

RESOURCE &
FUNDING ANALYSIS



Introduction

The Coal Creek Park and Recreation District (CCCPRD or the District) is a Title 32 Colorado Special District that was created in May 2009. Due to statutory regulations, a mill levy question was not allowed on the ballot during that election. Therefore, the District does not currently have a dedicated revenue stream from taxes. After careful consideration, the newly formed Board of Directors decided to postpone the mill levy question in order to develop a comprehensive Master Plan with professional and community input.

The District is approximately 14,000 acres, primarily composed of residential use, as well as publicly owned lands and conservation easements that total approximately 4,500 acres or approximately 32% of the District's area (see Map B in the **GIS Mapping and Spatial Analysis** Section of the report). Currently, the District's population is 3,338, based on approximately 1,330 households and an average of 2.37 (DOLA) persons per household. The average value of a home in the District is about \$300,000.

RESOURCE & FUNDING ANALYSIS

Additional funding challenges and opportunities exist because about two-thirds of the community lies within Jefferson County and about one-third in Boulder County. The District represents only a fraction of Jefferson and Boulder Counties who must often direct resources to areas of larger populations. Property zoning is primarily residential with limited commercial (located primarily along Highway 72). The current estimated assessment valuation of the District is \$36,622,730 (\$24M Jefferson County; \$12M Boulder County).

The District Board plans to proceed to a mill levy election to help fund implementation of Master Plan projects at the earliest practical opportunity. Additionally, previous planning efforts have evaluated the construction and acquisition of facilities through a lease-purchase financing option, secured by the ad valorem taxing authority of the District and through user fees. In the meantime, the District has been successful in obtaining grants (2010: GOCO - \$42,500, Jeffco Open Space - \$3,605 and \$20,000) and alternative funds are

intended to be used to continue to move the District forward and to support the implementation of the recommendations of this plan.

Goals

Given the unique situation of the District and its current lack of a dedicated funding source, it is important to understand the financial goals of this master plan, in order to identify the tools necessary to meet those goals. At the initiation of this project the District Board outlined the following financial goals for the Master Plan:

- Plan for the financial viability of the District while limiting the tax base levy.
- Identify the cost of projects being considered, identify tax and fee supported funding levels acceptable to District residents, and develop recommendations.
- Use the Master Plan as a solid foundation for seeking and winning funding from a mill levy, grants, private foundations and other funding sources.
- Present a District plan to the community, so that confidence in the Special District's ability to provide value is reinforced.

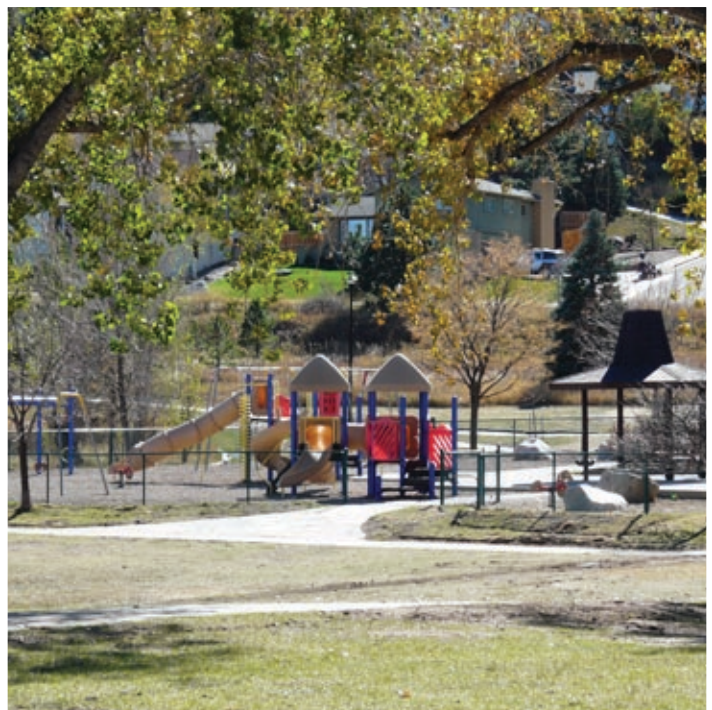
Anticipated Funding Needs & Analysis

The District plans to provide for the acquisition, financing, construction, operations and maintenance of parks, recreation facilities, and trails, as well as support amenities and infrastructure within those facilities such as parking, lighting, landscaping, restrooms, etc. These specific amenities, priorities and costs are identified in the Recommendations phase of this Master Plan.

