

SANTA CLARA COUNTY PARKS

PARK CHARTER FUND RENEWAL



Mission & Vision

The mission of Santa Clara County Parks is to provide, protect and preserve regional parklands for the enjoyment, education and inspiration of this and future generations.

Our vision is to provide a sustainable system of diverse regional parks, trails and natural areas that connects people with the natural environment, supports healthy lifestyles, and offers outstanding visitor experiences that renew the human spirit, while balancing recreational opportunities with the protection of natural, cultural, historic, and scenic resources.

Overview

Santa Clara County acquired its first park in 1924, in 1956 the County formally created the Parks and Recreation Department, and in 1972 the voters first approved the Park Charter Fund. Over the past 43 years the Park Charter Fund has been a secure source of funding that has created a world-class regional park system of twenty nine parks comprising over 50,000 acres. Initially created to allow the County to be a leader in land acquisition, the Fund has evolved with voter approval to provide funding for acquisition, capital projects, and operations and maintenance.

Looking ahead, the Department believes it is time to again modify and extend the Park Charter to meet the needs of a burgeoning, increasingly diverse and urban population. The Department faces challenges associated with a growing system that generates increased costs for maintenance and operations. The public's desire for safe, accessible, quality services in the parks, simply outstrips the Fund's capacity to provide these things. Further, the existing allocation formula for the Fund will not serve the identified capital needs over the next decade. Unless we plan for a modest increase in Fund revenue and reconfigure the approved allocation formula to serve future needs, part or all of these important services will fall short of our goals and the community's expectations of its regional parks.

The County Executive proposed to restore the Fund to its earlier level of .015 per \$100 assessed value per household, resulting in an estimated \$3 million increased annual appropriation from the County General Fund to the Park Charter Fund, without direct impact on the taxpayer. In addition to the increased transfer, we propose a slight change in the allocation formula to better meet the challenges ahead. If the Park Charter is modified as recommended, it is projected that for the fiscal year beginning July 1, 2017 approximately \$57 million in property tax receipts would be deposited in the Park Charter Fund. The first year allocation is expected to generate \$5.7 million for acquisition, \$5.7 million for development, with the balance available to support operations or to supplement acquisition or development projects.

Park Charter Fund Background

The Park Charter Fund is a secure source of funding for land acquisition, but has evolved with the growth of the park system to do much more. Today, it is structured to provide funding for acquisition, capital projects, and operations, maintenance, and programming.

The Park Charter Fund is not a special tax, rather it is a set-aside of property tax revenues dedicated to support Santa Clara County's park system, which is comprised of 29 parks including more than 50,000 acres of land including redwood forests, lakes, rangelands, and urban adjacent parks like Vasona and Martial Cottle. Santa Clara County is defined by a rapidly growing and urbanizing population that values parks and open space highly. Last approved by voters in 2006, the current funding stream sets aside .01425 cents per \$100 of assessed value, which represented a decrease from the previous assessment of .015 cents per \$100. It is currently allocated as follows:

Land acquisition:	15 percent
Park development and rehabilitation:	5 percent
Operations and maintenance, unrestricted:	80 percent

The Parks Department conducted a long range needs assessment and found that this existing funding formula will be insufficient to meet the needs of park users and ensure the long-term health of the land. The needs associated with operating an expanding system will result shortfalls beginning in FY 2018-19. Further, the current funding level for capital improvement projects of approximately \$33 million annually, falls far short of more than \$185M in identified capital investments needed over the next ten years.

Meanwhile, Santa Clara County is projected to grow by 300,000 more people over the next 15 years – the equivalent of two more Sunnyvales. These people will be living in increasingly urban communities and need to have ready access to parks, recreation and open space. In addition, by 2033, one in five residents will be over 65 years of age. We must plan now to ensure that our county park system serves the needs of future county residents of all ages, backgrounds, and recreational preferences.



We can only fulfill the mission to be effective stewards of our precious open space and parks if we amend and extend the Charter’s revenue allocation formula. Extending and amending the revenue formula will increase our flexibility, free up additional funding for capital development, and enable us to better match our services with the public’s priorities.

