



## APPENDIX D: FUNDING OPPORTUNITIES

There are a number of possible funding sources for parks and facilities acquisition, development and maintenance. This appendix lists potential funding sources for operations and capital projects, including a brief summary of each source. Most sources are limited in scope and can only be used to fund specific types of projects. Because of these limitations, Emeryville will have to carefully consider all funding options to determine the best strategy for implementing system improvements, especially those that increase the need for maintenance or operations funding.

### OPERATIONS

Securing funds for maintenance and operations is a challenge for many cities. The following funding sources may be used for ongoing maintenance and operations, as well as some sources that may also be used for capital projects.

### TAXES

The business license tax is currently capped at \$115,542.94, which means that businesses with gross receipts (or expenses) of more than \$144,428,675 per year do not pay the tax on amounts above that level. If the City were to eliminate the cap, these businesses would pay more. At present, the business license tax is equal to the greater of \$25 or 0.08 percent of gross receipts. Thus, any business with gross receipts greater than \$31,250 would pay more than \$25. Businesses with no gross receipts within the City of Emeryville pay the business license tax based on the total cost of all expenses incurred in the manufacturing process at the business location or administrative office within the City of Emeryville for payroll, utilities, depreciation and/or rent.



Other potential tax sources include:

- Increasing the transient occupancy tax (tax on hotel/motel stays). The tax is currently set at 12 percent of the room charge. For comparison, Alameda charges 10%, Oakland 11% and Berkeley charges 12%.
- Imposing a tax on off-street parking.

## FEES AND CHARGES

There are several fees and charges that may be used to fund park maintenance and operations.

- **Facility-Use Charges:** Facility charges generate revenue for parks by charging for the use of City facilities (e.g., sport fields, picnic shelters, meeting rooms, community garden plots). These charges may cover direct costs generated by facility use, such as field lighting or trash removal. Rates may also be set higher to subsidize parks maintenance and address the long-term impacts of facility use. Emeryville can increase revenue for park services by expanding rental facilities (picnic shelters, meeting rooms, etc.) or by increasing rental fees and other facility-use charges.
- **Programming Fees:** User fees for recreation programming generate revenue by charging users for some or all of the costs of providing services and materials. Charges for programming are often based on a cost-recovery strategy determined by the City. Some program areas, such as youth and senior programs, may be partially subsidized, while programs for adults may be more suitable for higher fees and charges. Some programming fees also include built-in

charges for facility use and maintenance.

- **Entry Fees:** Park entry fees, day-use fees, or parking fees are used by some larger jurisdictions to generate revenue for parks. These are not typically recommended for City park sites and can be difficult to enforce. However, entry fees can be charged for some special events, where appropriate. The decision to charge entry fees at community events and festivals is often based on cost recovery goals for this type of recreation opportunity.
- **Concessions (Earned Income):** Food, beverage and merchandise vendors or concessionaires that operate restaurants, coffee-kiosks or other revenue-generating facilities in parks can also generate excess revenues to support the park system. The City can set up specific arrangements with vendors and concessionaires for these services. Vendors are also required to obtain a license from the City.
- **Park Sponsorships:** The City may solicit sponsors who are willing to pay for advertising, signage, facility naming rights, etc., generating funds to support operations. In addition, sponsors are often sought to support a particular event or program.
- **Miscellaneous Rentals:** Many cities are evaluating a variety of opportunities to generate revenue in parks. The City could rent space for cellular phone towers in parks or for vendor pads with hookups, where carts can be parked. (This rental space is different from taking a portion of proceeds from vendor sales.)

## PUBLIC/PRIVATE COLLABORATION

Many cities are recognizing the need to collaborate with volunteers, businesses, public and private agencies and others to support parks and recreation. These collaborative efforts can bring in significant revenue, labor and other resources for projects. Depending on the nature of the partnership, these efforts also can increase City expenditures to support park land owned by other parks and recreation jurisdictions.

- **Volunteers:** Volunteers can increase the quality and quantity of public services at a minimal cost, and provide an opportunity for citizens to contribute to the betterment of their community. Studies suggest that for every \$1 invested in volunteers, a city can realize as much as \$10 in benefits. With tight fiscal conditions, more local governments are expanding volunteer programs. Volunteer programs include individuals or groups who agree to take on specific tasks or perform certain services, such as maintenance, restoration, programming, capital development, and special event support. Volunteers may provide direct and indirect support to the park system. For example, a volunteer clean-up crew directly saves on paid maintenance tasks. Volunteer safety patrols (community groups) may indirectly reduce facility damage and vandalism, protecting City assets.
- **Partnerships (Businesses and Non-Profits):** Partnership agreements allow the City to work with a private business or non-profit entity to help fund, build and/or operate a public facility.

