



Agenda Date: 6/13/2006
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Estimated Report Time: 45 Minutes

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Hillary Gitelman - Director
Conservation, Development & Planning
REPORT BY: John Woodbury, Principal Planner , 259-5933
SUBJECT: Public Hearing--Formation of the Napa County Regional Park and Open Space District

RECOMMENDATION

Director of Conservation, Development, and Planning requests the following actions as recommended by the Napa County Parks and Open Space Advisory Committee:

1. Conduct a public hearing on initiating proceedings for the formation of the Napa County Regional Park and Open Space District;
2. At the close of the public hearing, find that the formation of the Napa County Regional Park and Open Space District is not a project as defined by 14 California Code of Regulations 15378 (b) (5) (State CEQA Guidelines) and therefore CEQA is not applicable;
3. Adoption of Resolution No. 06-110 initiating proceedings for the formation of the Napa County Regional Park and Open Space District;
4. Adoption of Resolution No. 06-111 calling for an election pursuant to Public Resources Code Section 5514; and
5. Direct staff to publish all notices and prepare all materials necessary to implement these two resolutions.

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (b) (5) (State CEQA Guidelines) and therefore CEQA is not applicable.

EXECUTIVE SUMMARY

The Napa County Parks and Open Space Advisory Committee recommends the Board of Supervisors initiate proceedings to establish the Napa County Regional Park and Open Space District pursuant to Section 5500 *et seq* of the California Public Resources Code, consistent with a strategy endorsed by the Board of Supervisors on October 18, 2005 for enhancing the delivery of regional park, recreation and open space services and benefits to the residents of Napa County. The two resolutions before the Board will result in placing the question of District formation, and the selection of the first Directors of the District, before the voters of Napa County on the November 7, 2006 general election.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Budget Unit 71100 (parks and open space) for FY 2006-7 includes funding sufficient to allow the County to support the District, if approved by the voters, using existing staff and contracts, for the remainder of the fiscal year, apart from election costs. Net costs to the County for adding district formation and the election of directors to the consolidated General Election on November 7, 2006 are estimated to be in the range of \$35,000 to \$70,000, depending on how many of the elective offices scheduled for election in November have contested races. Actual election costs will not be known until after the election.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	Formation of the District is the next step in the overall strategy for enhancing the delivery of park, recreation and open space benefits to Napa County residents. The advantages of forming and supporting an independent District, as compared to the County directly assuming responsibility for providing these benefits, include: (1) a District can maintain a more sustained focus on park and recreation goals than the County has historically been able to offer, (2) a District can provide better continuity in the planning and implementation of multi-year park and trail projects, and (3) a District can develop partnerships with other agencies, organizations, businesses and individuals without the complications inherent with the extensive regulatory land use powers and responsibilities which affect the County. Other advantages include a clear prohibition on the use of eminent domain (the County has this power, whereas a District would not), assurance to the public that park and recreation projects will be consistent with County Zoning and other ordinances (Districts are subject to all such ordinances, while the County is exempt from its own ordinances), more operational flexibility, and a greater ability to obtain grants, gifts and other revenues.
Is the general fund affected?	Yes
Future fiscal impact:	If formed, the District would need an ongoing annual base level of funding of approximately \$350,000, with adjustments for inflation and adopted labor agreements. This is comparable to what the County is projected to spend in FY 2006-7. The cost to the County in future years can be reduced as the District is successful in obtaining its own dedicated revenues.
Consequences if not approved:	If the District is not formed, the advantages of having the District would be lost. In addition, the momentum for improving the delivery of park and recreation services and benefits to County residents would be lost. This momentum has grown tremendously over the past three years through the work of the Napa County Parks and Open Space Advisory Committee established by the Board of Supervisors. If the District is not formed, and the County decides to cut its support for parks and open space to the minimum needed to take care of existing County park

facilities and likely park and open space related responsibilities, the County's ongoing park and open space budget could be reduced by approximately \$200,000, leaving an annual budget obligation on the order of \$150,000.

Additional Information:

The Special Projects Fund was established to track revenues generated by the increase in the Transient Occupancy Tax (TOT) approved by the voters in November 2004. The increased TOT is a general tax the proceeds of which must be placed in the General Fund and allocated as the Board of Supervisors sees fit. While the increased TOT cannot be reserved for any particular use, parks and open space were identified as two purposes which would benefit from the increase depending on the funding priorities of the Board. The Fund is projected to have a balance of \$525,000 at the start of FY 2006-7. Revenues from the TOT increase are conservatively projected at \$900,000 for FY 2006-7, rising to \$1,068,450 in FY 2007-8.

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (b) (5) (State CEQA Guidelines) and therefore CEQA is not applicable. The proposed action is an organizational and administrative activity of government which is political in nature. Any projects or actions which may in the future be undertaken by the proposed District that could have a physical impact on the environment will be subject to CEQA.

BACKGROUND AND DISCUSSION

On October 18, 2005, the Napa County Parks and Open Space Advisory Committee recommended, and the Board of Supervisors endorsed, a strategy for improving the delivery of park services and open space benefits for Napa County residents. The strategy relies on the County taking a lead role in building countywide capacity for providing regional parks and outdoor recreation, through sponsoring the formation of a park and open space district, providing a modest level of funding to the district, and assisting the district in developing dedicated long-term revenues from a variety of sources.

