

CATAWBA RIVER CORRIDOR PLAN:

Appendix C - Funding

*C.0 Summary C.1 Overview of National and Federal Funding Sources C.2 Overview of State Funding Sources
C.3 Overview of Local Government Funding Sources C.4 Other Local Funding Options*

C.0 Summary

The primary purpose of this appendix is to define and describe possible funding sources that could be used to support the planning, design and development of bicycle, pedestrian, trail, and greenway improvements.

Implementing the recommendations of this plan will require a combination of funding sources that include local, state, federal, and private money. Fortunately, the benefits of protected greenways are many and varied. This allows programs in Mount Holly to access money earmarked for a variety of purposes including water quality, hazard mitigation, recreation, air quality, alternate transportation, wildlife protection, community health, and economic development. Competition is almost always stiff for state and federal funds, so it becomes imperative that local governments work together to create multi-jurisdictional partnerships and to develop their own local sources of funding. These sources can then be used to leverage outside assistance. The long term success of this plan will almost certainly depend on the dedication of a local revenue stream for greenways.

It is important that Mount Holly fully evaluate its available options, pursue a variety of funding options, and develop a funding strategy that can meet community needs, maximize local resources, and leverage outside funding. Creative planning, partnerships, and consistent monitoring of funding options will likely turn up new opportunities not listed here. The Mount Holly Community

Development Foundation can provide assistance as a non-profit group with the ability to access other funding sources not available to government entities. The private sector can also play an important role in the future protection of open space and development of greenways.

For the past two decades, a variety of funding has been used throughout North Carolina to support the planning, design and construction of urban and rural bicycle, pedestrian, trail and greenway projects. The largest single source of funding for these projects has come from the Surface Transportation Act, first the Intermodal Surface Transportation Efficiency Act (ISTEA) in the early to mid 1990's; then its successor, Transportation Equity Act for the Twenty-First Century (TEA-21) through the early part of 2002; and now the Safe, Accountable, Flexible and Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). The North Carolina Department of Transportation manages and distributes the majority of federal funds that are derived from the Act to support the development of bicycle/pedestrian/trail development.

The majority of federal funding is distributed to states in the form of block grants and is then distributed throughout a given state for specific projects. A description of applicable federal funding programs is provided in this report along with a description of the current funding levels for Fiscal Year 2006. State funding programs in North Carolina also support the creation of greenways. North Carolina has developed

a broad array of funding sources that address land acquisition, green infrastructure development, and trail facility development.

Additionally, there are many things that the City of Mount Holly can do to establish their own funding for greenway initiatives. For the most part, it takes money to get money. For Mount Holly, it will be necessary to create a local funding program through one of the methods that is defined within this report. Financing will be needed to administer the continued planning and implementation process, acquire parcels or easements, and manage and maintain facilities.

This appendix is organized by first addressing the federal sources of funding, then addresses state and local government funding sources. It is by no means an exhaustive list as there are hundreds of additional funding sources available that should be researched and pursued as well.

C.1 Overview of National and Federal Funding Sources

Most federal programs provide block grants directly to states through funding formulas. For example, if a North Carolina community wants funding to support a transportation initiative, they would contact the North Carolina Department of Transportation and not the US Department of Transportation to obtain a grant. Despite the fact that it is rare for a local community to obtain a funding grant directly from a federal agency, it is relevant to list the current status of federal programs and the amount of funding that is available to North Carolina through these programs.

Surface Transportation Act (SAFETEA LU)

For the past 15 years, the Surface Transportation Act has been the largest single source of funding for the development of greenways. Prior to 1990, the nation, as a whole, spent approximately \$25 million on building community-based bicycle and pedestrian projects, with the vast majority of this money spent

in one state. Since the passage of ISTEA, funding has been increased dramatically for bicycle, pedestrian and greenway projects, with total spending north of \$5 billion. SAFETEA-LU will more than double the total amount of funding for bicycle/pedestrian/trail projects as compared to its predecessor TEA-21, with approximately \$800 million available each year.

There are many programs within SAFETEA-LU that deserve mention. The authorizing legislation is complicated and robust. The following provides a summary of how this federal funding can be used to support the Catawba River Greenway. All of the funding within these programs would be accessed through the Department's of Transportation in North Carolina.

1) Surface Transportation Program (STP)

This is the largest single program within the legislation from a funding point of view, with \$32.5 billion committed over the next five years. Of particular interest to greenway enthusiasts, 10 percent of the funding within this program is set aside for Transportation Enhancements (TE) activities. Historically, a little more than half of the TE funds have been used nationally to support bicycle/pedestrian/trail projects. So nationally, it is projected that \$1.625 billion will be spent on these projects under SAFETEA-LU.

2) Congestion Mitigation and Air Quality (CMAQ)

Under SAFETEA-LU, approximately \$8.6 billion has been set aside. Historically, about five percent of these funds have been used to support bicycle/pedestrian/trail projects. This would equal about \$430 million under SAFETEA-LU. The Charlotte metropolitan region will most likely remain a non-attainment area throughout the life of SAFETEA, and that makes it a very eligible community for this type of funding. The Birmingham, AL, metro region, for example, used all of its CMAQ allocation one year to fund a regional bicycle, pedestrian and trails study, which subsequently identified projects that were funded for development.

3) *Highway Safety Improvement Program (HSIP)*

SAFETEA-LU funds this program at \$5 billion over four years. Historically, bicycle and pedestrian projects have accounted for one percent of this program, or about \$50 million under SAFETEA-LU. Some of the eligible uses of these funds would include traffic calming, bicycle and pedestrian safety improvements, and installation of crossing signs. This is not a huge source of funding, but one that could be used to fund elements of a project.

4) *Recreational Trails Program (RTP)*

The Recreational Trails Program is specifically set up to fund both motorized and non-motorized trail development. Under SAFETEA-LU funding is established at \$370 million for the five-year term of the legislation. At least 30% of these funds must be spent on non-motorized trails, or \$110 million. North Carolina and operates grants programs in order to gain access to this funding. Again, the Charlotte metropolitan region would be a highly eligible recipient for this funding.

