

Appendix N – Alternative Funding

Appendix N: Alternative Funding Methods

The following subsections summarize research findings on potential funding sources and opportunities that could enhance capital expenditures for construction and operating budgets for the City. This report does not represent any particular funding strategy over another. The economic conditions within the community vary with time and the City should explore the best means of achieving its goals towards the operations of the programs and facilities on an ongoing basis.

Grants

Grants are used primarily as a way to supplement funding already received. For example, grants can be used for program purposes, planning, design, and seed money. Due to their infrequent nature, grants are normally looked at as a way to fund a specific venture and should not be used as a continuous source of funding.

Federal Sources

Information on current and archived Federal Register Grant Announcements can be accessed on the Internet at: www.tgci.com/funding/fedTodayAR.asp. For information on government product news and procurement visit GovPro at www.govpro.com. Another resource is the Foundation Center's RFP Bulletin Grants Page on Health at: www.fdncenter.org/pnd/rfp/index.jhtml. Also try www.fedgrants.gov for a listing of federal grant opportunities.

- Next Generation of Service Grants
- Cooperative Agreements for the Comprehensive Community
- Mental Health Services Program for Children and their Families
- Adolescent Family Life Grants
- AmeriCorps Resources
- Governors' Grants for Drug and Violence Prevention
- Community Services Block Grant Program
- Urban and Community Forestry for and with Minority and Underserved Populations

Land and Water Conservation Fund (LWCF) www.nps.gov/lwcf

The Land and Water Conservation Fund grant program provides up to 50% reimbursement assistance for state and local government subdivisions (towns, villages, cities, counties, park districts, joint recreation districts, and conservancy districts) to for the acquisition, development, and rehabilitation of recreational areas.

Proposed funding for LWCF is determined by Congress. The federal government provides up to 50 % reimbursement for a public outdoor recreation project through each LWCF grant, while the local agency is responsible for the remainder. Federal funds supporting the LWCF program are derived from offshore oil lease revenues and other non-tax sources.

The allocation for each State and Territory is determined by formula based on law and subsequent approval of a "certificate of apportionment" by the Secretary of the Interior. The

FY 2006 certificate was approved and each State and Territory will be formally notified of its annual share.

Funding is issued to the state and it is at the state's discretion how much of that funding will be made available for local government.

Federal Government Grant Opportunities:

United States Authority of Agriculture

Community Facilities Guaranteed Loan Program

National Endowment of the Humanities

Office of Challenge Grants

United States Authority of Commerce

Public Works Development Facilities Program

Short Term Planning Grants

Local Technical Assistance

United States Authority of Housing and Urban Development Economic Development Initiative (EDI)

Corporation for National and Community Service

www.fedgrants.gov/Applicants/CNCS/activity_1.html

Community Development:

Office:Office of Grants Management

Location:Washington, DC

Health

Office:Office of Grants Management

Location:Washington, DC

State and Local Government Grant Opportunities

Colorado Lottery Funded Programs

50% of lottery proceeds is divided between the Conservation Trust Fund and Colorado State Parks. The other 50% goes to GOCO.

Great Outdoors Colorado (GOCO)

In 1992, Coloradoans took a major step toward preserving their state's outdoor heritage by voting to create the GOCO Trust Fund, which now forms Article XXVII of the Colorado Constitution. GOCO receives 50% of the proceeds from the Colorado Lottery, its only source of funding. The funding is capped at \$35 million a year adjusted for inflation. If GOCO's share exceeds that amount, the remainder goes into the State Public School fund. The amendment dedicates a portion of state lottery proceeds to projects that preserve, protect and enhance Colorado's wildlife, parks, rivers, trails and open spaces. GOCO is required to allocate its proceeds to four areas in substantially equal portions over time:

- Investments in the wildlife resources of Colorado through the Colorado Division of Wildlife (DOW), including the protection and restoration of crucial wildlife habitats,

- appropriate programs for maintaining Colorado’s diverse wildlife heritage, wildlife watching, and educational programs about wildlife and wildlife environments. *Seek partnership with the Colorado DOW to provide educational programs and environmental enhancements.*
- Investments in the outdoor recreation resources of Colorado through the Colorado Division of Parks and Outdoor Recreation (Colorado State Parks), including the State Parks system, trails, public information and environmental education resources and water for recreational facilities. *Seek partnership with the Colorado State Parks to provide educational programs and environmental enhancements.*
 - Competitive grants to the Colorado Divisions of Parks and Outdoor Recreation (Colorado State Parks) and Wildlife, and to counties, municipalities, or other political subdivisions of the state, or non-profit land conservation organizations to identify, acquire and manage open space and natural areas of statewide significance. *Seek partnership with the Colorado State Parks and DOW to provide educational programs and environmental enhancements.*
 - Competitive matching grants to local governments or other entities which are eligible for distributions from the Conservation Trust Fund, to acquire, develop or manage open lands and parks. *Apply for GOCO grants to fund development projects.*
 - Several grant programs have been developed:
 - Legacy initiative
 - Open space land conservation grant program
 - Local government park, outdoor recreation and environmental education facilities grant program
 - Outdoor recreation grants through Colorado State Parks
 - Wildlife grants through the Colorado Division of Wildlife
 - Trail grant program
 - Planning and capacity building grant program

