	\$30,400		
<u>North Hills Art Center</u>	\$13,210	\$7,000	To support a sensory/healing garden and parking lot maintenance.

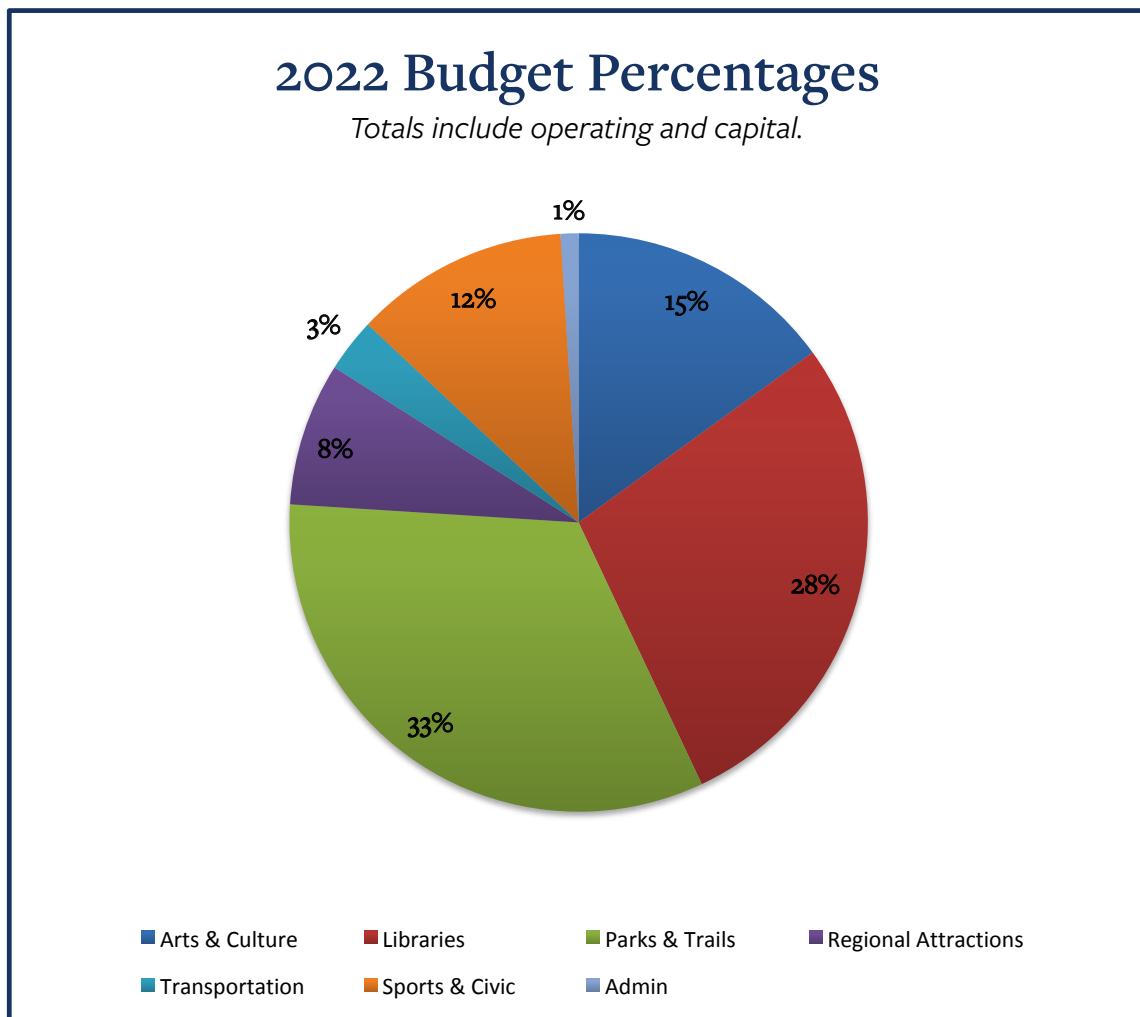
Organization Name	2022 Operating	2022 Capital	Notes
North Pittsburgh Symphonic Band	\$2,000		
PICT Classic Theatre	\$42,080		
Pittsburgh Arts & Lectures	\$19,950		
Pittsburgh Ballet Theatre	\$189,530	\$250,000	Capital support for improvements to their campus including an amphitheater.
Pittsburgh Botanic Garden	\$63,610	\$100,000	Capital support for a visitor safety and accessibility project at the east entrance.
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		To support WYEP operations only.
Pittsburgh Concert Chorus	\$4,750		
Pittsburgh Cultural Trust	\$2,195,130	\$1,000,000	To support the cultural district shared services program, capital renovations of 937 Liberty Avenue, and other projects.
Pittsburgh Festival Opera	\$17,960		
Pittsburgh Girls Choir	\$2,450		
Pittsburgh Glass Center	\$64,840	\$300,000	Capital support for roof and HVAC system replacement.
Pittsburgh Musical Theater	\$64,840	\$500,000	Capital support for elevator to access all floors, new accessible lobby experience, and accessible patron restrooms.
Pittsburgh New Music Ensemble	\$7,600		
Pittsburgh Opera	\$189,530	\$190,000	Capital support for theatrical and house lighting, and production equipment.
Pittsburgh Philharmonic	\$4,900		
Pittsburgh Playwrights Theatre	\$22,950		
Pittsburgh Public Theater	\$200,000	\$50,000	Capital support for lighting and projection equipment.
Pittsburgh Savoyards Inc.	\$2,375		
Pittsburgh Symphony Orchestra	\$1,596,000	\$100,000	Capital support for new seating at Heinz Hall's main auditorium, including 40% increase in handicapped accessible seating.
Pittsburgh Youth Chorus	\$11,260		

