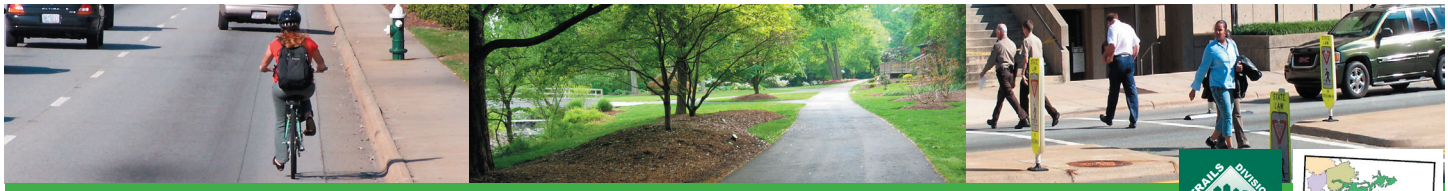


Appendix D: Funding & Financing

D1. Funding Strategy and Resources

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, bicycle facilities, and pedestrian facilities are many and varied. This allows programs in Greensboro 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 Greensboro fully evaluate its available options and develop a funding strategy that can meet community needs, maximize local resources, and leverage outside funding. Financing will be needed to administer the continued planning and implementation process, acquire parcels or easements, and manage and maintain facilities.

It is advised that the City of Greensboro pursue a variety of funding options. Below is a list of some of the greenway, bicycle, and pedestrian funding opportunities that have typically been pursued by other communities. Creative planning and consistent monitoring of funding options will likely turn up new opportunities not listed here.

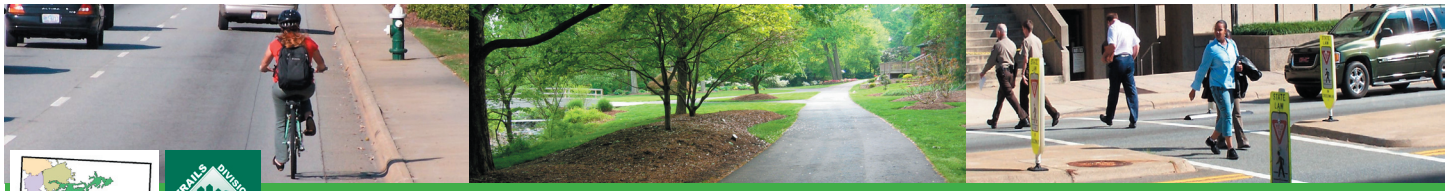
D.2 Federal Government Funding Sources

Safe, Accountable, Flexible and Efficient Transportation Equity Act of 2003 (SAFETEA-LU)

While generally a transportation-based program, the Safe, Accountable, Flexible and Efficient Transportation Equity Act of 2003 (SAFETEA) funds programs to protect the environment. Through increased funding to the Surface Transportation Program (STP) and the National Highway System (NHS), SAFETEA allows for more environmental projects. States may spend up to 20 percent of their STP dollars (used for transportation facility reconstruction, rehabilitation, resurfacing, or restoration projects) for environmental restoration and pollution abatement projects. Additionally, each state sets aside 10 percent of STP funds for transportation enhancement projects, which can include acquisition of conservation and scenic easements, wetland mitigation, and pollution abatement, as well as scenic beautification, pedestrian and bicycle trails, archaeological planning, and historic preservation. Some of the most pertinent programs under this act are:

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. These funds may be used for construction or non-construction projects that benefit bicycles and pedestrians. “Non-construction” projects are items such as maps, brochures, and



public service announcements. These funds may be programmed to bring sidewalks and intersections into compliance with ADA regulations.

Transportation Enhancement Activities (TEAs)
10 percent of STP funds are earmarked for Transportation Enhancement Activities (TEAs). The list of activities that are eligible under the TEA program, include the following:

- Pedestrian and bicycle facilities
- Pedestrian and bicycle safety and education activities
- Acquisition of scenic easements and historic easements and sites
- Scenic or historic highway programs including tourist and welcome centers
- Landscaping and scenic beautification
- Historic preservation
- Rehabilitation and operation of historic transportation buildings, structures or facilities
- Preservation of abandoned railway corridors
- Control and removal of outdoor advertising
- Archaeological planning and research
- Mitigation of highway runoff and provision of wildlife under crossings
- Establishment of transportation museums

Hazard Elimination and Railway-Highway Crossing Programs
These funds account for 10 percent of a state's STP funds. These funds should be used to inventory and/or address safety concerns of motorists, pedestrians, and bicyclists.

