



**ALLEGHENY REGIONAL ASSET DISTRICT**  
**2023 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 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 to be held October 27, 2022 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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## BUDGET PROCESS & POLICY OBJECTIVES

The preparation of the preliminary 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.

# 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.

# 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

September 29, 2022

Having spent the past several weeks hearing about the 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 2023 revenue, and being mindful of our responsibility as stewards of taxpayer dollars, we are pleased to present the following recommendations for the 2023 preliminary budget.

Operating support is the hallmark of RAD funding, and in a year when our assets' most primary needs center on sustainability by returning to full operating capacity, RAD support will be as critical as it has ever been. Allegheny County has experienced stronger than anticipated sales tax revenues over the last two years resulting in our ability to provide some increased funding levels that should be considered an exception and not the norm.

Our recommendations for 2023 include operating grants for 99 organizations:

- \$34.7 million for libraries,
- \$32.4 million for parks,
- \$13.2 million for arts and cultural organizations,
- \$8.4 million for the Zoo, Phipps, and Aviary,
- \$14.2 million for sports and civic facilities, and,
- \$3 million for public transit.

The budget reflects RAD's highest priority by supporting Libraries and Parks which are always free and open to the public.

In addition to operating grants, the committee recommends \$12.6 million in capital requests to 28 organizations including:

- \$7.1 million for parks and trails,
- \$2 million for the Zoo, Phipps, and Aviary, and,
- \$3.5 million to arts and cultural organizations.

The committee will further examine and evaluate the remaining 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 29, 2022.

At this time, we are recommending a 2023 preliminary budget containing \$105.9 million for operating grants and debt service; \$12.6 million in capital; \$400,000 for Connection and Accessibility & Inclusion grants; and \$1.2 million for general administration.

The committee's recommendations for operating and capital grants are detailed in the budget document that follows.

The 2023 proposed budget is supported by an estimated \$120 million in sales tax revenue with the balance coming from earnings and reserve.

This budget proposal is preliminary. 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 Advisory Board, the RAD staff 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 27th hearing.

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



## 2023 PRELIMINARY BUDGET

Asset Category	Operating	Capital/Programming	Total
Contractual	\$78,660,705	\$8,902,760	\$87,563,465
Annual	\$13,826,170	\$3,691,594	\$17,517,764
Multi year	\$13,400,000		\$13,400,000
Administration	\$1,200,000		\$1,200,000
Connection / Accessibility & Inclusion	\$400,000		\$400,000
<b>Total</b>	<b>\$107,486,875</b>	<b>\$12,594,354</b>	<b>\$120,081,229</b>

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

Organization Name	2023 Preliminary Operating	2023 Preliminary Capital	NOTES
<b>CONTRACTUAL ASSETS</b>			
<a href="#">Allegheny County - Regional Parks</a>	\$24,340,888	\$4,090,000	
<a href="#">Allegheny County Library Association</a> <i>(See Note)</i>	\$7,368,928		Funding, including increase, is conditioned on RAD Library Committee approving ACLA members' formula for distribution of funds
<a href="#">Carnegie Library of Pittsburgh</a>	\$22,539,604		Additional support for shared services and capital is under review by RAD Library Committee for recommendation
Carnegie Library eiNetwork	\$3,549,970		
Carnegie Library e-Resources	\$259,465		
Carnegie Library Debt Service	\$1,000,000		
<a href="#">Carnegie Museums of Pittsburgh</a>	\$3,609,104	\$309,760	Capital for skylight repair and replacement

Note: ACLA Distribution formula for member libraries considers the following: Base Funding, Population, Distress Status, Non-Resident Use, Local Income and impact.