5) *Scenic Byways*

The National Scenic Byway program has not traditionally been a good source of funding for bicycle/pedestrian/trail projects. North Carolina has one of the better scenic byway programs in the nation, but only two roadways are designated as national scenic byways. The total amount of funding available nationally is \$175 million under SAFETA-LU. Historically, only 2 percent of these funds have been used to support bicycle and pedestrian improvements.

6) *Safe Routes to School Program (SR2S)*

A new program under SAFETEA-LU is the Safe Routes to School (SR2S) program, with \$612 million in funding during the term of the legislation. This is an excellent new program that within North Carolina will be paired with a variety of health and wellness programs, to increase funding for access to the outdoors for children. Each state will receive no less than \$1 million in funding, with 10% to 30% of the funds allocated to non-infrastructure activities.

The SR2S Program was established in August 2005 as part of the most recent federal transportation re-authorization legislation--SAFETEA-LU. This law provides multi-year funding for the surface transportation programs that guide spending of federal gas tax revenue. Section 1404 of this legislation provides funding (for the first time) for State Departments of Transportation to create and administer SR2S programs which allow communities to compete for funding for local SR2S projects.

The administration of section 1404 has been assigned to FHWA's Office of Safety, which is working in collaboration with FHWA's Offices of Planning and Environment (Bicycle and Pedestrian Program) and the National Highway Traffic Safety Administration (NHTSA) to establish and guide the program.

7) *High Priority Projects*

Under SAFETEA-LU more than 5,091 transportation projects were earmarked by Congress for development, with a total value in excess of \$3 billion. In the Charlotte metropolitan area, one project will receive funding under the HPP label, the Little Sugar Creek Greenway, which is funded at \$3.15 million.

Land and Water Conservation Fund (LWCF)

The Land and Water Conservation Fund is the largest source of federal money for park, wildlife, and open space land acquisition. The program's funding comes primarily from offshore oil and gas drilling receipts, with an authorized expenditure of \$900 million each year. However, Congress generally appropriates only a fraction of this amount. The program provides up to 50 percent of the cost of a project, with the balance of the funds paid by states or municipalities. These funds can be used for outdoor recreation projects, including acquisition, renovation, and development. Projects require a 50 percent match.

In 2006, Congress appropriated \$30 million for state assistance, which is about 1/3 of the financial support in 2005. This program is administered by the North Carolina Department of Environment and Natural Resources.

Environmental Protection Agency (EPA)

The EPA funds a program that enables communities to clean up polluted properties. Funding for these programs is available directly from the EPA and is administered in the form of grants to localities.

Targeted Brownfields Assessments: Brownfields Revitalization Assessment and Cleanup Grant Funding

- Needy communities fare better in competition
- High unemployment rates, high poverty rates, loss of jobs/population, minority or other sensitive populations. Include demographic statistics.
- Mention any unusually high health concerns in the area. Can any of these be tied to the site(s)?
- Present the environmental, economic, social and health impacts of brownfields on the community
- Environmental Justice concerns
- Focus on the environmental and health impacts of your project.

Environmental Education Grants Program (EPA/Office of Environmental Education):

The purpose of these grants is to provide financial support for projects that design, demonstrate, or disseminate environmental education practices, methods, or techniques. Projects must focus on one of the following: (1) improving environmental education teaching skills; (2) educating teachers, students, or the public about human health problems; (3) building state, local, or tribal government capacity to develop environmental education programs; (4) educating communities through community-based organization; or (5) educating the public through print, broadcast, or other media. Contacts: EPA Office of Environmental Education, 202-260-8619
Community Block Development Grant Program (HUD-CBDG)

The U.S. Department of Housing and Urban Development (HUD) offers financial grants to communities for neighborhood revitalization, economic development, and improvements to community facilities and services, especially in low and moderate-income areas. Several communities have used HUD funds to develop greenways, including the Boulding Branch Greenway in High Point, North Carolina. Grants from this program range from \$50,000 to \$200,000 and are either made to municipalities or non-profits. There is no formal application process.

C.2 Overview of State Funding Sources

The most direct source of public-sector funding for the City of Mount Holly will come from state agencies in North Carolina. Generally, these funds are made available to local governments based on grant-in-aid formulas. The single most important key to obtaining state grant funding is for local governments to have adopted plans for greenway, open space, bicycle, pedestrian or trail systems in place prior to making an application for funding. This report summarizes the programs that most often have been used to support greenway, bicycle and pedestrian development. Unfortunately, there is no direct correlation between any of the programs listed and a constant stream of funding for greenway or trail projects. Furthermore, all projects are funded on the basis of grant applications. There is no specific set aside amount that is allocated for greenway and trail development within a given program. Funding is based solely on need and the need has to be expressed and submitted in the form of a grant application. Finally, all of these programs are geared to address needs across the entire state, so all of the programs are competitive and must allocate funding with the needs of the entire state in mind. A brief description of the program is provided followed by a list of current funding levels and information necessary to obtain grant forms to access the funds. North Carolina programs are listed below.

North Carolina Programs

Please note: The chart above lists the total funding available for the entire State of North Carolina. Since the chart is based on discussions with the funding agents several columns contain no information since that is not yet available. In other cases, there is no funding available in the timeframe defined.

North Carolina Department of Transportation – SAFETEA-LU

The North Carolina DOT manages the implementation of all transportation programs and improvements throughout the state. NCDOT produces a Transportation Improvement Program (STIP). The STIP contains funding information and schedules for transportation divisions including: Highways, Enhancements, Public Transportation, Rail, Bicycle and Pedestrians, and the Governor's Highway Safety Program. A separate summary of funding of major highway projects is available as a companion document to the STIP. The transportation program in the STIP is organized by highway divisions. At the beginning of each of the 14 divisions, a map is provided with a color-coded key to the major highway funded projects in that division. Projects are listed by county within each division. This results in some duplication since highway projects frequently extend across county and division lines. The following funding has been defined within SAFETEA-LU for the NCDOT. The description of each program is provided under the Federal Sources SAFETEA description.