Capital Needs

County parks are located within 5 miles of most county residents, providing old and young, mountain biker and equestrian, individuals and families with diverse choices for recreation, contemplation, and community gathering. Ten of our 29 parks are located in or near urban areas and are focus areas for investing in park amenities for families and seniors. We have invested in important amenities ranging from group picnic areas to ADA compliance and even WiFi in the parks – all making these parks accessible to everyone and natural reflections of our community and our tag line, *Playhere!*

Looking ahead, the Park Department has identified \$185M in capital investment needs in the next decade if we are to continue to grow with our population and fulfill their expectations for their parks.

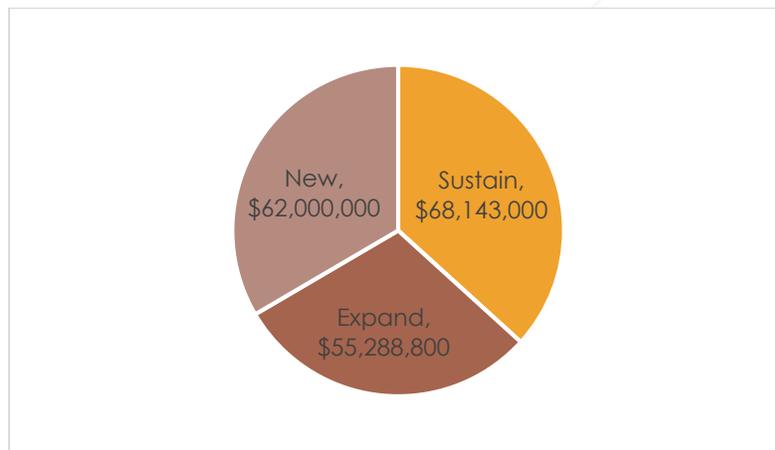


Fig. 1: Capital Improvement Projects Needs Assessment breakdown

The current CIP allocation rate of 5 percent provides only \$33 million over the next 10 years, resulting in a shortfall of \$152 million for all capital projects. According to our analysis we would need more than \$68 million in additional funding for capital improvements simply to sustain the current level of service. These are vital projects if we are to rehabilitate, restore, replace, and repair facilities and amenities that are now open, heavily used, and desired by the public.

Over the past four decades, the Department has been focused on preserving parkland and opening parks. Attendance at our parks has grown significantly, and visitors expect far more in the way of facilities and other amenities. Just one example is illustrative: Who would have foreseen 20 years ago the importance of equipping parks and facilities with WiFi – even here in the heart of the Silicon Valley? Consequently, expansion of existing facilities and programs as well as upgrading amenities is a top priority for the Department. Some examples of specific projects identified in the Needs Assessment include: new trail construction, improved access and interpretive elements at historic areas, additional new restrooms, picnic shelters, and power boating operations.



Santa Clara County Parks strives to do more than sustain, or even expand existing services. Approximately 50 percent of the capital investment needs are for new facilities, amenities or services that do not currently exist, or could meet a need that has not yet been addressed. These types of projects can be the opening a brand new park or portion thereof, a location that has not been open to the public, or offering a new recreational opportunity. In each case, the project represents service to a growing population with increasing expectations of access and amenities from its parks.

Opening New Lands for Public Access to County Parklands

The Department currently owns 12,000 acres of parkland that have not yet been opened to public use. The Department’s Ten-Year Financial Projection recommends funding approximately \$40 million for high visibility, high priority projects designed to open new lands for public access, expand the network of regional trails, and improve visitor amenities. A summary of these highlighted projects is shown Figure 2 (to the left).