<a href="#">City of McKeesport - Renziehausen Park</a>	\$814,866	\$500,000	Capital for Stephen Barry Field lighting
<a href="#">City of Pittsburgh - Regional Parks</a>	\$6,769,700	\$2,000,000	
<a href="#">National Aviary in Pittsburgh</a>	\$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
<a href="#">Phipps Conservatory and Botanical Gardens</a>	\$2,719,138	\$400,000	Desert room restoration
<a href="#">Pittsburgh Zoo &amp; PPG Aquarium</a>	\$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
<b>ANNUAL ASSETS</b>			
<a href="#">Afro-American Music Institute</a>	\$24,500		Conditions include timely reporting filing and the re-engagement of the Boys Choir
<a href="#">Allegheny Brass Band</a>	\$3,800		
<a href="#">Allegheny Land Trust</a>	\$30,000	\$93,555	Capital for \$17,500 infrastructure improvements at Wingfield Pines, \$45,055 Hollow Oak Land Trust to improve public access trails and boardwalk construction at Montour Woods, \$11,000 Mon Yough Trail Council for rock slide remediation; \$20,000 Rachel Carson Trail to construct an accessible trail and connector through Springdale and Frazer
<a href="#">Andrew Carnegie Music Hall</a>	\$7,500		
<a href="#">Arcade Comedy Theater</a>	\$6,000		
<a href="#">Assemble</a>	\$3,500		
<a href="#">Associated Artists of Pittsburgh</a>	\$8,000		
<a href="#">Attack Theatre</a>	\$55,000		

<a href="#">Audubon Society</a>	\$35,000	\$30,000	Capital for Raptor Center Rehab
<a href="#">August Wilson African American Cultural Center</a>	\$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
<a href="#">August Wilson House</a> (a project of the Daisy Wilson Artist Community, Inc)	\$25,000		
<a href="#">Avonworth Municipal Authority</a>	\$35,000		
<a href="#">Bach Choir of Pittsburgh</a>	\$9,120		
<a href="#">Belle Voci</a>	\$2,500		
<a href="#">Brew House Association</a>	\$3,000		
<a href="#">Bulgarian Macedonian National Educational &amp; Cultural Center</a>	\$5,000		
<a href="#">Calliope: The Pittsburgh Folk Music Society</a>	\$9,500		
<a href="#">Chamber Music Pittsburgh</a>	\$18,000		
<a href="#">Chatham Baroque</a>	\$22,000		
<a href="#">Children's Museum of Pittsburgh</a>	\$600,000		
<a href="#">City of Asylum/Pittsburgh</a>	\$45,000		
<a href="#">City Theatre Company</a>	\$140,000	\$80,000	Capital for Accessibility upgrades and theatre equipment replacement
<a href="#">Contemporary Craft</a>	\$82,000		
<a href="#">corning dances &amp; company</a> (dba corningworks)	\$3,500		
<a href="#">Dreams of Hope</a>	\$11,000		
<a href="#">Edgewood Symphony Orchestra</a>	\$4,800		
<a href="#">Film Pittsburgh</a>	\$7,500		
<a href="#">Focus on Renewal</a> (Father Ryan Arts Center)	\$10,500	\$11,300	Capital for meeting space renovation for Arts Center
<a href="#">Front Porch Theatricals</a>	\$10,000	\$12,000	Capital for sound equipment including

			microphones and wireless receivers
<a href="#">Gemini Theater Company</a>	\$7,500		
<a href="#">Greater Pittsburgh Arts Council</a>	\$102,000		
<a href="#">Guardians Of Sound</a>	\$2,500		
<a href="#">Hill Dance Academy Theatre</a>	\$30,000		
<a href="#">Holocaust Center of Pittsburgh</a>	\$9,000	\$10,000	Capital for technology upgrades
<a href="#">Kelly Strayhorn Theater</a>	\$90,000		
<a href="#">Manchester Craftsmen's Guild</a>	\$450,000	\$125,000	Capital for accessibility upgrades to concert hall and ceramic studio
<a href="#">Mattress Factory</a>	\$90,000		
<a href="#">Mendelssohn Choir</a>	\$12,650		
<a href="#">New Hazlett Theater</a>	\$40,000	\$44,500	Capital for exterior lighting enhancements only
<a href="#">New Horizon Theater</a>	\$32,000		
<a href="#">North Hills Art Center</a>	\$14,250		
<a href="#">North Pittsburgh Symphonic Band</a>	\$2,000		
<a href="#">PearlArts Movement and Sound</a>	\$5,000		
<a href="#">Pittsburgh Arts &amp; Lectures</a>	\$30,000		
<a href="#">Pittsburgh Ballet Theatre</a>	\$194,000		
<a href="#">Pittsburgh Botanic Garden</a>	\$65,000		
<a href="#">Pittsburgh Camerata</a>	\$4,000		
<a href="#">Pittsburgh Center for Arts and Media</a>	\$28,000		
<a href="#">Pittsburgh CLO</a>	\$215,000		
<a href="#">Pittsburgh Community Broadcasting Corp. - WYEP</a>	\$42,500		
<a href="#">Pittsburgh Concert Chorale</a>	\$4,750		
<a href="#">Pittsburgh Cultural Trust</a>	\$2,000,000	\$950,000	Capital as matching funds for Greer Cabaret only
<a href="#">Pittsburgh Girls Choir</a>	\$2,500		