- STP - \$867 million
- CMAQ - \$90 million
- HSIP - \$201 million

Scenic Byways

Scenic Byway funding comes from the STIP program. However, there is no direct set aside within the program for any specific project or region of the state. The NCDOT administers an extensive state supported scenic byway program. The North Carolina Department of Transportation (NCDOT)

has designated 45 Scenic Byways that showcase North Carolina's history, geography and culture while raising awareness for the protection and preservation of these resources. Routes are carefully selected to embody the diverse beauty and culture of the state and provide travelers with a safe and interesting alternate route. (http://www.ncdot.org/doh/operations/dp_chief_eng/roadside/scenic)

SR2S Program

Funding for the Safe Routes to School Program comes from the STIP. North Carolina has allocated approximately \$1 million annually to support all SR2S programs throughout the state. There is no specific funding allocation for any particular project nor specific region within the state. The North Carolina contact person for the SR2S program is:

Theresa (Terry) A. Canales, PE
 Safe Routes to School Coordinator
 Office of the Secretary
 NC Dept of Transportation
 Transportation Building
 1501 Mail Service Center
 Raleigh, NC 27699-1501
 Phone: 919-733-2520 Fax: 919-733-9150
 E-mail: tcanales@dot.state.nc.us

North Carolina DOT – Bicycle and Pedestrian Program

The Division of Bicycle and Pedestrian Transportation (DBPT) is a comprehensive operation, touching all aspects of bicycling and walking; whether designing facilities, creating safety programs, mapping cross-state bicycle routes, training teachers, sponsoring workshops and conferences, fostering multi-modal planning or integrating bicycling and walking into the ongoing activities of the Department of Transportation. Created in 1974 as a result of North Carolina bicycle program legislation and expanded to encompass pedestrian activities in

1992 as a result of federal legislation, the DBPT is the oldest comprehensive state program of its kind in the United States. Several categories of federal aid construction funds -- National Highway System (NHS), Surface Transportation Program (STP), Congestion Mitigation and Air Quality (CMAQ) funds provide for the construction of pedestrian and bicycle transportation facilities. The primary source of funding for bicycle and pedestrian projects is STP Enhancement Funding. Bicycle, pedestrian, greenway and trail facility projects are divided into two categories, which determine the types of funds that may be available. Independent projects are those that are not related to a scheduled highway project. Incidental projects are those related to a scheduled highway project. Local requests for small pedestrian projects, such as sidewalk links, should be directed to the relevant NCDOT Highway Division office. For the Mount Holly area, requests would be made through Division 12.

Incidental Projects

Under the incidental projects category, NCDOT has approved twenty-five projects within the Charlotte region. Since these projects are part of other roadway transportation improvements a value is not provided within the TIP.

Independent Projects

Under the independent projects category, NCDOT has approved fifteen bicycle/pedestrian/trail projects for the Charlotte region, with an estimated construction value of \$4.6 million.

The contact person for NCDOT-DBPT is Mr. Tom Norman, Director, NCDOT, 1 South Wilmington Street, Raleigh, NC 27602. (919) 733-2804.

E-mail: tnorman@dot.state.nc.us

DBPT web site: http://www.ncdot.org/transit/bicycle/about/about_intro.html.

To contact the Division 12 Office go to the following web site for more information: <http://www.ncdot.org/doh/Operations/division12/>

North Carolina DOT Recreational Trails Program

The Recreational Trails Program is a grant program funded by Congress with money from the federal gas taxes paid on fuel used by off-highway vehicles. This program's intent is to meet the trail and trail-related recreational needs identified by the Statewide Comprehensive Outdoor Recreation Plan. Grant applicants must be able contribute 20% of the project cost with cash or in-kind contributions. Applications for funding may be obtained by contacting your regional trails specialist or the State Trails Program at (919) 715-8699. North Carolina will allocate about \$1.3 million annually through SAFETEA-LU to fund this program for Fiscal Years 2004 to 2009.

North Carolina's Clean Water Management Trust Fund (CWMTF)

The Clean Water Management Trust Fund (CWMTF) was established by the General Assembly in 1996. At the end of each fiscal year, 6.5% of the unreserved credit balance in North Carolina's General Fund (or a minimum of \$30 million) will go into the CWMTF. Revenues from the CWMTF are then allocated in the form of grants to local governments, state agencies and conservation non-profits to help finance projects that specifically address water pollution problems. A 21-member, independent, CWMTF Board of Trustees has full responsibility over the allocation of moneys from the Fund. CWMTF funds projects that (1) enhance or restore degraded waters, (2) protect unpolluted waters, and/or (3) contribute toward a network of riparian buffers and greenways for environmental, educational, and recreational benefits.

This is a highly competitive grant program. The program is attempting to make most future grant awards based on larger, more regional scale efforts that protect water quality and promote natural resource conservation.

The contact person for the CWMTF is:

Bill Holman, Executive Director, CWMTF, 530 N. Wilmington St. Raleigh, NC 27604. (919) 733-6375. E-mail: bill.holman@ncmail.net.

North Carolina Parks and Recreation Trust Fund (PARTF) -

This fund was established in 1993. It is funded by 75% of state deed excise stamp tax revenues: state parks receive 65%; local parks, 30%; beaches & waterfronts, 5%; and administration, 3%. About \$23 M is available each year. It is managed by a Board of Trustees of the Parks & Recreation Authority and the Division of Parks & Recreation (DPR) in DENR. Since 1995, local governments have submitted 599 applications requesting over \$84 million for capital improvements and land acquisition. The Parks & Recreation Authority has approved 317 projects for a total of \$48.4 million. Over 1950 acres have been added to local parks. Fifty-seven local governments requested \$10.1 M in the current cycle. A 1:1 match is required. The Parks & Recreation Authority selects local grant recipients in early May and July of each year with applications due in January. Contact Robin Munger at DPR at 919-715-2661 Web site: <http://ils.unc.edu/parkproject/partfund>.