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. CMAQ Improvement Program funds are similar to STP funds in that they may be used for construction or non-construction projects that benefit bicyclists and pedestrians. These funds have been used for bicycle related projects in many states. An additional potential source of funds relating to outreach and public education is the EPA's Mobile Source Outreach Assistance Competition. This funding source focuses on outreach and public education relating to cleaner air and alternative transportation. These grants have a $100,000 maximum with a 40% required local match.

Recreational Trails Program
Originally titled, the Symms National Recreational Trails Fund Act, this funding source assists with the development of non-motorized and motorized trails. States receive the funds and can then grant them to other private or public organizations. Under this program, grant recipients must provide a 20 percent match and the projects must be consistent with the Statewide Comprehensive Outdoor Recreation Plan (SCORP) - updated every 5 years by the NC Division of State Parks.

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.

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.

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. An example is the Charlotte metropolitan area with one project receiving funding under the HPP label, the Little Sugar Creek Greenway, which is funded at $3.15 million.

National Scenic Byways Program

This program provides funds for bikeways and walkways along scenic routes. It recognizes certain roads as National Scenic Byways or All-American Roads based on their archeological, cultural, historic, natural, recreational, and scenic qualities. There are 72 such designated byways in 32 states. Bicycle and pedestrian facilities can be funded as a component of a corridor's management plan. Historically only 2 percent of these funds have been used to support bicycle and pedestrian improvements.

Office of Bicycle and Pedestrian Transportation

Under this program, a state may spend a portion of its federally allocated surface transportation funds on bicycle and pedestrian facilities or on non-construction projects such as brochures, public service announcements and route maps related to bicycle safety. Rails-Trails projects can also be funded under this program. All projects must be part of a long-range transportation plan. Contact the NCDOT, Division of Bicycle and Pedestrian Transportation at (919) 733-2804 for more information.

Land and Water Conservation Fund (LWCF)

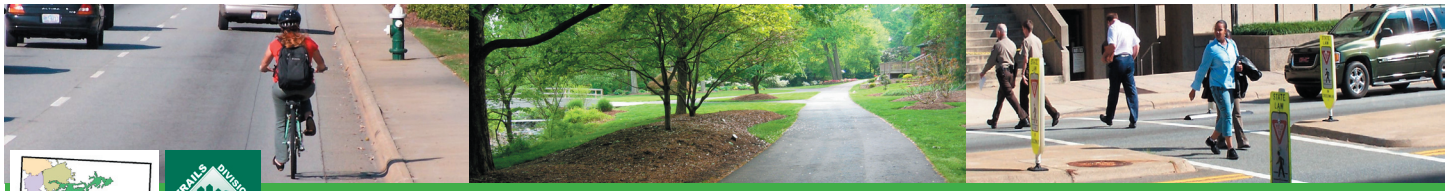
The Land and Water Conservation Fund is the largest source of federal money for park, wildlife, and open space land acquisition. This federal funding source was established in 1965 to provide "close-to-home" park and recreation opportunities to residents throughout the United States. LWCF grants can be used by communities to build a variety of park and recreation facilities, including trails and greenways. In North Carolina, the federally granted money is allocated through the State Division of Parks and Recreation. Fifty percent of the local project costs must be met through in-kind services or cash provided by the recipient. The allotted money varies yearly and unfortunately, the fund has been "zeroed" out for 2006.

Wetlands Reserve Program

This federal funding source is a voluntary program offering technical and financial assistance to landowners who want to restore and protect wetland areas for water quality and wildlife habitat. The US Department of Agriculture's Natural Resource Conservation Service (USDA-NRCS) administers the program and provides direct payments to private landowners who agree to place sensitive wetlands under permanent easements. This program can be used to fund the protection of open space and greenways within riparian corridors.

National Highway System Funds

These funds can be used for pedestrian and bicycle projects adjacent to any highway on the National Highway System, including Interstate Highways.



Job Access and Reverse Commute Grants
These can fund pedestrian and bicycle-related services intended to transport welfare recipients and eligible low-income individuals to and from employment.

State and Community Highway Safety Grants
These are part of the Section 402 formula grants for which each state is eligible. States must submit a Performance Plan that establishes goals and performance measures for improving highway safety, including improved bicycle and pedestrian safety.

