



SECTION 6.

FUNDING ALTERNATIVES

An evaluation of financing alternatives and methods for development of major improvement plan projects was conducted. This evaluation included:

- Identification and definition of potential funding sources
- Identification of individual grants available through federal, state, and other sources.

TYPES AND DEFINITIONS

Parks and Recreation projects are funded in a multitude of manners. Methods of financing projects used in various Missouri communities are identified for consideration in funding the City of Wentzville programs and projects. These methods and their definitions follow.

Dedication /Development Fees

Dedication of open space or payment of fees for park development or recreation purposes. As open space is consumed, developers may either dedicate a portion of the property for open space or in lieu of land, pay an impact development fee so that alternate open space may be purchased.

Foundations/Grants/Gifts

Tax-exempt, non-profit organizations established with private donations in promotion of specific causes, activities or issues. Offers a variety of means to fund capital projects including capital campaigns, gift catalogs, fund raisers, endowments, and sales of items. Included in this document is a summary of various grants that are available to parks and recreation agencies and cosponsored organizations.

Activity and/or User Fees

This is a dedicated user fee established by ordinance for the purpose of constructing and maintaining recreation facilities and programs. The fee applies to all organized activities that require a paid registration or reservation of some type. Fees are based on activity level. For example, in sports leagues each participant may be charged \$1.45 per scheduled game with \$1.00 going



to offset operating and maintenance costs (mowing, utilities, field preparation, etc...) and \$0.45 used for construction or renovation of facilities. The enticement is that it is the users that pay and the funds are earmarked for the facilities that generate the revenue.

Departments also have the opportunity of developing **Resident and Non-Resident Fees**. Those who reside within the city limits pay a reduced fee compared to those who live outside of the city limits.

Sales Tax Dedicated to Capital Improvements

In 1995, state-enabling legislation was passed allowing Missouri cities and counties to pass up to a half-cent sales tax for parks and recreation (and/or storm water control). Since its passage over 40 Missouri cities and counties have passed a parks/storm water sales tax. Several cities have employed a strategy where voters are promised a reduction in property taxes if the sales tax is passed. Most cities have computed the percentage of sales taxes collected from non-residents and campaigned on the concept of using non-resident's money to finance city parks and recreation facilities. The sales tax requires a simple majority for passage.

Another sales tax option is to seek a half-cent sales tax issue to pay off sales tax bonds. This requires a super majority (four-sevenths) for passage.

Land and Water Conservation Fund (LWCF)

Grants available to cities, counties and school districts to be used for outdoor recreation projects. Projects require a 55 percent match. All funded projects are taken under perpetuity by the National Park Service and must only be used for outdoor recreational purposes. Development and renovation projects must be maintained for a period of 25 years or the life of the manufactured goods. Grant cap has been set at \$150,000.



Recreational Trails Program (RTP)

Grants to be used for motorized or non-motorized trail development, renovation, maintenance and/or the development/renovation of trailheads. Projects require a minimum match of 20 percent. All projects must be maintained for a period of 25 years. Grant requests up to \$100,000 are eligible. Eligible applicants include cities and counties, schools, and private, non-profit, and for-profit businesses.

Landmark Local Parks Program

In 1996, Governor Carnahan created a matching grant program to fund local parks and recreation projects in Missouri. The funds are available for outdoor recreation projects.

Metropolitan Parks and Recreation District

This district was formed beginning in 2000 and funds several levels of grants through a 1/10-cent sales tax in participating counties. The distribution of these grants is as follows;

- 50% to the district as a whole to “develop, operate and maintain a public system of interconnecting trails and parks throughout the counties comprising the district.”
- 30% of the funds go directly to the counties for “park purposes.”
- 20% to the cities through grants by a municipal commission for “park and recreation purposes.”

General Obligation Bonds

Bonded indebtedness issued with the approval of the electorate for capital improvements and general public improvements. Approval requires a super majority (four-sevenths) vote for passage during general elections, primary or general elections and a two-thirds majority at all other elections.



Revenue Bonds

Revenue bonds are municipal securities that are secured by the revenues or receipts of a project or special fund rather than the full taxing power of the borrower. Revenue bonds may be issued if approved by a simple majority.

Ad Val Orem Property Tax

Tax levied on the assessed valuation of all non-exempt real and personal property.

Hotel, Motel and Restaurant Tax

Tax based on gross receipts from charges and meal services which may be used to build and operate golf courses, tennis courts and other special park and recreation facilities.

Special Improvement District/Benefit District

Taxing districts established to provided funds for certain types of improvements, which benefit a specific group of affected properties. Improvements may include landscaping, the erection of fountains, the acquisition of art, and supplemental services for improvement and promotion, including recreation and cultural enhancements.

Tax Increment Financing

The concept behind the tax increment financing is that taxes in a designated area are frozen and the redevelopment that occurs in the blighted, conservation or economic development area will increase the assessed valuation of the property and generate new property tax revenues. The increase can be used on an annual basis to retire revenue bonds issued to finance redevelopment costs. A great deal of development is required to generate sufficient revenues to make it work.