Land and Water Conservation Fund – North Carolina (LWCF)

The Division of Parks & Recreation also administers the federal Land & Water Conservation Fund's state grants program. Applications from state agencies and local governments are due each March. The State's LWCF Review Committee reviews the applications and makes recommendations to the State LWCF Liaison Officer (SLO) in May. The Director of the Division of Parks & Recreation is the SLO. The SLO recommends projects to the National Park Service for final review and approval in June. US Congress appropriated \$2.1 M to NC in federal fiscal year 2003. 60% of the funds are allocated to state park projects; 40%, to local park projects. A 1:1 match is required.

Contact John Poole at DPR at 919-715-2662.

North Carolina Farmland Preservation Trust Fund

Established in 1986, the Farmland Preservation Trust Fund was funded by appropriations from the General Assembly. Managed by the N.C. Department of Agriculture and Consumer Services and contracted to the Conservation Trust for N.C (CTNC). The General Assembly has appropriated \$2.65 M since 1998. The 2002 General Assembly appropriated \$200K; 2003 General Assembly, \$0. NCDACS has awarded grants to help local land trusts and counties with farmland protection programs work with farm families to arrange permanent conservation easements on over 4270 acres and large parts of 30 farms. These grants have leveraged over \$20 M from other private and public funding sources and donations of development rights from farm owners. Contact CTNC at 919-828-4199. E-mail: info@ctnc.org or Web site: <http://www.ctnc.org>

Any county that has established by ordinance a farmland preservation program or a qualified, private, non-profit land conservation organization, is eligible to apply for a grant. Grants may be submitted for reimbursement of up to 70% of real costs for transactional expenses in acquiring agricultural conservation easements through donation or purchase, including--but not limited to--documented costs for environmental audits, legal fees, appraisals, surveys, purchase options, personnel expenses for project preparation, and long-term easement monitoring and enforcement costs. Grant requests cannot exceed a maximum of \$25,000 per project.

Contact: Conservation Trust for North Carolina, 1028 Washington St, Raleigh, NC 27605. 919-828-4199. Web site: www.ctnc.org. E-mail: info@ctnc.org.

North Carolina Natural Heritage Trust Fund

Established in 1987, the North Carolina Natural Heritage Trust fund provides supplemental funding to select state agencies for the acquisition and protection of important natural areas, to preserve the state’s ecological diversity and cultural heritage, and to inventory the natural heritage resources of the state. The trust fund is supported by 25% of the state’s tax on real estate deed transfers and by a portion of the fees for personalized license plates. Since its creation, the trust fund has contributed more than \$136 million through 345 grants to support the conservation of more than 217,000 acres. Conserving North Carolina’s natural and cultural heritage now is critical. The Natural Heritage Trust Fund invests in North Carolina’s most significant natural areas, strengthening communities and the economy.

Grants are awarded for:

- The purchase of lands that represent the state’s ecological diversity to ensure their preservation and conservation for recreational, scientific, educational, cultural and aesthetic purposes;
- The purchase of additions to state parks, state trails, aesthetic forests, wild and scenic rivers, fish and wildlife management areas;
- The development of a balanced state program of historic properties;
- The inventory and conservation planning of natural areas by the Natural Heritage Program.

The Board currently meets twice a year, once in the Spring (March/April) and once in the Fall (September) to review applications and make awards. Contact: Lisa Riegel, Executive Director. 521 N. Salisbury St., Raleigh, NC 27604. (919) 715-8014. Web site: www.ncnhtf.org. E-mail: nc.nhtf@ncmail.net

North Carolina Adopt-a-Trail Grants

Operated by the Trails Section of the NC Division of State Parks, annual grants are available to local

governments for trail and facility construction. Grants are generally capped at about \$5,000 per project and do not require a match. The Adopt-A-Trail grant program awards \$135,000 annually to local governments, nonprofit organizations and private trail groups for trails projects. The funds can be used for trail building, trail signage and facilities, trail maintenance, trail brochures and maps, and other related uses. Applications for funding may be obtained by contacting a regional trails specialist or the State Trails Program at (919) 715-8699. Applications are due for the each year’s funding cycle at the end of February.

Contact: Darrell McBane, State Trails Coordinator, 12700 Bayleaf Church Road, Raleigh, NC 27614 (919) 846-9991. Web site: <http://ils.unc.edu/parkproject/trails/home.html>. E-mail: darrell.mcbane@ncmail.net.

North Carolina Division of Water Quality - 319 Program Grants

By amendment to the Clean Water Act Section in 1987, the Section 319 Grant program was established to provide funding for efforts to curb non-point source (NPS) pollution, including that which occurs though stormwater runoff. The U.S. Environmental Protection Agency provides funds to state and tribal agencies, which are then allocated via a competitive grant process to organizations to address current or potential NPS concerns. Funds may be used to demonstrate best management practices (BMPs), establish Total Maximum Daily Load (TMDL) for a watershed, or to restore impaired streams or other water resources. In North Carolina, the 319 Grant Program is administered by the Division of Water Quality of the Department of Environment and Natural Resources. Each fiscal year North Carolina is awarded nearly \$5 million dollars to address non-point source pollution through its 319 Grant program. Thirty percent of the funding supports ongoing state non-point source programs. The remaining seventy percent is made available through

a competitive grants process. At the beginning of each year (normally by mid-February), the NC 319 Program issues a request for proposals with an open response period of three months. Approximately \$880,000 will be available statewide for distribution to grant recipients.

Grants are divided into two categories: Base and Incremental. Base Projects concern research-oriented, demonstrative, or educational purposes for identifying and preventing potential NPS areas in the state, where waters may be at risk of becoming impaired. Incremental projects seek to restore streams or other portions of watersheds that are already impaired and not presently satisfying their intended uses. State and local governments, interstate and intrastate agencies, public and private nonprofit organizations, and educational institutions are eligible to apply for Section 319 monies. An interagency workgroup reviews the proposals and selects those of merit to be funded.

Contact: North Carolina DWQ, 512 N. Salisbury St. Raleigh, NC 27604. (919) 733-7015 Web site: www.h2o.enr.state.nc.us/nps/Section_319_Grant_Program.htm. E-mail: kimberly.nimmer@ncmail.net.

