

Allegheny County Controller Chelsa Wagner's

TAXPAYER ALERT

Gaming Funds

November 30, 2017



The Community Infrastructure and Tourism Fund (CITF) and Gaming Economic Development and Tourism Fund (GEDTF) were both created by the legislation permitting casinos in Pennsylvania, and funded through casino fees and revenue. Both funds are administered by the Allegheny County Department of Economic Development (ACED). Funds are distributed to projects in the County which are intended to create jobs, improve infrastructure, or promote tourism.

Grants from these funds totaling more than \$71 million were awarded to more than 400 projects through 2016. Today, about \$25 million remains to be awarded, and no new funding is expected to be available after 2019.

While these funds have supported many worthy projects, their impending exhaustion requires that what remains be utilized to have the greatest possible impact. This once-in-a-generation opportunity cannot be squandered.

For this reason, it is troubling that the County has applied extremely lax standards and oversight to projects supported by these funds (see sidebar).

There is still more than \$25 million remaining to help transform our County and position it for the future. Projects must be evaluated carefully and held to the requirements of their grants and their promises to the taxpayers.

As always, thank you for the opportunity to provide this information about how our public money is utilized, and please contact my office with any concerns about waste, fraud or abuse in our County government.

Warmest Regards,

Chelsa Wagner
Allegheny County Controller



A Controller's Office audit of the CITF and GEDTF in 2014 found deficiencies in the process of evaluating grant applications and monitoring awarded projects, which are duties of the County's Economic Development department (ACED). A follow-up review showed that these problems have yet to be corrected.

- There is no written documentation showing that criteria listed in the program guidelines are considered.

- While awards must be approved by the Redevelopment Authority of Allegheny County (RAAC) Board, appointed Board members are cut out of the process. Project evaluation is done wholly by ACED staff, and the Board receives no information on projects that are not recommended by staff.

- Some awarded projects create no jobs or only temporary jobs.

- No follow-up is done to confirm job creation or retention projections.

- ACED staff has not verified compliance with prevailing wage requirements, and two of nine projects examined by auditors were found to not be compliant.

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CITF GRANT AWARDS 2014-2016

CITF

The Community Infrastructure and Tourism Fund (CITF) is an annual allocation of \$6,600,000 for use in Allegheny County to fund construction, improvement and maintenance of infrastructure projects. Projects are approved by the Redevelopment Authority of Allegheny County (RAAC). Grants to a single project are capped at \$250,000.

Applicant	Project	Awarded
Clairton Municipal Authority	Sewer System Repairs	\$250,000
Pittsburgh Community Services, Inc.	East End Rain Barrel Initiative	\$250,000
Laborers Local 1058	Interior Rehabilitation, Office Space	\$250,000
The Pennsylvania State University	Comprehensive Green Infrastructure Demonstration	\$250,000
County of Allegheny	2015 Learn and Earn Summer Employment Initiative	\$250,000
Wilkesburg Borough	Building Demolition	\$250,000
Turtle Creek Valley COG	Visit Monroeville Tournament Field Upgrades	\$250,000
Dormont Public Library	Retaining Wall	\$250,000
Redevelopment Authority of Allegheny County	Allegheny Together Program	\$250,000
Pittsburgh Historical Landmarks Foundation	Pittsburgh Bicentennial Celebration	\$250,000
Josh Gibson Foundation	Josh Gibson Heritage Park	\$250,000
Redevelopment Authority of Allegheny County	Wilkesburg Train Station Redevelopment	\$240,000
Pittsburgh Symphony, Inc.	Backstage Accessibility Upgrades	\$225,000
Pittsburgh Cultural Trust	Benedum Center Amenities Project Skybridge/Walkway	\$225,000
Robert Morris University	University Blvd. Left Turn Lanes	\$225,000
The Education Partnership	Upgrades To Warehouse Facility	\$225,000
Aleppo Township Authority	Old Hill Road Water Line Relocation	\$225,000

Chart Continued...