Organization Name	2022 Operating	2022 Capital	Notes
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		
Riverlife	\$2,500	\$50,000	Capital support for the upper promenade of Allegheny Riverfront Park.
Rivers of Steel Heritage Corporation	\$25,000		
Saltworks Theatre Company	\$11,260		
Senator John Heinz History Center	\$648,380		
Silver Eye Center for Photography	\$19,950		
SLB Radio Productions	\$5,090		
Soldiers & Sailors Memorial Hall & Museum	\$303,340	\$209,756	Capital support for the exterior entrance, ADA upgrades, and to replace the emergency back-up generator fuel tank.
South Hills Chorale	\$4,400		
South Park Theatre	\$9,790		
Sports and Exhibition Authority	\$800,000		
Squonk Opera Inc.	\$9,980		For Allegheny County programming.
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		Funding for Allegheny County activity only.
Tuesday Musical Club	\$4,900		
Union Project	\$14,000		
Upper St. Clair Twp. Boyce-Mayview Regional Park	\$240,000	\$275,000	To support Miracle League playground improvements, including equipment, internet and security and for perimeter trail extension.

Organization Name	2022 Operating	2022 Capital/ Program	Notes
Western Pennsylvania Conservancy	\$93,000		
WQED Pittsburgh	\$500,000	\$84,000	Capital support for replacement of an editing server and asset management system.
MULTI-YEAR AGREEMENT			
Sports and Exhibition Authority	\$13,400,000		
OTHER			
Project Grants (Connectivity and Accessibility/Inclusion)		\$400,000	
Access & Opportunity		\$10,000	
RAD Administration	\$1,070,000		
TOTAL	\$103,646,965	\$14,852,436	

GRAND TOTAL:

\$118,499,401



2022 ADMINISTRATIVE BUDGET

Account Name	\$
60000 • Salaries & Wages	\$700,000
60028 • Payroll Fees	\$2,500
60029 • Payroll Taxes	\$53,550
60071 • Health Benefits	\$80,000
60072 • Insurance (Employee)	\$8,000
60073 • Retirement	\$49,000
60075 • Travel	\$5,000
60079 • Marketing/Communications	\$30,000
60083 • Rent/Parking	\$91,515
60087 • Insurance (Business)	\$26,000
60088 • Contract Services	\$56,700
60091 • Advertising	\$1,000
60093 • Training/Development	\$2,000
60094 • Software/Equipment	\$18,000
60095 • Voice/Data/Mail	\$10,000
60096 • Memberships/Subscriptions	\$3,000
60097 • Professional Services	\$60,000
60098 • Conferences/Meetings	\$6,000
60099 • Consulting Services	\$7,500
61000 • Operations/Expenses	\$10,000
Total Expenses	\$1,219,765
FUNDING	
2022 Sales Tax Revenue	\$1,070,000
ACLS Mellon Fellowship	\$81,499
Interest	\$200
Surplus	\$68,066
Total Revenue	\$1,219,765