

## Funding Issues

### 4A. Funding Issues Overview

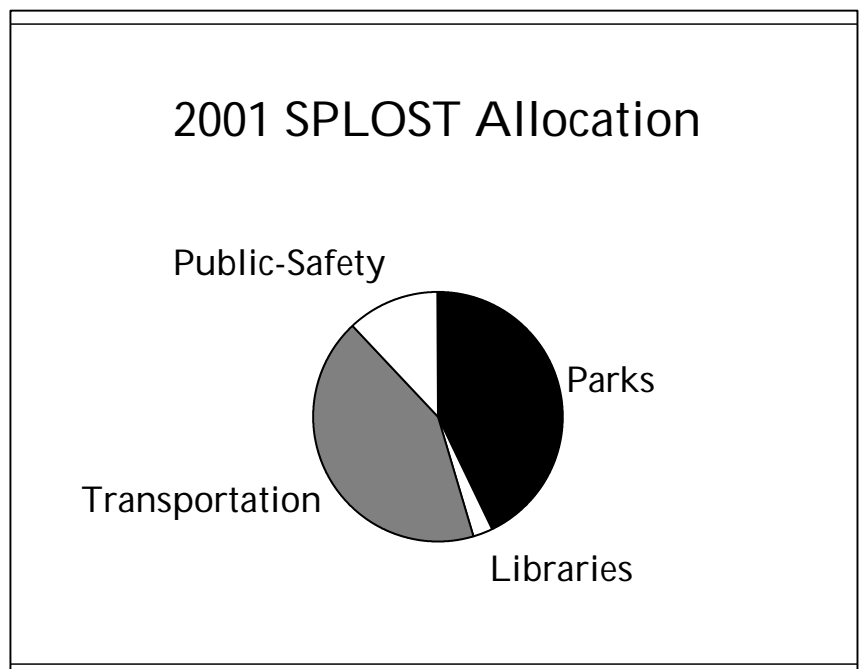
In this section various funding options that are available to the County will be discussed. These options include citizen supported tax programs such as the Special Local Option Sales Tax, federal, state and local grant programs and volunteer programs. Due to size and scope of the desired Open Space and Greenway Master Plan program, it is anticipated that a combination of all of these funding sources will be needed for the foreseeable future to achieve the goal of protecting 20% of the County's open space and developing a greenway system.

#### *Special Purpose Local Option Sales Tax (SPLOST)*

The state of Georgia permits local governments, via a referendum, to assess an additional one percent Special Purpose Local Option Sales Tax (SPLOST) to fund projects. On November 7<sup>th</sup>, 2000, Gwinnett County voters approved a four-year one percent SPLOST. The SPLOST is expected to generate between \$450 million and \$750 million for open space preservation, parks, libraries and transportation. The total SPLOST funds collected during the four-year period will, of course, depend on the overall health of the local and national economy as well as the actual number of dollars spent on taxable goods in Gwinnett County.

The allocation of the anticipated Tier 1 2001 SPLOST funding is a minimum of \$192 million for parks and open space, \$192 million for transportation, \$11 million for libraries and \$54 million for public safety facilities.

The nine-member Gwinnett County Recreation Authority developed a proposed project list for the anticipated SPLOST revenue prior to the sales tax referendum. In doing so, they worked under the assumption that the SPLOST would raise only the minimum of the expected range (\$450 million); the portion allocated to parks would then amount to \$192,375,000. This minimum funding allocation was assigned to Tier 1 active and passive recreation projects.



**Tier 1: Passive Parks – Land Acquisition**

Parkland, open space, greenways \$55,000,000

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Total Land Acquisition - Passive Use \$55,000,000

**Passive Parks - Low Impact Development**

A. Regional passive parks including Little Mulberry, Settles Bridge, Yellow River/Juhan Road, McDaniel Farm, Department of Public Utilities North Plant Site and other new park sites \$22,500,000

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B. Passive community parks including the areas of Kanaheda, Meadowcreek, Rockbridge, Peachtree Corners and other new park sites \$7,500,000

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C. Jones Bridge Park - Phase II riverbank stabilization \$900,000

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D. Holcomb Bridge/Chattahoochee River passive facilities including picnic pavilion, play area and trail \$590,000

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E. Greenway development per master plan prioritization \$2,900,000

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F. Contingency and administration \$1,797,500

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**Total Passive Parks - Low Impact Development \$36,187,500**

**Tier 1: Active Parks - Land Acquisition**

A. Four community parks - Sugarloaf, North Snellville, Harbins and South District. Existing park expansions including Rhodes Jordan, Dacula, Pinckneyville, Bethesda, Collins Hill, Mountain Park and Lenora Park. Special purpose parks including Collins Hill, Shorty Howell Cluster/West District. \$25,000,000

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**Total Land Acquisition - Active Use \$25,000,000**

