
R-20-68
Meeting 20-14
July 23, 2020

AGENDA ITEM #3

To: Board of Directors
Open Space Authority

From: Andrea Mackenzie
General Manager

SUBJECT

Consideration and Approval of: (1) a Resolution Proposing the Adoption by the Voters of The Open Space, Wildlife Habitat, Clean Water, and Increased Public Access Measure, Which Would Renew and Extend an Existing Annual Special Parcel; and, (2) a Resolution Calling and Giving Notice of an Election for the Purposes of Submitting a Proposition to the Voters to Continue Levying a Special Parcel Tax to Protect and Preserve Natural Open Space Areas Until Ended By Voters, and Requesting Consolidation of this Election with the Statewide General Election to be Held on November 3, 2020

REVENUE/COST

The Santa Clara County Registrar of Voters has estimated it will charge the Santa Clara Valley Open Space Authority (Authority) approximately \$2,000,000 to submit this proposition to the voters at the November 3, 2020 election. If the measure is approved by a two-thirds vote of qualified voters, the existing annual Special Parcel Tax of \$24 currently imposed on all parcels in the Authority's jurisdiction would be renewed with no increase until ended by voters and is estimated to generate approximately \$8,000,000 per year.

BACKGROUND

As the Board is aware, Staff has been working with the Financial Sustainability Ad Hoc Committee (Ad Hoc Committee) of the Board since late 2019 to assess the agency's growing revenue needs and to conduct feasibility research regarding the potential development of a funding measure for the Board's consideration. The feasibility research has included two public opinion surveys by EMC Research (EMC) commissioned by Peninsula Open Space Trust (POST). The first survey conducted April 29 - May 6, 2020 was presented to the Board by EMC and POST on June 11, 2020. The second survey conducted July 6 - 9, 2020 will be presented to the Board by EMC and POST on July 23, 2020. These polls evaluated two scenarios: the renewal of Measure Q with no increase in tax rate and renewal of Measure Q with a modest 60 cent increment increase over 15 years. As you will see in the polling data presented from the second poll, a straightforward extension of the existing \$24 parcel tax, with no increase, is a more conservative and prudent approach that recognizes the concerns of the public related to the COVID-19 health pandemic.

As background, since its creation in 1993, the Authority has been a pay-as-you-go agency, has no accumulated debt and has been able to efficiently leverage its modest annual revenues to attract significant public and private funding. For every dollar of Authority funds spent, the agency attracts three dollars of non-Authority funding for its acquisitions, projects, and programs. However, the cost of operation and maintenance is consuming a larger percentage of the Authority's revenues of

approximately \$12 million annually. As discussed below, the increased cost of operation and maintenance is due to the success of the Authority's acquisition program, which requires more land management, and increased visitation to preserves by the public. Of this amount, \$8M is from 2014 Measure Q which is set to expire in 2029.

The Authority has protected significant additional open space lands in the past six years, including close to 1,000 acres in the Coyote Valley. The Authority is responsible for management of these open space lands, providing natural resource stewardship, and planning for and opening these lands to public use. Effectively executing these responsibilities will require the assurance and stability of a dedicated long-term funding stream. Consistency of funding is necessary to continue to make the commitment to keep open space preserves open for public benefit. In addition, there is currently a heightened awareness of the health benefits that nature brings, making our mission to maintain and even expand public access over time more important than ever.

The Authority has an increased need for dedicated funding to support ongoing operations, maintenance, and natural resources stewardship on its growing system of open space lands. As of 2014, the Authority was responsible for managing 16,000 acres of protected open space. That acreage has increased to over 26,000 acres today. For example, the Authority has made a significant capital and management commitment to the public and its partners to complete the preservation, restoration and opening of Coyote Valley. With increasing visitation to the Authority's open preserves (325,000 in 2019 and 600,000 during COVID-19) there is clear and growing demand for public access to Authority open space preserves and trails. This will require greater investment in public access improvements and staff to maintain preserves and trails and continue the Authority's essential services to the public. Having a dedicated funding stream to serve as the local match is essential to continuing to attract public and private grants. In addition, the urgency of climate change also underscores the need for dedicated funding to continue to protect and steward vital natural infrastructure to benefit the residents of the Authority's jurisdiction.