Generally, the three primary incentives the City can offer potential partners are free land to place a facility (usually a park or other piece of public land), certain tax advantages and access to the facility. For example, some cities have partnered with the YMCA or private health clubs to build multi-purpose recreation centers/aquatic facilities at city parks. These facilities are larger or more comprehensive than the city could have developed alone. In other cases, a business or non-profit may be contracted to manage and operate a city-owned facility.

- **Partnerships with Neighborhood Associations:** The City may craft agreements with various neighborhood associations for park operations and maintenance. Neighborhood groups may also volunteer to take on basic maintenance tasks, such as mowing and litter removal.

## INTEREST EARNINGS

Interest earnings refer to the amount of interest earned on reserved or fund balances during the fiscal year. Interest is collected on temporarily idle funds in accordance with the investment policy adopted by Council. These funds are made available when the income is received before it needs to be dispersed. Interest earned in specific park funds, such as dedicated capital funds, is available for the same purposes as the principal being invested.

## CAPITAL PROJECTS

The following funding sources may be used for capital expenses only. Emeryville should be cautious in pursuing capital development unless funds are available to maintain new assets.

## PARKS AND RECREATION IMPACT FEES

This is a fee paid by developers for the impact of their residential project on the existing park system. Under AB1600, fees can be charged for all types of residential development, and in some cases, non-residential development. The fee is applied at the time of acquiring the building permit. Park Impact Mitigation Fees must be based on a clear connection (or nexus) between the development and the need that will be created to ensure that new development does not pay for any existing deficiencies in park development. AB1600 requires certain procedures for calculating and administering the fee. Many California cities use a combination of Impact Fees to develop land acquired during subdivision under the Quimby Act.

## QUIMBY ACT

A City may require the dedication of land or payment of fees in lieu thereof (or a combination of both) when residential land is subdivided. Dedicated land or fees charged under the Quimby Act are calculated based on a State standard not exceeding 3 acres per 1,000 population, unless the amount of existing parkland exceeds that limit up to a maximum of 5 acres/1,000 population. This ratio is based on the amount of developed park acreage (such as neighborhood and community parks) in relation to the city's population as

shown in the most recent available federal census.

The land and/or fees are to be used for developing new parks or rehabilitating existing developed parks or recreational facilities to serve the subdivided areas. These fees cannot be used for maintenance and operations. Any fees collected must be committed within five years after payment or the issuance of building permits on one-half of the lots created, whichever occurs later.

### PARKLAND IN-LIEU FEES

Parkland-In-Lieu fees are collected from subdividers for the purpose of acquiring necessary land, developing new parks or rehabilitating existing parks and recreational facilities reasonably related to serving the subdivision. These fees are authorized through the Quimby Act (see above).

### DHCD HOUSING-RELATED PARKS PROGRAM

The State Department of Housing and Community Development program is designed to encourage cities and counties to develop incentives for affordable housing in compliance with State housing element law. The program awards funds on a per-bedroom basis for each residential unit affordable to very low- and low income households with documented housing starts during the program year. The program provides funds for parks and recreation projects that benefit the community and add to the quality of life. Grant funds are available for the costs of new parks and recreation facilities and development or rehabilitation, including the acquisition of land. This includes costs to construct, rehabilitate or acquire capital assets and incidental costs related to construction and acquisition.

## MELLO-ROOS COMMUNITY FACILITIES DISTRICT

The Mello-Roos Community Facilities Act of 1982 allows any county, city, special district, school district or joint powers authority to establish a Mello-Roos Community Facilities District (a "CFD") to finance public improvements and services. The services and improvements that Mello-Roos CFDs can finance include streets, sewer systems and other basic infrastructure, police protection, fire protection, ambulance services, schools, parks, libraries, museums and other cultural facilities. Formation of a CFD requires a two thirds vote of residents living within the proposed boundaries. If there are fewer than 12 residents then the vote is instead conducted of current landowners. The assessment cannot be based on property value; instead it is based on the size of the property or square footage of structures. By law, the CFD is also entitled to recover expenses needed to form the CFD and administer the annual special taxes and bonded debt. The special assessment continues until bonds are paid off and then is typically reduced to a level to maintain the investments.

### CITY REDEVELOPMENT FUNDS

Redevelopment projects often capitalize on the benefits of a new park or recreation facility to catalyze a revitalization project. Redevelopment funds, often Tax Increment Financing (TIF) dollars, should be considered for projects within existing or proposed redevelopment areas.

## GENERAL OBLIGATION BOND

These are voter-approved bonds with the assessment placed on real property. The money can only be used for capital improvements and not for maintenance. This property tax is levied for a specified period of time (usually 15-20 years). Passage requires a two-thirds majority approval by the voters. Major disadvantages of this funding option are the high approval requirement and the interest costs.