CCCPRD is in a unique situation given the fact that the District was approved to operate without a mill levy which would provide a dedicated funding source. Therefore, the District's current use of grants and alternative funding is critical to gaining support and establishing credibility with residents. The District has already made strong progress in this area by obtaining a GOCO Planning Grant for the development of this Master Plan, \$3,605 from Jeffco Open Space for the

purchase of a community tent, and a \$20,000 Jeffco grant to plan artificial turf field improvements at the CCC K-8. The Master Plan process will result in the development of a Prioritized Action Plan, based on the needs and desires of residents, which will identify the costs for priority projects over the next 10 years.

Based on the data gathered through the **Public and Stakeholder Input** and the **Community Survey** it is evident that the District is in need of significant Capital Funds, as well as a dedicated funding source for Operations and Maintenance in order to provide for the establishment of desired facilities and programs. For example, the **Community Survey** illustrates strong support for improved trails, a playground, fitness facilities, a turf athletic field and a community park. For example, 37 percent indicated they would definitely support a community park concept, and another 20 percent were undecided but indicated they "probably would." Nine (9) percent indicated they would "probably oppose" the concept, and 28 percent indicated they would "definitely oppose" the concept. Therefore, thorough communications, with detailed information about the plans for specific amenities and/or services, must be employed in order to secure a majority support for a mill levy.



Even with the passage of a mill levy, the District should consider that it is a “mature” community with little growth expected, as well as is characterized largely by publicly owned lands and conservation easements that total approximately 32% of the District’s area. Although this rural, mountainous nature is what draws many residents to the Canyon, it is also a limitation to the District in regard to any significant increases in the tax dollars and impact fees that the District can collect for the creation and maintenance of facilities and services. Therefore, the District needs to conservatively plan for the construction and operation of facilities that have low maintenance costs and are generally self-sustaining.

For example, as facilities and programs are designed, cost recovery policies, reporting, and tracking will need to be formalized with a pricing and cost recovery policy established specifically for the District. Each program area should track direct and indirect costs, establish a philosophy on a program’s benefit to the community, determine cost recovery goals, and set pricing based on the community’s values and District’s goals. In addition, users are more likely to agree to fee levels when they themselves can see the current fee versus the cost to provide the service.

Additionally, based on the District’s limited funding, it will be very important to allocate sufficient resources to track the District’s accounting down to the penny, as well as ensure the accuracy of projected budgets and expenses. For example, the District’s most current financial data is based on assumptions provided in August of 2008 for the District’s Service Plan. These numbers should be revised to account for the drastic downturn in the economy that have impacted factors such as interest rates, assessed valuations, increasing rents, etc. For example, assessed valuation figures should be updated to reflect the District’s current assessed value (\$36,622,730). Also, when the 2010 Census Data is released it will directly impact the District’s household counts and potential property tax revenue.

Lastly, due to the fact that obtaining traditional funding sources is not guaranteed, in order to develop quality District services, programs and facilities, the District should continue to be proactive in identifying, seeking out and supporting matching funds for grants and alternative funding.

Potential Funding Sources

The following is a list of potential funding sources the District can pursue to provide funding for services, programs and facilities. Both Traditional sources and Alternative sources are included.

Traditional Funding Sources

State and Local Funding

Property Tax Mill Levy - The property tax mill levy is the rate of tax applied to the assessed value of all the property within the District’s boundaries. The annual levy generates ongoing tax revenue the District will use each year to pay for providing the various services to its residents and to pay any debt service.

