MID-SOUTH REGIONAL GREENPRINT
CONNECTING COMMUNITIES FOR OUR FUTURE

Funding Guide for Green Space Connectivity
Mid-South Regional Greenprint & Sustainability Plan
June 2014

Prepared For:
The Memphis and Shelby County Division of Planning and Development
and the Mid-South Regional Greenprint Consortium
ABOUT THIS PROJECT

Shelby County Government was awarded a HUD Sustainable Communities Regional Planning Grant to develop the Mid-South Regional Greenprint & Sustainability Plan. The plan is designed to enhance livability and sustainability by establishing a unified vision for a regional network of green spaces in the Mid-South.

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Mid-South Regional Greenprint Implementation Strategies

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Introduction\(^1\)

The Mid-South Regional Greenprint is designed to enhance regional livability and sustainability by establishing a unified vision for a regional network of green spaces. In order to implement the Mid-South Regional Greenprint, community leaders must consider what revenues are available or could be available to fund the acquisition and development of parks and greenways. The ability to access substantial public and private investments will foster program development and aid in realizing a long-term vision.

This study identifies potential funding sources at all levels of government, as well as philanthropic sources because private funding has and could play a valuable role in building parks and greenways in the Mid-South. The following is a general survey of programs and public funding options that are currently being utilized and/or may be used by communities in the region for the purposes of acquiring land by easement or fee title for conservation and park space. Research at the local level of government is focused on broad-based tax and bond mechanisms that are practical and have been proven capable of generating significant funding.

The geographic scope of the Greenprint covers boundaries within the Memphis Metropolitan Planning Organization (MPO) and West Memphis MPO, including jurisdictions in Tennessee, Mississippi, and Arkansas. Given this large area, planners will need to consider multiple ways to fund various projects. Funds can be directed by project, by jurisdiction, or on a regional basis. This study begins with a good example of funding at the regional level through the description of recent policies and funding mechanisms used by St. Louis Regional Park and Recreation District. This section is followed by a description of philanthropic options available to the region and examples of how private funds have been utilized across the country for similar efforts. The remaining information on public funding mechanisms is broken down by state. These descriptions are meant to provide a broad overview of funding sources. However, should community leaders require information on program rules and accessibility, or implementation procedures for local funding mechanisms, The Trust for Public Land can assist further.

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\(^1\) The contents of this chapter are based on the best available information at the time of research and drafting (December 2013), with much of the data compiled from Internet resources and direct communication with appropriate government agencies. This chapter does not directly address funding for related and important activities such as restoration, species management, and stewardship.
Case Study: History and Funding of the St. Louis Region Park and Recreation Districts

The greater St. Louis region is home to two regional park and recreation districts, spanning five jurisdictions in two states: St. Louis County, St. Louis City, and St. Charles County in Missouri; and Madison County and St. Clair County in Illinois. A combined 15-year effort from private leaders, legislative officials and voters in both states, plus ongoing cooperation, created a unique program intended to improve recreational opportunities and build regional connections. The impetus came from the corporate sector. Anheuser-Busch, Monsanto, and Purina, among others, have been outstanding in their support. And partly in response to those donations, the general populace has stepped up in a major way, passing two ballot measures that will collectively generate over $1 billion in public funds to create and operate the Great Rivers Greenway. The effort has thus far resulted in 102 miles of completed trails, with six more currently under construction. (The goal is 600 miles.) The remarkable partnership entails 4 federal agencies, 4 state agencies, 13 districts, 42 municipalities, 21 non-profit organizations, 5 parks departments, and four universities.

While leadership from the corporate sector spurred much of the initial work, the passage of enabling legislation for Park and Recreation Districts in 1999 in both states opened the door for a creative public funding approach. The following November, Missouri voters in St. Louis and St. Charles Counties and St. Louis City approved creation of the Metropolitan Park and Recreation District (now Great Rivers Greenway District) and simultaneously authorized up to a 1/10th of 1 cent sales tax. In the same election, Illinois voters in Madison and St. Clair Counties approved creation of the Metro East Park and Recreation District (MEPRD), and authorized a 1/10th of 1 percent sales tax on retailers. The taxes have no designated expiration. Note that voters in Clinton and Monroe County, IL failed to authorize the measure, which was also on the ballot in those counties.

Revenue from the tax supports projects in the state where it was generated. In both Missouri and Illinois, revenue from the tax is distributed 50 percent to county and municipal park agencies in contributing counties and the City of St. Louis, and 50 percent to the regional park and recreation district. Contributing jurisdictions receive a share proportional to the revenue raised within that jurisdiction. In 2012, the Great Rivers Greenway District (GRG) received $10.2 million in sales tax revenue; the MEPRD received $2.2 million. Each district board has the power to issue general obligation and revenue bonds, to hold, own, lease, and purchase land, and to collect use charges; boards cannot exercise eminent domain power.

In April 2013, voters in St. Louis County and St. Louis City approved an increase to the original sales tax to 3/16th of 1 cent. Proposition P, also known as the ‘Arch Tax’, is expected to generate an additional $780 million over 20 years. The tax is set to expire in 2033. Of the money generated, 40 percent will be distributed between St. Louis County and City for parks, 30 percent will go to GRG for other projects (an estimated $9.4 million annually), and 30 percent will be designated for

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3 70 ILCS 1605/
6 Metro East Park and Recreation District. 12/12/2013.
7 Great Rivers Greenway. Personal phone call. 12/18/2013.
renovation of the St. Louis Arch grounds.\textsuperscript{8} Voters in St. Charles County did \textit{not} approve the tax increase (it did not make it to the ballot), therefore future projects in that county will not be eligible to receive funds raised from the increase.

**District Missions and Planning Efforts**

Missouri’s Great Rivers Greenway District works to improve quality of life and make the St. Louis region a “clean, green and connected region.” Efforts are guided by five goals: connecting communities and neighborhoods, preserving and connecting people to nature, improving economic vitality, offering transportation alternatives, and promoting healthier living.\textsuperscript{9} In Illinois, the Metro East Park and Recreation District develops trails and trail facilities, and supplements the efforts of local governments, special districts, and other jurisdictions engaged in similar projects. Together, the two districts coordinate greenway planning and implementation to promote physical connections and unity in the region.

In 2004, \textit{Building the River Ring: A Citizen-Driven Regional Plan}, was released by the Great Rivers Greenway District. The plan outlines a strategy for development of an interconnected system of greenways, parks and trails: 1,216 square miles in total. The River Ring plan aims to provide natural areas and access for recreation throughout the St. Louis region. An August, 2011 update expands the original plan, incorporating aspects of evaluation, priorities, partners, and communication into the planning framework.\textsuperscript{10}

The Metro East Park and Recreation District developed a similar Long Range Development Plan in 2003, then updated the plan in 2011. Public awareness and involvement was an integral part of the update, which highlights 10 priority trails and plans for 26 total trails and corridors. The updated 2011 Long Range Development Plan “provides a new vision for parks and trails in Madison and St. Clair Counties” and will guide the mission and operation of the District for the next 10 years.\textsuperscript{11}

**Key points**

**Missouri:**

- Authorizing legislation – Missouri Revised Statutes 67.1700 – 67.1769
- Great Rivers Greenway District
  - Proposition C: Approved 11/7/2000 in St. Louis County, St. Louis City, St. Charles County
  - 1/10\textsuperscript{th} of 1 cent sales tax
  - District received $10.2 million in 2012
- Tax rate increase
  - Proposition P: Approved 4/2/2013 in St. Louis County, St. Louis City
  - 3/16\textsuperscript{th} of 1 cent
  - Expected to raise $780 million over 20 years, $9.4 million annually for GRG

\textsuperscript{8} Rosenbaum, J. “Proposition P wins handily in St. Louis, barely in St. Louis County.” \textit{St. Louis Beacon}, 2 April 2013. https://www.stlbeacon.org/#!/content/30179/prop_p_results_election_040213
Illinois:
- Authorizing legislation – 70 ILCS 1605
- Metro East Park and Recreation District
  - Proposition C: Approved 11/7/2000 in Madison County, St. Clair County
  - Not approved in Monroe County, Clinton County
  - 1/10th of 1 percent sales tax
  - District received $2.2 million in 2012

**Philanthropic Opportunities**

While public investments will likely provide the backbone funding for the Mid-South park and greenway system, private philanthropy will certainly be needed to assist in the effort. Based on the experience of other park and greenway programs across the country, private funds will do everything from educating the public about the park’s benefits, to providing start-up seed money, to paying for out-of-the-ordinary amenities, to undertaking special studies and programs. Ideally, Mid-South parks and greenways will benefit from the large-scale philanthropy of deep-pocketed foundations and corporations as well as the grassroots gift-giving of small businesses, individual small donors and maybe even do-it-yourself events like bake sales. This has been the reality in numerous other park and greenway efforts around the country, including in Denver, Houston, Atlanta, Little Rock, and St. Louis.

Private individuals and corporations have many reasons to donate money toward parks and greenways. Some are attracted to the exercise and fitness aspects of trails which serve walkers, runners, bicyclists, and skaters. Others are drawn to the environmental benefits of preserving large swaths of trees and the lengthy associated riparian habitat that can protect the water quality of rivers and streams. Others applaud greenways’ capacity to serve as ecological learning classrooms for students of all ages in such fields as botany, ornithology, biology, hydrology, geology, and much more. Others welcome the city-defining and city-building structure that parks’ green edges give for housing and commercial development. Still others look to greenways primarily as non-motorized transportation routes for people sick of roadway gridlock. And these motivations have been brought to the fore in cities all over the country.

In some cases, major donors require such highly public recognition as their name on the park or on a major feature (Klyde Warren Park in Dallas, the Jay Pritzker Pavilion in Chicago’s Millennium Park). Elsewhere, they desire and are pleased to receive more modest recognition by way of a plaque or by being featured at an awards dinner. Of course, many donors are perfectly willing to maintain a much lower profile – the premier trail in Little Rock, Arkansas, is called the Medical Mile even though its funding was spearheaded by the Heart Clinic of Arkansas.

Many parks and trails have a “friends” organization, created to promote the facility’s creation. The majority of friends groups attempt to use political muscle (newsletters, rallies, letters to the editor, petition drives, etc.) rather than direct funding, but a few of them have grown into significant sources of revenue. Frequently, when this occurs the organization changes its name to “Foundation” or “Conservancy” to convey its evolving approach. This usually also entails the gradual evolution of the organization’s board from being composed mostly of non-wealthy grassroots activists to wealthier community leaders who have greater access to private financial resources.
For park conservancies and greenway foundations there is no limit to creative fundraising techniques available – fancy hat lunches, dances, runs, auctions, dinners-under-the-trees, canoe trips, bike-a-thons, awards banquets, and much more. Some events raise money for a specific capital improvement (building a bridge, re-creating a wetland, repairing a fountain, installing a wildlife observation deck, etc.); others serve to raise money for ongoing expenses, including the day-to-day costs of running the organization itself. The most effective method is designing a fundraiser to match a pledge of funds from another source, public or private.

**Initiatives from Across the Country**

Examples of successful philanthropic efforts abound throughout the country. We’ve selected a number of initiatives that might inform work in the Mid-South.

In Chattanooga, leadership has come from the philanthropic sector. The highly acclaimed Tennessee Riverpark System – a greenway that links both sides of the river – and also the South Chickamauga Creek Greenway have been funded for approximately five million by the Lyndhurst and Benwood Foundations.

In Houston, the Kinder Foundation has already committed an impressive $80 million to the Buffalo Bayou Park and the Buffalo Bayou Greenway Initiative. This pledge is part of a $120-million private fundraising campaign that is matching $100 million in public funds made possible through a parks bond measure passed by voters in 2012. In making its gifts, the foundation is very explicit about its reasoning, even posting this statement on its web page: “The Kinder Foundation was inspired by the visionary project to create new parkland and trails to connect greenspaces along Houston's bayous. The creation of parkland, trails and natural areas along major bayous - while enhancing, protecting and preserving water quality, natural habitat, and native wildlife - promotes the overall health and welfare of the city. Once Bayou Greenways 2020 is complete, it is estimated that 6 out of 10 Houstonians will live within a mile and half of a bayou park or trail.”

Denver has one of the most venerable and successful river- and trail-based greenways in the country. Running more than 30 miles along the South Platte River, the greenway was created after a devastating 1976 flood; the effort is led by Jeff Shoemaker and the Greenway Foundation. In one recent year, the Greenway Foundation received grants from six foundations plus such corporate leaders as Xcel Energy, REI, MillerCoors, Anheuser Busch, and Coca Cola, plus the non-profit organization Trout Unlimited.

But it’s not only major companies that can be solicited to support greenways. In Dallas, the much beloved Katy Trail (a greenway along an abandoned railroad) has generated an outpouring of support, even from such small businesses as American National Bank, Architecture Demarest, L.P., Barefoot Wines, Bicycles Plus, Body Bar, Classic Pilates Company, Highland Park Animal Clinic, Katy Trail Animal Hospital, and Katy Trail Ice House. In St. Louis, the organization Forest Park Forever (the conservancy for the city’s premier park, Forest Park) melded a major fundraising campaign in the year 2004 so that it literally appealed to every sector of the community; while large foundations were writing checks for $2,004,000, first-graders were doing classroom collaborations to collect 2,004 pennies each. The fund-raising effort, which was matched by the city, surpassed its goal of $86 million.
Opportunities for Public Funding: State and Local

Arkansas

State Funding in Arkansas

Arkansas increased the state’s real estate transfer tax twice in order to fund projects for use in the acquisition, management, and stewardship of state-owned lands or the preservation of state-owned historic sites, buildings, structures, or objects. The original increase was in 1987 and the second increase was in 1993. In 1996 Arkansas voters approved a Constitutional Amendment that increased their state sales tax by 1/8th of one-cent to fund land conservation. The tax revenues are split between four agencies for the following purposes:

Arkansas State Parks (45 Percent)
- Major maintenance and repairs
- Capital improvements and renovations
- Capital equipment
- Operating expenses
- Land acquisition

Arkansas Game and Fish Commission (45 Percent)
- Wildlife enforcement officers
- Land acquisition and improvements
- Conservation education
- Private land assistance and animal control
- Leased property
- Endangered species
- Restoration of cut programs

Department of Arkansas Heritage (9 Percent)
- Rehabilitation of historic structures
- Enhancement of educational opportunities
- Acquisition and preservation of artifacts
- Creation of new grant-in-aid programs for the arts, historic preservation and museums
- Conservation and stewardship of the state’s system of natural areas
- Research activities to locate rare plant and animal species, and to discover more about them and their habitats

Keep Arkansas Beautiful (1 Percent)
- Education programs
- Anti-litter awareness

12 826-60-105(b)
While this revenue stream supports great conservation work on state lands it is not being utilized for granting funding to local governments. In Arkansas, community leaders may want to consider partnering with state agencies in other ways to meet Greenprint goals.

Local governments in Arkansas can be important partners in financing and preserving parks and greenways. To increase local government participation in land conservation efforts, the state could consider providing funding for local grants from state conservation funds. The state also could consider establishing a revolving loan fund that would be available to local governments that adopt a local open space funding measure. This type of incentive structure has triggered significant local participation in many states including Colorado, Massachusetts, New Jersey and Pennsylvania to name a few.

**Local Revenue Options**

Counties and municipalities in Arkansas are authorized to utilize several public finance options for capital improvements including parks, trails, and open space land conservation. Three options are considered below for Crittenden County in the Mid-South Region: the property tax, local sales tax, and general obligation bonds. General obligation bonds are an important and popular tool for local land conservation as evidenced by the percentage of successful G.O. bond referenda throughout the country each year. These measures have received an 83 percent passage rate since 2000 for a total of 487 measures. Voter approved local measures calling for property taxes and sales taxes have also enjoyed broad public support throughout the country. Measures calling for the property tax as a financing mechanism have experienced a 67 percent passage rate since 2000 and measures calling for the use of the sales tax during this time period have received a 76 percent passage rate.\(^{13}\)

**General Obligation Bonds**\(^ {14} \)

Cities and counties may issue general obligation bonds to finance land, building and equipment. The local residents vote on a property tax or local sales tax to retire the bonds. Counties are subject to a constitutional debt limit equal to 10 percent of the total assessed value for tax purposes for real and personal property as determined by the last tax assessment. As of December 31, 2011, legal debt limit for bonded debt in Crittenden County was $60,069,169. There were no property tax secured bond issues outstanding.

**Issuing Bonds for Parks and Greenways**

The Trust for Public Land’s bond cost calculations provide a basic estimate of debt service, tax increase, and cost to the average homeowner in the community of potential bond issuances for parks and land conservation for greenways. Assumptions include the following:

- The entire debt amount is issued in the first year and payments are equal until maturity
- 20-year maturity and 5 percent interest rate.
- The tax rate is a function of the assessed value (tax base).
- The property tax estimates assume that the jurisdiction would raise property taxes to pay the debt service on bonds; however other revenue streams may be used.
- The cost per household represents the average annual impact of increased property taxes levied to pay the debt service.

