

APPENDIX L: FUNDING SOURCES

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This list of funding sources can potentially be utilized to fund development, planning, acquisition, operation and maintenance of parks, recreation facilities, arts, and open space areas.

General Capital Fund

Funded through Real Estate Excise Tax with approximately \$400,000 per year available for capital projects.

General Obligation Bonds

The voter approves these bonds with the assessment placed on real property. The dollars can only be spent for capital improvements and not for maintenance. This property tax is levied for a specific period of time, which is usually twenty to thirty years. The passage of the bond referendum requires a 60% majority approval by 40% of the voters in the last election.

Grants

A variety of special grants either currently exist through the Federal and State governmental systems or will be established through the life of current and proposed facilities. The City has utilized several types of grants in the past that can be reapplied for additional grants. Some of the major additional grants are also listed and most of these grants have a website with all the information about eligibility, requirements, and applications.

IAC Grants

The Interagency Committee for Outdoor Recreation (IAC) manages a number of state funded grants related to parks and open space. Some of them include: Youth Activities Facilities Account for sports facilities; Non Highway and Off-Road Vehicles Program for the acquisition, development, and maintenance of off-road trails; Boating Facilities Program for the acquisition and development of boating related projects; Firearms Range Program for the acquisition and development of firearms ranges; Washington Wildlife and Recreation Program (WWRP); and Federal Land and Water Conservation Fund.

Urban Forestry Grants

There are several funding grant programs that provide money for urban forestry programs. One is funded by the U. S. Small Business Administration and provides grants to purchase and plant trees. This program sometimes funds urban street tree planting programs.

HUD Block Grants

Grants from the Federal Department of Housing and Urban Development are available for a wide variety of projects. Most are distributed in the lower income areas of the community. These grants can be up to 100% of the project cost.

Washington State Arts Commission Grant

This is a state funding program that requires a 50% match. Grants are available for project support, program support and art education.

TEA21 Grants

Washington has received considerable revenue for trail related projects over the past several years. Originally called The Intermodal Surface Transportation Efficiency Act (ISTEA), it funded a wide variety of transportation related projects. In 1998, ISTEA was modified and is now referred to as TEA21 Fund with a number of grant programs. The National Trails Program primarily funds rehabilitation and maintenance of backcountry trails and requires a 20% match in funding.

Aquatic Lands Enhancement Account – Wetlands Stewardship Grant

This program is managed by the State Department of Natural Resources and used to acquire local significant wetlands. The maximum amount of the grant is \$75,000.

National Endowment for the Arts

This is a national funding program that requires 50% matching funds and can be used for a wide variety of projects.

National Tree Trust

The National Tree Trust provides trees through two programs: America's Treeways and Community Tree Planting. These programs require trees to be planted by volunteers on public lands. The America's Treeway Program requires a minimum of 100 seedlings to be planted along public highways.

Corporate Sponsorships

This revenue-funding source allows corporations to invest in the development or enhancement of new or existing facilities in park systems. Sponsorships are also highly used for programs and events.

Partnerships

Partnerships are joint development funding sources or operational funding sources between two separate agencies, such as two government entities, a non-profit and a City department, or a private business and a City agency. Two partners jointly develop revenue producing park and recreation facilities and share risk, operational costs, responsibilities, and asset management based on the strengths and weaknesses of each partner.

Foundation/Gifts

These dollars are raised from tax-exempt, non-profit organizations established with private donations in promotion of specific causes, activities, or issues. They offer a variety of means to fund capital projects, including capital campaigns, gift catalogs, fundraisers, endowments, sales of items, etc.

Hotel/ Motel Tax

Tax based on gross receipts from charges that can be used for tourism promotion as well as acquisition and/or operation of tourism-related facilities. This revenue source may be used for major citywide cultural events. It may also be possible to utilize some of this money for park improvements and maintenance if the park offers some type of tourism-related activity or attraction.

Revenue Bonds

Bonds used for capital projects that will generate revenue for debt service where fees can be set aside to support repayment of the bond.

Certificates of Participation

This is a lease-purchase approach in which the City sells Certificates of Participation (COPs) to a lending institution. The City then pays the loan off from revenue generated by the facility or from its general operating budget. The lending institution holds title to the property until the COPs are paid off. This procedure does not require the vote of the public.

