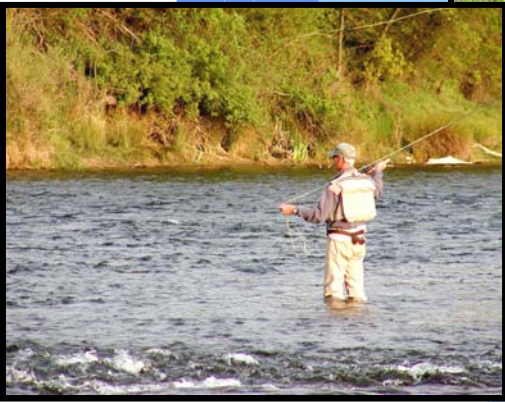


American River Parkway 2006 Financial Needs Study Update



The Dangermond Group
County of Sacramento Department of Regional Parks
Updated: June 2006



American River Parkway

2006 Financial Needs Study Update

County of Sacramento Department of Regional Parks

3711 Branch Center Road
Sacramento, CA 95827

The Dangermond Group

2400 O Street
Sacramento, CA 95816

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County of Sacramento Board of Supervisors

Roger Dickinson	District 1
Illa Collin	District 2
Susan Peters	District 3
Roberta MacGlashan	District 4
Don Nottoli	District 5

County of Sacramento Recreation and Park Commission

Robert Bastian	District 1
Theodore Robinson	District 2
Arthur White	District 3
Michele McCormick	District 4
Dan Gonzales	District 5

County of Sacramento

Terry Schutten	County Executive	
Cheryl Creson	Administrator	Municipal Services Agency
Steve Pedretti	Deputy Administrator	Municipal Services Agency

County of Sacramento Department Staff

Ron Suter	Director	Department of Regional Parks
Gary Kukkola	Deputy Director	Parkway and Regional Parks Division
Elizabeth Bellas	Administrative Services Officer	Parkway and Regional Parks Division
David Lydick	Chief Ranger	Parkway and Regional Parks Division
Marilee Flannery	Center Director	Effie Yeaw Nature Center
Wendy Randolph	Administrative Services Officer	Special Services and Planning Division
Rowena Siozon	Senior Accountant	Administration Division
William Burke	Deputy Counsel	County Counsel

Other Contributors

American River Parkway Funding Group

California Department of Parks and Recreation,
Gold Fields District

City of Encinitas Department of Parks and Recreation

City of Sacramento Department of Parks and Recreation

County of San Bernardino Regional Parks

Darrel Dey, Photography, Carmichael, California

East Bay Regional Parks District

Elkhorn Slough Nature Center,
Elkhorn Slough National Estuarine Research Reserve

Monterey County Regional Parks Department

Muth Interpretive Center,
County of Orange Harbors, Beaches and Parks

Oak Canyon Nature Center, City of Anaheim,
Community Services Department

Sacramento Local Agency Formation Commission (LAFCo)

San Mateo County Parks and Recreation Division

Santa Barbara County Parks Department

SCI Consulting Group

Whittier Narrows Nature Center,
Los Angeles County, Department of Parks and Recreation

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Regional Parks Maintenance – Possible Financing Strategies

Bibliography

Introduction

The American River Parkway has long been recognized as a valuable natural and recreational resource for the Sacramento area. By the early 1900's planners were suggesting various parkway concepts for establishing cooperation between agencies with jurisdiction along the river. Early planning efforts along the river culminated in the 1962 approval of a master plan that included the 23-mile American River Parkway from Nimbus Dam to the River's confluence with the Sacramento River.

Between 1949 and 1955, the City of Sacramento, followed by the State of California, purchased the first parkland along the river. After the 1959 formation of the County Department of Parks and Recreation, the County established the Parkway from Nimbus Reservoir to the confluence with the Sacramento River. In 1974 the Parkway's trail system was designated a "National Recreational Trail," and in 1980, the County completed the Jedediah Smith Memorial Bridge, linking the existing portions of the bicycle trail and four Regional Parks (See Exhibit 1-A: American River Parkway Map).

The American River Parkway has grown to comprise 4,615 acres, providing a variety of open space and recreation opportunities for residents of the region. Establishment of the Parkway is an accomplishment recognized throughout California and the west and has become a model that many have tried to emulate without success.

Recent Budget Impacts

Over the past 30 years, the passage of Proposition 13 and subsequent ups and downs in the California economy have created situations whereby both the State and the County have suffered periodic funding crises and uncertainties. Redistribution of resources and responsibilities between the State of California and the fifty-eight (58) Counties left Sacramento County with more responsibility for local services and many, often-competing, demands to coordinate. These changes impacted funding vital to the operations and maintenance of the American River Parkway. Regular budget cuts left the County of Sacramento Department of Regional Parks without adequate funding for on-going maintenance and operations with the result that facilities became out-dated or fell into disrepair.

Parkway Demand

In the mid 1980's, Sacramento County hired Seymour W. Gold to write a Recreation Planning Report for the American River Parkway. One of the goals of Mr. Gold's report was to estimate the recreation visitation to the Parkway in 1985 as well as to forecast future demand through the year 2020. His work determined that there were approximately 5.5 million visitors in 1985 and that it would grow to 7.5 million in 2000 and 9.5 million in 2020. These conclusions were primarily based on projected population growth and assumed additional facilities would be developed when required. Combining Gold's population based methodology with updated population projections, we estimate the 2025 visitation should be over 12.4 million people annually.

Whether or not visitation has grown as much as projected cannot be confirmed, as a detailed visitation survey was not completed as part of this report. What we do know is that the population of Sacramento County has grown and there is continued demand for and use of the Parkway. It is therefore likely that there is an unsatisfied latent demand for the resource.

If there is a build up of latent demand on the Parkway, then there is also an unrealized economic value in the Parkway. Using Gold's projected visitation for 2006 and the National Park Service Money Generation Model, the estimated annual direct and indirect spending for all Parkway related goods and services in the greater Sacramento Area was \$364,218,973, with the estimated annual Parkway visitor direct spending portion being \$163,007,792. Indirect spending reflects the impact that park visitors have on the local economy in terms of their contributions to sales, income and jobs in the area.

2000 American River Parkway Financial Needs Study Recommendations

In 2000, the original American River Parkway Financial Needs Study was completed. The first objective of the study was to ascertain funding needs for restoring open space and recreation values within the Parkway. It accomplished this goal by developing best management practice benchmarks for key functions by comparing the Parkway against averages from other comparable parks in California. The second objective was to identify possible funding sources for accomplishing that goal. The study developed budget categories and measured actual funding against best management practices and benchmarks for each category. A total augmentation of \$1,763,680 was recommended to bring the Parkway budget to best practices standards, with

Executive Summary

additional shortfalls identified in the areas of Equipment, Deferred Maintenance, Capital Improvements, and Land Acquisition.

Between 2000 and today, the County again experienced a significant funding crisis, with initial adverse impacts to Parkway funding. More recently, funding was provided for the following deficiencies identified in the 2000 study:

- Closing the gap on the operations deficiency as well as providing solutions to the illegal camping problem in the lower portions of the river,
- Eliminating the gap on administrative overhead costs,
- Accomplishing fourteen (14) capital improvement and major maintenance projects throughout the Parkway.

Goals of the Study and Augmentation Needs

The goals of this study are to update the benchmarks, focus on new and remaining deficiencies and long-term needs, and review and revise the 2000 Financial Needs Study augmentation strategies.

Looking at the Operating Budget in the table below, current Funding Sources provide about 80% of the \$7,401,361 Fiscal Year 2005-06 operating budget needed to bring the Parkway to best practice standards.

Fiscal Year 2005-06

Operating Budget*

Five Program Areas	Existing Budget	Augmentation Need**	Recommended Budget Total
Operations	\$2,604,245	\$280,996	\$2,885,241
Maintenance	\$1,450,006	\$1,097,714	\$2,547,720
Effie Yeaw Nature Center	\$632,336	\$96,531	\$728,867
Regional Programs/Leisure	\$48,837	\$39,546	\$88,383
Administrative Overhead	\$1,151,150	\$0	\$1,151,150
TOTAL	\$5,886,574	\$1,514,787	\$7,401,361

*The operating budget augmentation need was estimated using benchmark figures from similar facilities

** Augmentation Need Total Includes all operating budget augmentation needs

Note: Reference Figure 4-8: Fiscal Year 2005-06 Operating Budget Augmentation Summary

Executive Summary

However, sources have not yet been identified for the \$1,514,787 augmentation need, which, projected over 10 years, amounts to \$15,147,870. This augmentation need, plus a ten-year estimated \$70,806,400 for Equipment, Facility Repair/Replacement, Deferred Maintenance, Capital Improvements and Land Acquisition brings the unfunded ten-year total to \$85,954,270 (See table below).

There are a number of existing and potential funding sources to help close these deficiencies including Federal grants, State Park and water bonds, Measure A funding (beginning in 2009), SAFCA and the County General Fund. Based on historical augmentation numbers, these potential funding sources total close to \$40 Million, leaving an undesignated augmentation balance of approximately \$46 million. Even though these funding sources should be pursued aggressively, the sum of all these sources, unfortunately, will in most years be inadequate. In addition, they are not reliable against future economic downturns.

Ten-year General Fund Augmentation Summary by Budget Category Beginning Fiscal Year 2005-06*

Budget Category	Augmentation Need
General Fund Operating Budget Shortfall	\$15,147,870
Equipment and Facility Repair/Replace	\$7,000,000
Deferred Maintenance	\$13,063,950
Capital Improvements	\$39,778,500
Land Acquisition	\$10,963,950
10-Year Augmentation Needs	\$85,954,270
Average Annual Augmentation Needs	\$8,595,427

Note: Reference Exhibit 5-A: Summary of Budget Augmentation Needs Fiscal Year 2005-06

*General Fund Operating Budget Shortfall includes only undesignated portion of proposed augmentation needs.

With a goal of providing adequate, stable funding to the Parkway, new potential funding sources were reviewed, prior public opinion polling was evaluated and recommendations were developed. A number of alternatives were assessed by County Counsel in March, 2005. These alternatives are summarized in this report. In addition, agencies in California are developing other possible funding mechanisms, and they have also been analyzed.

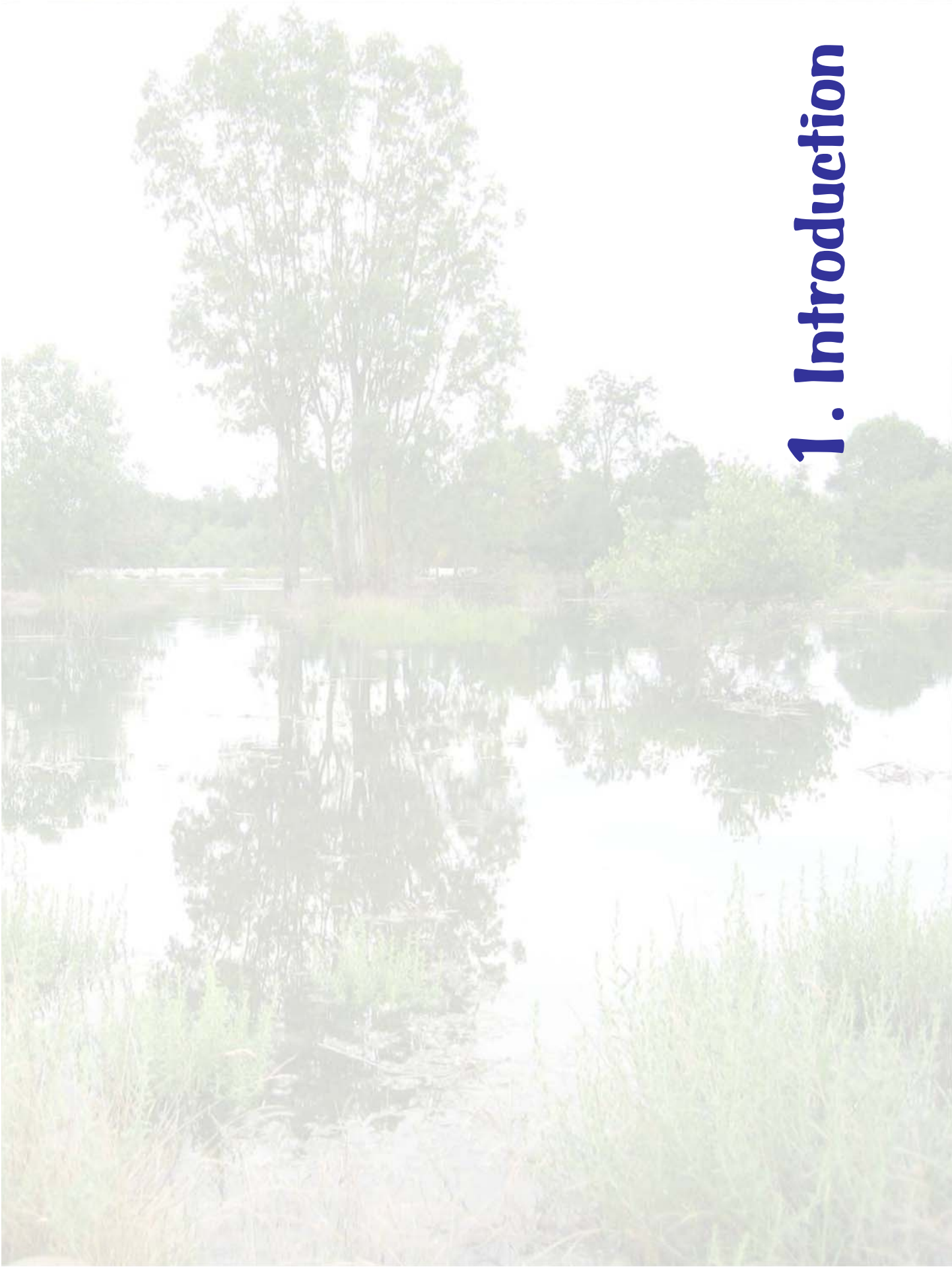
Executive Summary

The result is the identification of two primary alternatives that can provide both adequate and reliable funding and which appear to be supported by County residents. The first is a County-wide special benefit assessment district with earmarked funding exclusively for the Parkway. This requires a 50% weighted vote by property owners. The second alternative is a one-eighth cent sales tax increase which is estimated to bring in over \$26 million dollars annually County-wide, to be shared amongst County Parks, the cities, and the special park and recreation districts. The funds would be utilized for the entire County Park system, including the American River Parkway, as well as all the cities and special park and recreation districts within the County. This alternative would require a two-thirds majority vote.

Summary

A summary of the major recommendations contained throughout this report are as follows:

1. Given the near \$46 million undesignated augmentation balance it is estimated that with inflation there would be parkway budget shortfalls of between \$4.6 to \$6.0 million per year over the next ten years. To provide funding to cover this augmentation need, it is recommended that the County of Sacramento pursue actions to augment the identified parkway budget shortfalls. Three basic choices exist:
 - a. Expand support from the County General Fund, supplemented with other local, State and Federal funds wherever possible.
 - b. Seek property owner support for the formation of a special assessment district with companion assessment
 - i. If solely for Parkway use, the estimated parcel assessment would be \$11.50 - \$15.00 per year (these numbers are rounded up to the nearest half dollar.)
 - c. Seek voter approval for an additional one-eighth cent sales tax for County-wide park and recreation services, resulting in an estimated \$26 million dollars annually. Funding would be shared between Cities, Park and Recreation Districts, County Regional Parks, and the Parkway.
2. If either option b or c is selected, it is recommended that the County engage a consulting firm to study the feasibility of undertaking the measures and to explore with appropriate agencies in the County their support and willingness to participate.



1. Introduction

1. Introduction

1.1 Background and Purpose of Study

1.1.1 History of the American River Parkway

The history of the lower American River includes the story of how the American River Parkway was formed and how it grew to attract attendance that is among the greatest of any facility in the State, including State and National parks.

For thousands of years, the American River overflowed its banks in winter and dwindled to depths of two or three feet in summer. It supported bear, antelope, elk and deer, beaver, mink, otters, a large variety of waterfowl, riparian birds, and at least 40 species of fish. The River drew nomadic people who were attracted by the water and the abundance of game, fish, and herbs, and European settlers seeking riches from trapping, farming, and mining gold.

The early residents created informal trails and roads for access to the river and for trade with settlements to the east and west. The first official bike path along the river was built in 1896, and extended from 31st and J Streets to Folsom. Originally financed by private citizens, it eventually fell into disuse.

Hydraulic gold mining techniques filled the river with rubble, displacing the water and causing increasingly large floods. People piled the rubble along the river to create levees and reclaim parts of the flood plain. Although the river was eventually rerouted, the flooding persisted. Under pressure by the federal government to reclaim land by the River, the State sold land to private owners, with nearly half of it going to corporations and land speculators.

To protect against development, local residents pushed for a park system along the River, and in 1949 the City of Sacramento used \$200,000 of State funds to purchase 89 acres of parkland bordering Paradise Beach. These funds were combined with a private donation of 75 acres to purchase the land for Glenn Hall Park.

Section 1: Introduction

Between 1950 and 1958, the State of California acquired the Cal Expo site and built the existing facility using bond and State funds. The County negotiated a lease, and in 1988 a management plan was adopted to preserve the area as riparian wetlands and wildlife habitat. Early planning efforts along the river culminated in the 1962 approval of a master plan that included the 23-mile American River Parkway from Nimbus dam to the River's confluence with the Sacramento River.

In the late 1960's, land for Goethe, Ancil Hoffman, and Discovery Parks was purchased using Federal, State, and private funds. County bond funds were then used to acquire William Pond Park and to build a pedestrian and bicycle bridge and the Effie Yeaw Nature Center. In 1980, completion of the Jedediah Smith Memorial Bridge linked existing portions of the bicycle trail (*See Exhibit 1-A: American River Parkway Map*).

The Parkway boom ended with the passage of Proposition 13 in 1978 and subsequent downturns in the California economy. The past twenty years have produced a series of County budget cuts, with programs that are not mandated by law incurring the greatest cuts. Especially hard-hit were discretionary budgets for ongoing Parkway operations, maintenance, recreation, parks and leisure programs and Parkway services and supplies. These reductions limited the County of Sacramento Department of Regional Parks' ability to:

- Prevent the loss of park day-use areas due to river bank erosion,
- Perform major preventative maintenance, and
- Perform needed repairs to park facilities.

Because day-to-day maintenance was severely under-funded, the Parkway accumulated a huge backlog of deferred maintenance projects. In the past few years, the passage of Propositions 12 and 40 provided some relief, supplying funds for deferred maintenance projects, new capital projects, and acquisitions. Unfortunately, daily routine maintenance and operational needs did not qualify for these funds.

1.1.2 Purpose of the Study

The purpose of the original American River Parkway Financial Needs Study, completed in 2000, was to establish a comprehensive framework for identifying funding and maintenance needs for the American River Parkway (Parkway). To accomplish this goal, the difference between Parkway levels of operations and maintenance and best management practice levels of comparable services in similar parks was determined. The comparison was made by surveying similar park systems and establishing financial benchmarks as the basis for identifying ways to close gaps in the Parkway operating budget and other established needs. The study also evaluated remaining acquisition areas and related costs as well as capital improvement needs, which includes major deferred maintenance. This 2006 financial needs study update focuses on the following:

- 1) The Parkway's operational budget from Fiscal Year 2000-01 through Fiscal Year 2005-06,
- 2) Division budget changes,
- 3) Proposed augmentation recommendations,
- 4) Economic and social trends affecting the Parkway operating budget in the past five years,
- 5) Development of new and updated benchmarks and augmentation strategies, and
- 6) Identification of reliable local funding strategies for the Parkway.

This 2006 study is an update of the 2000 study. It is not a stand-alone document.

1.2 Methodology

1.2.1 Benefits of American River Parkway

Direct and indirect economic benefits of the American River Parkway were examined in *Section 2*. A detailed analysis of recent studies outlining the indirect economic benefits of parks, open space, and trails in the areas of public health, economic, environmental, and social benefits was conducted. The direct economic benefits of the Parkway were obtained

by updating the American River Parkway Revenue Generation Model from the 2000 Study. To update the 2000 Revenue Generation Model, visitation numbers were estimated to have increased by 23%. This correlates with the increase in Sacramento County's population between 2000 and 2006. The per capita spending rate per visitor was adjusted by the inflation rate (11.3%) for that six-year period. The annual operational and capital improvement budgets were updated to Fiscal Year 2005-06 figures. (See *Exhibit 1-B: 2006 Update of Revenue Generation Model*.)

1.2.2 Historic Budget Review

The American River Parkway budgetary information in this study was gathered from a six-year period from Fiscal Year 2000-01 through Fiscal Year 2005-06. This data was then analyzed and summarized by division and by program. Expense categories evaluated include:

- Operations,
- Maintenance,
- The Effie Yeaw Nature Center (Nature Center),
- Regional Programs/Leisure (RPL),
- Administrative overhead,
- Equipment,
- Facility repairs/improvements,
- Capital improvements, and
- Land acquisition.

Maintenance program budgets include Parkway infrastructure upkeep, garbage pickup, and restroom cleanup. Major maintenance items paid through Capital Improvement Project (CIP) funds were included in facility repairs and improvements program budgets. Operations program budgets include Park Ranger law enforcement, Natural Resource protection and Division administration. RPL program budgets include the costs to operate and staff recreational programs. Nature Center program budgets include the costs to provide on-site and off-site interpretive education programs.

Section 1: Introduction

Division and program income were also summarized and analyzed, and changes that occurred between Fiscal Year 2000-01 and Fiscal Year 2005-06 were identified, reviewed, and discussed with department staff. Major changes that occurred over the six-year period are included and discussed in this study.

1.2.3 Operating Budget: Best Management Practice Benchmarks

Upon completion of the historical budget data review, the focus of this study shifted to a survey of comparable park facilities managed by other agencies. Benchmarking data published in the August 2000 report was updated to current conditions and dollars. Agencies surveyed to establish Fiscal Year 1999-00 benchmarks were contacted. If comparisons were no longer applicable or available, replacement agencies with similar amenities and well-maintained and operated facilities were chosen and surveyed. Updated benchmarks were created and compared to the Fiscal Year 2005-06 budget to establish new augmentation recommendations.

