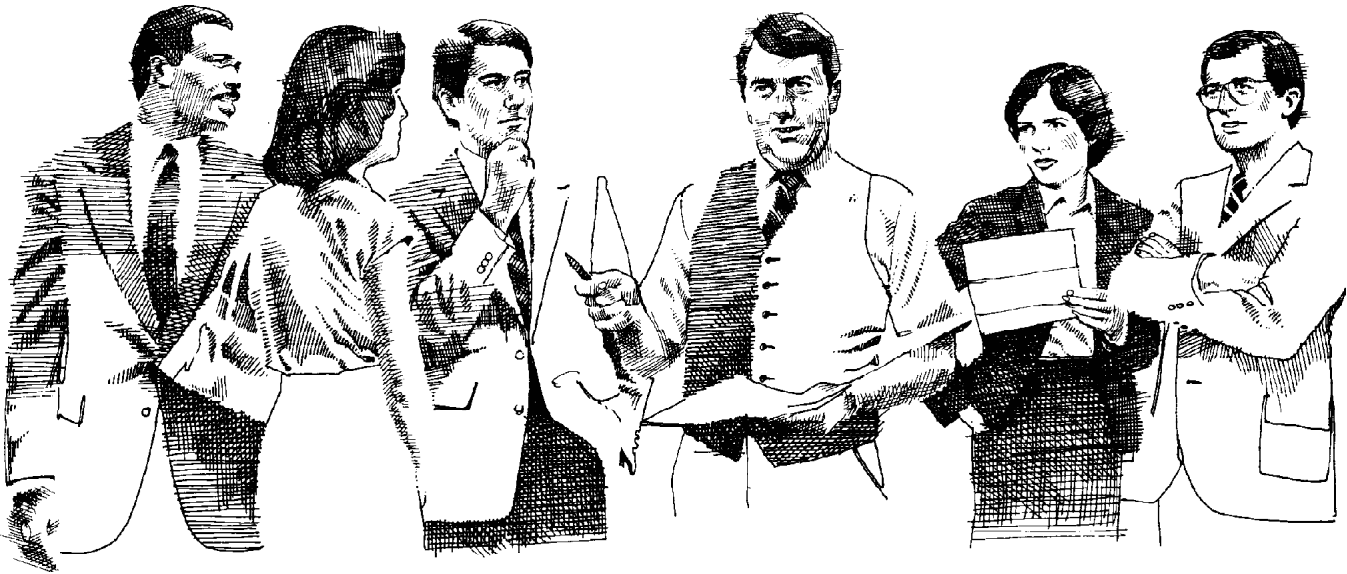


# Agency Expenditures



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This section of the Resource Book presents how the expenditures of the agency responsible for managing a river, trail, or greenway can contribute to the local economy. Agency expenditures contribute to economic activity, providing payrolls and support to a myriad of businesses.



### Level of Expenditures

The managing agency supports the local and regional economy by providing jobs and purchasing supplies and services to develop, operate, and maintain the greenway and related improvements. Benefits to the local community are greater if supplies and services are purchased from local businesses. The following examples illustrate the level of expenditures which potentially impact the local community. Expenditures must be reviewed in detail to determine how much is spent locally.

- The 1993 operations budget for the North Central Rail Trail in Baltimore County, Maryland reached almost \$192,000. These state expenditures provided for salaries, maintenance, contractual services and utility bills (Maryland Greenways Commission, 1994).
- The American River Parkway accounted for over \$1 million in expenditures by the County of Sacramento Parks and Recreation Department in fiscal year 1989-1990. This 5,000 acre greenway includes 23 miles of paved trails and over 50 miles of riding and hiking trails. Approximately \$600,000 of the expenditures were made for services and supplies, and \$450,000 for salaries and benefits. Expenditures on services and supplies range from professional planning services to paper products (Wright-Woodruff, 1990).
- Boulder Creek Corridor in Boulder, Colorado, is maintained by both the City Public Works Department and the Parks and Recreation Department. The Park and Recreation Department's groundskeeping maintenance generates annual expenditures of \$6,000 for salaries and \$3,000 for services and supplies per mile. The Transportation Division of Public Works spends \$1,600 in salaries and \$850 per mile for trail maintenance (Barnett, 1990).

■ A 1978 study completed for the East Bay Regional Parks District in California, assumed that for every \$1 received by the District in tax funds, grants or gifts, \$3 was returned to the community through supplies, contracts, equipment, payroll, and transportation (Spickard, 1978). In 1989, the East Bay Regional Park District spent over \$27 million for employee salaries and benefits (Cobb, 1989).

Employment generated by a greenway project can be targeted by the managing agency to benefit particular needs of the community. For example, programs may be implemented to employ population segments suffering from high unemployment.



