

AGENDA
REGULAR MEETINGS
BOARD OF DIRECTORS

EAST BAY REGIONAL PARK DISTRICT

Tuesday, April 19, 2011

C. BUSINESS BEFORE THE BOARD

BOARD COMMITTEE REPORTS

Legislative (1.21.11) _____ (Radke)

The Legislative Committee met at District headquarters on Friday, January 21, 2011.

Present: Directors: Ted Radke, Doug Siden, Ayn Wieskamp
Staff: Bob Doyle, Erich Pfuehler, Dave Collins, Carol Victor, Jeff Rasmussen
Consultants: Doug Houston, The Houston Group
Public: Pat O'Brien

I. STATE LEGISLATION/ISSUES UPDATE

A. NEW

I. Governor Brown's Budget Proposal

Advocate Doug Houston reported the state budget deficit is at \$26.4 billion (including a \$1 billion reserve) and Governor Jerry Brown is proposing a number of solutions to correct it. He has proposed extending tax increases from three years ago and an increase in the vehicle license fee of 0.5%. The total revenue package is about \$12 billion. The Governor has also proposed about \$12.5 billion in cuts and \$1.9 billion in other solutions. At the moment, none of the cuts appear to substantially impact the District. The proposed elimination of redevelopment agencies (RDAs) would send their current portion of property taxes to the state general fund for the first year. Beginning in 2012-13, the property taxes remaining after payment of pre-existing RDA debts and contractual obligations would be distributed to cities, counties, non-enterprise special districts and K-14 schools in amounts proportionate to their share of the countywide base. On the special districts side of it, enterprise districts will not be entitled to any of this money. Over \$50 million currently allocated to RDAs from enterprise districts will go back to the general fund for very specific purposes.

The Governor's budget envisions, by March, the Legislature would adopt some of the proposed programmatic changes and authorize two ballot measures for a June special election. The Governor also assumes the actual budget bill will not pass until after the June election.

Board Members and staff discussed the impact of eliminating RDAs on the District's budget and concern about future reforms, particularly about the state shifting additional money around.

Legislative Affairs Manager Erich Pfuehler commented because the Governor's proposal makes the distinction between enterprise and non-enterprise, it invited an internal debate within the California Special District Association (CSDA) about how to position themselves with regard to the budget. CSDA immediately felt they should rewrite AB 8 and have a formula ready so that if property tax distribution formulas are put on the table CSDA is prepared.

Houston indicated the Governor is also looking to shift roughly \$250 million dollars from Cal Fire's budget by re-defining State Responsibility Areas (SRAs). The Governor's rationale is where development has expanded into SRAs, local governments should now provide fire service.

AGM Dave Collins wondered if East Bay municipalities who zoned former undeveloped areas for residences would be the responsible local governments or would the District end up with disproportionate responsibility. Houston said the Governor's proposal was unclear on this question, but new development projects would not be approved near or adjacent to SRAs without appropriate levels of fire suppression first being identified. Houston stated this is part of the SB 375 sustainable community strategy (SCS) effort.

Houston reported the District receives about \$100,000 for booking people in county jails. Under the Governor's realignment proposals, public safety and juvenile justice programs will receive less or no money from the state unless the tax extensions pass by a vote of the people. Currently, about \$420 million dollars in state money is distributed to local public safety programs. If the tax extensions fail, the District will likely have to absorb the cost of booking fees.

The Governor's proposal also suspends funding for the Williamson Act open space subventions. Specifically, it reverts the \$10 million provided in 2010-11 and provides no funding for 2011-12. No funding was provided in 2009-10 due to a Governor Schwarzenegger veto. Full program funding would require about \$40 million.

2. Administration and Committee Appointments

John Laird – California **Resources Secretary**

State Senator Ellen Corbett – **Senate Majority Leader**, Judiciary, Appropriations, Energy Utilities and Communications, Environmental Quality, Legislative Ethics, Public Employment and Retirement, Labor and Industrial Relations.

State Senator Mark DeSaulnier – **Chair Transportation and Housing**, Labor and Industrial Relations, Budget and Fiscal Review, Elections Reapportionment and Constitutional Amendments, Energy Utilities and Communications.

State Senator Loni Hancock – Chair Public Safety, Education, Elections Reapportionment and Constitutional Amendments, Environmental Quality, Food and Agriculture, Judiciary.