\(^{13}\) The Trust for Public Land’s LandVote Database – www.landvote.org

\(^{14}\) Source: arklegaudit.gov
The estimates do not take into account growth in the tax base due to new construction and annexation over the life of the bonds.

The jurisdiction’s officials, financial advisors, bond counsel and underwriters would establish the actual terms of any bond.

The larger the tax base, the lower the tax rate required paying the debt. The Trust for Public Land’s experience working in hundreds of communities across the country to pass conservation finance measures has shown that voter support for land conservation tends to drop off when the annual cost per household exceeds the $20 to $30 range. Figures 1 illustrates the projected cost per household to issue a bond for parks and greenways in Crittenden County, ranging from $20 million to $100 million. For example, a $10 million bond would add roughly $800,000 to the county’s annual debt service and cost the typical homeowner an average of $24 per year in additional property taxes.

**Figure 1: Bond Financing Costs for Crittenden County, AR**

<table>
<thead>
<tr>
<th>Bond Issue Size</th>
<th>Annual Debt Service</th>
<th>Mill Levy Increase</th>
<th>Cost/Year/Avg Home</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5,000,000</td>
<td>$401,213</td>
<td>0.597</td>
<td>$12</td>
</tr>
<tr>
<td>$10,000,000</td>
<td>$802,426</td>
<td>1.194</td>
<td>$24</td>
</tr>
<tr>
<td>$15,000,000</td>
<td>$1,203,639</td>
<td>1.790</td>
<td>$36</td>
</tr>
<tr>
<td>$20,000,000</td>
<td>$1,604,852</td>
<td>2.387</td>
<td>$47</td>
</tr>
</tbody>
</table>

Sources: Total county assessed value, avg homestead residential tax value ($19,870), Crittenden County Tax Assessor.

**Property Tax**

Local governments are authorized by state law to impose taxes on real property (i.e., a house or land) and personal property (i.e., automobiles, pick-up trucks, recreational vehicles, boats and motors, motorcycles, and all-terrain vehicles). These taxes are known as "*ad valorem*" or property taxes. They are imposed according to item value only. County tax assessors and collectors calculate and collect all real and personal property taxes. Revenue derived from property taxes supports public schools, libraries, and local government agencies.

The assessed value is equal to 20 percent of the "true market value" of real property or the usual selling price of personal property. The tax due is calculated as the assessed value multiplied by the local millage rate. There is a $350 tax credit on the real property of a taxpayer’s principal place of residence. Additionally, the taxable assessed value of homesteads will not increase more than five percent above the previous taxable assessed value except when new additions or substantial improvements are made to the property. However, the taxable value of the homestead will continue to increase each year until it equals 20 percent of market value.

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15 http://www.dfa.arkansas.gov/offices/policyAndLegal/Documents/moving_2_arkansas.pdf
http://www.uaex.edu/Other_Areas/publications/PDF/ESSPC114.pdf
Local voters must approve all increases in millage rates except for city and county general funds, county road funds and the statewide uniform property tax. The county quorum court\textsuperscript{16} may approve millage levies for county general and road funds up to the maximum allowed.

There is no maximum limit on the number of mills that can be levied by school districts. However, school districts must levy a minimum 25 mill tax on real and personal property. Counties can levy up to 21 mills of property tax. They are:

- 5 mills general government
- 5 mills bonded indebtedness
- 5 mills library maintenance and operations
- 3 mills library capital improvements
- 3 mills roads

Cities can levy up to 20 mills of property tax. They are:

- 5 mills general government
- 5 mills bonded indebtedness
- 5 mills library maintenance and operations
- 3 mills library capital improvements
- 1 mill police pension
- 1 mill firemen’s pension

School district millage elections are held in September. County and city millage elections are held January to October. Elections to approve property tax millage increases must be held before November of the assessment year.

City governments depend less on the property tax as a source of revenue than school districts and county governments. More recently, cities rely on the sales tax to generate a larger share of local revenue for city governments. Reliance on the property tax to generate county government revenue varies greatly among counties, ranging from 4 percent in Crittenden County to 38 percent in Pulaski County.

Statewide, the average 2011 total property tax millage was 45.9 or a tax rate of $45.9 for every $1,000 of assessed property. School districts had an average millage of 36.6, while county governments averaged 7.4 mills and city governments averaged 3.9 mills. Crittenden County’s current tax rate was 5.76 mills.

In 2000, the average total property tax millage in Arkansas was 40.3. Therefore, between 2000 and 2011, the average total property tax millage increased by 5.4 mills, a growth of 14 percent. The average total millage growth varied widely from a decline of 9.6 percent to an increase of 34.6 percent in individual counties during this period. In three counties, the average total millage decreased, while in six counties the average total millage increased over 25 percent. Crittenden County experienced an increase of 8 mills, or 21 percent.

\textsuperscript{16} The legislative body of county government is called the Quorum Court and is composed of 9, 11, 13 or 15 members depending on the population of the county.
Property taxes generated $19 million in Crittenden County revenue in 2011. School districts receive the largest share of Crittenden County property tax revenue, 80 percent. Property tax revenue generated approximately 18 percent of Crittenden County school district funding in the 2010-11 school year. Crittenden County government received 4 percent of its total revenue from the property tax in 2011.

Using the Property Tax for Parks and Greenways
Crittenden County could consider increasing its property with majority voter approval and allocate all or a portion of the increased revenue for parks and land conservation purposes. The table below illustrates the revenue capacity of potential mill levies and associated cost to an average homeowner in the county. For example, Figure 1 shows that a 1-mill property tax levy would generate approximately $672,000 annually at a cost of $20 per year to the average homeowner in the county.

Figure 2: Estimated Revenue & Costs of Property Tax Increase in Crittenden County, AR

<table>
<thead>
<tr>
<th>Mill Levy Increase</th>
<th>Total County Assessed Valuation</th>
<th>Annual Revenue</th>
<th>Avg. Homestead Cost/Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.50</td>
<td>$672,255,647</td>
<td>$336,128</td>
<td>$9.94</td>
</tr>
<tr>
<td>1.00</td>
<td>$672,255,647</td>
<td>$672,256</td>
<td>$19.87</td>
</tr>
<tr>
<td>1.50</td>
<td>$672,255,647</td>
<td>$1,008,383</td>
<td>$29.81</td>
</tr>
<tr>
<td>2.00</td>
<td>$672,255,647</td>
<td>$1,344,511</td>
<td>$39.74</td>
</tr>
<tr>
<td>2.50</td>
<td>$672,255,647</td>
<td>$1,680,639</td>
<td>$49.68</td>
</tr>
<tr>
<td>3.00</td>
<td>$672,255,647</td>
<td>$2,016,767</td>
<td>$59.61</td>
</tr>
</tbody>
</table>

Source: Crittenden County Tax Assessor
Avg homestead taxable value ($19,870), (equals 20% of median home market value less $350 deduction)

Sales tax
The state sales and use tax rate is 6.5 percent. Food and food ingredients are taxed at a reduced state rate of 2 percent. Cities and counties have the authority to enact a local sales and use tax if it is passed by an election of the voters in their jurisdiction. Crittenden County levies a local sales tax of 1.75 percent. The county’s local net tax distribution for 2012 was approximately $11.2 million. Crittenden County could consider increasing the local sales tax with majority voter approval and allocate all or a portion of the increased revenue for parks and land conservation purposes. Figure 2 illustrates the revenue capacity of potential tax rates and associated costs to the average household. A quarter percent (0.25%) sales tax in the county could be expected to generate roughly $1.6 million and would cost the average household in the county approximately $27 per year. Residents’ spending on taxable goods generates roughly 32 percent of total sales tax revenue collections in the county; the remaining 68 percent is attributable to visitors and commercial/industrial spending. The analysis does not attempt to estimate the portion of the tax that businesses may pass on to consumers.

17 http://www.dfa.arkansas.gov/offices/exciseTax/salesanduse/Documents/cityCountyTaxTable.pdf
Tennessee

State Funding in Tennessee

The State of Tennessee undertakes and funds land conservation through a number of state agencies and programs. There are four separate conservation funds for land acquisition in the state. Three are funded exclusively through proceeds from the state’s real estate transfer tax. The fourth, established in 2005, is funded through budget appropriations but is currently not active. These programs represent the majority of state funding for land, water, habitat protection and parks. Only one of these funds—the Local Parks and Recreation Fund—provides grants to local governments. A summary of conservation fund achievements is provided in Figure 4.

Program | Year Started | Funding Mechanism | Total Funding Level | Acres Protected
---|---|---|---|---
Wetlands Acquisition Fund | 1986 | Real Estate Transfer Tax | $89 million since 1986 | 200,000 since 1986
Local Parks and Recreation Fund | 1991 | Real Estate Transfer Tax | $66.7 million since 1991 | 800 acres since 1991
State Lands Acquisition Fund | 1991 | Real Estate Transfer Tax | $62.8 million since 1991 | 177,300 since 1991
Heritage Conservation Trust Fund | 2005 | Appropriations, donations | $30 million since 2005 | 42,600 since 2005

Wetlands Acquisition Fund (WAF)

The Wetlands Acquisition Fund (WAF) has been active since 1986 and provides for the acquisition of wetlands and watershed areas and specifically, four large areas of biological significance located in ecologically important watersheds. Since its inception WAF has helped to protect over 200,000 acres and spent close to $90 million. The program is administered by the Tennessee Wildlife Resources Agency (TWRA). It is funded by appropriations from the real estate transfer tax and since 2002, the General Assembly has appropriated over $72.2 million to the fund. Figure 5 shows WAF fund allocations since FY02. In recent years increasingly more funding is being spent on operations and maintenance as opposed to acquisitions.
The following is a list of grants made to selected Tennessee jurisdictions within Mid-South Greenprint study area:

- Amounts represent 50 percent of project match from local governments, which can be a match of land, volunteer services, material, or equipment used for project development.

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**Local Parks and Recreation Fund (LPRF)**

The Local Parks and Recreation Fund gets revenue from the real estate transfer tax for the purpose of providing money for the acquisition of land for parks, natural areas, greenways and for the purchase of land for recreation facilities. Funds can also be used for trail development and capital projects in parks, natural areas, and greenways. Tennessee Department of Environment and Conservation (TDEC) administers the fund’s grant program. All grant projects require a 50 percent match from local governments, which can be a match of land, volunteer services, material, or equipment used for project development.

Since its inception all 95 counties and over 100 municipalities have provided matching dollars for land acquisition. In recent years total funding from LPRF amounts to approximately $3.5 million per year. However, in FY12 the funding level was $6.9 million and in the most recent funding cycle there were $7.1 million available in grants. LPRF staff anticipates the next grant cycle will be this winter along with an application workshop. Depending on when the announcement takes place, applications are normally due a few months afterward and grant awards announced a few months after that. Once funding is awarded the project must be completed within two years and the site must be permanently dedicated as a public recreation site.

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18 Communication with Tim Churchill, Chief, Real Estate Division, Tennessee Wildlife Resources Agency
19 Communication with Alice Burke, Grants Administrator, TDEC-RES
The following is a list of grants made to selected Tennessee jurisdictions within Mid-South Greenprint study area:

**Fayette County** –
- $150,000 Startup Grant for Fayette County Parks & Recreation that was later withdrawn.

**Memphis** –
- $200,000 for the Memphis Exhibit. The grant term ended June 30, 2004.

**Shelby County** –
- $150,000 for Plough Park Restroom Development. The grant term ended June 19, 2010.

**State Lands Acquisition Fund (SLAF)**
The State Lands Acquisition Fund is also allocated a portion of the real estate transfer tax. The Tennessee Department of Environment and Conservation uses this fund for the acquisition of land or easements for state parks, state forests, state natural areas, boundary areas along state scenic rivers, state trail systems, and for trail development. In 2000, the legislation for this fund was amended to include historic sites. During the economic downturn, transfer tax revenue for SLAF was eliminated and then restored in FY11. Total funding is typically between $3 and $5 million. Grants to local governments are not made from SLAF. However, TDEC may partner with other organizations and local governments to meet conservation goals.

Local governments in Tennessee can be important partners in financing and preserving parks and greenways. To increase local government participation in land conservation efforts, the state could consider providing funding for local grants from the state conservation funds. The state also could consider establishing a revolving loan fund that would be available to local governments that adopt a local open space funding measure. This type of incentive structure has triggered significant local participation in many states including Colorado, Massachusetts, New Jersey and Pennsylvania to name a few.

**Tennessee Heritage Conservation Trust Fund**
The Tennessee Heritage Conservation Trust Fund Act was signed into law in 2005 and provides a mechanism for the state to work with other public and private partners for the preservation and protection of priority tracts across Tennessee. The fund is used to promote tourism and outdoor recreational activities such as hiking, hunting, and fishing. Although the Trust Fund Board has approved $30 million dollars in grants, leveraging a total of $117 million in conservation purchases of approximately 42,000 acres, it has been inactive since 2008 and is not accepting applications at this time.

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20 Amounts represent 50 percent of project
21 “Real Estate Transfer Tax: An Overview” by Marty Marina
Local Revenue Options

Past funding for land conservation at the local level in Tennessee has been scarce due to debt many rural counties have taken on to keep schools funded. The state is without an income tax and relies heavily upon sales and property taxes to fund education. Compounding this issue is a law that limits the abilities of charities to exempt property from the county tax rolls to a maximum of 100 acres. Though this law was amended in May 2006 extending the maximum to 1500 acres, this continues to be a deterrent to land conservation in Tennessee cities and counties.

Since 1994, voters in two Tennessee municipalities have voted on local referenda to provide funding for parks and land conservation. In 2004, the city of Knoxville (Knox County) passed a one-cent sales tax to establish a trust fund for parks and greenways. In 2003, the City of Brentwood (Williamson County) placed a citizen initiated $50 million bond on their local ballot for open space and parks preservation. This measure lost by approximately 200 votes. Since 1994, voters across the country have passed over 1,250 municipal, county, and statewide ballot measures generating almost $31 billion in new land conservation funding.

Local governments in Tennessee can be important partners in financing and preserving open space. Counties and municipalities are authorized to acquire land and easements for a variety of purposes including parks, trails, watershed protection, floodplain management, farmland, and cultural and historic preservation. They are further authorized to utilize certain local finance mechanisms, which could fund land acquisition, management or maintenance. The property tax, sales tax and general obligation bonds are the principal local revenue sources that could be utilized for conservation purposes. General obligation bonds are an important and popular tool for local land conservation as evidenced by the percentage of successful G.O. bond referenda throughout the country each year. These measures have received an 83 percent passage rate since 2000 for a total of 487 measures. Voter approved local measures calling for property taxes and sales taxes have also enjoyed broad public support throughout the country. Measures calling for the property tax as a financing mechanism have experienced a 67 percent passage rate since 2000 and measures calling for the use of the sales tax during this time period have received a 76 percent passage rate.

A funding matrix summarizing mechanisms that could be implemented for parks and financing costs for selected jurisdictions is provided in Figure 6. More detailed descriptions are provided in the following sections.

Figure 6: Local Funding Potential for Select Jurisdictions in Tennessee

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>GO Bond</th>
<th>Property Tax</th>
<th>Local Option Sales Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fayette County</td>
<td>20-year $25 million bond with annual debt service of $2 million. Annual cost to average homeowner approximately $15.</td>
<td>$0.05 tax increase providing $2.3 million annual revenue at $18 annual cost to average household</td>
<td>0.25 percent tax increase would provide $712,000 annual revenue at $50 annual cost to household.</td>
</tr>
<tr>
<td>Memphis</td>
<td>20-year $50 million bond with annual debt service of $4 million. Annual cost to average homeowner</td>
<td>$0.05 tax increase providing $5.2 million annual revenue at $12 annual cost to average</td>
<td>0.25 percent tax increase would provide $25.6 million annual revenue at $32 annual cost to</td>
</tr>
</tbody>
</table>

22 T.C.A. 67-5-212 (o)
23 http://www.state.tn.us/sos/acts/104/pub/pe0861.pdf
24 The Trust for Public Land’s LandVote Database – www.landvote.org
<table>
<thead>
<tr>
<th></th>
<th>approximately $9.</th>
<th>household</th>
<th>household.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shelby County</td>
<td>20-year $80 million bond with annual debt service of $6.4 million. Annual cost to average homeowner approximately $14.</td>
<td>$0.05 tax increase providing $8.5 million annual revenue at $18 annual cost to average household</td>
<td>0.25 percent tax increase would provide $33.6 million annual revenue at $40 annual cost to household.</td>
</tr>
</tbody>
</table>

**Bonds**

One tool cities and counties can use to dedicate local funds for conservation is issuing general obligation bonds. General obligation (GO) bonds are essentially loans taken out by a government secured by the jurisdiction’s full faith, credit, and taxing power to make timely payments. Borrowing, by issuing bonds, presents a number of advantages. Borrowing can provide the city or county with the revenue and flexibility it needs up front in order to fund large-scale park and open space projects. Having funding on hand now will insure land is protected while it is still available and at a lower price than it will be in the future. Bonds allow for a steady stream of funding that is not dependent on the fluctuations of the operating budget. Costs are typically spread out over a long time horizon, and therefore are born by both current and future beneficiaries. GO bonds are a popular open space financing tool at the state and local levels across the country.

