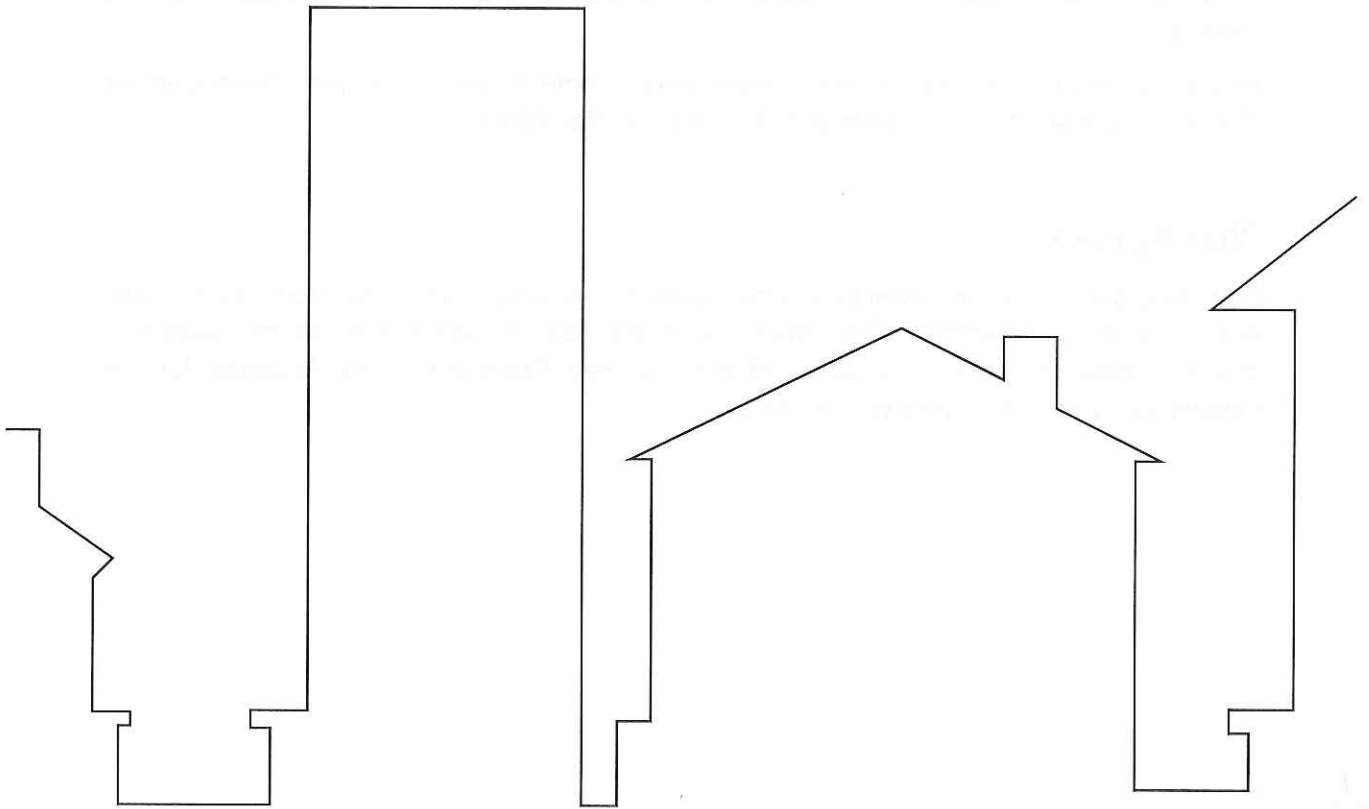


08

Funding



08 Funding

As the city continues its transition over the next ten years, Brookhaven officials will have to provide new facilities, maintain existing facilities and operate a growing Recreation and Parks Department. In this section of the report, we have documented current funding practices and identified opportunities to gain additional funding and tools for continued development of the Department.

Current Funding

The city has set aside \$2,000,000 for capital projects in the current year budget. This funding is coming from the general fund. If this level of funding is maintained over 10 years, a total of \$20,000,000 in park development and redevelopment could be completed. It is clear the city will need to explore other methods to increase funding if the goal of improving the overall quality of the park facilities is to be met. In the following paragraphs, alternative funding options are explored.

