



10-Year Funding Plan

May 31, 2011

Background

In 1998 Jefferson County voters passed a ballot measure that authorized the issuance of \$160 million in bonds for open space and parkland acquisition. Bond funds, along with another \$10 million in other Jefferson County Open Space (JCOS) funds, were used from 1999 through 2010 to acquire 23,581 acres of land for the JCOS program as well as parkland for cities and park districts. In addition to these bond funds, \$37.5 million in general Open Space sales tax revenues were used for Joint Venture Grants with cities and park districts and another \$27 million were used for JCOS Park and trail capital projects from 1999-2010. As a result, about \$235 million, or an average of \$19.5 million per year, was spent from 1999-2010 for these four programs: JCOS acquisitions, JCOS capital projects, city and district acquisitions and the Joint Venture Program.

The first \$100 million in bonds issued in 1999 will be retired in 2019 and the remaining \$60 million will be retired by 2024. In the first \$100 million in Bonds issued, \$21.2 million was committed for city and park district land projects. The actual amount spent on city and district land from bond funds was more than double the committed amount, for a total of over \$47 million. The bond debt service for city and district land totals is \$72 million and will be retired entirely from the JCOS portion of sales tax revenues.

The Open Space sales tax is also used for operating costs to manage 41,000 acres of land (which includes property acquired with bond funds) and includes 28 regional parks, over 210 miles of trails, the Lookout Mountain Nature Center and the Hiwan Homestead Museum. In order to calculate available funding for the next ten year period, JCOS estimated a conservative 2% per year increase in sales tax revenue and a 3% increase in annual operating costs. Using these estimates, JCOS believes about \$60 million will be available from 2011-2020 for the same four programs cited above. *This is a 69% reduction in available funding for land, capital and grants compared to the amount available from 1999-2010.*

Jefferson County also receives proceeds from the Colorado Lottery to be used for parks, recreation, open space and trail projects and programs. These funds are distributed on a per capita basis for the unincorporated areas of the County and are placed in the County’s Conservation Trust Fund (CTF) as required by law. A portion of these funds have been used for the CTF Grant Program, administered by JCOS, for park districts and nonprofit organizations. In recent years this Program has been funded at \$150,000 per year. For planning purposes, it is assumed that this funding level will be sustained for the next ten-year period.

Another noteworthy item to be considered is the difference in JCOS funding received by cities and park districts. Since the inception of the JCOS sales tax, cities have received an “attributable share” of revenues. The attributable share for cities is now about 30% of the overall JCOS sales tax revenue. Under state law, park and recreation districts do not have sales tax authority so these entities have not received an attributable share of the JCOS sales tax. This, along with more park and open space land acquisition and development by cities, has created a sizable funding difference between these two forms of local government as shown below.

Overall Sales Tax and Bond Funding 1973-2010*

	<u>Amount</u>	<u>Per Capita Dollars</u>	<u>% of Total</u>
Cities*	\$340M	\$958	36
Park Districts**	\$38M	\$143	4
JCOS	<u>\$567M</u>	<u>\$1,036</u>	<u>60</u>
Totals	\$945M	\$2,137	100

* Includes attributable share for cities, land acquired by JCOS for cities and districts and Joint Venture Grants.

** Population for Apex Park and Recreation District overlaps with City of Arvada

In an attempt to get out in front of these issues and allow JCOS and its partner organizations to plan for the future, staff and the Open Space Advisory Committee (OSAC) have embarked on this strategic planning process. Along the way, we have and will continue to seek input from all of our partners and supporters to craft the best possible plan for the next 10 years. As is the case with all other JCOS programs, projects and budgets, any plan for the future will need the support and approval of the Jefferson County Board of County Commissioners (BCC).

10-Year Funding Plan Goals

1. Develop a 10-year plan that includes guidelines for expenditures for JCOS land acquisitions and capital projects.
2. Continue to be a supplemental funding partner to cities, park districts and nonprofit organizations and create equitable funding and grant guidelines.
3. Use the established guidelines with flexibility to take advantage of land and project opportunities that come forward in the next ten years.

