

CIP FINANCING

Overview

Parks and Recreation facilities and programs add value to a community's economy and quality of life. The success of the 2013 P&R Master Plan is ultimately measured by the Department's ability to implement the recommendations, thus providing higher quality of parks and services that meet the needs of the citizens of Columbia. To a large extent this will be governed by the ability of the City to effectively finance the Parks and Recreation Capital Improvement Program (CIP).



Garth Nature Area - Development Funded by the Park Sales Tax and RTP Grant

This chapter identifies and defines the various financing methods that are available for capital projects and summarizes the funding sources that the Department has used for the past ten years.

The Park Sales Tax is the primary funding source for Parks and Recreation capital improvement projects. Grants, donations, and user fees comprise the balance of the funding sources used in recent years. The Department actively seeks grants and donations for capital projects, operating expenses and special events. A user fee is a portion of the fee collected for a fee-based recreation activity that is reserved for capital improvements. These fees are paid by the user and are invested back into recreation facilities. The Department has three funds generated by user fees that are set aside for capital improvements.

- Golf Course Improvement Fees (GCIF)
- Recreation Services Fund - Recreation User Fees (RSR)
- Recreation Center Improvement Fees (RCIF)

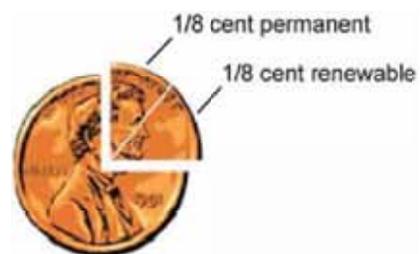
Park Sales Tax - History

In 2000, voters passed Columbia's first dedicated Park Sales Tax which took effect on April 1, 2001. The Columbia Park Sales Tax is a dedicated sales tax for local parks applied to all retail sales made within the city of Columbia that are subject to taxation under the provision of Sections 144.010 to 144.525 RSMo. According to the City ordinance enacting the Park Sales Tax, revenue received from the local Park Sales Tax is to be used...

"solely for local parks for the City, in order to purchase, improve and manage parks, trails and natural lands for water quality, wildlife, tree preservation, and recreation purposes."

The Park Sales Tax rate in Columbia is 1/4 of 1% and is further divided into two separate categories:

- 1/8 of 1 cent: Permanent
- 1/8 of 1 cent: Renewable, with a five-year sunset



From 2001-2006, the 1/4-cent 2000 Park Sales Tax was used primarily to fund the purchase of the \$7 million Stephens Lake property and its \$2.5 million development project. Fortunately, the City Council had the foresight to set 1/8-cent of the Park Sales Tax as a permanent tax, so that after the Stephens Lake Park property was paid off, this funding could be used to subsidize the Parks and Recreation operating budget. As intended, it was used and continues to be used to fund personnel, supplies, equipment, utilities, and services needed to take care of an expanding park system and population served. The Department recognizes the importance of maintaining the existing park system while keeping pace with Columbia's growth.

The sunset of the 1/8-cent renewable 2000 Park Sales Tax funds closely coincided with the completion of the capital projects funded in the 1999 1/4-cent sales tax ballot. Subsequently, there was no other major funding source in place for capital improvement projects or to facilitate the implementation of the Parks, Recreation and Open Space Master Plan. Fortunately, in 2005 citizens approved a five-year extension of the 1/8-cent Park Sales Tax to fund a list of capital improvement projects and provide funding for land acquisition. The purchase of the \$8 million Gans Creek Recreation Area followed in 2007. Funds from both the permanent and renewable Park Sales Tax were used to acquire this future southeast regional park.

Since the passing of the Park Sales Tax, the Parks and Recreation Department no longer utilizes a portion of the 1/4-cent Capital Improvement Sales Tax. This frees up more funding for fire trucks, public safety facilities, and major street and sidewalk projects.

In 2010 citizens again approved a five-year extension of the 1/8-cent renewable Park Sales Tax to fund a list of capital improvement projects and provide funding for land acquisition.

For more information on the history of the Park Sales Tax, ballot proposals, and projects that it has funded, see the Parks and Recreation website at www.GoColumbiaMo.com (search: "Park Sales Tax").

Park Sales Tax - Current Status

As noted in Chapter 3 - Accomplishments, many new parks and facilities have been added to the park system since the publication of the 2002 Master Plan. The increase in staffing, materials, and other expenses to accommodate this growth has been primarily funded by the permanent 1/8-cent Park Sales Tax. The majority of the permanent tax is currently being used to subsidize the operating budget and will soon be completely exhausted in order to accommodate the growth resulting from the completion of the 2010 ballot projects. This is in harmony with the intended purpose of this permanent tax. This means that there are no longer funds available from the permanent Park Sales Tax to accommodate land acquisition or capital improvement projects.

The renewable 1/8-cent Park Sales Tax has become the main funding source for the Parks and Recreation Capital Improvement Program. In 2013, the Park Sales Tax funded 95% of the capital projects. In the proposed Fiscal Year 2014 CIP, 96% is funded by the Park Sales Tax.

The renewable 1/8-cent Parks Sales Tax used to fund capital improvement projects expires in March 2016. The ability for the City to fund the Parks and Recreation Capital Improvement Program will be largely dependent on the City Council's and citizens' support for its renewal.