



Chapel Hill residents enjoy the annual fall festival

Section Five

Action Plan Implementation

Introduction

The Town of Chapel Hill's Parks and Recreation Master Plan is based upon an assessment of the community's character and growth, an analysis of the existing park system, the development of recreation standards, the identification of user needs, and the creation of proposals and recommendations to meet those needs. The plan is designed to provide recommendations that will allow the Town's Parks and Recreation Department to enhance their parks and recreation system.

Instrumental to the implementation of the Master Plan is the identification of adequate funding for land acquisition and park development improvements. Finding adequate funding is particularly difficult in this time of lower tax base and budget concerns. Limited budgets place an even greater importance on planning carefully to meet projected needs. We must also consider operational and management issues. This section reviews some of these issues.

While much of the focus of previous sections has been on capital needs and facility improvements. Physical improvements are only part of the needs for the Department. As staff plans for the future, they should also consider a number of operational and management issues that will position them to meet community needs. This section reviews some of those issues.

This section includes a Capital Improvements Plan based on recommendations made in Section Four and provides a strategy for raising funds to construct the proposed improvements and new facilities.

Implementing the recommendations made in this Master Plan will result in meeting the future needs for parks and recreation services, as well as preserving open space in the area. The Town should continue to establish annual budgets on projected capital improvements, staffing, operations and maintenance costs for the Department that not only meet current needs, but also allow acquisition and development for future needs. This Action Plan is designed to give the Town and the Department a realistic approach to financing the proposals and recommendations of this Master Plan.

Revenue Plan

Upon adoption of the Master Plan, the Department, with input from civic leaders, should consider the establishment of a revenue plan. A revenue plan incorporates all available funding resources in a community, prioritizes them, and puts each option into a funding strategy. In a revenue plan, the following funding alternatives are evaluated for their appropriate use in funding capital improvements and programs.

Key Funding/Revenue Sources

The Parks and Recreation Department has strong public support, but even so, innovative measures will be required to keep up with steady growth of needs. The proposed additional facilities and expanded operations will require dollars from a variety of sources. The following funding sources are provided to help the Town evaluate funding options.

General Tax Revenues (operational and capital)

General tax revenues traditionally provide the principle source of funds for general operations and maintenance of a municipal and county recreation and parks system. Recreation, as a public service, is scheduled along with health, public safety, schools, etc. in annual budgets established by the governing authority. Assessed valuation of real and personal property provides the framework for this major portion of the tax base. This tax base is then used to fund the majority of municipal services. If the Town wishes to offer a park and recreation system that provides quality of life and health maintenance opportunities for the community, the level of funding for parks and recreation must be maintained or increased.

Park Foundation (operational and capital)

A park foundation can be instrumental in assisting the Town in acquiring land, developing facilities, sponsoring programs, and buying equipment for the Department. Park foundations typically create strategies for generating funds to support park projects. These include foundation membership fees, individual gifts, grants from other recognized and national foundations, long term endowments, and a land trust for future acquisitions.

The Town of Chapel Hill has the support of an outstanding foundation in the Friends of Chapel Hill Parks, Recreation and Greenways. This organization, created to assist the development of the Town's parks and greenways, has raised funds and made numerous grants to the Town. These grants have allowed the department to improve trails, facilities, and raise awareness for the Department.

The Friends of Chapel Hill Parks, Recreation and Greenways has been a successful tool for gathering local support, and should be utilized in the future to support the recommendations made in this document.

General Foundations (operational and capital)

Another source of revenue is the direct contribution of money from General Foundations within the state or nation. Foundation funds should be sought for both development and construction of facilities as well as providing programs. They should include

general-purpose foundations that have relatively few restrictions, special program foundations for specific activities, and corporate foundations with few limitations and typically from local sources. The Trust for Public Land and NC Rails-Trail have been instrumental in providing financial and technical assistance for open space conservation and development of greenways in North Carolina. Another source of local assistance may be large corporations with foundations established to provide grants for public projects. Companies such as Bank of America, Blue Cross Blue Shield, and Progress Energy, may have available funding through existing grant programs, or they may be interested in creating a program or partnership for specific projects. The Department should actively pursue grants from foundation and trust sources on a regional and national level. Information on trusts and foundations can be found through the Foundation Center, 79 Fifth Avenue, New York, NY 10003-3076 (<http://foundationcenter.org/>) and the Non-Profit Gateway to Federal Government agencies (<http://www.usa.gov/index.shtml>).