The formula is: Mill Levy x Assessed Value = Tax Dollars

For example, if the total assessed value of all property in the CCCPRD is approximately \$36,000,000 and the District’s tax levy were 3.000 mills, the District would collect \$108,000 in annual property tax revenue.

$$(3.000 \text{ mills}/1,000) \times \$36,000,000 = \$108,000$$

For a house with a market value of \$300,000, this example mill levy would generate \$72 in annual property tax revenue for the District.

$$(3.000 \text{ mills}/1,000) \times (\$300,000 \times 7.96\%) = \$72$$

Lease-Purchase - In cooperation with Wells Fargo, the Special District Association (SDA) of Colorado developed a pro forma lease-purchase arrangement for SDA Members. The program provides a ready and expeditious source of funding for districts to construct or purchase facilities or capital equipment on a lease-purchase basis. The lease-purchase concept has been approved by the Colorado Supreme Court, and provides a means for local governments to finance small to medium capital needs without the cost and difficulties surrounding the issuance of bonds for such projects. Capital needs ranging from a few thousand dollars to as high as \$10 million, may be ideal for lease-purchase financing.

It is important to note that with the economic downturn, banks have become significantly more risk averse, indicating that a debt service reserve fund (DSRF) may be needed for a lease-purchase. This is a set amount, deposited as a safe guard in the event the District cannot make its lease payment.

General Obligation Bonds – A general obligation bond is a common type of municipal bond in the United States that is secured by a state or local government’s pledge to use legally available resources, including tax revenues, to repay bond holders. Most general obligation pledges at the local government level include a pledge to levy a property tax (for a limited period of time for a specific capital project, in addition to a mill levy) to meet debt service requirements, in which case holders of general obligation bonds have a right to compel the borrowing government to levy that tax to satisfy the local government’s obligation.

Given these tight economic times, it may be challenging to gain support for a bond referendum. It will be important to consider what District priorities are and what capital dollars should be used for, given that voters are often hesitant to approve multiple bond referendums within a short timeframe.

Impact Fees – Impact fees are charges assessed by local governments against new development projects to attempt to recover the cost incurred by government in providing the public facilities required to serve new residential and/or commercial development. Impact fees are only used to fund facilities, such as roads, schools, and parks that are directly associated with the new development. They may be used to pay the proportionate share of the cost of public facilities that benefit the new development; however, impact fees cannot be used to correct deficiencies in existing public facilities.

The District is a mature community with little growth expected. Therefore, the use of impact fees would likely generate a small amount of revenue for CCCPRD. However, this strategy could be used as a means of controlling future development, so as to preserve the rural, mountain characteristics of the Canyon.

Conservation Trust Funds- Article XXVII, Section 3, as amended in 1992, states that the net proceeds of the Colorado Lottery are to be used for state and local parks, recreation facilities, open space, environmental education, and wildlife habitat.

The Conservation Trust Fund (CTF) is one of three funds established to accomplish these goals. CTF receives 40% of all net lottery proceeds. The Department of Local Affairs distributes CTF dollars from net Lottery proceeds to over 450 eligible local governments: counties, cities, towns, and Title 32 special districts that provide park and recreation services in their service plans. CTF funds are distributed quarterly on a per capita basis.

Funding can be used for the acquisition, development, and maintenance of new conservation sites or for capital improvements or maintenance for recreational purposes on any public site.* New conservation sites are defined in statute as being interests in land and water, acquired after establishment of a conservation trust fund, for park or recreation purposes, for all types of open space, including but not limited to flood plains, green belts, agricultural lands or scenic areas, or for any scientific, historic, scenic, recreation, aesthetic or similar purpose (CRS 29-21-101).

User Fees - User fees are charges to those who utilize park and recreation programs, and may include facility admission, facility and equipment rental fees, athletic league fees, and program registration fees, etc. As the District develops programs and facilities, it should consider fee levels for admissions, programs and for rentals of facilities. It is important that District track both direct and indirect costs, so as to set fees to cover equipment, labor, and maintenance for the support services it is providing. Furthermore, being one of the few providers in the area, the District should look at the market demand for these facilities and programs and charge accordingly. The District should develop a tiered fee system for rentals which is structured by classification as non-residents, private residents, non-profit organizations, and seniors. This policy is quite progressive and reflects the philosophy that those who benefit should pay. Typically the greater the community benefit, the higher the subsidy.