Historically, the main sources of capital funding for parks and recreation agencies in the state of Georgia are:

- Special Purpose Local Option Sales Tax (SPLOST)
- General Obligation Bond
- Program User Fees
- Local Option Sales Tax (LOS)
- Impact or Other Development Fees
- General Fund Tax Dollars
- State and Federal Grants



Traditional Primary Funding Methods

Special Purpose Local Option Sales Tax (SPLOST)

The largest and most commonly used funding source for capital projects in Georgia is the Special Purpose Local Option Sales Tax (SPLOST) program. SPLOST referendums are placed on the ballot by county governments, and as such, the county controls when and if this type of funding will become available. If a SPLOST is passed in DeKalb County, the City of Brookhaven will receive a proportional share of the funds collected based on the city's population. As part of the process, projects which are to be funded by the tax dollars collected must be identified prior to the vote so voters know what is to be constructed. Because so much of this process is controlled by the county, this is not seen as a viable funding source at this time.

General Obligation Bonds

As a new city, Brookhaven does not have any outstanding general obligation bonded debt. Georgia law mandates that general obligation debt issued by cities and counties cannot exceed 10% of the assessed value of all taxable property. For Brookhaven, this equates to a legal debt margin of \$277,000,000.

The use of a bond program would be a viable option to initiate a major capital program for parks and recreation facilities. The city could do a bond letting to fund a portion of the capital projects outlined in this master plan. The bond would be paid back over a 20 or 25-year period and would allow the city to begin to meet the facility needs of the community.

Cobb County, Cherokee County and DeKalb County, along with the City of Roswell, have in the not-so-distant past, passed bond programs that included recreation facilities and are in the process of completing the projects funded by the bonds. Like the SPLOST, projects to be funded by the bond program must be identified prior to voters going to the polls to vote.

A bond program in the 50 million dollar range would allow the city to quickly complete approximately 35 to 40 million dollars in park projects depending upon the interest rate and payback period. Using a 4.5% interest rate and a payback of \$2,500,000 per year over 20 years, approximately \$35 million in projects and land acquisition could be completed over the next three to five years. If the city would commit to maintaining the current funding of



\$2,000,000 per year for capital improvements, the total bond program would come down slightly but still provide a means to have a major impact over a short period of time.

A variety of methods exist for funding the repayment of a bond. Funding can be from a single source, such as using a portion of existing tax revenues. It can also come from a special fee added to a utility rate, or other similar fees that residents of a community are charged. Determining the most feasible single source or combination of sources will be critical for the city.

User Fees

User fees assessed by parks and recreation agencies are wide and variable. Fees can be charged for facility maintenance and added to program registrations or for park access that is charged on a daily or annual basis. Other user fees include memberships to special facilities and centers and program fees charged for instructional programs. The combination of these fees can be a major revenue generator for the city.

Program user fees are a collection of entry fees and program registrations. Funds collected are primarily used to offset operating expenses to provide services to Brookhaven citizens. Current program fees and revenue generation have not been a major focus for the Department. As the transition of the Department continues, this should be viewed differently. In the operational and budget assessment, it was noted that the only source of income currently identified in the budget is pavilion rentals. Development of a fees and charges policy has been recommended, and once completed, user fee collection should increase dramatically. Several examples of how fees could impact funding for new development are provided below.

Non-Resident Fees

Currently, non-resident fees are not being charged by the city. Non-resident fees are charged to facility users who do not reside within the city limits of a community. An example would be charging a non-resident fee at a swimming pool. Residents pay a set fee and non-residents pay a higher fee. Moving forward, the city should assess facilities and programs and determine which would be best to charge non-resident fees. Facilities that require higher levels of maintenance, such as dog parks, pools and community gardens are the type of facilities where non-resident fees should be charged. One area not recommended for charging non-resident fees is youth sports. The long history of the parks services being provided on a countywide basis has created leagues with residents from throughout the county. Many of the participants are from surrounding areas that do not have sports fields; and therefore, have no option other than to play in Brookhaven. For this reason, it is felt that non-resident fees would be unfair and would have a negative impact on the successful programs that are in place.