Environmental Protection Agency (EPA)
Funding for pedestrian facilities have been available through the EPA's Office of Transportation and Air Quality (OTAQ). One such grant source under OTAQ is "Clean Air Transportation Communities: Innovative Projects to Improve Air Quality and Reduce Greenhouse Gases." These funds assist in the funding of innovative pilot projects to reduce transportation related emissions of criteria pollutants and greenhouse gases by decreasing vehicle miles traveled and increasing use of cleaner technologies. Eligible recipients are state, local, multi-state, and tribal agencies involved with transportation/air quality and/or climate change issues. The use of federal air quality monies was utilized in Billings, Montana for implementation of bike trails using the idea of increased number of bicycles as non-polluting vehicles as justification for obtaining air quality grants.

The Community Development Block Grant (HUD-CDBG)
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.

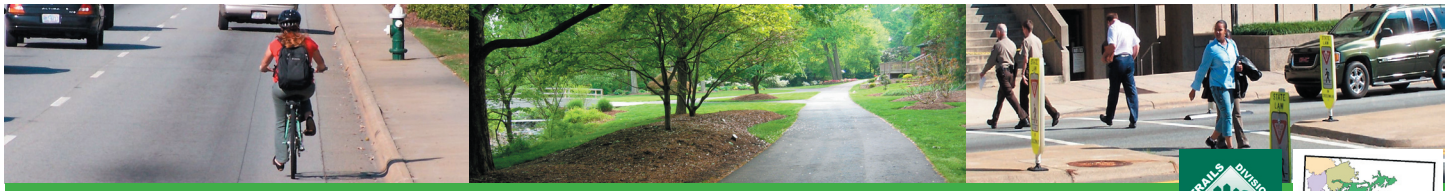
Rivers Trails and Conservation Assistance Program (RTCA)
This is a National Park Service program. Although the program does not provide funding for projects, it does provide valuable on-the-ground technical assistance, from strategic consultation and partnership development to serving as liaison with other government agencies. Communities must apply for assistance.

The National Endowment of the Arts
Many organizations seek ways to incorporate more of their community into their pedestrian, and greenway planning. One way to do this is to celebrate the cultural and historic uniqueness of communities. There are many funding opportunities for these types of projects. The National Endowment of the Arts funds arts-related programs through the Design Arts Program Assistance, and provides many links to other federal departments and agencies that offer funding opportunities for arts and cultural programs.

D.3 State Funding Sources

Current public sidewalk construction is financed in a range of ways. City projects have been funded using a mix of transportation bond funds (primarily for sidewalks that have been provided as a part of larger roadway projects) and the use of Powell Bill reserves. The sidewalk portion of state roadway projects is typically funded in part by the State and in part by the local government. Federal highway funds have been used for independent sidewalk projects as well, but this has not been a major portion of the funding mix to date.

The Powell Bill Program is a state grant to municipalities for use in street system maintenance and construction activities. In the past, the City allocated a considerable portion of these revenues for construction purposes. Over the years reserves built up, and the sidewalk



program has drawn off these reserves. However, budgetary constraints since 2001 have led to a shift of new Powell Bill funds to cover maintenance and operations activities. Therefore, future Powell Bill allocations are not expected to yield substantial resources for construction purposes.

Both the Powell Bill reserves and the 2000 Transportation Bond funds are limited funding sources that will eventually be depleted. Further, federal highway funds can be expected to provide only a portion of the future resource needs of the sidewalk construction program. For this reason, the development of future transportation bond initiatives will be critical for continuing implementation of the sidewalk construction program in the future.

The most direct source of public-sector funding for local governments 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, bicycle, pedestrian or trail systems in place prior to making an application for funding.

In North Carolina, the Department of Transportation, Division of Bicycle and Pedestrian Transportation (DBPT) has been the single largest source of funding for bicycle, pedestrian and greenway projects for more than a decade. DBPT offers several programs in support of bicycle and pedestrian facility development. Some of the following information is from NCDOT's interactive web site (www.ncdot.org).

Bicycle and Pedestrian Planning Grant Initiative

This program was initiated by NCDOT in 2004, to provide communities with planning grants in support of the completion of community-wide bicycle and pedestrian plans. NCDOT will continue this program through 2006 and beyond. Municipalities such as Oak Ridge, Stokesdale, Summerfield, and Sedalia could apply for these grants for more local-level planning.