## REVENUE BONDS

These bonds are sold to finance revenue generating facilities, such as community centers, performing arts centers and in some cases sports complexes. The interest and capital are paid from the revenue produced from the operation of such a facility. Typically, the City will have to guarantee the repayment, meaning that if revenue does not cover the necessary payments, the City will be required to pay in some other way.

## EXCHANGE OR SALE OF PROPERTY

If the City has an excess piece of property with some development value, it could be traded for a private piece of property more suitable for park use.

## INFRASTRUCTURE PROJECTS

Park and open space projects can often be vital parts of other infrastructure projects or funded using sources originally designed for transportation, stormwater, flood protection and other engineered infrastructure projects.

## JOINT PUBLIC/PRIVATE PARTNERSHIP

This concept has become increasingly popular for parks and recreation agencies. The basic approach is for a public agency to enter into a working agreement with a private corporation to help fund, build and/or operate a public facility. Generally, the three primary incentives that a public agency can offer is free land to place a facility (usually a park or other piece of public land), certain tax advantages and access to the facility. While the public agency may have to give up certain responsibilities or control, it is one way of obtaining public facilities at a lower cost.

## DONATIONS

The donations of labor, land or cash by service agencies, private groups or individuals are a popular way to raise small amounts of money for specific projects. Such service agencies as Lions and Rotary often fund small projects such as playground improvements.

## GRANTS

There are many agencies and foundations that are potential funding sources. They are sometimes difficult to find and equally difficult to secure because of the open competition.

- **Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU):** Originally called The Intermodal Surface Transportation Efficiency Act (ISTEA) and modified in 1998 to become the Transportation Efficiency Act for the 21st Century (TEA-21), this legislation was reauthorized through 2005. The latest iteration expired in 2009 and has been extended through October 2010 with new legislation underway. Under the existing legislation, federal funding is passed through the states to a wide variety of transportation-related projects. The Alameda County Transportation Commission distributes Federal and State transportation funding in accordance with the Metropolitan Transportation Commission's Regional Transportation Improvement Program. In terms of recreation, the program primarily funds landscape and amenity improvements related to trail and transportation projects. The money can be used for both maintenance and capital construction, and is focused primarily on regional systems. SAFTEA-LU includes a pilot program for Safe Routes to School that aims to encourage and enable primary and secondary school children to walk and bicycle to school.
- **Community Development Block Grant (CDBG) Funds:** Grants from the Federal Department of Housing and Urban Development (HUD) are available for a wide variety of projects. These funds are aimed at projects primarily benefiting low and moderate income individuals (defined as household income that is less than 80% of the regional median). In addition to low household income, several groups including the elderly, homeless and abused children or spouses are presumed to be lower income and are also eligible.
- **Land and Water Conservation Funds:** This grant program is funded by the National Park Service and administered by California State Parks. In the past this was one of the major sources of grant money for local agencies. In the 1990s, funding at the federal level was severely cut and has never been funded to the level it once had. The funds can be used for acquisition and development of outdoor facilities (including developed facilities) and requires a 50% match.
- **Urban Forestry Grants:** There are several grant programs that provide money for urban forestry projects. 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.
- **US Fish and Wildlife Service (USFW):** USFW may provide technical assistance and administer funding for projects that enhance water quality, including debris removal, flood mitigation and enhancements to other environmentally sensitive areas.

- California Department of Fish and Game (CDFG): CDFG may provide technical assistance and administer funding for projects that enhance water quality, including debris removal, flood mitigation and enhancements to water crossings and wetland and habitat area improvements.
- Bicycle Transportation Account: This is revenue from state gas taxes that is distributed to California cities for the development of bicycle facilities. This can be a good funding source for developing bicycle lanes, off-street bicycle trails and other supporting facilities.
- Recreation Trails Program: This is a grant program funded through the California Parks and Recreation Department. Projects eligible under this program include 1) maintenance and restoration of existing trails, 2) development and rehabilitation of trailhead facilities, 3) construction of new recreation trails and 4) acquisition of easements and fee simple title to property. Grants are distributed on an annual basis and require a 20% match.
- Statewide Park Programs (Proposition 12, 40, and 84): California has passed two statewide bond measures for funding parks and open space projects. In addition, voters have approved a \$368 million grant program as part of the Sustainable Communities and Climate Change Reduction. Proposition 12 and 40 per capita money has been allocated and the guidelines for the Proposition 84 program have recently been approved. This program will fund projects that result in a new recreation opportunity. Therefore, property acquisition must be accompanied by development.

Grants from private foundations are also sometimes obtainable for park acquisition and development. Table C1 provides a listing of funding resources, indicating the types of projects that apply to each.



