

# Dakota County Parks and Open Space Revenue Options

*Findings and Recommendations for Consideration*

October, 2009





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***Bridging today and tomorrow with planning and analysis to improve residents' lives and their government.***

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# Executive Summary

## Background and Purpose

In 2009, the Dakota County Board of Commissioners included among their annual goals a specific goal for generating parks revenue, which is to *increase non-County transportation and parks and open space funding by pursuing other governmental funding sources, fee-based revenue, land owner donations, grants, and philanthropic opportunities.* The Board has charged the Parks and Open Space Department with identifying potential revenue options to help support and stabilize future funding for Parks and Open Space.

The purpose of this project was to explore three revenue areas within the Board goal for Parks and Open Space operation and management. These include: grants, fee-based revenue, and philanthropic opportunities. Within each, specific methods of generating revenue have been further defined below.

1. Grants:
  - a. Federal, state, and regional grants
  - b. Private foundation grants
2. Fees:
  - a. Admit fee (also known as an entrance fee, typically administered as a vehicle pass)
3. Philanthropy:
  - a. Sponsorship and Naming Rights (private partnerships for mutual benefit)
  - b. Events (fundraising or promotional events that generate interest and potential revenue)
  - c. Donations (all types, including memorials, bequests, and honorary)
  - d. Foundation (specific 501(c)3 organization established for the purpose of fundraising)

These revenue streams were identified for this project because they represent either areas not previously explored by Dakota County or areas where potential to expand current capacity is believed to exist. However, the revenue potential from these options is still minor in comparison to traditional and more common sources of parks funding from governmental approaches such as property taxes, special assessment districts, sales and use taxes, bonds, and tax increment financing.<sup>1</sup>

## Findings

### Benchmarking

Benchmarking data demonstrate that Dakota County generally functions with a smaller operating budget and staff than other county park departments, but serves a larger population. This poses both challenges and opportunities for revenue generation. Strategic planning and partnering help maximize limited resources, while diversifying revenue approaches tap the potential interest of the population.

### Admit Fees

Admit fees are not currently in place in Dakota County, although they have been previously discussed. Among Twin Cities Metro counties, a mixed approach is currently in place, with three counties administering such a fee and four counties not doing so. The primary benefit to an admit fee is the immediacy of its revenue potential and its relative stability as a funding source, as well as potential ease of

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<sup>1</sup> Hopper, Kim. Increasing Public Investment in Parks and Open Space, Volume I of Local Parks, Local Financing. Trust for Public Land, 1998. Online Resource: [http://www.tpl.org/tier2\\_cl.cfm?folder\\_id=825](http://www.tpl.org/tier2_cl.cfm?folder_id=825).

administration once the policies and procedures are in place. However, considerations against an admit fee are the concerns about public access to parks (despite methods to mitigate economic hardships for potential users), the need to balance admit revenue with other potential fees, and the costs of administering the admit fee. From local benchmarking, Dakota County might be able to realize \$200-400,000 in annual revenue from an admit fee, but would likely need 2-3 partial FTEs to support the infrastructure and would also likely have to mitigate some existing user fees currently generating revenue.

## Philanthropy

Philanthropy as a revenue source for parks has good potential, but it takes time and consistent effort. Two components of philanthropy for Dakota County—the new Friends group and regional Foundation—are just getting off the ground and will require additional time to assess their potential and overall effectiveness in revenue generation. From a national perspective, both of these philanthropic endeavors are gaining momentum as revenue sources for parks.

Corporate sponsorship is also gaining momentum nationwide, and has a wide range of potential depending upon the amount of time and effort dedicated to cultivating such sponsorship and the opportunities and interest that exists in the local community. Similar to admit fees, corporate sponsorships require deliberation on the importance of maintaining the public domain, and Dakota County would need to develop the policies that support whatever balance is ultimately desired.

Donations and events also have revenue potential over time, but are most likely smaller in overall dollars generated and also require ongoing dedicated effort. Donations of physical items (trees, benches, and so on) also bring the burden of management and maintenance and policies, so clearly articulating parks responsibilities through policy is important to a successful program. Events in Dakota County are currently limited in space and amenities available, but there is potential to enrich options over time. Specifically, Dakota County can further assess the options and cost benefit for hosting its own events and allowing others to use parks for events, where there is interest and capacity to do so.

## Grants

Dakota County currently monitors and applies for grant opportunities to foster parks and open space, and this should continue to be a priority. However, it is important to keep expectations reasonable, as options are limited for general operations support of parks through grants.

## Recommendations

1. Develop philanthropy as a continuum of options and partnerships, rather than discreet choices. Parks entities nationwide that emphasize philanthropy capitalize on the synergy among the options and players. In Dakota County, both the new Friends group and the regional foundation could become key partners in soliciting donations and hosting events. Although events likely bring in small amounts of money, at least initially, they provide useful exposure for parks and could generate momentum over time. Developing one or more trial events with partners would be an effective way to explore this future potential. Corporate sponsors can also support events financially as well as with in-kind support. A more formal donations policy and program, that specifies priority donations desired by parks, would also focus donor potential. Communications support is also important to developing philanthropic opportunities through exposure. A recent example of this support is the 2010 calendar featuring Dakota County parks and open space, which has a goal of bringing in more than \$30,000 in revenue.

2. Establish the necessary framework to implement corporate sponsorship opportunities.  
Although it would be a departure from Dakota County's historical approach to the issue, corporate sponsorship likely has the best revenue *potential* over time, and can address needs in the areas of both operational and capital revenues. However, sponsorship requires careful planning and cultivation of potential sponsors so it takes time to develop a program, but in the short-term, the need for a sponsorship policy should be addressed. Numerous agencies nationwide have experimented enough with requests for proposals, policies, and other infrastructure to glean best practice, as tailored to the needs of Dakota County. Public input is also important before implementing corporate sponsorship programs, but national examples do not show negative public reaction to be a significant prohibiting factor.
  
3. Define and document circumstances under which admit fees would be considered in the future.  
Admit fees, although they generate stable and possibly considerable annual revenue, and revenue is realized *immediately upon institution*, are a potentially larger departure from past policy and practice at Dakota County. Once admit fees are decided upon, it is difficult to test them in a limited fashion, because the universal application is an inherent in fairness. In addition, admit fees will likely inhibit some growth in other user fees and require staff administration time, so their revenue potential has implications on other aspects of parks programming. For this reason, they may be less desirable than philanthropy. However, because of the stability that they bring in revenue, it is important to consider whether there is a threshold at which an admit fee would be considered a significant revenue source in the future.

The research and report found that there is potential to expand the revenue capacity of Dakota County's parks and open spaces using the specific methods reviewed. However, matching the pace of such revenue development to organizational capacity will be important to ensure long-term effectiveness and sustainability.

# I. Background Information

## Introduction

Dakota County’s park system currently includes 5,060 acres, six parks, and three regional trails. More than half of County residents live within three miles of a County park, such as Lebanon Hills, Lake Byllesby, Thompson, Spring Lake, Miesville Ravine, or a 460-acre regional park in Empire Township, currently in the planning phase. Almost 900,000 park visits take place annually.

During the development of the Dakota County 2030 Parks System Plan, finalized in April 2008, goal 23 was to “identify revenue and fundraising targets.” Objectives under this goal included:

- Balance private rental uses with general public use for all facilities in the system that have rental potential.
- Regularly evaluate opportunities to expand revenue generation from non-basic recreation activities.
- Define cost recovery goals for education programs, fee-based public events, and fee-based recreational uses to develop appropriate revenue generation guidelines.
- Consider future opportunities for enterprise facilities that fit well within the Parks Mission and Vision, meet public demand, and can be operated in a cost effective manner.
- Work with a new Parks Foundation to establish a fundraising program to include a general fund for all park purposes, as well as targeted funds.

In 2009, the Dakota County Board of Commissioners included among their annual goals a specific goal for generating parks revenue. The Board has charged the Parks and Open Space Department with identifying potential revenue options to help support and stabilize future funding for Parks and Open Space.

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*2009 Board Goal #13: Increase non-County transportation and parks and open space funding by pursuing other governmental funding sources, fee-based revenue, land owner donations, grants, and philanthropic opportunities.*

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## Purpose

The purpose of this project is to explore three revenue areas within the Board goal for Parks and Open Space operation and management. These include: grants, fee-based revenue, and philanthropic opportunities. Within each, specific methods of generating revenue have been further defined below.