Interlocal Agreements

Contractual relationships entered into between two or more local units of government and/or between a local unit of government and a non-profit organization for the joint usage/development of sports fields, regional parks, or other facilities.

Private Concessionaires

Contract with a private business to provide and operate desirable recreational activities financed, constructed, and operated by the private sector with additional compensation paid to the City.

Fees/Charges

The Department can position its fees and charges to be market-driven and based on both public and private facilities in the area. The potential outcome of revenue generation consistent with national trends relating to public park and recreation agencies, usually generates an average of 35% to 50% of operating expenditures.

Land Trust

Public Land Trusts such as the Trust for Public Land, Inc., Nature Conservancy and the Capitol Land Trust will help secure and fund the cost for acquiring land that needs to be preserved and protected for greenway purposes. The land is held for eventual acquisition by a public agency.

Conservation Futures

State legislature allows counties to levy up to \$0.065 per \$1000 of assessed valuation on all properties in the County to acquire shoreline and other open space lands.

Naming Rights

Many cities and counties have turned to selling the naming rights for new buildings or renovation of existing buildings and parks for the development cost associated with the improvement.

Private Developers

These developers lease space from City-owned land through a subordinate lease that pays out a set dollar amount plus a percentage of gross dollars for recreation enhancements. These could include a golf course, marina, restaurants, driving ranges, sports complexes, equestrian facilities, and recreation centers and ice arenas.

Parking Fee

This fee applies to parking at selected destination facilities such as beach parking areas, major stadiums and other attractions to help offset capital and operational cost.

Advertising Sales

This revenue source is for the sale of tasteful and appropriate advertising on park and recreation related items such as in the city's program guide, on scoreboards, dasher boards and other visible products or services that are consumable or permanent that exposes the product or service to many people.

Capital Improvement Fees

These fees are on top of the set user rate for accessing facilities such as golf, recreation centers, sports complexes and pools to support capital improvements that benefit the user of the facility.

Friends Associations

These groups are formed to raise money typically for a single focus purpose that could include a park facility or program that will better the community as a whole and their special interest.

Irrevocable Remainder Trusts

These trusts are set up with individuals who typically have more than a million dollars in wealth. They will leave a portion of their wealth to the city in a trust fund that allows the fund to grow over a period of time and then is available for the city to use a portion of the interest to support specific park and recreation facilities or programs that are designated by the trustee.

Life Estates

This source of money is available when someone wants to leave their property to the city in exchange for them to live on their property until their death. The city usually can use a portion of the property for park purposes and then all of it after the person's death. This revenue source is very popular for individuals who have a lot of wealth and their estate will be highly taxed at their death and their children have to sell of their property because of probate costs. This allows the person to receive a good tax deduction yearly on their property while leaving a life estate. It is good for the city because they do not have to pay for the land.

Catering Permits and Services

This is a license to allow caterers to work in the park system on a permit basis with a set fee or a percentage of food sales returning to the city. Also many cities have their own catering service and receive a percentage of dollars off the sale of their food.

Volunteerism

The revenue source is an indirect revenue source in that persons donate time to assist the department in providing a product or service on an hourly basis. This reduces the city's cost in providing the service plus it builds advocacy into the system.

Equipment Rental

The revenue source is available on the rental of equipment such as tables, chairs, tents, stages, bicycles, roller blades, boogie boards, etc. that are used for recreation purposes.

Councilmanic Bond

State law limits bonded debt to 2.5% of assessed value of taxable property. Of this limit, up to 1.5% of the assessed value of taxable property may be non-voter-approved debt as is called Councilmanic Bonds.

Admission Tax

This tax is on ticket sales for major entertainment venues such as concert facilities, theaters, golf tournaments, clubs that have cover charges, stadiums and any other activity where an admission charge is made to enter the facility. An admission charge includes a charge made for rental or use of equipment or facilities for the purpose of recreation or amusement and where the rental of the equipment or facilities is necessary to the enjoyment of the privilege for which a general admission is charged. The combined charges are considered the admission charge.

Special Fundraisers

Many park and recreation agencies have special fundraisers on an annual basis to help cover specific programs and capital projects.

Exchange of Property

An exchange of property that is between a private landowner and the city can occur. For example, the City could exchange an unneeded parcel of land for a potential park site currently under private ownership.

