



Financing Regional Parks and Open Space

October 16, 2007

Future parks and open space on the former Concord Naval Weapons Station (CNWS) have been a major focus of community discussion. The East Bay Regional Park District (EBRPD) has proposed to partner with Concord to provide a great urban regional park in Concord. But how to finance such a large open space park?

The Park District manages parks of size and complexity similar to those proposed in Concord's seven alternatives. The largest regional park district in the nation, EBRPD currently operates and maintains 65 parks comprising nearly 100,000 acres and provides outdoor recreation, habitat preservation and environmental education for millions of people annually. Its 2007 operating and capital budget is \$132 million.

The following information comes from the Park District's budget and shows various financial resources used by the District to build and operate its parks, trails and educational centers. Administration is not included in this summary discussion.

Funding sources currently available to the Park District include:

- 1. Property Tax Revenue:** A major source of Park District funding is property tax collected by the County. The EBRPD receives almost 3 cents of every dollar collected by the County. Each \$500,000 in developed residential or commercial property value at CNWS would provide \$5,000 to the County in tax revenue, \$150 of which would go to the District to help fund parks. This assumes tax revenues are not otherwise restricted through a redevelopment agency.
- 2. Special Revenue Funds:** These funds include assessment districts and zones of benefit which are specialized sub-units within the assessment districts. The Park District has two Lighting and Landscape Districts (LLD) under which Zones of Benefit are permitted. A 50% vote of property owners within the LLD area, weighted by type of property, is required to establish a new LLD or to initiate a Zone of Benefit (ZB). One LLD covers Alameda and Contra Costa County, for which the assessment is \$5.44 a year, per dwelling unit and is used for regional trail maintenance. The other LLD serves a portion of East Contra Costa County and amounts to \$19.70 per dwelling unit, per year.

The Park District, in cooperation with landowners and agencies, has set up Zones of Benefit in recent years to serve several functions. Special revenue funds from Zones of Benefit, often established by request of a developer/owner, are primarily useful in building and maintaining park improvements next to a new development. The improvements mostly benefit nearby residents and often get higher daily use than more distant regional parks.

When lands are set aside for wildlife habitat or mitigation, the Park District manages these lands per the requirements of State and Federal regulators and these management costs may also be funded by a zone of benefit. The District currently has six Zones of Benefit which range from \$25 to \$111 a year per dwelling unit.

- 3. Special taxes:** Special Taxes/Parcel taxes, which require a 2/3 vote, are another source of revenue. The Park District's Measure CC was passed in 2004 in the western part of the District by voters who approved a tax of \$12 per dwelling unit and \$8 per apartment unit, per year. The Measure CC area contains the oldest regional parks, several urban shorelines and a large fire break along the East Bay Hills. It will raise \$3 million annually over the 15 year life of the measure.
- 4. Fees, charges, leases and licenses:** These revenue sources amount to about 9% of the District's 2007 income. Primarily earned from parking fees, concessions and communication sites, potential revenue at CNWS would depend on which mix of uses is finally permitted and if any uses generate income.
- 5. Grants:** Significant sources of capital funding for acquisition and construction of park facilities have been available historically from the State and Federal governments. Some examples of these programs include: state park bonds (Propositions 12 and 40), conservancy funds, private foundations, possible projects from State Proposition 84 and similar measures. The Park District has been successful in pursuing grants and is regularly in a position to apply for and obtain park-related grants, sometimes in cooperation with cities which might not otherwise be available to local communities.
- 6. Bonds:** By a 2/3 vote, communities can approve the issuance of general obligation park bonds. The uses of these borrowed funds are legally restricted to capital acquisition and development projects. In 2008 the Park District will mark the 20th anniversary of a \$225 million local parks bond which was approved in 1988 and is now nearly depleted. This program provided over \$55 million in grants to local agencies in Alameda and Contra Costa Counties. The \$180 million balance of funds were matched by over \$180 million in grant funding from other sources. Combined, this funding provided over \$415 million in new parks and public recreational facilities to the District's residents.



Other Revenue Options for the CNWS:

The likely involvement of multiple agencies in the development and operation of the CNWS means that, in addition to the above options, there are a variety of cooperative funding structures that could be considered through partnerships between agencies. Here are some possibilities. These partnerships might include:

- (1) Joint powers agreements can be arranged where different local agencies agree to share responsibilities for the site and seek funding in the most effective manner for their area of responsibility. For instance, some park and recreation maintenance could be supported by the establishment of a regional LLD, while policing could be provided under the authority of a city police department or county sheriff under a Community Service Area.
- (2) Redevelopment agencies can be established when warranted to provide funding. Because they only capture and re-distribute tax revenues rather than create new funding, the overall result can harm the ability of non-redevelopment agencies, that are supported by general property tax revenues, such as the Park District, to receive adequate funding to support the area at a desirable level.
- (3) Community Services Districts, which are similar to LLD's, have broader permitted uses than LLD's. Generally requiring a 2/3 vote by the land owner, CSD's are commonly used by counties to fund ongoing operations for specific projects or functions. Permitted uses include those similar to LLD's: maintenance, improvement and capital construction. However, these districts may also include security, fire protection, public recreation and other uses not eligible for LLD funding.
- (4) In some cases federal or state programs can support certain functions. For example, should the National Park Service select CNWS as a site for construction of a central visitor center or similar facility, it could bring outside, in-kind resources into the project that would benefit the entire region.
- (5) Under the category of capital funding, the wide variety of uses being contemplated for future uses of CNWS lands will likely generate a number of high value, competitive proposals for federal, state or other grant requests to fund natural resource, park development, or social support projects.
- (6) Private, non-profit foundations and community groups might participate. They could contribute both time and money toward a beneficial conversion of the precious CNWS land into a community legacy.

Sample Park Maintenance and Operation Costs

Costs to maintain and operate the Park District's individual parks vary greatly, depending upon the recreational facilities available, nature of the park, number of visitors, etc.

For example Tilden, with its golf course, carousel, environmental education center, lake and small trains draws a different clientele than Briones with its large picnic grounds, 47 miles of trails, and campgrounds. Contra Costa Trails manages 60 miles of paved regional trails, such as the Iron Horse and Contra Costa Canal Trails. Ardenwood Historic Farm and the Pt. Isabel dog park have their own special requirements.

Sample annual budgets and personnel requirements for four major facilities of different types are:

	Briones (6,117 acres)	Contra Costa Trails	Tilden (1,058 acres)	Black Diamond (6,286 acres)
2007 Budget	\$476,170	\$893,924	\$1,251,279	\$1,663,964
FTE: Full Time Equivalent Employees	4.5	8	24	15

Conclusion

It is not easy to briefly summarize the resources and costs of large regional parks and open spaces. Since every site is unique, and CNWS is no exception, the ultimate solution for funding the site's park and open space elements will consist of a mix of the above elements tailored to the needs and expectations of our community. To date the CNWS process has stressed general uses, principals and conceptual alternatives. When the seven alternatives adopted by the Council are analyzed and financial assumptions are clarified, more specific financial information will be available to the public. From this baseline information, more specific models of parks revenue and expenditure needs can be assembled and discussed as part of the process.

The Park District believes that a major regional park and open space element is suitable for the site and addresses the interests of the surrounding community. Therefore, it submitted a letter of interest for a Public Benefit Conveyance on Sept. 26, 2007, indicating the District's willingness to provide regional park and open space on the site of the former Concord Naval Weapons Station.