

Allegheny Regional Asset District
REPORT OF THE ALLOCATIONS COMMITTEE
October 3, 2006

Board Members:

We are submitting a 2007 preliminary budget totaling just under \$77 million. The proposal would fund 97 operating and capital grants to 87 organizations, utilizing an estimated \$75.5 million in tax collections and interest earnings and \$1.5 million of the District's reserve.

The proposed budget is \$2.4 million higher than the budget adopted for the current year and is the largest District budget ever proposed. We believe we are able to make this investment as a result of sales tax collections that exceeded budget in 2005 and are exceeding budget this year to date. Additional 2006 revenue trends will be available prior to final adoption so this proposal is subject to revision based on later information.

Contractual assets, that is, assets with five year minimum funding guarantees, are recommended to receive operating grant increases ranging from 1% to 1.5%. We have also proposed capital grants for contractual assets totaling \$2.3 million including parks capital grants required by law as well as grants for repairs and renovations to other assets. In total, contractual assets would receive 72% budget of the proposed budget.

Annual grant amounts proposed reflect the District's emphasis on the need for strong financial stewardship, programming merit and diversity. The recommendations in this plan follow those priorities by providing increases where the committee believes the asset has made overall progress.

We are not proposing capital grants in the annual grants category pending receipt of additional information on 2006 revenue. The capital requests remain active and will be considered again before the final budget is adopted.

The recommendation includes a \$2 million grant to the Sports and Exhibition Authority to assist in the operation of the David Lawrence Convention Center. We understand that this is a temporary measure until such time as funds begin to flow from the gaming trust fund. It is vital that this regional facility meet its commitments next year while permanent funding is secured. Fortunately, the debt service grant to the Authority for the Civic Arena is reduced by \$1.4 million next year so the net cost of this request is \$600,000 in new funds. In addition to the Center, six other applicants are recommended to receive their first ever RAD grants in line with our goal of recognizing quality organizations that appeal to a broad spectrum of interests, particularly young adults.

Libraries would continue to receive the majority of funds from the District, some 32%. Regional parks, trails and other green space projects receive 28%, including \$1.5 million in capital funding. Support for the stadiums and the arena is 19% of the budget. Regional facilities including the Zoo, Phipps and Aviary and Convention Center receive 11%, and arts and culture programs and facilities receive 9% of the funds. Administration of the program remains at less than 1% of the budget.

In making these recommendations, the committee had the benefit not only of the written applications but also some 100 site visits by staff and board as well as fifteen hours of public review sessions. The recommendation reflects where the committee believes there is consensus on the board and we now invite public input.

The Committee would like to thank the Board and staff for their assistance and cooperation during the process. We also thank asset boards and staff not only for their time and support but also for working to improve the quality of life in our region.

Allocations Committee

Dan Griffin, Rob Jones and Connie Yarris

*Allegheny Regional Asset District
Summary of Revenue and Proposed Allocations*

<u>Revenues</u>	<i>2006 Final Budget</i>	<i>2006 Revised Estimate</i>	<i>2007 Preliminary Budget</i>
Sales Tax	\$72,900,000	\$74,500,000	\$75,000,000
Interest Earnings	\$450,000	\$850,000	\$500,000
Reserve, refunds, lapses	\$1,234,750	\$169,656	\$1,483,000
Total Revenues	\$74,584,750	\$75,519,656	\$76,983,000

<u>Expenditures</u>	<i>2006 Final Budget</i>	<i>2006 Revised Estimate</i>	<i>2007 Preliminary Budget</i>
Operating Grants	\$72,557,850	\$72,557,850	\$74,079,700
Capital Grants	\$1,458,000	\$1,458,000	\$2,330,000
Administration	\$568,900	\$568,900	\$573,300
Total Expenditures	\$74,584,750	\$74,584,750	\$76,983,000

2007 Proposed Expenditures by Asset Category

Asset Category	Operating	Capital	Total	% of total
Contractual	\$52,709,000	\$2,330,000	\$55,039,000	72%
Annual	\$6,970,700		\$6,970,700	9%
Multi Year	\$14,400,000		\$14,400,000	19%
Administration	\$573,300		\$573,300	<1%
Total	\$74,653,300	\$2,330,000	\$76,983,000	