General Obligation Bonds (capital)

General tax revenue for parks and recreation are usually devoted to current operations and maintenance of existing facilities. General obligation bonds are often used to finance capital improvements in parks. The State of North Carolina gives municipal and county governments the authority to accomplish this borrowing of funds for parks and recreation through the issuance of bonds not to exceed the total cost of improvements (including land acquisition). For purposes of paying the debt service on the sale of these bonds, cities are often required to increase property taxes. Total bonding capacities for local government is limited to a maximum percentage of assessed property valuation.

Chapel Hill has used this method of financing park improvements in the past. The last two Orange County General Obligation Bonds (1997 and 2001) provided significant funding for the Town's park and recreation projects. In view of the recommended capital improvements suggested in this plan, borrowing of funds to acquire new land and develop facilities will continue to be necessary.

An added value of a governing agency's bonding authority and capacity is its ability to use those funds to leverage other funding opportunities. Bonding enables government agencies to utilize funds to match federal grant-in-aid monies or state funds. General obligation bonds are still the greatest source utilized to fund park projects in North Carolina. Through a well thought out and publicly presented bond campaign, voters would be given the opportunity to choose to support park improvements through the sale of bonds.

Revenue Bonds (capital)

Revenue bonds are used for financing high use specialty facilities like golf courses, aquatic centers, tennis centers, and complexes for softball and soccer. The users, and other revenue sources, pay for operations and sometimes repay the bonds. This revenue source would only be of use to the Town if they choose to change their tax subsidy policy for using this type of funding. The Town most likely would not seek out this option.

The legal requirements for utilizing these funding mechanisms are extremely complicated and can actually require approval from the state legislature. Use of revenue bonds seem to be unlikely at this time.

Limited Option or Special Use Tax (capital)

Limited option or special use taxes can be established in various ways. A municipality or county can establish the tax by determining the source, such as property valuation, real estate transfer taxes, or sales tax. This option requires legislative approval. Typically, special use taxes are structured on sales tax or transfer taxes and are earmarked for a specific project. A governing body can approve a tax that is identified or earmarked on property valuation; however, other sources may require state approval. The idea behind a special option or limited option tax is that the tax is identified or limited for a special purpose or projects and the duration can also be limited to accomplishing the projects.

Federal and State Assistance (capital)

Federal funding sources are available to assist with financing capital improvement recommendations found in this plan. One of the oldest park funding sources has been available from the U.S. Park

Service's Land and Water Conservation Fund (LWCF). Unfortunately, funding through this program has been sporadic over the past few years. Other potential federal funding sources are the National Foundation of Arts and Humanities and the National Endowment for the Arts (NEA).

The North Carolina General Assembly passed a bill in 1994 creating a consistent source of funds for parks and recreation in the state. The Parks and Recreation Trust Fund (PARTF) provides money for capital improvements, repairs, renovations, and land acquisition in state and local parks. Revenues from the state's portion of the real estate deed transfer tax support the fund. Revenues vary from year to year. Since 2007, funds from real estate taxes have been significantly lower.



Southern Community Park was constructed with PARTF assistance

Of the funds allocated, 65% go to the state parks system, 30% provide matching grants to local governments, and the remaining 5% go to the Coastal and Estuarine Water Beach Access Program. The maximum matching grant is limited to \$500,000 for a single project. The PARTF system allows an agency to apply for a 50/50 cost-sharing grant to develop or acquire parkland and facilities. The Town received a \$500,000 grant from PARTF to construct Southern Community Park. They should continue to apply for funds through this program on a regular basis.

Additionally, the State can fund projects such as bikeways and pedestrian walks through the federally funded SAFTEA [formerly known as the Intermodal Surface Transportation Efficiency Act (ISTEA)]. The North Carolina Department of Transportation (NCDOT) administers the funds and the local government agency can use these funds for developing portions of any proposed greenway system. Local communities can also apply for assistance with pedestrian, bikeway, and greenway projects by applying for "NCDOT Enhancement Funds."