<a href="#">Pittsburgh Glass Center</a>	\$75,000	\$250,000	Capital for roof replacement and expansion
<a href="#">Pittsburgh Musical Theater</a>	\$67,000	\$82,000	Capital for Water Mitigation and Masonry Repair with the condition of raising the remaining \$100,000 to complete the project
<a href="#">Pittsburgh New Music Ensemble</a>	\$7,600		
<a href="#">Pittsburgh Opera</a>	\$215,000	\$73,239	Capital for HVAC and security upgrades
<a href="#">Pittsburgh Philharmonic</a>	\$4,900		
<a href="#">Pittsburgh Playwrights Theatre</a>	\$50,000		
<a href="#">Pittsburgh Public Theater</a>	\$220,000	\$75,000	Capital for production equipment
<a href="#">Pittsburgh Savoyards Inc.</a>	\$2,500		
<a href="#">Pittsburgh Symphony Orchestra</a>	\$1,650,000	\$500,000	Capital for boiler conversion project
<a href="#">Pittsburgh Youth Chorus</a>	\$12,000		
<a href="#">Pittsburgh Youth Symphony Orchestra</a>	\$20,000		
<a href="#">Port Authority of Allegheny County</a>	\$3,000,000		
<a href="#">Prime Stage Theatre</a>	\$17,000		
<a href="#">Quantum Theatre</a>	\$48,000		
<a href="#">Radiant Hall Studios</a>	\$4,000		
<a href="#">Renaissance City Choir</a>	\$5,000		
<a href="#">River City Brass</a>	\$115,000	\$25,000	Capital of \$25,000 towards the total cost of \$42,043 for instruments. Contingent on balance being secured first.
<a href="#">Riverlife</a>	\$10,000	\$50,000	Capital for Allegheny Landing on the North Shore
<a href="#">Rivers of Steel Heritage Corporation</a>	\$35,000		
<a href="#">Saltworks Theatre Company</a>	\$11,600		

<a href="#">Senator John Heinz History Center</a>	\$680,000	\$55,000	Operating increase dedicated to new Museum of African American History. Capital funding towards replacement of Customer Relationship Management (CRM) system.
<a href="#">Silver Eye Center for Photography</a>	\$24,500		
<a href="#">SLB Radio Productions</a>	\$7,000		
<a href="#">Soldiers and Sailors Memorial Hall &amp; Museum</a>	\$354,000		Capital pending further review
<a href="#">South Hills Chorale</a>	\$4,500		
<a href="#">South Park Theatre</a>	\$11,000		
<a href="#">Sports and Exhibition Authority</a>	\$800,000		
<a href="#">Squonk Opera Inc.</a>	\$15,000		
<a href="#">Sweetwater Center for the Arts</a>	\$52,500		
<a href="#">The Frick Pittsburgh</a>	\$175,000	\$400,000	Capital for campus lighting and security upgrades
<a href="#">Three Rivers Young Peoples Orchestras</a>	\$20,000		
<a href="#">Tickets for Kids</a>	\$30,000		
<a href="#">Tuesday Musical Club</a>	\$4,900		
<a href="#">Union Project</a>	\$16,000		
<a href="#">Upper St. Clair Twp. Boyce-Mayview Regional Park</a>	\$252,000	\$375,000	Capital for miracle field, old farm trail, Pavilion-playground
<a href="#">Western Pennsylvania Conservancy</a>	\$95,800		
<a href="#">WQED Pittsburgh</a>	\$500,000	\$250,000	Capital for FM transmitter

# 2023 Budget Percentages

Totals include operating and capital.