■ In response to community needs for youth employment and job training, the city of Battle Creek, Michigan, and the Urban League joined in a program to hire youths to construct the city's Linear Park. The program provided employment and training for approximately 200 youths over four summer seasons between 1984 and 1987. The Urban League of Battle Creek was responsible for hiring, while city staff performed planning and engineering (Kracht, 1990). This program not only provided employment, but helped the youth develop work skills and a "sense of pride in their contribution to the City of Battle Creek in general and the Linear Park in particular" (City of Battle Creek, 1985).

■ Youth and the environment are also brought together under the California Conservation Corps (CCC). Each year the CCC employs approximately 2,000 young adults, 18 to 23 years old, to work on conservation projects sponsored by local, state, federal government, and non-profit organizations. This mutually beneficial program not only provides young adults with employment and the development of work skills, it also gives conservation-related organizations access to an affordable labor force. Corps' accomplishments include: construction or rebuilding 2,500 miles of trails, nearly four million work hours in park improvement, and more than 900 miles of stream clearing for salmon and trout migrations (California Conservation Corps, 1990).

## Local Business Support

Agency expenditures are more important to some businesses than others. Some businesses or contractors may be dependent upon local recreation/open space agencies for a significant portion of their revenues.

■ In one year, local recreation agencies in Illinois spent \$136 million in a diversity of economic sectors. The top ten sectors were utility services, insurance, vehicles, sporting goods, lumber and building materials, legal agencies and service, swimming pool supplies, chemical lubricant and gasoline supplies, food purchases, and play ground equipment (Sheffield, 1986).

■ A T-shirt printing shop in the St. Louis area estimated that 15 to 20 percent of their 1987 revenues came directly or indirectly from the area's municipal agencies and that this market was increasing (Sheffield, 1988).

■ The sporting goods manufacturing firm, Wilson, noted that park and recreation agencies directly or indirectly supported as much as 30 percent of the company's corporate/domestic sales (Sheffield, 1988).

## How to Use These Rationales in Your Community

**List specific greenway-related expenditures.** Determine all agencies and groups directly involved in managing the greenway. List expenditures for their greenway-related activities. Itemize annual expenditures by activity. Examples of expenditure categories are: planning, acquisition, development, operation, and maintenance. Include all annual expenditures for personnel, supplies, and equipment. For each, estimate the percentage of these expenditures which are made within the local economy. Annual expenditures can be calculated either for the calendar year or fiscal year. Calculate the total expenditures made within the local economy and the number of jobs provided. If your greenway has not yet been implemented, go through the same process, but project future annual expenditures.

**Apportion other greenway-related expenditures.** Some agency expenditures will be for administration, personnel, supplies, and equipment that may be used only partially for the greenway. If this is the case, estimate the proportion attributed to the greenway and catalogue these expenditures. If these are annual expenditures, figure the percentage of time staff or equipment is involved and apportion the expenditures accordingly. For heavy equipment, or other long-term investments, you need to calculate the annual cost of the investment. This is also termed “annualizing” and may include calculations for depreciation. Ask accounting or finance specialists for the appropriate figures to convert long-term expenditures to annual costs. Total the annual expenditures that can be attributed to the greenway and add to the costs calculated for the greenway-specific expenditures given above. This total is the direct impact of greenway-related agency expenditures.

**Calculate greenway-related employment.** Keep track of the number of employees necessary to operate the greenway. The managing agency should be able to provide employment figures. Seasonal jobs should be converted to full-time, year-round equivalents. For example, three four-month seasonal positions can be counted as one full-time, year-round position.

Many greenways involve multiple managing agencies since the corridors pass through different political jurisdictions. Be sure to add up the jobs and expenditures of all managing agencies and their respective suppliers and contractors.

If possible, determine which city or county greenway employees reside. Divide the total number of employees into percentages based on where they reside. Since employees typically spend most their paycheck in the community they live in, this will give a good indication which jurisdiction benefits from greenway-related expenditures.

**Determine greenway-dependent businesses.** Talk to businesses that receive agency expenditures. Determine what proportion these expenditures comprise of the businesses’ total revenue. Keep this information on file.

**Communicate results.** Use a simple graphic format to show how expenditures and jobs are supported by greenway managing agencies, their suppliers, and contractors. Computer desk-top graphics can be very effective, particularly for

pie-charts and bar-charts. You can also show the distribution of economic activity by jurisdiction.

### **Sources of Information**

Public and non-profit agency budgets are a matter of public record.

**U.S. Census.** Census documents list average incomes for different occupations, by specific areas. Call your local library's government documents department for the appropriate volume and location.

**Budget and Finance Specialists.** Agency budget and finance specialists are the experts on what and where greenway expenditures are being made. These specialists might also be helpful in case methodological questions arise.

### **Considerations in Using These Rationales**

**Interpretation of expenditure information.** You may wish to give stronger emphasis to the other impacts of your proposed project before discussing agency expenditures. This information might be used to show how expensive the greenway will be. The bottom line, however, is that agency expenditures can help support local businesses and should not be considered a drain on the local economy. This rationale is best for a greenway that has already been implemented. It is also good for situations where agency programs are threatened by cut-backs. Calculate how many jobs would be lost due to cutbacks.

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