Colorado Department of Transportation (CDOT), Safe Routes to School

This federally funded grant program, managed by CDOT, promotes the planning, development and implementation of projects that will improve safety, and reduce traffic, fuel consumption and air pollution in the vicinity of schools. *The City could use this grant to help support the development of safer bicycle and pedestrian trails and routes to schools, such as improved crossing across Hwy 50.* Minimum funding is set at \$50,000 with maximum project funding set at \$250,000. For grant applications go to the CDOT Safe Routes web site at www.dot.state.co.us/bikeped/saferoutestoschool.htm.

Private Grant and Philanthropic Agencies

The Trust for Public Lands

The Trust for Public Land (TPL) is a national, nonprofit, land conservation organization that conserves land for people to enjoy as parks, community gardens, historic sites, rural lands, and other natural places, ensuring livable communities for generations to come. If possible, the TPL prefers to get paid for their services.

The City should conduct a more thorough investigation and further research of grant opportunities. A complete listing of grants can be found on the web-site of AGS Publishing: A-Z Grants - AGS Funding Center at www.agsnet.com/grants.

Grant Opportunities for the City

The seeking of philanthropic dollars to augment funding for the development of a facility would be a large task. But seeking grants to fund programs, to act as seed money, or to provide matching funds is a better time investment. Grants should not be a priority goal when seeking dollars to initially develop facilities. Most grants that could contribute substantial dollars towards parks and recreation ventures are normally tied to land acquisition and preservation ventures (EPA, Land Water Conservation Fund, etc.).

Many communities have had success in seeking grants for programs and community quality of life. It is recommended that the City evaluate what types of grant programs would best match the opportunities to be provided by future facilities and seek funds either internally or through an associated non-profit.

Philanthropic

Defined as the concept of voluntary giving by an individual or group to promote the common good and improve the quality of life. Philanthropy generally takes the form of donor programs, capital campaigns, and volunteers/in-kind services.

The time commitment to initiate a philanthropic campaign can be significant. Current City resources that could be dedicated to such a venture are limited. If this option is deemed possible by City decision-makers, it is recommended that the City outsource most of this task to a non-profit or private agency experienced in seeking funding of this type.

To manage a volunteer program, typically an agency dedicates a staff member to oversee the program for the entire City. This staff member would then work closely with the Human Resources or HR designee as volunteers are another form of staffing a program, facility or event. Relevant methods are discussed below:

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 its special interest.

Volunteers/In-Kind Services

This 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 for the system.

Corporate Sponsorships, Naming Rights and Advertising Sales

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

Corporate Sponsorships

The following web sites were explored for fees and charges are provided and were explored for an analysis of various fees and charges:

www.sportsplexwest.com/Sponsorship_Real_Estate.htm

www.plexindoorsports.com/pdfs/plexx-misc-PlexSponsorshipProspectus.pdf

www.rexplex.com/sponsors/

Naming Rights

Many cities, towns and counties throughout the country have successfully sold the naming rights for newly constructed facilities or when renovating existing buildings. Additionally, newly developed and renovated parks have also been successfully funded through the sales of naming rights. Generally the cost for naming rights offsets the development costs associated with the improvement. People incorrectly assume that selling the naming rights for facilities is reserved for professional stadiums and other high profile team sport venues. This trend has expanded in the recent years to include public recreation centers and facilities as viable naming rights sales opportunities.

Naming rights can be a one-time payment or spread out with a fixed payment schedule over a defined period of time. During this time the sponsor retains the “rights” to have the building named for them. Also during this time, all publications, advertisements, events, and activities could have the sponsoring group’s name as the venue. Naming rights negotiations need to be developed by professionals so as to ensure a proper agreement that benefits all agents in the contractual obligation and provides remedies to change or cancel the arrangements at any time during the agreement period.

Advertising Sales

Advertising sales is a viable opportunity for revenue through the sale of tasteful and appropriate advertising on park and recreation related items such as in the program guides, on scoreboards, dasher boards and other visible products or services that are consumable or permanent that exposes the product or service to many people.