Parks Access Fee

Some communities across the country assess their citizens with an annual park access fee. Butler County Metro Parks System in Ohio charges an annual access fee and uses parking stickers on resident cars to insure the fees have been paid. In the community survey, 9 percent of respondents indicated they would use a park fee to improve park maintenance and recreation programs. This type of fee would be a good alternative for non-residents who would rather pay one standard fee rather than a non-resident fee for every program or activity they choose. If the City of Brookhaven were to charge each of the 22,154 households a park access fee of \$120.00 dollars annually, this would generate approximately \$2,658,480 million per year. This figure would continue to grow as the population of the city grows. In addition, if there are another 5,000 household from outside the city being served primarily by Brookhaven parks, this would generate another \$6,000,000.00. This would fund a bond program of approximately \$50,000,000 over a 20 year period. In the community survey, 12.3% of respondents indicated that borrowing funds and repaying them over a 20 to 25 year period was a good option. Another 13.4% supported combining borrowed funds with millage fund in order to increase the ability to construct a few large facilities quickly and add smaller facilities to the system over time.

The implementation of a park access fee would require a few operational changes at parks. Staff would have to be hired to implement the fee program and to monitor the parks in order to enforce visitor parking stickers. A local ordinance would have to be passed to address fines for those who park in the parks without the parking passes. While these operational changes would require an initial investment, the increased revenue that a park access fee would generate would far exceed the cost.

It is in the Department's best interest to evaluate the existing pricing strategies, develop a cost recovery philosophy and goals for both city-sponsored and association-sponsored programs that truly reflect the community's values placed on recreation and parks services, and to provide for the sustainability of the Department. The Department should examine their current fee structure to identify where increases may be appropriate; factors such as inflation rates, rising energy costs, land values, higher maintenance levels provided by the city and new facility development should all be taken into account.

Dedicated Millage

As stated in the park access fee discussion, the combination of a millage and borrowed funds was the top choice for funding large park improvements quickly. A dedicated millage could be earmarked for repayment of a city bond program that includes park projects. As the city looks at roads and other community needs, it is clear that a bond program backed by dedicated millage is the most feasible alternative. Unlike county governments who have



access to the SPLOST, cities have fewer options when it comes to repaying a bond program. By dedicating a millage for recreation, the city would create a dedicated funding source and know from year to year what funds would be available for debt service and operations of the Parks and Recreation Department.

The city code on taxation does allow a millage increase if it is for general obligation bonds that do not count against the cap on the millage rate set by the city charter. The current cap rate on the millage is 3.35 mills. The current millage rate is 2.85 mills, so there is room to raise the millage rate even if a bond is not secured. The additional revenue could be used to renovate parks on a pay-as-you-renovate approach.

Regulatory Funding or Development Sources

The employment of regulatory means to aid the development of parks and greenways is used by many city governments across the country. In the case of parks, land set aside or a fee in lieu of land set aside are common and would provide either needed park land or funds for acquisition of park land. As discussed in Section 6, a mandatory park land dedication or fee in lieu of dedication is recommended to be added to the Brookhaven Zoning Code in order to gain more public park land to offset the impacts of residential development in the city.

Right-of-Way or Greenway Easement Dedication

Another missing tool in Brookhaven is mandatory right-of-way dedication for multi-use greenway development that is outside of the roadway system. As new developments are planned along proposed greenways in Brookhaven, there is no provision for the mandatory dedication of right-of-ways or greenway easements for the multi-use greenways recommended in this master plan. These non-road routes are equally important to the development of a comprehensive greenway system; therefore, the mandatory dedication of R.O.W. or easements should be explored by the city's planning staff.

Because much of Brookhaven is built-out, these mandatory dedications will primarily benefit the city in redevelopment districts initially. As other areas of the city transition over time, additional dedications should occur and aid in completing the entire greenway system.

Lodging, Car Rentals and Liquor Excise Taxes

Many communities nationally are incorporating lodging taxes to pay for many tourism related programs, including parks and recreation improvements. Jurisdictions have implemented or



are considering instituting a lodging tax to fund future capital improvements that may lead to increased tourism and overnight stays.

Brookhaven currently collects a hotel/motel tax at 5%. By comparison, Johns Creek charges a rate of 7% and Dunwoody charges 5%. Consideration should be given to increasing the tax and dedicating this increase to funding capital development of park facilities. The funds collected could be used as one of the sources to retire a bond program.

On rental vehicles, the City of Brookhaven collects a tax of 3%. Sandy Springs, Dunwoody and Johns Creek all charge 3%. Brookhaven should consider an increase in this fee and use the additional funds collected to help retire a bond program.