On the other hand, financing charges accrue, debt ceilings limit the amount of bonds a state or community can issue, and convincing voters of the merits of incurring debt can be challenging. There is generally stiff competition for GO bonds among many programs in need of financing. Finally, local jurisdictions must be mindful of how continued increases in debt will affect its bond ratings, as ratings can influence the interest rate charged on the loans.

In Tennessee, local governments can issue bonds for "public works projects", which includes "acquisitions of land for the purpose of providing or preserving open land" but not for ongoing operations and maintenance of land. Bonds may be authorized by either a governing council or approved by referendum. Local government GO bonds must be secured by the property tax pledge in Tennessee unless the project being financed is a revenue producing project such as water, sewer, electric, airport, hospital, etc.

**Debt in Selected Jurisdictions**

**Memphis**

Memphis’s bonded indebtedness was $1,230,060,000 as of May 2012. In Tennessee, local governments do not have a legal debt limit on GO bonds.

As of June 2012, Standard and Poor’s (S&P) rating agencies had given Memphis’s long-term debt an AA rating. Moody’s assigned an Aa2 credit rating with a stable outlook. Fitch Inc. had assigned a rating of AA-. These are high grade bond ratings and these firms have cited a stable and expanding economic climate, broad revenue base, and well-managed finances as factors that contributed to these ratings.

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25 T.C.A. Title 9, Chapter 21  
26 Title 9, Chapter 21, TCA.  
27 Bonds generally do not go to voters on the state level. However, they can at the local level.  
28 T.A.C. 9-21-103
The major source of revenue used to pay the City general obligation debt is ad valorem property taxes. Although recent economic conditions have had a negative impact on property tax collections, local option sales tax collections have performed well. As a means of diversifying Debt Service Fund revenues, a portion of the City’s local option sales tax collections is transferred into the Debt Service Fund and used as a new source of revenue to pay the City’s general obligation debt. This added level of diversification should reduce the impact an economic downturn would have on the Debt Service Fund.29

Fayette County
Fayette County’s bonded indebtedness is currently $25,718,897 as of December 2013.30 As of November 2013, Moody’s rating agency had given Fayette County’s long-term debt an Aa3.31 The county recently issued over $8 million of new debt to fund the construction of an elementary school.

Shelby County
Shelby Counties bonded indebtedness is currently $1,394,976,782 as of June 2013. As of June 2013, Standard and Poor's (S&P) rating agencies had given Shelby County a long-term debt rating of AA+ rating. Moody’s assigned an Aa1 credit and Fitch assigned an AA+ rating. These ratings indicate, the County’s general obligation bonds’ strong credit rating is a contributing factor to the low interest rates that the County receives on its debt.

Using Debt for Parks and Greenways
The Trust for Public Land’s bond cost calculations provide a basic estimate of debt service, tax increase, and cost to the average homeowner in the community of potential bond issuances for parks and land conservation. Assumptions include the following:

- The entire debt amount is issued in the first year and payments are equal until maturity
- 20-year maturity and 5 percent interest rate.
- The tax rate is a function of the assessed value (tax base).
- The property tax estimates assume that the jurisdiction would raise property taxes to pay the debt service on bonds, however other revenue streams may be used.
- The cost per household represents the average annual impact of increased property taxes levied to pay the debt service.
- The estimates do not take into account growth in the tax base due to new construction and annexation over the life of the bonds.
- The jurisdiction’s officials, financial advisors, bond counsel and underwriters would establish the actual terms of any bond.

The larger the tax base, the lower the tax rate required paying the debt. The Trust for Public Land’s experience working in hundreds of communities across the country to pass conservation finance measures has shown that voter support for land conservation tends to drop off when the annual cost per household exceeds the $20 to $30 range. Figures 7 through 9 below illustrate the projected cost per household to issue bonds in Memphis, Fayette and Shelby Counties, ranging from $20

29 Excerpted from Memphis Proposed FY13 Operating Budget
30 T.A.C. 9-21-103
31 Communication with Ann Williams, Fayette County Mayor’s Office
million to $100 million. For example, in Memphis, a $55 million bond would cost the average household approximately $10 per year and would require approximately $4.4 million in annual debt service.

Figure 7: Memphis Bond Financing Costs

<table>
<thead>
<tr>
<th>Bond Issue</th>
<th>Annual Debt Service</th>
<th>Tax Rate Increase</th>
<th>Cost/Year/ $100K House</th>
<th>Cost Average Homeowner</th>
</tr>
</thead>
<tbody>
<tr>
<td>$30,000,000</td>
<td>$2,407,278</td>
<td>0.0228</td>
<td>5.71</td>
<td>5.34</td>
</tr>
<tr>
<td>$55,000,000</td>
<td>$4,413,342</td>
<td>0.0419</td>
<td>10.47</td>
<td>9.79</td>
</tr>
<tr>
<td>$85,000,000</td>
<td>$6,820,620</td>
<td>0.0647</td>
<td>16.18</td>
<td>15.13</td>
</tr>
<tr>
<td>$115,000,000</td>
<td>$9,227,898</td>
<td>0.0876</td>
<td>21.89</td>
<td>20.47</td>
</tr>
<tr>
<td>$145,000,000</td>
<td>$11,635,175</td>
<td>0.1104</td>
<td>27.61</td>
<td>25.81</td>
</tr>
<tr>
<td>$165,000,000</td>
<td>$13,240,027</td>
<td>0.1257</td>
<td>31.41</td>
<td>29.37</td>
</tr>
</tbody>
</table>

Residential Property is assessed at 25% of appraised value
*Based on 2013 Median Home Value $93,500

Figure 8: Fayette County Bond Financing Costs

<table>
<thead>
<tr>
<th>Bond Issue</th>
<th>Annual Debt Service</th>
<th>Tax Rate Increase</th>
<th>Cost/Year/ $100K House</th>
<th>Cost Average Homeowner</th>
</tr>
</thead>
<tbody>
<tr>
<td>$8,000,000</td>
<td>$641,941</td>
<td>0.0135</td>
<td>3.38</td>
<td>4.73</td>
</tr>
<tr>
<td>$17,000,000</td>
<td>$1,364,124</td>
<td>0.0287</td>
<td>7.17</td>
<td>10.04</td>
</tr>
<tr>
<td>$26,000,000</td>
<td>$2,086,307</td>
<td>0.0439</td>
<td>10.97</td>
<td>15.36</td>
</tr>
<tr>
<td>$35,000,000</td>
<td>$2,808,491</td>
<td>0.0591</td>
<td>14.77</td>
<td>20.67</td>
</tr>
<tr>
<td>$42,000,000</td>
<td>$3,370,189</td>
<td>0.0709</td>
<td>17.72</td>
<td>24.81</td>
</tr>
<tr>
<td>$50,000,000</td>
<td>$4,012,129</td>
<td>0.0844</td>
<td>21.10</td>
<td>29.54</td>
</tr>
</tbody>
</table>

Residential Property is assessed at 25% of appraised value
*Based on 2013 Median Home Value $140,000

Figure 9: Shelby County Bond Financing Costs

<table>
<thead>
<tr>
<th>Bond Issue</th>
<th>Annual Debt Service</th>
<th>Tax Rate Increase</th>
<th>Cost/Year/ $100K House</th>
<th>Cost Average Homeowner</th>
</tr>
</thead>
<tbody>
<tr>
<td>$35,000,000</td>
<td>$2,780,491</td>
<td>0.0165</td>
<td>4.12</td>
<td>5.97</td>
</tr>
<tr>
<td>$55,000,000</td>
<td>$4,413,342</td>
<td>0.0259</td>
<td>6.47</td>
<td>9.39</td>
</tr>
<tr>
<td>$85,000,000</td>
<td>$6,820,620</td>
<td>0.0400</td>
<td>10.01</td>
<td>14.51</td>
</tr>
<tr>
<td>$120,000,000</td>
<td>$9,629,110</td>
<td>0.0565</td>
<td>14.13</td>
<td>20.48</td>
</tr>
<tr>
<td>$145,000,000</td>
<td>$11,635,175</td>
<td>0.0683</td>
<td>17.07</td>
<td>24.75</td>
</tr>
</tbody>
</table>
Property Tax

An alternative or additional tool for local governments in Tennessee to fund conservation efforts is the levy of property taxes. Local property taxes may be used for acquiring land for parks and greenways as well as for ongoing operations and maintenance costs of land. There are no requirements for the property tax at either the municipal or county level to be approved in a referendum. The governing council may levy property taxes and Tennessee is one of few states that impose no restrictions on local government property taxes. Municipal laws are not as restrictive as the general county laws. Most municipalities put all their property tax revenue in the general fund, and then make operating transfers to other funds from the general fund. However, counties are not allowed to do this. The statutes authorizing property taxes specifically states that the tax must be used for the purposes described in the resolution.

The property tax has the ability to generate a steady source of funding for land conservation, provided it can be dedicated for more than one year at a time.

Across the country, local governments in 15 states have passed over 500 property tax measures since 2000 to fund land acquisition for parks and greenways. During this time period these measures have enjoyed a 67 percent passage rate.

Memphis

Memphis currently has a property tax rate of $3.11 and Shelby County has a rate of $4.06, giving a combined total of $7.13 for Memphis. Memphis’ rate is higher than other larger cities in Tennessee. Knoxville is $4.82, Chattanooga is $5.07, and Nashville’s is $4.66.

Fayette County

Fayette County currently has a property tax rate of $1.48. The county’s rate is the second lowest in the state. Only Gibson County is lower at a rate of $0.94.

Shelby County

Shelby County currently has a property tax rate of $4.06. The county’s rate is the highest compared to all counties in Tennessee. Davidson County is just slightly lower at $4.04.

The chart in Figure 10 provides an overview of the top ten highest tax rates among Tennessee counties. Of the 95 counties in the state, the average property tax rate is $2.29.

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32 T.C.A. Section 67-5-1 & 67-5-17
33 T.C.A. Section 67-5-102
34 The Trust for Public Land’s LandVote database – www.landvote.org
35 2012 Tax Aggregate Report of Tennessee – State Board of Equalization
36 2012 Tax Aggregate Report of Tennessee – State Board of Equalization
37 2012 Tax Aggregate Report of Tennessee – State Board of Equalization
Figure 10: Tennessee Counties - Ten Highest County Property Tax Rates

<table>
<thead>
<tr>
<th>County</th>
<th>Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shelby</td>
<td>$4.06</td>
</tr>
<tr>
<td>Davidson</td>
<td>$4.04</td>
</tr>
<tr>
<td>Marshall</td>
<td>$3.22</td>
</tr>
<tr>
<td>Montgomery</td>
<td>$3.14</td>
</tr>
<tr>
<td>Trousdale</td>
<td>$3.12</td>
</tr>
<tr>
<td>Clay</td>
<td>$3.10</td>
</tr>
<tr>
<td>Morgan</td>
<td>$3.10</td>
</tr>
<tr>
<td>Benton</td>
<td>$2.94</td>
</tr>
<tr>
<td>Robertson</td>
<td>$2.89</td>
</tr>
<tr>
<td>Dickson</td>
<td>$2.85</td>
</tr>
</tbody>
</table>

Using the Property Tax for Parks and Greenways
The tables in Figures 11 through 13 illustrate the revenue generated and projected cost per household of an additional property tax levy (.01 cent and 0.15 cent) in Memphis, Fayette and Shelby Counties. Each jurisdiction has the capacity to levy a tax of 0.05 cents per $100 of assessed value without exceeding the $30 threshold cost per household. In Memphis, a one-cent increase in the property tax levy would generate roughly $10.5 million a year at a cost to the average homeowner of approximately $23.

Figure 11: Revenue & Cost of Additional Property Tax in Memphis, TN

<table>
<thead>
<tr>
<th>Tax Increase</th>
<th>Est. Annual Revenue</th>
<th>Cost/Year/Average Household*</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.01</td>
<td>$1,053,676</td>
<td>$2</td>
</tr>
<tr>
<td>0.02</td>
<td>$2,107,352</td>
<td>$5</td>
</tr>
<tr>
<td>0.05</td>
<td>$5,268,380</td>
<td>$12</td>
</tr>
<tr>
<td>0.1</td>
<td>$10,536,760</td>
<td>$23</td>
</tr>
<tr>
<td>0.15</td>
<td>$15,805,136</td>
<td>$35</td>
</tr>
</tbody>
</table>

Figure 12: Revenue & Cost of Additional Property Tax in Fayette County, TN

<table>
<thead>
<tr>
<th>Tax Increase</th>
<th>Est. Annual Revenue</th>
<th>Cost/Year/Average Household*</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.01</td>
<td>$475,443</td>
<td>$4</td>
</tr>
<tr>
<td>0.02</td>
<td>$950,886</td>
<td>$7</td>
</tr>
<tr>
<td>0.05</td>
<td>$2,377,216</td>
<td>$18</td>
</tr>
<tr>
<td>0.1</td>
<td>$4,754,432</td>
<td>$35</td>
</tr>
<tr>
<td>0.15</td>
<td>$7,131,648</td>
<td>$53</td>
</tr>
</tbody>
</table>
Figure 13: Revenue & Cost of Additional Property Tax in Shelby County, TN

<table>
<thead>
<tr>
<th>Shelby County: Revenue &amp; Cost of Additional Property Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assessed Valuation - $17 Billion</td>
</tr>
<tr>
<td>Residential property is assessed at 25% of appraisal value</td>
</tr>
<tr>
<td>*Median home value $145,000 (Source: US Census)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tax Increase</th>
<th>Est. Annual Revenue</th>
<th>Cost/Year/Average Household*</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.01</td>
<td>$1,704,057</td>
<td>$4</td>
</tr>
<tr>
<td>0.02</td>
<td>$3,408,115</td>
<td>$7</td>
</tr>
<tr>
<td>0.05</td>
<td>$8,520,287</td>
<td>$18</td>
</tr>
<tr>
<td>0.1</td>
<td>$17,040,573</td>
<td>$36</td>
</tr>
<tr>
<td>0.15</td>
<td>$25,560,860</td>
<td>$54</td>
</tr>
</tbody>
</table>

Local Option Sales Tax

Any county or city by resolution of its legislative body can levy a sales tax on the same privileges subject to the state sales tax; however, no local sales tax or rate increase in the local sales tax can become effective until approved in an election in the county or city levying it (all counties now levy local option sales taxes).39

If the county has levied the maximum rate of 2.75 percent, no city in the county can levy a sales tax. If a county has a sales tax rate less than the maximum, a city may levy a rate up to the difference between the county rate and the maximum.40 Memphis is located in Shelby County, which currently has a sales tax rate of 2.25 percent. Thus, Memphis could levy up to 0.50 percent before reaching the maximum rate of 2.75 percent. Most counties and municipalities are at or near their local option sales tax capacity.41

Across the country, local governments in 17 states have passed 91 sales tax measures since 2000 to fund land acquisition for parks and greenways. During this time period these measures have enjoyed a 76 percent passage rate.42

Using the Sales Tax for Parks and Greenways

In August 2004, Knoxville voters approved a measure to establish a trust fund for parks, greenways, and historic preservation. Funding for the trust fund is provided for by a penny from the local sales tax. At that time it was estimated to cost the city $250,000 per year. This measure passed easily with 64 percent of the vote. There have not been any other sales tax measures for parks and greenways to go before voters in Tennessee.

- Cities and Counties may levy a local sales tax up to 2.75 percent to finance land acquisition, park development, management or maintenance.
- Approval in an election of the city or county levying the sales tax or rate increase is required.

39 T.C.A. Section 67-6-701
30 Local Option Revenue Act exempts counties and incorporated cities or town from levying any tax on the sale, purchase, use, consumption or distribution of electric power or energy produced and distributed by an energy resource recovery facility operated in a county with a metropolitan form of government. T.C.A. 67-6-704
40 T.C.A. 67-6-702
41 http://www.state.tn.us/revenue/pubs/taxlist.pdf
42 The Trust for Public Land’s LandVote database – www.landvote.org
- The county local option sales tax revenues are required to distribute 50 percent to education and 50 percent to the general fund.
- As of December 2013, 49 (of 95) Tennessee counties currently levy the local sales tax at 2.75 percent; 12 are at 2.50 percent; 27 are at 2.25 percent; 5 are at 2 percent; 1 is at 1.75 percent; and 1 is at 1.50 percent.
- Food for home consumption is subject to the local option sales tax in TN.