State Construction Funds

These funds (not including the Highway Trust Fund for Urban Loops and Interchanges) may be used for the construction of sidewalks and bicycle accommodations that are a part of roadway improvement projects.

Governor's Highway Safety Program (GHSP)

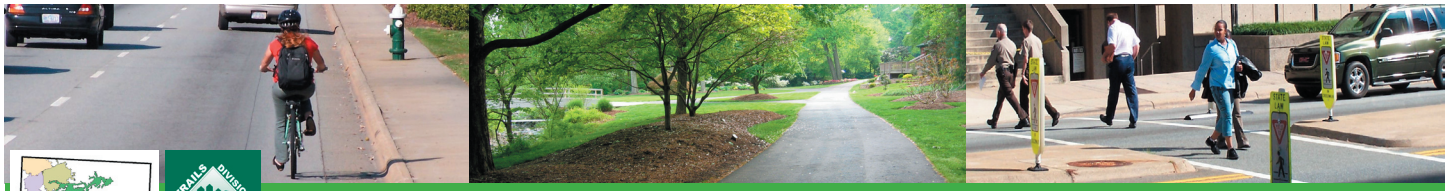
These funds are provided through an annual program, upon approval of specific project requests, to undertake a variety of pedestrian and bicycle safety initiatives. Amounts of GHSP funds vary from year to year, according to the specific amounts requested. Bicycle facility projects are divided into two 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.

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 Parks and Recreation Trust Fund (PARTF)

Generally several million dollars a year are available to local governments across NC through this program. Applicable projects require a 50/50 match from the local government and no more than $250,000 can be requested. The money can be used for the acquisition, development and renovation of recreational areas. The NC Division of State Parks manages the program along



with the Recreational Resources Service.

Clean Water Management Trust Fund (CWMTF)
This fund was established in 1996 and has become one of the largest sources of money in NC for land and water protection. At the end of each fiscal year, 6.5 percent of the unreserved credit balance in North Carolina's General Fund, or a minimum of $30 million, is placed in the CWMTF. The revenue of this fund is allocated as grants to local governments, state agencies and conservation non-profits to help finance projects that specifically address water pollution problems. Local governments may apply for grants to acquire easement or fee-simple interest in properties 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.

Farmland Protection Trust Fund
Ranging from only a couple hundred thousand dollars to millions of dollars over the last several years, this program is funded through an allocation by the NC General Assembly to the NC Department of Agriculture and Consumer Services. It is a voluntary program designed to protect farmland from development by either acquiring property outright or acquiring conservation easements on the property. The program is administered by the Conservation Trust for North Carolina (CTNC). Questions about available funding should be directed to CTNC.

Natural Heritage Trust Fund (NHTF)
Money from this fund may only be allocated to State agencies, so the City of Greensboro must work with State level partners to access this fund. The NHTF is used to acquire and protect land that has significant habitat value. Probably the only land in Greensboro that would qualify is along the Tar River near the NW corner of the ETJ. Some large wetland areas may also qualify, depending on their biological integrity and characteristics. Additional information is available from the NC Natural Heritage Program

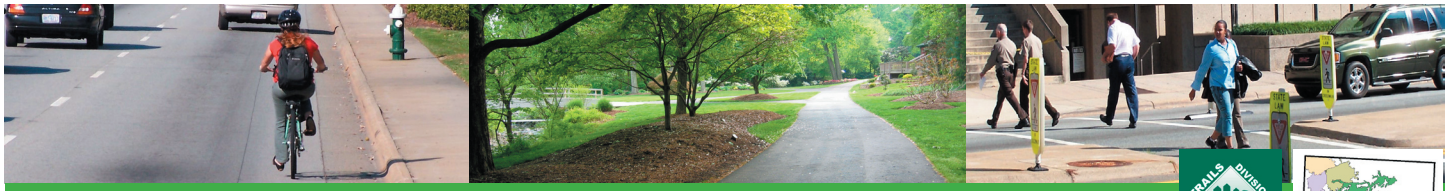
North Carolina Wetlands Restoration Program (NCWRP)
This is a non-regulatory program established by the NC General Assembly in 1996. The goals of the NCWRP are to:

- 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

Ecosystem Enhancement Program
Developed in 2003 as a new mechanism to facilitate improved mitigation projects for NC 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. Additional information is available by contacting the Natural Heritage Program in the NC Department of Environment and Natural Resources (NCDENR).