Small Cities Community Development Block Grants

Although do not meet the population density requirements necessary to access Federal level CDBG funds, state level funds are allocated through the NC Department of Commerce, Division of Community Assistance. These funds can be used to promote economic development and to serve low-income and moderate-income neighborhoods. Greenways that are part of a community's economic development plans may qualify for assistance under this program. Recreational areas that serve to improve the quality of life in lower income areas may also qualify. Approximately \$50 million is available statewide to fund a variety of projects.

Contact: Division of Community Assistance, Community Development Block Grant Program 1307 Glenwood Avenue, Suite 250, Raleigh, NC 27605 (919) 733-2850. Web site: www.ncdca.org/cdbg. E-mail: dino@nccommerce.com.

North Carolina Ecosystem Enhancement Program

This brand new program was developed as a mechanism to facilitate improved mitigation projects for North Carolina highways, this program will have money available for both restoration projects and protection projects that serve to enhance water quality and wildlife habitat in NC. This is not a grants program. Additional information is available by contacting the Natural Heritage Program in the NC Department of Environment and Natural Resources (NCDENR).

Contact: NCEEP, 1652 Mail Service Center, Raleigh, NC 27699-1652. (919) 715-0476. Web site: www.nceep.net. E-mail: carrie.windbush@ncmail.net.

North Carolina Wetlands Restoration Program (NCWRP)

This is a non-regulatory program established by the NC General Assembly in 1996. The goals of the NCWRP are to:

- Protect and improve water quality by restoring wetland, stream and riparian area functions and values lost through historic, current and future impacts.
- Achieve a net increase in wetland acreage, functions and values in all of North Carolina's major river basins.
- Promote a comprehensive approach for the protection of natural resources.
- Provide a consistent approach to address compensatory mitigation requirements associated with wetland, stream, and buffer regulations, and to increase the ecological effectiveness of compensatory mitigation projects.

Additional information about the program and potential funding assistance with the restoration or creation of wetlands can be found at www.h2o.enr.state.nc.us/wrp

Contact: Tad Boggs, Ecosystem Enhancement Program Coordinator, NC Wetlands Restoration Program, 1619 Mail Service Center, Raleigh, NC 27699-1619. (919) 715-2227. E-mail: tad.boggs@ncmail.net.

Urban and Community Forestry Assistance Program

The program operates as a cooperative partnership between the NC Division of Forest Resources and the USDA Forest Service, Southern Region. It offers small grants that can be used to plant urban trees, establish a community arboretum, or other programs that promote tree canopy in urban areas. To qualify for this program, a community must pledge to develop a street-tree inventory, a municipal tree ordinance, a tree commission, and an urban forestry-management plan. All of these can be funded through the program. For more information, contact the NC Division of Forest Resources.

Greenways are a specific category within the program “*Naturalization Projects or Greenway Development.*” These types of projects can be combined with tree planting, where native species are used and environmental benefits to the community are emphasized. Planning and development, assessments and studies, maps and drawings, promotional and educational materials may be eligible for funding when matched with a solid volunteer and in-kind staffing match. Forest buffers, connecting corridors between fragmented wooded areas, riparian buffers/protection, or reduction of mowing maintenance in municipal parks through edge naturalization, are some naturalization projects that will be considered for grants. Approximately \$200,000 is available each year for grant recipients.

Contact: Nancy Stairs, Urban Forestry Program Coordinator, NC Division of Forest Resources, 1616 Mail Service Center, Raleigh, NC 27699-1616. Web site: www.dfr.state.nc.us/urban/urban_grantprogram.htm. E-mail: Nancy.Stairs@ncmail.net

Water Resources Development Grant Program

The NC Division of Water Resources offers cost-sharing grants to local governments on projects related to water resources. Stream restoration, land acquisition, facility development for water-based recreation projects are two of the categories of projects that are generally funded. Funding for this program varies tremendously from year-to-year.

Contact: NC Division of Water Resources, DENR - 1611 Mail Service Center - Raleigh, NC 27699-1611. (919)733-4064. Web site: www.ncwater.org/Financial_Assistance/.

North Carolina Health and Wellness Trust Fund (HWTF)

The NC Health and Wellness Trust Fund was created by the General Assembly as one of 3 entities to invest North Carolina’s portion of the Tobacco Master Settlement Agreement. HWTF receives one-fourth of the state’s tobacco settlement funds, which are paid in annual installments over a 25-year period.

Fit Together, a partnership of the NC Health and Wellness Trust Fund (HWTF) and Blue Cross and Blue Shield of North Carolina (BCBSNC) announces the establishment of *Fit Community*, a designation and grant program that recognizes and rewards North Carolina communities’ efforts to support physical activity and healthy eating initiatives, as well as tobacco-free school environments. Fit Community is one component of the jointly sponsored Fit Together initiative, a statewide prevention campaign designed to raise awareness about obesity and to equip individuals, families and communities with the tools they need to address this important issue.

All North Carolina municipalities and counties are eligible to apply for a Fit Community designation, which will be awarded to those that have excelled in supporting the following:

- physical activity in the community, schools, and workplaces
- healthy eating in the community, schools, and workplaces
- tobacco use prevention efforts in schools

Designations will be valid for two years, and designated communities may have the opportunity to reapply for subsequent two-year extensions. The benefits of being a Fit Community include:

- heightened statewide attention that can help bolster local community development and/or
- economic investment initiatives (highway signage and a plaque for the Mayor’s or County Commission Chair’s office will be provided)
- reinvigoration of a community’s sense of civic pride (each Fit Community will serve as a model for other communities that are trying to achieve similar goals)
- use of the Fit Community designation logo for promotional and communication purposes.

The application for Fit Community designation is available on the Fit Together Web site: www.FitTogetherNC.org/FitCommunity.aspx.

Fit Community grants are designed to support innovative strategies that help a community meet its goal to becoming a Fit Community. Eight to nine, two-year grants of up to \$30,000 annually will be awarded to applicants that have a demonstrated need, proven capacity, and opportunity for positive change in addressing physical activity and/or healthy eating.