4. Grants:
  - a. Federal, state, and regional grants
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  - d. Foundation (specific 501(c)3 organization established for the purpose of fundraising)

These revenue streams were identified for this project because they represent either areas not previously explored by Dakota County or areas where potential to expand current capacity is believed to



exist. However, the revenue potential from these options is still minor in comparison to traditional and more common sources of parks funding from governmental approaches such as property taxes, special assessment districts, sales and use taxes, bonds, and tax increment financing.<sup>2</sup>

For each area of revenue potential explored, the project:

1. Analyzes the potential for revenue generation, including estimated targets where possible;
2. Recommends best fit models in Dakota County for further strategy development; and
3. Analyze the strengths and challenges of existing policies, staffing capacity and practice needed to successfully implement potential revenue strategies.

## Methodology

The methodology for the project included benchmarking through surveys of selected county and city Parks Departments nationwide, targeted contact to those with programs and revenue options of particular interest, and general literature searching.

## Funding Profile: Parks Operations and Maintenance

In 2008, Dakota County Parks Department had an annual operations and maintenance budget of \$3.8million, the majority of which comes from County tax levy. Revenue generation has been, to date, only a supportive source of funding in this area, at approximately \$780,000 in 2008.

One important source of revenue currently is user fees generated through park patronage, which generated almost \$600,000 in 2008. User fees include rentals of facilities, campgrounds, and equipment; permits and passes for activities, such as ski passes or dog park permits; and program registration, such as educational classes and parties. Total user fees have increased as a revenue source by more than 30% since 2004, due to fee increases and additional fees. In addition to user fees noted above, one enterprise facility, a rental ropes course, generated an additional \$2,000 in revenue in 2008. Dakota County presently charges user fees for nearly every type of “special use” which happens in the park and reviews these fees annually. Incremental and market-based adjustments are made within legal limits and reflect at least 75% of market rate. For these reasons, user fees were not considered a necessary part of this research project.

External to the County, the Metropolitan Council oversees acquisition and development of regional parks, operated by ten partnering cities, counties and special districts. The Council allocates funds for ongoing acquisition and development of the parks system, as well as funds to cover a small share of the cost of parks operation and maintenance (in 2007, the figure was \$8.62 million or 10% of the money spent by the 10 park agencies for this purpose). The typical O&M allocation for Dakota County ranges from \$100,000-200,000 annually and is based on a formula derived from visitor data and has historically been put into the CEP program, rather than the operations and maintenance budget.

The six revenue options targeted in this report-grants, admit fees, sponsorship, events, donations, and fundraising foundation- currently generate little or no revenue for Dakota County Parks, as outlined below.

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<sup>2</sup> Hopper, Kim. Increasing Public Investment in Parks and Open Space, Volume I of Local Parks, Local Financing. Trust for Public Land, 1998. Online Resource: [http://www.tpl.org/tier2\\_cl.cfm?folder\\_id=825](http://www.tpl.org/tier2_cl.cfm?folder_id=825).

- Donations are accepted on a voluntary basis through passive collections boxes, and have ranged from \$150 to \$2100 annually since 2002, averaging \$700 annually. However, in 2009, the County Board of Commissioners approved Forever Wild Friends of Dakota County. Friends will be managed by county staff and offer tax-deductible memberships and volunteer opportunities. Suggested membership donations will begin \$25 annually. In exchange, Friends will receive invitations to special events or other promotions. Revenue targets have not yet been set for the Friends of the Parks program.
- Grants beyond those already mentioned above are monitored regularly and pursued. Resources applicable to county parks have been identified. In 2008, a state Clean Water, Land and Legacy Amendment was passed and increased the state sales tax by 3/8 of a percentage point to fund projects benefitting arts, culture and the outdoors. Dakota County is anticipated to receive approximately \$1,988,000 in 2010-2011 from the parks and trails portion of the Land and Legacy Amendment, and another \$1M for habitat protection and restoration from the Lessard-Sams Outdoor Heritage Council.
- Dakota County has never charged an admittance fee to its parks, although the option was discussed during the 2007 park system plan and was determined to be a less favorable approach.
- Sponsorship, in the form of partnerships with private/corporate entities has been pursued very minimally on a case-by-case basis as an opportunity arises, but no policy or program exists. There is currently no sponsorship policy in Dakota County.
- Events sponsored by the Parks Department are also periodic and generate little revenue to date. Events hosted by others within the parks have not previously been implemented.
- Dakota County does not currently have a fundraising foundation, although this option was considered recently alongside the Friends of the Parks concept, now approved. However, in 2008, a regional Parks Foundation was authorized by the state legislature and formed by the Metropolitan Council. This non-profit partner for the Twin Cities regional park system, of which Dakota County is a part, will raise funds and accept donations for park acquisition or small capital projects. Stated revenue goals for 2009 through 2011 are between \$345,000 and \$640,000, derived from gifts/grants, membership fees, and events.<sup>3</sup> Specific fundraising methods are still in development and it is unknown how much Dakota County might benefit from this new Foundation.

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<sup>3</sup> Metropolitan Council, Regional Parks Foundation of the Twin Cities Area. *Report to the Minnesota Legislature fulfilling 2007 Minnesota Law, Chapter 113, Section 17.* January 15, 2009.

## II. Findings

### Benchmarking

Gathering comparative data on other park departments is an important tool to help gauge the current status and best course of future action for Dakota County. Two benchmarking surveys are summarized here: the first is a national survey released in July, 2009 by the National Recreation and Park Association (NRPA) called the “2009 Operating Ratio Study.” The second is a survey conducted for this report, also in July, 2009, tailored to specific revenue streams and park systems of interest.

### NRPA Survey

The NRPA survey was sent to approximately 3,100 NRPA members in early 2009, with 679 agencies responding. Its purpose is to provide accurate, complete, and up-to-date data for the parks and recreation profession to allow easy comparison of operations among peers. For the purposes of this study, it provides some useful contextual and background information. Of the respondents, 15% were County-based, while the majority of respondents (68%) were municipal, and the remaining 15% were special districts. This breakdown allows for comparison most directly with those respondents who also represent County park systems, as shown below.

Table 1.

	<i>Population</i>	<i>Jurisdiction Square Miles</i>	<i>Acres of Land owned by agency</i>	<i>Land developed for recreation</i>	<i>Number of parks/sites maintained</i>	<i>FTEs for parks (full- time 2008)</i>	<i># of Volunteers</i>
<i>All county survey respondents (median figures)</i>	200,000	516	1,600	57.5%	23	40	256
<i>Dakota County</i>	390,000	587	5,100	23%	10	36	100

Also, from the NRPA survey, comparison to median figures of all county survey respondents is in Table 2.

Table 2.

	<i>Agency operating expenses (2008)</i>	<i>Agency Revenue (2008)</i>	<i>Revenue as % of operating expenses (2008)</i>	<i>Agency Revenue per capita</i>	<i>Agency Revenue (budgeted 2009)</i>	<i>Revenue % change from 2008 to 2009</i>
<i>All county survey respondents (median figures)</i>	\$4.3 million	\$1.8 million	28%	\$6	\$2 million	1.1%
<i>Dakota County</i>	\$3.35 million	\$778,000*	23%	\$2	\$762,000 million	-2%

\*Does not include County levy.

## Dakota County Benchmarking Survey

In order to specifically capture the revenue options of most interest for this study, 25 park entities across the country were contacted to invite them to complete an online survey between June and early August, 2009. Of the 25 invitees, 13 agreed to complete the survey and 10 entities ultimately answered the survey, either partially or completely. These 10 agencies represent nine counties and one large city. Facts about survey respondents are summarized below. Additional summary information for each responding agency can be found in Appendix A.

Some of these data overlap with information gathered through the NRPA survey, but those surveyed specifically for this study are directly more comparable to Dakota County in their basic infrastructure.

Table 3.

	<i>Population Served</i>	<i>Jurisdiction Square Miles</i>	<i>County/City Budget</i>	<i>Parks Budget 2008</i>	<i>Parks Department Employees</i>
<i>Survey Respondents (median figures)</i>	374,000	593	\$263 million	\$9 million	77
<i>Dakota County</i>	390,000	587	\$300 million	\$3.85 million	50.28

Beyond basic jurisdiction and park information, the survey inquired about specific revenue streams, revenue amounts, policies to support revenue options, and past and future consideration or implementation of the revenue streams presented. Data are shown in Table 4 below.

Table 4. Revenue Streams Currently Used by Parks Agencies Surveyed

	<i>Admit Fee</i>	<i>Special Events hosted by agency</i>	<i>Events hosted by others on park land</i>	<i>Donation program</i>	<i>Sponsorship</i>	<i>Foundation</i>
<i>Yes</i>	4	5	5	6	2	3
<i>No</i>	3	2	2	1	5	4
<i>If yes, a supporting policy exists for this strategy</i>	4	5	5	5	0	1
<i>If yes, annual revenue generated (median)</i>	\$450,000	\$18,500	\$375,000 (1 reporting)	\$12,500	None reported	\$10,000 (1 reporting)
<i>Annual revenue as % of median agency budget</i>	5%	.2%	N/A	.1%	N/A	N/A

Events and donations are the most commonly used revenue streams, among the options presented. Admit fees and foundations were strategies being used, but were not necessarily the “norm” among this small sample. Sponsorship was the least used of the strategies presented. These findings on sponsorship correlate to general research highlighted in the next section of the report, which suggests that sponsorship is still a new and more complex strategy being considered by public parks departments nationwide. Where a revenue strategy is being implemented, the park department usually has a written policy that outlines and supports the parameters of the strategy. One notable exception to this is that neither of the two agencies reporting sponsorship as a revenue stream reports any policies in place or give any revenue figures, perhaps because the concept is still in development.