Brookhaven currently collects liquor tax at 3% per drink but does not have wholesale taxes on beer and wine. Dunwoody currently collects 3% per drink and additional wholesale taxes for beer and wine based on the size of the item sold. Consideration should be given to increasing the tax per drink and establishing a wholesale tax on beer and wine. The city should use the increased revenue to fund capital development of park facilities. The funds collected could be used as one of the sources to retire a bond program.

A common element of all these fees is that they are paid by residents and non-residents alike. Based on the location of Brookhaven and the number of non-residents that shop and use local businesses, a combination of these taxes could generate a significant amount of money for park capital projects.

Local Income Tax

Georgia also authorizes counties and localities to levy a 1% local option income tax, with voter approval. Because the city has a limit on property taxes, this may be another tool for funding capital development for parks. The income tax levy could be set for a predetermined time frame in order to allow the city to purchase land and develop parks and then sunset the income tax when the funding needs have been met.



Alternative Funding Sources

Partnerships

Brookhaven is blessed to have many highly organized and active volunteer groups who use the park system. These include athletic associations, community garden groups, civic clubs and friends of the parks groups. These groups have a history of raising money to help with capital projects and maintenance in parks. Building on this tradition of joint funding for capital projects should be a priority for the city.

Guidelines should be developed as a process for these groups to identify facility improvements they would like to make in a park. Once in place, these groups can submit a project they would like to develop in a park for consideration. If the project is approved and the group raises the necessary funds to construct the project, it should then be allowed to move forward.

“Buy-A-Foot” Programs

"Buy-a-Foot" programs have been successful in raising funds and awareness for trail and greenway projects across the country. Under local initiatives, citizens are encouraged to purchase one linear foot of the greenway by donating the cost of construction. An excellent example of a successful endeavor is the High Point (North Carolina) Greenway "Buy-a-Foot" campaign, in which linear greenway "feet" were sold at a cost of \$25 per foot. Those who donated were given a greenway T-shirt and a certificate. This project provided an estimated \$5,000 in funds.

Fundraising

Local fundraising is a mechanism that has worked effectively in communities across the country. Although a strong local effort is involved, this mechanism typically generates a vast amount of support and publicity. Local businesses, organizations and private individuals can pledge funding over a specific period of time.

In most communities, a recreation and parks advisory board plays an active role in fundraising for their department. Brookhaven has a parks board and its members should play a vital role in providing guidance, expertise, advocacy, political support, fundraising efforts and representation of the agency's constituents. One of the primary responsibilities of a board is to assist in the development, acquisition and management of Department resources.

Board members can be more proactive by initiating a variety of fundraising tasks, such as collaborating with the "Friends of Parks" groups to send direct mail letters, promoting sponsorship of programs and naming rights, seeking in-kind donations, hosting special



events (e.g., golf tournaments, fundraiser dinners, events to honor volunteers, silent auctions and themed socials) and soliciting charitable donations of money and lands.

Currently, the funds that are collected are transferred to agencies that promote tourism within the city. While it is not the main focus of the Recreation and Parks Department, promoting tourism that results in overnight stays in local hotels/motels (e.g., tournaments, special events) is one of its functions, and the Department should receive a portion of these funds.

Naming Rights

Naming rights became prominent in the 1990s, when larger sports venues and cultural spaces were named after a company or individual. Many examples of successful ventures are known today, like Dick's Sporting Goods Park in Denver (home of the Colorado Rapids soccer team), the American Airlines Arena in Miami (home of the Miami Heat NBA team), and the multi-purpose American Airlines Center in Dallas.

Public naming rights have been growing due to tighter agency budgets. The attraction of public venues is the varied tiers of naming rights that can be allowed. In a large sports complex for example, agencies can solicit naming rights for the entire facility for a prescribed amount of money or tailor it towards naming a locker room within the facility for a lesser fee.

Agencies are creative in selling not only spaces but placing products within the Department to generate new revenues. In 2002, Los Angeles city lifeguards sported Izod swimsuits as the "official swimwear of the Los Angeles City Beach Lifeguards" and the Skokie (IL) Park District collected \$150,000 annually from Pepsi for it being its "exclusive soft drink provider."

Exclusive Beverage Rights

Many communities leverage the right to be the sole beverage supplier to a city or to the parks and recreation department by soliciting annual payments for soft drink suppliers. These sole supplier agreements usually cover a five year period to allow the supplier to make a good return on their investment. Some of these agreements also include advertising rights, including supplying scoreboards for recreation fields and facilities.