Blue Cross Blue Shield Grant

The Blue Cross and Blue Shield of North Carolina Foundation has a grants program called “Fit Together.” The purpose of the program is to provide support to rural North Carolina communities to improve community health by implementing innovative and integrated strategies to increase physical activity. Approximately \$40,000 each is available for up to five grantees. Eligible applicants include nonprofit organizations in North Carolina with 501 c(3) status. Applicants must utilize the “5Ps approach” in their strategy to increase physical activity: preparation, promotions, programs, policies, and physical projects. The deadline is typically December. Web site: www.bcbsnc.com/foundation/fittogether_grants.html.

North Carolina Conservation Income Tax Credit Program

The North Carolina Conservation Tax Credit Program was created in 1983, the nation’s first tax credit to encourage private donation of land for conservation purposes (codified in North Carolina General Statutes §105-130.34, 105-151.12). An individual corporation that donates property or development rights to a qualified recipient receives a tax credit of 25 percent of the value of that property. There is a maximum tax credit of \$250,000 for individuals and \$500,000 for corporations that can be used to reduce or eliminate state income tax and can be carried over for up to five years.

In 1999, more than half of the donations that were received were to non-profit organizations and approximately two-thirds of the donors were individuals. The average number of yearly donations has risen as the maximum credit has risen. Between 1983 and 1988, when the maximum credit was \$5,000, there were 6.2 donations per year. In 1999, with the most recent increase in allowable credit, there were over 60 donors, with a net gain of approximately 16,000 acres. From its creation in 1996 through 1999, 68,500 acres worth \$121.2 million had been protected by this program, costing the state \$16.7

million. A total of 296 donors have participated. As of 8/15/02 (end of 2001 tax year) about 500 individual and corporate property owners had donated 99,000 acres of land or conservation easements worth an estimated \$250 M at a cost to the State of \$44 M.

The donor's tax filing must be accompanied by a Certificate of Conservation Benefit from the Department of Environment & Natural Resources (DENR). Contact Bill Flournoy at 919-715-4191 or <http://www.enr.state.nc.us/conservationtaxcredit/>

C.3 Overview of Local Government Funding Sources

The City of Mount Holly will really need to create independent, local funding sources to be used to match federal and state grants for greenway development. The following provides a list of funding options that each of the local governments should consider for future greenway development and open space protection.

Bonds/Loans

Bonds have been a very popular way for communities across the country to finance their open space and greenway projects. A number of bond options are listed below. If local government decides to pursue a bond issue, consideration should be given to combining the needs of Mount Holly into a single bond proposal. Contracting with a private consultant to assist with this program may be advisable. Since bonds rely on the support of the voting population, an education and awareness program should be implemented prior to any vote.

Revenue Bonds

Revenue bonds are bonds that are secured by a pledge of the revenues from a certain local government activity. The entity issuing bonds, pledges to generate sufficient revenue annually to cover the program's

operating costs, plus meet the annual debt service requirements (principal and interest payment). Revenue bonds are not constrained by the debt ceilings of general obligation bonds, but they are generally more expensive than general obligation bonds.

General Obligation Bonds

Local governments generally are able to issue general obligation (G.O.) bonds that are secured by the full faith and credit of the entity. In this case, the local government issuing the bonds pledges to raise its property taxes, or use any other sources of revenue, to generate sufficient revenues to make the debt service payments on the bonds. A general obligation pledge is stronger than a revenue pledge, and thus may carry a lower interest rate than a revenue bond. Frequently, when local governments issue G.O. bonds for public enterprise improvements, the public enterprise will make the debt service payments on the G.O. bonds with revenues generated through the public entity's rates and charges. However, if those rate revenues are insufficient to make the debt payment, the local government is obligated to raise taxes or use other sources of revenue to make the payments. G.O. bonds distribute the costs of open space acquisition and make funds available for immediate purchases. Voter approval is required.

Special Assessment Bonds

Special assessment bonds are secured by a lien on the property that benefits by the improvements funded with the special assessment bond proceeds. Debt service payments on these bonds are funded through annual assessments to the property owners in the assessment area.

State Revolving Fund (SRF) Loans

Initially funded with federal and state money, and continued by funds generated by repayment of earlier loans, State Revolving Funds (SRFs) provide low-

interest loans for local governments to fund water pollution control and water supply related projects including many watershed management activities. These loans typically require a revenue pledge, like a revenue bond, but carry a below market interest rate and limited term for debt repayment (20 years).

Taxes

A number of taxes provide direct or indirect funding for the operations of local governments. Some of them are:

Sales Tax

In North Carolina, the state has authorized a sales tax at the state and county levels. Local governments that choose to exercise the local option sales tax (all counties currently do), use the tax revenues to provide funding for a wide variety of projects and activities. Any increase in the sales tax, even if applying to a single county, must gain approval of the state legislature. In 1998, Mecklenburg County was granted authority to institute a one-half cent sales tax increase for mass transit.

Property Tax

Property taxes generally support a significant portion of local government activities. However, the revenues from property taxes can also be used to pay debt service on general obligation bonds issued to finance open space system acquisitions. Because of limits imposed on tax rates, use of property taxes to fund open space could limit the county's or a municipality's ability to raise funds for other activities. Property taxes can provide a steady stream of financing while broadly distributing the tax burden. In other parts of the country, this mechanism has been popular with voters as long as the increase is restricted to parks and open space. Note, other public agencies compete vigorously for these funds, and taxpayers are generally concerned about high property tax rates.

Excise Taxes

Excise taxes are taxes on specific goods and services. These taxes require special legislation and the use of the funds generated through the tax are limited to specific uses. Examples include lodging, food, and beverage taxes that generate funds for promotion of tourism, and the gas tax that generates revenues for transportation related activities.

Fees and Service Charges

Several fee options that have been used by other local governments are listed here:

Stormwater Utility Fees

Stormwater charges are typically based on an estimate of the amount of impervious surface on a user's property. Impervious surfaces (such as rooftops and paved areas) increase both the amount and rate of stormwater runoff compared to natural conditions. Such surfaces cause runoff that directly or indirectly discharges into public storm drainage facilities and creates a need for stormwater management services. Thus, users with more impervious surface are charged more for stormwater service than users with less impervious surface.