New benchmarks were established for the following areas:

- Operations levels of the Parkway based upon park ranger hours per mile of Parkway,
- Maintenance levels of the Parkway based upon the cost per developed acre of parkland,
- Operations and maintenance levels of the Effie Yeaw Nature Center based upon a new County cost per visitor, and
- Administrative overhead as a percent of the department and divisional budget.

No new benchmark was developed for the RPL program due to both the unique nature of the program and difficulty finding comparable programs. Instead, using a Consumer Price Index (C.P.I.) inflation figure of 11.3%, the 2000 Study Benchmark figures were projected to include the period from the 2000 Study through February 2006.

In each case, except RPL, the benchmark cost per program was computed as an average of the agencies surveyed.

1.2.4 Parkway Division Budget Augmentation

Augmentation needs were determined by comparing current benchmark budget needs against Fiscal Year 2005-06 budget appropriation. Then, anticipated funding sources were identified to reduce the total amount of the undesignated balance. The shortfall is the amount for which augmentation is needed. Comparisons were also made between the Fiscal Year 1999-00 and the Fiscal Year 2005-06 benchmark and augmentation needs.

In addition, the proposed augmentation funding sources for each program in the Fiscal Year 1999-00 study were adjusted in the Fiscal Year 2005-06 study based on experience over the six-year period. The following augmentation needs tables were prepared:

- Maintenance,
- Operations,
- Nature Center,
- RPL,
- Equipment,
- Facility Repair/Replacement (current and deferred),
- New Capital Improvements, and
- Land Acquisition.

1.2.5 Review of Other Relevant Studies

Two studies evaluating potential augmentation funding for the Parkway were reviewed; *The Final Draft River Corridor Management Plan* and an August 2004 resident survey designed to test the acceptability of either a benefit assessment or a parcel tax. Recommendations on how to accomplish Parkway funding needs were prepared for inclusion in *Section 9*.

1.2.6 Local Alternative Funding Options

Research was also conducted to ascertain other possible local funding augmentation options available to the Parkway. The research produced three principal funding options - a special benefit assessment district, a parcel tax, or a sales tax increase. Upon referral of the Local Agency Formation Commission (LAFCo), the firm of Shilts Consultants, Inc. (SCI) was contacted to obtain technical advice. SCI is a firm that specializes in assisting

Section 1: Introduction

units of local government with the creation of benefit assessment districts and strategies to increase parcel and/or sales taxes.

1.2.7 Political Organizational Structures

Section 8 focuses on identifying alternative organizational structures, or types of political entities, that could be packaged with one of the local funding measures discussed in *Section 7*. Ten alternatives were identified and evaluated based on suitability for regional park and open space management.

1.2.8 Recommendations for a Funding Measure

Two options for local funding measures were explored in *Section 9*. Option one includes all recreation augmentation needs. Option two includes both recreation and potential recreation related flood control projects.

The amount of augmentation needed was established in *Section 5*. This augmentation amount was divided into two categories. The first category included Anticipated Funding Sources, such as Federal, State and Local grants (i.e. SAFCA). The second category included all the augmentation funds needed that had Undesignated Funding Sources. (See *Exhibit 5-A*). The Undesignated Funding Source Balance is carried forward to *Section 9*. A ten-year local funding measure was examined along with twelve recommendations to secure the funding.

1.3 Summary

Permanent, sustainable Parkway funding sources that are less dependent on the County General Fund are needed.

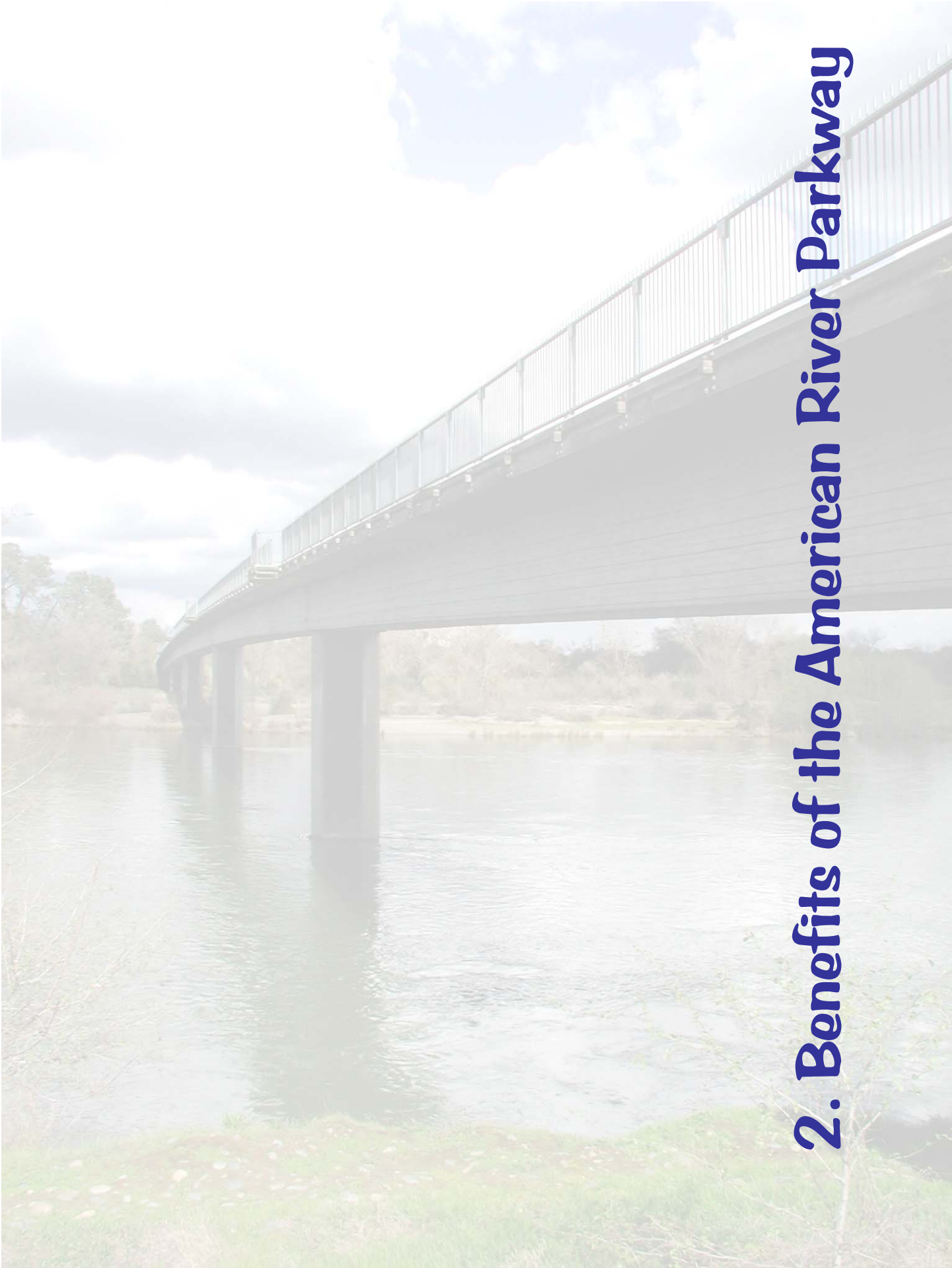
**Exhibit 1-A: American River Parkway Map
(Insert 11 x 17 graphic)**

Exhibit 1-B: 2006 Update of Revenue Generation Model

	<i>Est. Visits 2005 (1)</i>	<i>Per Capita Spending (2)</i>	<i>Visitor Spending (3)</i>	<i>Budget Operations/ Maintenance (4)</i>	<i>Capital Improvement (CIP) Budget (5)</i>	<i>Visitor Spending plus Operations/ Maintenance (CIP)</i>	<i>Multiply 50% @ 7.75 Sales Tax (6)</i>	<i>Sub-Total</i>	<i>Total Estimated Multiplier 2x (7)</i>
Fishing	926,190	\$40.59	\$37,594,052.10						
Swimming	926,190	8.78	\$8,131,948.20						
Boating	1,111,920	\$38.40	\$42,697,728.00						
Trail Users	2,038,110	\$9.87	\$20,116,145.70						
Picnicking	1,204,170	\$15.36	\$18,496,051.20						
Nature Study	1,666,650	\$14.26	\$23,766,429.00						
Field Sports	463,710	\$19.75	\$9,158,272.50						
Other	926,190	\$3.29	\$3,047,165.10						
Total	9,263,130								
Average		\$19							
Total			\$163,007,791.80	\$6,393,636.00	\$5,914,564.00	\$175,315,991.80	\$6,793,494.68	\$182,109,486.48	\$364,218,972.96

Notes:

- (1) Number of annual visits taken from "Recreation Planning Report: American River Parkway" by Seymour W. Gold, Ph.D., February 1985. Population projections based on California Department of Finance projections for Sacramento County population of 1,187,000 in the year 2000. The 2005 population of 1,458,789 per Sacramento County Planning reflect an increase of 271,789 residents or a 23% increase from the 2000 projected population in the study. Therefore, each of Gold's estimated visitation projections were increased 23%, per type of activity, to reflect the same percentage of increase in the population.
- (2) Per capita spending for categories of Parkway users taken from "An Analysis of Economic Values of the American River Parkway" by Meyer Resources, Inc., February 1985. Per capita spending figures were adjusted for inflation and converted to 2005 dollars. The inflation index from 2000 -2006 was 11.3%. For purposes of comparison from the 2000 Study, there is a discrepancy in the average spending rate per visitor of \$16 per day. Recalculated figures indicate the average spending rate should have reflected \$17 per visitor per day. The recalculated figure was the number updated for the 2005 study. Figures include all spending, including fees and charges to enter and use the Parkway as well as spending in local communities.
- (3) Figures calculated have been rounded to the nearest dollar. Visitor Spending equals Estimated visits multiplied by average Per Capital Spending.
- (4) American River Parkway Operational Budget for Fiscal Year 2005-06 (See Figure 3-2: Fiscal Year 2005-06 Budget by Benchmarked Program).
- (5) American River Parkway Capital Improvements for Fiscal Year 2005-06 (See Figure 3-5: CIP Projects Completed Fiscal Year 2000-01 through Fiscal Year 2005-06).
- (6) 50% of all Parkway related spending is assumed to be subject to sales tax at 7.75%. Sacramento County tax rate has not changed since 2000; therefore, no adjustments were made.
- (7) A multiplier of was 2 used per National Park Service Money Generation Model by Dr. Ken Hornback, 1990. This multiplier is used to calculate the impact that park visitors have on the local economy in terms of their contribution to sales, income and jobs in the area. This variable remained constant from the previous study.



2. Benefits of the American River Parkway

Section 2: Benefits of the American River Parkway

2. Benefits of the American River Parkway

The County of Sacramento Department of Regional Parks, oversees more than 14,000 acres of parklands, open space, and parkway trails for the enjoyment of the residents of Sacramento County. These facilities support a wide range of activities including walking, hiking, running, cycling, rafting, kayaking, horseback riding, picnicking, fishing, and golfing. The 23-mile long American River Parkway is a vital and integral component of the County of Sacramento Department of Regional Parks' inventory of recreational amenities.

Nationwide, numerous research studies are defining the important benefits provided by parks, open space, and trails. Researchers are finding that these facilities increase social, physical, and mental health for residents by establishing vital links to natural places. The presence of adjacent natural areas and open space also increases the economic value of the surrounding real estate. These amenities help preserve and protect the environmental health of the region.

Sacramento County's regional parks, open space, and trails are valued by the local residents. In an August 2004 Sacramento voter survey¹, 49% of the Sacramento residents surveyed responded that they had visited County parks and riverways from a few times a month to more than two times a week. Of residents that responded, 70% stated that parks and riverways are very important or extremely important to their quality of life. The survey indicated that 61% to 81% of Sacramento residents felt that it was important to extremely important to preserve open space and protect natural resources, as well and provide recreational opportunities for children and youth.

¹ Sacramento Voter Survey conducted by Fairbanks, Maslin, Maullin & Associates. August 2004.

Section 2: Benefits of the American River Parkway

2.1 Growth and Demand for Parkway Services

The American River Parkway consists of 4,615 acres of open space, parks, and trails which serve the 1.46 million residents of Sacramento County. In addition to numerous river access points, 606.6 developed acres contain five day-use parks, several group picnic sites, The Effie Yeaw Nature Center, two golf courses, six boat ramps, and one pier. There are also a total of 82 miles of trails; 26 miles of equestrian riding trails, 26 miles of bike trails, 20 miles of walking trails, and ten miles of service roads.

Estimates indicate that since the year 2000, there has been an increase in the number of Parkway users. During this time period, Sacramento County's population has increased 23%, resulting in an estimated 1.1 million increase in annual Parkway visits. Demand on the Parkway will continue to escalate as Sacramento County population grows. By 2025, population is estimated to be 1.95 million² which could increase total annual visits to the Parkway to over 12.4 million. (See *Exhibit 2-A: Inventory of Parkway Facilities* and *Exhibit 2-B: Parkway Total Developed and Undeveloped Acres*).

2.2 Non-direct Benefits of the Parkway

Non-direct benefits the Parkway provides to the region include benefits to public health, environment, community, and society. Recreation is linked to individual health and happiness, family unity, educational opportunities, and lower levels of crime and substance abuse in communities. Living near and having access to urban open space has also been linked to increased physical activity, social connections, and improved regional economies².

² Off-leash Dog Task Force Report, July 19, 2005, prepared by the County of Sacramento Department of Regional Parks

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In a 2003 national survey, 87% of Americans responded that they had participated in an outdoor recreational activity over the past twelve months. Respondent motivations for participating in recreation activities include fun, relaxation, stress relief, nature experiences, and exercise. Americans who recreate frequently are notably happier with their lives.³ Additionally, parks and open space help define a sense of place by creating community identity and by providing locations for residents to gather. Urban open space makes communities more attractive and inviting places to live and work.

2.2.1 Public Health Benefits

California Department of Parks and Recreation (DPR) recently compiled and published an element of the California Outdoor Recreation Planning Program⁴ that overviews studies relating recreation and physical activity to health and social benefits. The DPR study identified the relationship between the availability of environmental infrastructure, including trails, parks, and recreation centers, to people's activity levels.

Access to parks, open space, and trails increases physical activity and improves the physical and mental health of residents by providing places and pursuits to keep people active. Exposure to nature and greenery has been shown to increase psychological health and well being.⁵ A recent study found that the cities with the highest percentage of parkland had the highest percentage of people who walked or bicycled.⁶ Increased physical activity has many positive benefits. Recent studies have linked inactivity to adult and childhood obesity, which is a growing epidemic in the nation. The Centers for Disease Control and Prevention (CDC)

³ Outdoor Recreation in America 2003: Recreation's Benefits to Society Challenged by Trends. The Recreational Roundtable. 2004.

⁴ The Health and Social Benefits of Recreation, an Element of the California Outdoor Recreation Planning Program. State of California, Department of Parks and Recreation, Sacramento, CA. 2002.

⁵ Trust for Public Lands. 2003.

⁶ Urban Green Space linked to Walking, Cycling Levels. The Journal of Health Promotion. 2005.

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has called for the creation of parks and playgrounds to help fight this epidemic.

2.2.2 Economic Benefits

Parks, open space, and trails provide positive economic benefit by increasing real property value and municipal revenue through increases in property tax, sales tax, and tourism related benefits. Urban open space areas attract and retain affluent retirees and knowledgeable and talented workers to a community. They can also positively influence a homeowner's decision to purchase.⁷

Increases in real estate values are reflected in both residential and commercial property. In Oakland, California, a three-mile greenbelt around Lake Merritt added \$41 million to the surrounding property values.⁸ In the 1970's, the City of Boulder, Colorado purchased a greenbelt for \$5.4 million adjacent to residential development. The adjacent property generated an additional \$500,000 annually in increased property taxes.⁹ The demand for properties adjacent to preserved open space and trails continues to grow.

2.2.3 Environmental Benefits

With 4,615 acres of parklands, parkway trails, and open space, the American River Parkway has created an impressive network of contiguous open space. Environmental benefits of the Parkway include the protection of biological diversity in the regional ecosystem, which supports the survival of native plant and wildlife habitats. Protected natural areas support and sustain the native ecosystems, and prevent loss of important biological resources. Water flowing along the Parkway creates rich riparian habitat in which plants flourish. Natural resource protection supports the goals identified in Sacramento County's Open Space Element of

⁷ How Cities Use Parks for Economic Development, American Planning Association. 2002.

⁸ On the Value of Open Space. Scenic America. 1992.

⁹ Economic Benefits of Parks and Open Space. Trust for Public Lands. 2000.

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the General Plan and supports the County's habitat conservation efforts.

Parkland, open space, and trails provide buffers that protect water quality. Large open grasslands and undeveloped areas create a natural filtration system. In addition, the American River receives water from tributaries and creeks that provide natural drainage for seasonal runoff. The Parkway's contiguous natural areas help to protect the neighboring residents from rising waters during heavy rains.

2.2.4 Social Benefits

Parks, open space, and trails provide important social benefits, including reduction of juvenile crime, increased recreational opportunities, and strong neighborhoods. By providing recreational activities for children and teens, at-risk youth are kept off the streets and given safe environments within which to interact with peers. In Fort Worth, Texas, crime dropped 28% within a one-mile radius of community centers where midnight basketball was offered. In the areas around five other Fort Worth communities where the program was not offered, crime rose an average of 39% during the same period.¹⁰

Journals published by such institutions as the American Academy of Pediatrics, American Association for the Advancement of Science, Trust for Public Land, and National Center for Health Statistics, confirm that recreational activities and organized sports are of value to children, youth, seniors and families in that they provide exercise; help develop muscle strength; teach coordination, teamwork, and leadership skills; help to create positive social interactions with peers; and serve as a catalyst for community. People with increased social contacts and stronger support networks tend to have lower premature death rates, less

¹⁰ Trust for Public Lands. 2003.

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heart disease, and fewer health risk factors. In addition, social networks provide both emotional benefits and actual assistance in time of need.¹¹

Open space, parks, and trails create stronger neighborhoods by helping to establish neighborhood identity, creating neighborhood focal points, and providing gathering places for special events and picnics. Community events provide social connections, encourage positive interaction of residents, and establish community pride.

2.3 Direct Economic Benefits of the American River Parkway

In 2006, the estimated annual direct and indirect spending for all Parkway related goods and services in the greater Sacramento area rose to \$364,207,034. This represents a 41% increase from the \$259,034,030 estimated in the year 2000. Estimated annual Parkway visitor spending for recreational related activities rose to \$163,002,045 a year. (*Exhibit 1-B: 2006 Update of Revenue Generation Model*).

In 1985, Seymour W. Gold produced a Recreation Planning Report for the American River Parkway. One of the goals of this report was to estimate recreation visitation to the Parkway in 1985, as well as to forecast future demand through the year 2020. Gold's work determined that there were approximately 5.5 million visitors in 1985 and that visitation would grow to 7.5 million in 2000 and 9.5 million in 2020. His estimates were based on projected population growth for Sacramento County, and he assumed additional facilities would be developed when required. Using more recent population data, we project 2025 Parkway visitation to be over 12.4 million people annually.

¹¹ Social Relationships and Health. Science. 1988.

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Whether or not visitation has grown as much as projected cannot be confirmed, as a detailed visitation survey was not completed as part of this report. What is known is that the population of Sacramento County has grown and that there is continued demand for and use of the Parkway. It is therefore likely that an unsatisfied latent demand for the resource exists. If there is a build up of latent demand for the Parkway, then there is also an unrealized economic value in the Parkway

Both the American River Parkway Operational Budget (See *Figure 3-1: Parkway Division Budget Summary Fiscal Year 2000-01 through Fiscal Year 2005-06*), and the American River Parkway Capital Improvement Budget, were updated to reflect fiscal year 2005-06 budgets (See *Figure 3-5: CIP Projects Completed Fiscal Year 2000-01 through Fiscal Year 2005-06*). Since the County tax rate has not changed, budget figures and the economic multiplier remained constant in the overall formula.

2.4 True Value of the American River Parkway

Sacramento County residents clearly value the substantial benefits the American River Parkway brings to the Sacramento region. The Parkway generates numerous direct and indirect economic benefits that help to support Sacramento County's regional economy. Benefits to local residents include stimulation of the regional economy, higher real estate values, increased physical and psychological health, and greater social connectedness. Flood control, cleaner water, and protection of natural plants and animal communities are additional benefits that accrue from the Parkway.

The value of the Parkway to the residents and the regional economy of Sacramento is undeniable; however, a renewed financial and political commitment to the Parkway is needed to help restore and nurture this vital natural and economic resource.

