

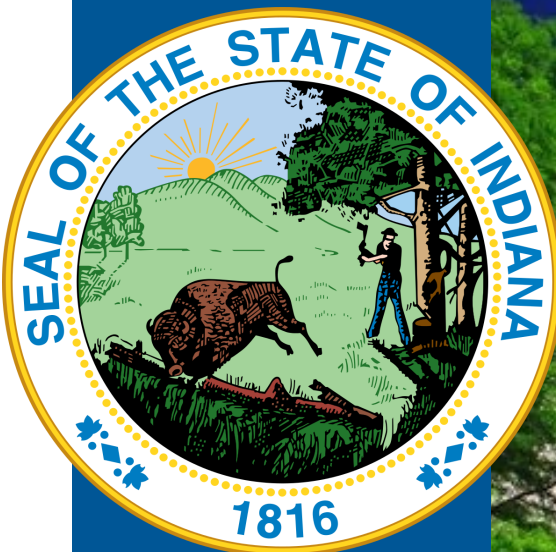


Greenways Foundation of Indiana

Legislative Platform 2020



Find a trail. Find yourself.





The Greenways Foundation of Indiana is a charitable trust working to promote the growth, enhancement and use of Indiana’s multi-use trails, both land and water-based. To accomplish that, we solicit donations and make grants in support of greenway development, enhancement and operation.

Our primary activities include:

- Assisting in forming effective local trails organizations
- Building initial community support for trails
- Providing startup grants to help local trails organizations build capacity and local support
- Acting as a source of trails information and consultation to local Indiana governments
- Promoting best practices in the planning, marketing, design, development, and management of linear parks

For more information about us, please visit www.greenwaysfoundation.org.

The Greenways Foundation supports the following legislative initiatives to promote the development, enhancement and use of our state’s multi-use trails:

I. PRIORITY

1) Creation of Indiana Legislative Caucus

Borrowing a successful strategy of partnership from the State of Ohio, the GF supports the creation of a Legislative Trails Caucus for Indiana. The group would represent a bipartisan commitment, in both the House and Senate, to develop a statewide trails network to connect all Hoosiers. The Caucus would be focused on improving existing trails and ensuring smart planning for future trail networks. The Caucus would lead political efforts to develop opportunities for outdoor recreation and active transportation.

2) Creation of Sustainable Trails Development & Maintenance Fund

The Greenways Foundation thanks Governor Holcomb for his \$90 million commitment for trails from the Next Level Connections Program. Although substantial, it will only develop a fraction of the proposed 1000 miles of State Visionary Trails (as of 2019, just over 45% have been completed). Thus, an annual state fund is needed to distribute to both municipalities and trail nonprofits to advance the development of local and regional trails. This would be in-line with many neighboring states who have developed similar programs. The GF requests such a fund be administered by the Department of Natural Resources (DNR), and include dedicated funding for new trails, maintenance, and promotion. The DNR should also receive adequate funds to effectively administer said program.





The Need for Funding

The awarding of the first round of Next Level Trails funding in May of 2019 demonstrated the clear need for additional funding for the Indiana's burgeoning trail network. Seventeen projects were awarded \$24.9 million, which matched another \$12.5 million in local value, for a total investment of \$37.4 million. However, this only represents a fraction of all 82 projects submitted, for a total request of nearly \$144 million.

The Next Level Trails program will finish awarding projects by the end of 2020, but the need for a sustainable annual fund remains. The Greenways Foundation asks that Legislators come together and establish an annual fund to aid with new trail development, along with other critical investments including maintenance and program administration.

Maintenance Focus

The positive interest in trail development is clear, but perpetual maintenance of our trail network in Indiana remains inconsistent. Currently, a patchwork of municipalities, trail advocacy organizations and volunteers help maintain the vast majority of trails in Indiana. Costs to maintain one mile of trail average between \$3,500 and \$6,500 annually, depending on the type of trail and its location. This represents a substantial and necessary investment to maintain trails for long-term use and enjoyment.

Major elements of trail maintenance include, but are not limited to the following:

Upkeep of trail signs & pavement markings

Resurfacing and repair of pavement

Erosion control and repair

Patching, grading and sealing of trail surfaces

Drainage improvements

Repair damage caused by flooding and major storm events

Cleaning and sweeping of trail of leaves, storm debris, ice and snow

Litter and trash pick-up

Mowing of trail shoulders

Repair and replacement of trail amenities (lights, benches, etc.)

Local trail organizations are often able to raise the funds necessary to cover day-to-day maintenance expenses such as mowing and litter removal. The Greenways Foundation makes small grants available annually to local trails organizations to assist them with major maintenance requirements. But the statewide need far exceeds the fundraising capacity of the Greenways Foundation, therefore another source of state revenue is required.