Marketing and Customer Service - The goal is to win “customers” and retain their loyalty. Understanding the community’s needs and desires, as illustrated through the community survey, demographics and trends, the District can learn how to tailor its offerings to provide better services to its residents, as well as target marketing and communications. Another important aspect is the determination of appropriate user fees. Too high a fee could limit participation, whereas setting fees too low could mean passing up opportunities to defray costs and improve cost recovery.

Private Concessionaires - Contract with a private business to provide and operate desirable activities and services, such as food services, transportation, equipment rental, guided activities, etc.



Federal Funding

Community Development Block Grants (CDBG) - Although the 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 which services primarily low to moderate income individuals. The program is administered through the Colorado Division of Local Affairs. As a Special District, CCCPRD would have to contract with either Jefferson or Boulder County to carry out project activities as provided for under statutes, ordinances and resolutions, and State and local financial management procedures.

Land & Water Conservation Fund - For many years since the mid 1960's, 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. The program is administered through the Colorado State Parks.

Urban Park & Recreation Recovery (UPARR) - program grants provide recreation opportunities for all ages, all ethnic groups and to people with and without disabilities, senior citizens, at-risk youth, latchkey children and young adults. Three types of grants are available through the UPARR program: 1) Rehabilitation grants provide capital funding to renovate or redesign existing close-to home recreation facilities. 2) Innovation grants usually involve more modest amounts of funding aimed to support specific activities that either increase recreation programs or improve the efficiency of the local government to operate existing programs. 3) Planning grants provide funds for the development of a Recovery Action Program plan. The program receives periodic funding. Contact the National Park Service, Pacific West Regional Office, early in the planning process. <http://www.nps.gov/uprr/eligibility.html>

National Recreational Trails Program - The program was initiated through the TEA-21 legislation. Funds are awarded for the construction of trails and support facilities. Emphasis is for the construction of multi-use trails such as biking, hiking, equestrian, motorized, etc. The program is administered through the Federal Highway Administration.

Congestion Mitigation and Air Quality Improvement - Safe, Accountable, Flexible and Efficient Transportation Equity Act of 2003 (SAFETEA) reauthorizes the U. S. Department of Transportation, Federal Highway Administration transportation programs for highways, highway safety and transit. As part of SAFETEA, Congestion Mitigation and Air Quality Improvement (CMAQ) grants provide funds for trail and other alternative transportation projects and programs in air quality non-attainment and maintenance areas. The CMAQ program encourages agencies to invest in projects that reduce air pollutants from transportation-related sources. Intermodal transportation connections are encouraged, including pedestrian and bicycle trails that connect to passenger transportation modes, i.e., to railroad or bus terminals or to rapid transit stations.

Rehabilitation Service Programs - This program is available through the US Department of Education, Office of Special Education and Rehabilitative Services. The intent of the program is to provide individuals with disabilities with recreational activities and related experiences that can be expected to aid in their employment, mobility, socialization, independence, and community integration. Specific project activities may include: swimming, wheelchair basketball, camping, hiking, water skiing, hiking, camping, horseback riding, arts, and sports. Historically, applications are due in September of each year.

Transportation Enhancement Funds and Safe Routes to School Funds - These programs are related to transportation activities. The activities funded through Enhancement program are property acquisition, development of trails including hiking and biking, landscaping including trees, signage, and restoration of historic structures. The Safe Routes to Schools funds walking and bicycle facilities that connect residents to

schools. This grant program requires an educational outreach component as part of the grant funding however it is a 100% grant.

Alternative Funding Sources

Fundraising - Local fundraising is a mechanism that has worked effectively for nonprofits and government agencies around the country. Although a vast amount of 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.

Fundraising volunteers can be proactive by initiating a variety of fundraising tasks, such as establishing a Friends of Parks nonprofit or collaborating with an existing nonprofit to send direct mail letters, promoting sponsorship of programs and naming rights, seeking in-kind donations, hosting special events (i.e. – charity concerts, golf tournaments, fundraiser dinners, events to honor volunteers, silent auctions, and themed socials), and soliciting charitable donations of money and in-kind services.