Section 2: Benefits of the American River Parkway

Exhibit 2-A: Inventory of Parkway Facilities

Facility	Total Acres	Turf (acres)	Roadway (miles)	Parking (acres)	Restrooms	Picnic Tables	BBQs	Misc
Discovery	279	65	1.2	5	7	132	53	boat ramp
No. Discovery	23	0	0	0	0	0	0	0
Del Paso	453	0	0	0	1	0	0	0
Bushy Lake	330	0	0	0	0	0	0	0
Paradise Beach	57	0	0	0	0	0	0	0
Campus Commons	83	0	0	0	0	0	0	golf course (9 hole)
Howe Avenue	38	0	0.25	1	1	0	0	boat ramp
Watt Avenue	67	0	0.5	2	2	0	0	boat ramp
Waterton	1	0	0	0.25	0	0	0	0
Sara Park	9	0	0	0.25	0	0	0	0
Harrington	9	0	0.25	1	1	0	0	0
Grist Mill	51	0	0.25	0	0	0	0	0
Wm. Pond	295	25	0.5	3	1	49	19	fish pier
Goethe	456	8	1	3	2	28	15	0
Cordova Strip	114	0	0	0	0	0	0	0
Ancil Hoffman	396	45	1.2	3	3	16	19	golf course (18 hole)
Sarah Court	7	1	0	0.5	0	1	0	0
Rossmoor Bar	509	2	2.25	2	0	0	0	boat ramp
Sunrise Up&Low	399	2	3.5	3	3	9	3	boat ramp
Sacramento Bar	264	2	0.25	1	1	11	4	0
Sailor Bar	424	0	1	1	1	0	0	boat ramp
Misc Parcels	350	0	0	0	1	0	0	0
Subtotals	4614	150	12.15	26	24	246	113	6 boat ramps
Bike Trail						40		1 pier
Totals	4614	150	12.15	26	24	286	113	2 golf courses
Facility	Length (Miles)	Width (Feet)	Picnic Tables					
Bike Trail	26	12	40					
Horse Trail	26	4	0					
Misc Trails	20	0	0					
Service Roads	10	0	0					
Totals	82	16	40					

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Exhibit 2-B: Parkway Developed and Undeveloped Acres

<i>Item</i>	<i>Acres</i>
Developed Acres	
Turf	150.0
Paved Roads, 12.15 miles x 24' wide	36.0
Unpaved Roads, 30 miles x 24' wide	87.0
Paved Trails, 26 miles x 12' wide	38.0
Horse Trails, 26 miles x 4' wide	13.0
Walking Trails/Service Roads, 20 miles x 12' wide	30.0
Fire Breaks, 18 miles x 12' wide	26.0
Paved Parking	26.0
Unpaved Parking	22.0
River Shoreline, 50 miles x 24' wide	146.0
Fencing, 20 miles x 8' high	30.0
Buildings	0.6
<ul style="list-style-type: none"> • 24 Restrooms @ 800 s.f. pad ea. (19,200 s.f. / 43,560 = .44 ac.) • 13 Entry Stations @ 60 s.f. pad ea. (780 s.f. / 43,560 = .02 ac.) • 8 Information Kiosks @ 144 s.f. pad ea. (1,152 s.f. / 43,560 = .03 ac.) • 6 Other Structures @ 1,000 s.f. pad ea. (6,000 s.f. / 43,560 = .14 ac.) 	
Picnicking/Camping Areas	1.0
<ul style="list-style-type: none"> • 246 Family Picnic Sites @ 128 s.f. pad ea. (31,488 s.f. / 43,560 = .72 ac.) • 113 BBQ's @ 36 S.F. ea. (Included with picnic sites) • 5 Group Picnic Sites @ 800 s.f. pad ea. (4,000 s.f. / 43,560 = .09 ac.) • 40 Trailside Picnic Sites @ 128 s.f. pad ea. (5,120 s.f. / 43,560 = .12 ac.) • 4 Group Campsites @ 400 s.f. pad ea. (1,600 s.f. / 43,560 = .04 ac.) 	
Other Facilities	1.0
<ul style="list-style-type: none"> • 11 Boat Launch Lanes @ 480 s.f. ea. (5,280 s.f. / 43,560 = .12 ac.) • 2 Courtesy Boat Docks @ 120 s.f. ea. (240 s.f. / 43,560 = .01 ac.) • 2 Piers @ 720 s.f. ea. avg. (1,440 s.f. / 43,560 = .03 ac.) • 2 Vehicle @ 7,200 s.f. ea. avg. (14,400 s.f. / 43,560 = .33 ac.) • 6 Pedestrian @ 3,600 s.f. avg. (21,600 s.f. / 43,560 = .50 ac.) 	
<i>Developed Acres Subtotal</i>	606.6
Undeveloped Acres	
<i>Undeveloped Acres Subtotal</i>	4,008.0
Total Acres	4,614.6



3. Historic Budget Review



3. Historic Budget Review

For the past six years, the Parkway has had reduced funding due to a County budget crisis. During this time, the Parkway budget has continued to fall short of the best practice benchmarks identified in the 2000 American River Parkway Financial Needs Study. The Parkway Division and the Department of Regional Parks have faced many difficult fiscal decisions. This section of the study will:

- Review the economic and social trends that have impacted the Parkway's operations budget in the past six years,
- Review the program components of the 2005-06 Operations Budget,
- Compare Parkway personnel between 1999-00 and 2005-06,
- List all facility repair/replacement/capital improvement and acquisition projects completed from 2000-01 through 2005-06, and
- Analyze the impact of inflation on the Parkway programs and budgets.

3.1 Parkway Division Operations Budget Review

Because the Parkway does not have an independent, consistent, reliable, funding mechanism in place, its annual financial health is tied directly to the fiscal condition of Sacramento County. The six-year Parkway Division budget summary is shown in *Figure 3-1: Parkway Division Budget Summary Fiscal Year 2000-01 through Fiscal Year 2005-06*.

The funding level for operations of Parkway services/supplies had made gains in Fiscal Year 2000-01 and Fiscal Year 2001-02. However, by Fiscal Year 2002-03, the economic recession severely impacted the budget for the County of Sacramento. Facing a \$47 million shortfall in the General Fund, Sacramento County reorganized its departments and agencies, and cut expenses. When the County dissolved the Community Development and Neighborhood Assistance Agency, the Department of Regional Parks was absorbed into the Municipal Services Agency. In addition to the

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reorganization, the County also changed its general accounting methodology, itemizing their budget by program.

These shifts in the accounting methodology affected the Department of Regional Parks' budget, changing the way administrative overhead was categorized and creating a challenge to follow identical methodology from the 2000 study. Consistent with the first study, the Parkway's operations budget was separated from the Department of Regional Parks' overall budget, thereby assuring a consistent comparison of figures with the first study.

In Fiscal Year 2002-03, the Department of Regional Parks' budget was severely reduced. To close the gap between revenue and expenses, the Parkway Division utilized one-time revenue sources such as \$565,284 of trust fund monies, reduced or deferred maintenance, and reduced both temporary and permanent staff positions to keep the department operating.

Faced with another budget deficit in Fiscal Year 2003-04, the County and the Department of Regional Parks faced the difficult task of weighing priorities. The Parkway budget was slashed again. The department utilized \$410,707 in trust fund monies to balance the budget. Additionally, the Department received a one-time lump sum payment of \$200,000 from Aerojet to lease property to install monitoring wells. This lump sum payment also helped to mitigate against further budget reductions.

In Fiscal Year 2004-05 a direct result of the reduction of Parkway staffing, programs, and services was a \$38,935 drop in collected park fees and charges.

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Figure 3-1: Parkway Division Budget Summary Fiscal Year 2000-01 through Fiscal Year 2005-06

Fiscal Year	2000-2001	2001-02	2002-03	2003-04	2004-05	2005-06
Expense						
Personnel	\$3,169,469	\$3,340,829	\$3,625,634	\$3,657,782	\$3,794,046	\$4,528,436
Services/Supplies	\$1,625,392	\$1,749,858	\$1,610,840	\$1,344,283	\$1,784,104	\$1,809,945
Other	\$50,522	\$57,278	\$71,797	\$16,091	\$50,353	\$55,255
Total Expense	\$4,845,383	\$5,147,965	\$5,308,271	\$5,018,156	\$5,628,503	\$6,393,636
Income						
Reimbursements: TOT	\$0	\$0	91,542	\$0	\$0	\$0
Reimbursements: (Night-watch)	\$26,754	\$26,653	\$27,186	\$28,825	\$29,396	\$32,314
Reimbursements SAFCA	\$50,621	\$50,621	\$57,857	\$64,339	\$103,700	\$87,290
Reimbursements: Other	\$100,900	\$85,000	\$85,000	\$100,000	\$100,000	\$0
Fees/Charges - Parks	\$513,273	\$513,273	\$573,777	\$657,778	\$687,802	\$721,092
Iron Ranger, Launch, Annual Pass	\$185,387	\$185,387	\$197,316	\$268,396	199,437	\$250,817
Fees/Charges - Nature Ctr.	\$321,053	\$338,712	\$351,072	\$356,365	\$339,260	\$304,990
Rec. Concessions + Leisure	\$73,533	\$70,334	\$76,312	\$50,663	\$50,663	\$50,874
Leases	\$21,200	\$21,200	\$41,200	\$246,200*	\$46,917	\$49,170
Other Payments	\$2000	\$2000	\$565,284	\$410,707	\$0	\$0
Mitigation Fees(1)	n/a	n/a	n/a	\$10,000	\$10,000	\$10,000
Transfer Out	(\$70,000)	(70,000)	(\$70,000)	(\$70,000)	(\$70,000)	(\$70,000)
Total Income	\$1,224,721	\$1,223,180	\$1,996,546	\$2,123,273	\$1,497,175	\$1,436,547
Net County Cost (Expenses - Income)	\$3,620,662	\$3,924,785	\$3,311,725	\$2,894,883	\$4,131,328	\$4,957,089

(1) Note: Beginning in Fiscal Year 2003-04, the Parkway began identifying fees received for encroachment permits as a separate line item.

* A portion of this is an Aerojet one-time lump sum \$200,000 payment

The Board of Supervisors provided the parkway with an additional \$450,000 growth request allocation in Fiscal Year 2005-06. These funds allowed the Parkway to implement a dedicated patrol of the lower American River Parkway which included ranger patrol and maintenance, and restored two of the ranger positions lost in Fiscal Year 2003-04 and Fiscal Year 2004-05. These funds also restored Ranger dispatch services to full staffing.

3.2 Parkway Operations Budget Fiscal Year 2005-06 by Program

The Parkway's Fiscal Year 2005-06 Operations Budget was separated into five program areas: Operations, Maintenance, the Effie Yeaw Nature Center, Recreation Programs/Leisure, and Administrative Overhead. These program areas identify funding allocation, expenditure and revenue, and allow a direct program-by-program comparison with the 2000 study. The expenditure and revenue for each program area is illustrated in *Figure 3-2*. For Fiscal Year 2005-06, total expenditures for personnel, supplies/services, and other internal charges were \$6,393,636. The total revenue/reimbursements/charges include leases, parking fees, annual passes, donations and grant monies. Revenue was \$1,436,547 making the net County cost to for all Parkway related expenses \$4,957,089.

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Figure 3-2: Fiscal Year 2005-06 Budget by Benchmarked Program

Expenditures	Operations	Maintenance	EYNC	RPL(1)	Admin	Total
Personnel	\$2,639,574	\$840,634	\$593,693	\$32,062	\$422,472	\$4,528,435
Services & Supply	\$387,527	\$609,372	\$122,849	\$16,775	\$673,423	\$1,809,946
Other/Internal Charges					\$55,255	\$55,255
Sub-total	\$3,027,101	\$1,450,006	\$716,542	\$48,837	\$1,151,150	\$6,393,636
Revenues/Reimbursements/Charges	Operations	Maintenance	EYNC	RPL	Admin	Total
SAFCA Reimbursement Senior Natural Resources Specialist	\$87,290					\$87,290
Payment: Golf		\$-70,000				\$ -70,000
Payment: night watch	\$32,314					\$32,314
Leases	\$24,716	\$24,454				\$49,170
Recreation Concessions & Leisure Program		\$14,000		\$36,874		\$50,874
Parking Fees/Kiosk Revenues	\$519,186	\$201,906				\$721,092
Iron Ranger, Launch, Annual Pass	\$250,817					\$250,817
Mitigation fees	\$10,000					\$10,000
EYNC Fees, Grants, Donations			\$304,990			\$304,990
Sub-Total	\$924,323	\$170,360	\$304,990	\$36,874	\$0	\$1,436,547
Net County Cost	\$2,102,778	\$1,279,646	\$441,552	\$11,963	\$1,151,150	\$4,957,089

Note: (1) Recreation, Parks & Leisure Programs (RPL)

3.3 Parkway Operations Budget Comparison Fiscal Year 1999-00 vs. Fiscal Year 2005-06

Changes to the Parkway Operations budget between Fiscal Year 1999-00 and Fiscal Year 2005-06 are shown in *Figure 3-3*. A direct comparison of the two budgets illustrates that the expenses increased 60% (\$3,998,449 to \$6,393,636) while revenue only increased 8% (\$1,327,770 to \$1,436,547). This resulted in an 86% net increase in County costs (\$2,670,679 to \$4,957,089).

In individual program areas, the Operation program budget nearly doubled between Fiscal Year 1999-00 and Fiscal Year 2005-06. In comparison, the Maintenance program budget increased only 4%. Also, the

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Recreational/Parks and Recreation Programs/leisure annual funding was reduced 17% (\$9,990).

Figure 3-3: Operations Budget Comparison Fiscal Year 2005-06 and Fiscal Year 1999-00

	Operations	Maintenance	EYNC	RPL(1)	Admin	Total	% Change
Expense 2005-06	\$3,027,101	\$1,450,006	\$716,542	\$48,837	\$1,151,150	\$6,393,636	
Expense 1999-00	\$1,524,582	\$1,387,723	\$472,479	\$58,827	\$554,838	\$3,998,449	
Expense Change	\$1,502,519	\$62,283	\$244,063	-\$9,990	\$596,312	\$2,395,187	60%
Revenue 2005-06	\$924,323	\$170,360	\$304,990	\$36,874	\$0	\$1,436,547	
Revenue 1999-00	\$704,378	\$283,236	\$245,587	\$54,072	\$40,497	\$1,327,770	
Revenue Change	\$219,945	-\$112,876	\$59,403	-\$17,198	-\$40,497	\$108,777	8%
Net County Cost 2005-06	\$2,102,778	\$1,279,646	\$411,552	\$11,963	\$1,151,150	\$4,957,089	
Net County Cost 1999-00	\$820,204	\$1,104,487	\$226,892	\$4,755	\$514,341	\$2,670,679	
Change in Net County Cost	\$1,282,574	\$175,159	\$184,660	\$7,208	\$636,809	\$2,286,410	86%

Note: (1) Recreation, Parks & Leisure Programs (RPL)

3.4 Parkway Personnel Comparison Fiscal Year 1999-00 vs. Fiscal Year 2005-06

Between Fiscal Year 1999-00 and Fiscal Year 2005-06, there were shifts in the number of personnel on staff with the Parkway Division. The Natural Resource Specialist position was reclassified to a Senior Natural Resource Specialist. At the Effie Yeaw Nature Center, three FTE extra help positions were converted to full time Park Interpretive Specialist positions, implementing a recommendation from the 2000 study.

Nevertheless, due to budget reductions, the Division lost two ranger positions in Fiscal Years 2003-04 and 2004-05, respectively, and a ranger

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dispatcher position was lost in Fiscal Year 2004-05. Also in Fiscal Year 2004-05, the Effie Yeaw Nature Center lost an Account Clerk II position, and Maintenance lost a Park Maintenance Worker I position.

In Fiscal Year 2005-06, funding for the lost ranger positions and the ranger dispatcher position was restored. In addition, a new program to help address the illegal camping issue was approved; the Dedicated Patrol of the Lower American River. This program includes a Park Ranger, a full-time maintenance worker and extra help staff, and is specific to the lower six miles of the American River Parkway.

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Figure 3-4: Parkway Personnel Comparison Fiscal Year 1999-00 through Fiscal Year 2005-06

Full-Time Positions	99-00	05-06
Administrative Service Officer	1	1
Account Clerk II (Effie Yeaw – 1 position added and lost since 99-00)	0	0
Deputy Director	1	1
Interpretive Supervisor	1	1
Interpretive Specialist	2	4
Natural Resource Specialist (Reclassified to Sr. Resource specialist)	1	0
Office Assistant II (Ranger Dispatch)	0	1
Park Maintenance Superintendent	0	0.5
Park Maintenance Supervisor	1	1
Park Maintenance Worker I	5	5
Park Maintenance Worker II	1	2
Park Maintenance Mechanic	1	1
Park Ranger Manager	0	1
Park Ranger	13	19*
Park Ranger II	2	2
Sr. Natural Resource Specialist (Reclassified)	0	1
Sr. Office Assistant (Ranger Dispatch)	1	1
Sr. Park Maintenance Worker	1	1
Total Permanent Full Time Positions	31	42.5
Part-time Positions (Full Time Equivalent)	99-00	05-06
Ranger Assistants	21.5	18.8
Park Maintenance Aides	8	8.7
Park Interpretive Specialists	15.2	12.2

*3 of the Park Rangers are assigned to the special illegal camping program

3.5 Itemized Capitol Improvement Projects Completed Fiscal Year 2000-01 through Fiscal Year 2005-06

In six years, the American River Parkway completed fourteen Capital Improvement Projects (CIP) for a total cost of \$5,914,564. This averages \$985,761 annually. Funding for these CIP projects came from a variety of sources including Propositions 12, 13, and 40, grant funds, Transportation TEA-21 grants, and partnerships with agencies such as the California Department of Boating and Waterways, Sacramento Housing and Redevelopment Agency, and Sacramento Area Council of Governments. See *Figure 3-5: CIP Projects Completed Fiscal Year 2000-01 through Fiscal Year 2005-06* for a list of the completed projects.

While recent state bonds have helped meet Parkway Capital Improvement needs, these sources are exhausted once the designated funding has been spent, and do not assist with day-to-day operations, maintenance, and program needs.

Section 3: Historic Budget Review

Figure 3-5: CIP Projects Completed Fiscal Year 2000-01 through Fiscal Year 2005-06

Project	Source	Amount
ARP Restroom Renovations - Phase I & Phase II	Proposition 13 - \$452,732 Proposition 12 Per Capita - \$195,397 Proposition 12 RZH - \$150,282 Sacramento Housing Redevelopment Association- \$114,00 Goethe Trust Fund - \$168,765 Discovery Park Infrastructure - \$80,772 Parks Planning (Staff Time) - \$68,147	\$1,230,095
Non-motorized Boat Improvements - Phase I	Department of Boating and Waterways -\$300,000 Parks Planning (Staff Time) - \$3,192	\$ 303,192
Discovery Park Infrastructure - Phase I	County Capital Construction Fund	\$46,250
Re-paving of the ARP Jedediah Smith Memorial Bike Trail	Transportation Equity Act-21 - \$1,435,333 Sacramento Metropolitan Air Quality Management District- \$117,000	\$1,552,333
Discovery Park Jibboom Street Bridge Safety Improvements	Transportation Equity Act-21 - \$221,250 Sacramento Area Council Of Governments - \$34,315 Taxable Sales - \$167 Discovery Infrastructure - \$28,750 Proposition 13 - \$47,268 2000 State Allocation - \$25,040	\$356,790
ARP Park Entry Enhancements - Phase I	Transient Occupancy Tax / other County source	\$ 83,309
ARP Park Entry Enhancements - Phase II	Proposition 12 - Per Capita - \$88,268 Proposition 12 – RZH - \$45,000 American River Parkway Maintenance &Operations - \$20,000	\$153,268
Fair Oaks Bluff Fencing	General Fund Allocation \$118,513 FEMA - Admin Funds \$3,396	\$ 121,909
Effie Yeaw Nature Center: Expansion and Restroom Renovation	Capital Construction Fund - \$324,000 Proposition 12 Per Capita - \$174,654 Proposition 12 RZH - \$669,667 Sacramento Housing Redevelopment Association - \$19,000 Proposition 40 - \$36,510 Parks Planning (Staff Time) - \$10,142	\$1,233,973
ARP Volunteer Center by ARP Foundation	99-00 Fund Balance Rollover	\$10,000
Woodlake Area Enhancements	Proposition 12	\$96,732
Howe Avenue Boat Ramp	Department of Boating and Waterways -\$53,600 Proposition 40 - \$25,000	\$ 78,600
IPMP Phase I	Environmental Enhancement Mitigation Program - \$250,000 Water Conservation Board - \$260,000 Sacramento Area Flood Control Agency - \$138,113	\$648,113
CIP Projects Total		\$5,914,564

Note: Reference Attachment A: Proposition 40 Project List and Attachment B: Proposition 12 Project List

3.6 Impact of Inflation since Fiscal Year 1999-00

Inflation continues to take its toll on the Services and Supplies appropriation. Because the annual inflation rate between 2000 and 2005 totaled 11.3% over the six years, inflationary losses to the Services and Supplies budget were computed to be \$581,960.

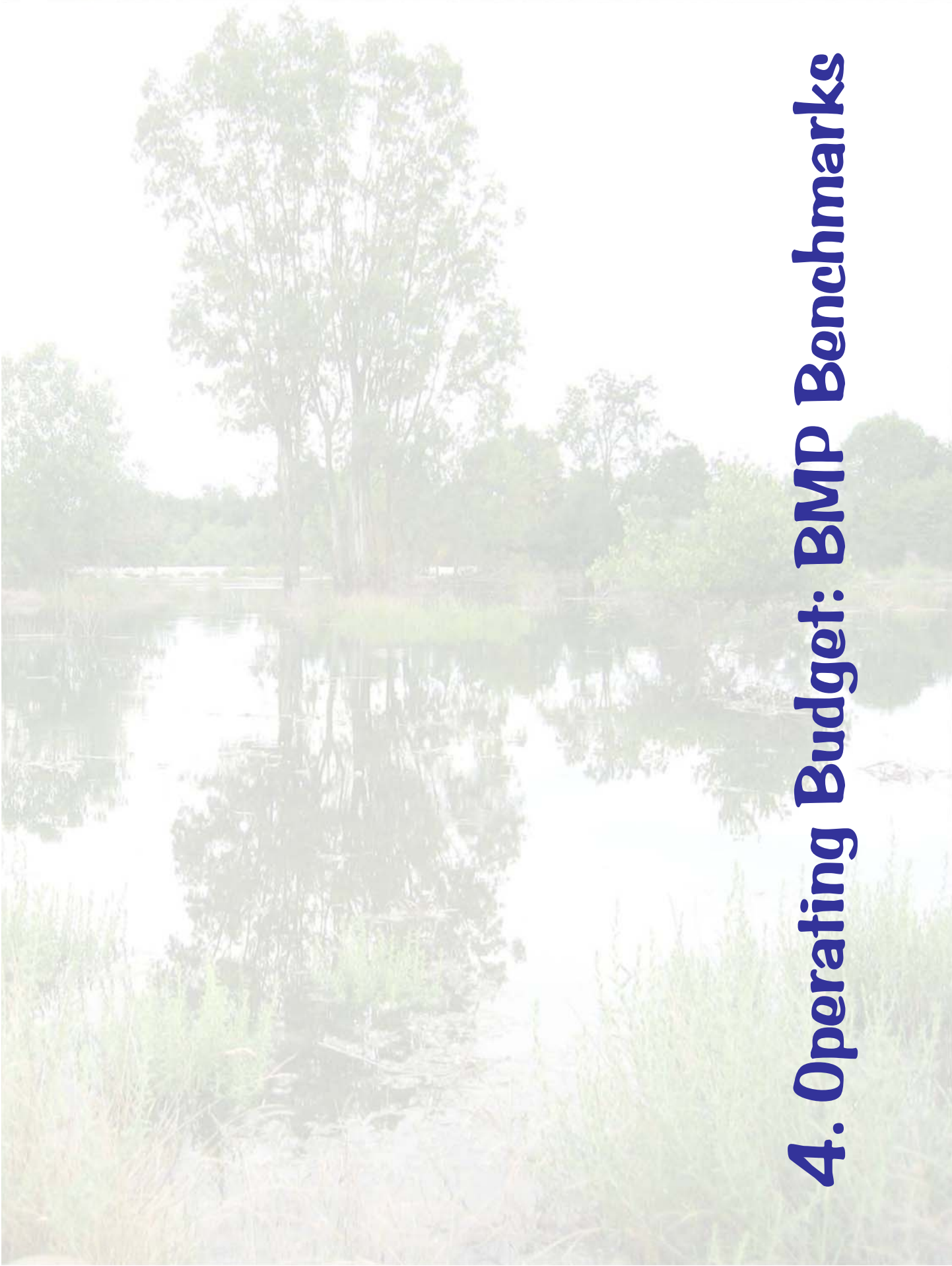
Figure 3-6: Impact of Inflation on the Services and Supply Budget from 2000 to 2006

Fiscal Year	Approximate Compound CPI to 2005 dollars (2)	Actual Services/Supplies budget (1)	Compound Adjusted Services/Supplies for Inflation	Difference
2000-01	11.3%	\$1,625,392	\$1,809,061	\$183,669
2001-02	8.8%	\$1,749,858	\$1,903,846	\$153,988
2002-03	7.0%	\$1,610,840	\$1,723,599	\$112,759
2003-04	5.4%	\$1,344,283	\$1,416,874	\$72,591
2004-05	3.0%	\$1,784,104	\$1,837,627	\$53,523
2005-06	0.3%	\$1,809,946	\$1,815,376	\$5,430
6 Year Inflationary Adjustment		\$9,924,423	\$10,506,383	\$581,960

Notes:

- (1) Reference Figure 3-1
- (2) Inflation rates between 2000 and 2005 were obtained on February 28, 2006 from inflation rate calculator located at www.westegg.com/inflation (S. Morgan Friedman). These were adjusted 0.3% to account for January and February of 2006.