Funding Options

On July 19, 2019, the Final Report of the Indiana Bicycle Trails Task Force (Task Force) was released. The Task Force was created in 2017 by an act of the Indiana General Assembly to study innovative funding strategies to advance trail development throughout the state. The Task Force also focused on bicycle safety and connecting Indiana's Visionary Trail System. The following represents their conclusions on the funding mechanisms. These all can be readily applied to sustainable trails funding:

Public-Private Partnerships

Options are tax write-offs and/or credits, naming rights, marketing, and other forms of visibility.

Sporting Goods Sales Tax

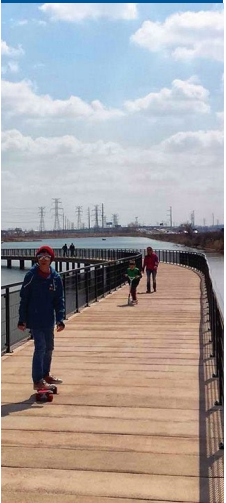
A sporting goods sales tax would not be a new tax, but rather a percentage diversion of existing sales tax revenue. This funding method would allow recreationists, such as cyclists, to pay for their infrastructure, like trails. This is already being done for some items on a federal level as well as in states like Texas. An estimated 348,000 bikes are sold in Indiana each year, with an average price of \$100 for \$2.34 million in sales taxes annually. This may add a further complication to the existing tax structure or would require another level of administration approval.

State Gas Tax

Two potential funding sources could be derived from the existing state gas tax. Option A would estimate gasoline usage by off-road vehicles (ORVs) and snowmobiles and take a percentage of the state gas tax revenue that would be diverted to the construction and maintenance of trails. Such a program could mirror or be very similar to the Federal Recreational Trails Program (RTP) or states that already do this, which funds both motorized and non-motorized trails. Using the same formula the RTP uses, it was estimated that an additional \$812,000 would be available for trails annually. Option B is a small percentage (1% or 2%) or a set amount of state gas tax funds could be dedicated for bicycle and pedestrian projects, such as trails. Currently, this is being done in states like Tennessee and Pennsylvania. It is estimated this would set aside \$2-\$4 million towards bicycle and pedestrian projects in Indiana annually. INDOT's support for such a policy would be necessary, which in turn might be dependent on high levels of public support.

Real Estate Transfer Tax

Indiana is one of eleven states that does not currently have a real estate transfer tax. Most states typically involve the collection of \$1-\$3 in tax per \$1,000 in real estate transactions. Over ten states are currently using these funds for recreation as a quality of place and life initiative. Since this would be a new tax, the implementation of such a program would require legislative action and would likely encounter opposition from anti-tax groups as well as the Realtors' Association. Task Force members ultimately felt that the implementation of such a tax would be an "uphill battle," but remained interested in the idea due to the consistent and substantial funds that it would produce.





This tax could also be used like a TIF district on a local level so that nearby landowners could help pay for local trail development projects with a transfer tax since they would be the ones to most benefit.

Sin Tax

Sin taxes, which revenue from the taxation of sports betting, cigarettes, and other “vices” are derived, could be used to fund trails. One such tax is on sports betting, which was legalized in Indiana in the summer of 2019. Other advocacy groups are also looking closely at this possibility and could be worked with - but might become a source of competition. The amount of revenue that would be produced is uncertain, but it would likely be substantial.

General Appropriations

The funds resulting from general appropriations could be significant and allow for the completion of major projects. In Indiana, this occurred in 2006 when Governor Daniels allocated \$20 million for the State Trails Program. This action benefited 28 trail projects, allowed for the construction of 104 miles of trail as well acquisition of land for future trails. In New York, \$200 million was allocated by their legislature for the Empire State Trail in 2018. This type of funding source can be transformative and highly beneficial to the development of trails, but is more sporadic, harder to plan for, and may only occur once over the course of many years.

Utility Easements

These involve utility companies leasing easements on trails for the development of phone, water, sewer, fiber optic, and cell tower infrastructure. In these scenarios, utility companies would pay substantial sums of money to local or state governments for an easement or lease on land for their infrastructure. For example, AT&T pays \$7,000 per mile to run fiber optic cable on a trail in Northern Virginia. Similarly, some cell phone towers can pay as much as \$150,000 per year to local or state governments. These figures do not necessarily represent the amounts that would be paid in Indiana; however, they do provide a range to understand that this amount of money would most likely only pay for operation, maintenance and limited development. Since infrastructure needs are determined on a local scale, it's best for this type of funding to be the decision of the local trail manager.

Waste Tire Fee

There is currently a \$0.25 fee on each tire purchased in the State of Indiana. The resulting funds are administered by Indiana Department of Environmental Management (IDEM), who uses them to manage waste tires through clean ups and recycling programs. In 2011, the fee brought in \$1.3 million and appears to bring in between roughly \$1.3 to \$2.3 million per year. The last known grant for a cleanup occurred in 2009. Grants have decreased in recent years due to all major sites being cleaned up. Also, the fee of \$0.25 is quite low and the possibility of the fee being raised to \$0.50 per tire would be manageable for most people. These funds would require involvement from the legislature as well as support from IDEM.