Corporate Sponsorships – Based on the evident demand by residents for the creation of future facilities (see **Community Survey Summary** Section of the report), corporate sponsorships, especially for local businesses, is a growing trend in the park and recreation industry and may be a viable option for the District that could greatly supplement existing funding and revenue sources. Corporate sponsorships may include financial or in-kind support for a specific program, event, facility or site, such as marketing opportunities, advertisement, dedicated product supply or name association. District should put efforts into designing corporate sponsorship program and naming rights for individual program areas within future facilities that would support these types of revenue generation. These sponsorship opportunities should be offered with a tiered level of benefits, should quantify marketing exposure for each level, bundle packages on a system-wide level, and bundle the assets of sponsors (i.e. - money, marketing, and product supply).

Grants - Grants are available to nonprofits and government agencies from both public and private sources. Grant opportunities exist for a wide variety of purposes including cultural, education and historic programs. The District should look for the alignment between their request and the objectives of the grant program. The request for funds should provide a solid basis for a positive response from the funder. There are numerous sources of information and assistance available to grant-seekers. Initial efforts should be on Colorado-based foundations and companies.

- *Great Outdoors Colorado (GOCO)* - Great Outdoors Colorado (GOCO) - GOCO grants help preserve, protect, enhance and manage the state's wildlife, park, river, trail and open space heritage. GOCO has six grant categories: Open Space, Local Government, Planning, Trails, Conservation Excellence and Legacy & Special Opportunity Grants, all which may be of particular interest to CCCPRD given its limited capital funds. Additional information can be found at www.goco.org.
 - GOCO's Legacy & Special Opportunity Grant Program was created to ensure that Colorado's rich natural heritage is preserved for future generations. Legacy Grants are multi-year initiatives of regional or statewide importance to which GOCO makes multi-million dollar commitments. They are designed to preserve Colorado's land and water, enhance wildlife habitat, create state and local parks, construct trails, and help provide environmental education. Legacy projects typically hinge upon strong partnerships between federal and state agencies, non-profit organizations, landowners and the private sector. http://goco.org.s57353.gridserver.com/?page_id=84
- *Jefferson County Joint Venture Program* - The Jefferson County one-half of one percent sales tax collected by the Open Space Program is allocated to cities and to the unincorporated areas of the county. Since 1972, over \$285 million have been spent in the cities and unincorporated areas of the county to acquire over 51,000 acres of land, water

and facilities. Voters in 1998 approved a bond issue of \$160 million provides funds for priority land acquisition. Through the Joint Venture Capital Program, more than \$28 million has been spent for parks, trails, golf courses, recreational improvements and development projects for cities and recreation districts located within Jefferson County. Between \$1.5 and \$2 million dollars are allocated each year through the Joint Ventures program. http://www.jeffco.us/openspace/openspace_T56_R50.htm

- *Boulder County Small Grants Program* - The Boulder County Parks and Open Space Department, through its Resource Management Division, is offering small grants for research and biological inventories on open space lands. Through these research projects and inventories the department can monitor management practices and improve resources and park visitor experiences. Two categories will be awarded: grants up to \$5,000 and grants up to \$10,000. The deadline for proposals is Thursday, January 27, 2011. <http://www.bouldercounty.org/find/library/environment/smallgrant.pdf>.



- *USDA Community Facility Grants*

- *Objectives:* Community Programs provides grants to assist in the development of essential community facilities in rural areas and towns of up to 20,000 in population. Applicants located in small communities with low populations and low incomes will receive a higher percentage of grants. Grants are available to public entities such as municipalities, counties, and special-purpose districts, as well as non-profit corporations and tribal governments.
- *Fund Uses:* Grant funds may be used to assist in the development of essential community facilities. Grant funds can be used to construct, enlarge, or improve community facilities for health care, public safety, and community and public services.
- *Maximum Grant:* The amount of grant assistance for project costs depends upon the median household income and the population in the community where the project is located and the availability of grant funds. In most instances, projects which receive grant assistance have a high priority and are highly leveraged with other loan and grant awards. Grant assistance may be available for up to 75% of project costs.



