

# Options for Local Funding for Haw River State Trail

Presentation by Funding and Grants Subcommittee of the Chatham  
County Haw River State Trail Steering Committee

Chatham County Board of Commissioners Work Session

May 6, 2024



# Overview

- Chatham County Haw River State Trail Steering Committee
- General Themes on Funding
- Funding & Grants Subcommittee
- Local Funding Sources



# Chatham County Haw River State Trail Steering Committee

- Meeting monthly since April 2021
- Partners interested in developing Haw River Trail
- Completed Haw River Trail Feasibility Study in October 2023
- Formed 3 subcommittees in October 2023 to focus on these specific topics:
  - Land and Easement Acquisition
  - Funding and Grants
  - Trail Building and Maintenance



# General Themes From Steering Committee Related to Funding

- Do not depend on DOT or PARTF funding since those are very competitive. This project won't score well for DOT.
- Need to diversify funding sources for sustainability of project.
- Identify a back-up sustainable funding plan in case we don't get grants. Go after grant funds, but don't depend exclusively on them.
- Need to identify timelines, workflows, and grant cycles.
- County may want to set up a trust fund or easement fund, similar to the affordable housing fund.



# Funding & Grants Subcommittee Members

- **Brandon Dawson**  
Chatham County Conservation & Resiliency Coordinator
- **Ben Rippe**  
Chatham County Trails & Open Space Planner
- **Thanh Schado**  
Chatham County Transportation Planner
- **Gretchen Smith**  
Friends of Lower Haw River State Natural Area
- **Lindsay Whitson**  
Central Pines Regional Council Community & Economic Development Director



# Funding & Grants Subcommittee Tasks

- Pair projects with appropriate funding sources.
- Coordinate funding efforts with appropriate partners.
- Grant applications and management support.
- Explore and advocate for other funding sources.



# Purpose of Today's Presentation

- Today's presentation is informational. We are not making suggestions or recommendations.
- Inform BOC of tools in the local government funding toolbox for trail development and land and easement acquisition for trail network.
- Some of the options may be small now but may grow in potential with Chatham's residential and business growth.
- Get direction from BOC and let us know priorities and next steps.



# Local Sources of Funding

- Existing sources of funding that county can build upon.
- What are other local governments doing?
  - **Resource: City Parks Alliance** <https://cityparksalliance.org/funding-hub/local-funding/>
  - **Resource: Town of Carrboro Bolin Creek Greenway Conceptual Master Plan** <https://townofcarrboro.org/DocumentCenter/View/1392/BCG-AppB-Funding?bidId=>
  - **Resource: Chatham County Parks & Recreation Comprehensive Master Plan** <https://www.chathamcountync.gov/home/showpublisheddocument/49893/637250610323500000>





# Existing Sources of Funding in Chatham County

- Article 46 Sales Tax (Affordable Housing, Agriculture, Education, Parks & Rec)
- Rollback Taxes (Deferred Present-Use Value Tax)
- Property Taxes
- Payment In-Lieu-Of Fees
  - Alternative to requiring developers to dedicate on-site trail or park that serves their development by paying a front-end charge for off-site land acquisition
  - Paid by developers to be used by Parks & Recreation Department
  - Used to purchase land for parks and recreation in Eastern or Western District
- Canoe Access Special Revenue Fund
- Parks Capital Reserve
  - County contributions suspended in 2011 but could be resumed

# What Are Other Local Governments Doing?

- Parks and Open Space General Obligation Bond Examples
  - Buncombe County \$30 million in 2022
  - Matthews \$14 million in 2022
  - Wake Forest \$22.4 million in 2022
  - Lee County \$25 million in 2020
- Penny for Parks Examples
  - Penny for Parks is a dedicated funding stream for parks and trails
  - Chapel Hill added one penny to their property tax rate
  - Durham added a half penny to the city's tax rate
  - Raleigh added one penny to property tax rate
  - Town of Nags Head added one penny to DMV tax rate

# What Are Other Local Governments Doing?

- Water Utility Charge Example of Enterprise Rates
  - Raleigh's Upper Neuse Clean Water Initiative \$0.15 fee per 1,000 gallons
- Water Utility Fund Example
  - Cary's Jordan Lake Watershed Protection Program allocates \$0.15 per 1,000 gallons in Utility Fund to pay for watershed protection (no surcharge added to utility bills)
- Partnerships with Corporate Foundations & Private Investors
  - Caterpillar Foundation invested \$250,000 in natural infrastructure and land conservation in Raleigh's Upper Neuse watershed initiative.

# Local Options: Fees

- Development Impact Fees
  - One-time fees assessed on development at time of building permit issuance to fund public infrastructure including parks
- Parking Fees
  - Could go to parks instead of general fund
- Contractual Fees
  - Revenue from using parks as venues for special events
- Programming Fees
  - Programming fees charged for park programs
  - Drawback is decreases access for low-income residents

# Local Options: Revenue Generating

- Concessions
  - Revenue from lease agreement or royalties on sales from outside entities
- Park Branding
  - Market community-based concessions
  - Develop local events

# Local Options: Financing Tools

- Synthetic Tax Increment Financing (TIF)
  - Public projects like trails increase the value of surrounding real estate
  - Use future tax revenue generated by public projects to finance current improvements
- Installment Purchase Financing
  - Traditional financing used for smaller projects
  - Lease purchase contract for property or improvement from seller or financial institution
  - Paid in installments and own property or improvement upon completion of lease period

# Local Options: Taxes

- General Fund Revenue from Property Taxes
- Other Locally Generated Taxes
- Special Purpose Taxes
  - Designated for specific purposes for a limited time
  - Can be renewed
- Business Improvement Districts (BID)
  - Form of public-private partnership
  - Managed by a nonprofit corporation
  - Businesses within a designated area are taxed
  - Funds are used for public improvements in that district

# Local Options: Ordinances and Zoning Tools

- Capital Reserve Fund
  - Created through ordinance or resolution
  - Sources of revenue include general fund allocations, fund balance allocations, grants, donations
- Exactions that establish responsibility of developer to build the trail/greenway that crosses through the property or adjacent to the property being developed
- Incentives and Bonuses Zoning Strategies
- Transfer of Development Rights Zoning Strategies



Questions?