Tipping Fee/Environmental Penalties

Tipping fees in Indiana are currently at \$0.60 per ton of waste. This amount is quite low compared to other states, and a modest increase to \$1.00 would put it more in line with neighboring states. An increase in the fee would encourage more recycling as well as discourage other states from dumping in Indiana. Additionally, the extra monies could fund both recycling programs and trail development - a zero-emission infrastructure.

Cigarette Tax

An increase could further fund healthy living initiatives such as trails. The tax currently stands at \$1 per pack (plus regular sales tax), but could be increased to \$1.50 - \$2 if recently introduced legislation passes. Funds from the cigarette tax going to trails have a clear link due to the connection between public health, increased trail usage, and lower smoking rates. There might be competition from other groups wanting the funding, such as more traditional health-related initiatives.

User Fees

These are fees users of the trails would pay for some additional services, like premier parking. This would be a difficult option to enforce and might be unpopular with some users. Additionally, it seems more suited for maintenance rather than development in terms of the amount user fees would raise. A program similar to a "Friends of the Trail" or a Trail Town Program could be implemented. This is something that would have to be implemented by each individual trail manager.

State Examples

Our neighboring states employ similar mechanisms, including the following examples:

Minnesota Parks and Trails Fund is a state-established fund receiving 14.25 percent of the sales tax revenue resulting from the Clean Water, Land and Legacy amendment. Those funds may only be spent to support parks and trails of regional or statewide significance. In 2009, the Legislature appropriated \$65.1 million from the Parks and Trails Fund for projects beginning during the next two fiscal years (July 1, 2009 - July 1, 2011). www.legacy.leg.mn/funds/parks-trails-fund

The Illinois Bicycle Path Grant Program provides up to a maximum of 50% funding assistance on land acquisition, development and rehabilitation of trails. Funding for the program is derived from revenue generated from fees collected pursuant to Section 3-821(f) of the Illinois Vehicle Code. dnr.state.il.us/ocd/newbike2.htm

Michigan Recreation Improvement Fund Grants fund the operation, maintenance and development of trails; the restoration of land damaged by off-road vehicles; and inland lake cleanup. The source is a 2% distribution of all state-imposed taxes collected on the sale of gasoline after deducting collection costs and refunds. Authority: Part 711, PA 451 of 1994, as amended. www.michigan.gov/dnr





Iowa State Recreational Trails Program funds the acquisition, construction, or improvement of trails open for public use. Appropriation is from the Iowa Legislature. tinyurl.com/lq22sah

The Wisconsin State Trail Pass is required for all people ages 16 or older biking, in-line skating, horseback riding, cross-country skiing or off-highway motorcycling on certain trails. The pass is not required for walking or hiking. The State Trail Pass is issued to the person, not the bike, horse, motorcycle, etc. It is non-transferable, meaning the pass cannot be passed from person to person or shared with others. A vehicle admission sticker is required on all motor vehicles stopping in state parks and recreation areas. Some state forest and trail parking areas also require a vehicle admission sticker. In 2013, Wisconsin collected a total of \$1.26 million in State Trail Pass fees that went directly to maintaining the state trail system. A similar pass system could be employed in Indiana, but for all major recreational trails (over three miles). dnr.wi.gov/topic/parks/trailpass.html

The Michigan Beverage Container Act offers a system for reclamation of beer, soft drinks, carbonated/mineral water and wine coolers in any airtight metal, glass, paper or plastic container (also any combination of these materials under 1 gallon) in retail stores. These beverages require a \$0.10 deposit, and any unredeemed deposits are used as follows: 25% to the retailers and 75% to the state for environmental programs which include the building and maintaining of greenways. More details and other state examples can be found at www.bottlebill.org.

The **Clean Ohio Trails Fund** distributes up to \$4.25 million per year for projects that will acquire land and for developing new trails in the state. As of 2018, the Fund has dedicated more than \$86 million for the creation of 455 miles of trails and the acquisition of 127 miles of abandoned railroad and greenway corridors. The Fund was established in 2000 with the passage of a \$400 million bond. More details about the program can be found at <http://realestate.ohiodnr.gov/outdoor-recreation-facility-grants>.

II. RECOMMENDATION

Adoption of State Complete Streets Policy at Legislative Level

The GF supports Complete Streets (CS) Policies to aid in safe travel for pedestrians and bicyclists. INDOT adopted a CS Policy in 2014, but it lacks sufficient legal strength. To date, 21 state legislatures have adopted CS Policies, and the GF supports similar action by the Indiana General Assembly.

Please contact Board President Mitch Barloga at mbarloga@nirpc.org, or 219-741-3283 if you have any further questions or require additional clarifications on these policy matters.

