



HISTORIC
FRANKLIN
TENNESSEE

ITEM #7
WRKS 02/23/2010

MEMORANDUM

February 11, 2010

TO: Board of Mayor and Alderman

FROM: Eric S. Stuckey, City Administrator *Eric*
Anna Shuford, Parks Program Coordinator
Lisa R. Clayton, Parks Director
Vernon Gerth, ACA Community and Economic Development

SUBJECT: Franklin Parks Foundation Presentation

Purpose

The purpose of this memorandum is to present information regarding the opportunity to create a Franklin Parks Foundation to develop an alternative funding source for projects that enhance, preserve and protect the city park facilities, greenways and trails, historical and scenic features of the parks system. The Foundation would be the non-profit "umbrella" and "filter" for volunteer and fundraising groups whose goals parallel the Parks Department's goals and mission.

Background

The Parks Department recognizes that there is an opportunity to involve the community, community groups, and citizen volunteers in identifying alternate funding sources to augment shortfalls in capital improvements and park development. Staff has had contact with local groups and individuals that are looking for ways to support the parks efforts by fundraising and earmarking funds for park projects. Potential donors are also mindful of the need for tax deductions. Some key factors that lead to consideration of new, creative funding approaches include:

- The Parks Inventory has more than doubled in acreage in the last 6 years.
- The Economic slowdown has limited funding for capital improvements.
- Public demand and growth has created a demand for completed parks and greenways.
- 40% of city parks are incomplete.

The timing is appropriate to consider the formation of a charitable organization that works on behalf of the Parks Department to bridge the gap between the services and amenities afforded by government funding and allow the community to take full advantage of their natural and historical resources.

While researching the concept of a Parks Foundation, staff found several successful groups, in Tennessee and other states. Legacy Parks Foundation is a five year-old Knoxville based organization whose Executive Director reported to us that, "...we have a wonderful, collaborative relationship with the city and county governments and have been well received". "Our original intent was to accept city/county funding for the first three years as we were concerned about influence and autonomy. That hasn't turned out to be an issue and, in fact, the funds cover the majority of our overhead and keep us from having to constantly fundraise to keep the doors open". Other successful Tennessee based foundations included Metro Nashville Parks (Friends of Warner Park), City of Murfreesboro (Friends of the Greenway and Wetlands) and City of Fairview (Bowie Park). Model agencies responding to our inquiries about their foundation include The Richmond Recreation and Parks Foundation, a 20 year-old foundation that now boasts of being the "umbrella" for almost 50 grass roots, volunteer, and fund-raising



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"Partner" organizations in the City whose goals parallel the mission of the Richmond Recreation and Parks Foundation and the Department of Parks. Also, included is Texas Parks and Wildlife Department.

Financial Impact

In the coming years, after incorporation, the Foundation will be the fundraising arm to work with the Parks Department in supplementing shortfalls in tax revenue and finding alternative funding sources to build resources for park development.