10-Year Funding Plan Process

As indicated earlier, we have crafted the best possible plan by including our partners, stakeholders and supporters in this process. This planning process began in November 2010 with an OSAC Retreat and will continue through July 2011. Highlights of the process include:

<u>Activity</u>	<u>Timeline</u>
OSAC Retreat	November 16, 2010
OSAC Priorities/goal setting	January 6, 2011
BCC Briefing and direction	January 18, 2011
Draft proposal presented to OSAC	February 3, 2011
Draft proposal presented to city/districts & park directors	February 9, 2011
Draft proposal presented to BCC	February 15, 2011
OSAC refines draft proposal	March 3, 2011
Stakeholder meetings with cities and districts	March 9, 2011
Stakeholder meetings with conservation organizations	March 10, 2011
OSAC refines draft proposal based on input from stakeholders	April 7, 2011
BCC/OSAC Meeting to present draft proposal and seek direction	April 12, 2011
OSAC recommendation to BCC	May 5, 2011
BCC Action	May/June, 2011
10-Year Plan distributed	June, 2011
City/District land and project priorities submitted to JCOS	Late June, 2011
Establish Five-Year (2012-2016) Budget and Capital Improvements Plan (CIP)	July, 2011

Variables Impacting Funding

There are several factors that could reduce, increase or leverage the estimated \$60 million available for acquisitions, capital projects and grants over the next ten years. These include:

- ✓ Variance in JCOS Sales Tax revenues
- ✓ Variance in operating expenses
- ✓ Phasing and deferrals
- ✓ Variance in Conservation Trust Fund allocations
- ✓ Grants
- ✓ Partnerships with conservation organizations
- ✓ Use of conservation and trail easements
- ✓ Jeffco Open Space Foundation and other donations

Summary of Stakeholder Comments

Received during city, park district and conservation group meetings held March 9 & 10, 2011

JCOS Land/Capital

- Defer capital projects when necessary for land opportunities
- Have separate funding identified for acquisitions
- Like the use of conservation and trail easements
- Like the use of partnerships with other conservation groups
- Develop JCOS annual report with accomplishments
- Continue to provide up front funding for conservation easement transaction costs that meet JCOS Master Plan values. These can be reimbursable after the transaction is completed.

Local Grants

- Move grant cycle up three months
- Define outdoor recreation that will be supported
- Objection to funding indoor facilities that “support” outdoor recreation
- Equal match for cities and districts
- Second draft program much improved
- Points or preference for land acquisition

Conservation Trust Fund (Colorado Lottery Proceeds)

- More or all Jeffco funds allocated to local grants
- Bring back share-back program with districts

10-Year Funding Plan

Summary of Proposed Funding

	Annual	10-Year Total
JCOS Acquisitions	\$3.2M	\$32M
JCOS Capital	\$1.5M	\$15M
Local Park & Recreation Grants*	\$1.4M	\$14M
Nonprofit Grants**	\$50k	\$500k
Total	\$6.15M	\$61.5M

* \$100,000 per year supplemental funding from Colorado Lottery proceeds (Conservation Trust Funds)

** \$50,000 per year supplemental funding from Colorado Lottery proceeds (Conservation Trust Funds)

JCOS Acquisitions and Capital:

These funds will be used for land acquisitions as defined in the JCOS Master Plan and JCOS capital projects.

Funding: \$47 million or an average of \$4.7 million per year
 Source: JCOS Sales Tax and remaining bond funds
 Annual Budget: \$3.2 million Acquisitions, \$1.5 million Capital

The current list of approved JCOS acquisitions that are projected to occur in the next ten years are being used as a planning tool to arrive at this number. Also included in this number is about \$4.7 million for new proposals that could be brought forward in the next 10 years. Key considerations in this category are the unknowns associated with land acquisition and priorities that could change over time as opportunities arise.

Historically, JCOS has budgeted \$20 million for 10 years or \$2 million per year over the ten-year period for JCOS park and trail improvements. Given our current funding, staff has reviewed our capital project plans and needs and believes this number can be reduced to \$15 million over the ten-year period or an average of \$1.5 million per year.

In order to take advantage of opportunities as they arise, flexibility is important in this category. For example, it may be wise to phase or defer capital projects in a given year or years to take advantage of a priority land acquisition. Conversely, it may make sense to accelerate a capital project or projects if land acquisitions are not coming to fruition as anticipated. If capital projects are accelerated, adequate reserves or funding strategies should be in place to take advantage of land acquisitions that are a priority for the JCOS program.

Local Park and Recreation Grants (Local Grants):

The JCOS Local Park & Recreation Grant Program provides supplemental funding to assist cities and park districts in implementing their priority land acquisitions and/or capital projects.

Funding: \$14 million
Source: \$13 million JCOS Sales Tax, \$1 million Conservation Trust Fund
Annual Budget: \$1.4M

This Program replaces the current JCOS Joint Venture (JV) and Conservation Trust Fund (CTF) Programs and would be used for city and district land acquisitions and capital projects. Grant funding will be recommended by OSAC and awarded by the BCC once a year using the process and timeline shown in the local and nonprofit annual grant schedule on page 8.