Agriculture Cost Share Program
Established in 1984, this program assists farmers with the cost of installing best management practices (BMPs) that benefit water quality. The program covers as much as 75 percent of the costs to implement BMPs. The NC Division of Soil and Water Conservation



(within the NC Department of Environment and Natural Resources) administers this program through local Soil and Water Conservation Districts (SWCD).

Conservation Reserve Enhancement Program (CREP)

A joint effort between the NC Division of Soil and Water Conservation, the North Carolina Clean Water Management Trust Fund, the North Carolina Wetlands Restoration Program, and the United States Department of Agriculture to address water quality programs of specific river basins and watershed areas. This is a voluntary program to protect riparian lands that are currently in agricultural production. The program is managed by the NC Division of Soil and Water Conservation.

North Carolina Conservation Tax Credit Program

An incentive program for landowners that donate their land or easements on the land for conservation purposes. Participants receive a state tax credit for the value of their donation. For more information see: http://ncctc.enr.state.nc.us.

NC Adopt-A-Trail Grant Program

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. Applications are due in the fall. For more information, visit http://ils.unc.edu/parkproject/trails/grant.html

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.

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 and Land Acquisition and Facility Development for Water-Based Recreation Projects are two of the categories of projects that are generally funded. For more information, see: http://www.ncwater.org/Financial_Assistance.

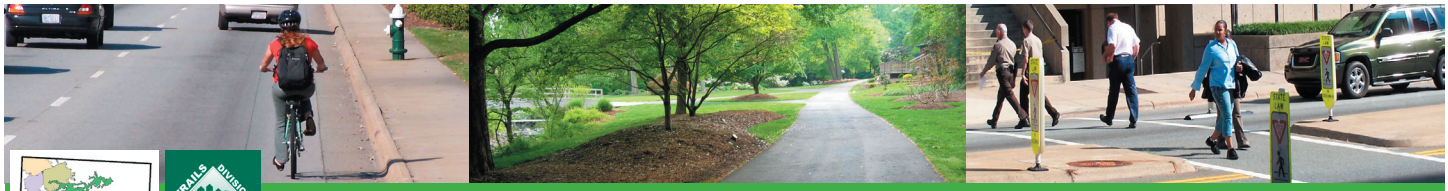
Small Cities Community Development Block Grants

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.

North Carolina Health and Wellness Trust Fund (NC 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. Visit web site: www.bcbsnc.com/foundation/fitogether_grants.html.

D.4 Local Funding Sources

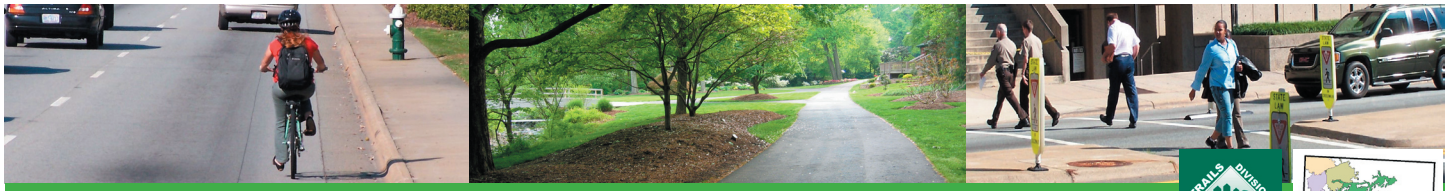
A number of local funding options have been grouped here under the primary banners of taxes, fees, loans, bonds, and other resources.

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 a municipality's activities. However, the revenues from property taxes can also be used to pay debt service on general obligation bonds issued to finance greenway system acquisitions. Because of limits imposed on tax rates, use of property taxes to fund greenways could limit the 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

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. Greenway sections may be purchased with stormwater fees, if the property in question is used to mitigate floodwater or filter pollutants.