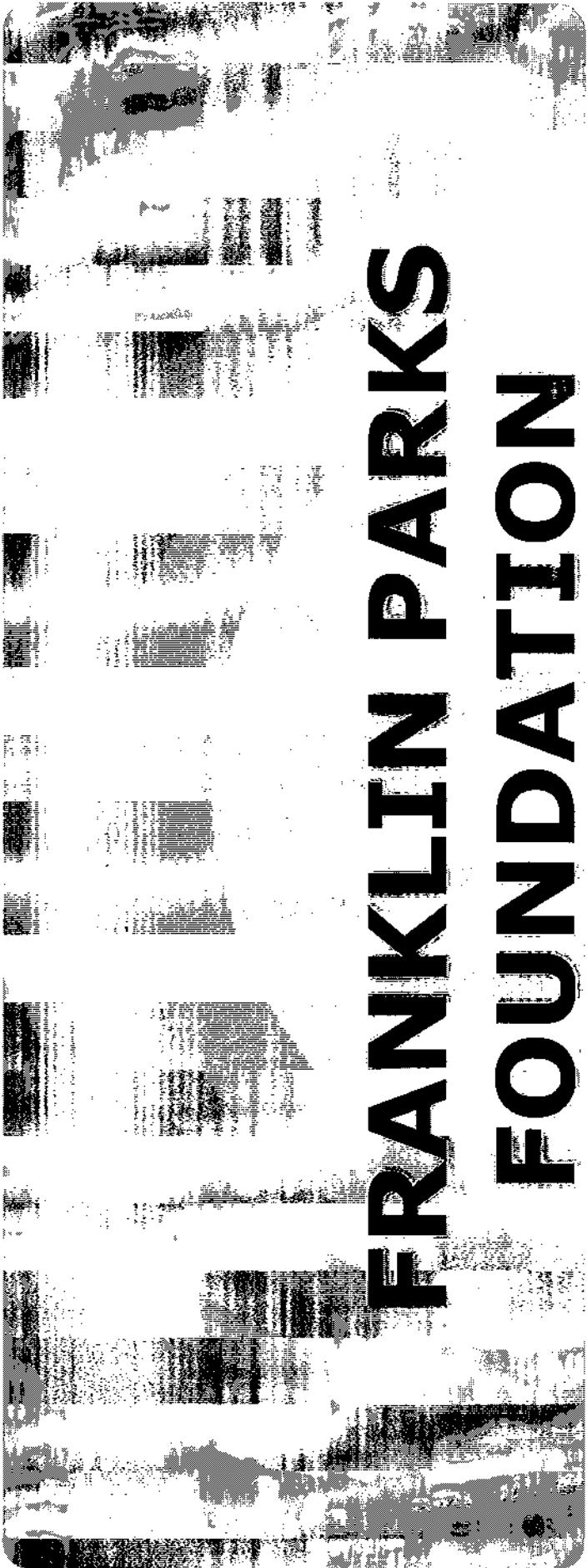
	Amount	Type of Fund
Initial start up costs for filing articles of incorporation, bylaws, IRS charges, state charitable organization filing fees, registering the charter, mailing copying expenses and legal fees	\$1,700	General Fund
Attorney Filing Fee	\$1,500	Donation of Services

Options

Donations for parks projects would be set aside under an "Agency" line item by the Finance Department and allocated per the donors request to a special project.

Recommendation

Direction from the Board to move forward with this concept is recommended including establishing the organization (501(c)(3)), memorandum of understanding, policies and procedures and preparation of the articles of incorporation. All documents generated would be brought back through BOMA for approval.



FRANKLIN PARKS FOUNDATION

Forming a 501c3 Charitable Organization

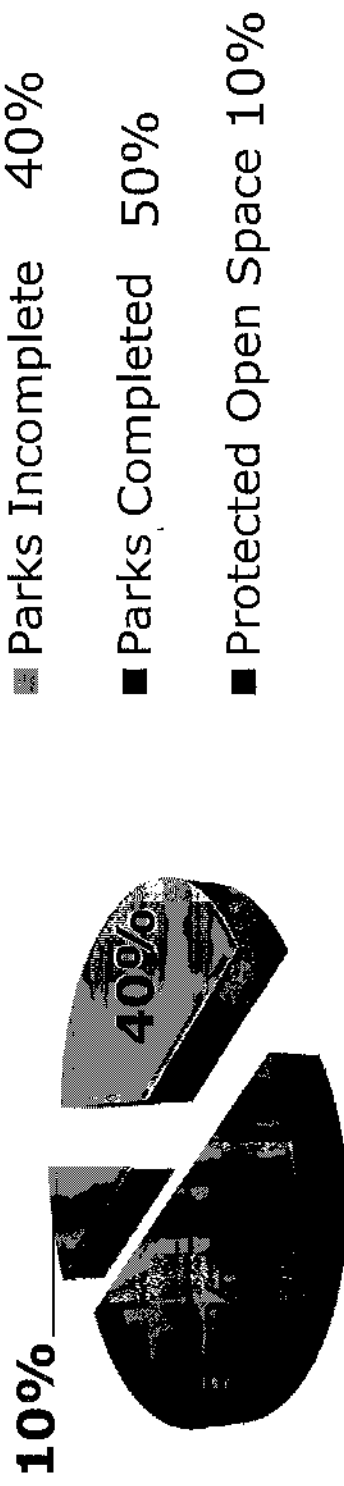
Presented by:

City of Franklin Parks Department
705 Boyd Mill Rd.
Franklin, TN 37064
615 794-2103

Business Outlook

- ❑ Park Inventory has grown rapidly.
(Franklin Parks has more than doubled in acreage in the last 6 years)
- ❑ Public demand & growth has created a demand for parks and greenways.
- ❑ Economic slowdown has limited funding for capital improvements.

Park Development



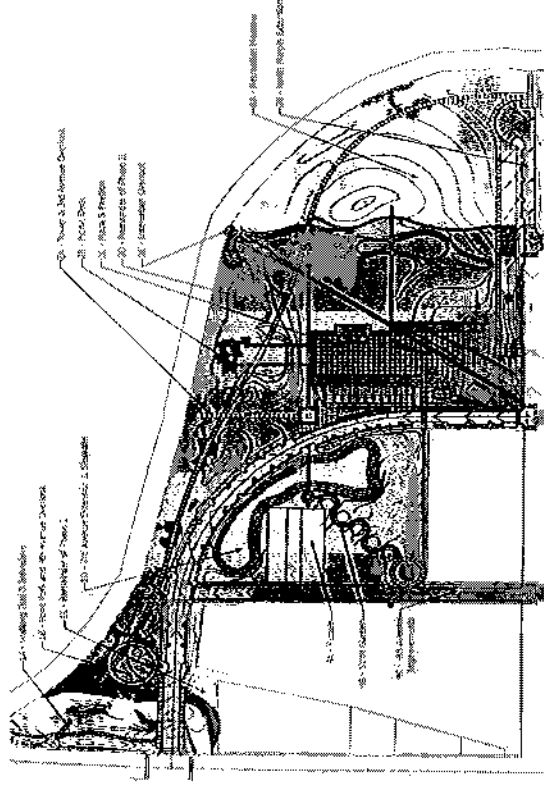
Why a Foundation?

- ❑ **Opportunity to involve community groups,**
i.e. *Battlefield Task Force, Franklin's Charge, Friends of Harlinsdale*, via this "alternative" funding source, to work towards the common goal of Parks Improvements, Preservation, & Support.
- ❑ **Current Taxes** only provide for existing park maintenance & infrastructure.
- ❑ **New Park Development** is stalled from **lack of funding.**
- ❑ **New and Alternative Funding** sources are needed.
- ❑ **Charitable Remainder Trusts-** A Foundation provides the framework to accept.

A black and white photograph of a large, multi-story wooden building, likely a school or institutional structure, with a prominent gabled roof and a central entrance. The building is surrounded by trees and foliage.

- All Historic Buildings Restored
- Amenities and Utilities
- Restroom
- Trails
- Fencing
- Signage

- Design completed
- Construct all features
- Structures
- Bridges
- Landscape
- Trails and Overlooks
- Parking