**Active Parks – Development**

A. Mountain Park \$8,588,000

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B. Bay Creek Park \$6,000,000

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C. Dacula Park \$3,118,000

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D. Shorty Howell Park \$8,015,000

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E. Collins Hill Park \$1,300,000

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F. George Pierce Park \$1,700,000

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G. Lenora Park \$6,289,000

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H. George Pierce Park \$4,750,000

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I. Bethesda Park \$9,160,000

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J. Bogan Park \$2,800,000

K. Best Friend Park	\$6,000,000
L. Hog Mountain Park	\$4,500,000
M. Rhodes Jordan Park	\$515,000
N. George Pierce and Pinckneyville Park maintenance facilities	\$392,000
Contingency/Administration	\$3,060,500
<b>Total Active Parks – Development</b>	<b>\$66,187,500</b>

### **Cities Share Program**

Funding provided to cities for park and recreation projects	\$10,000,000
<b>Total Cities Share</b>	<b>\$10,000,000</b>

**Total Tier 1 Projects** **\$192,375,000**

### *The Georgia Community Greenspace Program*

In April, 2000 Governor Roy Barnes signed Senate Bill 399 into law. The statute became effective on July 1, 2000 and promotes the adoption of policies and activities by Georgia communities to preserve at least 20 percent of their total acreage as permanently protected greenspace (land and water) for passive recreation and natural resource protection. The statute also provides for state grants to assist local governments in the acquisition of greenspace to be protected in perpetuity; for FY 2001, \$30 million was appropriated for the program. Local governments qualify to share in these funds if they have a minimum population of 60,000 or if they experienced minimum growth of 800 persons per year between 1990 and 1998. In FY 2001, 41 Georgia counties were eligible for the program. Funding distributions were calculated via tax-digest year 1999 residential property taxes.

On July 5, 2000 the Gwinnett County Board of Commissioners adopted a resolution detailing the County's desire to participate in the Georgia Greenspace Program. Subsequently, Gwinnett County submitted its application for the Greenspace Program to the Georgia Department of Natural Resources (October 30, 2000). The County's application included a partnership with twelve of the fifteen municipalities within the County. During the course of this study, the County applied for a second year of funding. Gwinnett County was initially allocated \$3,302,522 based on the amount of its residential property tax returned to the state of Georgia (this amount does not include the funds allocated for the municipalities within the County). Due to the increasing number of Georgia counties participating in 2002, the FY02 allocation for Gwinnett County is \$2,948,970.

### *Impact Fees*

In theory, impact fees can provide a means of funding new greenspace, but in practice, their utility is limited in Georgia. An impact fee is a charge on new developments to pay for services associated with those developments. Although this may sound like a fair

means of paying for such costs, Georgia law says that impact fees cannot be used to provide system improvements to correct deficiencies that existed prior to the new development. Impact fees must be based on existing levels of service and in the case of greenways, the existing level of service provided by the County is small. Therefore, impact fees for greenways would generate insignificant amounts of funding. With respect to open space, portions of parkland owned by the County can be classified as open space and a level of service could be calculated. However, from a practical standpoint, the legalities surrounding the establishing of impact fees under Georgia law limit their usefulness for county governments in this state. Recent legal proceedings in Cherokee County provide insight into the difficulty of establishing a system that the courts will uphold.

The court held that Cherokee County violated due process and equal protection in the application of their impact fee ordinance. Residents of the incorporated cities of Canton and Woodstock were excluded from the service area defined by Cherokee's comprehensive plan for development impact fees, and therefore paid no impact fees. The court found that with respect to transportation services, parks and recreation, and libraries, the city residents did not pay their share of the costs of system improvements but benefited from the improvements in the same way as the fee-paying, non-city residents did. Thus, the payments were not proportional.

Essentially, one of the findings in the Cherokee case means that impact fees for county-wide services benefiting the residents of both incorporated and unincorporated areas must be collected across the entire county, including within cities. In Gwinnett's situation, this would require the agreement of all of the fifteen municipalities wholly or partially within the County. Such agreement would be difficult to obtain, as has already been demonstrated by the failure of such attempts in other Georgia counties, including Fayette County. Since Gwinnett has more municipalities than any other county in Georgia, it may be even more complicated here.

#### *Gwinnett County General Fund and Recreation Tax*

The Parks and Recreation Division dedicates General Fund and Recreation Tax Funds to operations and maintenance of the parks system. The majority of these funds come from the recreation tax which allows the County to levy up to 1 mill of property taxes for recreation. The 2001 levee of the recreation tax was 0.86 mill. With the expansion of the development of more passive parkland and greenways, levying the full mill in the future may be required.

#### *Grant Funds – See Appendix G*

In addition to the Georgia Community Greenspace Program, there are many other grant programs for open space and greenway programs. Many, however, provide limited opportunities for Gwinnett County.