In terms of revenue, admit fees have the most potential for revenue among the agencies surveyed. Special events (e.g., fundraisers to benefit the agency itself) and donations have very minor revenue potential overall. Not enough data were gathered on events hosted by others within the parks, sponsorship, or foundations to make any relevant comparison regarding percent of total budget.

## Summary

From benchmarking data, the following information is useful for analyzing Dakota County’s overall potential relative to others:

- In national comparison of counties, Dakota County manages a small amount of land developed for recreation and actual park sites, but serves a larger population with approximately equivalent staff. This might pose challenges in sufficiently staffing programs and opportunities specifically intended to reach the general public and generate revenue from them, such as fundraising and other events, donations programs, and corporate sponsorship development and management. However, a larger jurisdiction also theoretically provides greater opportunity to tap personal resources to support parks priorities. In addition, there is opportunity to increase volunteerism in Dakota County, perhaps partially in support of the aforementioned revenue generation strategies.
- Dakota County’s current revenue as a percent of operating expenses (23%) is less than the median reported by all responding counties for 2008 (28%). According to respondents, the 28% represented a decrease from 38.6% in 2005, and revenue was projected to increase to 36.5% for 2009, making Dakota County’s revenue projections even smaller in comparison. The projected increase on the part of other counties might signal either anticipated economic recovery to stimulate revenue, continued economic challenges leading to more local travel and recreation and therefore local revenue, deliberate effort to generate revenue to offset decreasing budgets in parks departments, or some combination of factors therein. Dakota County does have opportunity for increased revenue, from methods beyond its County levy dollars.
- From benchmarking to directly comparable counties, Dakota County has a smaller operating budget and fewer employees. While only a very few of the comparable counties generated large amounts of revenue from the methods asked about in the survey, most were implementing at least one method of revenue generation not currently used by Dakota County (or to a very limited extent), suggesting opportunities for increased diversity in revenue streams (as well as dollar amounts), while factoring in Dakota County’s smaller budget and staff.

## Revenue Option Findings and Case Studies

This section will delve into more detail on each of the five revenue generating methods researched for this report: admit fees, sponsorship, and philanthropy through donations, events, and foundations.

### Admit Fees

Admit, or entrance fees, are typically charged when a vehicle arrives at the entrance to a park and are facilitated through annual and/or daily park passes that patrons purchase. Admit fees do not typically apply to persons who arrive at the park on foot or by bicycle. A synopsis of pros and cons to admit fees is found below.

Table 5.

Pros	Cons
Once in place, is an option that is fairly easy to manage year to year.	Requires staffing to administer the permit program and monitor its efficacy.
May make it easier to predict future revenue than some other options.	Public reception can be negative, especially if other user fees are also in place.
Facilitates data collection on number of park users.	Should be balanced with opportunity to assure public access to parks for those unable to pay the admit fee.

Parity with other parks in proximity to Dakota County is important in considering admit fees, because of the public perception of fairness and also the possibility that the public might decide to drive a little farther to use parks without such a fee. That said; currently three park systems in the Twin Cities area do have an admit fee, while the remaining do not. Profiles of these three entities are shown below.

Table 6.

Park System	Fee	Reciprocity	Annual Revenue From passes	Annual Visits*	Staff**	Relation to User Fees
Washington County	\$25 annual/ \$5 daily	Yes, with Anoka and Carver	\$500,000 (25% of budget)	1,158,400	No full FTEs	Do not charge for most other programs
Anoka County	\$25 annual/ \$5 daily	Yes, with Washington	\$450,000 (10% of budget)	3,280,700	No full FTEs	Keep user fees competitive despite admit fee
Carver County	\$22 annual/ \$5 daily	Yes, with Washington and Anoka	\$135,000	265,000	No full FTEs	Have few user fees, may not require park pass when user fees in place, charge less for campgrounds
State of Minnesota	\$25 annual/ \$5 daily	None	\$2-3 million (~20% of budget)	8.4 million	Very few full FTEs	Fees stable or lowered in recent years to keep in balance with camping and other fees

*\*Annual visits are estimated by the Metropolitan Council. Figures in Table are for 2008. Dakota County had an estimated 879,600 visits in that same year.*

*\*\*Each agency reports using a variety of staff to manage its admit fee process. Anoka and Washington County estimate approximately 3 FTEs contribute to the process, such as through staff in accounting, gate superintendents, and seasonal parks workers. Carver County also uses a mix of staff, including seasonal staff at gate houses, administrative staff for honor boxes, and Sheriff's deputies for monitoring passes. They estimate \$24,000 in expenses for seasonal gatehouse staff in 2008. The State of Minnesota has numerous staff involved in admit fee activities, but most also have other duties that they would fulfill even without admit fee tasks. With the creation of new state legacy funds benefiting parks, the State of Minnesota is reviewing the admit fee, given the administration required to maintain it and the limitations it puts on first time contact with potential users/customers.*

In contrast to these three park systems, Three Rivers Park District dropped its patron pass (admit fee) in 2005. This decision was considered a bellwether, because of the size of the park system—27,000 acres, 20 sites, and more than 5.5 million annual visitors-in parks in Hennepin and Scott County, as well as facilities in five other counties, including Dakota. As a result of this decision, however, the District did not experience significant revenue drops. In fact, the number of persons paying user fees for other recreational opportunities has increased. For 2008, revenue from charges for services (user fees) comprised 89.3% of business-type activities, which include a ski facility and two golf courses and business-type revenues increased 6% over 2007. In addition, the number of persons entering the parks on foot or bike trails has also increased, which would have been revenue neutral under the patron pass system. The District continues to charge some parking fees for trailers/boats and buses/tours, however.

In the City of Minneapolis, there is no admit fee, per se, but approximately 100% of parking spaces in Minneapolis regional parks are pay (either designated with signage, pay boxes, or meters). Since 2002, patrons can purchase an annual pass for \$34 (\$27 for seniors), which can be used at almost all park facilities. The hourly rate was increased minimally in 2009, for the first time since 2002. A \$40 fine is administered by the City for vehicles parked in the reserved spaces without the appropriate pass or fee paid. For first time offenders, it is possible to convert the fine to an annual \$34 pass. All of the fines collected stay within the Park Board's general fund. Special fees are also assessed to certain types of vehicles for use of the parkway (e.g., tour buses, carriages, limousines), but these do not apply to cars, bikes, or pedestrians.

### **Access**

To address the concern of ensuring access for all residents to a public park system, the Cascade Policy Institute suggests possible options for park systems, such as regular or periodic free or discount days. This approach is used commonly among museums across the county. For parks, the City of Chicago instituted a fee for admit to a recently upgraded skating rink, but set a policy of 40% of hours, in periods of lower demand, that would be free of charge.

Options for directly subsidizing the costs to patrons include: coupons or vouchers for free or reduced admission with advertisement by business sponsors, opportunities to volunteer in exchange for admission, or sliding scale fees based on self-assessment of the park patron. In the Twin Cities, Carver County offers a pass assistance program run by its Social Services Department. The Department sends out annual letters to clients, who have the opportunity to buy an annual pass for \$5, rather than the

standard \$22 fee. Participation in the program has averaged about 12-15% in response to the offer. Carver also allows park users to apply daily fees toward an annual pass, if they decide to purchase one.

### *Summary*

None of the park systems in the Twin Cities report significant problems with public perception of the admit fees nor with administering them, but their programs have been in place for multiple decades. When considering admit fees (or any user fees), the Trust for Public Land recommends the following preventative measures to mitigate any potential negative reaction by the public:

1. Provide high quality facilities and amenities and complete necessary upgrades before implementing a new fee. Explain fees and budgetary realities faced by the park system.
2. Highlight the value by comparison to activities such as movies, professional sports, or museums.
3. Provide alternatives, such as those mentioned above, to ensure access for all.
4. Institute increases on a rolling basis, at the end of seasons, rather than in the middle.
5. Pre-inform elected officials of the rationale and need, ideally with factsheets that they use.