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Incomplete Parks

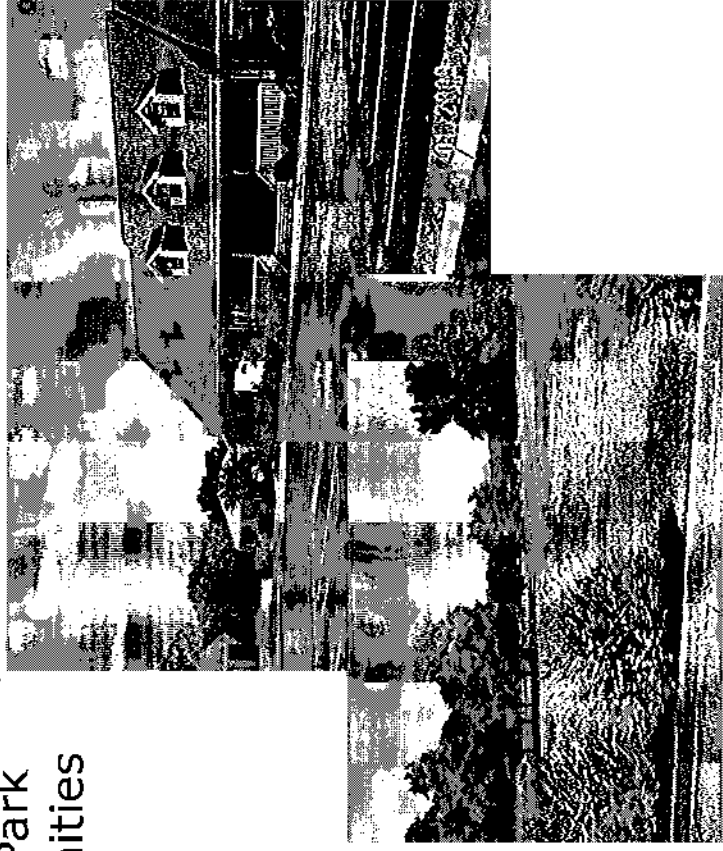


Eastern Flank Battle Park

- Restore Battlefield
- Construct Visitor Center
- Entry Road and Parking
- Interpretive Signage
- Landscape
- Trails
- Amenities

Liberty Park

- Amphitheater
- Skate Park
- Restroom Facilities
- Tennis Courts
- Dog Park
- Amenities



Park Upgrades or Renovations Due



Jim Warren Park

- Pavilion & Concession Stand
- Restroom
- Parking Lots



Winstead Hill

- Restroom facilities



Pinkerton

- Parking Lots
- Playgrounds
- Restroom and Trails



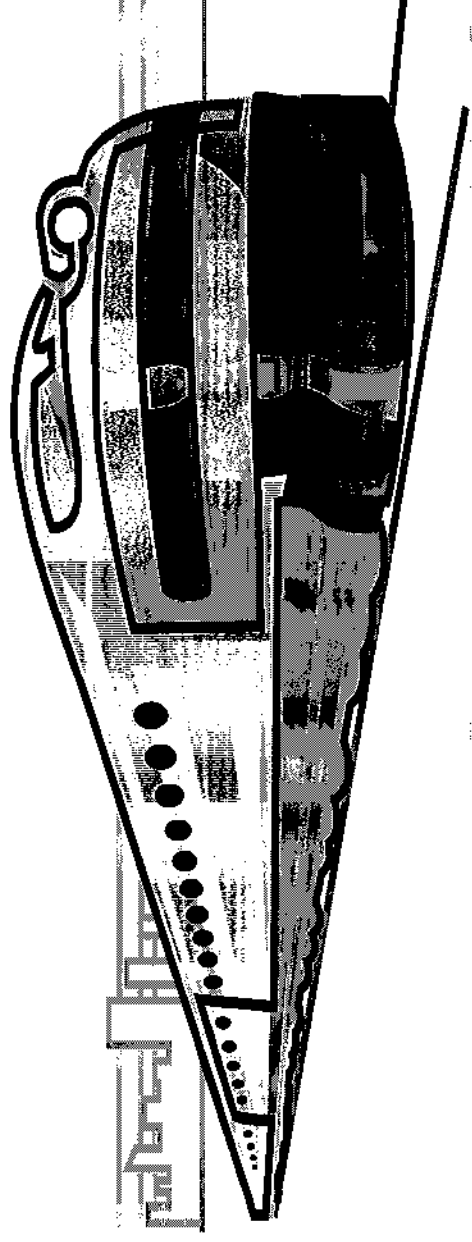
Collins Farm

- Restore building
- Parking
- Landscape
- Signage

Why Would Parks Department Initiate?