Another source of state administered funding is through the Clean Water Management Trust Fund (CWMTF). These funds are set aside for the acquisition of riparian properties, financing of innovative wastewater management initiatives, stormwater mitigation and stream bank restoration projects, support for greenways, and some planning programs. The acquired or purchased property can be used for recreation while protecting valuable water resources from the affects of urban encroachment. Money from this grant is particularly applicable to the preservation of open space, greenway development, and water access.

Unfortunately, since the economic downturn that started in 2008, all of these funding sources have been greatly depleted.

User Fees (operational)

User fees are often charged by park and recreation departments to offset operational cost, and (occasionally) provide funding for the construction of facilities. Every department must establish its philosophy with regard to cost recovery through the use of fees. Chapel Hill has historically charged fees for some facilities and programs, but these fees have typically not been set to cover the total operational cost of the program and have never been used to finance construction of facilities.

The Town's current Parks and Recreation General Fund budgets approximately \$750,000 in revenue from user fees and facility rentals. This income is broken down into the following categories:

Hargraves	± \$37,000
Athletics	±\$161,000
Programming & Marketing	± \$59,000
Community Center	± \$38,000
Aquatics	±\$365,000
Miscellaneous	± \$93,000
(predominately from County)	

These funds provide valuable income to the Department to offset greater demand on the general fund. This income allows the Department to use budget monies from the General Fund for additional programs, maintenance, or operational use.

While these user fees are an important part of the Department’s budget, it must also be noted that the user fees do not cover the cost of their respective programs. For example, the ±\$365,000 generated from aquatics represents approximately one third of the cost of the Town’s aquatics program (±\$1,000,000). Likewise, the \$161,000 budgeted for income through athletics offsets a relatively small percentage of the ±\$690,000 budgets on athletics.

Ultimately the Town may consider a change in user fees that will help offset the cost of some activities. Based on elected officials’ direction, the revenue generated by increased fees could then be used to reduce the general fund and possibly increase capital improvement funding to help make park improvements and expansion.

Many of the Department’s facilities are outdoors (greenways, open space, athletic facilities, etc.) and offer only limited opportunity for cost recovery. There may be some areas where greater cost recovery could be achieved. Examples may include higher rental fees for shelters, fields, etc. or for requiring permits for dog parks, disc golf, etc.

This method of funding is particularly applicable to the Department’s indoor facilities. The Department will need to update its current revenue and pricing policy as part of an overall revenue plan based on the values and guiding funding principles of the area. The cost of additional facilities and operation of those facilities must be increasingly borne by the user through user fees. Chapel Hill has a number of potential significant revenue sources of this type. Fees

from the indoor aquatics centers, new arts center, and future tennis center could provide significant income which is then used in the operation and expansion of these programs.



Chapel Hill Aquatic Center generates some operational revenue

Revenue Opportunities

The Town of Chapel Hill currently generates funds to offset operational and capital costs by developing earned income opportunities. The Department should be constantly exploring additional opportunities for generating income. Some of these opportunities include:

- Sponsorships from local private businesses. Sponsorships typically come in the form of products, events, programs, cause-related, and in-kind. Sponsorships can also take the form of naming rights for a facility or program. Sponsorship or naming agreements should include very specific details related to sponsorship cost, duration, use of promotional materials, etc.
- Grant applications from local foundations, state and federal agencies, or individuals are typically created by staff. Most grants take time to prepare and require coordination effort with other agencies or departments from within the community to create a quality submittal. Grants also require extensive tracking of expenditures and outcomes for attaining future funding.
- Partnerships are a relatively new method of sharing funding resources to provide services. These partnerships can be formed with a wide variety of other public or private agencies. Many

times the partners are two or more government agencies. Through these partnerships, the Town receives direct benefit in either facility use, programming assistance, or volunteer man hours. All of these benefits add value to the department and help offset cost; thus creating earned income for the department. This earned income requires both agencies to have common visions, values, and goals for the partnership to be successful. Examples of partnerships include:

- Church facilities or recreation services.
- Youth sports associations that help the Department provide the services to the community for the sports that they represent.
- Trail sponsors that adopt sections of trails for maintenance and cleanup.
- Adopt-a-park partners that help maintain park lands. These sponsors are typically in the form of neighborhood associations and businesses that are in proximity to parks.
- School partnerships where both partners invest in the development of facilities and programs based on shared use of facilities and staff. This investment may be financial, or may include other means of support.
- Special event partners that assist with the development of community-wide events.
- Program partners who assist in providing services to the community. A YMCA, YWCA, or schools may work with the Parks and Recreation Department to co-sponsor programs.
- Advertising and licensing in programs, facilities, and events sponsored by the Department. The Town could leverage highly exposed advertising

space to businesses willing to pay a premium for the right to advertise.

- Volunteer development programs can reduce staff costs. Volunteers can create advocacy and bring down the cost of programs and services.
- Privatizing the development of facilities or services is an opportunity that is used by communities when they are unable to control the cost of labor and are unable to find the needed capital to develop a recreational facility or a concession operation. This gives the government agency a management tool to create an asset or improve a service without tapping into their own resources. The Town is currently using this method of operation at the skate park at Homestead Park. Facilities that are typically considered for privatization may include golf courses, marinas, camping and RV facilities, boat rentals, bike rentals, equipment rentals, and other forms of concessions.
- Marketing strategies are an important component in developing untapped revenue opportunities. Promotional activities improve awareness of the activities provided by the Department and assist in bringing more revenue to the system by filling programs and facilities.

Methods for Land Acquisition and Dedication

In order to meet future park needs, administration and staff must be creative in land acquisition. Through this creativity, the Town should explore a wide range of options for acquiring park land, greenway corridors, and open space. Methods available for acquiring the land recommended in the Master Plan include the following:

Fee Simple Purchase

Outright purchase is perhaps the most widely used method of obtaining parkland. Fee simple purchase has the advantage of being relatively simple to administer and to explain to the general public to justify a particular public expenditure. Unfortunately, fee simple purchase often is the most expensive means of obtaining and utilizing a property.



Operation of the skateboard park is a private venture

Fee Simple with Lease-Back or Resale

This technique of land acquisition enables the Department to purchase land to lease or sell to a prospective user with deed restrictions that would protect the land from abuse or development. This method is used by governments who impose development restrictions severe enough that the owner considers himself to have lost the major portion of the property's value and it is more economical for him to sell with a lease-back option.

Long -Term Option

A long-term option is frequently used when a property is considered to have potential future value though it is not desired or affordable to the Department at the time. Under the terms of a long-term option, the Department agrees with the landowner on a selling price for the property and a time period over which the Department has the right to exercise its option. The first benefit of this protective method is that the option stabilizes the escalating land cost and establishes land use for the property. Secondly, the Department does not have to expend large sums of money until the land is purchased. Thirdly, the purchase price of the land is established. The disadvantage of this method is that a price must be paid for every right given by the property owner. In this case, the cost of land use stabilization and a price commitment comes in the form of the cost of securing the option.

First Right of Purchase

This approach to acquiring parkland eliminates the need for fixing the selling price of a parcel of land, yet alerts the Department of any impending purchase which might disrupt the parkland acquisition goals. The Department would be notified that a purchase is pending and would have the right to purchase the property before it is sold to the party requesting the purchase.

Land Trust

The role and responsibility of a Land Trust is to acquire parkland and open space while maintaining a well-balanced system of park resources representing outstanding ecological, scenic, recreational, and historical features. A Land Trust is a 501 (c)(3) not-for-profit corporation made up of key knowledgeable leaders in the area who represent a cross section

of interest and experience in recreation, historic properties, conservation, preservation, land development, and environmental issues. Their goals and responsibilities are to work with landowners to acquire parkland for current and future generations. The individuals appointed to the Land Trust must have knowledge of land acquisition methods and tools used to entice land owners to sell, donate, provide easements, life estates, irrevocable trusts, or a combination of all. This includes seeking out a knowledgeable land acquisition attorney who is trained in these areas to provide the most efficient and effective processes to achieve the balance of types of land to meet the goals of the Comprehensive Parks Plan.

The Department does not have to go through the time and expense of setting up a land trust to utilize this vehicle for and established land trust in the area could provide protection of valuable open space without creating a new entity.