## Sponsorship

### Corporate Sponsors

Private (corporate) sponsorship of parks and park activities for the mutual benefit of the park and the sponsor has become more commonplace in recent years, despite concerns that private agendas do not mix well with public space. There is a broad range of activity that can constitute sponsorship, from advertising at a one-time event to permanent naming rights for facilities or entire parks. Privatization of parks is also part of this spectrum, where private entities manage the daily operations of a park that is still publicly owned. Various aspects and examples of these strategic partnerships are reviewed here.

The Trust for Public Land (TPL), in its report on Financing Local Parks, asserts that people believe parks have intrinsic worth they are willing to pay for, including through patronage of corporations that also promotionally support parks.<sup>4</sup> The report notes that privatization is slowing increasing, because park advocates believe it is more secure than relying exclusively on public funds and because it gives them more control over what happens within parks. TPL advocates for at least a limited amount of privatization, if not supporting and stimulating additional privatization, in particular because it seems to be working very well for certain large-scale urban parks, such as Chicago and New York.

To demonstrate how long this topic has already been a consideration for park systems, advice to parks was offered by a sponsorship consulting firm at an annual conference of the Urban Park Institute more than a decade ago. In the publication written for the conference, the firm asserts that park systems must identify the assets that can be leveraged with sponsors, namely the people that go to parks or events in parks.<sup>5</sup> They recommend Parks Departments bundle any sponsorship rights for a park system as a whole, so that flagship locations are leveraged to the benefit of all parks within a system. Or, if this is not possible, emphasize events to drive traffic and bring people to the park. The author also indicates that parks can leverage the things that they buy (services, equipment) or offer (information, tours) and target sponsorship to corporate entities that are also involved with these assets. Finally, the author stresses that corporate sponsors should not supplant other forms of fundraising, but rather augment them to create more awareness of other parts of fundraising efforts.

The NRPA, in a June 2007 article<sup>6</sup>, cites various studies and surveys that demonstrate the growing importance of corporate sponsors in making parks viable and the fact that generally such partnerships are well-received by the intended customer, parks users and community residents. The article recommends some best practices, however, before engaging in private/public partnerships:

1. recognize that sponsorship is not philanthropy and the sponsor looks for something in return for financial investment;

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<sup>4</sup> Harnik, Peter. Paying for Urban Parks Without Raising Taxes: Local Parks, Local Financing, Volume II, 1998. Online resource: [http://www.tpl.org/tier2\\_cl.cfm?folder\\_id=826](http://www.tpl.org/tier2_cl.cfm?folder_id=826).

<sup>5</sup>Bartram, Kevin, Vice President, the Wilkinson Group. *Parks as Community Places: San Francisco, 1998*. Urban Parks Institute Annual Conference, 1998. [http://www.pps.org/parks\\_plazas\\_squares/info/funding/corpsponsor.bartrum1](http://www.pps.org/parks_plazas_squares/info/funding/corpsponsor.bartrum1)

<sup>6</sup> Potwarka, Luke R. and Ron E. McCarville, PhD. *Building Lasting Relationships with Corporate Sponsors*. National Recreation and Park Association, June 2007. <http://www.nrpa.org/content/default.aspx?documentID=8046>

2. approach sponsorship negotiations as an exchange for mutual benefit to realize something that cannot be realized singularly by either partner;
3. find a common link, including a common audience and a tangible way for that audience to easily see the connection between the sponsor and the park or park activity, and therefore be more supportive of the sponsorship;
4. evaluate and report on the sponsorship success for the benefit of both partners; and
5. make sponsorship agreements resident-friendly, such as using naming rights sparingly (emphasize naming events over facilities), selecting an appropriate location for recognizing

sponsors and donors (favoring indoor over outdoor), establishing advertisement size and content restrictions, and keeping the sponsorship agenda from becoming too aggressive.

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*California State Parks Corporate Sponsorships are offered to those with the following qualities:*

**Corporate Citizenship:** innovative and generous charitable programs

**High-Quality Outdoor Recreation:** create and preserve opportunities

**Environment:** promote preservation and conservation

**Healthful Living:** provide opportunities through health and fitness

**Diversity:** respect for cultural resources and promote diverse cultures

**Safe and Useful Products:** high quality products and industry leaders in research and development

In considering corporate sponsorship of parks, written policies help outline how, when and under what conditions they will enter into sponsorship agreements. Portland, Oregon, for example, has a policy on sponsorship, which outlines proposal procedures as well as guidelines and types of recognition. They also have a separate policy on naming/re-naming of parks and/or recreational facilities. In addition to written policies, criteria for

sponsorship can also be developed, such as those used by California State Parks summarized at left.

Although larger park systems tend to be the ones that have very well-developed corporate sponsorship agendas or programs, smaller park systems are also becoming engaged in seeking such partnerships. Two examples along this spectrum are King Co, Washington and McLean County, Illinois.

#### McLean County, Illinois

McLean County is smaller than Dakota County, serving the Bloomington-Normal metropolitan area (population 165,000) and managing 2,200 acres of regional parks and amenities with 250,000 visitors annually. In 2005, they launched their Parks Partners Program. The goal of this program is to “use entrepreneurial initiatives to assist in funding conservation and resource related activities which commonly do not generate revenue of their own.” The program includes the possibility for concessions, naming rights, event sponsorships, gifts and grants, marketing and advertising, and includes an annual Request for Proposals (RFP) process to structure the program.

Thus far, interest in the program has not been significant in terms of number of applicants, but two that have been awarded have yielded about \$33,000 in revenue. The first, a beverage agreement with Coca Cola for exclusive marketing rights within the parks, generated \$30,000 in revenue for the parks and also offered McLean County exposure by posting their park calendar of events on Coca Cola vending machines located off-site from their parks. The second agreement with Herman Brothers/Cabelas

(outdoor sporting retail chain), produced a lake contour map at no cost to or involvement from the County. The County is now able to sell the maps and cd-rom at a profit, while businesses are allowed to advertise on the map itself. They estimate this partnership has generated about \$3,000 in revenue for the park thus far.

### King County, Washington

King County, one of the nation's largest park systems, serves Seattle and the surrounding metropolitan area (population almost 1.9 million), manages 25,000 acres of natural areas, 180 parks, and hosts 8 million visitors annually. King County is well known for its many innovative programs and is a leader among county governments. The Parks Division is no exception. In 2002, the Parks Division wrote a Business Plan that included fourteen revenue enhancement strategies. Strategies range from user fees to legislative action to concessions and enterprise facilities, such as a driving range.

One of the strategies was naming rights and advertising through corporate partnerships. At that time, the recommendation was to identify and price naming rights opportunities for the parks system, with the following in mind: maximize media exposure opportunities as a selling point for corporate partners, focus naming rights on local corporations with strong community roots (such as those with headquarters in the community), and consider naming rights before a facility is built, to increase name recognition. In addition, the Division conducted focus groups with residents and found the public to be receptive to the concept of sponsorship. The strategy proposed either an external consultant or an internal RFP process for naming rights, while advertising could be immediately pursued at a number of existing facilities.

King County Parks Division adopted its Partners-for-Parks initiative the following year, in 2003, to "develop public-private entrepreneurial partnerships." The 2009 Big Ideas RFP seeks proposals not only for naming rights/sponsorship and promotional advertising, but also property lease agreements, eco tourism opportunities, and sustainable building projects, among others. To protect its own interests, the Parks Division states its sole discretion to select proposals that it deems feasible and beneficial to the citizens of King County and its right to negotiate agreements, to add provisions consistent with County policies and applicable laws, and to enter into agreements using other procedures. To the benefit of corporate partners, the County offers grants or matching funds and promises selected partners a knowledgeable and motivated partner within the Parks Division.

Since the 2002 business plan, corporate sponsorships and event partnering have increased significantly with large, name brand partners, such as 2008 partnerships with Group Health for sponsorship of a facility, Whole Foods Market sponsorship of "Parks Day," and movie events sponsored by Nintendo. Overall, business revenue has increased from \$2.3 million in 2002 (characterized as primarily pool and user fees) to more than \$5.1 million in 2008 (now largely entrepreneurial partnerships). However, during that same period, overall revenue for the Division has remained about the same at \$26 million, as has the proportion considered business revenue, about 22%. This is largely because of increased operating costs and a transfer of assets, such as pools, to school districts and cities. In other words, the County has changed the business revenue component of its budget by successfully replacing one type of business revenue for another.

### Sponsorship Beyond Parks

Using a more comprehensive approach, the city of San Diego has a Corporate Partnership Program for the entire city, including parks. This program has generated more than \$12 million since its inception in 1999. The stated objectives are to: establish and guide relationships with business partners who share the City's commitment to high quality civic environment; generate revenue to fund existing and additional facilities, projects, programs, and activities; and minimize the perception that the City has become "corporatized" by limiting the number of corporate partners while maximizing revenue from the partners. Two corporate sponsors to the City of San Diego include well-known brands, Pepsi Bottling Co. and Verizon Wireless.