- ❑ To be on the **FRONT END** of developing a "unique and entirely **INDEPENDENT FOUNDATION.**"
- ❑ To **DRIVE THE PROCESS** and set the guidelines in advance.
- ❑ Citizen involvement ***IN COLLABORATION*** with the Parks Department.
- ❑ The Foundation would be the **FILTER** for special groups (partners) and projects that enhance the city park facilities, greenways and trails.

- ❑ Grantors look favorably on Foundations over donating directly to a government entity.
- ❑ Utilization of alternative funding sources. (Grants become more available to non profits)
- ❑ The "Foundation" would be the non-profit "umbrella" for volunteer and fundraising groups whose goals parallel the City Parks Department's goals and mission.



What will a Parks Foundation do for our City?

- ☐ **FUNDRAISING, VOLUNTEERS, DONATIONS,**
& supplementing shortfalls from tax revenue
and program fees.
- ☐ Foster **CONSERVATION & EDUCATIONAL**
efforts.
- ☐ **PRESERVATION & PROTECTION** of the many
natural, historical, and scenic features that
exist within the system of parks.

THE "CORE" FOUNDATION BOARD IS COMPOSED OF:

☐ Local Business Leaders

❖ All Fields - i.e. Real Estate, Attorneys, Architects, Consultants, Medical, Financial, Educators, Accountants, Utilities, Transportation, Computers, and Construction, etc.

☐ Community Volunteers

☐ Civic Leaders

Key Factors

- ☐ A formal **MOA** shall be written and agreed to between the City of Franklin Parks and "Franklin Parks Foundation" establishing the responsibilities of each organization and defining their joint purposes.
- ☐ Elected Officials and Parks Designee serve on the Board as a non voting members or "ex-officio."
- ☐ The "Foundation" Group will work in conjunction with Parks Department Designee to establish projects and park system needs & priorities.
- ☐ They agree to partner in fundraising, education, and citizen involvement.

Memorandum of Agreement

This document shall be a 3-5 year approved and signed agreement between the City Franklin Parks Department and the Franklin Parks Foundation, with stipulations that copies are to be given to each board member and partner group addressing the following:

- Purpose of the Agreement
- Department Designee and Authority
- Organizational Requirements
- Financial and Solicitation Concerns
- Responsibilities of Friends
- Responsibility of the Department
- Nature of the Agreement
- Indemnification and Insurance

Policy and Procedures

- ☐ Develop Guidelines and a Policy Statement for clarifying and defining the roles of the Franklin Parks Foundation, the City of Franklin Parks Department, and Support Groups.
- ☐ Draft Matching Funds Policies and Procedures & identify the dollar thresholds requiring a resolution from BOMA.
- ☐ Develop the process & requirements for applications requesting funding assistance.
- ☐ Determine the accountability and responsibilities of the Foundation, Parks Department and Support Groups for grant funds received and expended by the Foundation.
- ☐ Develop a communication plan and records requirements for City Parks Department and Foundation.

Types of Groups

Partner Groups

- ❑ Under the "Foundation" umbrella, any Franklin community or nonprofit group can be considered for a Partnership.
- ❑ Groups are accepted as partners on the basis of their project, the compatibility of their project with the mission, and how the funds will be raised and spent.