Sponsorship Opportunities for the City

The City could create and adopt a sponsorship policy that would allow the agency to target individuals, groups, and companies that may have an interest in having naming rights on a portion of, or the entire facility or park. The policy would stipulate all types of sponsorship opportunities and could be structured to provide remedy for the City to cancel agreements if they were deemed unsuitable for the agency.

The use of securing a named sponsor for the entire facility or naming portions of the facility, and advertising sales is a valid consideration.

Fees and Contractual Services

Recreation Service Fee

The Recreation Service Fee is a dedicated user fee that can be established by a local ordinance or other government procedures for the purpose of constructing and maintaining recreation facilities. The fee can apply to all organized activities, which require a reservation of some type, or other purposes as defined by the governing agency. Examples of such generally accepted activities that are assigned a service fee include adult basketball, volleyball, and softball leagues, youth baseball, soccer, and softball leagues and special interest classes. The fee allows participants an opportunity to contribute toward the maintenance of the facilities being used.

Capital Improvement Fees

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

Contractual Services

Private Concessionaires

Contracts can be developed with private businesses to provide and operate desirable recreational activities financed, constructed, and operated by the private sector with additional compensation paid to the City.

Concession Management

Concession management is the retail sales or rental of soft goods, hard goods, or consumable items. The City can either contract for the service or receives a percentage of the gross sales or the net revenue dollars from the profits after expenses are paid.

Merchandising Sales or Services

This revenue source comes from the public or private sector on resale items from gift shops and pro shops for either all of the sales or a defined percentage of the gross sales.

Cell Towers and Wi-Fi

Cell towers attached to existing or new light poles in game field complexes is another source of revenue the City could seek in helping support the system.

Another type of revenue for a facility or complex can come from providing sites for supporting Wi-Fi technology. Wi-Fi, or Wireless Fidelity, allows individuals to connect to the Internet without wires, similar to cell phone technology. In California the State Park System is providing wireless internet access and are charging \$7.95 for 24 hours of connectivity (approximately \$.33 per hour) within their service area. They are connecting 85 state parks with SBC Communications. For more information contact California State Parks at www.parks.ca.gov.

Permitting

Permits (Special Use Permits)

These special permits allow individuals to use specific park property for financial gain. The City either receives a set amount of money or a percentage of the gross service that is being provided.

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 percentage of food sales returning to the City.

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 government department, or a private business and a government 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.

Partnerships can also be an excellent resource to support the addition of facilities or amenities to parks that are not part of the master plan priorities. When unique, unforeseen opportunities arise relative to development opportunities and community interest, rather than rejecting the project, the City can consider it as a potential partnership opportunity.

Partnerships can be made between recreation agencies and other organizations in both the public and private sectors. Before these partnerships can be formed, however, a favorable supportive environment for such relationships has to be present. The first challenge is for the potential partners to recognize and accept as legitimate their different value systems and missions.

There must be reciprocal benefits accruing to all parties in a partnership arrangement if it is to be successful. In addition to financial considerations, benefits may include efficiencies from removal of service duplication or use of complementary assets, and enhanced stability for the service. Ultimately, the personalities of individuals involved in a partnership and the personal relationships that they forge determine its effectiveness.

Partnerships with Schools

The economic case for the City and school district cooperating to provide recreation facilities is compelling. Both users provide facilities that could be and are used by either party. Currently there is some partnering with the school districts. There appears to be a tremendous opportunity for this partnership to be explored.

Taxpayers fund the facilities that both entities develop, and joint provision is likely to result in savings from reduced land acquisition costs, capital development costs, and operating expenses. Additionally, the times at which school and community clienteles use recreational facilities are reasonably complementary.

Partnerships with Hospitals and Health Care Clinics

As hospitals and health care clinics move into the wellness business, a growing number of parks and recreation agencies are forging relationships with them to jointly develop facilities and programs. This joint development avoids the expense of duplicating efforts by institutions that are located in close proximity to each other. Additionally, hospitals often have substantial budgets they can use to promote joint programs. These cooperative programs can also provide the agency with a feeder source for new members.

Partnerships with the YMCA/YWCA, the Boys and Girls Clubs and Others

Partnerships between parks and recreation agencies and private youth organizations are becoming more common. There are different forms that this type of public/private partnership can take. In some cases, the public agency provides a long-term lease that enables the private agency to build and operate the building and services. The City of Salida has initiated discussions with the Boys and Girls Club regarding a potential partnership in their programming efforts.

Sponsorship Opportunities for the City

A limited number of opportunities for capital construction partnerships exist. It is suggested that the City actively research partnership opportunities with organizations that have complimentary missions and are based in or around the City like the School District, future hospitals, therapeutic and wellness organizations, any private and charter schools, local non-profit agencies and local businesses.