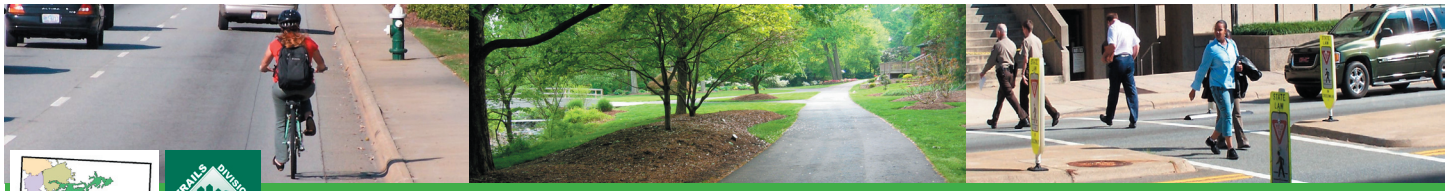
Impact Fees

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"). Greenway impact fees are designed to reflect the costs incurred to provide sufficient capacity in the system to meet the additional 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.

If Greensboro is interested in pursuing open space impact fees, it will require enabling legislation to authorize the collection of the fees.

Exactions

Exactions are similar to impact fees in that they both provide facilities to growing communities. The difference is that through exactions it can be established that it is the responsibility of the developer to build the greenway or pedestrian facility that crosses



through the property, or adjacent to the property being developed.

Installment Purchase Financing

As an alternative to debt financing of capital improvements, communities can execute installment/ lease purchase contracts for improvements. This type of financing is typically used for relatively small projects that the seller or a financial institution is willing to finance or when up-front funds are unavailable. In a lease purchase contract the community leases the property or improvement from the seller or financial institution. The lease is paid in installments that include principal, interest, and associated costs. Upon completion of the lease period, the community owns the property or improvement. While lease purchase contracts are similar to a bond, this arrangement allows the community to acquire the property or improvement without issuing debt. These instruments, however, are more costly than issuing debt.

Partnerships

Another, often overlooked, method of funding pedestrian systems and greenways is to partner with public agencies and private companies and organizations. Partnerships engender a spirit of cooperation, civic pride and community participation. The key to the involvement of private partners is to make a compelling argument for their participation.

Major employers and developers should be identified and provided with a “Benefits of Walking”-type handout for themselves and their employees. Very specific routes which make those critical connections to place of business would be targeted for private partners’ monetary support, but only after a successful master planning effort. People rarely fund issues before they understand them and their immediate and direct impact. Potential partners include major employers which are located along or accessible to pedestrian facilities such as multi-use paths or greenways. Name recognition for corporate partnerships would be accomplished through signage trail heads or interpretive signage along greenway systems.

Utilities often make good partners and many trails now share corridors with them. Money raised from providing an easement to utilities can help defray the costs of maintenance. It is important to have a lawyer review the legal agreement and verify ownership of the subsurface, surface or air rights in order to enter into an agreement.

In-Lieu-Of Fees

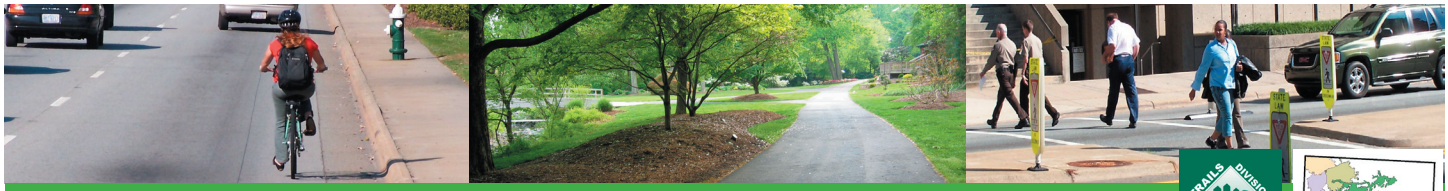
As an alternative to requiring developers to dedicate on-site greenway sections that would serve their development, some communities provide a choice of paying a front-end charge for off-site protection of pieces of the larger system. Payment is generally a condition of development approval and recovers the cost of the off-site land acquisition or the development’s proportionate share of the cost of a regional facility 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.

BONDS AND 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 Greensboro decides to pursue a bond issue, consideration should be given to combining the needs of the Bicycle, Pedestrian and Greenways Plan 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

Cities, counties, and service districts 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 land acquisition and greenway development and make funds available for immediate purchases and projects. 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).