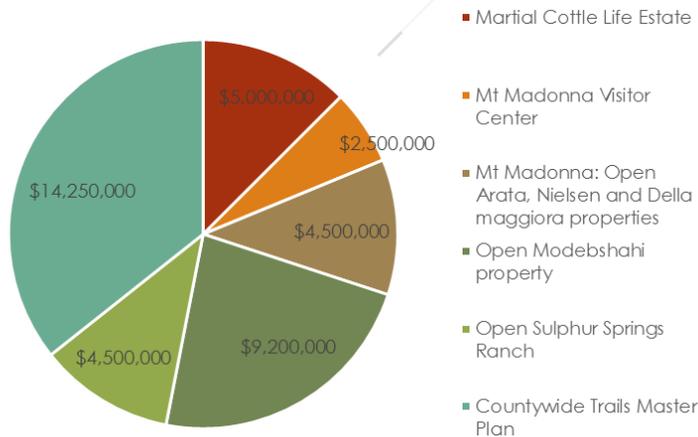


Figure 2: Recommended high-visibility access and amenities projects

Without an increase in funding for capital improvement projects, the backlog of projects will continue to grow and the system will be unable to meet the needs of our growing, diverse population. These are vital projects to making more of our regional parks available to the public and to growing the Emerald Web in Santa Clara County.

Stewarding Our Natural Resources

Preservation of natural systems beyond mitigation is a commitment the Parks and Recreation Department implements in part through the County’s partnership with the Santa Clara Valley Habitat Agency. Protecting biodiversity and special status species, and restoration of degraded habitats, are goals of the Santa Clara County Park’s Natural Resource Program. Ensuring a stable source of funding through the Park Charter Fund will allow us to continue to protect and preserve the natural beauty and biodiversity of our parks so current and future generations can enjoy all that nature has to offer.



Proposed Extension, Enhancement and Rebalancing of the Park Charter Fund

In order to continue to provide safe and well maintained parks, sustain the current system, open current lands to public use, enhance the visitor experience, fund the regional trails network, and complete the connected system of regional parks, the County Executive and the Parks and Recreation Department anticipates making the following recommendations to the Board of Supervisors:

1. Place an amendment to the County Charter before the voters on the June 2016 ballot to extend the Park Charter Fund for 15 years, (sunsetting in 2031), and starting July 1, 2017, to change the revenue allocation within the Park Charter as shown proposed formula chart below.

Current Forumula 1.425 cents per \$100 A.V.			Proposed Forumula 1.5 cents per \$100 A.V.		
15% Acquisition	5% Capital	80% Unrestricted (O&M)	10% Acquisition	10% Capital	80% Unrestricted (O&M)

Note: Reallocation will provide \$72M in funding for park acquisition over ten years, which exceeds the \$64M in acquisition funding provided over the past decade under the current formula. The most significant change is to increase funds available for Capital Improvement Projects.

2. In order to fully support the development and operations of the properties in the system, additional resources will be required beyond the current \$0.01425 per \$100 AV. Consequently, the County Executive recommends restoring the previous set-side of \$0.015 per \$100 per A.V.

Voter Support

Recent voter surveys by EMC Research demonstrate that a Charter Fund renewal is feasible in 2016. Opinions of Santa Clara County parks continue to be very high, and support for a charter renewal is strong.

- 90% of respondents agreed that parks, facilities, and programs make the region a more desirable place to live; and 80% said they hold a favorable opinion of the Department.
- 73% of voters said they would approve a measure to renew the Park Charter Fund.
- 56% said they would be willing to raise their taxes to improve and maintain parkland and natural areas in Santa Clara County.

Proposed Park Charter Amendment

Draft County of Santa Clara Charter Amendment Ballot Question

To continue protecting and preserving local parks; improving access to natural areas, open space, trails and recreational opportunities; keeping restrooms/facilities clean and safe; and maintaining, operating, acquiring and improving local parks, shall the Santa Clara County Park Charter Fund, established in 1972, be extended by an annual general fund transfer estimated to equal 1.5 cents per \$100 of assessed valuation of all property for 15 years, without increasing taxes and all funds benefitting parks within Santa Clara County?