Staff has thus determined that the renewal of Measure Q as a dedicated funding stream is essential to sustaining the Authority's ongoing operations and delivering on the agency's ongoing commitments to the public.

DISCUSSION

The Resolutions attached to this report are the culmination of Staff and the Ad Hoc Committee's work, and Staff recommends their approval. If the Board approves the Resolutions, a Special Parcel Tax Measure that renews the existing \$24 annual parcel tax with no increase until ended by voters would appear on the November 3, 2020 ballot. The Board must approve two separate resolutions to place the Measure on the ballot. The first is a Resolution Proposing the Adoption by the Voters of a Special Parcel Tax Measure. The Measure is entitled "The Open Space, Wildlife Habitat, Clean Water, and Increased Public Access Measure." This Resolution includes the ballot question, the text of the Measure and the Expenditure Plan. The second Resolution is more procedural in nature and calls and gives notice of the election to submit the proposition to the voters to continue levying the special parcel tax, and request consolidation of the election with the Statewide General Election.

If approved by the Board, the Measure would appear and be printed on the ballots to be used at the election in the following form:

<p>“To continue protecting and preserving natural open spaces without increasing tax rates by: • managing land and water to reduce wildfires and floods; • protecting land around creeks to prevent pollution and improve water quality; • creating urban parks; • preserving wildlife habitats; and, • preserving family farms, and healthy food sources; shall the measure to renew Santa Clara Valley Open Space Authority’s existing \$24 annual parcel tax with no increase, generating approximately \$8,000,000 annually, until ended by voters, with oversight/audits, be adopted?”</p>	YES
	NO

The purposes of the Measure are to: (1) protect open space, redwood forests, wildlife habitat, scenic hillsides and agricultural land; (2) protect land around creeks, rivers and streams to prevent pollution and improve local water quality and supply; (3) open, improve and maintain parks, open space, and trails; and (4) provide urban open space, parks and environmental education programs through a competitive Urban Grants Program. The Expenditure Plan, which includes minor updates, provides more details on the programs and is attached to the Measure as Attachment A. The Expenditure Plan also outlines how the proceeds of the Special Parcel Tax would be used.

Examples of Projects that potentially could be funded by the Measure are listed in the Expenditure Plan and were informed by the Authority’s *Santa Clara Valley Greenprint*, a vision plan for the future of the region’s open space. The Example Projects List is also informed by additional conservation plans (listed below) that were subsequently adopted and that identify high priority open space, water resources, agricultural and natural resource areas for protection and restoration.

• **Protect Open Space, Redwood Forests, Wildlife Habitat, Scenic Hillsides and Agricultural Land**

The purpose of this program is to permanently protect new open space lands essential to protecting the region’s park, open space, agricultural and habitat lands as identified in the Authority’s *Santa Clara Valley Greenprint*, the *County Parks Acquisition Plan*, *Santa Clara Valley Habitat Plan*, *Santa Clara Valley Agricultural Plan*, *Coyote Valley Landscape Linkage*, *Santa Clara County Regional Conservation Investment Strategy* and other adopted plans and to conserve the region’s last remaining farmland and rangelands to protect local food sources and maintain environmental benefits provided by agricultural lands including water supply, groundwater recharge, flood risk reduction, habitat protection and climate resilience.

• **Protect Land around Creeks, Rivers and Streams to Prevent Pollution and Improve Local Water Quality and Supply**

The purpose of this program is to protect and restore natural areas and floodplains that buffer our rivers, lakes and streams, including the Guadalupe River, Coyote Creek, Fisher Creek, Penitencia Creek,

Upper Alameda Creek, Uvas Creek, Llagas Creek, Pacheco Creek, Pescadero Creek and the Pajaro River, to protect water supply and water quality and enhance resilience to climate change.