Land acquisitions require a two step process. At any time, a property proposal may come forward for consideration of an OSAC "go forth" Resolution to authorize negotiations. Once authorized in a "go forth" Resolution, the acquisition project would need to be placed on the entity's priority list to make it eligible for a local government grant during the once-a-year grant cycle.

City and District land acquisitions that have met the "go forth" requirement may be considered once prioritized for local grant funding on a competitive basis. The once a year competition for grant funds will likely require additional planning on the part of the cities and districts. This process will allow OSAC and the BCC to consider, compare and evaluate local projects for potential grant funding.

Local Grant Criteria

1. All cities and districts will be required to identify up to three priority projects for land acquisitions and/or capital projects. Only projects on an entity's current priority list are eligible for local grants.
 - One local priority may be changed and any completed or unfeasible priorities may be replaced annually with a letter submitted by late June.
 - Since the JCOS program was founded as a land conservation organization, property acquisition projects are encouraged.
2. Land acquisitions - a two-step process:
 - a. OSAC "*go forth*" Resolution
 - Authorizes negotiations
 - Makes project eligible for local grants as long as it has been placed on a priority list

- b. Local Grant Application
 - Funding for acquisitions
 - Once-a-year grant cycle
- 3. Reimbursements for land acquisitions:
May be considered as a local grant provided the project is on the entity's priority list.
- 4. All entities must provide a cash match. Matches may come from the entity, non-JCOS grants, sponsorships or partners.
- 5. JCOS will consider funding up to 25% of the project cost for eligible projects. Each annual local grant submittal requires a new cash match from the entity.
- 6. Additional Considerations
Local priority projects may be eligible for additional JCOS matching funds if one or more of the following criteria are met, as determined by JCOS:
 - a. Partnerships – With other public entities, nonprofits, or for profit organizations provided that the facility is open for regular public use.
 - b. JCOS Master Plan Values – Projects that meet one or more Acquisition Values outlined in the JCOS Master Plan.
 - c. Conservation Tools – Using tools such as easements or partnerships with other land conservation organizations.
 - d. Outdoor Recreation Projects
 - e. Park Districts – Projects submitted by a park and recreation district.
- 7. Each entity may apply for one local grant per year. If an entity is partnering with another eligible local entity, that application will be the only grant request considered for all entities involved.
- 8. Competitive Process:
The annual grant process will allow JCOS to compare the projects, priorities and funding requests submitted by local entities. As such, funding for a specific project cannot be guaranteed.

Nonprofit Organization (NPO) Grants:

Will be used for public parks and recreation programs and projects occurring on public land and/or facilities in accordance with State of Colorado Conservation Trust Fund requirements.

Funding:	\$500,000
Source:	Conservation Trust Fund (Colorado Lottery Proceeds)
Annual Budget:	\$50,000

This Program is for eligible nonprofit organizations. Eligible nonprofits include 501c(3) groups with a mission or purpose of providing or enhancing parks, recreation, trails, land conservation, and/or environmental stewardship and education. In order to become eligible for nonprofit grants, an organization must

provide written documentation that it meets the above criteria. JCOS will make the final eligibility determination based on the information provided by the nonprofit organization.

These grants will be recommended by OSAC and approved by the BCC once a year using the process and timeline shown in the local and nonprofit annual grant schedule.

These projects are eligible for up to 75% CTF funding and require a minimum applicant match of 25% in cash and/or value of charitable goods or equipment as defined by the Internal Revenue Service (IRS). In-kind and volunteer services are not eligible as matching funds. Each nonprofit organization is limited to one grant application per year.

Local and Nonprofit Annual Grant Schedule

<u>Activity*</u>	<u>Timeframe</u>
City/District land and project priorities submitted to JCOS. Each year an entity may change one priority and replace any completed or unfeasible priorities at this time.	Late June
City/District priorities reviewed to determine if any additional considerations criteria have been met (local grant criteria #6); OSAC approval	September OSAC meeting
OSAC approved “additional consideration” findings and OSAC feedback emailed to eligible local grant entities	Second week of September (after OSAC meeting)
Local and nonprofit grant applications sent via email	Second week of September (after OSAC meeting)
Local and nonprofit grant applications due to JCOS	Late October
Local and nonprofit grant presentations to OSAC	December
OSAC recommendations to BCC	January
BCC considers/awards grants	February

* “Go forth” Resolutions for land acquisitions may be presented to OSAC at anytime.