NAPA COUNTY REGIONAL PARK & OPEN SPACE DISTRICT

# STAFF REPORT

Date: March 14, 2016
Agenda Item: 4.D
Subject: Draft Expenditure Plan for Proposed November Ballot Measure

Recommendation

Release the draft Expenditure Plan for public review through the next Board meeting on April 11, 2015

ENVIRONMENTAL DETERMINATION

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

Background

In December 2015 the District requested the County work with the District in preparing a one-quarter cent transactions and use tax measure for the November 2016 ballot, and the County Board of Supervisors agreed. Since then, District and County staff have been working on the technical details of the Ordinance that would place the measure on the ballot, and District staff have been working on preparation of an Expenditure Plan that would be attached to the Ordinance and that would control the use of funds that would be generated by the measure.

A Board *ad hoc* subcommittee of Dave Finigan and Tony Norris have worked with staff in preparing a draft Expenditure Plan. In drafting the plan, staff has also consulted with key partners on various aspects of the plan. Staff recommends that the Board discuss the draft plan, make changes if desired, then authorize release of the draft plan for public comment until the next Board meeting on April 11, 2016.

The draft Expenditure Plan is attached. It contains all of the substantive material related to the ballot measure, with the exception of the term of the proposed tax, which will be specified in the body of the Ordinance. At this time, staff is proposing the term be set at 14 years. The draft Plan assumes that a quarter-cent sales tax would generate $8 million annually. Recent data suggests the actual amount may be higher, though it must be remembered that sales taxes can change dramatically from year to year based on the performance of the economy, and so to be conservative staff recommends using the assumption of $8 million annually in revenue.

# Exhibit A

## WATER, PARKS AND OPEN SPACE RESTORATION AND PRESERVATION EXPENDITURE PLAN

### A. Summary

Voters in Napa County are presented on the November 2016 ballot with the opportunity to vote to preserve our quality of life by permanently protecting and restoring water resources, watersheds, rivers, creeks, natural areas and wildlife habitat, restoring native ecosystems, maintaining and enhancing walking, hiking, biking and equestrian trails, and providing outdoor education especially for youth. The Water, Parks and Open Space Restoration and Preservation one-fourth-cent (1/4 cent) sales tax measure ("Measure") is estimated, at current collection levels, to generate approximately eight million dollars per year. This level of revenue may change during the life of the Measure due to the variability in annual receipts caused by broader economic and regional tourism trends. Thus, Expenditure Plan allocations are set based on a percentage of revenues rather than fixed dollar amounts.

This Measure will permanently protect up to 30,000 acres of watersheds, forests and natural habitats throughout Napa County, preserving open space and our environment for our children and grandchildren. This Measure will ensure local control over expenditures to address local needs, with all funds staying right here in our community. A Community Oversight Committee and mandatory annual financial audits will ensure that all funds are spent as promised.

This Expenditure Plan ("Plan") outlines three project areas for spending the proceeds of the Measure. In Part B of the Plan, each project area is described by its funding allocation, and types of projects and activities that the funding would support. Part C of the Plan contains administrative provisions, including a Community Oversight Committee and public process for determining annual expenditures.

### B. Project Areas

#### 1. Preservation: Watersheds, Rivers, Lakes, Open Space and Wildlife Habitat (a minimum of 65% of revenues)

Preservation of the most valuable of Napa County's open space lands, including watersheds, rivers, lakes and wildlife habitat, is the primary goal of this Expenditure Plan. In implementing this goal, the District shall be guided by the principles and policies contained in the District Master Plan and the Master Plan Update of 2011.

Preservation may be through acquisition of fee title ownership, or easement, or any other conveyance of partial ownership interest in real property and associated rights including but not limited to water and mineral rights.

Priority for funds shall be given to projects that:

(a) protect local drinking water sources
(b) preserve important watershed open space lands;
(c) protect water quality in rivers, creeks and lakes;
(d) protect natural areas including oak woodlands and other forested lands;
(e) preserve native biodiversity by protecting critical habitats and wildlife corridors;
(f) acquire rights-of-ways and land needed to implement the public access goals of the District Master Plan;
(g) support the continuation of agriculture by protecting key agricultural lands,
(h) complete regional parks and close gaps between protected local, state and

federal lands;
- (i) provide open space parks close to where people live, and trails that connect communities to nature;
- (j) take advantage of one-time opportunities to preserve important open space lands or address immediate threats to water quality, water supply and natural habitats;
- (k) implement the open space goals of the five cities in Napa County that are consistent with the goals of the District Master Plan.

The following are examples of important preservation projects:
- (a) protect Skyline Wilderness Park so it cannot be sold by the State of California for non-park development and resource extraction;
- (b) complete protection of the Suscol Headwaters between Skyline Park and Highway 12, protecting a prime steelhead spawning creek, a native American village site, and offering some of the best views in the Bay Area;
- (c) protect open space lands in the Moore Creek/Lake Hennessey and Milliken watersheds that provide water for the City of Napa, diverse wildlife habitat, and exceptional recreation potential;
- (d) protect open space lands that are the source of drinking water for Kimball Reservoir serving City of Calistoga residents, for Bell Canyon Reservoir serving City of St. Helena residents, for the Friesen Lakes serving Anguin residents, for Rector Reservoir serving Yountville and Veterans Home residents, and for Lake Curry potentially serving City of American Canyon residents.
- (e) Protect open space lands important for protecting and improving water quality in Putah Creek and Lake Berryessa.

All acquisitions funded pursuant to this Measure shall only be made from willing sellers, and may never be for more than appraised fair market value. Therefore, the priorities and projects identified above are subject to the availability of willing sellers at reasonable prices.