Over the past six years, the Parkway Division weathered this economic recession through reductions in staff, services, and maintenance, and the utilization of trust fund monies. As funding levels were slowly restored, the Parkway Division has managed to rehire staff and restore services. Because the Parkway does not have a consistent, reliable funding mechanism in place, the annual financial stability of the Parkway is tied to the fiscal condition of Sacramento County. County Parks needs to create alternative funding sources that are both dependable and not directly linked to the County’s general fund to avoid future fluctuation in annual funding. Potential funding sources will be examined further in *Sections 8 and 9*.



4. Operating Budget: BMP Benchmarks

4. Operating Budget: Best Management Practice Benchmarks

The 2000 Financial needs study developed Best Management Practice (BMP) benchmark figures through comparisons with similar facilities operated by other agencies (See *Figure 4-1*). The agencies surveyed in Fiscal Year 1999-00 were contacted to update benchmarks for the Fiscal Year 2005-06 study. Most of these agencies responded to the request for information. If comparisons were no longer applicable or available, substitute agencies with similar amenities, and well-maintained and operated facilities, were chosen to replace the originally surveyed agencies. Updated benchmarks were compared to the Fiscal Year 2005-06 budgets and analyzed to establish new augmentation recommendations in *Section 5*.

4.1 Review of Fiscal Year 1990-00 Benchmarks

Benchmarks were established for the Parkway's operating budget in five program areas: Operations, Maintenance, the Effie Yeaw Nature Center, Regional Programs/Leisure Programs (RPL), and Administrative Overhead. Comparable budget information for each of these five program areas was gathered from a number of agencies operating well-run parks, trails, and open space areas. A comparison of the Parkway's budget with the established BMP benchmarks indicated that the Fiscal Year 1999-00 Parkway budget fell \$1,763,680 below the benchmarks. The breakdown, which compares budgets to benchmarks by program area, is found in *Figure 4-1: Fiscal Year 1999-00 Operations Budget Benchmark Summary*. A detailed description of each program area can be found in *Section 3* of the 2000 American River Parkway Financial Needs Study.

Section 4: Operating Budget: BMP Benchmarks

Figure 4-1: Fiscal Year 1999-00 Operating Budget Benchmark Summary

1999-00 Benchmark vs. Budget	Operations (1)	Maintenance (2)	EYNC (3)	Regional Programs / Leisure (4)	Admin Overhead (5)	Total
1999-00 Benchmark	\$2,183,902	\$2,328,000	\$522,479	\$79,410	\$648,338	\$5,762,129
1999-00 Budget	\$1,524,582	\$1,387,723	\$472,479	\$58,827	\$554,838	\$3,998,449
Gross Augmentation Requirement	\$659,320	\$940,277	\$50,000	\$20,583	\$93,500	\$1,763,680

Notes:

- (1) Based on 18.6 FTE Park Ranger Positions
- (2) Based on \$4,000 per developed acre
- (3) Based on cost of \$5.22 per annual visitor
- (4) Based on need
- (5) Based on 14% of total ARP Program Budget
- (6) Reference 2000 American River Parkway Financial Needs Study

4.2 Fiscal Year 2005-06 Operating Budget Benchmarks Summary

Updated benchmarks were established for the Parkway's operating budget in five program areas: Operations, Maintenance, the Effie Yeaw Nature Center, Regional Programs/Leisure Programs (RPL), and Administrative Overhead. As benchmarks were established, it was found that the 2000 benchmarks were still comparable in the maintenance, RPL, and administrative overhead programs. However, there were new factors to consider in the operating budgets of both the Effie Yeaw Nature Center program and Parkway operations.

In operations, the Department of Regional Parks implemented a unique program to deal with the growing problem of encampments along the riverbanks. The Department assigned three full-time rangers, one park maintenance worker, and three part-time (FTE) personnel to clean up the illegal camps, to support existing patrols, and to provide a dedicated patrol of the lower six miles of the Parkway. The Effie Yeaw Nature Center provides two unique services not provided by the other

Section 4: Operating Budget: BMP Benchmarks

benchmarked nature center facilities: 1) A touring wildlife exhibit program with exhibits designed and fabricated by staff, and 2) a large live animal collection that requires food and care.

To reach parity with benchmark figures, the funding necessary for these specific programs was factored out of the corresponding program budgets. The recommended augmentation requirements for all program areas will be discussed further in *Section 5*.

Figure 4-2: 2005-06 Operating Budget Benchmark Summary

2005-06 Benchmark vs. Budget	Operations (1)	Maintenance (2)	EYNC (3)	Regional Programs/ Leisure (4)	Subtotal	Admin Overhead (5)	Total (6)
2005-06 Benchmark	\$2,885,241	\$2,547,720	\$728,867	\$88,383	\$6,250,211	\$997,407	\$7,247,618
2005-06 Budget	*\$2,604,245	\$1,450,006	**\$632,336	\$48,837	\$4,735,424	\$1,151,150	***\$5,886,574
Gross Augmentation Requirement	\$280,996	\$1,097,714	\$96,531	\$39,546	\$1,514,787	0	

Notes: Total column reflects total sum of five program areas.

- (1) Benchmark based on 18.6 FTE Park Ranger Positions
- (2) Benchmark based on \$ 4,200 per developed acre
- (3) Benchmark based on cost of \$7.29 per annual visitor
- (4) Benchmark based on need established in Fiscal Year 1999-00 plus 11.3% CPI
- (5) Benchmark based on 15.6% of total Department Budget
- (6) Reflects the total sum of Operations, Maintenance, EYNC, RPL and Administrative Overhead

***Operation Budget Adjustment**

Illegal Camping program: 3 full time rangers, 1 Park Maintenance Worker I and three (3) FTE in extra help assigned deducted from budget - \$422,856
Adjusted Operations Budget \$3,027,101 - \$422,856 = *\$2,604,245

**** Effie Yeaw Nature Center Budget Adjustment**

Factored difference in programs - \$84,206
Exhibit design/fabrication - \$ 67,312
Live animal maintenance - \$16,894
Adjusted EYNC Budget \$716,542-\$84,206=** \$632,336

Reflects adjustment from 2005-06 budget total expenses \$6,393,636 - \$507,062 = \$5,886,574

Section 4: Operating Budget: BMP Benchmarks

4.2.1. Operations Program Budget Benchmarks

Both Sacramento County and the California Department of Parks and Recreation (DPR) maintain portions of the American River Parkway. The County manages 23 miles of the Parkway and the State manages 7.5 miles. The programs and facilities in the County and DPR sectors are similar. They both include hiking and riding trails, beaches, and day use picnic areas, though there is an important distinction between the two trail sectors. Sacramento County has an illegal camping enforcement program that the State does not have. County costs for the extra personnel necessary to address the issue of homeless who live along the Parkway amounts to \$422,856. These unique costs were factored out when comparing operations budgets with the benchmarks.

Sacramento County Existing Fiscal Year 2005-06 Operation:

- 34,200 hours/year divided by 1800 productive hours/position per year = 19.0 full time ranger positions for 23 miles of parkway.
- Factoring out 3.0 ranger positions assigned to illegal camping enforcement leaves 16.0 remaining ranger positions.

DPR Historic Operation:

- 9,375 hours/year divided by 1800 productive hours/position per year = 5.2 full time positions for 7.5 miles of State Parks parkway trails.
- 1800 hours Boat Rescue Lifeguard position per year = 1 full time position.
- Total staffing 6.2 full-time positions benchmark.
- Adjust x 3.1 for Sac County Parks 23 miles of parkway = 19 full-time equivalent positions required to meet established benchmark.

Benchmark figures were established by applying standard historical DPR staffing numbers to the 23 miles of Parkway operated by the County. Historically, DPR employed 6.2 full-time personnel to operate 7.5 miles of Parkway each year. In order to manage the Parkway in a manner comparable with the State, the County would require 19.0 additional Rangers. The County's operations benchmark is set at \$2,885,241.

Section 4: Operating Budget: BMP Benchmarks

Sacramento County Park's 2005-06 Operation at State Park's Historic Level of Service:
<div style="margin-left: 20px;"> 19.0 Established Benchmark positions including supplies/services - 16.0 County Parkway positions w/out illegal camping enforcement 3.0 positions needed to achieve benchmark </div> <ul style="list-style-type: none"> 3.0 full-time Park Ranger I positions with vehicles, supplies and services = \$280,996 The augmentation amount of \$280,996 could be allocated to assist in hiring two (2.0) Ranger I positions and one (1.0) Ranger II positions. This funding would not include the costs for the the three (3.0) Ranger's vehicles, supplies and services.

Subtracting the County's current staffing level (16.0 ranger positions) from the established benchmark (19.0 positions) yields a requirement of 3.0 additional park rangers. An augmentation of \$280,996 to the Fiscal Year 2005-06 budget will be necessary to bring operations on par with State Parks historical level of service and established benchmark figures.

Figure 4-3: Operations Budget Benchmark

	Total
Total Operation Benchmark Comparison	\$2,885,241
2005-06 Operation Budget	\$2,604,245
Operations Program Augmentation Recommendation	\$280,996

The Department has made significant progress bringing the Parkway Operations program within reach of the best management practice benchmark standard over the past six years. The way the \$280,996 augmentation is allocated is left to the discretion of the Division. The funds could be utilized for ranger staff and personnel assistance needs.

Comparisons were not made for part-time Division staff for many reasons. First, part-time personnel work flexible schedules according to season, use-patterns, and the requirements of developed facilities within each park. Second, part-time employees are variable budgetary costs depending on the number of entry stations per facility. Finally, part-time positions augment permanent staff positions primarily in the summer season.

Section 4: Operating Budget: BMP Benchmarks

4.2.2. Maintenance Program Budget Benchmarks

The Maintenance Division budget was updated to reflect current fiscal year costs and was then compared with the maintenance budgets of three other agencies: 1) The City of Sacramento Parks System, 2) The City of Encinitas Parks System, and 3) The East Bay Regional Park System. Of these agencies, the East Bay Regional Park System was most comparable with the American River Parkway.

The above-listed agencies were surveyed to determine the average cost for maintaining developed parkland. The unit of measure used for comparison was one-acre of developed land, which included both landscape and hardscape areas. Landscape areas are areas with turf, shrubs, and maintained trees. Hardscape areas include roads, parking lots, trails, building pads, and structures. Of the agencies surveyed, the average maintenance cost per developed acre was \$4,194 (This figure was rounded to \$4,200). This represents an increase of \$200 per developed acre or 5% increase over the benchmark cost recommended in the 2000 study.

Figure 4- 4: Maintenance Benchmark Comparison

Facility/Agency	Developed Area (acres)	Budget (\$/yr)	Cost/Dev. (Acre/yr)
City of Sacramento	2,219	\$11,000,000	\$4,957
City of Encinitas	258	\$1,118,197	\$4,336
East Bay Reg. Park District	814	\$2,678,496	\$3,291
Total			\$12,583
Average			\$4,194
Maintenance Augmentation			
Benchmark	606.6	\$2,547,720	\$4,200*
American River Parkway (2005-06 Approved Budget)	606.6	\$1,450,006	\$2,390
Maintenance Augmentation Requirement		\$1,097,714	\$1,810

* This figure was rounded

A maintenance benchmark standard of \$2,547,720 was formulated by multiplying the Parkway’s 606.6 developed acres by a \$4200 benchmark

Section 4: Operating Budget: BMP Benchmarks

average. Despite a maintenance program budget increase of \$62,283 since the 2000 study, the budget shortfall has risen to \$1,097,714.

Given this large shortfall, and considering that other programs' shortfalls have been reduced, maintenance augmentation needs should be a priority. Maintenance is a highly visible public service in the Parkway.

4.2.3. Nature Center Program Budget Benchmarks

The following three California nature centers were surveyed to establish a cost per visitor benchmark: 1) Oak Canyon Nature Center in Anaheim, 2) Elkhorn Slough Nature Center in Moss Landing, and 3) Whittier Narrows Nature Center in South El Monte. Budgets, full-time and full-time equivalent (FTE) staff positions, gross income, and visitors per year for each center were analyzed. Because the information was obtained from Fiscal Year 2004-05 budgets, a 3.3% CIP inflationary adjustment was calculated to bring the figures to 2006 dollars (See *Figure 3-6 Impact of inflation on the Services and Supply budget from 2000 to 2006*). An average benchmark of \$7.29 was established for the three visitor centers. Applying this benchmark to the Effie Yeaw Nature Center (EYNC) attendance of approximately 100,000 per year yields a recommended benchmark level of \$728,867 per year.

As previously noted, however, the Effie Yeaw Nature Center provides two unique programs not offered at the other nature centers. Effie Yeaw staff design and fabricate traveling exhibits that are used at the EYNC and then rented by other nature centers. Production and coordination of this program requires one full-time and one part-time staff member, which cost \$67,312 per year. Effie Yeaw also maintains a large live animal collection. The annual cost to provide food, care, and maintenance for the animals, together with staff and veterinarians is \$16,894 per year. Removing the costs for these two programs from EYNC's budget of \$716,542, yields an adjusted comparable budget of \$632,336. It should also be noted that Effie Yeaw is a regional nature center serving seven surrounding counties, while the surveyed nature

Section 4: Operating Budget: BMP Benchmarks

centers serve mostly local clientele. This explains the significantly larger scale and budget and attendance figures at EYNC.

Based on the adjusted budget of \$632,336, EYNC is currently \$0.97 per visitor below the benchmark standards for comparable nature centers. To service the existing 100,000 visitors per year, the recommended augmentation is \$96,531.

Figure 4-5: Nature Center Benchmark Comparison

Nature Center Benchmarks (Fiscal Year 2004-05 figures)	Annual Attendance	Gross Cost	Gross Cost per Visitor
Oak Canyon Nature Center	39,500	\$310,000	\$7.85
Anaheim, CA			
Elkhorn Slough Nature Center	50,000	\$348,450	\$6.97
Moss Landing, CA			
Elkhorn Slough Nature Center	50,000	\$348,450	\$6.97
El Monte, CA			
Total Nature Centers Surveyed	139,500	\$1,006,900	
Average Nature Centers Surveyed	41,500	\$335,633	\$7.06
3.3% CIP adjustment for FY 05/06		(2) \$9,663	
Adjusted Benchmark	41,500	\$302,480	\$7.29
(1) Effie Yeaw Actual Budget	100,000	\$632,336	\$6.32
Benchmark (gross cost per visitor x annual attendance)	100,000	\$728,867	\$7.29
Effie Yeaw Nature Center Recommended Augmentation		\$96,531	\$0.97

Notes: (1) The following adjustments were made to the data for the Effie Yeaw Nature Center to make the survey data from the other nature centers more comparable:
 A. Since none of the surveyed nature centers had an exhibit design and Fabrication component in their budgets, \$67,312 in labor costs was factored out.
 B. Since none of the three surveyed nature centers had a live animal maintenance component in their budgets, \$16,894 was also factored out.
 (2) Survey collected data on Fiscal Year 04-05 budgets; therefore, to adjust to Fiscal Year 2005-06, a 3.3% CPI adjustment of \$9,663 was made bringing the recommended augmentation to \$96,531..

4.2.4. Regional Programs and Leisure Benchmarks

In the 2000 Study, because there were no comparable Regional Programs and Leisure (RPL) budgets to establish benchmarks, a review of the department's needs was used to develop recommendations. A

Section 4: Operating Budget: BMP Benchmarks

benchmark budget of \$79,410 (which was \$20,583 above the actual budget of \$58,827) was recommended. The difference was to be used to hire a half time Special Event and Trail Coordinator for expansion of recreational opportunities.

To determine a benchmark budget for this study, the recommended benchmark budget from the 2000 Study was adjusted for inflation to \$88,383. Subtracting the actual Fiscal Year 2005-06 Budget of \$48,837 (which was reduced \$9,990 from the Fiscal Year 1999-00 budget) yields an estimated augmentation need of \$39,546. (See *Figure 4-6: Regional Programs/Leisure Benchmark (RPL) Comparisons*). Because of these budget constraints the recommendations for the Special Event and Trail Coordinator positions were not implemented.

This program provides a valuable service, which promotes higher use levels in the Parkway because of the marketing benefits derived from the media exposure of special events. Rectifying this condition should be given high priority by the Department.

Figure 4-6: Regional Programs / Leisure Benchmark (RPL) Comparisons

	Benchmark Budget	Actual Budget	Augmentation Need
Fiscal Year 2005-06	\$88,383	\$48,837	\$39,546
Fiscal Year 1999-00	\$79,410	\$58,827	
Funding Loss Fiscal Year 1999-00 and Fiscal Year 2005-06		(\$9,990)	

Notes: (1) No progress made on implementing Fiscal Year 1999-00 recommended augmentation.
 (2) Fiscal Year 1999-00 benchmarks factored 11.3% for CPI to provide same level of service proposed in 2000 study.

4.2.5. Administrative Overhead Benchmarks

The Administrative Overhead (AO) program is the internal department overhead that is charged to the Parkway Program budget. AO includes management positions (Director), department administration

Section 4: Operating Budget: BMP Benchmarks

(Administrative Services Officer III and office clerical staff), as well as other operating expenses such as rent, utilities, insurance, and taxes.

To update departmental AO benchmarks for the Parkway, attempts were made to gather information from the four originally surveyed agencies: 1) Santa Barbara County, 2) Monterey County, 3) Sonoma County, and 4) San Mateo County. Because Sonoma County did not respond to the request, San Bernardino County information was substituted. These agencies' average departmental administrative overhead rate in fiscal year 2004-05 was 12.3%. This number was adjusted to 15.6% by an additional 3.3% inflationary adjustment which was added to adjust the benchmark comparisons to 2005-06 dollars.

Figure 4-7: Administrative Overhead Benchmark Comparisons

County Park Dept.	Dept. AO 2004-05	Budget FY 2004-05	Percent AO 2004-05
Santa Barbara	\$ 1,635,133	\$ 13,964,302	11.7%
Monterey	\$ 1,125,281	\$ 7,283,457	15.4%
San Bernardino(1)	\$ 845,199	\$ 7,521,062	11.2%
San Mateo	\$ 568,572	\$ 5,208,468	10.9%
Total	\$ 4,174,185	\$ 33,977,289	49.2%
Average of Four Counties	\$ 1,043,546	\$ 8,494,322	12.3%
Fiscal year 2005-06 CIP adjustment			3.3%
Benchmark Percentage of Administrative Overhead			15.6%

Note:

- (1) San Bernardino County was added to replace a county that did not respond to request to update information.

County of Sacramento Department of Regional Parks AO for Fiscal Year 2005-06 is \$1,883,097, which represents nearly 18% of the total department budget of \$10,618,053. Comparatively, the Department AO assigned to the American River Parkway Division is \$1,151,150. This represents 18% of the total Fiscal Year 2005-06 American River Parkway Division budget. Thus, the Department AO assigned to the American River Parkway is in alignment with the percentage of administrative overhead for the entire Regional Parks, Recreation and Open Space Department budget.

Section 4: Operating Budget: BMP Benchmarks

The Parkway AO made significant gains. It has kept its administrative overhead costs on par with previously established benchmark standards. A comparison of the updated 2005-06 AO benchmark to the previous benchmark in the 2000 study, shows that the overall average benchmark percentage went down 1.4% from 17% (2000) to 15.6%. This appears to indicate that funding for administrative overhead in other agencies has been reduced or shifted into other areas to help offset costs.

4.3 Other Augmentation Needs

Equipment, repairs, replacement, new capital improvements, and land acquisition needs were identified and evaluated. However, due to their unique nature, no benchmarking comparisons were made for these items. They are addressed in *Section 5*.