### *Other Partnerships*

Beyond corporate sponsorship, other types of partnerships (with public, private, and non-profit entities) are also becoming more common for parks. Brief examples are referenced in the table below. Boulder, Colorado and Scott County, Minnesota, are described in more detail.

Table 7.

Park System	Partnership Description	Benefit for Parks
Maricopa County, Arizona (Phoenix area)	Cactus League Partnership between county and cities	Jointly funds efforts to attract and keep major league baseball teams in the area for spring training; produced state of the art complex.
Pinellas County, Florida	Cooperation with city parks and unincorporated areas	County reimburses unincorporated residents for additional fees paid to city programs. No additional revenue, but assures consistent revenue by helping county residents unable to pay.
City of Indianapolis	Partnership with churches and community groups	Parks are maintained by local, neighborhood resources (mowed, litter picked up, etc.), while county provides capital improvements.
Portland, Oregon	Lease with private firm to manage golf course	Metro regional government receives \$700,000 annually, which it uses to subsidize other facilities.

### Boulder, Colorado

The city of Boulder, Colorado has a population of just less than 100,000. The City Parks Department is separate from Open Space, and deals primarily with recreational opportunities rather than natural areas. The Parks Department has created a facility and amenity partnership process, which accepts proposals from interested partners in the fall of each year, in line with the City's budget process. The City has outlined selection criteria and a specific approval process.

To date, response to the call for proposals has been somewhat limited, and most proposals received have not come to fruition primarily because the ideas proposed do not fit with the mission and/or

priorities of the park department and would require too much city financing and support, such as capital expenses. To remedy this, the department is now considering new tactics, such as adding value to partnerships in their CIP process. If the park has a willing and interested partner, it will be given added weight, improving its ranking among CIP priorities. This also gives potential partners information about city priorities, so that proposals will be more appropriately tailored to the plans created by the city.

One partnership in Boulder has been a great success thus far, however. The Mountain Bike Alliance proposed additional upgrades and amenities for a mountain bike park already being planned by the city. The Alliance has agreed to fundraise for the upgrades and thus far, has secured approximately \$200,000, almost half of which came from a state grant the Alliance applied for and received. According to staff, although the partnership doesn't generate revenue, per se, the Alliance's contributions will make the difference between a municipal quality park and a world class mountain biking park. Once the park is built, the city is also considering additional partnerships to help maintain the quality of the park.

### Scott County

Scott County is a newer suburb of the Twin Cities metro area and as such, its parks are largely still being developed. In 2007, the county had the opportunity to acquire 230-acres of the Cedar Lake Farm property near New Prague, which already features a catering kitchen, picnic tables, ball fields, boats, docks and other facilities. However, the County did not yet have the funds to fully acquire and develop it into the 300-acre regional park with wetlands, Big Woods forest and 4,000 feet of shoreland that they envisioned. The county plans to complete its master park plan in 2010, but full development is contingent on funding.

As a result, in late 2008, the County issued an RFP for a private organization to operate the park in the interim while public funds could be raised to develop the park for recreational use by the public. As a result of the RFP, five organizations submitted proposals and in 2009, Lancer Hospitality was selected for a contract that includes paying for much of the current upkeep costs and guarantees public access to be integrated with private group picnics, weddings, and other events from which they derive revenue. Although still in its initial phase, the private-public partnership seems to be working well, and county representatives say they would consider other such short to long-term agreements again in the future, although never permanent agreements for public land.

### *Summary*

In summary, sponsorship can take many forms, including general solicitation of ideas to a more structured format that closely matches priorities already set by the Parks Department. In addition, a range of corporate influence is possible, from significant naming and advertising opportunities and event co-sponsoring to more minimalist approaches, such as helping to fund defined projects or events. In all cases, to be successful these partnerships require diligent planning, organization, promotion, and management. Corporate sponsorships pose policy challenges that must be forethought, but can also provide opportunity to shift business models away from historically parks driven activities, if desired.

## Donations

### *Donation Types*

Donations can be either solicited or unsolicited by the Parks Department or by a supporting group, such as a Friends group or Foundation. Donations can be solicited in many ways, such as: an annual fund drive or other direct requests for financial support; a capital campaign to raise funds for a specific project; donations in exchange for a specific good or service, such as a memorial; or through passive mechanisms, such as collection boxes like those currently placed in Dakota County parks.

Donations can also take multiple tangible forms: cash is usually preferred because of its flexibility, but in-kind services or goods and volunteer time are also sources of donations. Cash donations might be given for general use by parks (again, the most flexible) or might be targeted for specific programs, projects, or purposes. Gift catalogs are sometimes developed to help focus donations in areas of particular need by the agency.

Of these options, the most common donation mechanism across the country seems to be memorials or honorary tribute in the name of someone. Annual fund drives and capital campaigns are commonly used in the non-profit sector, but less so within Parks. An example of capital campaign methodology used in some park settings are brick campaigns, whereby individuals (or other entities) purchase one or more bricks (or other material) that is used to construct a building, sidewalk, or other infrastructure. In exchange, their name is engraved on the brick as a lasting, visible tribute to their donation. Such examples can be found on Harriet Island in St. Paul and in the cities of Eagan and Burnsville, to name just a few.

### *Revenue Potential*

Revenue potential from donations varies greatly, in part based on the assertiveness of the park system in requesting donations, but also dependent upon supporting mechanisms such as Friends groups or Foundations, the financial base from which the park system draws and competing demands for donations. In 2001, the Trust for Public Land surveyed 56 city park agencies and found that private donations averaged \$116,500 annually. However, some of the largest cities in the survey, such as New York City, drew in as much as \$50 million annually, potentially skewing the survey results heavily. Similarly, the Como Park Zoo and Conservatory, which has a very robust external non-profit Friends program and receives almost 2 million visitors per year, generates more than \$1 million annually in voluntary donations. In 2008, the Zoo and Conservatory experienced the third consecutive year of increased donations, since the start of the voluntary program in lieu of an admissions fee.

The small survey of parks similar to Dakota County conducted as part of this study showed median donations of \$12,500 annually. Washington County averages \$5-10,000 annually in donations. Dakota County has historically received an average of \$700 annually in donations. With a more robust solicitation effort, a conservative target might be \$10,000 annually.

## *Models*

The following examples provide a snapshot of the many types of donations programs in operation.

### Gifts to Share, Inc.—Sacramento, California

Incorporated in 1985, Gifts to Share, Inc. is a 501(c) 3 organization supporting the City of Sacramento's (population 460,000) park, recreation, cultural, educational and neighborhood improvement programs and facilities. Similar to a Foundation or the newly created Friends program at Dakota County, but unique in its implementation, this organization provides fiscal sponsor services, fundraising, training and project planning assistance, and seed-money grants. The fundraising component includes formulating fundraising plans as well as assistance securing individual gifts, sponsorships, and grants. Gifts to Share, Inc. also published a volunteer project guide that helps volunteers with project planning and fundraising.

The organization has 1.5 FTEs, all part-time, who are employed and housed by the City, although their work is under the non-profit umbrella. Donations average about \$1 million annually, with a fund balance of approximately \$800,000 that has been stable for many years. Approximately 80% of donations are private individual contributions (more of them in smaller amounts) and 20% are corporate (fewer in number, but larger dollar amounts).

### King County, Washington

King County's Community Partnerships and Grants (CPG) Program leverage community investments in the form of cash, grants, in-kind donations, and volunteer labor for new or improved facilities and amenities. In 2009, there were 32 such project in negotiation, planning, or underway, representing \$12 million in commitments. The projects will add an estimated value of \$64 million to the park system. Project examples range from interpretive trails and information kiosks to athletic fields to habitat restoration to road, boat and parking access points.

### City of Boulder, Colorado

In 2001, the City of Boulder implemented its donation program and related policies. Opportunities are currently focused on memorials in the form of trees and benches. Other donation opportunities are available, but are funneled through the Boulder Parks and Recreation Foundation.

Experience has shown the need for revision to their memorial bench policy, currently underway. Primary factors influencing the revisions are: staff burden for managing bench requests and implementation during summer months and the need to shift the schedule accordingly; difficulty in placing benches to meet the desires of donors, but also the practical considerations of park maintenance staff and aesthetic considerations of park planners; and underestimated costs, leading to a revised pricing schedule that includes the cost of the bench, labor and maintenance, as well as exemption for the park system from replacement of benches that are damaged during the estimated 10-year life of the bench. If damaged or after ten years, donors will be given an opportunity to replace the bench with a new donation.

Other common issues that agencies face with donations include expectations for recognition (especially tangible forms, such as plaques) and the acceptance of and placement of artwork or other visual contributions and the subsequent balance of "grey" (referring to concrete) vs. "green" in the park

system. City policies that articulate these issues from the perspective of park systems include Seattle and Portland.