Reasons for Creating a Park and Open Space District

Napa County is currently the only county in the nine-county Bay Area, and one of only a handful of counties statewide, which has neither a County Parks Department or a countywide special district dedicated to parks and open space. As a result of this institutional void, Napa County residents have very limited opportunities for outdoor recreation. Although 120,000 acres of open space in Napa County is in public ownership, and overall approximately 25% of the County is permanently protected as open space, very little of the open space is available to the public with even the most minimal of improvements, such as trails, picnic areas, campgrounds, and related facilities.

In addition, Napa County has missed numerous grant funding opportunities. For example, over the past 6 years, using Sonoma County as a comparison, Napa County should have been able to receive \$1.7 million in competitive grants from the Bay Area Conservancy Program administered by the Coastal Conservancy. During this period Napa County received no grants from that program, because no agency was in place to develop projects and apply for funds. Napa County has similarly missed out on grant opportunities from other grant programs.

As part of its research over the past two-plus years, the Parks and Open Space Advisory Committee reviewed a

wide range of options for filling the institutional void which exists in Napa County. Based on this investigation, the Committee concluded that the best overall strategy would be for the County to establish a Parks and Open Space District, utilizing the authorizing language for Napa County contained in Section 5500 of the Public Resources Code. Such a district would provide the strongest sustained focus, provide the greatest potential for building close partnerships with the cities, other public agencies, non-profit organizations like the Land Trust of Napa County, and for-profit businesses, and provide the greatest flexibility for generating dedicated funding.

The proposed district will not initially have its own dedicated funding, but will need to rely on staffing and related support provided by the County. The necessary level of support is comparable to what the County has budgeted for FY 2006-7 for park and open space purposes.

While the County could choose to use its funds to directly provide park and open space services, rather than work through the proposed District, there are several key reasons why it would be preferable to support the District in providing these services:

(1) Sustained Focus. The County is not structured to provide focused delivery of park services and open space benefits, and has no organizational plan to develop that focus. Without organizational restructuring, attention to park and open space-related purposes will rise and fall depending on changes in staff, its experience and the balancing of multiple work assignments. With a District, even though it will still be County staff who will do the work of the District, at least initially, the existence of a contract arrangement and a clear delineation of responsibilities will inherently bring a greater and more sustainable level of focus. Similarly, the Board of Supervisors has multiple demands on its time, whereas the Directors of the District would have only one major responsibility. The experience of counties and districts elsewhere demonstrates that the single-purpose focus of districts makes them more successful in identifying, planning, obtaining funding for and implementing park, trail and related outdoor recreation projects, which require consistent, multi-year attention and dedication.

(2) Partnerships. A District would have no land use regulatory authority, no power of eminent domain, and no other competing agendas. This should make it easier for the District, as compared with the County, to foster partnerships with other public agencies, with non-profit community-based organizations, and with private property owners and businesses. These partnerships are critical to the essential task of matching up the owners of land resources with those able and interested in delivering services.

(3) Potential for New Revenues. In addition to stronger potential for obtaining grant funding, which has been demonstrated by the track record of other park and open space districts, as a new, modestly funded independent agency the proposed District is expected to establish an entrepreneurial and flexible approach to service delivery, and actively look for service-based fee revenues. Furthermore, since it would be an independent agency, any District proposals for voter-approved funding are more likely to be judged on their own merits, whereas when a general-purpose agency like the County proposes new revenues, the first question in voters minds is why existing priorities can't be reshuffled to meet the need.

Election Process

Board approval of district formation proceedings would place the issue of district formation before County voters on November 7, 2006, along with election of the five district directors who would govern the new district should it be approved by the voters. Specifically, Board approval would set in motion the following steps:

- (1) The Board would notify the Local Agency Formation Commission of its action within five days of its action, and the Commission would then have ten days to prepare and approve an independent analysis of the District formation proposal; this independent analysis would appear in the ballot pamphlet.
- (2) As the sponsoring entity, the Board of Supervisors would have the right to prepare the argument in favor which would appear in the ballot pamphlet. This would need to be submitted to the Registrar of Voters prior to September 14th.
- (3) The nomination period for persons wishing to seek election to the Board of Directors of the District would start

July 17th and continue through August 11th. Members of the Board of Supervisors are not permitted to sit on the District Board per Section 5506.4 of the Public Resources Code.

(4) The Registrar of Voters would publish a notice of the election prior to September 18th, and the publish and post notice of the election once per week for the three weeks leading up to the election.

(5) The election would be consolidated with the General Election held on November 7th.

The establishment of an appropriations limit for the District, pursuant to Article 13B Section 4 of the California Constitution, is not included in the District formation action because at this time no taxes are not being raised by or for the District nor is the District expected to receive state subventions. An appropriations limit will therefore need to be established at such time as the District seeks voter approval for raising revenues.

Future Actions

The primary challenge for the District over the next few years will be to prepare and begin implementation of a detailed strategic plan. This will involve project planning and approvals, formalizing partnerships with other agencies and organizations, evaluating long-term funding mechanisms, and seeking new grants and revenues. The focus of the District will be on enhancing outdoor recreational opportunities and improving resource management on existing public lands.

SUPPORTING DOCUMENTS

A . Resolution Initiating Proceedings

B . Resolution Calling Election

CEO Recommendation: Approve

Reviewed By: Andrew Carey