Public art at Southern Community Park

Donations

A significant, and yet often untapped, source of funding acquisition and development of local park projects is through a well-organized local gifts program. Donations of land, money, or labor can have a meaningful impact on the development of the Town's park system.



Donations from Friends of Chapel Hill Parks, Recreation and Greenways helped develop Bolin Creek

The most frequently used type of gift involves the giving of land to be used for a park. The timing of such a donation can correspond with a PARTF grant application, thereby providing all or a significant portion of the local matching requirement associated with this fund. A similar use of gifts involves donated labor or materials, which become part of an improvement project and help to reduce project costs. The value of the services or materials can, in some cases, also be used to match non-local grant funds.

Some agencies have developed a gift catalog as a tool for promoting a gifts program. Such a publication should explain the role and importance of the gifts program, describe its advantages, define the tax advantages that may occur to the donor, and identify various gifts (land, labor, play equipment, materials, trees, etc.) that are needed to meet local program needs. The gifts catalog should be prepared in a format that can be distributed effectively and inexpensively and should provide a clear statement of needs, typical costs associated with various gifts, and be made readily available to the public.

To aid this type of gift program, a strategy for contacting potential donors (individuals, businesses, foundations, service clubs, etc.) should be developed. An important part of this strategy should include contacting the local Bar Association, trust departments of lending institutions, and the Probate Court. Communicating with these groups regularly will make them aware of the potential for individuals to include a gift to the Parks and Recreation Department as part of their tax and estate planning.

Donations made through the Friends of Chapel Hill Parks, Recreation and Greenways have already been used to protect land and develop facilities.

Life Estate

A life estate is a deferred gift. Under this plan, a donor retains use of his land during his lifetime and relinquishes title to such land upon his death. In return for this gift, the owner is usually relieved of the property tax burden on the donated land.

Easement

The most common type of less-than-fee interest in land is an easement. Property ownership may be viewed as a combination of rights. With this understanding, it is possible to purchase any one or several of these rights. An easement seeks either to compensate the landholder for the right to use his land in some manner or to compensate him for the loss of one of his privileges to use the land. One advantage of this less-than-fee interest in the land is the private citizen continues to use the land while the land remains on the tax records continuing as a source of revenue for Chapel Hill. Perhaps the greatest benefit lies in the fact that the community purchases only those rights that it specifically needs to execute its parkland objectives. By purchasing only rights that are needed, the Department is making more selective and efficient use of its limited financial resources.

Zoning/Subdivision Regulations

Many communities in North Carolina have zoning ordinances and subdivision regulations that require a developer to donate a portion of the property they are developing to the government agency to be used for public park land. Through these regulations zoning ordinances, subdivision regulation, and mandatory

dedications may be utilized to create new parkland at no cost to the community. Regulations can require that land is dedicated and/or compensation made to the Town for the development of parkland. Chapel Hill's land development code has an excellent section (5.5 - Recreation) on the required dedication for recreational use. This dedication requirement applies to single family subdivisions and multi-family development. The Town's requirements provide for both land dedication and payment in lieu. Likewise, the dedication requirements call for review by both the Parks and Recreation Commission and the Greenway Commission.

The Town's development regulations have been instrumental in gaining control of land for greenways and open space.

Park Facilities as Economic Developers

John L. Crompton, in his publication "Parks and Economic Development", determined there are four economic development benefits that a community may derive from park and recreation services. These benefits include:

- **Attracting Tourists:** The features and programs that attract tourism to a community include parks, beaches, historic sites, museums, special events and festivals, and athletic tournaments. The majority of these features are provided by public agencies (national, state, local park agencies, etc.).
- **Enhancing Real Estate Values:** Research shows people will pay more to live close to natural park areas. These higher property values result in owners paying higher property taxes, which in turn offsets some of the cost for the development parks and preservation of open space.
- **Attracting Business:** Quality of life issues influence where businesses locate. Parks, recreation, and open space are an important component of the quality of life equation. Good parks help cities attract and retain businesses.
- **Attracting Retirees:** A new growth industry for American communities is the retirement population. The decision to relocate by this segment of our population is primarily governed

by climate and recreation opportunities. This segment of the population is extremely attractive to local governments because retirees are unlikely to have children enrolled in the local school system and therefore are less of a burden on the community's tax base.