#### Anoka County, Minnesota

Anoka County is currently completing production of a gift catalog that will address inquiries from the public about potential donations to the parks, while standardizing the prices and options and targeting requests to items most needed. Options and prices vary widely and include things such as: bird seed (\$50-100), team building equipment, plants/shrubs (\$100-300), technology equipment, such as binoculars or microscopes (\$100-500), natural resources, such as prairie seed and trees (\$100-5,000), ranger units, such as uniforms and first aid (\$100-500), docks or fishing piers (\$7-20,000), and others. The catalog also lists volunteer opportunities and describes policies for memorial plaques and replacement procedures. The primary benefit to the agency of such a catalog is that it broadens the public's thinking about options for donations (beyond typical bench or tree donations), yet also targets the donations to those items most in need by the park system.

#### *Summary*

While all types of donations might be accepted by an agency, specific methods should be chosen as part of a focused, cultivated donations program for parks. Developing policies is important so as not to detract from the benefit of donations by internal challenges with meeting donor demands, maintaining physical gifts over time, and balancing general aesthetics and user desires with donor requests for tangible and visible displays of their donations.



## Events

### *Event Types and Considerations*

For the purpose of this analysis, two types of events are considered: those that seek to generate revenue purposefully (i.e., fundraisers) and events whereby parks receive additional exposure, which in turn creates greater potential for other revenue (e.g., donations). Fundraising events are most commonly hosted either by Friends groups or by Foundations, on behalf of the park system. Fundraising events can even be held by one Friend or one corporate partner. Events potentially provide valuable one-time (or recurring) opportunities for private funding in exchange for name recognition. Events that largely generate exposure for parks, rather than direct revenue, tie in closely with educational programming, which draws in parks users (either free or fee-based), but events are generally considered to be larger in scope than what typical educational programming can accommodate. Event revenue potential varies widely depending upon the number, type, and scope of events held, but benchmarking suggests \$10-20,000 annually might be a reasonable goal for Dakota County over time.

In order to secure revenue, events should be carefully planned using a cost benefit analysis that includes costs incurred as a result of the event itself (e.g., providing security, janitorial or other event support beyond day-to-day operations). The event must also be of a size that allows for sufficient revenue (and/or exposure) for the parks, but appropriate for the physical space available. Currently in Dakota County, space is limited for hosting large-scale events, as are the amenities that might be needed, such as a stage. However, future phases of some parks include planned event space and mobile options, such as stages, exist. Currently, Lebanon Hills has the most capacity for events, and is estimated to accommodate roughly 1,000 people for this purpose. Even given Dakota County's current constraints, there are still many event possibilities, as described below.

### *General Event Ideas*

Dakota County presently offers a number of educational programs and a limited number of events at its park locations. Educational programs currently offered include naturalist programs, children's programming, recreational education opportunities, and others which add to the fee-based revenues generated through the park system, though some programs are also free to the public. A limited number of special events focus on the provision of outdoor recreational activity with lesser or no emphasis on fundraising. These events include an annual New Year's Eve Party for families and two candlelight ski events. An event with broad fundraising potential has not been pursued to date.

The following ideas offer opportunities for resident participation beyond educational programming and for revenue generation and co-sponsorship. Most examples from Minnesota State Parks are offered free, but state parks also require a vehicle permit. It would be feasible to charge an entrance fee or solicit donations through these events in Dakota County. Ideas below are just a snapshot of current activities at other parks; similar, but unique options could be created in Dakota County.

- Performance: Theater productions, movies, and concert series are often done in park settings, but do require a stage or screen, and appropriate seating to ensure viewing and acoustical opportunities. Examples include City of Minneapolis events, such as concerts at Lake Harriet Bandshell, movies at Loring Park, or Shakespeare in the Park; Cities of Eagan and Burnsville's concert performance series; and performances held at the privately owned Caponi Art Park in Eagan.

- **Physical Fitness Events:** Races (walks, bike rides, and runs) are very commonplace today, and can either be a direct fundraiser for the park or can benefit an outside entity, but include the park in order to increase its exposure. A benefit is that such an event might begin, end, and/or incorporate the park, but also include other parts of a neighborhood and community, such that the large concentration of people does not occur at the park for any extended time period. A race series called Ground Pounders Race already exists in Dakota County among city agencies and includes six running events. Other successful events of this type in the metro area include the Autumn Woods Classic run in Three Rivers Park District and the Minneapolis Bike Tour, among others.
- **Nature observation opportunities:** Two examples of this type are star gazing and bird watching events. Star gazing is usually offered as a partnership with a college or university that provides the telescopes and guides (which can limit participation due to equipment available). Both types of events provide an opportunity to extend the hours of parks programming (either early morning or late evening), to partner with other entities (such as colleges), and are an inexpensive option for drawing in park users for a small fee or donation. *Examples: Universe in the Park at William O'Brien State Park or Bagels and Birds at Riverbend Nature Center in Faribault.*
- **Presentations:** Speakers provide another opportunity to draw people into the parks at a low cost, to speak about topics of general interest (e.g., photographers, naturalists, etc.). *Example: Presenters under the Pines and Ask the Expert! at Itasca State Park.*
- **Themed Days:** A day (or weekend) with a specific theme and related activities, which might hold appeal different audiences, but require minimal actual programming. *Examples: Play Day at St. Croix State Park, which includes hopscotch, a scavenger hunt, building a sand castle, making a bird feeder, or taking a hike; Get Outside and Play Day at Itasca State Park, which might include blindfold tent set-up challenge, make a pop-can fishing reel, learn campfire cooking, learning to cast a fly rod, etc.; Family Outdoors Fair at Whitewater State Park, co-sponsored by Project Get Outdoors; and Children's Day at Splitrock Lighthouse State Park.*
- **Festivals:** Festivals can have a wide range of themes, including arts/crafts, book fairs, seasonal (such as harvest time), and many others. Because they typically span an entire day or weekend, festivals do require multiple amenities, such as food/beverage options, music, and a range of activities. *Examples: Harvest Festival at Itasca State Park, Halloween Howl at Lake Maria State Park, International Festival at Nicollet Commons Park in Burnsville,*
- **Historical Re-creations:** Depending upon the amenities available, historical re-creations or re-enactments, which can also be offered seasonally, offer opportunities to partner with historical societies and reach a segment of the population that might or might not already be park users. *Examples: Christmas 1918 with the Lindberghs at the Lindbergh State Park and Voices of the Park at Jay Cooke State Park.*

## ***Event Planning Approaches***

### **Countywide Special Events Planning**

Camden County, New Jersey is similar in population size to Dakota County (approximately 500,000 residents). The County has Special Events planning staff (nine FTEs) that plan several hundred events each year, including those for and in parks. All revenue is generated through corporate sponsorship or entrance fees for events and revenue is funneled into the County's general fund, which then provides annual budget to departments. The two largest annual events are a festival with an entrance fee of

approximately \$30-40 and a Fourth of July event that is free to the public, but sponsored by corporate partners. Although Dakota County may not wish to employ a similar model of countywide events planning, opportunities for partnering on events planning and considering events sponsored by Parks but not necessarily in the parks are two lessons from Camden County.

#### Park Exposure through Free Events

During 2009, Portland Parks & Recreation (PP&R) launched “Summer Free for All,” a website specifically highlighting all the free events, classes, and programs Portland Parks & Recreation offers the public. The site also provides a continually updated list of all the free activities and classes offered each week, by week, through early September.

According to promotional materials, the website came about because “During these tough times, we’re committed to continuing to offer fun, free events for all Portlanders, and especially for families with children,” said Parks Commissioner Nick Fish. “When many families are having trouble paying the rent and buying food, we want to make sure they have access to free and affordable recreational opportunities, including movies, concerts, and other traditional summer activities.”

The events are offered free in part through private sponsorship (e.g., movie nights offered have 5-6 different sponsors, such as radio and TV stations) and also through the foundation that supports Portland parks. However, the events themselves and the specific website provide an opportunity for increased exposure to Portland parks and to revenue that might come as a result through donations, future class enrollment, or other corporate partners.

Amenities Marketing: With the LEED certification of Lebanon Hills Visitor Center and the Schaar’s Bluff Gathering Center, there is potential for emphasizing the ecological benefit of hosting events at these sites. The Green Meetings Industry Council, the United States Environmental Protection Agency (US EPA) and the National Recycling Coalition, among others, all have “green meeting guides” that could be reviewed and adapted to help establish policies and/or best practices applicable to parks sites. This marketing and event planning approach is underway at Sequoia National Park in California and the State of Kentucky Parks, among others. Evaluation would be needed to demonstrate revenue resulting directly from such marketing approaches.