The local option sales tax rate is 2.25 percent in both Shelby and Fayette counties. The county tax levy prevents, to the extent of the county tax, any city or town within the county from levying an additional tax, but a city or town has the right at any time to levy the tax at a rate equal to the difference between the county tax and 2.75 percent, which is the maximum rate authorized. Memph does not levy a local option sales tax, but has room to levy an additional 0.50 percent because the county tax rate is 2.25 percent. Figures 14 through 16 provide information on the estimated cost of an additional 0.25 percent or 0.50 percent sales tax in Memphis, Fayette County, and Shelby County.

Figure 14: Estimated Revenue & Cost of Sales Tax in Memphis

<table>
<thead>
<tr>
<th>Sales Tax</th>
<th>Annual Revenue</th>
<th>Household Spending on Taxable Goods*</th>
<th>Annual Cost/ Household</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.25%</td>
<td>$25,691,057</td>
<td>$11,492</td>
<td>$28.73</td>
</tr>
<tr>
<td>0.50%</td>
<td>$51,382,115</td>
<td>$11,492</td>
<td>$57.46</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sales Tax</th>
<th>Annual Revenue</th>
<th>Total Revenue Attributed to Resident Spending**</th>
<th>% of Revenue Generated by Residents</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.25%</td>
<td>$25,691,057</td>
<td>$7,022,698</td>
<td>27%</td>
</tr>
<tr>
<td>0.50%</td>
<td>$51,382,115</td>
<td>$14,045,396</td>
<td>27%</td>
</tr>
</tbody>
</table>

*Assumes 31 percent of household income is spent on taxable items
**Average household spending multiplied by # of households in the city (est. 244,431).
Based on median household income of $37,072 (2007-2011 U.S. Census).

Figure 15: Estimated Revenue & Cost of Sales Tax in Fayette County

<table>
<thead>
<tr>
<th>Sales Tax</th>
<th>Annual Revenue</th>
<th>Household Spending on Taxable Goods*</th>
<th>Annual Cost/ Household</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.25%</td>
<td>$712,290</td>
<td>$17,805</td>
<td>$44.51</td>
</tr>
<tr>
<td>0.50%</td>
<td>$1,424,581</td>
<td>$17,805</td>
<td>$89.03</td>
</tr>
</tbody>
</table>

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43 Tennessee Department of Revenue, December 1, 2013 Local Option Sales Tax List
44 Food for home consumption is subject to the local option sales tax in TN.
### Table 1: Estimated Revenue & Cost of Sales Tax in Shelby County

<table>
<thead>
<tr>
<th>Sales Tax</th>
<th>Annual Revenue</th>
<th>Total Revenue Attributed to Resident Spending**</th>
<th>% of Revenue Generated by Residents</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.25%</td>
<td>$712,290</td>
<td>$615,402</td>
<td>86%</td>
</tr>
<tr>
<td>0.50%</td>
<td>$1,424,581</td>
<td>$1,230,803</td>
<td>86%</td>
</tr>
</tbody>
</table>

*Assumes 35 percent of household income is spent on taxable items

**Average household spending multiplied by # of households in the city (est. 13,825).

Based on median household income of $57,437 (2007-2011 U.S. Census).

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**Mississippi**

**State Funding in Mississippi**

The state of Mississippi has two funds that support land acquisition in the state. These are the Wildlife Heritage Fund and the Tidelands Trust Fund. Neither of these funds provides grants to local governments and the Tidelands Trust Fund is focused only on coastal ecosystems.

Substantial new revenue is needed for both funds. State leaders should consider amending current legislation for these programs or develop a new program to allow for conservation of a greater variety of lands. Through these measures the state can preserve the remaining crucial wetland habitat and provide greater public access to recreational opportunities in a wider variety of landscapes.

**Wildlife Heritage Fund**

The Department of Wildlife, Fisheries, and Parks administers the Wildlife Heritage Fund (MDWFP). Monies in this fund are dedicated for land acquisition to make additions and enhancements to wildlife management throughout the state. The nature of the revenue stream, the sale of conservation vehicle license plates and non-resident licenses, means that levels of funding are both unpredictable and not substantial. The annual average generated through this revenue source is just $800,000. Since Fiscal Year 1998 MDWFP Heritage Fund has purchased 15,909 acres for a
total cost of $13,105,545.\textsuperscript{45} Funding is not available for the acquisition of land for parks and open space.

**Tidelands Trust Fund**

In 1994 the Secretary of State’s office began to administer the Tidelands Trust Fund, which contains funds derived from the lease of tidelands and submerged lands. However, all expenditures must be approved by the legislature and made by the Department of Marine Resources through the Coastal Marine Preserves Program. Funds may be used in coastal communities to cover administrative costs, lost property taxes, and also includes the acquisition or enhancement of public access areas to the public trust tidelands or public improvement projects.\textsuperscript{46} The Tidelands Trust Fund has provided an important service to the state by preserving and enhancing coastal ecosystems. However, because its primary focus is not land conservation, revenue for this purpose is not steady or substantial. On average, just $500,000 is available annually to acquire new land and is subject to legislative approval.

**Local Revenue Options**

Local governments in Mississippi could be an important partner in financing and preserving more land for parks and greenways. To increase local government participation in land conservation efforts, the state could consider increasing funding for local grants from state conservation funds. The state also could consider establishing a revolving loan fund that would be available to local governments that adopt a local open space funding measure. This type of incentive structure has triggered significant local participation in many states including Colorado, Massachusetts, New Jersey and Pennsylvania to name a few.

Local governments in Mississippi can issue general obligation bonds or use the property tax or “Tourism Sales Tax” to fund parks and greenways. General obligation bonds are an important and popular tool for local land conservation as evidenced by the percentage of successful G.O. bond referenda throughout the country each year. These measures have received an 83 percent passage rate since 2000 for a total of 487 measures. Voter approved local measures calling for property taxes and sales taxes have also enjoyed broad public support throughout the country. Measures calling for the property tax as a financing mechanism have experienced a 67 percent passage rate since 2000 and measures calling for the use of the sales tax during this time period have received a 76 percent passage rate.\textsuperscript{47}

**Bonds**

Cities and counties can issue general obligation bonds as a means for dedicating local revenue for parks and recreational centers.\textsuperscript{48} General obligation (GO) bonds are essentially loans taken out by a government secured by the jurisdiction’s full faith, credit, and taxing power to make timely payments. Borrowing, by issuing bonds, presents a number of advantages. Borrowing can provide the city or county with the revenue and flexibility it needs up front in order to fund large-scale park and open space projects. Having funding on hand now will insure land is protected while it is still available and at a lower price than it will be in the future. Bonds allow for a steady stream of funding that is not dependent on the fluctuations of the operating budget. Costs are typically spread out over

\textsuperscript{45} Rickie Felder, MDWFP Budget Director \\
\textsuperscript{46} Communication with Gerald McWhorter, Assistant Secretary of State for Public Lands Division \\
\textsuperscript{47} The Trust for Public Land’s LandVote Database – www.landvote.org \\
\textsuperscript{48} Mississippi Code of 1972, 55-9-1
a long time horizon, and therefore are born by both current and future beneficiaries. GO bonds are a popular open space financing tool at the state and local levels across the country.

On the other hand, financing charges accrue, debt ceilings limit the amount of bonds a state or community can issue, and convincing voters of the merits of incurring debt can be challenging. There is generally stiff competition for GO bonds among many programs in need of financing. Finally, local jurisdictions must be mindful of how continued increases in debt will affect its bond ratings, as ratings can influence the interest rate charged on the loans.

Although local governments in Mississippi have the authority to issue bonds, this mechanism has not been utilized for this purpose. The Board of Supervisors of any county are empowered to issue bonds for the purpose of securing money to build and equip recreational centers, stadiums, lakes, waterfowl or game management areas or parks.49

Debt in DeSoto County
DeSoto Counties bonded indebtedness for FY 2014 is $88,865,000.50 In Mississippi, no county can incur indebtedness at any one time that is greater than 15 percent of the assessed value of the taxable property located within the county according to the last completed assessment for taxation.51 The FY2014 legal debt limit for DeSoto County is $244.1 million. This means the legal debt margin is $155.2 million.52

As of May, 2013, Moody’s rating agency had given DeSoto County a long-term debt rating of Aa2 and Standard and Poors has rated the county AA.53 Both ratings indicate low credit risk.

Using Debt for Parks and Greenways
The Trust for Public Land’s bond cost calculations provide a basic estimate of debt service, tax increase, and cost to the average homeowner in the community of potential bond issuances for parks and greenways land conservation. Assumptions include the following:

- The entire debt amount is issued in the first year and payments are equal until maturity
- 20-year maturity and 5 percent interest rate.
- The tax rate is a function of the assessed value (tax base).
- The property tax estimates assume that the jurisdiction would raise property taxes to pay the debt service on bonds, however other revenue streams may be used.
- The cost per household represents the average annual impact of increased property taxes levied to pay the debt service.
- The estimates do not take into account growth in the tax base due to new construction and annexation over the life of the bonds.
- The jurisdiction’s officials, financial advisors, bond counsel and underwriters would establish the actual terms of any bond.

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49 Mississippi Code of 1972, 55-9-1
50 Communication with Tom Arnold, DeSoto County Comptroller
51 Mississippi Code of 1972, 19-9-5; Any county that has experienced a washed-out or collapsed bridges on public roads of the county for any cause or reason may issue debt that does not exceed 20 percent of the assessed value of the taxable property within such county or 15 percent for its FY ending Sept. 30, 1984, whichever is greater.
52 Communication with Tom Arnold, DeSoto County Comptroller
53 Communication with Tom Arnold, DeSoto County Comptroller
The larger the tax base, the lower the tax rate required paying the debt. The Trust for Public Land’s experience working in hundreds of communities across the country to pass conservation finance measures has shown that voter support for land conservation tends to drop off when the annual cost per household exceeds the $20 to $30 range. Figure 17 illustrates the projected cost per household to issue bonds in various amounts in DeSoto County. For example, a $20 million bond would cost the average household approximately $13 per year and would require approximately $1.3 million in annual debt.

Figure 17: Bond Financing Costs in DeSoto County, MS

<table>
<thead>
<tr>
<th>Bond Issue</th>
<th>Annual Debt</th>
<th>Mill Levy Increase</th>
<th>Cost/Year/$100k</th>
<th>Cost/Ave./Household*</th>
</tr>
</thead>
<tbody>
<tr>
<td>$10,000,000</td>
<td>$672,157</td>
<td>0.41</td>
<td>$4.13</td>
<td>$6.34</td>
</tr>
<tr>
<td>$15,000,000</td>
<td>$1,008,236</td>
<td>0.62</td>
<td>$6.19</td>
<td>$9.51</td>
</tr>
<tr>
<td>$20,000,000</td>
<td>$1,344,314</td>
<td>0.83</td>
<td>$8.26</td>
<td>$12.69</td>
</tr>
<tr>
<td>$50,000,000</td>
<td>$3,360,785</td>
<td>2.06</td>
<td>$20.65</td>
<td>$31.72</td>
</tr>
</tbody>
</table>

*Based on median home value of $153,600. Does not include exemptions.
Assumes a 20-year bond issues at 3.0% Interest Rate
Total Assessed Valuation (AV) 2013=$1.627B

Mississippi Development Bank (Revenue Bond)54
The Mississippi Legislature created the Mississippi Development Bank in 1986 as an independent organization with power to borrow money and issue its funds to local governmental units. These units include any county, municipality, regional solid waste authority, county cooperative service, political subdivision, utility district, state agency or other governmental unit created under state law. The Development Bank is able to secure bonds and notes at reduced rates and on more favorable terms. The legislature determined that the Bank’s purpose is to finance improvements to infrastructure and other public purposes in order to reduce indebtedness to taxpayers and residents of the State. The Board of Directors of the Mississippi Development Bank is composed of nine directors that are elected by the members of the Mississippi Business Finance Corporation.

All proceeds from the statewide issuance of revenue bonds goes to local governmental entities. Local governmental units must request that bonds be issued through the Mississippi Development Bank on their behalf and are responsible for annual debt payments to the Development Bank in order to retire the debt.

The benefits for using the Mississippi Development Bank include the following:
- Ready access to bond funds;
- Provides for a higher bond rating, resulting in lower interest rates;
- Does not count against a local government’s general obligation debt limit;
- Allows smaller units of government, that may be unable to issue stand alone revenue bonds, to issue bonds through the Mississippi Development Bank;
- Greater flexibility in bond covenants and debt service coverage requirements;
- Tax-exempt interest rates for a period of up to 20 years.

54 http://www.msbusinessfinance.com/mississippi-development-bank/
**Property Tax**

An alternative or additional tool for local governments in Mississippi to fund conservation efforts is the levy of property taxes. Local property taxes may be used for acquiring land for parks and greenways as well as for ongoing operations and maintenance costs of land. There are no requirements for the property tax at either the municipal or county level to be approved in a referendum. However, a public hearing must be held where the budget and tax levies for the upcoming fiscal year will be considered. The board of supervisors of any county may levy property taxes. The property tax has the ability to generate a steady source of funding for land conservation, provided it can be dedicated for more than one year at a time.

Across the country, local governments in 15 states have passed over 500 property tax measures since 2000 to fund land acquisition for parks and greenways. During this time period these measures have enjoyed a 67 percent passage rate.

The Property Tax in DeSoto County

DeSoto County currently has a general county property tax millage rate of 26.42. This rate is lower than the average of 34.85 in Mississippi. Nearby Marshall and Tate Counties both have higher millage rates of 45.06 and 54.99 respectively. Tunica County, just southwest, has a much lower millage rate of 9.14. A total of $52.8 million is expected from the FY 2014 property tax levy. Of this, $34.4 million is budgeted for the general fund, $10.29 million is dedicated to special revenue, and $8.1 million is dedicated for debt service payments.

Using the Property Tax for Parks and Greenways

The table in Figure 18 illustrates the revenue generated and projected cost per household of an additional property mill levy in DeSoto County. An increase of one mill in the property tax levy would generate roughly $1.6 million a year at a cost to the average homeowner of approximately $15.

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57 The Trust for Public Land’s LandVote database – www.landvote.org
58 Mississippi Department of Revenue, Office of Property Tax – Christina Hewitt, March 22, 2013
59 In Mississippi property tax rates are commonly referred to as millage rates, figured in mills. One mill is equal to 1/1,000 of a dollar.
Sales Tax

In Mississippi local governments and special districts have authorization to levy a special sales tax, popularly referred to as a “Tourism Tax”. These taxes may be on restaurants or hotels/motels, or both. The specifics to each entity are unique, however most are implemented and taxed over and above the regular retail sales tax and are ear marked for a particular purpose. The Mississippi Department of Revenue collects the special tax for each entity and then sends the money back to the designated local government to use for the designated purposes. The DOR retains a small percentage fee for handling this. The tax must be approved by the Mississippi Legislature through local and private legislation. In order to levy the tax in a municipality, voter approval is also required following legislative approval.

Two communities that leverage the special tax for parks and recreation purposes in Mississippi are the cities of Southaven and Starkville.

After getting approval from the legislature, voters in Southaven were required to vote on a 1 percent increase on sales tax for restaurant purchases to go towards the city park department. On October 4, 2011 Southaven overwhelmingly supported the measure. Revenue is expected to generate approximately $1 million annually to fund park improvements as well as new land acquisition. There is not repeal date for the tax.

In 1994 Starkville approved an Economic Development, Tourism and Convention Tax, which imposes a 2 percent tax on the gross proceeds of sales of restaurants. Revenue is divided among five city departments, including Parks and Recreation. The Parks and Recreation share is 40 percent (or $580,000 per year) and is used for park improvements, including land acquisition. Unless this legislation is amended the tax will be repealed July 1, 2015.

DeSoto County Convention Tourist Promotion Tax

In February 1997 DeSoto County began to impose a two percent tax on the gross proceeds (including but not limited to sales of beer and alcoholic beverages) of restaurants, hotels and motels. This tax only applies to restaurants that sell alcoholic beverages and whose gross sales or gross income is more than $100,000 per year based on the preceding calendar year. This levy is in addition to all other taxes imposed. There is no repeal date for this tax. Since the program’s inception, the tax has generated almost $65 million (Figure 19). On average the county has received $4.1 annually and in FY11-12 the county received $6.3 million. The initial legislation called for proceeds to be used to repay debt issued to finance the Landers Convention Center project. In 1998, the bill was amended to allow any proceeds in excess of the needs for the debt to be used for operating costs of the center.

