Trolley Replacement Framework

FY 2026–2027 | Rowan County Tourism

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Purpose

Rowan County Tourism staff proposes a framework for acquiring a replacement trolley beginning the process in FY 2026–2027 and fostering a continued and sustainable long-term funding model through sponsorships, grants, partnerships and ridership.

Acquisition

Begin the replacement trolley procurement process in FY 2026–2027

Sustainability

Foster a long-term funding model through diverse revenue streams

Partnerships

Leverage sponsorships, grants, and ridership for ongoing support

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Trolley Cost & Funding Approach

Estimated Cost

$225K

New Replacement Trolley

Initial One-Time Funding Sources

Insurance Proceeds (Stolen Trolley)	$70,000
F&M Bank (one-time contribution)	$50,000
Novant Health (one-time contribution)	$20,000
Additional Grants (secured by F&M Bank)	$40,000
F&M & Novant Annual Sponsorships	$15,000
Tourism Capital Appropriation (FY2027–28)	$30,000

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Payment Structure & Timeline

1. **FY 2026–27**

   Trolley order is placed. An estimated **30% down payment ($67,500)** is funded through insurance proceeds.

2. **FY 2027–28**

   Remaining balance due upon delivery. Anticipated delivery window with final payment from secured funding sources.

3. **FY 2028–29**

   Potential alternate delivery window if delivery extends beyond FY 2027–28 timeline.

The 30% down payment of $67,500 will be funded directly through insurance proceeds from the stolen trolley.

Long-Term Sponsorship Framework

Beginning in **2026–27**, new **10-year sponsorship agreements** at approximately **$85,000** with F&M Bank and Novant Health will provide a sustainable funding foundation.

Agreement Features

Tiered Annual Increases

Built-in growth to keep pace with operational needs over the 10-year term

Defined Payment Schedules

Clear, structured timelines for sponsor contributions and funding commitments

Long-Term Commitments

Formal agreements ensuring funding reliability across fiscal years

Strategic Benefits

- Help close the remaining funding gap prior to final payment due in FY 2027–2028
- Support the current trolley replacement initiative
- Support a continued and sustainable long-term funding strategy
- Increase long-term annual operating revenue cash flows
- Reduce reliance on one-time capital requests in the future

Proposed Board Action

If approved by the Board, the following steps will be initiated by staff:

01

Develop Sponsorship Agreements

Staff will work with Tourism Legal Counsel, **Andy Abramson**, to develop formal sponsorship agreements outlining funding commitments, term lengths, annual increases, and funding responsibilities.

02

Initiate Bid Process

Staff will proceed with the required **bid process** for a replacement trolley in accordance with procurement requirements.

03

Present Bids to Board

Upon receipt of bids, staff will **present to the Board** for consideration and approval of the trolley purchase.

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