#### *Summary*

Choosing the best events to host in Dakota County parks is a combination of: 1) goal setting (fundraising vs. exposure); 2) matching event types to available space, staffing and amenities; 3) determining whether any partners are involved/invited (such as corporate sponsorship); 4) public preferences and expressed desires for events, based on inquiry or past history of events; and 5) where possible, hosting events in conjunction with others, such as Friends groups, foundations, or corporate sponsors to bring added revenue potential and alleviate some burden on Parks staff. To begin, selecting one to three events to host on a trial basis over a designated period of time might help determine one (or potentially more) “niche” event that can be branded and continued on a recurring basis.

## Foundations

Foundations are a formal way of soliciting and collecting donations and other funds to support parks and open space, through a non-profit 501(c) 3 organization. Increasingly common, they have a wide range of revenue potential, generally related to population, geographic region, and the extent of the park system being supported, with large, urban park systems generating the most revenue typically.

As noted in the background section of this report, a regional Parks Foundation for the Twin Cities area was authorized by the state legislature and formed by the Metropolitan Council in 2008. This non-profit partner for the regional park system, of which Dakota County is a part, will raise funds and accept donations primarily for parkland acquisition. Stated revenue goals for 2009 through 2011 are between \$345,000 and \$640,000, derived from gifts/grants, membership fees, and events.<sup>7</sup> However, specific fundraising methods are still in development and it is unknown how much Dakota County might benefit from this new Foundation.

For the purposes of this report, a local foundation specific to Dakota County is not being seriously contemplated at this time, given the regional foundation just launched. However, benchmarking provides useful insight into local foundation potential, should it be relevant for future consideration. The most relevant local example is profiled below for reference.

### *Three Rivers Park District Foundation*

This foundation in the Twin Cities area began as a 501(c) 3 non-profit in 1986, known as the Hennepin Parks Foundation, and was active until about 1992. It then became inactive for a period of years, but since 2006 has been retooling itself with a name change and with a goal to be a more substantive partner to the Three Rivers Park District. Currently, revenue generated is about \$200,000 between the two entities, with the vast majority still being generated by the Park District itself. The foundation brought in \$25,000 in 2006, \$16,000 in 2007, and almost \$18,000 in 2008. The foundation is currently undergoing a planning process with an external consultant to determine future fundraising methods and priorities, such as solicitation drives and events. Grants and donations for specific projects, such as a partnership with REI, Inc. are also planned or underway.

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<sup>7</sup> Metropolitan Council, Regional Parks Foundation of the Twin Cities Area. *Report to the Minnesota Legislature fulfilling 2007 Minnesota Law, Chapter 113, Section 17.* January 15, 2009.

## Grant Opportunities

In general, grant opportunities are limited for use by public park systems to support general operations and maintenance. Registered non-profit organizations are the presumed beneficiary for most private foundation grants. Federal and state grants that might be directed toward Parks are typically more specialized in nature, either for land acquisition, protection of natural resources or species, and or other environmental or educational priorities. However, some potential does exist and general opportunities are outlined below.

### Federal

Currently, Dakota County pursues and has historically received Federal Transportation enhancement grants for regional trails are pursued when available. Between 2009 and 2012, approximately \$1-2 million annually is available for the Parks Department for this purpose. Additional applications were submitted in 2009, but funding beyond 2012 is not yet secured.

Additional Federal funding opportunities can be either ongoing/periodic in nature, or one time authorizations such as the recent American Recovery and Reinvestment Act (i.e., stimulus funds). In general, these opportunities tend to be very time-limited, so close monitoring and an ability to quickly respond to deadlines is necessary to pursue them successfully.

The Federal Government Grants database ([grants.gov](http://grants.gov)) is the most comprehensive clearinghouse for available Federal monies. Two categories relevant to parks are profiled in the table below.

Table 8.

Category Name	Subcategories	Primary Federal Funding Sources
Environment	None	U.S. Fish and Wildlife Service, National Park Service, and the Department of the Interior, U.S. Environmental Protection Agency, Extension, and National Institutes of Health for educational programs
Natural Resources	Agriculture, food/nutrition, transportation, arts, and community development (rural)	U.S. Fish and Wildlife Service, National Park Service, and the Department of the Interior

In general, Federal grants are for land and water management, and wildlife and habitat protection. There are not typically general sources of revenue and would require a specific project to which they would be tailored.

Also at the national level, associations offer some limited funding opportunities. The National Recreation and Park Association (NRPA) has three primary focus areas: enabling outdoor play (including access to safe play areas) for youth, improving health and livability, and conservation and stewardship. They receive grants for health and livability from the Centers for Disease Control and Prevention (CDC) and others, and use these funds for advocacy, research, and health promotion. Grants issued by NRPA tend to focus on recreational opportunities at the city level, such as team sports and similar programs. For example, a current funding opportunity is a partnership between NRPA and United States

Paralympics to support local communities that enhance and grow their recreation, sport, and physical activity programming for injured military personnel through grants. Public park and recreation agencies are encouraged to apply for grants between \$5,000 and \$25,000.

The National Association of Counties, which represents county governments nationwide, currently has two monetary grants: Coastal Counties Restoration Initiative, benefitting counties with U.S. coastlines and Five Star Restoration Challenge Grants for community-based wetland and stream bank restoration projects, which has very specific and limited application to Dakota County.

### *State/Regional*

The Minnesota office of Grants Management tracks grants given by state agencies in the state. A number of classifications for grants could possibly apply to parks related priorities, although very few seem directly and immediately beneficial.

There may be small, targeted opportunities that apply to natural resources under several of these categories, such as Pollution Control Agency funds under business and government for projects such as burn barrel reduction, solid waste processing, phosphorus reduction, surface water assessments, and the like. However, the only significant categories for Parks and Open Space projects are Community and Regional Development and Environment. They are outlined below.

#### Categories of Funding-State Grants

- Business and Government
- Community and Regional Development
- Environment
- Health
- Agriculture/Food
- Arts/Culture
- Energy

*Community and Regional Development* includes both community improvement and economic development.

- Under community improvement, tourism is a primary emphasis, but MN Office of Tourism grants for innovative marketing and organizational partnerships are currently available only for non-profit tourism organizations or entities designated as the primary tourism office for their community.
- Economic Development includes a Department of Employment and Economic Development (DEED) redevelopment grant available to development authorities for land acquisition, demolition, infrastructure improvements, and adaptive reuse of buildings, including remediation. A 50% local match is required and 50% of money is awarded to site outside the seven-county metro area.
- Livable Communities Act, facilitated by the Met Council, which provides grants specifically for polluted land clean-up, development and re-development, and connectivity.

*Environment* includes grants through the Department of Natural Resources (DNR) and the Legislative-Citizen Commission on Minnesota Resources (LCCMR). The DNR administers four grants programs for local governments to promote land acquisition in order to implement the State Comprehensive Outdoor Recreation Plan (SCORP). Between 1998 and 2005, these grants totaled more than \$60 million.

These DNR grants include:

1. Regional Park Grants: available only outside the Twin Cities metro area to develop regionally significant parks.
2. Outdoor Recreation Grants to enhance facilities such as park trails, picnic shelter, playgrounds, athletic facilities, boat accesses, fishing piers, swimming beaches and campgrounds. A 50% non-state match is required.
3. Natural and Scenic Area Grants to protect and enhance natural and scenic areas statewide, requiring a 50% local match, up to a maximum of \$500,000. The grant is administered as a reimbursement, once costs are incurred and paid for and project proposals must be at least \$10,000.
4. Remediation Fund Grants targeted to communities in watersheds with a history of pollution.

In addition to these conservation-related local grants programs, DNR also administers Metro Greenways (established by 1998 Legislative action), which aims to protect, restore, connect and manage a metro-wide network of regionally locally significant natural areas and open spaces interconnected by ecological corridors in the Twin Cities. It provides for 50% of total project costs (with match required) for activities within the twelve county greater metro region. Applications for the 2009 funds, approved by the Minnesota Legislature, were due in May and awarded entities must complete projects by 2011.

LCCMR makes annual funding recommendations to the legislature from the Natural Resources Trust Fund for special environment and natural resource projects. Eligibility is broad and includes private organizations and academic institutions, as well as public entities. After recommendation by LCCMR, one state house and one state senate member become chief authors of the bill, which can be altered in the legislative process. Once approved by the legislature, the governor may also line-item veto projects.

As noted earlier in this report, in 2008, a state Clean Water, Land and Legacy Amendment was passed which will generate funds for parks and open space using state sales tax revenue. Additional grant funds are also available, and Dakota County has recently applied for approximately \$1 million in such grants.