Lease Purchased Financing

Facilities for public use financed and built through an entity separate from the municipality – either another public entity, a non-profit corporation set up for that purpose, a bank, a leasing company, or joint powers authority.

There are several types of lease purchase funding mechanisms, including certificates of participation in which investors can purchase tax free investments in the leased facility, and sales leaseback which is a means for public entities to sell an existing facility to a separate entity such as a non-profit organization, an investor, or a group of investors. Improvements can be made by the separate entity who then leases the facility back to public entity for an agreed to period of time and interest rate.

Interlocal Agreement

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 a program or facility.

Private Concessionaires

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

Transportation Equity Act for the 21st Century

The Federal Government authorized this funding program, commonly called TEA-21. Funds are distributed through the Missouri Highway and Transportation Commission. There are enhancement dollars available for transportation related projects including bicycle and pedestrian trails, rail depot rehabilitation, landscaping, and beautification programs.



Neighborhood Assistance Program

In 1978 Missouri became the third state in the nation to adopt legislation creating a NAP. Any person, firm or corporation in the state is eligible to receive NAP credit by making an eligible contribution to an approved NAP in Missouri. The amount of tax credit is generally equal to half of the contribution (70% for projects in some communities under 15,000 population). NAP credits may only be used to offset income tax, franchise tax, financial institution tax, gross premium receipts tax and gross receipts tax. Only 501 (c)(3) organizations, Missouri businesses, and nonprofit organizations authorized to operate in Missouri are eligible applicants.



GRANTS

Federal

Pollution Prevention Grants

Environmental Protection Agency

Michele Amhaz

Pollution Prevention Division (7409M)

Office of Pollution Prevention and Toxics

Environmental Protection Agency

1200 Pennsylvania Ave, NW.

Washington, DC 20460-0001

Telephone: 1-202-564-8857

E-mail amhaz.Michele@epa.gov

<http://www.epa.gov/p2/>

Recreational Program Grants CFDA #84.128J

Kerri Brown

U.S. Department of Education, OSERS

400 Maryland Avenue, SW, Room 3329, MES

Washington, DC 20202-2647

Telephone: 1-202-401-9707

E-mail Kerrie.brown@ed.gov

<http://www.ed.gov/programs/rsarecreation/index.html>

Land and Water Conservation Fund

Division of State Parks & Historic Preservation

Department of Natural Resources

P.O. Box 176

Jefferson City, MO 65102-0176

Telephone: 1-573-751-2479

<http://www.ncrc.nps.gov/lwcf>



State

Landmark Local Parks Program

Grant Management Section

P.O. Box 176

Jefferson City, MO 65102

Telephone: 1-573-751-8560

E-mail: moparks@dnr.mo.gov

<http://www.mostateparks.com>

Recreational Trails Program

Grant Management Section

P.O. Box 176

Jefferson City, MO 65102

Telephone: 1-573-751-0848

E-mail: moparks@dnr.mo.gov

<http://www.mostateparks.com/grantinfo.htm>

Metropolitan Parks and Recreation District

Municipal Parks Grant Commission of St. Louis County, Missouri

St. Louis County Municipal League

121 S. Meramec Avenue

First Floor

Clayton, Missouri 63105

Telephone: 314-726-4747

E-mail: staff@stlmuni.org

<http://www.stlmuni.org>

Waste Tire Grants

Missouri Department of Natural Resources

Solid Waste Management Program

P.O. Box 176

Jefferson City, MO 65102

Telephone: 1-573-751-5401

http://www.dnr.state.mo.us/financialopp/solid_waste.htm

Historic Preservation

Department of Natural Resources

Division of State Parks

P.O. Box 176

Jefferson City, MO 65101

Telephone: 1-800-334-6946

E-mail: moparks@dnr.mo.gov

Community Assistance Program (lake/pond management)

Missouri Department of Conservation

P.O. Box 180

Jefferson City, MO 65102-0180

<http://www.conservation.state.mo.us/>

TRIM II (Tree Resource Improvement and Maintenance Program)
Community Forestry Coordinator

Forestry Division

Missouri Department of Conservation

P.O. Box 180

Jefferson City, MO 65102-0180

Telephone: 1-573-522-4115, ext. 3116

<http://www.conservation.state.mo.us/>



Community Stewardship Grant Program
Missouri Department of Conservation
Powder Valley Nature Center
11715 Cragwold Road
Kirkwood, Mo. 63122

Other

National Fish & Wildlife Foundation
Five-Star Restoration Challenge Program
(wetland, riparian, or coastal habitat restoration)
Lisa Burban, Group Leader/Urban Forester
USDA Forest Service -- NA S&PF
1992 Folwell Ave.
St. Paul, MN 55108
Phone: 651-649-5245
Fax: 651-649-5238
<http://www.nfwf.org/programs/5star-rfp.htm>

Partnership Enhancement Monetary Grant Program
(for organizations whose programs & activities are managed by volunteers-need to establish a "Tree-Keeper" Volunteer group to apply)
National Tree Trust
1120 G Street NW, Suite 770
Washington DC 20005
Phone: (202) 628-8733
Fax: (202) 628-8735
<http://www.nationaltreetrust.org/>