Chapel Hill has traditionally placed a high value on parks and recreation programs and facilities that provide quality of life improvement. Development of this master plan update is further evidence that the Town recognizes the importance parks play in the quality of life.

Through investments in parks over the years, local officials have ensured that Chapel Hill provides the quality of life that helps attract new businesses, enhances real estate values, and provides an attractive option to the retirement community.



Athletic tournaments attract tourism

There are many more opportunities for attracting economic impact to Chapel Hill through tourism. John Crompton lists the following opportunities for tourist attractions:

Tournament Sports

- Softball
- Soccer
- Baseball
- Basketball

Arts

- Theaters
- Art Galleries
- Museums
- Performing groups, Music
- Concerts

Heritage Places

- Ethnic cultural places
- Shrines/churches
- Historical sites and structures
- Educational institutions
- Industry factory tours

Parks

- National
- State
- Regional
- Local
- Beaches
- Theme parks

Recreation

- Events and festivals
- Aquatic and coastal areas
- Outdoor recreation (e.g., camping, fishing, hunting)

Arenas

- College sports
- Professional franchises
- Concerts and exhibitions

Many of these activities and facilities are already found within the Town. The majority of these potential tourism attractions are in the public realm or are a public/private venture.

Operational Recommendations

In addition to looking at future facility needs of the Department, this Master Plan must also address some of the operational issues that will face the Department in the coming decade. These issues relate to the manpower and organizational changes that will be required as the Department adds new parks/facilities. Likewise, these recommendations address some of the critical operational issues the Department needs to identify as it works to become not only a bigger department, but a better department.

Staff Needs

With the expansion of park facilities over the next decade, there will be a need for additional staff to develop, operate, and maintain these new facilities. These anticipated new facilities will require program/operational staff for one new recreation center/gymnasium, one new swimming pool, and several spraygrounds. In addition, a new community park, several new neighborhood parks, and miles of new greenways will require new grounds crews, park supervisors, and administrative staff.

While the development of a true operation and maintenance program for these future facilities is beyond the scope of this master plan study, it is important that the Town plan and budget for adequate staff positions for any new facilities that are constructed. Likewise, as these new facilities come on line, the Town should actively seek the highest level of programming staff with strong educational experience in the various areas of park and recreation administration.

Operational Costs

As noted above, the development of new recreation facilities will require additional staff for the Department. These new staff positions will add to the annual operational budget in both staff and equipment costs. The expansion of park facilities will also add significantly to the energy and utility cost of park and recreation facilities. Based on recent increases in energy cost, these operational costs could be substantial. The recommended facility improvements included in this Plan will increase the Department's facilities by 20-25%. Expansion of this magnitude will have significant implications to the operational budget. The Department's management staff and elected officials must carefully consider the financial impact of each major capital improvement project as projects are considered. No capital improvement project should be undertaken without the commitment of support for adequate ongoing operational funding. Likewise, consideration should be given to the positive economic impacts that some facilities may have on Chapel Hill's economy, and if applicable, their potential for revenue generation.



The Town of Chapel Hill has employed a small herd of goats for weed abatement

Priority Based Budgeting

The Town has recently begun utilizing priority based budgeting in its financial planning. Priority based budgeting allocates budgeted resources across various programs. Programs receive funding based on their priority. Priorities may include safe and secure facilities, community enhancements, programs for education, health lifestyles, etc. Funding priority is thus based on the values established by the community.

The 2020 Vision Plan was undertaken to allow the community to establish priorities for the Town in the coming decade. The goals identified in the 2020 Vision Plan would then be used to set priorities in the Town’s future budgets.

Greener Operation

As the world’s population expands and environmental concerns over global warming, conservation of resources, and preservation of our fragile natural systems become more apparent, greater environmental responsibility by public and private agencies has become critical. As a government agency, particularly one that is involved with the management of public open space and the improvement of the public’s health, the Parks and Recreation Department should make a concerted effort to minimize its environmental impact.