Grants

Transportation Enhancements (TE)

The Transportation Enhancements (TE) program funds a wide variety of transportation-related community projects. This program is the largest source of funding for trails and related facilities. Transportation Enhancement projects must relate to surface transportation and compete among numerous projects. Greenways and other recreational trails are eligible for TE funding as long as the project has a transportation element being funded.



There are a variety of Transportation Enhancement categories. The three that most relate to greenways and recreational trails are pedestrian and bicycle facilities, pedestrian and bicycle safety and educational activities, and conversion of abandoned railway corridors to trails. The Georgia Department of Transportation (GDOT) is the agency responsible for administering Transportation Enhancement funds in Georgia. Brookhaven could possibly fund portions of the recommended greenway system through annual applications to GDOT. These grants are 80 percent federal and 20 percent local funding. Therefore, for every \$1.00 invested by the city, the city receives \$4.00 in grant funds. Individual projects can receive a maximum of \$1 million. Website: <https://www.dot.ga.gov/localgovernment/FundingPrograms/TransportationEnhancement/Pages/default.aspx>

Safe Routes to School (SRTS)

The Safe Routes to School (SRTS) program, which is also administered by GDOT, funds walking and bicycle facilities that connect residents to schools. The goals of the program are to enable and encourage children to walk and bike to school safely, make walking and biking a safer and more appealing transportation choice, facilitate the planning and development of projects and activities that will improve safety, and to reduce traffic, fuel consumption and air pollution in the vicinity of elementary and middle schools. This grant does not require a match, but grant funds are limited to \$500,000 per application per funding cycle. Applications received from a project sponsor may include multiple elements, such as sidewalks, bike lanes and speed humps, but cannot exceed \$500,000. Website: <http://www.saferoutesinfo.org/>

Recreational Trails Program (RTP)

This program was initiated through the TEA-21 legislation. Funds are awarded for the construction of trails and support facilities. Emphasis is on the construction of multi-use trails, such as biking, hiking, equestrian, motorized, etc. In Georgia, administration of this program is handled by staff of the Department of Natural Resources, Division of Parks, Recreation and Historic Sites.

Like the Transportation Enhancements program, the RTP is a matching grant with 80 percent federal funding and 20 percent local funding. Funds may be used for:

- Maintenance and restoration of existing trails
- Development and rehabilitation of trailside and trailhead facilities and trail linkages
- Purchase and lease of trail construction and maintenance equipment
- Construction of new trails (with restrictions for new trails on Federal lands)
- Acquisition of easements or property for trails
- Assessment of trail conditions for accessibility and maintenance
- Development and dissemination of publications and operation of educational programs to promote safety and environmental protection, (as those objectives relate to one or more of the use of recreational trails, supporting non-law enforcement trail safety and trail use monitoring patrol programs, and providing trail-related training), (limited to 5 percent of a State's funds)



- State administrative costs for the RTP (limited to 7 percent of a State's funds)

Website: http://www.fhwa.dot.gov/environment/recreational_trails/

Community Development Block Grants

Although this program funds housing, public facilities, economic development and community projects, recreation could be a minor component of the project. For example, a mini park could be constructed on land purchased through the housing project that services primarily low- to moderate-income individuals. The program is administered through the Georgia Department of Community Affairs.

Website: <http://www.dca.state.ga.us/communities/CDBG>

Environmental Education Grants

This program is sponsored by the EPA's Environmental Education Division (EED), Office of Children's Health Protection and Environmental Education. It supports environmental education projects that enhance the public's awareness, knowledge, and skills to help people make informed decisions that affect environmental quality. The EPA awards grants each year based on funding appropriated by Congress. Annual funding for the program ranges between \$2 and \$3 million. Most grants will be in the \$15,000 to \$25,000 range.

In Georgia, these grants are administered by the Department of Natural Resources. This grant program could be a potential source for funding or programming of nature programs at Brookhaven Nature Center. Grant deadlines for this grant program are normally in December of each year. Website: <http://www.dnr.state.md.us/education/are/aregrants.asp>

Land and Water Conservation Fund

For many years since the mid-1960s, the Land and Water Conservation Fund (LWCF) program provided funds for outdoor recreation acquisition and development; however, over the last few years, the funding has been extremely limited. In Georgia, administration of LWCF is handled by staff of the Department of Natural Resources (DNR), Division of Parks, Recreation and Historic Sites. Funding for this program varies from year to year based on funding from the United States Congress. Website: <http://lwcfc coalition.org/>