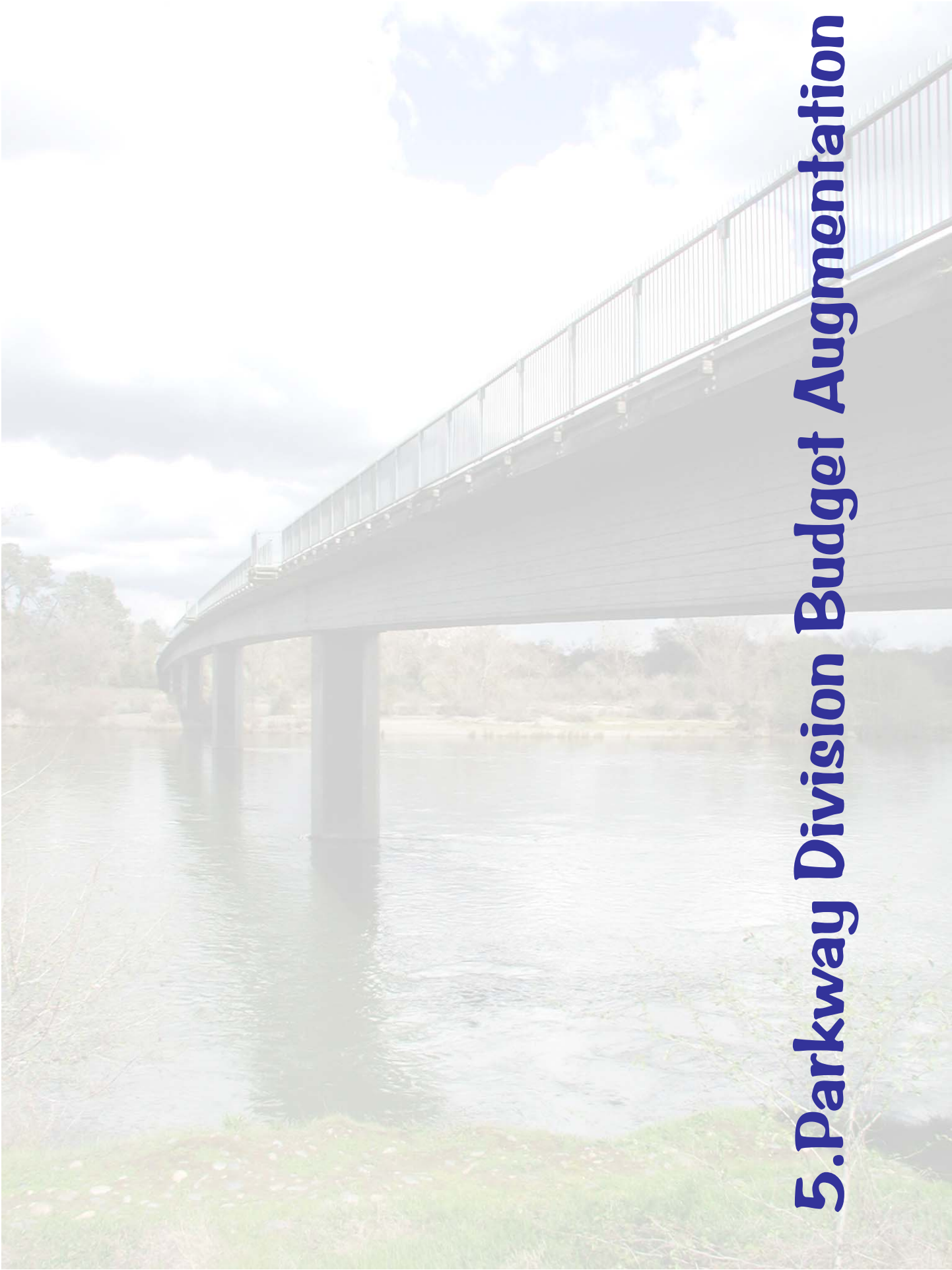
4.4 Operating Budget Augmentation Summary

The updated benchmarks for best management practices total \$7,401,361 across all five program areas. There is still an annual funding gap of \$1,514,787. The recommended augmentation requirements for all program areas will be discussed further in *Section 5* (See *Figure 4-8 Fiscal Year 2005-06 Operating Budget Augmentation Summary*).

Figure 4-8: Fiscal Year 2005-06 Operating Budget Augmentation Summary

Program	Budget	Proposed Augmentation*	Recommended Budget Total
Operations	\$2,604,245	\$280,996	\$2,885,241
Maintenance	\$1,450,006	\$1,097,714	\$2,547,720
Effie Yeaw Nature Center	\$632,336	\$96,531	\$728,867
Regional Programs/Leisure	\$48,837	\$39,546	\$88,383
Administrative Overhead	\$1,151,150	\$0	\$1,151,150
TOTAL	\$5,886,574	\$1,514,787	\$7,401,361

* Potential Augmentation total includes all augmentation needs



5. Parkway Division Budget Augmentation

5. Parkway Division Budget Augmentation

To evaluate funding augmentation needs, Parkway Division income and expenses were isolated from the County of Sacramento, Department of Regional Parks budget. The Parkway Division's operating budget is divided into five program areas: Operations, Maintenance, the Effie Yeaw Nature Center, Recreation Programs/Leisure, and Administrative Overhead. These five program areas were compared to the best practice benchmarks established in *Section 4* of this study.

Funding needs for equipment purchases, repair and replacement of improvements, new capital improvements, and land acquisitions were also reviewed and analyzed; however, these items were not compared to best management practice benchmarks. The Parkway Division's augmentation needs are summarized in *Exhibit 5-A: Summary of Budget Augmentation Need Fiscal Year 2005-06*.

5.1 Total Parkway Division Benchmarked Augmentation Needs (Annual Operating Budget)

The Parkway Division's operating budget augmentation needs were established by comparing each of the five program area budgets in Fiscal Year 2005-06 with the established benchmarks budget (*Section 4*) for each program area (See *Figure 5-1 Operational Budget Augmentation Needs*). Funding augmentation needs exist in four of the five programs. The Administrative Overhead program is at parity with the benchmark survey results and the Effie Yeaw Nature Center and Operations budgets have only minor needs to bring them to par with established benchmark standards. Maintenance and Regional Programs/Leisure Program budgets, however, are in major need of funding.

The total (or gross) augmentation amount needed to bring the Parkway Division's Operating Budget to parity with best management practice standards is \$1,514,787. The Parkway Division's operating budget program augmentation needs are detailed in *Exhibit 5-B: Operational Budget Augmentation Needs Fiscal Year 2005-06*.

Section 5: Parkway Division Budget Augmentation

Figure 5-1: Operational Budget Augmentation Needs (Benchmarked)

Program Areas	Total Annual Augmentation Needs	Comment
Operations	\$280,996	Reduced need
Maintenance	\$1,097,714	Major need
Effie Yeaw Nature Center	\$96,531	Reduced need
Regional/Programs /Leisure (RPL)	\$39,546	Major need
Administrative Overhead	\$0	No Augmentation needed at this time
Total Augmentation Need	\$1,514,787	

Note: Reference Exhibit 4-B Operating Budget Augmentation Need Fiscal Year 2005-06

Of the total augmentation need of \$1,514,787, it is estimated that nearly \$371,000 could come from non-county sources including flood/water funding for resource enhancement projects, state and federal funding for invasive plant management, or Measure A funding when it becomes available. Funding augmentation for the portion without future anticipated funding sources (\$1,143,892) should be the focus of the Department's local funding initiatives (See *Exhibit 5-A: Summary of Budget Augmentation Needs Fiscal Year 2005-06*).

5.2 Remaining Non-Benchmarked Augmentation Needs

Critical services, equipment, repair/replacement, new capital improvement projects, and land acquisition needs were also reevaluated. *Figure 5-2* summarizes the total annual budget augmentation need (\$7,080,640) and the ten-year projected total need (\$70,806,400) for these remaining budget items. These figures were established through analysis of the Parkway Division operating and capital improvement budget and recreation-related flood control projects under the jurisdiction of SAFCA.

Capital improvement projects (CIP) items identified in the year 2000 Study but still incomplete have been factored for six years of inflation (11.3 %) and have been carried forward (*Exhibit 5-E*). For a detailed description of each budget augmentation item, please reference *Exhibit 5-C* through *Exhibit 5-I*.

Section 5: Parkway Division Budget Augmentation

Figure 5-2: Non-Benchmarked Augmentation Needs Summary

Asset Item	10 Year Total	1 Year Total
Equipment purchase Items (Exhibit 5-C: Equipment Augmentation Need Fiscal Year 2005-06)	\$2,000,000	\$200,000
Annual Scheduled Facility Repair/Replacement (Exhibit 5-D: Annual Major Maintenance Projects Fiscal Year 2005-06)	\$5,000,000	\$500,000
Facility Repair/Replacement Backlog (Exhibit 5-E: Deferred Major Maintenance Items Carried Forward from Fiscal Year 1999-00 & Exhibit 5-F: Deferred Major Maintenance Items Added Since Fiscal year 2005-06)	\$13,063,950	\$1,306,395
New Capital Improvements (Exhibit 5-G: CIP Projects Carried Forward from 1999/2000 & Exhibit 5-H: New CIP Projects Added Since Fiscal Year 2005-06)	\$39,778,500	\$3,977,850
Land Acquisition (Exhibit 5-I: Land Acquisition Augmentation Needs)	\$10,963,950	\$1,096,395
Total		
CIP / Land Acquisition Augmentation Needs	\$70,806,400	\$7,080,640
(1) Anticipated Funding	\$36,290,183	\$3,629,018
Undesignated Funding Augmentation Need	\$34,516,217	\$3,451,622

Note: (1) Amounts listed in anticipated funding is not a guaranteed amount from these sources Reference Exhibit 5-A: Summary of Budget Augmentation Needs Fiscal Year 2005-06.

*This Non-benchmarked Augmentation Needs Summary illustrates the ten-year benchmarked operating budget of \$15,147,870 isolated from the ten-year grand total augmentation balance of \$85,954,270 (See Section 5.1)

Total augmentation needs were interpreted in annual and ten-year increments, as illustrated above. This facilitates the development of a ten-year Funding Augmentation Schedule that can be utilized for a potential future Parkway local funding measure. This subject is discussed in more detail in *Section 9* of this report. The total capital projects and land acquisition augmentation need is \$7,080,640 annually. Although these funding sources are not guaranteed, there are anticipated funds from state, federal, and other local grants, which could offset over one-half of that amount by \$3,629,018. There are no funding sources identified for the remainder of the balance of augmentation need of \$3,451,622.

Section 5: Parkway Division Budget Augmentation

5.3 Total Augmentation Needs

To operate the Parkway at best practice benchmark standards and fully fund equipment, facility repair/replacement, new capital improvements, and land acquisition, \$85,954,270 is necessary over 10 years. Anticipated State, Federal and other grants could offset this amount by \$39,999,132. This means \$45,955,138 (*Exhibit 5-A*) of the augmentation need does not have a designated or anticipated funding source. *Section 9* will examine strategies and make recommendations for the County to generate additional funding in order to close this funding gap. Local funding alternatives to finance these needs are discussed in *Section 7*.

In *Exhibit 5-A*, the “Total Amount” column includes all of the funding sources being applied to eliminate the augmentation need in each budget category. Each table has an “Undesignated Balance” column (shaded) and columns identifying “Anticipated Funding Sources” utilized by the Parkway such as state, federal, SAFCA, and other (see *Exhibit 5-A* through *Exhibit 5-I*). The ten-year grand total amount from the undesignated column (\$45,955,138) is further examined in *Section 9*.

Figure 5-3 summarizes the “Undesignated Balance” portion of the augmentation for which Parkway supplemental funding needs to be developed. Included in these amounts is a 20% allowance for planning, design, and construction supervision for all repair/replacement and capital improvement items.

Section 5: Parkway Division Budget Augmentation

Figure 5-3: Annual General Fund Augmentation Needs Summary by Budget Category

Budget Category	10-Year Total	Annual Total
Operating Budget <i>(Exhibit 5-B: Operating Budget Augmentation Needs Fiscal Year 2005-06)</i>	\$11,438,920	\$1,143,892
Equipment purchase Items <i>(Exhibit 5-C: Equipment Augmentation Needs Fiscal Year 2005-06)</i>	\$2,000,000	\$200,000
Annual Scheduled Facility Repair/Replacement <i>(Exhibit 5-D: Annual Major Maintenance Projects Fiscal Year 2005-06)</i>	\$5,000,000	\$500,000
Facility Repair/Replacement Backlog <i>(Exhibit 5-E: Deferred Major Maintenance Items Carried Forward from Fiscal Year 1999-00 & Exhibit 5-F: Deferred Major Maintenance Items Added Since Fiscal Year 2005-06)</i>	\$7,320,870	\$732,087
Capital Improvements <i>(Exhibit 5-G: CIP Projects Carried Forward from Fiscal Year 1999-00 & Exhibit 5-H: New CIP Projects Added Since Fiscal Year 2005-06)</i>	\$15,991,020	\$1,599,102
Land Acquisition <i>(Exhibit 5-I: Land Acquisition Augmentation Needs Fiscal Year 2005-06)</i>	\$4,204,328	\$420,433
Total 10-Year and Annual Augmentation Needs	\$45,955,138	\$4,595,514

Note: Reference Exhibit 5-A: Summary of Budget Augmentation Needs Fiscal Year 2005-06

Section 5: Parkway Division Budget Augmentation

Exhibit 5-A

Summary of Budget Augmentation Needs Fiscal Year 2005-06

Item	Undesignated Augmentation Balance	Anticipated Funding Sources				Totals	Ref. Exhibit
		State	Federal	SAFCA	Other		
Annual Operating Budget	\$1,143,892	\$50,000	\$50,000	\$270,895		\$1,514,787	5-B
Annual Equipment Budget	\$200,000					\$200,000	5-C
Annual Major Maintenance Schedule	\$500,000					\$500,000	5-D
Annual Budget Total	\$1,843,892	\$50,000	\$50,000	\$270,895	\$0	\$2,214,787	
(A) 10-Year Budget Total	\$18,438,920	\$500,000	\$500,000	\$2,708,950		\$22,147,870	
10-Year Major Maintenance Backlog from 1999-00	\$4,440,870		\$5,475,960		\$267,120	\$10,183,950	5-E
10-Year Major Maintenance Backlog from 2005-06	\$2,880,000					\$2,880,000	5-F
10-Year Repair & Replacement Subtotal	\$7,320,870		\$5,475,960		\$267,120	\$13,063,950	
10-Year New Capital Improvements Forward from 1999-00	\$601,020	\$534,240	\$333,900		\$1,535,940	\$3,005,100	5-G
10-Year New Capital Improvements Forward from 2005-06	\$15,390,000	\$8,399,400			\$12,984,000	\$36,773,400	5-H
10-Year New Capital Improvements Subtotal	\$15,991,020	\$8,933,640	\$333,900		\$14,519,940	\$39,778,500	
10-Year Acquisition Projects	\$4,204,328	\$3,689,000			\$3,070,622	\$10,963,950	5-I
10-Year Grand Total	\$45,955,138	\$13,122,640	\$6,309,860	\$2,708,950	\$17,857,682	\$85,954,270	

Note: The Potential Funding Sources portion of augmentation needs is the basis for alternative funding options-See Exhibit 9-A.

Section 5: Parkway Division Budget Augmentation

Exhibit 5-B

Operating Budget Augmentation Needs Fiscal Year 2005-06

Item	Undesignated Augmentation Balance	Anticipated Funding Sources			Total	Comments
		State	Fed	Flood/Water		
Operations						
<i>Operations Sub-total</i>	\$280,996				\$280,996	2.0 Park Ranger I positions and 1.0 Ranger II position (Partial funding -excluding costs ranger's for vehicles, supplies and services)
Maintenance						
Restoration of Maintenance Support Crew	\$286,500				\$286,500	Partial funding to get crew into operation.
Services/Supplies for increase Bldg & Grounds Maintenance	\$380,319				\$380,319	Augmentation funding will replace \$287,890 cut from previous budget
Invasive Plant Mangagement		\$50,000	\$50,000		\$100,000	Labor- American River Foundation
Resource Enhancement Projects				\$270,895	\$270,895	Average annual SAFCA Budget Item
Heavy Equipment Maintenance/Replacement allocation costs	\$60,000				\$60,000	
<i>Maintenance Sub-Total</i>	\$726,819	\$50,000	\$50,000	\$270,895	\$1,097,714	
Nature Center						
<i>Nature Center Sub-Total</i>	\$96,531				\$96,531	Re-instate Acct. Clerk II & PT Interpretive Specialist positions
Regional Programs/Leisure						
<i>Regional Programs/Leisure Sub-Total</i>	\$39,546				\$39,546	½ time Trails and Event Coordinator plus service and supplies
Administrative Overhead						
<i>Administrative Overhead Sub-Total</i>	\$0				\$0	At benchmark, no augmentation recommended at this time.
Total Operating Budget Augmentation	\$1,143,892	\$50,000	\$50,000	\$270,895	\$1,514,787	

Note: The Potential Funding Sources are estimates only

Section 5: Parkway Division Budget Augmentation

Exhibit 5-C

Equipment Augmentation Needs Fiscal Year 2005-06

<i>Item</i>	<i>Undesignated Augmentation Balance</i>	<i>Anticipated Funding Sources</i>			<i>Total</i>	<i>Comments</i>
		<i>State</i>	<i>Fed</i>	<i>City of Sacramento</i>		
Large Chipper	\$25,000				\$25,000	
Back Hoe	\$70,000				\$70,000	
Large Mower	\$45,000				\$45,000	
Power watercraft	\$60,000				\$60,000	
Total	\$200,000	\$0	\$0	\$0	\$200,000	

Notes: (1) \$59,903 Equipment Maintenance & Replacement fund expense shown in Fiscal Year 2005-06 Operating Budget
 (2) The Potential Funding Sources are estimates only

Exhibit 5-D

REPAIR & REPLACEMENT PROJECTS

Annual Major Maintenance Projects Fiscal Year 2005-06

<i>Item</i>	<i>Undesignated Augmentation Balance</i>	<i>Anticipated Funding Sources</i>			<i>Total</i>	<i>Comments</i>
		<i>State</i>	<i>Fed</i>	<i>Other</i>		
Annual Scheduled Maintenance Projects Total	\$500,000	\$0	\$0	\$0	\$500,000	

Section 5: Parkway Division Budget Augmentation

Exhibit 5-E

REPAIR & REPLACEMENT PROJECTS

Deferred Major Maintenance Items Carried Forward from Fiscal Year 1999-00

Item	Undesignated Augmentation Balance	Anticipated Funding Sources		Total	Comments
		Fed	Other		
Resurfacing Roads (12 miles)	\$1,000,000			\$1,000,000	
Parking Lots (26-acres)	\$775,000			\$775,000	
Replace Flat Car Bridges (3)			\$200,000	\$200,000	Grants
Utility System Upgrades	\$100,000			\$100,000	
Replace Fence/Gates	\$250,000			\$250,000	
Discovery Park River Bank Stabilization	\$1,000,000	\$4,000,000		\$5,000,000	Army Corps of Engineers or Bureau of Reclamation
A.H. & S.L. Parks Main Gate Safety Improvements	\$75,000			\$75,000	
A.H. Bike Trail Overlay & Curbing		\$100,000		\$100,000	TEA-21 Grant
A.H. Park Duck Pond Restoration	\$75,000			\$75,000	
A.H. Park Road Lighting Repairs	\$50,000			\$50,000	
Subtotal	\$3,325,000	4,100,000	\$200,000	\$7,625,000	
Plus 11.3% CPI	\$375,725	\$463,300	\$22,600	\$861,625	
Adj. for Inflation	\$3,700,725	\$4,563,300	\$222,600	\$8,486,625	
Planning/ Design/ Sup. (20%)	\$740,145	\$912,660	\$44,520	\$1,697,325	
Deferred 1999-00 Maintenance Total	\$4,440,870	\$5,475,960	\$267,120	\$10,183,950	

Note: The Potential Funding Sources are estimates only

Section 5: Parkway Division Budget Augmentation

Exhibit 5-F

REPAIR & REPLACEMENT PROJECTS
Deferred Major Maintenance Items Added Since Fiscal Year 1999-00

<i>Item</i>	<i>Undesignated Augmentation Balance</i>	<i>Anticipated Funding Sources</i>		<i>Total</i>	<i>Comments</i>
		<i>Fed</i>	<i>Other</i>		
AH Entry Road Parking Lot Renovation	\$750,000			\$750,000	
AH Park & Golf Course Water System & Irrigation System Renovation	\$1,650,000			\$1,650,000	Possible Aerojet & Carmichael Water District participation
<i>Subtotal</i>	<i>\$2,400,000</i>			<i>\$2,400,000</i>	
Planning/ Design/ Sup.(20%)	<i>\$480,000</i>			<i>\$480,000</i>	
<i>1999-00 to 2005-06 Deferred Major Maintenance Total</i>	<i>\$2,880,000</i>			<i>\$2,880,000</i>	

Note: The Potential Funding Sources are estimates only

Section 5: Parkway Division Budget Augmentation

Exhibit 5-G

NEW CAPITAL IMPROVEMENT PROJECTS
CIP Projects Carried Forward from Fiscal Year 1999-00

Item	Undesignated Augmentation Balance	Anticipated Funding Sources			Total	Comments
		State	Fed	Other		
Bike Trail (CSUS to Sutter's Landing)				\$1,000,000	\$1,000,000	
Jim Jones Bridge Extension	\$250,000				\$250,000	
Cal Expo Floodplain Imp.		\$250,000	\$250,000		\$500,000	Army Corps of Engineers & Cal-Expo
William Pond Play Equipment				\$150,000	\$150,000	Service Club Project
Boat Launch Improvements Phase II		\$150,000			\$150,000	Cal Boating & Waterways Grant
San Lorenzo to Tarshes Bike Trail	\$200,000				\$200,000	
Subtotal	\$450,000	\$400,000	\$250,000	\$1,150,000	\$2,250,000	
Plus 11.3% CPI	\$50,850	\$45,200	\$28,250	\$129,950	\$254,250	
Adj. for Inflation	\$500,850	\$445,200	\$278,250	\$1,279,950	\$2,502,250	
Planning/Design /Sup.(20%)	\$100,170	\$89,040	\$55,650	\$255,990	\$500,850	
Total	\$601,020	\$534,240	\$333,900	\$1,535,940	\$3,005,100	