With this understanding, the Department should evaluate its maintenance and operational procedures with an intent to minimize waste and environmental impact. Where economically feasible, the Department should look to implement operational procedures that emphasize conservation, recycling, and sustainability. Likewise, as the Department looks to build new facilities, it should consider constructing facilities that minimize environmental impacts, conserve energy, and reuse building materials where possible.

As a starting point for this conversion to a “greener” operation, the Department should establish a committee of operation, maintenance, and construction stakeholders to study the options available and develop a plan for becoming “greener”.

Capital Improvement Program

The Capital Improvement Program for the acquisition, renovation, and development of parks for the planning period was prepared with input from Town staff and public involvement. All of the proposed costs are shown in current dollar values. The capital improvement costs include funds for land acquisition, site preparation, site utilities, and facility development as well as estimated planning and design fees.

The Capital Improvement Program can be summarized into the following components:

Park Renovations	\$12,195,318
Land Acquisition	4,500,000
Park Development	11,000,000
Special Use Facilities Program	<u>20,350,000</u>
Total Capital Improvement Budget	\$48,045,318

Table 5-1 “Capital Improvements Plan” shows the costs associated with the capital improvement program (ten-year planning period). The table reflects the proposals and recommendations as outlined in Section Four of this Master Plan.

Master Plan Funding Strategy

Over the planning period (2013 - 2022), the Town will not be able to support the growth in operational cost and the proposed capital improvement (\$48,045,318)

with the current level of capital appropriations. The Department will need to use a combination of revenue sources to accomplish the recommendations of the Master Plan. There are numerous combinations of funding strategies that can be explored and implemented. Upon careful analysis of past budget documents, current practices, available resources, and national trends, an example of a funding strategy is presented as one possible strategy.

General Funds

Allocations from the General Fund will need to increase to pay for operation of future facilities. This additional per capita funding, along with the increase in population, could fund the majority of future operational costs, but will not provide the funding required for capital improvements.

In addition to this increased operational spending, the Town should begin budgeting for capital improvements projects on an annual basis. Annual allocations to capital improvements over the next ten years could provide millions in funds for capital projects.

General Obligation Bonds

General Obligation Bonds should be used for major renovations and to acquire and develop new parks and recreation facilities. One, or possibly two, successful bond campaigns for park improvements over the next ten years could generate \$10 to \$20 million for construction and acquisitions. This would represent a significant portion of funds needed for the proposed capital improvements budget. These funds can be dedicated to acquiring all the land for the proposed park sites, renovation of existing parks, the development of special use facilities and construction of the Town's greenways. As noted earlier in this section (General Obligation Bonds, page 5-3), this level of bond sales will likely result in the need for additional tax revenues to pay for the debt service created by the sale of these bonds.

Revenues & User Charges

A crucial strategy to accomplish the goals of this plan is to price services based on the value and benefits received by the participants beyond those of all taxpayers. Increasing the number of participants using the facilities and programs will increase

revenue opportunities. A good time to price services to their value and benefits is after new facilities are constructed or when facilities have been renovated to enhance a participant's recreational experience. A proposed user charge revenue strategy designed to recoup a larger percentage of program cost should be considered. This will create more revenue and capacity opportunities for the growing population of the town.

Currently, revenues and user charges account for a relatively small percentage of the operating budget. The Town should develop a fee structure that will allow greater net revenue to be realized. Assuming the level of funding can increase, it could generate \$150,000 to \$200,000 annually, providing several million dollars in increased income over the next ten years that can be used for operating new facilities developed as recommended in this plan.

Partnerships and Gifts

The Town should work with the Friends of Chapel Hill Parks, Recreation and Greenways to explore ways to raise sponsorships and gifts. This non-profit organization has already engaged private citizens and corporations to donate money, land, and in-kind services for use by the Parks and Recreation Department. Through active involvement with the "Friends" organization the Department should be able to realize \$50,000 - \$100,000 in funds annually. This could result in donations of as much as \$1 million over the ten year planning period. This level of funding would require the "Friends" organization to grow and increase its operations.

Sponsorships and Naming Rights

Another excellent source of development capital is through project sponsorship/underwriting by corporations throughout the community. Quality facilities, properly marketed, provide an excellent venue for raising development funds. Naming rights for athletic fields, swimming facilities, playgrounds, etc., can be used to raise tens of thousands of dollars.