### *Private*

The Minnesota Council on Foundations profiles Minnesota grantmaking, as follows:

- Compared to other states, Minnesota ranks 10<sup>th</sup> in foundation giving per capita and 14<sup>th</sup> in total foundation giving, suggesting a robust giving climate in the state.
- In 2006, there were 1,398 active grantmakers in Minnesota, 85% of who were private foundations, 9% corporate foundations, and 6% community/public foundations.
- In 2006, grantmakers gave 54% of their dollars to organizations serving Minnesota (32% going to the Twin Cities Metro Area exclusively).
- In 2004, Minnesota grantmaking grew to over \$1 billion for the first time, and the trend continued into 2006. Most of the grantmaking comes from a relatively small number of grantmakers, however. Just ten percent of grantmakers account for 86% of the dollar value of the grants paid.
- Education has the largest share of Minnesota grant dollars, followed by human services and public affairs. Environment and animals constituted just five percent of the total grantmaking in Minnesota in 2006.

- Environment/Animals grantmaking largely goes to natural resources conservation and protection (61% of the total \$36 million in 2006). The five largest Minnesota environmental grantmakers in 2006 were the McKnight, Bush, Cargill, Blandin, and 3M Foundations.

A review of the current opportunities available from these five significant funders in Minnesota for environmental priorities is highlighted in the table below.

Table 9.

Foundation Name	Applicability to Dakota County	Relevant Examples
3M	Supports communities in Wisconsin, but not Minnesota at this time.	None
Blandin	Offers rural support, primarily forestry projects near Grand Rapids.	None
Cargill	Offers grants to non-governmental organizations only.	None
Bush	Targets environmental support to American Indian tribes in Minnesota.	None
McKnight	Funds a variety of public and non-profit entities, currently emphasizing Mississippi River protection and climate change initiatives.	City of Minneapolis for trail development, City of St. Paul funds to hire a consultant to help launch their new Foundation. Dakota County has also received two recent McKnight Foundation grants for programs within the Community Services Division; one in 2007 for \$1million and one in 2009 for \$50,000.

While this short list of funders is by no means exhaustive and priorities do change over time, the finding is that private foundation support for public park systems is limited in terms of qualifications, applicability of funds, and funding amounts. However, ongoing monitoring of foundations such as McKnight is warranted as future opportunities are likely to present themselves over time.

### Summary

In summary, some federal, state, and private funds for parks and open space are available, but they are not likely to become a significant, consistent source of revenue. Grant seeking requires diligent monitoring for opportunities and changing priorities, and flexible staff resources to be able to apply for time limited options. In addition, many grants require a local match, usually 50%, and require very specific proposals for particular land acquisition, restoration, or management projects, rather than general operating and maintenance support. In these cases, applying for specific funds might divert POS from other priority work, so finding the right match at the right time is challenging.



### III. Analysis and Recommendations for Dakota County

#### Benchmarking

Benchmarking data demonstrate that Dakota County generally functions with a smaller operating budget and staff than other county park departments, but serves a larger population. This poses both challenges and opportunities for revenue generation. Strategic planning and partnering help maximize limited resources, while diversifying revenue approaches tap the potential interest of the population.

#### Admit Fees

Admit fees are not currently in place in Dakota County, although they have been previously discussed. Among Twin Cities Metro counties, a mixed approach is currently in place, with three counties administering such a fee and four counties not doing so. The primary benefit to an admit fee is the immediacy of its revenue potential and its relative stability as a funding source, as well as potential ease of administration once the policies and procedures are in place. However, considerations against an admit fee are the concerns about public access to parks (despite methods to mitigate economic hardships for potential users), the need to balance admit revenue with other potential fees, and the costs of administering the admit fee. From local benchmarking, Dakota County might be able to realize \$200-400,000 in annual revenue from an admit fee, but would likely need 2-3 partial FTEs to support the infrastructure and would also likely have to mitigate some existing user fees currently generating revenue.

#### Philanthropy

Philanthropy as a revenue source for parks has good potential, but it takes time and consistent effort. Two components of philanthropy for Dakota County—the new Friends group and regional Foundation—are just getting off the ground and will require additional time to assess their potential and overall effectiveness in revenue generation. From a national perspective, both of these philanthropic endeavors are gaining momentum as revenue sources for parks.

Corporate sponsorship is also gaining momentum nationwide, and has a wide range of potential depending upon the amount of time and effort dedicated to cultivating such sponsorship and the opportunities and interest that exists in the local community. Similar to admit fees, corporate sponsorships require deliberation on the importance of maintaining the public domain, and Dakota County would need to develop the policies that support whatever balance is ultimately desired.

Donations and events also have revenue potential over time, but are most likely smaller in overall dollars generated and also require ongoing dedicated effort. Donations of physical items (trees, benches, and so on) also bring the burden of management and maintenance and policies, so clearly articulating parks responsibilities through policy is important to a successful program. Events in Dakota County are currently limited in space and amenities available, but there is potential to enrich options over time. Specifically, Dakota County can further assess the options and cost benefit for hosting its own events and allowing others to use parks for events, where there is interest and capacity to do so.

#### Grants

Dakota County currently monitors and applies for grant opportunities to foster parks and open space, and this should continue to be a priority. However, it is important to keep expectations reasonable, as options are limited for general operations support of parks through grants.

## Recommendations

4. Develop philanthropy as a continuum of options and partnerships, rather than discreet choices.  
Parks entities nationwide that emphasize philanthropy capitalize on the synergy among the options and players. In Dakota County, both the new Friends group and the regional foundation could become key partners in soliciting donations and hosting events. Although events likely bring in small amounts of money, at least initially, they provide useful exposure for parks and could generate momentum over time. Developing one or more trial events with partners would be an effective way to explore this future potential. Corporate sponsors can also support events financially as well as with in-kind support. A more formal donations policy and program, that specifies priority donations desired by parks, would also focus donor potential. Communications support is also important to developing philanthropic opportunities through exposure. A recent example of this support is the 2010 calendar featuring Dakota County parks and open space, which has a goal of bringing in more than \$30,000 in revenue.
5. Establish the necessary framework to implement corporate sponsorship opportunities.  
Although it would be a departure from Dakota County's historical approach to the issue, corporate sponsorship likely has the best revenue *potential* over time, and can address needs in the areas of both operational and capital revenues. However, sponsorship requires careful planning and cultivation of potential sponsors so it takes time to develop a program, but in the short-term, the need for a sponsorship policy should be addressed. Numerous agencies nationwide have experimented enough with requests for proposals, policies, and other infrastructure to glean best practice, as tailored to the needs of Dakota County. Public input is also important before implementing corporate sponsorship programs, but national examples do not show negative public reaction to be a significant prohibiting factor.
6. Define and document circumstances under which admit fees would be considered in the future.  
Admit fees, although they generate stable and possibly considerable annual revenue, and revenue is realized *immediately upon institution*, are a potentially larger departure from past policy and practice at Dakota County. Once admit fees are decided upon, it is difficult to test them in a limited fashion, because the universal application is an inherent in fairness. In addition, admit fees will likely inhibit some growth in other user fees and require staff administration time, so their revenue potential has implications on other aspects of parks programming. For this reason, they may be less desirable than philanthropy. However, because of the stability that they bring in revenue, it is important to consider whether there is a threshold at which an admit fee would be considered a significant revenue source in the future.

In conclusion, there is potential to expand the revenue capacity of Dakota County's parks and open spaces using the specific methods reviewed in this report. However, matching the pace of such revenue development to organizational capacity will be important to ensure long-term effectiveness and sustainability. To begin, important steps are to determine desired approaches, develop needed policies and programs that support these approaches, define organizational capacity and commitment levels to each approach, seek support from needed internal and external partners, and finally, set goals and timelines appropriate to meeting revenue needs but also sustainability.

## IV. Appendix A

### Survey Respondent Summary Profile

County/City:	State:	County/City Population	County/City Square Miles	County/City Budget	Parks Department Employees (Number)	Parks Department Operating Budget
Stark County	OH	370,000		N/A	90 \$	4,000,000
King County	WA	1,884,200	2,134	\$4,947,378,584	166 \$	27,000,000
Anoka County	MN	320,803	440	\$269,707,293	40 \$	4,700,000
St. Charles County	MO	350,000	558	\$59,800,000	75 \$	13,600,000
Waukesha County	WI	377,348	576	\$256,454,122	83 \$	11,094,298
Ramsey County	MN	511,000	170	\$589,000,000	85 \$	9,056,000
Waukegan County	IL	90,000	N/A	\$0	21 \$	30,600,000
Maricopa County	AZ	3,500,000	9226	\$2,136,275,386	85 \$	6,543,758
Butler County	OH	357,888	467	\$91,000,000	44 \$	2,500,000
<b>Median</b>		<b>370,000</b>	<b>558</b>	<b>\$263,080,708</b>	<b>83</b>	<b>\$9,056,000</b>