Georgia Heritage Grant

Georgia Heritage Grant Program re-opens for SFY2015. After a hiatus of several years, limited funding for preservation projects through the Georgia Heritage Grant Program is available for the SFY2015 cycle. This grant program is 60%/40% reimbursable. Applications are now available on the HPD website. The application postmark deadline date is July 11, 2014. Eligible applicants include local governments and non-profit secular organizations for historic properties listed in or eligible for listing in the Georgia Register of Historic Places. Eligible activities include predevelopment projects, such as preservation plans, feasibility studies or historic structure reports and development projects for actual "bricks and mortar"



rehabilitation." For further information, please contact Carole Moore at 404-651-5566 or carole.moore@dnr.state.ga.us.

GATEway Grant Program

GATE is an acronym for Georgia Transportation Enhancement. The GATEway Grant Program assists communities in their efforts to beautify roadsides along state routes. The mission of the GATEway Grant Program is to provide funding for roadside enhancement and beautification projects along Georgia's roadsides.

The funding for grants comes from contributory value fees paid by outdoor advertising companies to the Department for vegetation removal at outdoor advertising signs. The funds may be used only for landscape plant material and its installation for the furtherance of roadside enhancement and beautification projects along state routes in Georgia. Website: <http://www.dot.ga.gov/localgovernment/FundingPrograms/gateway/Pages/default.aspx>

Other Transportation Grant Opportunities

Because the Atlanta Regional Commission is under federal mandate to improve air quality, there are several other specific grants available through GDOT to fund alternative transportation. The Recreation and Parks Department should work closely with the city's Department of Transportation to pursue funds for sidewalks, trails and bike lanes to connect to the community's parks, many of which are adjacent to schools.

Funding Recommendations Summary

Survey responses (25.7%) indicated their support to borrow money to develop parks and pay it back over a long period of time and another 20.3% supported an increase in the hotel/motel tax. It is clear that additional funding will be needed if the goal of improving park facilities quickly is to be achieved. Several comments were received through the public input process that stated citizen frustration with the rate at which park improvements are being completed. The most viable means of completing the redevelopment of park facilities and construction of new facilities is a general obligation bond. The years of neglecting maintenance of the parks before they became city parks has created millions of dollars of deferred maintenance. At the current rate of funding of \$2,000,000 per year, it could be years before facility needs will be addressed. To determine the best course of action, city staff should explore the recommendations contained in this master plan and develop several alternative funding programs that can be reviewed by City Council to determine which funding method works best for the city.

Other steps that will increase the rate of park and greenway development but on a much smaller scale include the following:



Implement regulatory tools for mandatory parkland and greenway rights-of-way or easements in the zoning code. This is one of the few no-cost options for the city and is a standard requirement in many communities across the country.

Develop a fees and charges policy. The Department should develop a fees and charges policy, as discussed in Section 4, which can be applied to all programs they offer. The fees and charges policy shall clearly define the various levels of general funds that will be used to fund each type of program so that revenue generating goals for the Department can be set for individual programs, as well as the Department as a whole. This should be a high priority for the Department and should be completed in the next six months. Increasing self-generated revenues will be a vital part of the increased funding for the Department, but is dependent on providing adequate park facilities, as discussed in Section 4.

Build on existing partnerships. Building stronger relationships with current, park user groups and non-profit groups and others could allow the Department to provide services through allied providers to keep operational cost low and raise funds for capital projects. The city should continue to make park land available for local groups who raise money to fund improvements, such as the recommended conversion of the Murphey Candler Caretaker House into a program center for arts and nature program. This is a common practice across the country. A good example is the Friends of Warner Parks in Nashville, Tennessee; they just raised over 3 million dollars to buy additional land for Nashville's largest park.

Any agreements with these partners should be in writing in the form of intergovernmental agreements (IGA), memorandums of understanding (MOU), memorandums of agreement (MOA) or other similar written agreement formats to ensure that all parties understand their roles and responsibilities.

Seek grants and leverage existing funds as potential matches. Expand the level of grant writing that is done by the Department. Grants have been, and will continue to be a credible funding source for special projects and plans. Grants should not be sought as a primary revenue source, but as a supplement to the Department and capital funding. The Recreation and Parks Department should work closely with the city's Transportation Department to pursue GDOT grant funds for sidewalks, greenways and bike lanes.



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