60 Communication with Cindy Wood, Director – Administrative Services, MS Department of Revenue
61 Communication with Tom Arnold, DeSoto County Finance
64 The Commercial Appeal, Southaven backs proposed penny restaurant tax increase, October 5, 2011
65 Starkville Economic Development Authority, Mississippi State University, Tourism Board, and the Visitors Convention Council
66 Conversation with the Director of Starkville Parks and Recreation, June 1, 2012
67 http://www.dor.ms.gov/taxareas/sales/SpecialTourismTax.html#second
68 In determining gross proceeds of sales or gross income, the sales or income of all establishments owned, operated or controlled by the same persons or corporations shall be aggregated.
69 Data provided by Tom Arnold, DeSoto County Finance
Figure 19: Two Percent Tourism Tax Collections in DeSoto County, MS

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Total Collections</th>
<th>Average/month</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996-1997*</td>
<td>$671,835</td>
<td>$95,976</td>
</tr>
<tr>
<td>1997-1998</td>
<td>$1,861,043</td>
<td>$155,087</td>
</tr>
<tr>
<td>1998-1999</td>
<td>$2,129,637</td>
<td>$177,470</td>
</tr>
<tr>
<td>1999-2000</td>
<td>$2,418,921</td>
<td>$201,577</td>
</tr>
<tr>
<td>2000-2001</td>
<td>$2,771,748</td>
<td>$230,979</td>
</tr>
<tr>
<td>2001-2002</td>
<td>$3,093,302</td>
<td>$257,775</td>
</tr>
<tr>
<td>2002-2003</td>
<td>$3,383,736</td>
<td>$281,978</td>
</tr>
<tr>
<td>2003-2004</td>
<td>$3,719,188</td>
<td>$309,932</td>
</tr>
<tr>
<td>2004-2005</td>
<td>$3,996,083</td>
<td>$333,007</td>
</tr>
<tr>
<td>2005-2006</td>
<td>$4,693,477</td>
<td>$391,123</td>
</tr>
<tr>
<td>2006-2007</td>
<td>$5,023,241</td>
<td>$418,603</td>
</tr>
<tr>
<td>2007-2008</td>
<td>$5,354,888</td>
<td>$446,241</td>
</tr>
<tr>
<td>2008-2009</td>
<td>$5,497,144</td>
<td>$458,095</td>
</tr>
<tr>
<td>2009-2010</td>
<td>$5,622,119</td>
<td>$468,510</td>
</tr>
<tr>
<td>2010-2011</td>
<td>$5,826,422</td>
<td>$485,535</td>
</tr>
<tr>
<td>2011-2012</td>
<td>$6,374,611</td>
<td>$531,218</td>
</tr>
<tr>
<td>2012-2013**</td>
<td>$2,124,207</td>
<td>$531,052</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$64,561,602</td>
<td></td>
</tr>
</tbody>
</table>

*This is for seven months.
**This is for four months so far this year.

Using the Tourism Tax for Parks and Greenways
DeSoto County could pursue an additional special tax to fund parks and greenways or consider amending the current tax once all debt is paid off. In Southaven, also located in DeSoto County, there are two special taxes that are both one percent. One is the Tourism and Convention Tax and the other is the Restaurant Tax which funds parks in the city.

Opportunities for Public Funding: Federal

The U.S. federal government is an important partner for state and local governments, parks and conservation organizations, and community advocates in Arkansas, Tennessee, and Mississippi. This report provides a summary of numerous relevant federal conservation funds for open space and urban areas. The programs discussed are administered by federal agencies but vary in how funds are delivered for conservation projects. For example, some of these program funds are directed to the states, which in turn decide what projects to fund, while other program funds are granted by a federal agency through a competitive process.
Each program has different requirements and offers various partnership opportunities (e.g. applying through the state, working with private landowners, etc.) that should be further evaluated to determine most likely funding outcomes. The descriptions are meant to provide a broad overview of funding sources. The Trust for Public Land can provide additional information on program rules and accessibility.

**State Directed Federal Grants**

**Land and Water Conservation Fund (LWCF) Stateside**
The Land and Water Conservation Fund (LWCF) derives its funding from a small portion ($900 million) of annual offshore oil and gas drilling receipts that are deposited into a specific account and further appropriated by Congress. The Stateside LWCF program provides grants to the states to use for land protection and recreational facilities. The fund provides a 50 percent match to states for planning, developing and acquiring land and water areas for natural resource protection and recreation enhancement. Annual appropriations to the state grants LWCF program nationwide have ranged from a high of $369 million in 1979 to four years of zero funding between 1996 and 1999 and a level of $45 million in the most recent federal fiscal year 2012. Funds are distributed to states through a formula based on population and need. Once the funds are distributed to the states, it is up to each state to approve grant recipients, though NPS has final approval.

In **Arkansas**, the program is administered by the Department of Parks and Tourism. Since the inception of the program, it has provided $46 million in matching grants to Arkansas to protect land and support park projects. The FY 2013 state allocation for Arkansas was $500,000.

In **Tennessee**, the program is administered by the Department of Environment and Conservation’s Recreation Educational Services Division. Since the inception of the program, the LWCF program has provided more than $72 million in matching grants to Tennessee to protect land and support park projects. More than 60,500 acres have been acquired with LWCF assistance during that time period. The FY 2013 state allocation for Tennessee was $747,602. Historically, Tennessee's LWCF annual allocation has been split 60/40 between local governments and state agencies.

In **Mississippi**, the program is administered by the Department of Wildlife, Fisheries, and Parks. Since the inception of the program, it has provided $48 million in matching grants to Mississippi to protect land and support park projects. The FY 2013 state allocation for Mississippi was $500,000.

**American Battlefield Protection Program (ABBP)**
The American Battlefield Protection Program, within the National Park Service, is authorized to issue grants to state and local public entities for the protection of Civil War battlefields. A one-to-one match of non-federal funds is needed. The program receives its funding through the Land and Water Conservation Fund and is appropriated by Congress each year. In recent years it has received roughly $9 million annually. Funds are distributed to applicants on a rolling basis throughout the year as funds remain available. Projects must be listed in the 1993 Civil War Sites Advisory Commission Report on the Nation’s Civil War Battlefields.

In 2007, the NPS issued a report to Congress a report on the funding accomplishments of the program. At that point, Tennessee had received $2 million, Mississippi had received $1.92 million, and Arkansas had received $610,000.
**Conservation Reserve Enhancement Program (CREP)**
An offspring of the Conservation Reserve Program (CRP), CREP is a voluntary program for agricultural landowners. Through CREP, state and federal partnerships allow landowners to receive incentive payments for installing specific conservation practices. Farmers can receive annual rental payments and cost-share assistance to establish long-term, resource-conserving covers on eligible land. In Arkansas, producers in Arkansas, Jefferson, Lonoke, Prairie, and Pulaski counties may be eligible for assistance.

**Tennessee** does not have an approved CREP agreement. An offspring of the Conservation Reserve Program (CRP), CREP is a voluntary program for agricultural landowners. Through CREP, state and federal partnerships allow landowners to receive incentive payments for installing specific conservation practices. Farmers can receive annual rental payments and cost-share assistance to establish long-term, resource-conserving covers on eligible land.

**Clean Water Act - Clean Water State Revolving Fund (CWSRF)**
Under the Clean Water Act, the U.S. Environmental Protection Agency (EPA) funds four water quality programs, with the Clean Water State Revolving Fund (CWSRF) being the largest by far. Clean Water State Revolving Fund (Section 212): The CWSRF provides loans for water quality improvements and has traditionally been used for wastewater treatment upgrades, although some states have used funding for land conservation. The annual capitalization grants totaled $1.46 billion in FY 2012.

Drinking Water State Revolving Fund: The EPA awards grants to states to fund their Drinking Water State Revolving Funds (DWSRF). State DWSRFs provide loans and other assistance to eligible public water systems to finance the costs of infrastructure projects, including land acquisition. Up to 15 percent of the funds can be set-aside to fund source water protection activities, including land acquisition, although only 10 percent may go to a single purpose. The annual capitalization grants totaled $919 million in FY 2012.

Nonpoint Source Program (Section 319): Provides grants for projects that address nonpoint source pollution, such as BMPs (best management practices) implementation, restoration and public education. On a very limited basis, Section 319 has been used for land conservation. Funding for FY 2012 totaled approximately $164.5 million.

Clean Water State Revolving Fund (CWSRF)
Under the CWSRF, the EPA provides annual grants to states that match the capitalization grants with 20 percent of their own funds. States use these capitalization grants to provide loans (grants are not permitted) to public and private borrowers, with a maximum term of 20 years. States may pool the federal capitalization grant with other funding and can also issue bonds using pool funds. Since the CWSRF Program began in 1987, the federal government has provided more than $32.8 billion in capitalization grants, which have been matched by $5.8 billion in state contributions. Nearly half the states have used these federal and state funds to back the issue of nearly $34 billion in bonds to fund projects and to create debt service reserves. In 2010, the average leveraging ratio was roughly 2:1. In total, almost $64 billion in funding has been created through the CWSRF program since it began.
CWSRF Innovations: Land Conservation

States file an intended use plan with the EPA that clearly spells out how they will allocate their CWSRF funds. Since the program’s inception, most states have used their CWSRF primarily for wastewater treatment plants. However, since 1995, more funding has been shifted into nonpoint source pollution control and estuary management, with roughly six percent of annual funds going for non-point source pollution, up from one percent in prior years. In particular, several states have used their CWSRF to help local governments and nonprofits purchase watershed land, restore watersheds, and reduce flooding.

**Arkansas** received $9.3 million in FY 2014 in CWSRF. The CWRLF is administered by the Water Resources Development Division (Division) of the Arkansas Natural Resources Commission (ANRC), which submits the CWRLF Intended Use Plan (IUP). The Arkansas Development Finance Authority (ADFA) assists ANRC by acting as Agent, Financial Advisor and the Purchaser and Seller of Bonds.

This FY 2014 IUP contains a list of projects the State anticipates funding and information on how the State plans to use the funds carried over from 2011 Clean Water cap grant, 2012 Clean Water cap grant, and the 2013 Clean Water allotment, the funds the State will provide as match, and the funds the State receives from the repayment of loans previously made from the CWRLF program after allowance is made for debt service on outstanding bonds issued to fund the Program. It is estimated that over $106 million will be available to provide assistance during FY 2014.

Arkansas is committed to support the three major objectives:

- Hasten wastewater treatment facility construction in order to meet the enforceable requirements of the CWA;
- Emphasis nonpoint source pollution control and the protection of estuaries; and
- Facilitate the establishment of permanent institutions in each State that would provide continuing sources of financing needed to maintain water quality.

In **Tennessee**, federal CWSRF funds are made available to units of local government at one-half (½) of the market rate for a period of up to twenty (20) years. The actual term of the loan is determined by the State Treasurer’s Office. The program is administered by the Department of Environment and Conservation.

In FY 2012, federal CWSRF capitalization grants of $22 million were made available to Tennessee. State matching contributions totaled just over $4.4 million, however none for land conservation. To date, Tennessee has not used CWSRF grants to secure revenue bonds for conservation. Leveraging could provide a means to extend SRF loans to projects such as land acquisition.

**Mississippi** received $12,862,000 in CWSRF in FY 2014.

The Mississippi Commission on Environmental Quality has established certain goals for the Water Pollution Control Revolving Loan Fund (WPCRLF) Program. Short term goals include:

1) Periodically consulting with financial advisors to develop revised operating policies and procedures for the WPCRLF (Fund), with the goal of maximizing investment in project loans and reducing idle cash, while maintaining proper stability and management of all aspects of the Fund.

2) Continuing to evaluate and refine the “post equivalency” WPCRLF Loan Program, which was implemented in FY-2001 to make the loan program more attractive to the communities
throughout the State. This effort includes as-needed revisions to Standard Operating Procedures (SOPs) and other documents to insure compliance with streamlined state requirements which replaced those federal cross-cutting requirements no longer applicable to Mississippi’s non-equivalency projects.

3) Continuing to operate the Program in a manner that makes full use of the previously banked equivalence, and making efforts to ensure preservation of that banked equivalence in conjunction with the Clean Water Act reauthorization,

4) Continuing to establish priorities and procedures which will meet the long term environmental improvement goals of the Commission, while keeping in focus the need to attract communities to the program and insure the maximum wise use of all available funds,

5) Continuing to pursue and evaluate methods for providing further financial relief to those of our Hurricane Katrina-impacted Gulf Coast loan recipients which remain in forbearance, to help insure their ability to repay their outstanding loan balances after recovery, and to prevent or minimize any long-term impact to the Fund,

6) Continuing to implement the Green Project Reserve requirements during FY-13, 7) Implementing the FY-12 additional subsidy requirement in FY-13 and to make this additional subsidy available to green projects and to projects in small/low income communities that otherwise might not be able to afford a project, and 8) To the extent reasonably practical, continue to structure this program to coordinate with other available funding programs within the State, particularly the CDBG, ARC, and RUS programs, in order to make available the opportunity for joint funding of projects should communities desire such an arrangement.

Long term goals include: maintaining a financially sound SRF in perpetuity; meeting a substantial portion of the wastewater needs in the State within a reasonable period of time; and funding fiscally sound projects in order of environmental importance as established by the Commission, while continuing to maintain a program that is attractive to the communities in the State. Essential to achieving these goals is the determination of an interest rate and loan repayment term which will generate sufficient fund income to meet the State's needs within a reasonable period of time, but which is more attractive than private sector funding, so as to bring communities into the program and insure use of all available funds.

In FY 2013, the Mississippi Department of Environmental Quality did not receive the state match necessary to match the FY 2013 CWSRF allotment for this fiscal year. Subsequently, federal capitalization grant funds that could not be matched due to the lack of state match with loan repayments.

To ensure that “green projects” have a dedicated source of funds and will not have to compete with “regular” projects for funding, the Department is setting aside $2.4 million in available funds (including $0.48 million of the FY 2011, FY 2012 & FY 2013 subsidy funding) for “green” projects. Any funds not obligated for “green project reserve” projects by September 15, 2013 may be released and made available to any eligible loan recipient on the regular or small/low income priority list, or to any project on the FY-13 and After Planning List which is ready for loan award.

During its solicitation of projects for FY 2013 funding the Department did not receive sufficient eligible applications for green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities to be able to obligate 10 percent of the FY 2013 allotment to “green projects”. Therefore, in an effort to meet the “Green Project Reserve” objective, the
Department intends to continue pursuing “green” FY 2013 projects, and if necessary carry these FY 2013 funds over into FY 2014 to be obligated in the FY 2014 Intended Use Plan.

**Drinking Water State Revolving Fund (DWSRF)**
Under the Safe Drinking Water Act Amendments of 1996, the EPA is authorized to provide grants to states to capitalize Drinking Water State Revolving Funds. The State Revolving Funds provide loans and other assistance to eligible public water systems to finance the cost of infrastructure projects. States must file an intended use plan describing how they will use the proceeds and must match 20 percent of the grant. Up to 15 percent of the funds can be set-aside to fund source water protection activities, including land acquisition. However, no more than 10 percent of the set-asides can be used for a single type of activity. Grants are allotted to each state based on needs identified in the most recent Drinking Water Needs Survey.

**Clean Water Act Section 319 (h) -- Nonpoint Source Pollution**
In 1987 Congress recognized that state and local water authorities needed assistance with developing and implementing measures to control nonpoint source (NPS) pollution. The enactment of Section 319 of the Clean Water Act (CWA) established a national program to control nonpoint sources of water pollution, as well as a means to help fund state and local implementation of nonpoint source management programs.

Under the provisions of Section 319, land acquisition can be used as a nonpoint source management tool. In EPA Region 4 (Southeastern U.S.), fifteen land acquisition projects were approved between fiscal years 1995 and 1999, at a total cost of $5.2 million. No acquisition projects have been funded using Section 319 funds between 2000 and 2012.

**DWSRF in Arkansas**
During FY 2014, Arkansas received roughly $12 million or 1.5 percent of the total allotments. Each state received a minimum of one percent of the total, based on a needs assessment. Arkansas’s Intended Use Plan (IUP) for DWSRF is prepared jointly by the Water Resources Development Division (Water Division) of the Arkansas Natural Resources Commission (ANRC) and the Arkansas Department of Health Engineering Section (ADH Engineering Section). In Arkansas, the overall program is named the Safe Drinking Water Fund (SDWF). The SDWF is made up of two programs which are the Drinking Water State Revolving Fund (DWSRF) program and the State Set-Aside Fund program. The Water Division, through an interagency Agreement with ADH Engineering Section (the Primacy Agency in Arkansas), administers the DWSRF program.

Through the DWSRF program, the Water Division will use funds for water projects that further the goals of the SDWA. The State Set-Aside Fund (SSAF) Program will use the funds to provide Small Systems Technical Assistance, State Program Management, Local Assistance and Administration Funds for the DWSRF. With the exception of the Administration Funds for the DWSRF, which go to the Water Division, the ADH Engineering Section administers all facets of the SSAF program.