- *Rural Community Development Initiative Grants*

- *Objective:* To develop the capacity and ability of private, nonprofit community-based housing and community development organizations, and low income rural communities to improve housing, community facilities, community and economic development projects in rural areas.
- *Uses and Restrictions:* Rural Community Development Initiative grants may be used for but are not limited to:
 - providing technical assistance to sub-grantees on how to effectively prepare a strategic plan;
 - provide technical assistance to sub-grantees on how to access alternative funding sources;
 - building organizational capacity through board training;
 - developing training tools, such as videos, workbooks, and reference guides to be used by the sub-grantee;
 - providing technical assistance and training on how to develop successful child care facilities; and
 - providing training on effective fundraising techniques.

Contacts:

Cheryl Scofield

Jefferson County Area Director

(970) 332-3107 ext 4

(970) 332-9801 fax

cheryl.scofield@co.usda.gov



- *The GEO High Performance Building Integrated Design Process* – Participate in a collaborative process with the GEO that encourages interaction at every phase of construction, from planning, funding and design to construction, operations and maintenance. For more information on the High Performance Building Program, contact the GEO Commercial Program Manager at conor.merrigan@state.co.us.
- *Renewable Portfolio Standard (RPS)* - Colorado became the first U.S. state to create a renewable portfolio standard (RPS) by ballot initiative when voters approved Amendment 37 in November 2004. The original version of Colorado's RPS required utilities serving 40,000 or more customers to generate or purchase enough renewable energy to supply 10% of their retail electric sales. In March 2007, HB 1281 increased the RPS and extended a separate renewable-energy requirement to electric cooperatives, among other changes. HB 1001 of 2010 further expanded the RPS. Eligible renewable-energy resources include solar-electric energy, wind energy, geothermal-electric energy, biomass facilities that burn nontoxic plants, landfill gas, animal waste, hydropower, recycled energy,* and fuel cells using hydrogen derived from eligible renewables. <http://www.dora.state.co.us/PUC>
- *Colorado State Trails Program*- Mapping projects, interpretive planning, trail and park planning. <http://parks.state.co.us/Trails/Grants/>
- *CO District of Wildlife* - Colorado Wildlife Conservation Grants - any project that protects and restores Colorado's wildlife resources. www.wildlife.state.co.us
- *CO Garden Show, Inc.* – Horticulture and Environmental Education Grants - http://www.gardeningcolorado.com/garden/pdf/Annual_Grant_Awards_Program.pdf
- *Gates Family Foundation*- Recreation, Parks and Conservation Grants. Parks, Recreation & Conservation focused on: protect natural areas from development especially agricultural & rangeland, open space, mountain and urban parks & trails, support youth education in recreation, environmental education & leadership, and research in preservation of natural habitat. http://www.gatesfamilyfoundation.org/www/gates.php?section=grant_applications&p=how_to_apply
- *CO Wildlife Heritage Foundation* – Wildlife Protection and Education Grants - <http://wildlife.state.co.us/About/FundingPrograms/>



Community Partnerships- It has been evident through the Master Plan process that due to the limited resources of the District, partnerships will not only be necessary, but critical to making the implementation of the plan a reality. In order to maximize the wide variety of potential resources found in and adjacent to the Canyon, CCCPRD should work to partner with the following local organizations and agencies (including, but not limited to):

- Schools – Coal Creek Canyon K-8, Mountain Phoenix Community School, Jefferson County R-1 School District, Boulder Valley School District, WeeCreekers
- The Coal Creek Canyon Improvement Association (CCCIA)
- Boulder County Parks and Open Space
- Jefferson County Open Space
- Colorado State Parks - Golden Gate Canyon and Eldorado Canyon State Parks
- Bureau of Land Management (BLM)
- US Forest Service
- Recreation providers in Gilpin County, Golden, Arvada and Boulder
- Ride Provide
- Local Businesses – Coal Creek Coffee & Books, etc.
- Homeowners Associations – Blue Mountain, etc.
- Coal Creek Fire Protection District
- The Environmental Group
- Church groups
- Parenting groups and volunteer organizations
- Youth organizations and recreation participants – Cub Scouts Pack 51, Canyon Daisies, Dance with Two Left Feet, etc.
- District Residents with Recreation and/or Technical Expertise (volunteers)