AHI Development, Inc.	Ardmore Senior Housing	\$225,000
North Side Partnership Project	Hazmat Removal & HVAC Installation	\$225,000
AHI Development, Inc.	Forward Murray Gateway Project	\$210,000
Heinz History Center	Historic Resources & Preservation Project	\$210,000
Twin Rivers COG	Police Station Building Construction	\$200,000
Twin Rivers COG	Gallatin Community Park Improvements	\$200,000
Elizabeth Borough Municipal Authority	Sewer System Repairs	\$200,000
Rosedale Technical Institute, Inc.	Industrial Maintenance Training Initiative	\$200,000

Top 25 Awards

GEDTF GRANT AWARDS 2014-2016



The Gaming Economic Development and Tourism Fund (GEDTF) awards grants in rounds of \$3 million to \$5 million, up to \$500,000 per project. Awards are recommended by the Redevelopment Authority of Allegheny County (RAAC) and given final approval by the Commonwealth Financing Authority.



USS Requin

Chart Continued...

North Hills COG	Ravine Street Stream Removal	\$250,000
McKnight 535 Smithfield, LP	The Oliver Building Revitalization Project	\$250,000
Highwood Properties	PPG Plaza Rehabilitation Project	\$250,000
Regional Learning Alliance	Expansion Project	\$250,000
Marshall Township	Park Development	\$250,000
Allegheny Land Trust	Land Acquisition	\$250,000
Etna Economic Development Corporation	Riverfront Park Flyover Project	\$250,000
Jewish Healthcare Foundation of Pittsburgh	QIT Training Center for Healthcare	\$200,000
YMCA of Greater Pittsburgh	Baierl Family YMCA, Drainage and Parking Lot Expansion	\$200,000
Riverview Children's Center	Building Expansion	\$200,000

Applicant	Project	Awarded
Township of North Fayette	Renovation & Expansion of Public Safety Building & Police Station	\$500,000
Stemnion, Inc.	Planning & Feasibility Studies Project	\$500,000
Municipality of Bethel Park	Community Park Improvements	\$465,000
Carnegie Museum of Pittsburgh	USS Requin Restoration	\$420,000
The Program for Offenders, Inc.	Community Corrections Alternative for Women	\$400,000
InVision Human Services	Office Renovations	\$400,000
Pittsburgh Symphony, Inc.	Heinz Hall Renovations	\$360,000
Township of Marshall	Thorn Hill Road Right Turn Lane	\$350,000
Pittsburgh Opera, Inc.	2016-17 Season	\$350,000
Goodwill Southside Workforce Development Center	Replace Roof, Windows, HVAC, and Safety Features and Equipment	\$300,000
Bridgeville Borough	Chartiers Street Widening	\$300,000
Shaler Township	Fall Run Park Improvements	\$260,000
Township of Indiana	Public Works Garage	\$250,000
Allegheny Valley North COG	Water Tank Improvement Project	\$250,000
Allegheny Valley North COG	Cheswick Combined Sewer Separation Project	\$250,000