<i>Contractual Assets</i>	Operating Recommendation	Capital Recommendation	Notes
Allegheny County Library Assoc.	\$7,780,000		
Carnegie Library	\$16,682,000	\$150,000	Capital for repairs to main branch
Carnegie Museums	\$2,653,000	\$150,000	Capital for Science Center roof replacement
County Regional Parks	\$14,323,000	\$750,000	Capital for ice rink repair, ski slope repair, amphitheater equipment
McKeesport Regional Park	\$587,000	\$80,000	Restroom and ball field construction
National Aviary	\$1,017,000	\$150,000	Capital for bridge repair (\$10,000); glass and deck renovation (\$75,000); vent repair (\$20,000); floor replacement (\$7,500); pond filtration (\$37,500)
Phipps Conservatory and Botanical Gardens	\$2,000,000	\$150,000	Capital for electrical, lighting and sound system upgrade
Pittsburgh Regional Parks	\$4,520,000	\$750,000	Capital for new maintenance facility); sidewalk repairs, wall, step fence reconstruction and resurfacing.
Pittsburgh Zoo and PPG Aquarium	\$3,147,000	\$150,000	Capital for pathway paving (\$70,000); HVAC upgrade (\$25,000); cooler for animal commissary (\$20,000); special event tent replacement (\$35,000).
TOTAL - Contractual	\$52,709,000	\$2,330,000	
<i>Multi Year</i>			
SEA-RDFP Stadium Debt Service	\$13,400,000		
SEA-Mellon Arena Debt Service	\$1,000,000		
TOTAL Multi Year	\$14,400,000		
Annual Grants			
Afro-American Music Institute	\$15,000		
Allegheny Land Trust	\$100,000		
Allegheny-Kiski Valley Hist. Soc.	\$5,000		
American Jewish Museum of the JCC	\$2,500		
Artists Image Resource	\$2,500		
Attack Theatre	\$2,500		
Audubon Society of Western PA	\$20,000		
August Wilson Center for Af. Am Culture	\$275,000		
Avonworth Municipal Authority	\$30,000		
Bulgarian Nat. Educ, & Cult. Ctr.	\$3,500		
Calliope	\$7,500		
Chatham Baroque	\$10,000		
Children's Festival Chorus	\$9,000		
Children's Museum of Pittsburgh	\$175,000		
City Theatre Company	\$75,000		
Community Theater Proj. Corporation	\$17,500		
Dance Alloy	\$20,000		
Edgewood Symphony	\$3,200		

Annual Grants	Operating Recommendation	Capital Recommendation	Notes
Frick Art & Historical Center	\$40,000		
Gateway to the Arts	\$30,000		
Gemini Theater Company	\$2,500		
Greater Pittsburgh Arts Council	\$60,000		
Historical Society of Western PA	\$335,000		
Jazz Workshop	\$5,000		
Kuntu Repertory Theatre	\$50,000		
LABCO Dance Company	\$2,500		
Manchester Craftsmen's Guild	\$150,000		
Mattress Factory	\$40,000		
McKeesport Symphony Society	\$8,500		
Mendelssohn Choir of Pittsburgh	\$10,000		
New Hazlett Theater	\$2,500		
New Horizon Theater	\$15,000		
North Hills Art Center	\$2,500		
North Pittsburgh Philharmonic	\$2,500		
Open Stage Theatre	\$3,000		
Opera Theater of Pittsburgh	\$8,000		
Pgh. Comm. Broadcasting - WYEP	\$25,000		
Pittsburgh Ballet Theatre	\$100,000		
Pittsburgh Camerata	\$2,500		
Pittsburgh Chamber Music Society	\$8,000		
Pittsburgh Civic Light Opera	\$100,000		
Pittsburgh Civic Orchestra	\$2,500		
Pittsburgh Concert Chorale	\$4,000		
Pittsburgh Cultural Trust	\$650,000		
Pittsburgh Filmmakers	\$175,000		
Pittsburgh Glass Center	\$20,000		
Pittsburgh Int'l Children's Theater	\$20,000		
Pittsburgh Irish & Classical Theater	\$25,000		
Pittsburgh Musical Theater	\$40,000		
Pittsburgh New Music Ensemble	\$5,000		
Pittsburgh Opera, Inc.	\$120,000		
Pittsburgh Public Theatre	\$120,000		
Pittsburgh Symphony Society	\$1,000,000		
Pittsburgh Voyager	\$15,000		
Pittsburgh Youth Ballet	\$5,000		
Pittsburgh Youth Symphony	\$8,000		
Prime Stage	\$8,000		
Quantum Theatre	\$8,000		
Renaissance & Baroque Society	\$8,000		
Renaissance City Choirs	\$4,000		
Renaissance City Wind Society	\$3,500		
River City Brass Band	\$90,000		

Annual Grants	Operating Recommendation	Capital Recommendation	Notes
Saltworks Theatre Company	\$20,000		
Silver Eye Center for Photography	\$10,000		
Society for Contemporary Craft	\$50,000		
Soldiers & Sailors Memorial Hall	\$200,000		
South Hills Chorale	\$4,500		
South Park Theatre	\$7,500		
Sports & Exhibition Authority	\$2,000,000		
Srishti Dances of India	\$3,000		
Sweetwater Center for the Arts	\$25,000		
Three Rivers Young Peoples Orch.	\$10,000		
Tides Center-Sprout Fund	\$2,500		
Tuesday Musical Club	\$4,000		
UMOJA	\$7,500		
Boyce Mayview Regional Park (Upper St. Clair)	\$370,000		Conditioned on use for operations and projects not related to the recreation center
Western PA. Conservancy	\$100,000		
WOED Multi-Media	\$50,000		
TOTAL Annual	\$6,970,700		