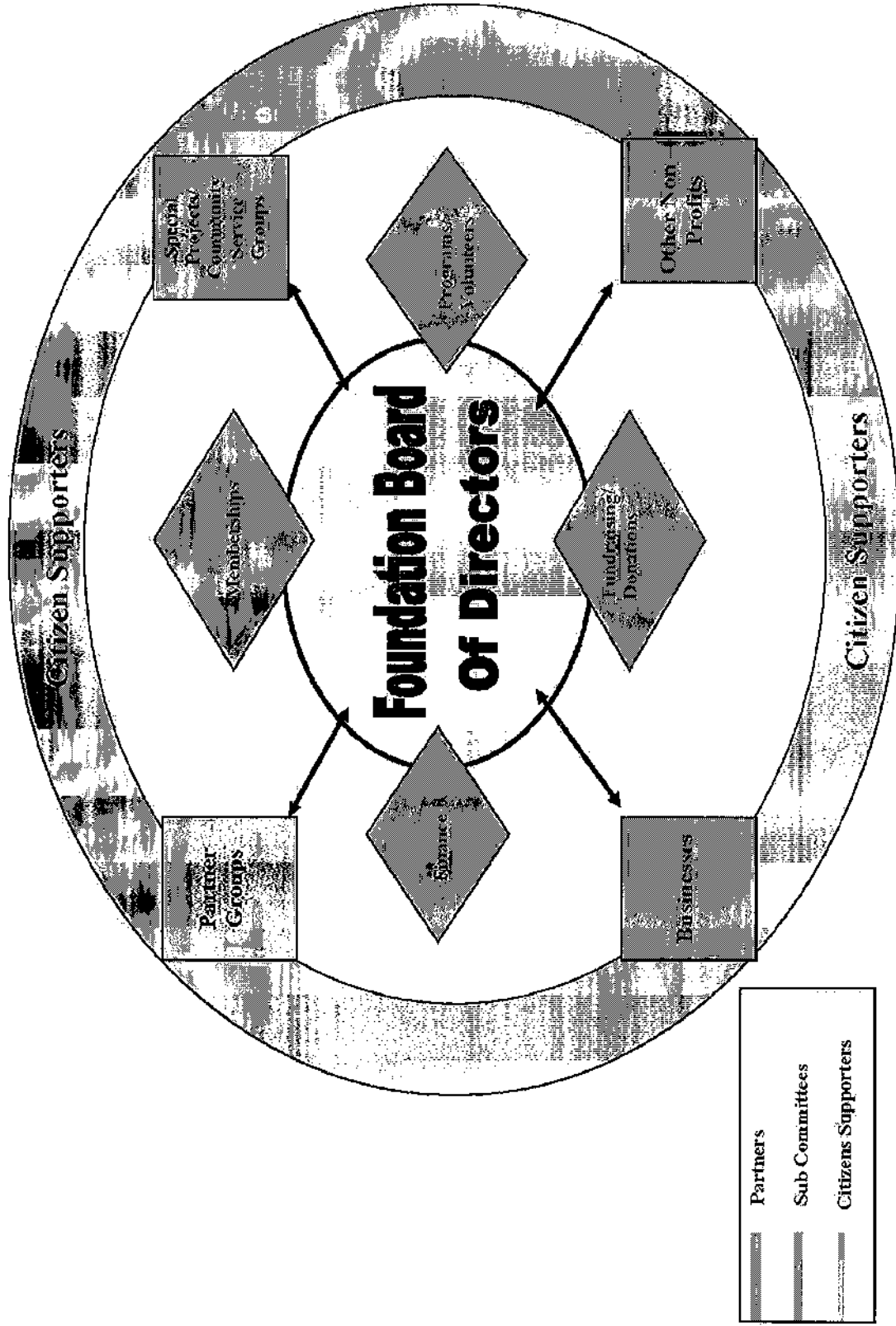
Projects Only

- ❑ If a group has a specific project in mind with **limited scope and time** they too can be considered.

Examples of Partner Groups

- ☐ Friends of Harlinsdale
- ☐ Friends of Eastern Flank Battle Park
- ☐ Friends of the Greenways
- ☐ Friends of the Community Gardens
- ☐ Adopt a Tree
- ☐ Friends of K-9 Korral and Freedom Run (dog parks)
- ☐ Friends of Franklin Youth Sports
- ☐ And other functions ... disc golf, playgrounds, acquisitions, endowments, gifting, receipt of property, etc..