Note: The Potential Funding Sources are estimates only

Section 5: Parkway Division Budget Augmentation

Exhibit 5-H

NEW CAPITAL IMPROVEMENT PROJECTS New CIP Projects Added Since Fiscal Year 1999-00

Item	Undesignated Augmentation Balance	Anticipated Funding Sources		Total	Comments
		State	Other		
Two Rivers Trail, Segment I Discovery Park to 160			\$2,400,000	\$2,400,000	Project in progress City of Sacramento
Two Rivers Trail, Segment II 160 to Sutter's Landing			\$2,000,000	\$2,000,000	City of Sacramento
Woodlake Area Recreation Development	\$630,000			\$630,000	
EYNC Bldg. Fire Protection	\$250,000			\$250,000	
EYNC Outdoor Education Center	\$175,000			\$175,000	
AH Covered Picnic/Banquet Facility			\$400,000	\$400,000	Service Club Projects
ARP Trail Neighborhood Access	\$515,000			\$515,000	
ARP Watt to Gristmill Trail	\$500,000			\$500,000	
ADA Improvements	\$1,000,000			\$1,000,000	Some Projects Completed
ARP 3 ea. Bike Trail Bridges over American River	\$9,000,000	\$5,000,000	\$6,000,000	\$20,000,000	Subject to ARP Update
FO Boat Launch Ramp		\$622,000		\$622,000	Proposition 40 and Dept. of Boating & Waterways
ARP Signs Replacement		\$77,500		\$77,500	Proposition 12
ARP Irrigation		\$70,000		\$70,000	Proposition 40
ARP Restroom Renovation Phase III		\$1,230,000		\$1,230,000	Tobacco refund
ARP Electricity to Kiosks	\$150,000			\$150,000	
William Pond Restroom Renovation and Replacement	\$225,000			\$225,000	Tobacco refund
Discovery Park Restroom Replacement	\$125,000			\$125,000	Tobacco refund
Sunrise Restroom Replacement	\$105,000			\$105,000	Tobacco refund
Bannister Bike Trail Overlay	\$150,000			\$150,000	
Discovery Park Boat Dock Replacements			\$20,000	\$20,000	Tobacco refund
Subtotal	\$12,825,000	\$6,999,500	\$10,820,000	\$30,644,500	
Planning/Design/Sup.(20%)	\$2,565,000	\$1,399,900	\$2,164,000	\$6,128,900	
Total	\$15,390,000	\$8,399,400	\$12,984,000	\$36,773,400	

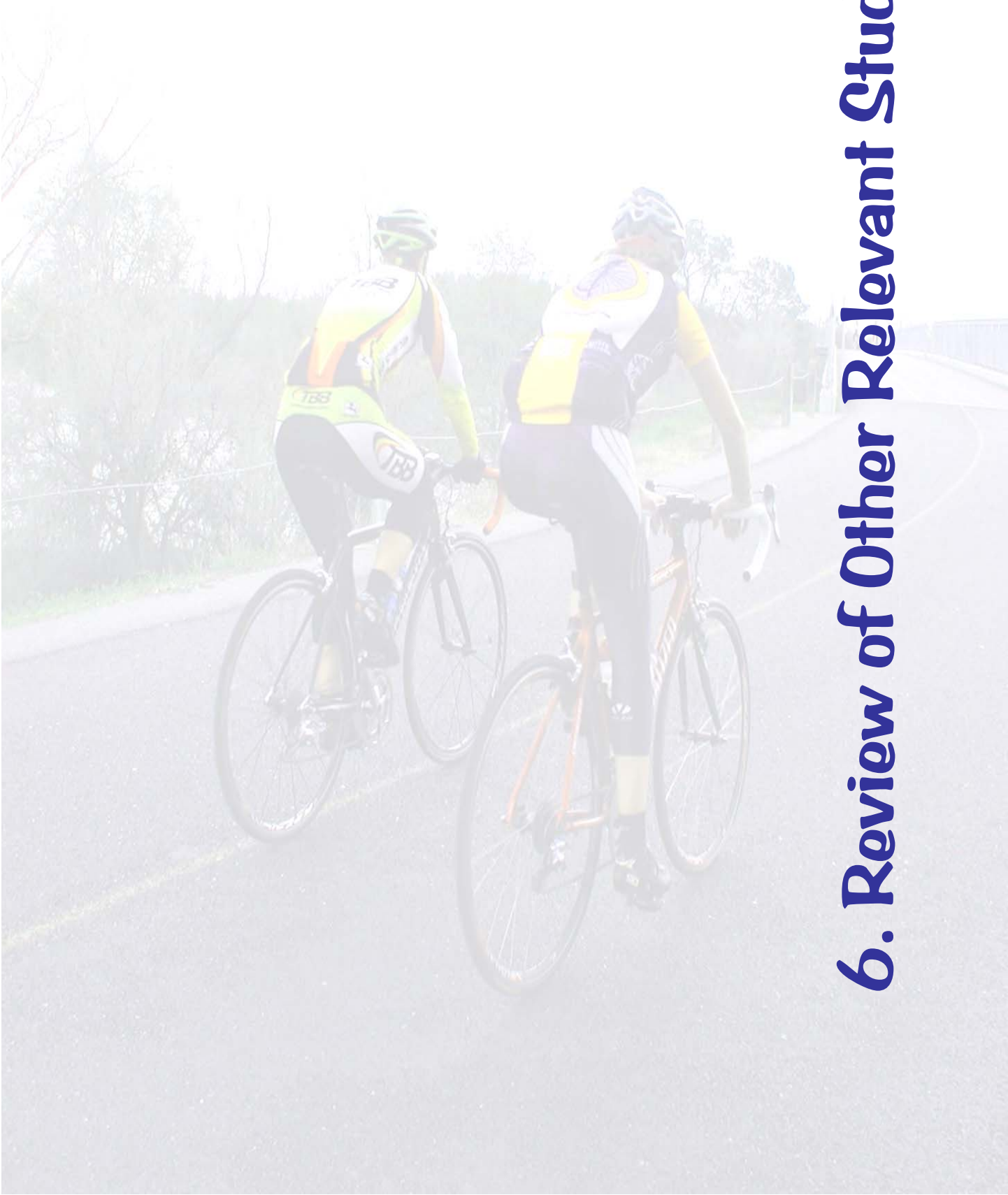
Section 5: Parkway Division Budget Augmentation

Exhibits 5-I

Land Acquisition Augmentation Needs Fiscal Year 2005-06

<i>Item</i>	<i>Undesignated Augmentation Balance (Match)</i>	<i>Anticipated Funding Sources</i>				<i>Total Amount</i>
		<i>State/Fed (1)</i>	<i>Transient Occupancy Tax</i>	<i>Contribution</i>	<i>Mitigation Fees</i>	
Projects in Process	\$345,000	\$350,000	\$25,000	\$60,000	\$0	\$780,000
Future Projects	\$3,467,500	\$3,000,000	\$1,000,000	\$1,000,000	\$682,500	\$9,150,000
CPI @ 11.3%	\$391,828	\$339,000	\$113,000	\$113,000	\$77,123	\$1,033,950
Future Projects Adjusted for CPI since 1999	\$3,859,328	\$3,339,000	\$1,113,000	\$1,113,000	\$759,623	\$10,183,950
Total Projects	\$4,204,328	\$3,689,000	\$1,138,000	\$1,173,000	\$759,623	\$10,963,950

Notes: (1) Includes Proposition 12 and Proposition 40 funding
 (2) The Potential Funding Sources are estimates only



6. Review of Other Relevant Studies



6. Review of Other Relevant Studies

Subsequent to the 2000 Parkway Financial Needs Study, the following two relevant studies have been completed, and were reviewed in the preparation of this document: 1.) The Lower American River Corridor Management Plan, and 2.) the Sacramento County Regional Park Survey.

6.1 River Corridor Management Plan

The Lower American River Task Force (Task Force) has developed recommendations in four focus areas concerning the Parkway. They include:

- Aquatic habitat management,
- Recreation management,
- Vegetation management, and
- Floodway management.

These issues affect the lower reach of the American River from Folsom Dam to the Sacramento River.

In 2002, Task Force participants cooperated in preparing the *Lower American River Corridor Management Plan (RCMP)* to provide a framework for integrated management of this reach of the river. The RCMP is a non-binding report intended to provide technical backup information for use in the current update of the 1985 Parkway Plan.

Recommendations from the 2000 Parkway Financial Needs Study are reflected in the following RCMP recommendations:

- a. Major emphasis is placed on the inter-relationships of the four focus areas within the Lower American River and the need for collaboration and coordinated management among the twenty jurisdictional agencies, of which the County is the lead recreation entity;
- b. Management challenges, goals and objectives for a three-year action plan for aquatic habitat management, recreation

Section 6: Review of Other Relevant Studies

management, vegetation and wildlife management, and floodway management are detailed;

- c. Significant jurisdictional overlap between the Water Forum, SAFCA, County Parks and Sacramento City Parks are outlined;
- d. All of the funding augmentation needs identified in the 2000 Financial Needs Study are identified and recommended for implementation;
- e. Alternative funding sources, including assessments, are discussed; and
- f. The RCMP calls for the pursuit of grants and private funding for RCMP projects and will utilize a grant writer funded by the four major stakeholder agencies.

6.2 Local Funding Measure 2004 Survey

In August 2004, a survey of Sacramento County residents was conducted by Fairbanks, Maslin, Maullin & Associates (FMM). Questions were designed to test the acceptability of a potential benefit assessment or parcel tax to fund regional parks, recreation, open space, and related projects. The surveyed measure was entitled the Sacramento County Safe Regional Park Act and it read as follows:

“To prevent the closure of regional parks and parkways, including the American River Parkway; provide overdue maintenance and repairs to County parks; preserve water quality and protect rivers and streams; add patrols and security to County parks and trails; preserve open space, natural areas and wildlife habitats; and provide recreation programs for children and youth; shall Sacramento County levy an annual parcel tax of 40 dollars, with all expenditures subject to independent annual financial audits and a review of a citizen’s oversight committee?”

The survey included both renters and property owners. A representative sample of people living in Sacramento County responded to the survey. Following is the distribution of survey responses:

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<u>City/Agency</u>	<u>City/Agency</u>
• Citrus Heights	7 %
• Elk Grove	9 %
• Folsom	5 %
• Rancho Cordova	4 %
• Sacramento	30 %
• Other (Unincorporated)	45 %

The survey indicated that the community would strongly or somewhat support a benefit assessment (56 %) requiring a majority mail-in vote of property owners. Only 50% demonstrated support to establish a parcel tax, or increase the sales tax which would require a two-thirds support of voters.

Of these respondents, 65% said they would definitely (or probably) support the measure if there were no opposition and 55% indicated they would definitely (or probably) vote for the measure despite opposition.

Regarding the yearly amount residents would be very or somewhat willing to be assessed, support ranged from 76% for \$10 per year to 56% for \$40 per year. However, only a funding program with a ten-year sunset provision had enough interest to potentially gain resident approval (54% in sample A and 51% in sample B indicated much more likely or somewhat more likely to be in place for ten years).

Oversight of spending from the measure was deemed most desirable (34%) by a joint powers authority (JPA) made up of both city and County officials, while oversight by the Sacramento County Department of Regional Parks, Recreation and Open Space was a close second choice, with 32% approval. Responders did not highly favor oversight by the Board of Supervisors (8%) or by a newly created independently elected, regional parks authority (13%).

A significant percentage of the respondents, 66%, were much more likely, or somewhat more likely, to support the measure, if the funds were only

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used to increase, not replace, existing funding for County parks. In addition, only 43% were much more likely or somewhat more likely to support annual inflation adjustments, capped at 3%, for the funding provided by the measure.

Numerous programs and facilities were identified to the responders as possible recipients of funding from the measure. Those related to the American River Parkway that received a 51% rating or higher are:

- Preserving natural resources in County parks 73 %
- Preserving lands that are threatened by growth and development 70 %
- Preserving natural areas 68 %
- Protecting historic and cultural areas 68 %
- Providing overdue maintenance, repairs and upgrades to parks and recreational areas 68 %
- Adding more park rangers in the areas that have the most Security problems 67 %
- Protecting wildlife habitat 66 %
- Providing more recreation programs for children and youth 65 %
- Preserving open space 64 %
- Maintaining, repairing, and upgrading park and recreation areas 63 %
- Improving fire safety by upgrading fire roads, fire fuel removal, and providing equipment maintenance 61 %
- Preserving wetlands 60 %
- Improving flood control along local rivers 59 %
- Adding or increasing security patrols for parks and trails 58 %
- Creating and maintaining hiking, biking, and walking trails 57 %

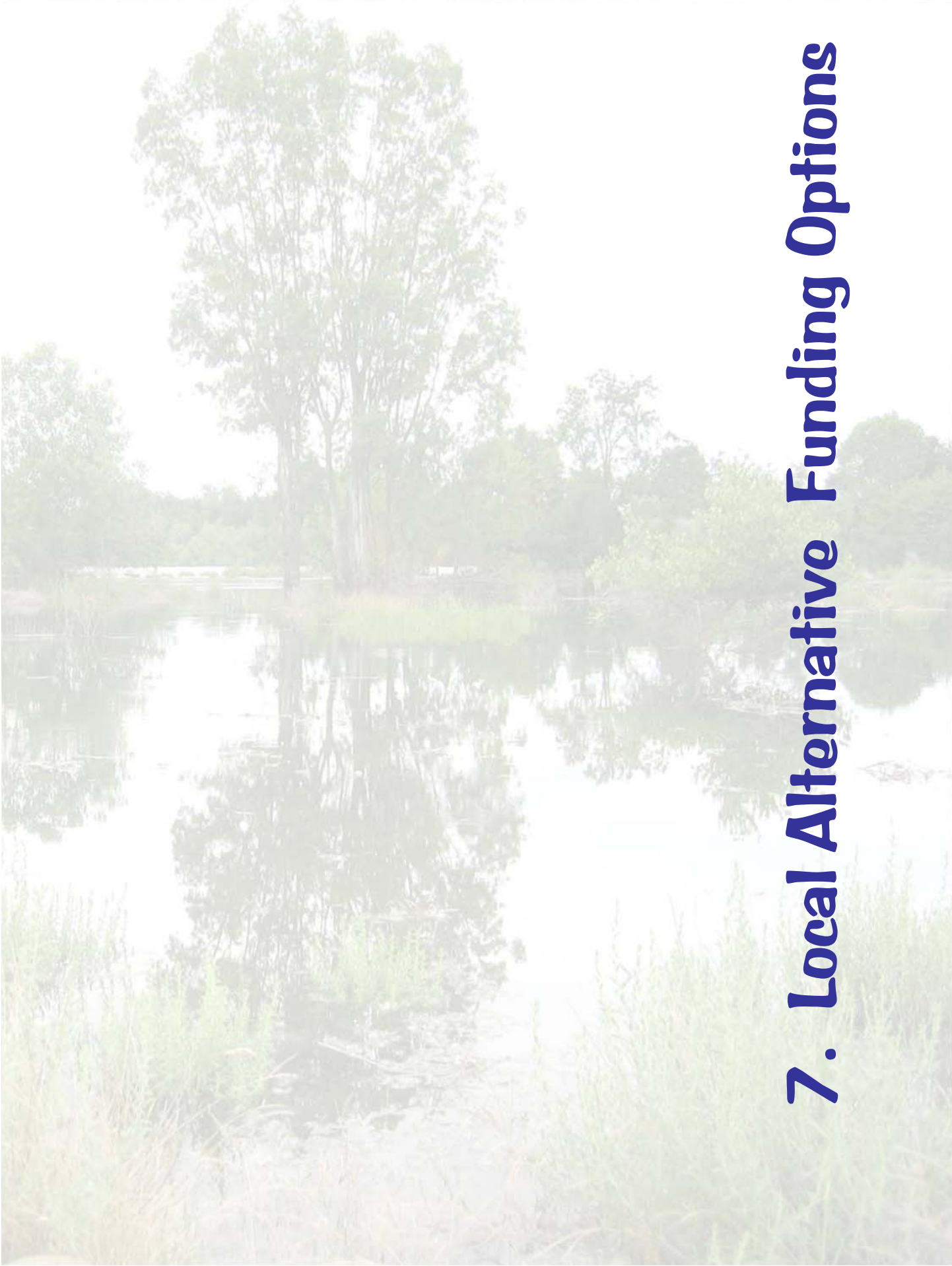
Section 6: Review of Other Relevant Studies

Specific park facilities within the parkway were singled out as extremely and very important potential recipients of funding from the measure. They include:

- American River Parkway 70 %
- Discovery Park 60 %
- Ancil Hoffman Park 53 %

There appears to be enough County resident support to obtain approval of a benefit assessment ranging from \$10 to \$40 a year for a measure that would sunset in ten years.

The favored entity type for providing financial oversight of funds generated from the measure is a JPA with officials from the member cities and the county participating.



7. Local Alternative Funding Options

7. Local Alternative Funding Options

Several sources of information were used to determine the most common methods of providing local funding for maintenance and operations, equipment acquisition, facilities repair and replacement, new improvements, and land acquisition. These sources included discussions with the Sacramento County Local Agency Formation Commission (LAFCo), the review of several documents including the March 2005 report from the Office of County Counsel to the Sacramento County Board of Supervisors (*See Section 8*), the Shilts Consultants' document discussing benefit assessments and parcel taxes, (See the 2004 Funding Survey outlined in *Section 6*) and lastly, information obtained from other regional parks, recreation and open space departments.

7.1 Benefit Assessment and Special Tax

Overview

The firm of Shilts Consultants, Inc. undertakes local funding alternative feasibility studies for local jurisdictions. They have provided the following definitions of a benefit assessment and parcel taxes, which are the primary funding mechanisms used by local park and recreation entities in California.

7.1.1 Benefit Assessment

Benefit assessments are the most common local funding alternative for recreation and park services. These types of assessments have been approved in other areas in Sacramento County. Benefit assessments are levies on real property that are based on the "special benefit" each property receives from the recreation and parks services to be funded by the assessments. Such assessments for recreation and parks services have a long history of use in California.

The application of special benefits generally means that the amount of the proposed assessment will not be uniform for all properties. Properties that are deemed to receive greater benefit (larger properties and

Section 7: Local Alternative Funding Options

properties with higher numbers of dwelling units) will typically have relatively higher assessments.

The benefit assessment is different from other revenue vehicles in makeup, design, and voter participation. Only property owners are legally eligible to vote, as they are directly affected by the assessment. Furthermore, the method of voting is through a mailed ballot procedure by which property owners receive a ballot indicating the total amount of the proposed assessment for their property. The property owners who cast their ballots are voting based on the total dollar amount of their proposed assessment. Therefore, the results are determined by a weighting of total proposed assessments of the returned ballots. In order for the benefit assessment to pass, a simple majority of the weighted amount of the proposed assessments of the returned ballots is needed. The weighting of assessment ballots is the equivalent of one vote per dollar of proposed assessment. If the proposed assessment is \$10 per home and \$5 per quarter acre for business properties, an owner of a single home could cast a ballot that is worth \$10 in weighted votes and the owner of quarter-acre business could cast a ballot that is worth half as much, or \$5 in weighted votes.

7.1.2 Parcel Tax

A parcel or special tax contrasts with a benefit assessment in that it requires 66.7 % voter support by registered voters in the proposed service areas, typically as a part of a regular election.

In an election to approve a parcel tax, only registered voters are eligible to vote. This includes tenants who will not pay the proposed tax, and excludes non-resident property owners such as business owners, apartment owners, and others. Because non-owner voters have a significant say in parcel tax elections and some property owners who would pay the taxes are excluded from the voting, the Howard Jarvis Taxpayers Association (HJTA), via Proposition 13, established a two-thirds (super-majority) requirement for parcel tax elections.

Section 7: Local Alternative Funding Options

Conversely, all property owners being asked to support an assessment, including the owners of businesses, apartments, and agricultural property, can vote on benefit assessments, and these property owners have a “say” that is proportional to their property holdings. Therefore, because all property owners who own property within the proposed service areas can vote, and each owner’s vote is proportional to how much they are being asked to pay, the HJTA established a weighted majority threshold for these mailed ballot measures (via Proposition 218).

7.2 Comparison of Benefit Assessment with Parcel Tax

The following table, provided by Shilts Consultants, compares the features of a benefit assessment with the features of a parcel tax.

Figure 7-1 Comparisons of Benefit Assessment and Parcel Tax

	Parcel Tax	Benefit Assessment
Who Votes?	Registered Voters	Property Owners
Who Created Requirements?	HJTA	HJTA
Election Venue	Polling Booth	Mail Ballot
Election Period	1 Day	45 Days
Does Everyone Who Will Pay Get a Vote?	No	Yes
Are Votes Proportional to How Much You Will Pay?	No	Yes
Tax/Assessment Amounts Based on Benefit?	No	Yes
Threshold of Vote Required for Success	Super Majority	Weighted Majority
Most Common For Park Agencies	No	Yes

7.3 Legal Challenge to Benefit Assessments for Regional Parks & Open Space

The Silicon Valley Taxpayers Assn., Inc., et al appealed a trial court decision in favor of the Santa Clara County Open-Space Authority. As a result, the Sixth Appellate Court decided in favor of the Open Space Authority. A petition for review of this Court of Appeal decision was then filed with the State Supreme Court and the Supreme Court has agreed to review this appellate court decision sometime in 2006.

Section 7: Local Alternative Funding Options

Other parks and open space assessments that have been challenged in the courts have been upheld. Until the Supreme Court decision is made, the use of benefit assessments for regional park, recreation and open space purposes is somewhat clouded.

7.4 Sales Tax Initiative

A voter survey in San Mateo County indicated that a one-eighth cent sales tax to fund parks and recreation might be approved by the necessary two-thirds vote. California State law, however, limits ballot initiatives for local sales tax increases for parks and recreation to one-quarter or one-half cent. Although, without special legislation, parks and recreation providers are limited to one-quarter cent or one-half cent sales tax measures, measures for other uses, such as libraries, are not. Additionally, the tax codes currently contain many specially legislated exceptions to tax rate limits.