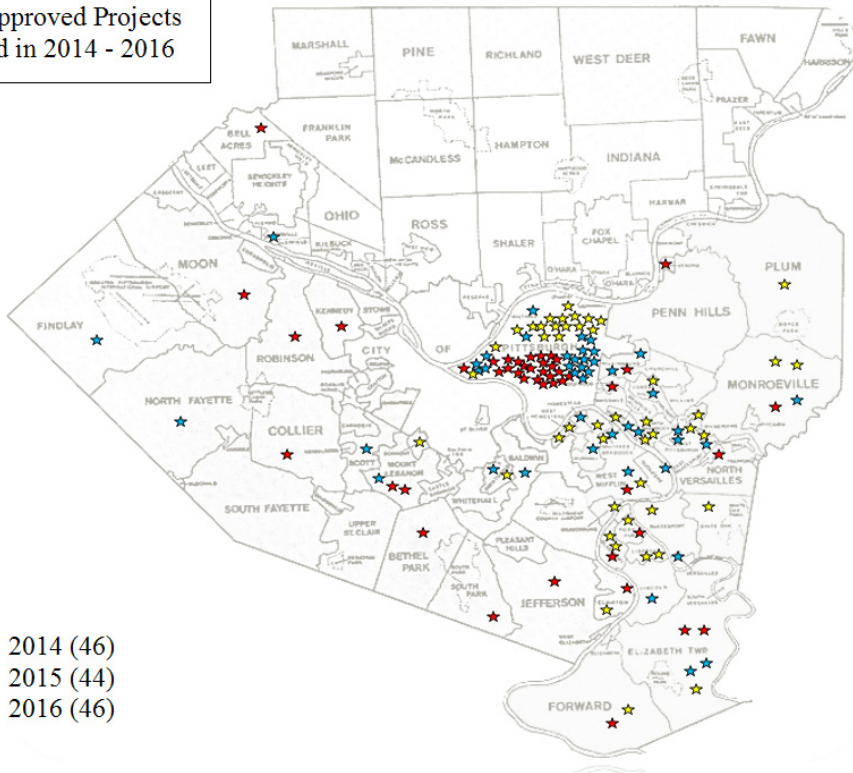


Top 25 Awards



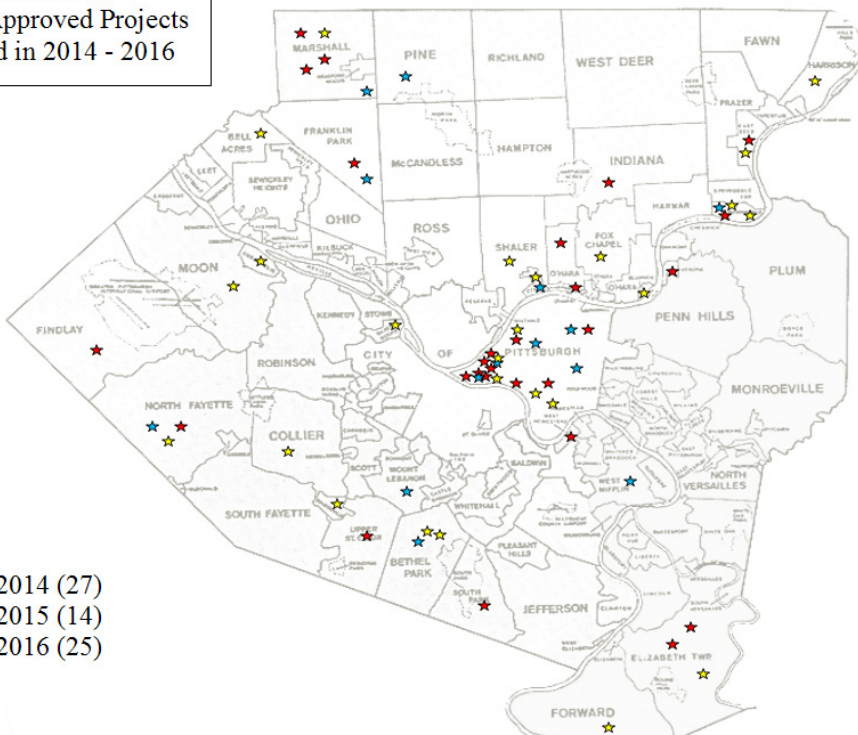
CITF & GEDTF APPROVED PROJECT LOCATIONS 2014-2016

Schedule II
CITF Approved Projects
Applied in 2014 - 2016



- ★ 2014 (46)
- ★ 2015 (44)
- ★ 2016 (46)

Schedule II
GEDTF Approved Projects
Applied in 2014 - 2016



- ★ 2014 (27)
- ★ 2015 (14)
- ★ 2016 (25)

One essential use which is specifically cited in the legislation creating these funds is to improve water and sewer infrastructure. Aging and inadequate infrastructure has contributed to the Pittsburgh Water and Sewer Authority (PWSA) and other local water providers exceeding federal lead limits, ordering boil water advisories, and making costly emergency repairs.

Green infrastructure projects are also needed to reduce the burden on the ALCOSAN sewer system, which is under a federal mandate to eliminate overflows. These are essential projects that can improve quality of life and public health, and which can set our region apart for its progress in meeting these challenges.

**See Waste, Fraud
or Abuse?**

412-350-4300