- **Open, Improve and Maintain Parks, Open Space, and Trails**

The purpose of this program is to maintain existing Open Space Preserves, safeguard the health of natural areas and wildlife habitat; reduce the risk of wildfires; provide more walking, hiking, biking and equestrian trails and increase opportunities for environmental education experiences.

- **Urban Open Space, Parks and Environmental Education Program**

The purpose of this Grant Program is to assist municipalities, schools and applicable non-profit organizations with projects within the cities of Milpitas, Santa Clara, San Jose, Campbell, Morgan Hill and urbanized County areas to create healthy and safe open space and park areas for their communities by: creating or improving parks; preserving open space and maintaining or creating trails; enhancing and restoring habitat, natural resources and water resources; and enhancing access to healthy food through urban farms and gardens. No more than 25 percent of the revenues generated by this funding measure will be made available for this Grant Program.

The Measure would continue to utilize an Independent Oversight Committee to review the expenditures of parcel tax revenues collected under the Measure. The Committee consists of seven at-large members. The Oversight Committee's purpose is to review and verify expenditures of the proceeds from the Special Parcel Tax. Members of the Oversight Committee are appointed by the Board and are required to be residents within the Santa Clara Valley Open Space Authority's jurisdiction who are neither elected officials of any government, nor employees from any agency or organization that directly benefits financially from the proceeds of the parcel tax. In making appointments to the Oversight Committee, the Board seeks to reflect the demographic diversity of its jurisdiction. Oversight Committee meetings are announced in advance and open to the public. The Committee reviews expenditures on an annual basis to ensure they conform to the Expenditure Plan and reviews the annual financial audit and report prepared by an independent financial auditor. Finally, the Measure sets an appropriation limit pursuant to Article XIII B of the California Constitution.

RECOMMENDATION

Staff recommends that the Board approve the attached Resolutions Proposing the Adoption by the Voters of a Special Parcel Tax Measure and Calling an Election and Submission of a Proposition to the Voters to Levy a Special Parcel Tax to be held on November 3, 2020, and authorize the General Manager to perform such other acts as is necessary to effectuate the purposes of these Resolutions.

CEQA COMPLIANCE

The adoption of these Resolutions does not constitute a project under the California Environmental Quality Act (see CEQA Guidelines Sections 15060(c)(2)-(3) and 15378(b)(4)), and therefore review under CEQA is not required. The approval of these Resolutions does not commit the Authority to funding or approving any specific project or activity listed in the Expenditure Plan. Prior to approving any specific project or activity pursuant to the Expenditure Plan, any necessary environmental review required by CEQA would be completed.

NEXT STEPS

Should the Board of Directors approve the Resolutions, upon adoption, the Clerk of the Board will submit the adopted Resolutions and other required documents to the Registrar of Voters in Santa Clara County by August 7, 2020 to receive consolidated election services for the November 3, 2020 Statewide General Election.

Prepared by:
Andrea Mackenzie, General Manager

Attachment(s): Resolution 20-46 – A Resolution Proposing the Adoption by Voters of the Open Space Wildlife Habitat, Clean Water, and Increased Public Access Measure, Which Would Renew and Extend an Existing Annual Special Parcel Tax Until Ended by the Voters (the Substantive Resolution)

Resolution 20-47 – A Resolution Calling and Giving Notice of an Election for the Purposes of Submitting a Proposition to the Voters to Renew and Extend an Existing Annual Special Parcel Tax, and Requesting Consolidation of this Election with the Statewide General Elections (the Procedural Resolution)

Exhibit B – The Open Space Wildlife Habitat, Clean Water, and Increased Public Access Measure Expenditure Plan