Last fall San Mateo County worked with local state legislators to obtain special legislation approving the use of a ballot measure for a one-eighth cent sales tax increase to fund parks and recreation needs. The funds generated from the proposed measure would be limited to use exclusively for parks and recreation needs, including maintenance, operations, activities and programs, capital improvements, and acquisition throughout San Mateo County. Initially the County considered asking for broader legislation that would change the one-quarter or one-half cent restriction for sales tax ballot initiatives for parks and recreation throughout the state, but met with resistance from legislators from other parts of the state.

San Mateo County, twenty-one cities, the Ladera and Highlands Recreation Districts, and Midpeninsula Regional Open Space District special districts, stand to benefit from the one-eighth cent sales tax initiative currently proposed for the November 2006 ballot. If passed by a two-thirds vote, the sales tax increase would result in approximately \$13-16 million dollars annually for parks and recreation. The term of the sales tax has not yet been designated, but ranges from 20-30 years, with

Section 7: Local Alternative Funding Options

30 years providing greater bonding leverage. The County's portion will be 42%, special districts 6%, and the remainder distributed to the cities on a population and need-based formula. The City/County Association of Governments of San Mateo County (C/CAG) will administer the funds, which will not supplant existing sources of funding. San Mateo County and each city in the County will establish a general fund baseline Parks and Recreation (P&R) budget in Fiscal Year 2006-07. The cities and the County must maintain their general fund baseline P&R budget or ensure that any reductions to those budgets are no greater than any other non-safety city departments to receive their full share of sales tax measure proceeds. If the cities or the County reduce their P&R budget more than any other non-public safety departments, they will receive a reduced amount of sales tax proceeds. This amount will be adjusted every five years to reflect changes in CPI.

A similar one-eighth cent sales tax increase for Sacramento County would be consistent with the results of the user survey performed by Fairbanks, Maslin, Maullin & Associates to test the acceptability of a potential benefit assessment or parcel tax to fund regional parks, recreation, open space and related projects. Extrapolating from the results of this survey, this sales tax increase would be most likely to achieve the mandatory two-thirds majority vote if the proceeds were shared among and supported by the County, Cities, and Special Districts responsible for parks operations and maintenance¹².

7.5 Conclusion

The benefit assessment is the most commonly used local funding augmentation for parks and recreation. However, because of the still-pending legal challenge to the benefit assessment district, many agencies are now seeking other viable forms of funding.

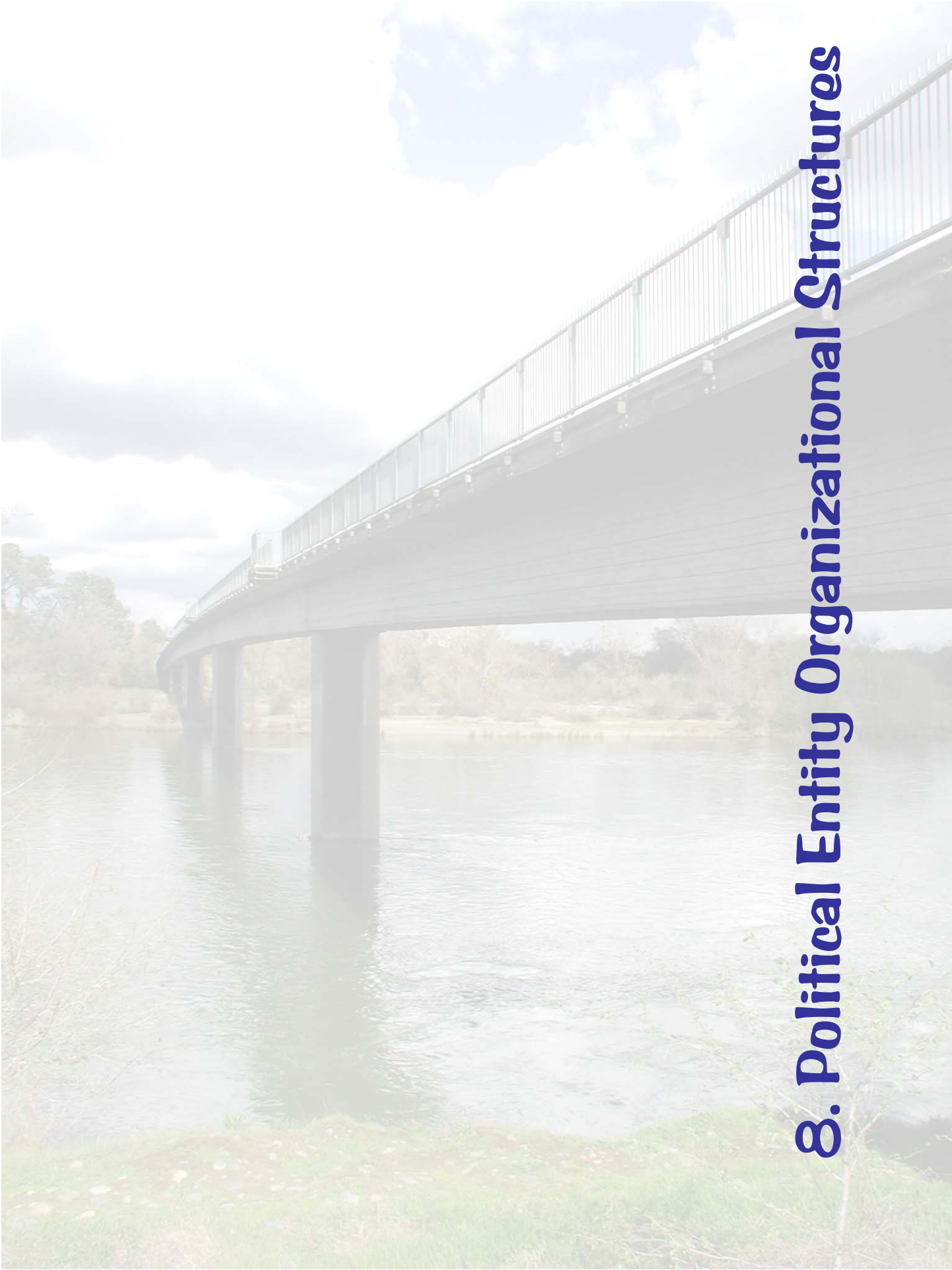
A local sales tax increase exclusively for park and recreation needs would provide many benefits, including a built-in increase tied to population

¹² 2004 *Local Funding Measure 2004 Survey*. Fairbanks, Maslin, Maullin & Associates

Section 7: Local Alternative Funding Options

growth, spending flexibility and local control. Having obtained special legislative approval, San Mateo County is currently preparing language for a one-eighth cent sales tax increase, which the Board of Supervisors hopes to put on the November 2006 ballot. While this is encouraging, the real test will be the passage of the ballot measure by the required two-thirds majority vote.

In conclusion, both the benefit assessment and the sales tax initiative are clouded at present with an appellate court review pending on the benefit assessment sometime this year (2006) and a November election pending in San Mateo County. When these issues are resolved, Sacramento County should have a sense of which local funding measure will be most likely to succeed in regard to the Parkway's augmentation needs.



8. Political Entity Organizational Structures

Section 8: Political Entity Organizational Structures

8. Political Organizational Structures

This section focuses on identifying alternative organizational structures, or types of political entities, that could be packaged with one of the local funding measures discussed in *Section 7* of this report.

8.1 Range of Alternative Political Entities

The organizational structures that were considered, including seven alternatives identified by the Sacramento County Office of County Counsel along with two additional structures, are summarized below.

8.1.1 Organizational Structures Identified by Sacramento County Office of County Counsel

Several possible organizational structures to provide funding for regional park maintenance were analyzed by the Office of Sacramento County Counsel. This eight-page report was completed on March 1, 2005 for the Board of Supervisors (See *Attachment C: County of Sacramento, Office of the County Counsel: Regional Parks Maintenance – Possible Financing Strategies*). The report identified the following seven potential organizational mechanisms:

- Community Facilities District,
- Community Services District,
- County Service Area,
- Recreation and Park District,
- Regional Park District,
- Park and Open-Space District, and
- Open Space District.

There are a number of factors to consider in selecting the best alternative. They have been outlined in this report and include representation, ease of creation, etc. However, all of the districts/areas considered have the ability to establish the local funding measures, provided they follow the

Section 8: Political Entity Organizational Structures

election or protest ballot process required to levy such taxes or assessments.

8.1.2 Additional Organizational Structures

Two additional structures were identified that might allow for the creation of a parkway funding mechanism. They are:

- Joint Powers Authority, and
- American River Parkway Conservancy.

8.1.2.1 Joint Powers Authority

A Joint Powers Authority (JPA) may be established to provide funding for specific services under Government Code Sections 6502, 6504 and 6508. A JPA is formed for a specific purpose and may exercise any power common to one or all of the member agencies. Member agencies may include the State, any state department, the County, cities and public districts. A JPA formed for the purpose of establishing, improving, supporting, and maintaining parks, recreation opportunities, and open spaces would be included under this statute.

A JPA could levy a benefit assessment, a parcel tax, or a sales tax in order to provide local funding for the needs of the American River Parkway. It could have the flexibility to secure funding and distribute it between members, as well as provide oversight for the expenditures. All of the agencies with park, recreation, and open space responsibilities that are contained within the JPA boundaries can be represented on the Board of Directors.

One potential advantage of a JPA is its ability to provide representation of the cities and park and recreation districts on its governing Board. This structure could potentially be translated into higher voter or landowner approval due to support from multiple entities.

Section 8: Political Entity Organizational Structures

8.1.2.2 American River Parkway Conservancy

There are seven Conservancies throughout the state, each with a distinct geographical territory such as Lake Tahoe, the California coast, Santa Monica Mountains, etc. A Conservancy is a semi-independent state entity within the Resources Agency of the State of California. They are established by law, and vary greatly as to their structure, representation, level of state support and local taxing authority. At least two have the authority to seek local voter approval for various assessments and taxes. Neither have sought voter approval of such a measure.

The state could therefore create an American River Parkway Conservancy and provide it with the ability to seek voter approval for one of the identified funding mechanisms. Receiving voter approval for such an assessment or tax however, would probably be more difficult for a state, rather than local, entity. A percentage of the population would likely feel that if the state entity took over control, the state should provide for the cost rather than tapping local taxpayers.

8.2 Conclusion

All nine of the described entities have the ability to provide a vehicle for alternative funding mechanisms.

The American River Parkway Conservancy alternative would likely have a diminished chance of receiving actual voter or property owner approval of a funding measure.

A JPA has many of the same benefits as the seven alternative entities outlined by the County. It may be able to achieve greater voter or property owner approval, however, because of a sharing of representation with cities and districts and potentially the sharing of tax revenue.

It is recommended that these alternative organizational structures and the three potential local funding measures discussed in *Section 7* be given

Section 8: Political Entity Organizational Structures

additional evaluation. The County should conduct a process involving appropriate funding and governance consultants in cooperation with the cities and Park and Recreation Districts in the County. The ultimate success of this most worthy undertaking will depend upon reaching consensus among all concerned.



9. Recommendations for a Funding Measure



Section 9: Recommendations for a Funding Measure

9. Recommendations for a Funding Measure

9.1 Ten Year Local Funding Measure

The recreation related funding augmentation needs of the Parkway are identified in *Section 5* of this study, and summarized in *Table 5-A: Summary of Budget Augmentation Needs Fiscal Year 2005-06*. The ten year projected augmentation need for the Parkway is \$85,954,270. Since no potential future funding sources have been identified for \$45,955,138 of that amount, this study has proposed a local funding measure to augment the Parkway budget.

Figure 9-1: Fiscal Year 2005-06 Annual Augmentation Needs Summary by Budget Category

Budget Category	10-Year Total	Annual Total
Operating Budget <i>(Exhibit 5-B: Operating Budget Augmentation Needs Fiscal year 2005-06)</i>	\$11,438,920	\$1,143,892
Equipment Purchase Items <i>(Exhibit 5-C: Equipment Augmentation Needs Fiscal Year 2005-06)</i>	\$2,000,000	\$200,000
Annual Scheduled Facility Repair/Replacement <i>(Exhibit 5-D: Annual Major Maintenance Projects Fiscal Year 2005-06)</i>	\$5,000,000	\$500,000
Facility Repair/Replacement Backlog <i>(Exhibit 5-E: Deferred Major Maintenance Items Carried Forward from Fiscal Year 1999-00, and Exhibit 5-F: Deferred Major Maintenance Items Added Since Fiscal Year 2005-06)</i>	\$7,320,870	\$732,087
Capital Improvements <i>(Exhibit 5-G: CIP Projects Carried Forward from Fiscal Year 1999-00, and Exhibit 5-H: New CIP Projects Added Since Fiscal Year 2005-06)</i>	\$15,991,020	\$1,599,102
Land Acquisition <i>(Exhibit 5-I: Land Acquisition Augmentation Needs Fiscal Year 2005-06)</i>	\$4,204,328	\$420,433
Total Augmentation Needs	\$45,955,138	\$4,595,514

Note: Reference *Exhibit 5-A: Summary of Budget Augmentation Needs Fiscal Year 2005-06*

Section 9: Recommendations for a Funding Measure

9.1.1 Option 1

Parkway augmentation needs have been interpreted into a ten-year financing plan which is identified in *Exhibit 9-A* as Option 1. In Option 1, ten year Parkway augmentation needs total nearly \$52.7 million ranging from nearly \$4.6 to \$6.0 million per year. This figure includes a 20% factor for planning, design and construction project supervision (*Exhibit 5-D – Exhibit 5-H*), plus an inflationary adjustment of 3% per year (*Exhibit 9-A*). The estimated parcel assessment, or tax, for this magnitude of funding would range from \$11.50 to \$15.00 per year (See *Exhibit 9-A* notes).

9.1.2 Option 2

Potential recreation and recreation-related flood control projects were added together and factored for inflation to create a second option designated Option 2. In this option, an additional \$4 million per year has been added for flood control projects, plus a 3% annual inflationary factor. Ten year augmentation needs for Option 2 total about \$98.5 million, ranging from an estimated \$8.6 to \$11.2 million per year. The estimated parcel assessment, or tax, would range from \$21.50 to \$28.00 per year (See notes in *Exhibit 9*).

The estimated annual parcel assessments, or tax, for Option 2 would fall within the acceptable \$40 per year identified by the user survey conducted in 2004 by Fairbanks, Maslin, Maullin & Associates.

Another possible funding mechanism to augment Parkway funding needs would be a one-eighth cent sales tax. If this funding vehicle were used, Sacramento County and all the cities and special districts within the County would participate.

Based on the user survey results and research undertaken in this study, it appears that, with some aggressive marketing, a benefit assessment, parcel tax, or a sales tax initiative could be successfully undertaken. The funds generated would augment the General Fund portion of the Parkway's operating, equipment, repair and replacement of improvements, new

Section 9: Recommendations for a Funding Measure

capital improvement needs and land acquisition needs for at least the next ten years. Beginning as soon as 2009, Measure A funds will provide a limited amount of funding for Parkway needs. These funds will be distributed over a 30-year period and shared by managing agencies along the Parkway.

The timing of a funding initiative, if undertaken, would best correspond with the adoption of the Parkway Plan Update in the Fiscal Year 2006-07 timeframe.

9.2 Specific Recommendations

It is recommended that the County of Sacramento pursue the actions outlined below. These actions would help secure augmentation funding to bring the Parkway up to the benchmark level of best management practice, and allow the County to sustain benchmark levels of maintenance, operations, equipment, acquisition, repair/replacement of fixed assets, new capital improvements, and critical land acquisitions in the future.

Specific Recommendations are as follows:

1. Identify the statutory functions and responsibilities of each of the other agencies with major responsibilities for operations within the Parkway. At minimum, this would include the Sacramento Area Flood Control Agency (SAFCA), The Water Forum, and the Cities of Sacramento and Rancho Cordova;
2. Pursue Memorandums Of Understanding (MOUs) between the County of Sacramento Department of Regional Parks and each of the agencies with major responsibilities in the Parkway;
3. Specify relationships of agencies with primary roles in the Parkway with MOUs, which can serve as background documents for later more formal agreements, if necessary;

Section 9: Recommendations for a Funding Measure

4. Pursuant to the, establish three-year action plans, including budgets and schedules, for projects within the Parkway for each of the agencies with major responsibilities in the Parkway;
5. Develop, or cause to be developed, a twenty year major maintenance and equipment need schedule and cost estimate. These would serve as a component of the Parkway funding augmentation needs list to be addressed by Measure A and a potential future local funding measure;
6. County Board of Supervisors adopt American River Parkway Funding Measure Option 1 or Funding Measure Option 2 (which includes Flood Control Projects);
7. Engage a consulting firm to study the feasibility of the County undertaking a benefit assessment measure, a parcel tax measure, or a sales tax measure for a stable, adequate source of Parkway funding augmentation needs;
8. Seek local funding measure approval from Board of Supervisors and other appropriate boards and councils;
9. If a local funding measure is selected, further study is recommended to identify the best organizational structure to oversee the measure and administer the funds.
10. If the one-eighth cent sales tax measure is selected, then develop a public relations campaign to obtain constituent support and approval of a Parkway local funding augmentation measure; and
11. Obtain constituent approval of local funding measure Option 1 or Option 2 as set forth in *Exhibit 9-A: Proposed Parks, Recreation and Open Space Ten Year Funding Options*.

Section 9: Recommendations for a Funding Measure

Exhibit 9

Proposed Park, Recreation and Open Space Ten Year Funding Measure Options

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total 10 YRS.
OPTION 1											
General Fund Operating budget shortfall	\$1,843,892	\$1,899,208	\$1,956,185	\$2,014,870	\$2,075,316	\$2,137,576	\$2,201,703	\$2,267,754	\$2,335,787	\$2,405,860	\$21,138,150
Deferred Repairs/Replacement	\$732,087	\$754,050	\$776,671	\$799,971	\$823,970	\$848,689	\$874,150	\$900,375	\$927,386	\$955,207	\$8,392,557
New Capital Improvements	\$1,599,102	\$1,647,075	\$1,696,487	\$1,747,382	\$1,799,803	\$1,853,797	\$1,909,411	\$1,966,694	\$2,025,695	\$2,086,465	\$18,331,912
Land Acquisition	\$420,433	\$433,046	\$446,037	\$459,418	\$473,201	\$487,397	\$502,019	\$517,079	\$532,592	\$548,569	\$4,819,790
Total Annual Funding Adjusted for Inflation	\$4,595,513	\$4,733,379	\$4,875,380	\$5,021,641	\$5,172,291	\$5,327,459	\$5,487,283	\$5,651,902	\$5,821,459	\$5,996,103	\$52,682,410
CPI .03%/yr. (1)	N/A	3%	3%	3%	3%	3%	3%	3%	3%	3%	
Annual Adjustment for Inflation	N/A	\$137,865	\$142,001	\$146,261	\$150,649	\$155,169	\$159,824	\$164,618	\$169,557	\$174,644	
Total Inflation Adjustment		\$137,865	\$279,867	\$426,128	\$576,777	\$731,946	\$891,770	\$1,056,388	\$1,225,945	\$1,400,589	\$6,727,277
General Fund Operating budget shortfall	\$1,843,892	\$1,899,208	\$1,956,185	\$2,014,870	\$2,075,316	\$2,137,576	\$2,201,703	\$2,267,754	\$2,335,787	\$2,405,860	\$21,138,150
Deferred Repairs/Replacement	\$732,087	\$754,050	\$776,671	\$799,971	\$823,970	\$848,689	\$874,150	\$900,375	\$927,386	\$955,207	\$8,392,557
New Capital Improvements	\$1,599,102	\$1,647,075	\$1,696,487	\$1,747,382	\$1,799,803	\$1,853,797	\$1,909,411	\$1,966,694	\$2,025,695	\$2,086,465	\$18,331,912
Land Acquisition	\$420,433	\$433,046	\$446,037	\$459,418	\$473,201	\$487,397	\$502,019	\$517,079	\$532,592	\$548,569	\$4,819,790
<i>Flood Control Related Projects</i>	\$4,000,000	\$4,120,000	\$4,243,600	\$4,370,908	\$4,502,035	\$4,637,096	\$4,776,209	\$4,919,495	\$5,067,080	\$5,219,093	\$45,855,517
Total Annual Funding Adjusted for Inflation	\$8,595,513	\$8,853,379	\$9,118,980	\$9,392,549	\$9,674,326	\$9,964,556	\$10,263,492	\$10,571,397	\$10,888,539	\$11,215,195	\$98,537,927
CPI .03%/yr. (1)	N/A	3%	3%	3%	3%	3%	3%	3%	3%	3%	
Annual Adjustment for Inflation	N/A	\$257,865	\$265,601	\$273,569	\$281,776	\$290,230	\$298,937	\$307,905	\$317,142	\$326,656	
Total Inflation Adjustment		\$257,865	\$523,467	\$797,036	\$1,078,813	\$1,369,042	\$1,667,979	\$1,975,884	\$2,293,026	\$2,619,682	\$12,582,794
See Notes on next page:											

Section 9: Recommendations for a Funding Measure

Exhibit 9 (continued)

Notes:

- 1) Land appreciation CPI .03%/yr for years 2000-2006
- 2) This proposal augments the Potential Funding expenditures only relative to total of Option 1
- 3) Includes 20% for planning, design, & construction supervision factored in on *Exhibits 5-D* through *5-G*
- 4)* Source of figures *Exhibit 5-A: Summary of Budget Augmentation Needs for FY 2005-06*, (E) 10 year grand total of \$45,955,133 from the Undesignated Augmentation Balance column
- 5) If the County chooses to pursue the Benefit Assessment District funding mechanism, the general fund contribution to the Parkway should not be reduced.