The DWSRF program expects to disburse approximately $46 million to projects in FY 2014. These projects are all designed to meet one or more of the goals of the SDWA which are (a) help ensure public health protection, (b) comply with the SDWA, and (c) ensure affordable drinking water. The Division is soliciting for “Green” water projects from Public Water Systems (PWS) to be funded from the Drinking Water State Revolving Fund (Program). The Program has 20 percent of
its funds reserved for “Green” infrastructure projects for the FY 2011 Capital Grant. There were no GPR requirements for the 2012 capitalization grant or the 2013 allotment but the Division plans to fund GPR projects in the future.

To be eligible for funding, the applicant must be a PWS and the project must demonstrate that it will facilitate compliance with national primary drinking water regulations or otherwise significantly further the public health protection objectives of the Safe Drinking Water Act for water projects and meet the following definition of “Green.”

Green water projects are: Water Efficiency – The project must conserve water above the norms for operations and maintenance of a PWS. Potential Green water projects would include one-hundred percent water line replacement in systems experiencing greater than forty percent water loss. Arkansas has chosen two projects that qualify as green projects to satisfy the 2011 capital grant requirement. To date, Arkansas has not chosen any green projects for the 2012 or 2013 capital grants.

The Arkansas Natural Resources Commission (ANRC) is the lead agency responsible for Arkansas’s Nonpoint Source (NPS) Pollution Management Program. ANRC, its state partners and stakeholders, collectively known as the “work group”, collaboratively work together to develop the NPS Pollution Management Plan (Plan). The Plan provides a broad framework and aspirational objectives and milestones for implementation of the NPS Pollution Management Program. The Plan also utilizes a risk matrix assessment tool to prioritize watersheds for resource allocation. The Plan is comprehensively updated every five years based upon an adaptive approach. Annual update meetings are held to review and discuss new, additional, or updated information and if appropriate to be included into the Plan.

The Arkansas NPS Program allocates most of its Clean Water Act 319(h) funds to its partners who plan to implement projects in priority watersheds that best meet the goals and milestones of the Program. These partners must be capable of carrying out projects and are typically required to provide a minimum of 43 percent match in non-federal funds. In FY 2012, ANRC and its project partners spent approximately $1.8M in federal funds to address water quality resource concerns and to reduce or prevent nonpoint source pollution.

Projects for implementation, demonstration, and watershed planning to abate NPS pollution get priority. Projects located in priority watersheds and have a high probability of generating measurable results will be given priority. 319 grants will not exceed 57 percent of total project costs. Organizations that propose a project work plan for funding must provide the 43 percent required match. Match may be cash or in-kind

**DWSRF in Tennessee**

Between fiscal years 1997 and 2012, Tennessee received $153.3 million in federal DWSRF grants, or 1.2 percent of the total $6.6 billion provided to the states. Each state received a minimum of one percent of the total, based on a needs assessment. During fiscal year 2012, Tennessee received roughly $9.975 million, or 1 percent of the total allotments. The state has not used DWSRF monies to issue bonds.

According to TDEC, between fiscal years 1997 and 2005, Tennessee did not allocate any of its DWSRF for land acquisition purposes. With the state’s annual federal grant of $8.3 million in
FY2005, allocating 10 percent for land acquisition (as permitted under the provisions of the DWSRF program) would yield $830,000 per year.

In FY 2012 Tennessee received an annual allocation of approximately $2.5 million for Section 319, three quarters of which the state designates to competitively selected projects. In the FY 2012 grant cycle the program received 22 applications totaling approximately $3.2 million. Since the program’s inception no projects in the state have included land or conservation easement acquisition.

DWSRF in Mississippi
During FY 2014, Mississippi received roughly $8,270,000 or 1.04 percent of the total allotments. Each state received a minimum of one percent of the total, based on a needs assessment. In 1972, the Mississippi State Legislature created what is now called the Drinking Water Systems Improvements Revolving Loan Fund (DWSIRLF) Program, to receive the federal DWSRF capitalization grants from EPA, and to provide low cost loans to the state’s public water systems to finance needed infrastructure improvements. This legislation also allows the DWSIRLF to make loans that may utilize additional subsidization beyond standard DWSIRLF loans as well as setting appropriate criteria to determine eligible recipients.

For FY 2013 the federal grant allotment is $8,764,000 and the required 20 percent state match of $1,752,800 will provide a total of $10,516,800 to be used for loans and set-aside activities. An estimated $6,861,760 will be used for loans to Mississippi public water supplies, with $1,902,240 being utilized for set-aside activities.

The SDWA allows each state to set-aside up to 31 percent of its federal capitalization grant to support non-project-related drinking water programs including: administration of the loan program, technical assistance to public water systems, state program management, and other special activities. Green infrastructure projects are eligible for funding and can include a wide array of practices at multiple scales that manage wet weather and that maintain and restore natural hydrology by infiltrating, evaporating, and harvesting and using storm water. On a regional scale, green infrastructure is the preservation and restoration of natural landscape features, such as forests, floodplains and wetlands, coupled with policies such as infill and redevelopment that reduce overall imperviousness in a watershed. On the local scale, it can consist of site- and neighborhood-specific practices, such as bio-retention, trees, green roofs, permeable pavements and cisterns.

In FY 2012 Mississippi received an annual allocation of approximately $3 million for Section 319. Since the inception of the 319 NPS Program in 1990, various types of projects in Mississippi have been funded, including demonstrations of BMPs in watersheds; agricultural/chemical waste disposal; alternatives for converting dairy-cow wastes into electrical power and preventing possible stream pollution from those wastes; industrial-plant demonstrations that focused on preventing NPS pollution in industrialized watersheds; coastal streams ecosystem restoration; conservation easements that encouraged and assisted farmers to place lands into riparian-buffer strips; development and implementation of approaches that will restore and sustain surface and groundwater resources in perpetuity in the Mississippi Delta; and a variety of educational and outreach projects.
**Farm and Ranch Lands Protection Program (FRPP)**

With passage of the 2002 Farm Bill, the Federal government took on a much greater ability to serve as a partner in the purchase of development rights (PDR), through conservation easements, on productive agricultural land. The 2008 Farm Bill nearly doubled the funding available for the U.S. Department of Agriculture’s Farm and Ranch Lands Protection Program (FRPP), authorizing $743 million between FYs 2008 and 2012, up from $499 million over the five year period covered in the prior Farm Bill. To date, more than one million acres were protected through PDR as a result of the program.

In fiscal year 2012, the FRPP provided $145 million in grants to states, local governments, tribes and nonprofit conservation groups to purchase conservation easements on agricultural land. Grants are awarded on a competitive basis, according to national and state criteria, and require a 50 per cent non-NRCS match to cover the cost of the easement. Up to 25 per cent of donated land value can be counted as the match.

Between 2009 and 2012, **Tennessee** received $2.2 million in FRPP funds, which have been awarded to purchase easements on approximately 819 acres of agricultural land. **Arkansas** and **Mississippi** have not used the program for PDR.

**Forest Legacy Program (FLP)**

The Forest Legacy Program was established in 1990 to provide federal matching grants to states to prevent the loss of private forestlands. States must first qualify for the program by preparing an Assessment of Need before becoming eligible for funds. The program requires at least a 25 percent non-federal match, which can be provided through public and private sources including land value donation. Appropriations for the program have increased from $5 million in FY 1992 to $53 million approved in FY 2012. There are currently 50 states and territories enrolled in the program.

**Tennessee**’s Assessment of Need (approved in 2000) focuses on the importance of maintaining working forests as part of current and future landscapes. There are fifteen designated Forest Legacy Areas across the state. According to the USDA, as of March, 2012, there were 24 completed projects in the state, totaling just over 45,000 acres.

**Mississippi** Forest Legacy Program’s Assessment of Need focuses on protecting environmentally important forestlands that are threatened by conversion to non-forest uses. Mississippi received more than $5 million from the Forest Legacy Program using FY 2012 funds for the Pascagoula River Conservation Lands project. Additionally, this project is ranked first in the nation for Forest Legacy funding once Congress enacts the FY 2014 budget.

**North American Wetlands Conservation Act (NAWCA)**

The North American Wetlands Conservation Act was passed in 1989 to provide matching grants for the acquisition, restoration, and enhancement of wetland ecosystems for the benefit of waterfowl and other wetland-associated migratory species. Administered by the U.S. Fish and Wildlife Service, grants area available to nonprofit organizations, public agencies, and private individuals in the U.S., Canada and Mexico. Two types of grants are awarded: small grants for up to $75,000 and standard grants for up to $1 million. There is a 1:1 non-federal match requirement for each grant.
The NAWCA matching grant program grew steadily from $15 million in FY 2000 to $66.1 million in FY 2006, but has seen decline in recent years. The FY 2014 appropriations level for NAWCA was $34.145 million. These funds are supplemented by funds from other sources and matched by significant levels of non-federal funding.

From September 1990 through September 2013, some 3,500 partners in 1,708 projects have received more than $1.25 billion in grants. They have contributed another $2.54 billion in matching funds to affect 27.2 million acres of habitat. Arkansas has 14 NAWCA projects either completed or underway. These projects have conserved more than 67,000 acres of wildlife habitat. NAWCA funding of $8.7 million has leverage partner contributions of more than $33.5 million.

In the last six fiscal years, Tennessee was awarded eight NAWCA standard grants totaling almost $7 million to help protect and enhance more than 44,000 acres across the state. These grant dollars leveraged more than $20.7 million in non-federal matching funds.

Mississippi has 13 NAWCA projects either completed or underway. These projects have conserved more than 50,000 acres of wildlife habitat. NAWCA funding of $8 million has leverage partner contributions of more than $34 million.

State Wildlife Grants
Created by Congress in 2001, the State Wildlife Grants Program is a matching grant program available to every state to support cost-effective, on-the-ground conservation efforts aimed at restoring or maintaining populations of native species before listing under the Endangered Species Act is required. In order to maximize the effectiveness of this program, Congress required each state to develop a comprehensive wildlife conservation strategy for the conservation of the state’s full array of wildlife and the habitats they depend upon. These plans identify species and habitats of greatest conservation need and outline the steps necessary to keep them from becoming endangered.

The State Wildlife Grants Program provides matching funds that are to be used to implement the conservation recommendations outlined in these plans. Funds appropriated under the SWG program are allocated to every state according to a formula based on a state size and population. Since its inception in 2001, the State Wildlife Grants Program has played a critical role in the conservation of wildlife in all three states.

Since 2001, Arkansas has received over $8 million in matching funds.

Tennessee the state has received over $12.6 million in matching funds since 2002. Some of the projects funded by these grants include the restoration of oak savannah habitat in the Catoosa Wildlife Management Area, the reestablishment of lake sturgeon in the upper Tennessee River, and bottomland hardwood restoration in the western portion of the state.

Mississippi has received over $8 million in matching funds since 2001.

Direct Federal Acquisition
Federal land holdings represent a significant component to the state’s system of protected natural areas including parks, forests and wildlife refuges. However, federal programs should not be expected to make significant contributions towards the state’s conservation goals as the number and size of current federal acquisitions is relatively small.

**Land and Water Conservation Fund Federal**
The Land and Water Conservation Fund (LWCF) provides funding for federal agencies (Fish and Wildlife Service, Forest Service, National Park Service, and the Bureau of Land Management) to add land to existing parks, forests and refuges. This funding provides the bulk of the money available for this purpose.

Arkansas has received $99 million in federal LWCF, which has been used for projects at Cache River National Wildlife Refuge, Ouachita National Forest, and elsewhere.

Over the past ten fiscal years (FYs 2002-2012), nearly $30 million in LWCF funds have been appropriated to federal units in Tennessee for acquisitions at Cherokee National Forest, Chickamauga-Chattanooga National Military Park, Chickasaw National Wildlife Refuge, Shiloh National Military Park and Great Smoky Mountains National Park.

Mississippi has received $90 million in federal LWCF, which has been used for projects at national treasures like Gulf Islands National Seashore.

**Fish and Wildlife Service**
The National Wildlife Refuge System of the U.S. Fish and Wildlife Service (FWS), established over 100 years ago, has grown to 150 million acres. It now includes 560 refuges, more than 3,000 waterfowl protection areas, and more than 38 wetland management districts and other protected areas spread across the 50 states and several U.S. territories.

In Arkansas, there are 10 wildlife refuge units comprising 375,250 acres.

In Tennessee, there are 7 wildlife refuges comprising roughly 118,000 acres; all are located in the central and western portion of the state.

In Mississippi, there are 13 wildlife refuge units comprising 230,000 acres.

**U.S. Department of Agriculture**
The USDA Forest Service’s National Forest System includes 155 national forests, 20 national grasslands, 5 national monuments, the National Tallgrass Prairie, and 6 land utilization projects. These units are located in 44 states, Puerto Rico, and the Virgin Islands, and encompass over 192 million acres.

Arkansas has two national forests: the Ouachita National Forest and Ozark-St. Francis National Forest. Together, they span approximately three million acres. They are visited more than two million times each year, and these visits generate more than $80 million in spending at grocery stores, hotels, restaurants, and other local businesses.
Tennessee’s national forest, the Cherokee National Forest, encompassing 640,000 acres, is the largest tract of public land in the state. It is located in the heart of the Southern Appalachians and stretches from Sullivan County down through Hamilton County on Tennessee’s eastern border.

Mississippi has the Bienville, Delta, Desoto, Holly Springs, Homochitto, and Tombigbee national forests. They span approximately 1.2 million acres. They are visited 2.8 million times each year, and these visits generate more than $72 million in spending at grocery stores, hotels, restaurants, and other local businesses.

National Park Service
The National Park Service (NPS) has eight units in Arkansas: the Arkansas Post National Memorial, Buffalo National River, Fort Smith National Historic Site, Hot Springs National Park, Little Rock Central High School National Historic Site, Pea Ridge National Military Park, President William Jefferson Clinton Birthplace Home National Historic Site, and the Trail of Tears National Historic Trail. These units receive more than 2.7 million visitors each year, and they generate $140 million in spending from non-local visitors.

The National Park Service (NPS) owns approximately 550,000 acres in Tennessee. There are twelve national park units in the state. Most of the NPS land in Tennessee is made up of the Great Smoky Mountains National Park, on the eastern border of the state and crosses into North Carolina. There are also several Civil War battlefield sites, including Chickamauga-Chattanooga National Military Park, Fort Donelson National Battlefield, Shiloh National Military Park, and Stones River National Battlefield. Other units are the Andrew Johnson National Historic Site, Appalachian National Scenic Trail, Big South Fork National River and Recreation Area, Cumberland Gap National Historical Park, Natchez Trace National Scenic Trail, Natchez Trace Parkway, and Obed Wild and Scenic River. National parks in Tennessee attract more than eight million visitors a year and contribute $530 million in economic benefits.

The National Park Service (NPS) has seven units in Mississippi: Brices Cross Roads National Battlefield Site, Gulf Islands National Seashore, Natchez National Historical Park, Natchez Trace Parkway, Natchez Trace National Scenic Trail, Tupelo National Battlefield, and Vicksburg National Military Park. These units receive 6.5 million visitors each year, and they generate $100 million in spending from non-local visitors.

Federal Funding Sources for Urban Areas

U.S. Army Corps of Engineers Civil Works Programs
The U.S. Army Corps of Engineers has both military and civilian responsibilities. Under its civil works program, the Corps plans, constructs, operates, and maintains a wide range of water projects, headed by a civilian Assistant Secretary of the Army for Civil Works. A military Chief of Engineers oversees the Corps’ civil and military operations and reports on civil works matters to the Assistant Secretary for Civil Works. Projects generally originate with a request for assistance from a community or local government entity. A study of the project is often in order, allowing the Corps to investigate a problem and determine if there is a federal interest in proceeding further. The study
must be authorized by Congress, usually in the Water Resources Development Act (WRDA), and
must be funded through the annual Energy and Water Appropriations bill.

Congress also provides authorizations and appropriations to the Corps for the Continuing
Authorities Programs (CAP). Two programs, Section 1135 and Section 206 are of special interest.
Section 1135 provides authority for the Corps of Engineers to investigate study, modify, and
construct projects for the restoration of fish and wildlife habitats where degradation is attributable to
water resource projects previously constructed by the Corps of Engineers. Project modifications are
limited to a Federal cost of $5 million per project. The program limit for Section 1135 is $25 million.

Aquatic Ecosystem Restoration (WRDA Section 206) provides authority for the Corps of Engineers
to carry out aquatic ecosystem restoration and protection projects if the project will improve the
quality of the environment, is in the public interest, and is cost effective. Each project is limited to a
Federal cost of $5,000,000. The total program limit is $25 million.

**Transportation Alternatives Program (TAP) – U.S. Department of Transportation**

In 2012 Congress passed MAP-21, a two-year surface transportation reauthorization bill covering
FY 2013 and FY 2014. The bill consolidated several previous trail and recreation related programs
into one pot: the Transportation Alternatives Program (TAP). TAP includes many of the activities
of the former transportation enhancements program (TE), the Safe Routes to School program
(SRTS) and the Recreational Trails Program (RTP). Previously these programs received guaranteed
sums as determined by Congress. However, now they receive a lump sum that is distributed via
formula to the states within the umbrella of eligible activities. TAP will receive about $815 million
nationally for each of the two years.