The rates, fees, and charges collected for stormwater management services may not exceed the costs incurred to provide these services. The costs that may be recovered through the stormwater rates, fees, and charges includes any costs necessary to assure that all aspects of stormwater quality and quantity are managed in accordance with federal and state laws, regulations, and rules. Open space may be purchased with stormwater fees, if the property in question is used to mitigate floodwater or filter pollutants.

Impact Fees

Impact fees, which are also known as capital contributions, facilities fees, or system development charges, are typically collected from developers

or property owners at the time of building permit issuance to pay for capital improvements that provide capacity to serve new growth. The intent of these fees is to avoid burdening existing customers with the costs of providing capacity to serve new growth (“growth pays its own way”). Park and greenway impact fees are designed to reflect the costs incurred to provide sufficient capacity in the system to meet the additional open space needs of a growing community. These charges are set in a fee schedule applied uniformly to all new development. Communities that institute impact fees must develop a sound financial model that enables policy makers to justify fee levels for different user groups, and to ensure that revenues generated meet (but do not exceed) the needs of development. Factors used to determine an appropriate impact fee amount can include: lot size, number of occupants, and types of subdivision improvements.

Pursuing park and greenway impact fees will require enabling legislation to authorize the collection of the fees.

In-Lieu-Of Fees

As an alternative to requiring developers to dedicate on-site open space that would serve their development, some communities provide a choice of paying a front-end charge for off-site open space protection. Payment is generally a condition of development approval and recovers the cost of the off-site greenway or open space land acquisition or the development’s proportionate share of the cost of a regional parcel serving a larger area. Some communities prefer in-lieu-of fees. This alternative allows community staff to purchase land worthy of protection rather than accept marginal land that meets the quantitative requirements of a developer dedication but falls a bit short of qualitative interests.

C.4 Other Local Funding Options

Local Capital Improvements Program

In communities that can afford it a yearly appropriation for greenway development and open space protection in the capital improvements program is another option. In Raleigh, for example, the greenways system has been developed over many years through a dedicated source of annual funding that has ranged from \$100,000 to \$500,000, administered through the Parks and Recreation Department.

Local Trail Sponsors

A sponsorship program for trail amenities allows smaller donations to be received from both individuals and businesses. Cash donations could be placed into a trust fund to be accessed for certain construction or acquisition projects associated with the greenways and open space system. Some recognition of the donors is appropriate and can be accomplished through the placement of a plaque, the naming of a trail segment, and/or special recognition at an opening ceremony. Types of gifts other than cash could include donations of services, equipment, labor, or reduced costs for supplies.

Volunteer Work

It is expected that many citizens will be excited about the development of a greenway corridor or a new park or canoe access point. Individual volunteers from the community can be brought together with groups of volunteers from church groups, civic groups, scout troops and environmental groups to work on greenway development on special community workdays. Volunteers can also be used for fundraising, maintenance, and programming needs.

Private Foundations and Corporations

Many communities have solicited greenway funding assistance from private foundations and other conservation-minded benefactors. Below are several examples of private funding opportunities available.

Foundation for the Carolinas

Established in 1958, the Foundation for the Carolinas is the one of the largest community foundations in the South. Building A Better Future, the foundation's major grantmaking program, awards grants only to organizations located in or serving the greater Charlotte area. The foundation's specialized grants programs include the African American Community Endowment Fund (Charlotte-Mecklenburg and surrounding communities), HIV/AIDS Consortium Grants (13 Charlotte-area counties), and the Medical Research Grants program (North and South Carolina). The foundation's Web site features information for potential donors; program information, guidelines, and deadlines; listings of senior management and board members; an electronic form for requesting copies of the foundation's publications; and contact information. Web site: <http://www.ffc.org/>

Land for Tomorrow Campaign

Land for Tomorrow is a diverse partnership of businesses, conservationists, farmers, environmental groups, health professionals and community groups committed to securing support from the public and General Assembly for protecting land, water and historic places. The campaign is asking the North Carolina General Assembly to support issuance of a bond for \$200 million a year for five years to preserve and protect its special land and water resources. Land for Tomorrow will enable North Carolina to reach a goal of ensuring that working farms and forests; sanctuaries for wildlife; land bordering streams, parks and greenways; land that helps strengthen communities and promotes job growth; historic downtowns and neighborhoods; and more, will be there to enhance the quality of life for generations to come. Website: <http://www.landfortomorrow.org/>

North Carolina Community Foundation

The North Carolina Community Foundation, established in 1988, is a statewide foundation seeking gifts from individuals, corporations, and other foundations to build endowments and ensure financial security for nonprofit organizations and institutions throughout the state. Based in Raleigh, North

Carolina, the foundation also manages a number of community affiliates throughout North Carolina, that make grants in the areas of human services, education, health, arts, religion, civic affairs, and the conservation and preservation of historical, cultural, and environmental resources. The foundation also manages various scholarship programs statewide. Web site: <http://nccommunityfoundation.org/>

Z. Smith Reynolds Foundation

This Winston-Salem-based Foundation has been assisting the environmental projects of local governments and non-profits in North Carolina for many years. They have two grant cycles per year and generally do not fund land acquisition. However, they may be able to support Mount Holly in other areas of open space and greenways development. More information is available at www.zsr.org.

Bank of America Charitable Foundation, Inc.

The Bank of America Charitable Foundation is one of the largest in the nation. The primary grants program is called Neighborhood Excellence, which seeks to identify critical issues in local communities. Another program that applies to greenways is the Community Development Programs, and specifically the Program Related Investments. This program targets low and moderate income communities and serves to encourage entrepreneurial business development. Visit the web site for more information: www.bankofamerica.com/foundation.

Community Foundation of Gaston County

The Community Foundation of Gaston County began operations in 1978 as the Garrison Community Foundation. In 1987, the name was changed to the Community Foundation of Gaston County, Inc., to better describe its broad community role. The historic name was preserved by simultaneous renaming of the growing general fund, now known as the Garrison Fund. Grants from the foundation's unrestricted funds are made only to organizations and programs operating in Gaston County or primarily for the benefit of Gaston County citizens.