Option 1

Assessment Park, Recreation & Open Space Funding Only or Parcel Tax Data

405,000 Parcels

\$11.50 - \$15.00 year assessment

Annual CPI

10 Year Sunset

51% weighted vote

\$4.7 - \$6.1 million annually

Option 2 - Includes Flood Control Projects

Assessment Park, Recreation & Open Space Funding and Flood Control Funding Combined or Parcel Tax Data

405,000 Parcels

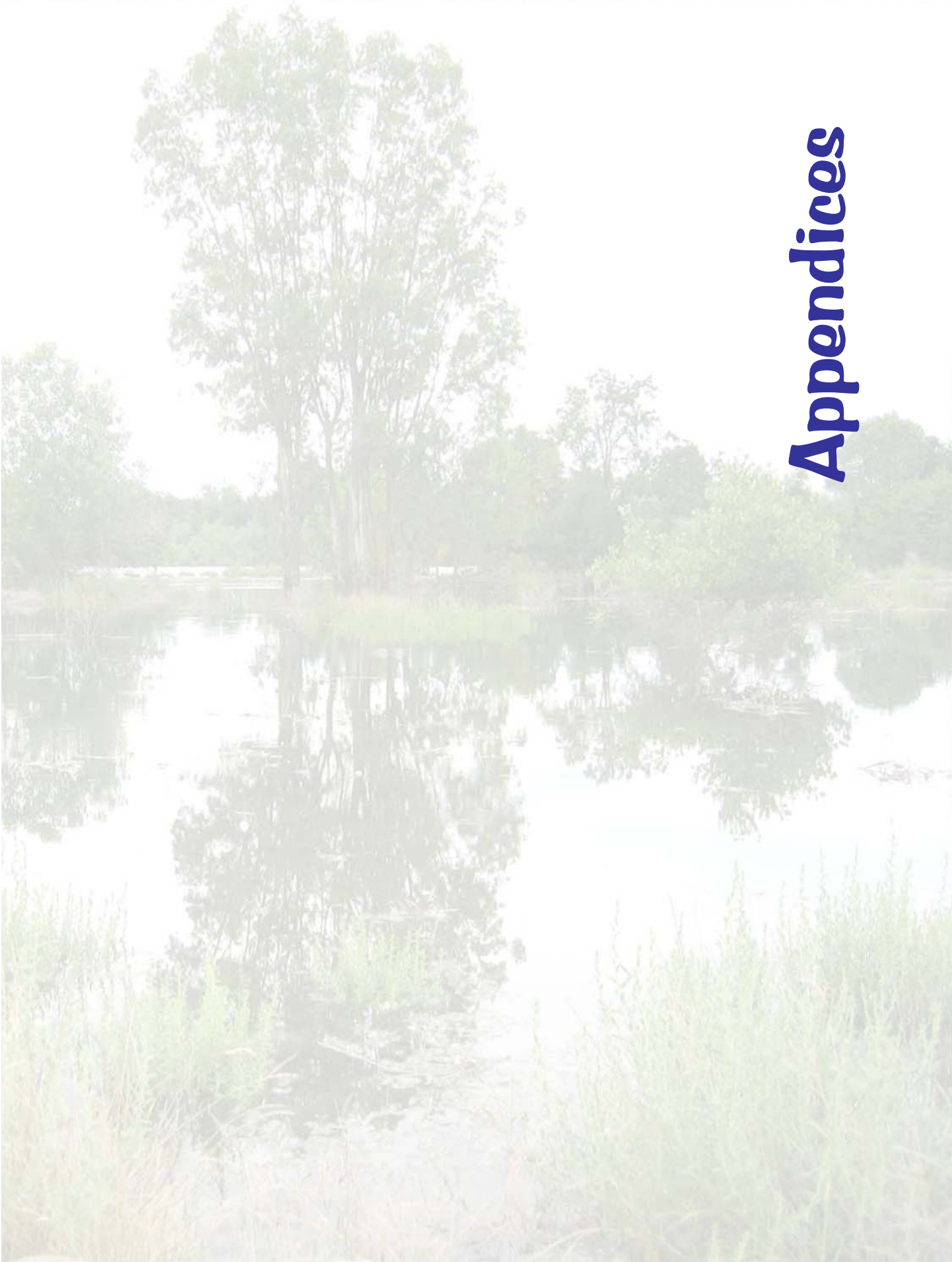
\$21.50- \$28.00 year assessment

Annual CPI

10 Year Sunset

51% weighted vote

\$8.7 - \$11.3 million annually



Appendices

Attachment A: Proposition 40 Project List

Attachment A

AMERICAN RIVER PARKWAY

Proposition 40 Project List

Funded Projects	Per Capita	RZH
Projects Completed		
EYNC ADA Restroom Upgrade		36,510
Howe Ave Boat Launch		11,883
Projects in Active Planning		
Fair Oaks Boat Launch		50,000
ARP Acquisitions		255,000
Projects Not Yet Initiated		
ARP Irrigation		70,000
ARP Restroom Renovations Phase III		1,230,000
Total Proposition 40	\$0	\$1,653,393

Attachment B: Proposition 12 Project List

Attachment B

AMERICAN RIVER PARKWAY

Proposition 12 Project List

Project	Per Capita	RZH	Required Match	Match Identified	Source of Match
Project Complete					
American River Parkway Restroom Renovation	\$195,397	\$150,282	\$64,407	\$64,407	Discovery Infrastructure
Effie Yeaw Nature Center Expansion & Parking Lot	\$174,654	\$669,667	\$287,000	\$287,000	CCF
Project Construction					
American River Parkway Entry Enhancements	\$88,268	\$45,000	\$19,286	\$19,286	Transfer from ARP M&O
Woodlake Area Enhancements	\$96,732				
American River Parkway (ARP) Signs Replacement, Park Amenities	\$77,500				
Project In Active Planning					
American River Parkway Acquisition	\$245,000				
Total Proposition 12	\$877,551	\$864,949	\$370,693	\$370,693	

**Attachment C: County of Sacramento,
Office of Sacramento of County Counsel:
Regional Parks Maintenance - Possible Financing Strategies**

COUNTY OF SACRAMENTO
OFFICE OF THE COUNTY COUNSEL

Intra-Department Correspondence

Date: March 1, 2005

To: Supervisor Susan Peters
Board of Supervisors

From: M. Holly Gilchrist
Supervising Deputy County Counsel

Subject: Regional Parks Maintenance – Possible financing strategies

You have requested this office research the methods available to the County to fund regional park maintenance costs. As part of my analysis, I have indicated the method of inclusion of city territory within a County district or area.

I have concluded the feasible statutory methods to finance the maintenance of regional parks are Community Facilities District (Government Code Section 53311 et seq.), Community Services District (Government Code Section 61000 et seq.), County Service Area (Government Code Section 25210.1 et seq.), Regional Park District (Public Resources Code Section 5500 et seq.), and Recreation and Park District (Public Resources Code Section 5780 et seq.). A Community Facilities District and County Service Area do not require an election to form. However, all of the districts/areas considered require an election or protest ballot to levy taxes or assessments.

Formation of a Community Services District, a County Service Area or a Recreation and Park District require application to and approval by the Local Area Formation Commission (“LAFCo”). Additionally, inclusion of city territory within a County Service Area requires consent of that city’s legislative body. A Recreation and Park District may not include territory that is already within a recreation and park district.

Formation of a Community Facilities District and Regional Park District does not require LAFCo approval. However, a Regional Park District formed pursuant to the section specific to Sacramento County restricts the use of 75% of the assessments to capital outlay by the County and all revenues collected must be allocated among all of the affected public entities within the District, including cities and existing park districts. A Regional Park District formed by

the petition method has greater powers but requires a more extensive formation process and will be administered by an independent, elected board of directors.

A Community Facilities District is probably the easiest district to form as it does not require an election for formation and would have the Board of Supervisors as its legislative body. However, it requires consent of the applicable city council of any city included within its territory.

ANALYSIS:

The following is a discussion of the various financing districts that I considered to provide funding for the maintenance of regional parks. I have discussed the methods of formation, as well as the method to include city territory. I also include discussion of two (2) Acts for State administered grant programs for parks.

CALIFORNIA RIVER PARKWAYS ACT OF 2004 (Public Resources Code Section 5750 et seq.)

The California River Parkway Act of 2004 establishes a grant program for the acquisition of land for river parkways or for the restoration, protection, and development of river parkways. Public Resources Code (“PRC”) Section 5753(c). The program is administered through the office of the California Secretary of Resources Agency and grants area available to public agencies and nonprofit organizations. PRC Section 5753(a) and (b).

The California River Parkway Act of 2004 may be an option as an additional source of funding for a regional river parkway, but not the sole source of funds.

COMMUNITY FACILITIES DISTRICT (Government Code Section 53311 et seq.)

A community facilities district (“CFD”) may be established to provide funding for specified services as listed in Government Code Section 53313¹³. Those services include police protection, fire protection, recreation programs, library, school maintenance, museums and cultural facilities, maintenance of parks, parkways and open space, flood and storm protection, and removal or remedial action for the cleanup of hazardous substances. The provision of recreation services requires approval by the registered voters in the territory of the proposed district. Id. Maintenance of parks, parkways and open space does not require such an election. A community facilities district tax approved by vote of the landowners of the district may only finance the services authorized in this section to the extent that they are in addition to those

¹³ Hereinafter all statutory references are to the Government Code unless indicated otherwise.

provided in the territory of the district before the district was created. Id. The additional services may not supplant services already available within that territory when the district was created. Id.

The proceedings for formation of a CFD may be commenced by written request signed by two members of the legislative body, a petition signed by a requisite number of registered voters, or a petition signed by a requisite number of landowners. Section 53318. A county may not form a CFD that incorporates territory within a city without the consent of the legislative body of that city. Section 53315.8. The formation is not subject to review and approval of LAFCo. Section 53318.5. Within 90 days of receipt of a request or petition for formation, the legislative body adopts a resolution of intention to form the CFD. Section 53320. After a noticed public hearing, the legislative body may form the CFD by adoption of a resolution of formation.

A CFD may levy a special tax that is not, although it may be, apportioned on the basis of benefit to any property. Section 53325.3. The levy of the special tax shall be approved in an election of the registered voters residing in the CFD if more than 12 registered voters reside in the district. Section 53326. Ballots for the election may be distributed by mail. Id. If 2/3's of the votes cast are in favor of levying the tax, the CFD may levy the special tax. Section 53328.

COMMUNITY SERVICES DISTRICT (Government Code Section 61000 et seq.)

A Community Services District (“CSD”) can be formed to provide “public recreation including, but not limited to aquatic parks and recreational harbors, equestrian trails, playgrounds, golf courses, swimming pools or recreational buildings.” Section 61600(e). It is formed by LAFCo pursuant to a petition of registered voters or resolution of application adopted by the legislative body of any county or city which contains territory proposed to be included in the CSD. Sections 61101 and 61106. The resolution of application is subject to a public hearing. Section 61106. Once LAFCo approves the formation requested by a petition or resolution of application, the formation is subject to an election of the resident registered voters. Section 61110. If the formation is approved pursuant to a petition of registered voters and more than 80% of the registered voters signed the petition, the board of supervisors may form the district without an election. Section 61111(a).

If a special tax is included in the ballot question for formation, the combined question is subject to approval by 2/3's voter approval. Cal.Const.Art. XIIC §2(d). If a CSD contains unincorporated territory and territory of one or more cities, the district board may be elected or appointed by the county board of supervisors and the city councils in which the district is located. Section 61123.

A CSD can levy taxes including a special tax (Sections 61615 and 61615.1) or rates and charges for the services and facilities furnished by it (Section 61621). Any taxes, rates or charges are subject to California Constitution, Article XIII C or D which requires either an election or ballot protest procedure.¹⁴ A CSD's taxes or assessments can be collected in the same manner as the general tax. Sections 61621, 61712, 61753, and 61765.1.

A CSD can form either improvement districts (Section 61710 et seq.) or zones (Section 61770 et seq.) within its boundaries. Improvement districts can be formed to levy assessments or ad valorem taxes to acquire, construct, operate and maintain those improvements or facilities necessary to carry out the purposes of the district. Section 61710. Zones may be established for three purposes. First, to incur a bonded indebtedness within the zone sufficient to pay the costs of construction or acquisition of improvements or establishment of services which the district is authorized to provide, where the improvements or services will not be of district wide benefit; second, to fix and collect special rates or charges for the costs of construction or acquisition of improvements or establishment of services within the zone; and third, levy special taxes to finance the costs of construction or acquisition of improvements or establishment of services within the zone. Section 61770.

COUNTY SERVICE AREA (Government Code Section 25210.1 et seq.)

Government Code Section 25210.1 et seq. allows a County to form a County Service Area ("CSA") to provide extended governmental services within the unincorporated area. Included in the types of services that may be provided by a CSA are "local park, recreation or parkway facilities and services." Section 25210.4(c). Any property included in a CSA which is also included in a district formed under the former Recreation and Parkway District Law (repealed in 1957); the former County Recreation District law (repealed in 1957) or the Recreation and Park District law (Public Resources Code Section 5780 et seq.) is exempt from taxation by the CSA and CSA funds cannot be expended in those areas. Section 25210.68.

In order to use CSA law for the financing of park services, the Board of Supervisors must find that the services proposed to be provided within such service area are not being provided to the same extent on a countywide basis both within and without cities. Section 25210.4c. If all or a part of a city is to be included in the territory of a CSA, a resolution of consent adopted by a majority vote of the city council shall be filed with the clerk of the board of supervisors prior to the adoption of its resolution of intention. Section 25210.10a.

¹⁴ The requirements of California Constitution Article XIII C and D are discussed under the County Service Area heading.

The establishment of a CSA can not begin until the approval of the local agency formation commission (“LAFCo”) is obtained. Section 25210.3a. The Board of Supervisors may institute proceeds to establish a CSA on its own initiative or through a written request of two Supervisors, a resolution of a majority vote of any city council within the county, or a petition signed by the requisite number of registered voters. Section 25210.11. Once the approval of LAFCo is obtained, the Board of Supervisors may adopt a resolution of intention to form the CSA, which resolution shall set a time and place for a noticed public hearing on the formation not less than 30 nor more than 60 days after the adoption of the resolution. Section 25210.15.

At the public hearing if 50% or more of the registered voters residing in the territory of the proposed CSA protest the formation, the board of supervisors shall abandon the proceedings to establish the CSA. Section 25210.17a. If such a protest is not presented, the board of supervisors may establish the CSA by resolution with or without an election. Section 25210.18.

After formation of the CSA, any tax or charge levied on behalf of a CSA must comply with the requirements of California Constitution, Article XIIC or D which requires either an election or ballot protest procedure. If the CSA is levying a special tax, an approval by 2/3’s of the voters in an election of the registered voters residing within the CSA must be obtained. Cal.Consti.Art. XIIC §2(d). If the CSA is levying a property-related fee or charge, approval by a majority vote of the property owners or, at the County’s option, 2/3’s vote of the electorate residing in the CSA must be obtained. Cal.Consti Art. XIID §6(e). The election may be done by mail ballot. Cal.Consti.Art. XIID §4. The County may also choose to have a property related fee or charge subject to the same process as that required for assessments (an assessment protest ballot procedure). Cal.Consti.Art. XIID §6(c).

A tax or charge for miscellaneous extended services shall be levied and collected in the same manner and at the same time as other county taxes. Sections 25210.72a, 25210.76, and 25210.77a. Therefore, failure to pay the CSA tax or charge would be subject to the same enforcement process as other county taxes.

RECREATION AND PARK DISTRICT (Public Resources Code Section 5780 et seq.)

A recreation and park district can be formed to “(a) organize, promote, conduct, and advertise programs of community recreation, including, but not limited to, parks and open space, parking, transportation, and other related services that improve the community's quality of life; (b) establish systems of recreation and recreation facilities, including, but not limited to, parks and open space; and (c) acquire, construct, improve, maintain, and operate recreation facilities, including, but not limited to, parks and open space, both inside and

beyond the district's boundaries.” Public Resources Code (“PRC”) Section 5786.

The district may not include territory already included within another park and recreation district. PRC Section 5781. It can be formed by a city or county upon adoption of a resolution of application by the legislative body of the city or county that contains the territory proposed to be included in the district. PRC Section 5782.5. The resolution of application shall be adopted after a public hearing. Id. The approval of LAFCo is required. PRC Sections 5781.1 and 5782.7(a). LAFCo must make a finding that the proposed district will have sufficient revenues to carry out its purposes or condition its approval on the concurrent approval of special taxes or benefit assessments that will generate sufficient revenues. PRC Section 5782.7(b) and (c).

If the district contains unincorporated area of the county and a city or cities, the board of directors of the district may be elected or appointed by the county board of supervisors and the city councils in which the district is located according to their proportionate share of the population. PRC Section 5783.5(a). Alternatively, the board of supervisors may appoint itself as the board of directors if each city council consents by resolution. PRC Section 5783.5(b).

A district shall receive a share of property tax revenue pursuant to the Revenue and Taxation Code. PRC Section 5788.13. It may levy special taxes (PRC Section 5789.1), special benefit assessments (PRC Section 5789.3), or service fees (PRC Section 5789.5). All of the foregoing would be subject to the requirements of California Constitution Article XIII C or XIII D regarding voter approval of local tax levies, assessments or property related fees.

REGIONAL PARK, PARK AND OPEN-SPACE, AND OPEN SPACE DISTRICTS (Public Resources Code Section 5500 et seq.)

A Regional Park, Park and Open-Space, or Open Space District (“District”) can be formed with boundaries coterminous with those of Sacramento County to help address the growing and unmet park and recreational needs of the County. PRC Section 5506.10. The proceedings to form a District are commenced by the County Board of Supervisors adopting a resolution after a public hearing. PRC Section 5506.10(a)(2). The resolution shall name the district, state that the Board of Supervisors is the governing body of the District, describe the territory to be included, describe the method by which the District will be financed and call an election on the question of whether or not the District should be formed. PRC Section 5510.10(c) The formation is not subject to approval by the Local Agency Formation Commission. PRC Section 5506.10(d). The District is formed if a majority of the votes cast are in favor of formation. Id.

Additionally, the resolution shall state that all revenue generated by the District shall be allocated among all affected public agencies within the District. "Affected public agencies" include the County, all incorporated cities, and any park district or county service area established for managing land or improvements for park, recreational, open space or conservation purposes including within the territory of the District. Id. The resolution must also state that in the first 20 years after an assessment is levied, 75% of the assessment proceeds shall be used for capital outlay purposes. Id. A District may also use assessment proceeds for the operation and maintenance of capital outlay projects and lands and improvements made to park, recreation and open space lands of the District. PRC Section 5506.10(e).

A District formed pursuant to PRC Section 5506.10 may levy assessments for a period of up to 30 years or until the last maturity date of any authorized bonds. PRC Section 5539.10.

Alternatively, three or more cities together with any parcels of city or county territory may organize and incorporate a District provided all of the territory is contiguous. PRC Section 5502. Also one or more cities together with any parcels of city or county territory with a combined population of at least 50,000 may organize and incorporate a District provided all of the territory is contiguous. Id. The formation is requested pursuant to a petition signed by at least 5,000 electors residing in the territory of the proposed district, which petition is presented to the board of supervisors of the county with the most territory within the proposed District. PRC Section 5503.

After certification of the petition by the clerk, the board of supervisors shall adopt a resolution setting a noticed public hearing on the question as to whether the petition should be granted and further proceedings taken and whether the property named in the petition will be benefited by the District and should be included in the proposed District. PRC Section 5510; 5513. After the petition is granted, the board of supervisors shall call an election for the purpose of determining whether the district shall be created and established and elect the first board of directors. PRC Section 5514. First, the board of supervisors shall divide the proposed District into 5 or 7 wards (PRC Section 5515) and then give notice of the election. PRC Section 5516. Within five days of calling the election, the board of supervisors shall send to LAFCo notice of the election call. PRC Section 5517.1. The LAFCo Executive Officer shall then submit an impartial analysis of the formation to LAFCo. Id. Within five days of its receipt, LAFCo shall approve or modify the analysis and submit it to the election officials. Id. The election ballot shall include the names of persons nominated in each ward to sit on the board of directors. PRC Section 5518.

If a majority of the votes cast have voted for formation of the District, the board of supervisors shall order and declare the District formed. PRC Section 5520. If the election is successful the District pays for the election costs; if the

District fails to be created the county calling the election pays the election costs. PRC Section 5525.

A District may levy taxes to carry out its purposes which taxes shall not exceed ten cents on each \$100 of assessed value of all real and personal property within the district to pay for the obligations of the district. PRC Section 5545. The tax levied pursuant to this section is exclusive of tax levied to meet the bonded indebtedness of the District. Id. The rate may be increased pursuant to an election called in the same manner as a bond election. PRC Section 5545.1. A District may also fix and collect fees for the use by the public of certain recreational equipment and facilities (PRC Section 5562) and may levy special taxes pursuant to Government Code Section 50075. PRC Section 5566.

The District may also request the board of supervisors of each county with territory within the district to levy a tax on all real and personal property in amounts sufficient to pay the District's bonded indebtedness, other indebtedness and requirements of the District as determined by the District's board of directors. PRC Section 5571.

URBAN PARK ACT OF 2001 (Public Resources Code Section 5640 et seq.)

The Urban Park Act of 2001 was enacted to provide park facilities for the areas least served by park districts that have high unemployment and are subject to unlawful conduct by youths. PRC Section 5641. It provides for a state grant program, with a local matching funds requirement, for the acquisition and development of parks in heavily urbanized areas. PRC Section 5646. The State Department of Parks and Recreation administers the grant program. PRC Section 5643.

As such, on its own The Urban Park Act of 2001 is not a viable option to fund a regional park. It could be utilized to provide additional funds if Sacramento County qualifies as a "heavily urbanized county" or a county with a population of 500,000 or more, and a density of at least 1,100 persons per square mile, based on the most recent verifiable census data. PRC Section 5642(d).

OTHERS

I also reviewed statutes regarding Habitat Maintenance Districts (Government Code Section 50050 et seq.) and Open Space Maintenance District (Government Code Section 50575 et seq.), but determined they would not be useable for maintenance of regional parks.

CONCLUSION:

Of the types of districts I reviewed that can provide funding for regional park maintenance, it appears a Community Facilities District is the simplest method. The Board of Supervisors would be the legislative body of a CFD for park services and LAFCo approval of formation is not required. However, formation of a CFD which would include all of the incorporated cities in the County would require resolution of consent from each city council, and the levy of a special tax would require a 2/3's approval of the voters in a registered voter election.

If you need further information or wish to discuss this memo, please do not hesitate to let me know.

M. HOLLY GILCHRIST

cc: Supervisor Illa Collin
Supervisor Roger Dickinson
Supervisor Roberta MacGlashan
Supervisor Don Nottoli
Robert A. Ryan, Jr.
Cheryl Creson
Ron Suter

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