The Transportation Alternatives Program continues enhancements funding for trail and bike
projects and rail-to-trail conversions, but no longer funds land acquisition. The following is a more
detailed description of eligible activities:

A. Construction, planning, and design of on-road and off-road trail facilities for
   pedestrians, bicyclists, and other nonmotorized forms of transportation, including
   sidewalks, bicycle infrastructure, pedestrian and bicycle signals, traffic calming
   techniques, lighting and other safety-related infrastructure, and transportation
   projects to achieve compliance with the Americans with Disabilities Act of 1990.

B. Construction, planning, and design of infrastructure-related projects and systems that
   will provide safe routes for non-drivers, including children, older adults, and
   individuals with disabilities to access daily needs.

C. Conversion and use of abandoned railroad corridors for trails for pedestrians,
   bicyclists, or other nonmotorized transportation users

**Safe Routes to School program** includes funds for projects that encourage elementary and middle
school children to safely walk and bike to school.

A. Infrastructure-related projects: planning, design, and construction of infrastructure-
   related projects on any public road or any bicycle or pedestrian pathway or trail in
   the vicinity of schools that will substantially improve the ability of students to walk
   and bicycle to school, including sidewalk improvements, traffic calming and speed
   reduction improvements, pedestrian and bicycle crossing improvements, on-street
   bicycle facilities, off-street bicycle and pedestrian facilities, secure bicycle parking
   facilities, and traffic diversion improvements in the vicinity of schools.
B. Noninfrastructure-related activities to encourage walking and bicycling to school, including public awareness campaigns and outreach to press and community leaders, traffic education and enforcement in the vicinity of schools, student sessions on bicycle and pedestrian safety, health, and environment, and funding for training, volunteers, and managers of safe routes to school programs.

The Recreation Trails Program is a federal transportation program that provides monies for the maintenance, development, acquisition and construction of new and existing trail facilities for both motorized and nonmotorized recreational trail uses. Funds are distributed to the states according to a formula. Eligible applicants include nonprofit organizations, municipal agencies, state agencies, federal government agencies and other government entities (regional governments, port districts, etc.). Eligible projects include:

1. maintenance and restoration of existing trails,
2. development and rehabilitation of existing trails,
3. construction of new recreation trails, and
4. acquisition of easements and fee simple title to property.

Grants are distributed annually and require a twenty (20) percent match.

The Congestion Mitigation and Air Quality (CMAQ) program was created by Congress to help states and Metropolitan areas meet ambient air quality standards. The CMAQ program provides funding to areas that face the challenge of attaining or maintaining the air quality standards for ozone, carbon monoxide, or particulate matter. Funds are used on transportation projects that improve air quality, lower auto emissions, and reduce congestion. Eligible activities of potential interest for TPL projects include bike and pedestrian trail construction and parking and public right-of-ways for transit connections.

Regional transportation authorities are responsible for allocating discretionary federal, state and local transportation funds to improve all modes of surface transportation. Generally a competitive process through the Metropolitan Planning Organization distributes discretionary capital transportation funds to regionally significant projects. While the MPO generally administers the CMAQ program, localities propose various projects to the MPO for consideration and prioritization. Local jurisdictions, transit operators, and other public agencies are encouraged to submit applications proposing projects for funding.

MAP-21 allows states to transfer up to 50 percent of CMAQ funds to other programs. That is an increase from the 21 percent transfer allowed under the former law, SAFETEA-LU. This flexibility under MAP-21 demonstrates how environmental and progressive projects will become more competitive with other traditional road and highway projects.

MAP-21 provides roughly $2.2 billion for the CMAQ program for each of the FY 2013 and FY 2014 spending years.

Arkansas received CMAQ apportionments of $12,291,704 in FY 2013 and $12,302,362 in FY 2014.

Tennessee received CMAQ apportionments of $36,975,046 in FY 2013 and $37,007,106 in FY 2014.

Mississippi received CMAQ apportionments of $11,198,773 in FY 2013 and $11,208,483 in FY 2014.
**Transportation Investment Generating Economic Recovery (TIGER) Discretionary Grants**

The TIGER program was first approved by Congress in the American Recovery and Reinvestment Act of 2009. Each following fiscal year the program has been funded from transportation appropriations bills. Congress dedicated $1.5 billion for TIGER I, $600 million for TIGER II, $526.944 million for FY 2011, and nearly $500 million for the FY 2012 round of TIGER Grants to fund projects that have a significant impact on the Nation, a region or a metropolitan area. DOT, and many in Congress, continue to refer to the program as “TIGER Discretionary Grants.” In 2012, there was hope that Congress would include the program in the new transportation authorization law, but MAP-21 neither authorizes it nor provides any funding. However, Congress did appropriate $474 million in TIGER (Transportation Investment Generating Economic Recovery) Discretionary Grants pursuant to the FY 2013 Full-Year Continuing Appropriations Act. Recently, in the Consolidated Appropriations Act for FY 2014, Congress provided $600 million for the program.

As with previous rounds of TIGER, funds for the FY 2013 TIGER program are to be awarded on a competitive basis for projects that will have a significant impact on the nation, a metropolitan area, or a region.

The TIGER Discretionary Grant program provides a unique opportunity for the U.S. Department of Transportation to invest in road, rail, transit and port projects that promise to achieve critical national objectives. Each project is multi-modal, multi-jurisdictional or otherwise challenging to fund through existing programs. The TIGER program enables DOT to use a rigorous process to select projects with exceptional benefits, explore ways to deliver projects faster and save on construction costs, and make investments in the nation's infrastructure that make communities more livable and sustainable.

Eligible Applicants for TIGER Discretionary Grants include: state, local, and tribal governments, transit agencies, port authorities, metropolitan planning organizations (MPOs), other political subdivisions of State or local governments, and multi-State or multi-jurisdictional groups applying through a single lead applicant. TPL could act as a sub-contractor and/or partner in the project. Projects in urban areas must meet a baseline of $10 million and have at least a 20 percent non-federal match. Successful applications would include cost benefit analysis for economic and environmental impacts, projections for job creation, and should generally have multiple stakeholders and political support. While funding cannot be used for land acquisition, activities of note to TPL include hard and soft costs for bike and pedestrian trails and environmental plans that include greenhouse gas reduction.

In Arkansas in FY 2010, Benton & Washington Counties, received a $15 million TIGER capital grant for the Razorback Regional Greenway, which is a 36 mile bike and pedestrian network traversing the towns of Bentonville, Rogers, Lowell, Springdale, Johnson, and Fayetteville in Northwest Arkansas. Philanthropic funds have already paid for 14.2 miles of Greenway. Money from TIGER funds and additional philanthropic sources will complete additional portions of the network. Currently only 3 percent of residents in the area walk, bike or use transit. According to projections, completion of the Greenway could triple the number of non-automobile trips by providing access to major employers like Wal-Mart HQ, Tyson Foods HQ, JB Hunt HQ, and the University of Arkansas. All five city mayors and many area companies back the Greenway project as a valuable example of bicycle and pedestrian friendly infrastructure.
In FY 2012, City of West Memphis, Arkansas received $10,953,244 in TIGER funding. The West Memphis International Rail Port Logistics Park project, supported by a TIGER grant, will upgrade and strengthen existing rail, allowing it to carry heavier loads. The project will extend the spur 13,500 feet to the base of the St. Francis Levee, allowing for direct access between rail and waterborne cargo. Future development of a loop track, transload facility, and barge dock will allow exporters of coal, grain, steel, and petrochemicals to expand into this multimodal port. In FY 2013, the Arkansas Department of Transportation received $4,960,000 in TIGER funding. TIGER funds will be used to resurface a section of Highway 92 and replace two weight-restricted bridges along a section in north central Arkansas covering Conway, Van Buren, and Cleburne Counties. Traffic along the project corridor has increased significantly over the last few years. Improving this corridor and removing the restrictions for use will increase future economic efficiency, growth, and stability in the region.

In Tennessee, FY 2012, the City of Memphis received $14,939,000 in TIGER funding. TIGER funds will improve transportation in downtown Memphis. The project includes upgrades to the Main Street Trolley, Main Street Mall, Central Amtrak Station, and Broadway Street. The project will also develop a new bike and pedestrian trail that will provide a crossing over the Mississippi River by way of the historic Harahan Bridge. The TIGER grant will be combined with matching investments from Memphis, West Memphis, the surrounding counties, the states of Tennessee and Arkansas, and private entities.

In FY 2013, Mississippi received two (2) TIGER grants totaling $18,250,000. The Jackson County Port Authority received $14 million in TIGER funding. TIGER funds will be used to upgrade the rail connection at the Port of Pascagoula Bayou Harbor to make the transportation of goods in and out of the Port more efficient. They will also be used to develop a modern facility for receipt, storage, and export of renewable energy resources. As part of the project, the Mississippi Rail Line will be relocated from downtown Pascagoula to a more direct, existing railroad right-of-way that will allow the closure of 16 rail crossings. The new alignment is in a less densely traveled area, which will eliminate daily automobile traffic delays from blocked crossings, while improving the efficiency and capacity of the rail interchange.

Additionally, the Mississippi Department of Transportation and Louisiana Department of Transportation jointly received $4,250,000. TIGER funds will support the rehabilitation of the I-20/Vicksburg Mississippi River Bridge, which has experienced unanticipated stresses due to movement of the pier foundations. The funds will be used to improve the bridge truss and deck to withstand minor side-to-side movements (e.g. downstream movement of piers/foundation soils, minor barge strikes).

**The Transportation Infrastructure Finance and Innovation Act (TIFIA)**
The Transportation Infrastructure Finance and Innovation Act (TIFIA) program provides Federal credit assistance in the form of direct loans, loan guarantees, and standby lines of credit to finance surface transportation projects of national and regional significance. TIFIA credit assistance provides improved access to capital markets, flexible repayment terms, and potentially more favorable interest rates than can be found in private capital markets for similar instruments. TIFIA can help advance qualified, large-scale projects that otherwise might be delayed or deferred because of size, complexity, or uncertainty over the timing of revenues. Many surface transportation projects - highway, transit, railroad, intermodal freight, and port access - are eligible for assistance. Each
dollar of Federal funds can provide up to $10 in TIFIA credit assistance - and leverage $30 in transportation infrastructure investment.

The program's fundamental goal is to leverage Federal funds by attracting substantial private and other non-Federal co-investment in critical improvements to the nation's surface transportation system. TIFIA was created because state and local governments that sought to finance large-scale transportation projects with tolls and other forms of user-backed revenue often had difficulty obtaining financing at reasonable rates due to the uncertainties associated with these revenue streams. Tolls and other project-based revenues are difficult to predict, particularly for new facilities. Although tolls can become a predictable revenue source over the long term, it is difficult to estimate how many road users will pay tolls, particularly during the initial "ramp-up" years after construction of a new facility. Similarly, innovative revenue sources, such as proceeds from tax increment financing, are difficult to predict. TIFIA credit assistance is often available on more advantageous terms than in the financial market making it possible to obtain financing for needed projects when it might not otherwise be possible.

The TIFIA credit program offers three distinct types of financial assistance designed to address the varying requirements of projects throughout their life cycles:

- **Secured (direct) loan** - Offers flexible repayment terms and provides combined construction and permanent financing of capital costs. Maximum term of 35 years from substantial completion. Repayments can start up to five years after substantial completion to allow time for facility construction and ramp-up.

- **Loan guarantee** - Provides full-faith-and-credit guarantees by the Federal Government and guarantees a borrower's repayments to non-Federal lender. Loan repayments to lender must commence no later than five years after substantial completion of project.

- **Standby line of credit** - Represents a secondary source of funding in the form of a contingent Federal loan to supplement project revenues, if needed, during the first 10 years of project operations, available up to 10 years after substantial completion of project.

The amount of Federal credit assistance may not exceed 33 percent of total reasonably anticipated eligible project costs. The exact terms for each loan are negotiated between the USDOT and the borrower, based on the project economics, the cost and revenue profile of the project, and any other relevant factors. For example, USDOT policy does not generally permit equity investors to receive project returns unless the borrower is current on TIFIA interest payments. TIFIA interest rates are equivalent to Treasury rates. Depending on market conditions, these rates are often lower than what most borrowers can obtain in the private markets. Unlike private commercial loans with variable rate debt, TIFIA interest rates are fixed. Overall, borrowers benefit from improved access to capital markets and potentially achieve earlier completion of large-scale, capital intensive projects that otherwise might be delayed or not built at all because of their size and complexity and the market's uncertainty over the timing of revenues.

Any type of project that is eligible for Federal assistance through existing surface transportation programs (highway projects and transit capital projects) is eligible for the TIFIA credit program. An eligible project must be included in the applicable State Transportation Improvement Program. Major requirements include a capital cost of at least $50 million (or 33.3 percent of a state's annual apportionment of Federal-aid funds, whichever is less) or $15 million in the case of ITS. TIFIA credit assistance is limited to a maximum of 33 percent of the total eligible project costs.
To date, no project in **Arkansas** has received a TIFIA credit assistance. To date, no project in **Tennessee** has received a TIFIA credit assistance. To date, no project in **Mississippi** has received a TIFIA credit assistance.

**Community Development Block Grants (CDBG) - U.S. Department of Housing and Urban Development**

The Department of Housing and Urban Development provides Entitlement Communities Grants for the principal cities of Metropolitan Statistical Areas (MSAs), other metropolitan cities with populations of at least 50,000; and qualified urban counties with populations of at least 200,000 (excluding the population of entitled cities). CDBG funds may be used for activities that include, but are not limited to acquisition of real property; relocation and demolition; and construction of public facilities and improvements, such as water and sewer facilities, streets, neighborhood centers, and the conversion of school buildings for eligible purposes.

In FY 2013, the **Arkansas** state program received a CDBG total funding allocation of $24,213,373 in grants.

In FY 2013, the **Tennessee** state program received a CDBG allocation of $46,809,673 million in grants, of which, Memphis received $6,749,099 million in funding.

In FY 2013, the **Mississippi** state program received a CDBG total funding allocation of $28,054,205 in grants.

For specifics on which community received CDBG funds, go to the following webpage and click on the relevant state: [http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/about/budget/budget12](http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/about/budget/budget12)

An additional HUD program is Brownfields Economic Development Initiative (BEDI). BEDI is a competitive grant program used to spur the return of brownfields to productive economic reuse. BEDI grants must be used in conjunction with a new Section 108 guaranteed loan. Both Section 108 loan proceeds and BEDI grant funds are initially made available by HUD to public entities approved for assistance. The Section 108 Loan Guarantee Program is a source of financing allotted for the economic development, housing rehabilitation, public facilities rehab, construction or installation for the benefit of low- to moderate-income persons, or to aid in the prevention of slums.

**HUD Choice Neighborhoods Grants**

Choice Neighborhoods grants transform distressed neighborhoods and public and assisted projects into viable and sustainable mixed-income neighborhoods by linking housing improvements with appropriate services, schools, public assets, transportation, and access to jobs. A strong emphasis is placed on local community planning for access to high-quality educational opportunities, including early childhood education.

Choice Neighborhoods grants build upon the successes of public housing transformation under HOPE VI to provide support for the preservation and rehabilitation of public and HUD-assisted housing, within the context of a broader approach to concentrated poverty. In addition to public housing authorities, the initiative will involve local governments, non-profits, and for-profit developers in undertaking comprehensive local planning with residents and the community.
In the development of Choice Neighborhoods, HUD has focused on directing resources into three core goals:

1. Housing: Transform distressed public and assisted housing into energy efficient, mixed-income housing that is physically and financially viable over the long-term;
2. People: Support positive outcomes for families who live in the target development(s) and the surrounding neighborhood, particularly outcomes related to residents’ health, safety, employment, mobility, and education; and
3. Neighborhood: Transform neighborhoods of poverty into viable, mixed-income neighborhoods with access to well-functioning services, high quality public schools and education programs, high quality early learning programs and services, public assets, public transportation, and improved access to jobs.

Planning Grants
Choice Neighborhoods Planning Grants support the development of comprehensive neighborhood revitalization plans which focused on directing resources to address three core goals: Housing, People and Neighborhoods. To achieve these core goals, communities must develop and implement a comprehensive neighborhood revitalization strategy, or Transformation Plan. The Transformation Plan will become the guiding document for the revitalization of the public and/or assisted housing units while simultaneously directing the transformation of the surrounding neighborhood and positive outcomes for families.

In FY 2012, communities in 12 states and the District of Columbia received a total of $4.95 million in Choice Neighborhoods Planning Grants.

The 17 communities each received between $200,000 and $300,000 for the development of comprehensive plans aimed at revitalizing public and assisted housing and linking that revitalization to a broader neighborhood transformation. The plans will connect rehabilitation of distressed public housing with strategies to eliminate neighborhood blight by addressing community needs such as education, public transportation, and economic opportunities.

