

Humboldt Bay Trail Fund Guidance Document

Purpose:

The purpose of the Humboldt Bay Trail Fund is to provide financial support for the maintenance and creation of multi-purpose trails (bike paths) around Humboldt Bay for walking, running, biking, and wheeling.

Description:

The Humboldt Bay Trail will be constructed in phases with support from multiple public agencies, organizations and individuals. The City of Arcata, City of Eureka, and Humboldt County are each leading projects that will ultimately result in a continuous trail between central Arcata and southwest Eureka. Additional future projects to extend the trail around Humboldt Bay are anticipated (for example, west from Arcata through the Arcata Bottoms toward Manila and Samoa, and south from Eureka toward King Salmon, Fields Landing, and College of the Redwoods).

The Humboldt Bay Trail Fund (Fund) was established at the Humboldt Area Foundation to provide a mechanism for private donations to assist in the continued development of the Humboldt Bay Trail by focusing on the critical need for trail maintenance funds. While state and federal grants may fund pre-construction and construction of trails, maintenance costs must be borne by the project's lead agency or partner organization. The lack of sustainable funding for maintenance is a major limiting factor in expanding regional trails. Developing a long-term source for maintenance funds will support public agencies' ability to accept trail management responsibility. In addition, the Fund is intended to promote community involvement and enhance connections between community members and the Humboldt Bay Trail.

The Humboldt Area Foundation (HAF) manages donated funds in conjunction with other Foundation assets, and allocates funds from the Fund based on recommendations by an advisory committee (the "Humboldt Bay Trail Fund Committee"). The Fund is an endowed fund that will grow and maintain a sizeable fund balance that is able to generate a stream of income through investment earnings which can be expended to carry out the fund purpose. Donations will initially be accrued until they reach a minimum balance of \$100,000. After the fund balance reaches \$100,000, all future gifts will be recorded as 50% endowed (contributing to the corpus) and 50% expendable (available for expenditure), unless donors earmark their contributions as either entirely endowed or expendable at the time of the gift. HAF's current policy is to annually make available for expenditure 4% of the balance in the endowed portion of the Fund, averaged over 16 trailing quarters. Unspent expendable funds will continue to generate investment earnings.

While the overarching goal is to grow the endowment portion of the Fund to provide sustainable funding for on-going trail maintenance needs, the funding priorities listed below allow for the possibility of funds being expended for other important needs. For example, the Fund could be used to leverage additional funding by improving the competitiveness of grant applications for construction funding.

The seven-member Humboldt Bay Trail Fund Committee is composed of four community members at large, representing trails stakeholders from a broad spectrum of the community, and three public agency representatives from the City of Arcata, City of Eureka, and the Humboldt County Public Works Department. One of the four at-large members will be a representative from the Humboldt Trails Council. Humboldt County Association of Governments (HCAOG) staff will act as the committee administrators and will not be a voting member.

Funding Priorities:

Funds from the expendable portion of the Fund can be allocated as frequently as annually, with a priority on projects that involve community volunteers. Donations will be allocated by the Humboldt Bay Trail Fund Committee to support the overall fund purpose. The members of the committee agree on the following priorities areas for allocating funds:

- Priority #1 – Maintenance and rehabilitation, with an emphasis on projects involving community volunteers
- Priority #2 – Emergency repair projects
- Priority #3 – Trail amenities (e.g. signs, benches, lighting, landscaping)
- Priority #4 – Cost-share to state or federal grant funds for project development (planning, engineering design, technical studies, and permitting) and/or construction.

Governance:

The Humboldt Bay Trail Fund Committee will meet at least once a year to review fundraising progress, address committee vacancies, update funding criteria, and review and recommend funding requests. Prior to posting requests for project proposals, the Humboldt Bay Trail Fund Committee will determine funding guidelines and criteria for funding consistent with the priorities outlined in this document. Initially, the four community members of the committee will be selected by the three public agency representatives. Thereafter, when a vacancy occurs, the committee will develop a recruitment process and committee members will vote on filling the vacant seat.

Proposals for funding allocations to support the purpose of the Humboldt Bay Trail Fund can be made by non-governmental organizations or public agencies. Each member organization of the Humboldt Bay Trail Fund Committee has the ability to cast one vote on funding allocation proposals. Projects approved by a majority of voting members will be recommended to HAF for funding. HAF will make funding allocations after receiving minutes documenting the decisions of the committee.