Complete Text of the Charter Amendment

- (1) Beginning on July 1, 2017, the Board of Supervisors shall transfer from the general fund to the County Park fund an amount of money which shall not be less than an amount estimated by the Auditor-Controller to equal the amount that would be raised for that year by a tax of \$0.015 per One Hundred Dollars (\$100.00) of assessed valuation of all real and personal property situated within the County of Santa Clara. In addition, the Board of Supervisors shall transfer into such fund all fees and revenues generated by the operation of county parks and all other monies received from the United States Government, State of California, or any other public agency or any person for county park purposes. Any interest earned on the investment of money in the county park fund shall be credited to the fund.
- (2) The Board of Supervisors shall appropriate the money in the county park fund for the acquisition, development, or acquisition and development of real property for county park purposes and for the maintenance and operation of county parks. At least 10% of the funds transferred from the general fund shall be set aside and used for capital projects, and at least 10% for the acquisition of real property for county park purposes, and the remaining funds shall be used for county park operations.
- (3) The county shall not acquire real property for any park purpose until the Board of Supervisors has determined that the acquisition is in conformity with the adopted county parks and recreation element of the general plan.
- (4) This section shall be operative commencing with the 2017-2018 fiscal year (July 1, 2017) and shall be repealed at the end of the 2036 fiscal year; provided, however, any unobligated monies remaining in the fund on June 30, 2036, shall be used only for the purposes set forth in subsection (2) of this document.
- (5) The intent of this section is to ensure that a minimum amount of money will be placed into the county park fund for acquisition, development, operation and maintenance purposes. Nothing in this section shall be construed as a limitation on the amount of money the Board of Supervisors may transfer into the county park fund for county park purposes or otherwise appropriate for county park purposes.

History of the Park Charter Measures

BALLOT	YES Votes	NO Votes	% of Voter Support
<p>June 1972</p> <p>For: Fiscal Years 1973- 1978</p> <ul style="list-style-type: none"> • \$0.10 per \$100 Assessed Valuation • Minimum 50% for Acquisition • No Funding for Operations and Maintenance <p>Term – 5 years</p>	196,472	111,746	63.7% YES 36.3% NO
<p>November, 1978</p> <p>For: Fiscal Years 1979- 1987</p> <ul style="list-style-type: none"> • \$0.10 per \$100 Assessed Valuation (equivalent to 0.025 after Prop 13) • Minimum 50% for Acquisition • No more than 30% for Operations and Maintenance <p>Term – 9 years</p>	239,825	88,217	73.1% YES 29.9% NO
<p>November, 1986</p> <p>For: Fiscal Years 1988- 1989</p> <ul style="list-style-type: none"> • \$0.015 per \$100 Assessed Valuation (60% reduction from previous measures) • Minimum 20% for Acquisition • Remaining 80% for Development, Operations and Maintenance <p>Term – 1 year</p>	183,222	132,955	57.9% YES 42.1% NO
<p>November, 1988</p> <p>For: Fiscal Years 1990- 1993</p> <ul style="list-style-type: none"> • \$0.015 per \$100 Assessed Valuation • Minimum 20% for Acquisition • Remaining 80% for Development, Operations and Maintenance <p>Term – 3 years</p>	305,112	155,892	66.1% YES 33.9% NO

History of the Park Charter Measures (continued)

<p>June, 1992</p> <p>For: Fiscal Years 1994- 1997</p> <ul style="list-style-type: none"> • \$0.015 per \$100 Assessed Valuation • Minimum 20% for Acquisition • Remaining 80% for Development, Operations and Maintenance <p>Term – 5 years</p>	197,817	125,725	61.1% YES 38.9% NO
<p>March, 1996</p> <p>For: Fiscal Years 1998- 2009</p> <ul style="list-style-type: none"> • \$0.015 per \$100 Assessed Valuation for FY 1998-2001 reducing to • \$0.01425 per \$100 Assessed Valuation for FY 2002-2009 • Minimum 20% for Acquisition • Remaining 80% for Development, Operations and Maintenance <p>Term – 11 years</p>	219,874	54,208	80.2% YES 19.8% NO
<p>June 2006</p> <p>For Fiscal Years 2009-2021</p> <ul style="list-style-type: none"> • .01425 per \$100 Assessed Valuation • 15% for acquisition • 5% for Development • 80% for Operations and Maintenance <p>Term – 12 years</p>	184,867	75,129	71.1% YES 28.9% NO