Grants

The Parks and Recreation Department has been very successful in finding and procuring funds from state and local grants. The Town should continue to explore

grants such as LWCF, PARTF, SAFTEA, clean water grants, etc. Active pursuit of this funding could provide several million dollars in funds for capital improvements over the next twelve to fifteen years.

Overview

Together, these funding options could be used to raise tens of millions of dollars of development capital over the next decade. It may be unrealistic to assume the Town can fund \$48 million of park improvements in the next ten years especially during these challenging economic times. Actively pursuing the options that are available should provide funding for many of the needs listed in this master plan. Through the continued use of this document, Town staff and elected officials can identify and prioritize community needs and actively seek funds to meet those needs over the next ten (or more) years.

Table 5-1

**CHAPEL HILL PARKS AND RECREATION
CAPITAL IMPROVEMENT PLAN**

Capital Improvement and Land Acquisition	10 Year Total	2013-2016	2017-2022
Existing Parks Renovation/Improvements			
Specific Renovations to Existing Parks			
Cedar Falls Park	\$3,859,000	\$3,859,000	
Community Center Park	\$924,318	\$924,318	
Homestead Park	\$2,497,000	\$2,497,000	
Southern Community Park	\$237,000	\$237,000	
Ephesus Park	\$913,000	\$913,000	
Hargraves Community Center	\$410,000	\$410,000	
Meadowmont Park	\$169,000	\$169,000	
North Forest Hills Park	\$212,000	\$212,000	
Pritchard Park	\$132,000	\$132,000	
Umstead Park	\$691,000	\$691,000	
Oakwood Park	\$285,000	\$285,000	
Burlington Park	\$394,000	\$394,000	
Westwood Park	\$114,000	\$114,000	
Wallace Plaza	\$246,000	\$246,000	
Planning & Design (10%)	\$1,112,000	\$1,112,000	
Renovation Total	\$12,195,318 *	\$12,195,318 *	\$0
Land Acquisition			
N2 - North Central Neighborhood Park (5 acres at \$100,000)	\$500,000	\$500,000	
N3 - Central Park (5 acres at \$100,000)	\$500,000		\$500,000
N4 - Southwest Neighborhood Park (5 acres at \$100,000)	\$500,000		\$500,000
Community Park (20 acres at \$100,000)	\$2,000,000	\$2,000,000	
District Park / In partnership with Orange County	NA	NA	N/A
Greenways (40 acres @ 25,000 per acre)	\$1,000,000	\$500,000	\$500,000
Land Acquisition Total	\$4,500,000	\$3,000,000	\$1,500,000
Park Development			
Neighborhood Parks			
N1 - Northeast Neighborhood Park	\$500,000	\$500,000	
N2 - North Central Neighborhood Park	\$500,000	\$500,000	
N3 - Central Neighborhood Park	\$500,000		\$500,000
N4 - Southwest Neighborhood Park	\$500,000		\$500,000
Community Park	\$3,000,000	\$3,000,000	
District Park	\$5,000,000		\$5,000,000
Planning and Design (10%)	\$1,000,000	\$400,000	\$600,000
Park Development Total	\$11,000,000	\$4,400,000	\$6,600,000
Special Use Facilities			
Community Center	\$2,000,000		\$2,000,000
Gymnasium	\$1,500,000		\$1,500,000
Swimming Pool	\$1,500,000		\$1,500,000
Parks and Recreation Administrative Office	\$2,000,000		\$2,000,000
Cultural Arts	\$3,000,000		\$3,000,000
8.5 Miles of Greenway Trail (\$1,000,000 per mile)**	\$8,500,000	\$4,250,000	\$4,250,000
Planning & Design (10%)	\$1,850,000	\$425,000	\$1,425,000
Special Use Facilities Total	\$20,350,000	\$4,675,000	\$15,675,000
Total Capital Improvement Budget Cost	\$48,045,318	\$24,270,318	\$23,775,000

* Costs for existing park renovations/improvements have been rounded to the nearest thousandth dollar.

See Section One for breakdown of cost.

** Greenways cost estimate from 2013 Greenways Master Plan