To date, only one Planning Grant has been awarded in Arkansas. In FY 2011, the Housing Authority of the City of Little Rock, received a Planning Grant of $300,000. The Housing Authority of the City of Little Rock (LRHA), with Quadel Consulting, will begin a comprehensive planning effort for a neighborhood that covers a two square mile area southeast of downtown. This area is affected by high crime, physical isolation, poor schools and suffers from a vacancy rate 3.6 times higher than the county rate. Over the course of 18 months, the partners will go through a planning process to examine how the distressed Sunset Terrace and Elm Street housing sites and the surrounding neighborhood can be transformed into a neighborhood of opportunity. LRHA aims to integrate this planning effort with several planning and redevelopment processes underway, including Department of Education’s Promise Neighborhoods Program, HUD’s Neighborhood Stabilization Program and HUD’s Preferred Sustainable Communities program.

To accomplish these goals, LRHA and Quadel will create a management and leadership team that will be responsible for driving these efforts forward. Once formed, various parties will be charged with gathering and analyzing information on resident and community demographics, housing conditions, the local educational system, public infrastructure needs, commercial market data, and community assets. These data points will be combined with qualitative input received from
stakeholder interviews, forums, and questionnaires. All this information will be used to develop a Transformation Plan that is achievable, leverages multiple sources of financing and engages stakeholders.

To date, only one Planning Grant has been awarded in Mississippi. In FY 2011, the Housing Authority of the City of Meridian received a Planning Grant of $242,500. The East End neighborhood is challenged with high crime, high vacancy rates, inadequate schools, poor health and nutrition among residents and deteriorated housing. The Housing Authority of the City of Meridian (MHA), working with Michaels Development, will create a plan for a safe, asset and amenity rich, walkable neighborhood with new replacement housing and high quality education, healthcare and social services for neighborhood residents.

The planning effort will work to bridge the gap between assets and needs. Efforts will include pairing a high capacity development team with the need for new housing; using local medical institutions to address the need for health and nutrition planning; and working with the Meridian Public School District to address the need for education reform. Additionally, the Meridian Medical District will work to address the need for job creation and improved transportation access. MHA will involve residents in the transformation planning in meaningful ways from concept through implementation. They will conduct people, housing and neighborhood needs assessments, engage the community and residents in education opportunity planning and provide capacity building and knowledge sharing opportunities.

Implementation Grants
In addition to the Planning Grants, the Choice Neighborhoods program also awards larger implementation grants to communities that have already completed the local planning process and are ready to implement their “Transformation Plan” to redevelop the neighborhood.
In FY 2012 HUD announced that 4 communities will receive a combined $108.9 million to redevelop distressed housing and bring comprehensive neighborhood revitalization to blighted areas.

The grantees were selected from nine finalists HUD announced in earlier in the year. Each of the finalists completed a comprehensive local planning process and ready to move forward with their plan to revitalize the housing and redevelop their target neighborhoods. Building on the successes of HUD’s HOPE VI Program, Choice links housing improvements with a wide variety of public services and neighborhood improvements to create neighborhoods of opportunity.

To date, awards have not been provided to Arkansas projects.

In FY 2012, the Kingsport Housing & Redevelopment Authority was the only awardee in Tennessee, and it received $300,000 in Planning Grant funds. In FY 2013, the Memphis Housing Authority submitted an application for an Implementation Grant; however, awards have not yet been announced.

To date, awards have not been provided to Mississippi projects.

*Brownfields Program - U.S. Environmental Protection Agency (EPA)*
If a property identified for acquisition or redevelopment is or might be a “brownfields” site, many programs and other benefits at the local, state and federal levels encourage its redevelopment. The
U.S. Environmental Protection Agency’s Brownfields Program provides direct funding to eligible entities for brownfields assessment, cleanup, revolving loans, and environmental job training. In addition, legislation signed into law in 2001 limits the liability of certain contiguous property owners and prospective purchasers of brownfields properties, and innocent landowners are also afforded liability benefits to encourage revitalization and reuse of brownfield sites. EPA’s brownfields program provides several types of grants:

- **Assessment Grants** provide funding for a grant recipient to inventory, characterize, assess, and conduct cleanup and redevelopment planning and community involvement related to brownfield sites. Eligible entities are states, local governments, regional planning and redevelopment agencies, and Indian tribes. An eligible entity may apply for up to $200,000 to assess a site contaminated by hazardous substances, pollutants, petroleum or contaminants co-mingled with petroleum, with a waiver up to $350,000 for site specific proposals. Such waivers must be based on the anticipated level of hazardous substances, pollutants, petroleum or contaminants (including hazardous substances co-mingled with petroleum) at a single site. Total grant fund requests must not exceed a total of $400,000 per applicant unless the applicant requests a waiver. Due to budget limitations, no entity may apply for more than $700,000 in assessment funding.

- **Remediation grants** are available for remediation of brownfield sites. These grants are limited to $200,000 per site, with no more than three applications per entity. There is a 20 percent cost-share. Eligible entities are the same as listed above, with the addition of NGOs, who are eligible to apply, but must have site control of the property. One site may qualify for two grants if pollutants include petroleum and non-petroleum contaminants.

- **Revolving Loan Fund grants (RLF)** provide funding for a grant recipient to capitalize a revolving loan fund to provide sub grants to carry out cleanup activities at brownfields sites. Grants may be awarded up to $1 million per eligible entity, or a group of eligible entities, with a 20 percent cost share and a five-year time frame for completion. Eligible entities are the same as those listed under assessment grants.

- **Brownfields Area-Wide Planning grants** may be used by communities to facilitate community involvement in developing an area-wide plan for brownfields assessment, cleanup and subsequent reuse on a catalyst site and other high-priority brownfield sites. Each grant is funded up to $200,000 for two years.

- **Technical Assistance to Brownfields Communities grants** provide technical assistance to communities. The EPA awards of up to nine (9) cooperative agreement(s). Grants awarded under the Technical Assistance to Brownfields Communities (TAB) announcement will help communities tackle the challenge of assessing, cleaning up and preparing brownfields sites for redevelopment, especially underserved/rural/small and otherwise distressed communities. Technical assistance being provided through this grant should also be geared toward results and help to move brownfields sites forward in the process toward cleanup and reuse. The maximum value of each grants will be based on the technical assistance being provided

Annual grants are announced in approximately October of each calendar year.

**Environmental Justice Small Grants - U.S. Environmental Protection Agency (EPA)**

Environmental Justice Small Grants support efforts aimed to ensure equal environmental and health protections for all Americans, regardless of race or socioeconomic status. The program assists recipients in building collaborative partnerships to help them understand and address environmental
and public health issues in their communities. Successful collaborative partnerships involve not only well-designed strategic plans to build, maintain and sustain the partnerships, but also working towards addressing the local environmental and public health issues. The grants enable non-profit organizations to conduct research, provide education and develop solutions to local health and environmental issues in communities overburdened by harmful pollution. Successful past projects have addressed air quality, water quality, pollution, urban agriculture, and toxic substance abatement. Grant awards are up to $30,000 and no cost-sharing is required.

To date, awards have not been provided to Arkansas projects.

In Mississippi, in FY 2013, Caffee, Caffee & Associates Public Health in Hattiesburg received $30,000 to support the Mississippi Environmental Justice Advocates Project, which seeks to reduce asthma rates attributable to secondhand smoke by educating communities about the damaging health effects of secondhand smoke as an in-door pollutant and encourage residents to eliminate secondhand smoke from their homes and cars. Through a series of outreach activities including partnerships with area faith-based organizations, residents will be empowered to make behavioral changes that will help to eliminate pollution, decrease incidences of asthma, improve living conditions and increase environmental stewardship.

In Tennessee, in FY 2013, the Community Development Corporation of Greater Memphis, received $30,000 in funding for its "Livable Memphis’ REAL Places” plans to address the negative effects of urban sprawl and automobile dependence in inner-city neighborhoods in Memphis. Through a series of workshops, area residents will research their neighborhood's development patterns and learn how air pollution has resulted in disproportionate rates of asthma and economic disparity. Workshop participants will apply their knowledge through an environmental assets and liabilities survey of their neighborhood. Accordingly, residents will analyze their survey results and learn skills to advocate for change by organizing neighborhood campaigns to convert current liabilities into assets.

**The National Endowment for the Arts - Our Town Grants**

Through the Our Town program the National Endowment for the Arts provides a limited number of grants, ranging from $25,000 to $200,000, for creative placemaking projects that contribute toward the livability of communities and help transform them into lively, beautiful, and sustainable places with the arts at their core. The grants are invested in creative and innovative projects in which communities improve their quality of life, encourage greater creative activity, foster stronger community identity and a sense of place, and revitalize economic development.

Projects may include arts engagement, cultural planning, and design activities. Arts engagement projects support artistically excellent artistic production or practice as the focus of creative placemaking work. Cultural planning projects support the development of artistically excellent local support systems necessary for creative placemaking to succeed. Design projects that demonstrate artistic excellence while supporting the development of environments where creative placemaking takes place, or where the identity of place is created or reinforced.
All applications must have partnerships that involve two primary partners: a nonprofit organization and a local governmental entity. One of the two primary partners must be a cultural (arts or design) organization. Additional partners are encouraged.

To date, **Arkansas** localities received a total of $175,000 in grant awards. In FY 2011, the City of Little Rock received $75,000 to support the design phase for a creative cultural corridor on Main Street. Plans, elevations, and renderings will be developed for mixed-use buildings on Main Street that will host space for nonprofit art organizations and offer affordable housing for artists. And in FY 2013, the City of Fayetteville was awarded $100,000 to support creative streetscape design and public art along School Avenue in downtown Fayetteville. The University of Arkansas Community Design Center, led by architect Steven Luoni, will design a unique pedestrian-focused, ADA-compliant streetscape that provides a critical route between cultural and entertainment venues in the district including the Walton Arts Center (WAC), Fayetteville Public Library (FPL), and the city's largest public housing center for seniors. Artist Stacey Levy will collaborate to create ecologically-themed public art elements that are fully integrated into the new streetscape. Project leadership will be provided by the City of Fayetteville and Walton Arts Center, who believe that the incorporation of functional art into municipal infrastructure will encourage quality mixed-development investment from the private sector and greater pedestrian activity in the area.

Between FY 2011 and FY 2013 **Tennessee** localities received a total of $450,000 in grant awards. In FY 2011 the City of Memphis received $100,000 to support the ongoing development of artist live/work space in the South Main Arts District. Project activities included finalization of conceptual plans and schematic designs.

To date, **Mississippi** projects received a total of $250,000 in grant awards. In FY 2011, the Mississippi Museum of Art in Jackson received $150,000 to support educational programming, performances, and related activities for the new Art Garden. In FY 2012, the Arts Center of Mississippi in Jackson received $75,000 to support arts programming, public art, creative entrepreneurship, and branding initiatives to develop the Midtown Arts District. The project will deliver business assistance training to creative entrepreneurs, encourage stronger relationships between the arts and business community, and develop an arts identity for the district through public art works and branding. In FY 2013, Mississippi State University received $25,000 to support the design of the Jim Henson Creative Park in Leland, Mississippi. Landscape architect Robert Poore of Native Habitats will design a park in the public space along Deer Creek, connecting Jim Henson's childhood home with the City of Leland's elementary school. Mississippi State University’s Department of Landscape Architecture and Stennis Institute of Government, City of Leland, and the Henson Museum of Leland will partner to host a series of public workshops that will engage the community in the park design.

**The National Endowment for the Arts - Art Works Grants**

"Art Works" refers to three things: the works of art themselves, the ways art works on audiences, and the fact that art is work for the artists and arts professionals who make up the field. To make "art work," the NEA has included the advancement of innovation as a core component of its mission as a way to ensure the vitality of the arts.

Through the projects that NEA supports in the Art Works category, the agency wants to achieve the following four outcomes:
• **Creation:** The creation of art that meets the highest standards of excellence,
• **Engagement:** Public engagement with diverse and excellent art,
• **Learning:** Lifelong learning in the arts, and
• **Livability:** The strengthening of communities through the arts.

Partnerships can be valuable to the success of projects. While not required, applicants are encouraged to consider partnerships among organizations, both in and outside of the arts, as appropriate to their project.

NEA is interested in projects that extend the arts to underserved populations – those whose opportunities to experience the arts are limited by geography, ethnicity, economics, or disability. This is achieved in part through the use of Challenge America funds. Grants generally will range from $10,000 to $100,000. Grants of $100,000 or more will be made only in rare instances and only for projects that the Arts Endowment determines demonstrate exceptional national or regional significance and impact. In recent years, well over half of the agency's grants have been for amounts less than $25,000.

All grants require a nonfederal match of at least 50 percent. For example, if an organization receives a $10,000 grant, the total eligible project costs must be at least $20,000 and the organization must provide at least $10,000 toward the project from nonfederal sources.

**Arkansas** has only received one Art Works grant to date. In FY 2013, the University of Arkansas received $30,000 to support an urban design plan for an arts district in downtown Fayetteville, presented by the University of Arkansas Community Design Center. University of Arkansas Community Design Center will host a series of community workshops to gather public input, prepare streetscape and urban design renderings for the district, identify sites for outdoor performing arts space, and explore the potential for development of artist housing.

For FY 2012 and FY 2013 projects in **Tennessee** received funding totaling $845,500.

**Mississippi** has only received one Art Works grant to date. In FY 2012, the Ohr-O'Keefe Museum of Art in Biloxi received $34,000 to support the exhibition, "George Edgar Ohr: Apostle of Individuality." Designed to be installed in the Knight Gallery, the final of five Frank Gehry-designed buildings on the four-acre campus, the exhibition will include works by Mississippi ceramic artist George Ohr on loan and from the museum's collection.

**Community Transformation Grants - Centers for Disease Control and Prevention**
The Centers for Disease Control and Prevention (CDC) continues its long-standing dedication to improving the health and wellness of all Americans through the Community Transformation Grant (CTG) Program. CDC supports and enables awardees to design and implement community-level programs that prevent chronic diseases such as cancer, diabetes, and heart disease.

CTG supports state and local government agencies, tribes and territories, nonprofit organizations, and communities across the country. From the Prevention and Public Health Fund (PPHF) of the Affordable Care Act and the Fiscal Year 12 Consolidated Appropriations Act, the program will support two-year projects to address health disparities in communities of up to 500,000 people. The Community Transformation Grant (CTG) program supports State and local governmental agencies...
and community-based organizations in the implementation, evaluation, and dissemination of evidence-based community health activities in order to reduce chronic disease rates, prevent the development of secondary conditions, address health disparities, and develop a stronger evidence-base of effective prevention programming. The overarching purpose of this program is to prevent heart attack, stroke, cancer, diabetes and other leading chronic disease-related causes of death or disability through a variety of “policy, environmental, programmatic, and, as appropriate, infrastructure” interventions to promote healthier lifestyles.

Applicants propose activities in one or more of the following Strategic Directions: 1) Tobacco-free living; 2) Active living and healthy eating; 3) Quality clinical and other preventive services; 4) Social and emotional wellness; and 5) Healthy and safe physical environment. Coordination: Applicants should coordinate with multiple sectors in their area as appropriate for the interventions they will implement, such as public health, transportation, education, health care delivery, agriculture and others. If the applicant is not from the public health sector, a public health agency or organization should be included as a collaborator.

Matching Funds: Although there is no statutory match requirement for this program, leveraging other resources and related on-going efforts to promote sustainability are strongly encouraged. Examples include complementary foundation funding, other US government funding sources including programs supported by the Department of Health and Human Services and other agencies.

Intervention Population: The FY 2012 CTG program will support key evidence based program, policy, and infrastructure improvements in communities with populations up to 500,000 (such as small cities or towns), geographically distinct neighborhoods (with a designated Census tract), subpopulations of larger jurisdictions (such as school districts), selected populations (such as seniors or children), and tribes, including in rural and frontier areas.

In 2011, CDC awarded $103 million to 61 state and local government agencies, tribes and territories, and nonprofit organizations in 36 states, along with nearly $4 million to 6 national networks of community-based organizations. In 2012, CTG was expanded to support areas with fewer than 500,000 people in neighborhoods, school districts, villages, towns, cities, and counties to increase opportunities to prevent chronic diseases and promote health. In an effort to reach more people, approximately $70 million was awarded to 40 communities to implement broad, sustainable strategies that will reduce health disparities and expand clinical and community preventive services that will directly impact about 9.2 million Americans. The expansion of CTG ensures that more Americans will benefit from healthier environments and have access to healthier options.

Arkansas did not receive funding during the FY 2011/FY 2012 cycles. Tennessee did not receive funding during the FY 2011/FY 2012 cycles. Mississippi did not receive funding during the FY 2011/FY 2012 cycles.