Foundation for Franklin Parks



Initial Costs

- ❑ Legal Expenses (City Attorney) incurred for required documents for IRS 501c3 and State Department of Revenue. (value: min.\$1500)
- ❑ No cost to city if "Foundation" use volunteer attorney to file. (In-kind value: min.\$1500)
- ❑ The City will incur varying costs if it's agreed to provide the "Foundation" a meeting place, phone, computer, copier, fax, etc.
- ❑ Department Designee's time for meetings and discussion- (on going expense)

Costs

- The Foundation Group (*private company specializing in setting up 501c3's*) fees on City's behalf:
Starting at \$1200

Filing Fees

- Federal IRS Charges to file for tax exemption :
As of January 3, 2010
\$400 = under \$10,000 gross receipts per year
\$850 = over \$10,000 gross receipts per year
- State Fees to file as Charitable Organization:
\$600 Certificate of Authority
\$150 Registering Charter
- Mailing and copying expenses: Est. \$100

Benefits

- ☐ All Contributions would be Tax Deductible.
 - Including corporate, in-kind, and individual gifts & memberships.
 - Public and corporations more likely to give when they receive a tax benefit.
- ☐ Promotes stewardship and pride in the community.
- ☐ Allows volunteers to give service and support their community facilities.
- ☐ Parks Department can accomplish their goals without expanding personnel and/or incurring more costs.

Action Plan

Calendar	Planned Start	Planned Finish
Approvals	Winter 2010	Spring 2010
Recruit Board	Spring 2010	Spring 2010
Develop Articles/Bylaws File with IRS and TN (IRS process 2-12 mos.)	Summer 2010	Fall 2010
Develop Priorities for Year Design Policies & Procedures Draft MOU/MOA	Summer 2010	Summer 2010
Board to set Annual Targets	Fall 2010	Winter 2011
Efforts begin	Fall/Winter 2011	

Process

☐ Approval Process

-  ▪ Director
-  ▪ ACA
- City Administrator
- BOMA

☐ Next Steps

- Recruit a 3-4 Person Board
- File Articles of Incorporation and Bylaws
- Develop Priorities with Parks Dept.
- Set goals and lay groundwork for year.

☐ Legal and Finance Review

- Draft MOA
- Policies and Procedures

Resources

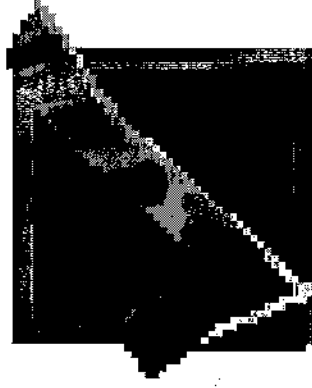
- ❑ Richmond Recreation and Parks Foundation, Richmond VA (Model Agency)-Larry Miller, Manager, City of Richmond
- ❑ Texas Parks and Wildlife Department (MOA)
- ❑ National Park Service
- ❑ Eleanor Willis, Metro Nashville Parks (Friends of Warner Parks)
- ❑ Angela Jackson, City of Murfreesboro, Friends of the Greenway and Wetlands
- ❑ Wade Hooper, City of Fairview, Bowie Park
- ❑ Ronnie Douglas, State of Tennessee
- ❑ Josh Collins, City of Oak Ridge
- ❑ Online research for 'Foundations and Friends groups and cities