<b>Table D1: Grant and Foundation Funding Sources</b>										
<b>Grant and Foundation Sources</b>	<b>Land Acquisition</b>	<b>Planning</b>	<b>Capital Improvements</b>	<b>Natural Resource Management</b>	<b>Education</b>	<b>Volunteerism</b>	<b>Trails</b>	<b>Arts</b>	<b>Historic Preservation</b>	<b>Cultural Resources</b>
<b>Federal Sources</b>										
Army Corps of Engineers		X	X	X						
Department of Education					X					
Department of Housing and Urban Development			X						X	
Environmental Protection Agency	X	X	X	X	X	X				
Federal Highway Administration	X		X		X		X		X	X
Fish and Wildlife Service	X	X	X	X	X					
Forest Service		X		X	X					
National Endowment for the Arts					X			X		X
National Endowment for the Humanities		X			X				X	X
National Oceanic and Atmospheric Administration	X		X	X	X		X			
National Center for Cultural Resource Stewardship and Partnerships	X	X	X		X				X	X
National Center for Recreation and Conservation	X	X	X	X	X		X		X	X
Natural Resources Conservation Service	X	X	X	X	X					
<b>State of California Sources</b>										
CalFED Bay-Delta Program		X	X	X	X					X
California Air Resources Board			X		X		X			
California Arts Council					X			X		X
California Council for the Humanities								X		X
California Conservation Corps			X	X	X		X			
California Department of Boating and Waterways		X	X	X	X					
Conservation, Division of Land Resource Protection	X								X	
Conservation, Division of Recycling			X	X	X					
Education					X			X		
Fish and Game		X	X	X						
Forestry and Fire Protection	X	X	X	X	X					
Housing and Community Development			X						X	
Parks and Recreation, Office of Grants and Local Services	X		X	X	X		X			
Transportation	X	X	X		X		X			
Water Resources		X	X	X	X					
California Integrated Waste Management Board			X	X	X					
California Resources Agency	X		X	X			X		X	X
California State Library					X				X	X
California Wildlife Conservation Board	X		X	X	X					

<b>Table D1: Grant and Foundation Funding Sources</b>										
<b>Grant and Foundation Sources</b>	<b>Land Acquisition</b>	<b>Planning</b>	<b>Capital Improvements</b>	<b>Natural Resource Management</b>	<b>Education</b>	<b>Volunteerism</b>	<b>Trails</b>	<b>Arts</b>	<b>Historic Preservation</b>	<b>Cultural Resources</b>
<b>Selected Foundations</b>										
Aquatic Outreach Institute				X	X	X				
Annenberg Foundation					X	X				
Bikes Belong Coalition, Ltd.		X			X		X			
California State Parks Foundation	X		X	X	X	X	X		X	X
California Wildlife Foundation				X	X					
Candle Foundation				X	X	X				
Comerica Charitable Foundation			X					X	X	X
Conservation Fund	X	X	X	X			X		X	X
Doris Duke Charitable Foundation	X	X		X	X	X		X		
Ducks Unlimited	X		X	X	X	X		X		X
East Bay Community Foundation				X	X	X		X		X
James Marston Fitch Charitable Foundation, Inc.									X	
Ford Foundation	X	X	X	X	X			X		X
Fred Gellert Family Foundation				X	X			X		
Wallace Alexander Gerbode Foundation				X				X		X
J. Paul Getty Trust		X			X	X				X
Great Valley Center		X							X	X
Walter and Elise Haas Fund			X		X			X		
William and Flora Hewlett Foundation	X	X		X	X					
Home Depot Foundation			X	X	X	X			X	
James Irvine Foundation	X	X		X	X					X
Robert Wood Johnson Foundation			X		X	X	X			
W. M. Keck Foundation		X			X	X		X		X
W. K. Kellogg Foundation		X			X	X				
Henry Luce Foundation, Inc.		X		X	X	X		X		
Louis R. Lurie, Foundation					X					X
John D. and Catherine T. Macarthur Foundation	X								X	
Robert R. McCormick Tribune Foundation					X	X				
Andrew W. Mellon Foundation	X	X		X	X			X		X
National Gardening Association				X	X	X				
National Geographic Society Education Foundation				X	X					X
National Tree Trust		X		X	X	X				
National Trust for Historic Preservation		X	X		X				X	
Orton Family Foundation		X								
David and Lucile Packard Foundation				X	X					
Partners for Sacred Places					X				X	X
Peninsula Community Foundation		X	X			X		X		
Pew Charitable Trusts		X		X	X	X		X		X
Recreational Equipment, Inc.			X	X	X	X	X			
Starbucks Foundation					X	X				
Starr Foundation				X	X					X
Surdna Foundation		X		X	X			X		
Tides Foundation		X		X	X	X				

Source: California Department of Parks and Recreation, Planning Division, Parks and Recreation and Recreation Technical Services