Grant recipients include programs in arts and culture, environment and conservation, children and youth, health and human services, and women and girls. The foundation's Next Generation Fund, supported by a group of donors aged 25-45, makes grants for youth programs. The Web site provides information on giving options and fund types; grantmaking procedures; announcements and newsletters; and the Book of Memory, which lists memorial gifts made through the Benefactors Memorial Program to the foundation. Web site: <http://www.cfgaston.org/>

Duke Energy Foundation

Funded by Duke Energy shareholders, this non-profit organization makes charitable grants to selected non-profits or governmental subdivisions. Each annual grant must have:

- An internal Duke Energy business "sponsor"
- A clear business reason for making the contribution

The grant program has three focus areas: Environment and Energy Efficiency, Economic Development, and Community Vitality. Related to this project, the Foundation would support programs that support conservation, training and research around environmental and energy efficiency initiatives. Web site: <http://www.duke-energy.com/community/foundation.asp>.

American Greenways Eastman Kodak Awards

The Conservation Fund's American Greenways Program has teamed with the Eastman Kodak Corporation and the National Geographic Society to award small grants (\$250 to \$2,000) to stimulate the planning, design and development of greenways. These grants can be used for activities such as mapping, conducting ecological assessments, surveying land, holding conferences, developing brochures, producing interpretive displays, incorporating land trusts, and building trails. Grants cannot be used for academic research, institutional support, lobbying or political activities. For more

information visit The Conservation Fund's website at: www.conservationfund.org.

National Trails Fund

American Hiking Society created the National Trails Fund in 1998, the only privately supported national grants program providing funding to grassroots organizations working toward establishing, protecting and maintaining foot trails in America. 73 million people enjoy foot trails annually, yet many of our favorite trails need major repairs due to a \$200 million backlog of badly needed maintenance. National Trails Fund grants help give local organizations the resources they need to secure access, volunteers, tools and materials to protect America's cherished public trails. To date, American Hiking has granted more than \$240,000 to 56 different trail projects across the U.S. for land acquisition, constituency building campaigns, and traditional trail work projects. Awards range from \$500 to \$10,000 per project.

Projects the American Hiking Society will consider include:

- Securing trail lands, including acquisition of trails and trail corridors, and the costs associated with acquiring conservation easements.
- Building and maintaining trails which will result in visible and substantial ease of access, improved hiker safety, and/or avoidance of environmental damage.
- Constituency building surrounding specific trail projects - including volunteer recruitment and support.

Web site: www.americanhiking.org/alliance/fund.html.

The Conservation Alliance

The Conservation Alliance is a non-profit organization of outdoor businesses whose collective annual membership dues support grassroots citizen-action groups and their efforts to protect wild and natural areas. One hundred percent of its

member companies' dues go directly to diverse, local community groups across the nation - groups like Southern Utah Wilderness Alliance, Alliance for the Wild Rockies, The Greater Yellowstone Coalition, the South Yuba River Citizens' League, RESTORE: The North Woods and the Sinkyone Wilderness Council (a Native American-owned/operated wilderness park). For these groups, who seek to protect the last great wild lands and waterways from resource extraction and commercial development, the Alliance's grants are substantial in size (about \$35,000 each), and have often made the difference between success and defeat. Since its inception in 1989, The Conservation Alliance has contributed \$4,775,059 to grassroots environmental groups across the nation, and its member companies are proud of the results: To date the groups funded have saved over 34 million acres of wild lands and 14 dams have been either prevented or removed-all through grassroots community efforts.

The Conservation Alliance is a unique funding source for grassroots environmental groups. It is the only environmental grantmaker whose funds come from a potent yet largely untapped constituency for protection of ecosystems - the non-motorized outdoor recreation industry and its customers. This industry has great incentive to protect the places in which people use the clothing, hiking boots, tents and backpacks it sells. The industry is also uniquely positioned to educate outdoor enthusiasts about threats to wild places, and engage them to take action. Finally, when it comes to decision-makers - especially those in the Forest Service, National Park Service, and Bureau of Land Management, this industry has clout - an important tool that small advocacy groups can wield.

The Conservation Alliance Funding Criteria: The Project should be focused primarily on direct citizen action to protect and enhance our natural resources for recreation. We're not looking for mainstream education or scientific research projects, but rather for active campaigns. All projects should be quantifiable, with specific goals, objectives and action plans and

should include a measure for evaluating success. The project should have a good chance for closure or significant measurable results over a fairly short term (one to two years). Funding emphasis may not be on general operating expenses or staff payroll. Web site: www.conservationalliance.com/index.m. E-mail: john@conservationalliance.com.

National Fish and Wildlife Foundation (NFWF)

The National Fish and Wildlife Foundation (NFWF) is a private, nonprofit, tax-exempt organization chartered by Congress in 1984. The National Fish and Wildlife Foundation sustains, restores, and enhances the Nation's fish, wildlife, plants and habitats. Through leadership conservation investments with public and private partners, the Foundation is dedicated to achieving maximum conservation impact by developing and applying best practices and innovative methods for measurable outcomes. The Foundation awards matching grants under its Keystone Initiatives to achieve measurable outcomes in the conservation of fish, wildlife, plants and the habitats on which they depend. Awards are made on a competitive basis to eligible grant recipients, including federal, tribal, state, and local governments, educational institutions, and non-profit conservation organizations. Project proposals are received on a year-round, revolving basis with two decision cycles per year. Grants generally range from \$50,000-\$300,000 and typically require a minimum 2:1 non-federal match.

Funding priorities include bird, fish, marine/coastal, and wildlife and habitat conservation. Other projects that are considered include controlling invasive species, enhancing delivery of ecosystem services in agricultural systems, minimizing the impact on wildlife of emerging energy sources, and developing future conservation leaders and professionals. Website: <http://www.nfwf.org/AM/Template.cfm?Section=Grants> where additional grant programs are described.