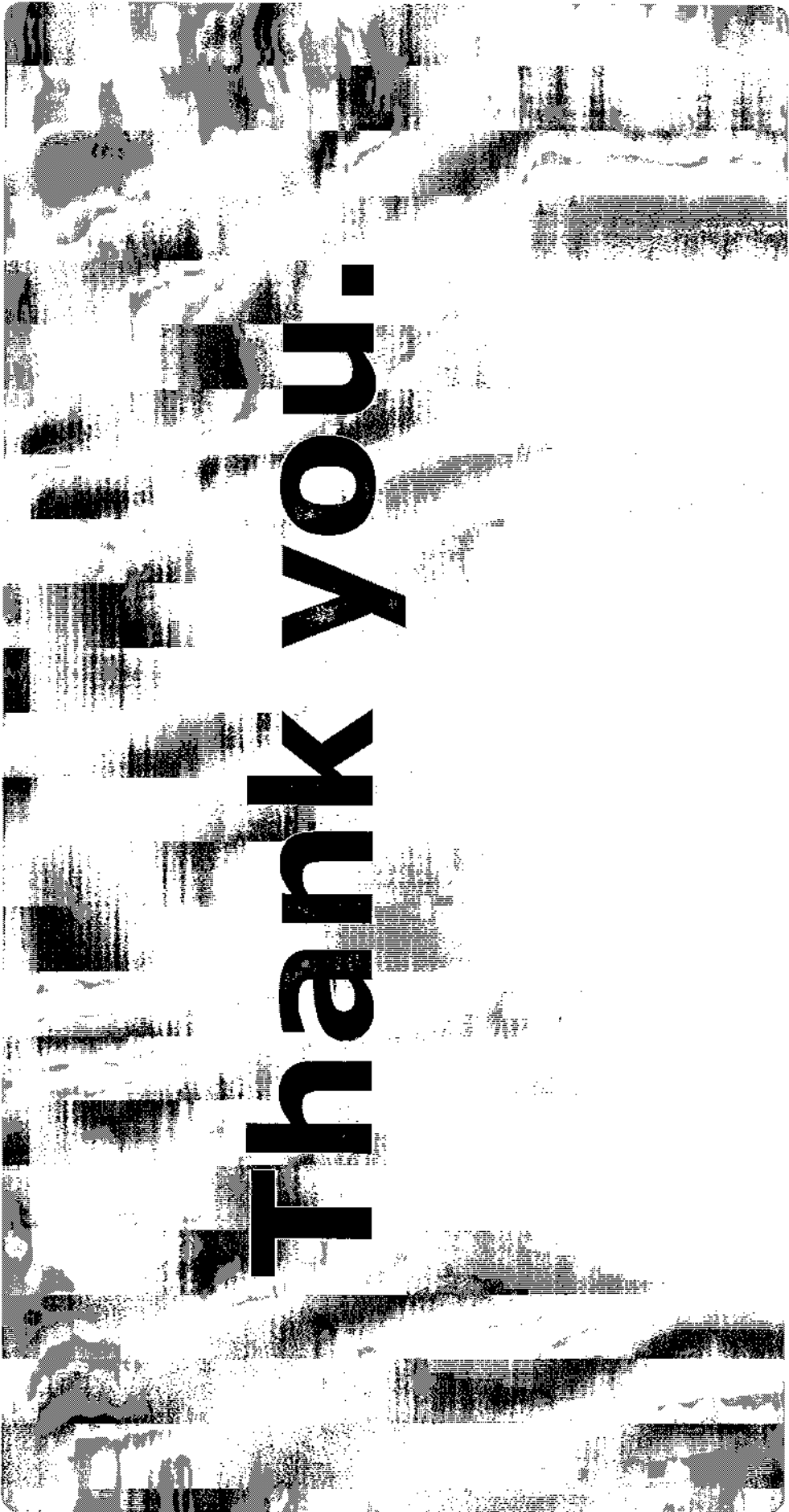
Alternate Name

(Franklin Parks Foundation)

- ❑ “Franklin Parks Foundation” is a working title only.
- ❑ Other names are to be considered to set this organization apart from the many ‘Friends’ groups already in existence.

We are seeking approval by
resolution, to go forward in
establishing a
Non Profit 501(c)3 Parks
Foundation.





Thank you.