### 2. Restoration, Maintenance and Public Access (a minimum of 25% of revenues)

The second goal of this Expenditure Plan is to restore and maintain a high standard of care for parks and other public open space resources, while also facilitating appropriate public access, consistent with the District Master Plan in effect at the time expenditures are made.

Restoration and maintenance priorities include:
- (a) ensure water quality through control of soil erosion;
- (b) remove exotic weeds and restore native landscapes to naturally filter water, improve wildlife habitat and decrease the risk of catastrophic wildfire;
- (c) improve and maintain parks to ensure they are clean, safe and welcoming public open spaces for healthy living--for play, for exercise and to relieve stress;
- (d) repair and conserve deteriorating open space infrastructure and resources, including water systems, access roads, facilities and native American and historic resources located on public plans;
- (e) maintain and enhance walking, hiking, biking and equestrian trails;

Public access priorities include:
- (a) open spaces and trails close to where Napa residents live, and trails that connect communities with nature;
- (b) nature-based recreation opportunities for all recreational interests, ages and abilities;
- (c) improved public access to public lands;
- (d) completion of the public facilities and recreational trail network proposed in the District Master Plan;

### 3. Youth Education (a minimum of 3% of revenues)

Success in preserving the most essential parts of Napa's natural heritage depends on the next generation understanding, appreciating and knowing how to take care of what they will inherit. Most public school students today rarely have hands-on, dirt-under-the-fingernails learning experiences in the outdoors. School budgets don't have the money to pay for bus transportation, nor experts in the field who can impart real world learning.

Funding is intended to provide every student the opportunity for at least one educational field experience per year in the open spaces protected by the District to study the environment, how it functions and how to take care of it. These funds could be granted to participating non-profit organizations, teachers and schools to improve their outdoor youth education programs. Funds could also be used to provide scholarships and support for other educational activities sponsored by the District.

## C. Administrative Provisions

### 1. Community Oversight Committee

A Community Oversight Committee ("COC") shall be established within six months of the effective date of the Measure. The responsibilities of this committee shall be to review Plan expenditures on an annual basis to ensure they conform with the Expenditure Plan, and prepare an annual report describing how funds were spent.

a. Members of the committee shall be appointed by the Board of Directors of the District. The role of the committee shall be to advise the Board and staff on these matters, make recommendations and report their findings to the Napa community.
b. Members of the COC shall be Napa County residents who are neither elected officials of any government within Napa County, nor employees from any agency or organization that either oversees or benefits from the proceeds of the Measure. The committee shall consist of seven at-large members, with at least one member from each District ward. At least two members shall have experience as public accountants, bankers, budget managers or related professional endeavors.
c. The Board of Directors of the District shall approve bylaws related to the conduct of committee meetings and business.
d. Meetings of the committee shall be open to the public and shall be held in compliance with the Ralph M. Brown Act, California's open meeting law
e. All members of the COC shall receive ethics training pursuant to AB 1234.
f. The committee shall dissolve after all revenue collected from this Measure is expended and a final report is submitted and circulated to the Napa County community.
g. Just as the Board of Directors of the District receive no salary or stipend for their public service, no salary or stipend shall be paid to COC members.

### 2. Implementation Requirements

Implementation of the plan shall be guided by the following procedures to ensure that the revenue generated by the Measure is spent in the most efficient and effective manner possible, consistent with serving the public interest in Napa County, and the desires of the voters of Napa County.

a. The County of Napa shall transfer all revenues generated by the Measure to the District as they are received by the County, less the County's actual costs associated with the collection, distribution and reporting of revenues and expenses.

b. The District Board of Directors shall conduct a public meeting annually to gain public input on selection of projects, as part of District's annual budget development process.
c. District revenues from the Measure may be expended by the District for the actual expenses of salaries, wages, benefits, and those services, including contractual services, necessary to administer the Ordinance; however, in no case shall administrative expenditures exceed three percent (3%) of the annual revenues provided by the Ordinance. Administrative functions include providing overall program direction and management necessary to implement District policy, formulating organizational goals and objectives, coordinating generally with other agencies and organizations, and performing finance, purchasing, personnel, government and community relations functions, which are not directly related to the implementation of specific projects eligible for funding pursuant to this Measure. Administrative functions subject to the three percent limit do not include election, legal and audit costs.
d. The County of Napa and the District are charged with the fiduciary duty to administer proceeds in accordance with applicable laws and this Expenditure Plan. Disbursement of funds as grants shall be subject to terms and conditions that may include, but are not limited to, the District's right to 1) require grantees to enter into grant agreements with the District; 2) require matching funds; and 3) audit a grantee's use of proceeds.
e. Actual revenues generated by the Measure may be higher or lower than estimates in this Plan due to variability in annual receipts caused by changes in the economy generally and the level of tourism spending in Napa County. The District shall annually estimate revenue from the Measure, and adjust expenditures as necessary to avoid deficit spending.
f. The District may accumulate revenue over multiple years so that sufficient funding is available for larger and long-term projects. All interest income shall be used for the purposes identified in this Expenditure Plan.
g. All funds from this Measure shall only be used for projects that are consistent with the General Plans and Zoning Ordinances of the affected jurisdictions
h. Regarding real property acquisitions, revenues from the Measure may only be used for real property acquisition projects located wholly or at least partially within Napa County.
i. Revenues generated by the Measure shall not be used to incur bonded indebtedness.
j. To enhance local workforce development and employment opportunities, and involve youth and young adults in caring for our natural resources, the District will seek to form partnerships with workforce development programs, youth conservation corps and local community-based non-profit organizations working with low income, at-risk and disabled youth and young adults, to incorporate job training, internships and apprenticeships into the implementation of District projects.