D.5 Other Local Options

Local Capital Improvements Program

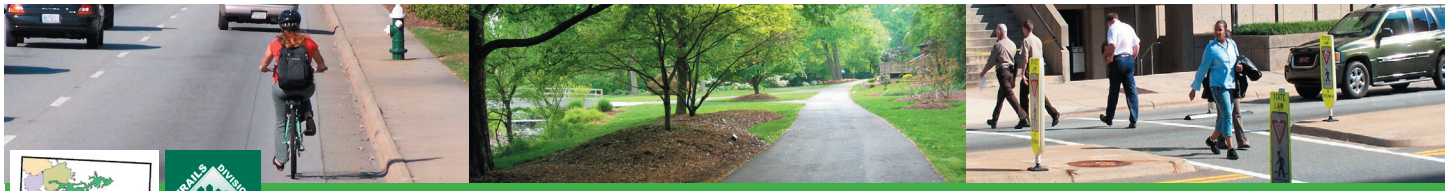
In communities that can afford it, a yearly appropriation for greenway and trail development in the capital improvements program is another option. In Raleigh, for example, the greenways system has been developed over many years through a dedicated source of annual funding that has ranged from $100,000 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. Individual volunteers from the community can be brought together with groups of volunteers form church groups, civic groups, scout troops and environmental groups to work on greenway development on special community work days. Volunteers can also be used for fund-raising, maintenance, and programming needs.



D.6 Private Foundations and Organizations

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

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.

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

The Robert Wood Johnson Foundation

The Robert Wood Johnson Foundation was established as a national philanthropy in 1972 and today it is the largest U.S. foundation devoted to improving the health and health care of all Americans. Grant making is concentrated in four areas:

- To assure that all Americans have access to basic health care at a reasonable cost
- To improve care and support for people with chronic health conditions
- To promote healthy communities and lifestyles
- To reduce the personal, social and economic harm caused by substance abuse: tobacco, alcohol, and illicit drugs

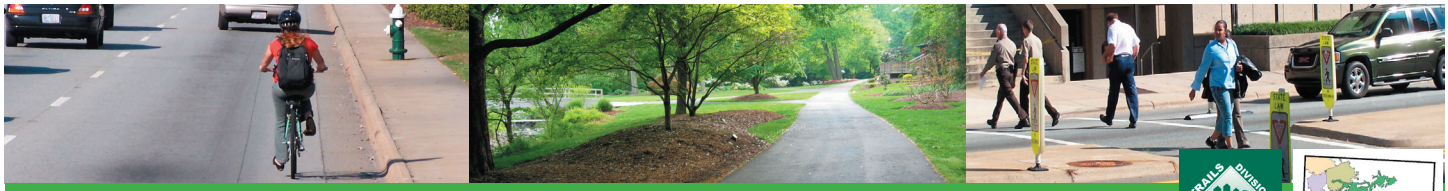
The Trust for Public Land (TPL)

Land conservation is central to TPL's mission. Founded in 1972, the Trust for Public Land is the only national nonprofit working exclusively to protect land for human enjoyment and well being. TPL helps conserve land for recreation and spiritual nourishment and to improve the health and quality of life of American communities. TPL's legal and real estate specialists work with landowners, government agencies, and community groups to:

- Create urban parks, gardens, greenways, and riverways
- Build livable communities by setting aside open space in the path of growth
- Conserve land for watershed protection, scenic beauty, and close-to home recreation safeguard the character of communities by preserving historic landmarks and landscapes.

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 Greensboro in other areas of greenways development.



More information is available at www.zsr.org.

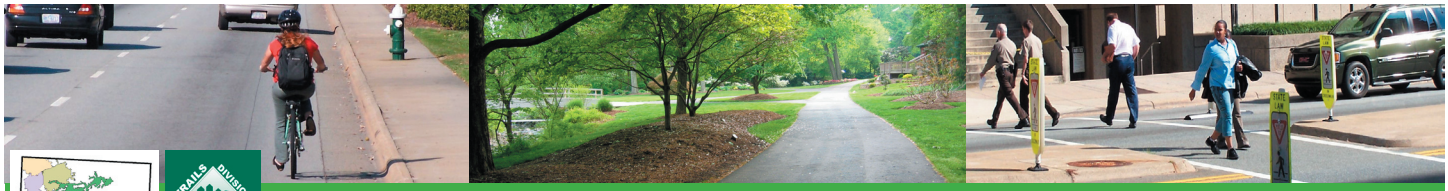
North Carolina Community Foundation

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/

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.

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. For 2005, American Hiking distributed over $40,000 in grants thanks to the generous support of Cascade Designs and L.L.Bean, the program's Charter Sponsors. 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.

What types of projects will American Hiking Society consider? 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.