State Assembly Member Susan Bonilla – Budget (Education Subcommittee Chair), Elections and Redistricting, Health, Transportation.

State Assembly Member Joan Buchanan – Budget (State Administration Chair), Accountability and Administrative Review, Education, Transportation, Utilities and Commerce.

State Assembly Member Mary Hayashi – Chair Business Professions and Consumer Protections, Chair Oversight and Performance Evaluation, Health, Insurance.

State Assembly Member Nancy Skinner – **Chair Rules**, Natural Resources, Appropriations, Public Safety, Utilities and Commerce.

State Assembly Member Sandré Swanson – Chair Labor and Employment, Budget, Elections and Redistricting, Utilities and Commerce.

State Assembly Member Bob Wieckowski – Chair Environmental Safety and Toxic Materials, Judiciary, Insurance, Public Employees Retirement and Social Security.

3. ACA 4 (Blumenfield) Local Government Financing: Voter Approval

Houston stated Assembly Member Bob Blumenfeld (D - San Fernando Valley) is carrying this bill on behalf of the Administration. The Administration intends to compensate for the elimination of RDAs by placing on the 2012 ballot a proposition to amend the Constitution and provide for a 55% local voter approval for limited tax increases for development projects. This would allow cities to create some sort of accessory development authority by lowering the vote thresh hold to raise taxes and incur local debt.

The Legislative Committee of the Board voted unanimously to support ACA 4.

B. UPDATES

I. State Parks Funding

Houston reported the Governor plans to cut the State Parks budget by \$11 million. Proposition 21, the \$18 vehicle licensing fee to pay for state parks, was soundly defeated (42.7% to 57.3%) last November. It performed below the Democratic base in Alameda County, but did pass 56.8% to 43.2%. It failed in Contra Costa County by 46% to 54%. It cleared 50% in only 11 counties (Alpine, Alameda, Marin, Mendocino, Monterey, San Francisco, San Mateo, Santa Clara, Santa Cruz, Sonoma and Yolo). It lost big in Los Angeles and San Diego Counties.

District Board Members and staff agreed that Proposition 21 should have recommended an \$8 to \$10 vehicle licensing fee, not \$18. It was too much money for citizens to absorb and was a big factor in the defeat of the measure.

GM Bob Doyle said there is a chance another proposition will go on the ballot. He would like to see the Bay Area and Los Angeles work together to create a formula that would be successful at the polls. Doyle stated he would like to encourage the current State Parks Director to listen and work with local park operators to find a

solution. It is worth the District's time to try to aid State Parks because the District is spending a lot of money operating three State Parks at no cost to the state.

Pfuehler commented some of the people who funded the measure last time are very interested in doing something again. Pfuehler is not certain they've looked back and gotten a clear picture of why the measure failed.

2. Reform Efforts

Pfuehler reported billionaire Nicolas Berggruen has pledged a down payment of \$20 million to promote a package of reforms for legislators and voters to consider – including overhauling the tax structure. The organization he is funding is called the Think Long Committee. The Think Long Committee has consulted with Secretaries of State George Shultz and Condoleezza Rice, former Assembly Speakers Bob Hertzberg and Willie Brown, Clinton economic advisor Laura Tyson, philanthropist and real estate tycoon Eli Broad and Google CEO Eric Schmidt. There have been several articles in which Berggruen states “California is worth saving,” and he is going to invest in reform efforts with “whatever money it takes.”

District representatives recently met with Jim Wunderman of the Bay Area Council. It was clear his group is not directly engaged with the Think Long Committee. Bay Area Council staff did indicate the Think Long Committee is working closely with the Brown Administration to enact some reforms.

Board Member Doug Siden asked about the connection between California Forward and the Think Long Committee. Pfuehler stated he wasn't sure there was a direct connection, but former Assembly Speaker Bob Hertzberg is serving on both committees. California Forward is funded by foundations and cannot engage in political advocacy. Primarily they craft proposals and have hired people like Fred Silva to provide input. They are not precluded, however, from sharing their proposals with the Think Long Committee who could advocate politically and directly support ballot measures. Pfuehler said he would not be surprised if this is the game plan.

While California Forward and the Bay Area Council failed in major reforms, such as a Constitutional Convention, last year, it is important to note that some of their efforts have indeed been successful (redistricting commission for both state and federal elections, simple majority votes, and the top two primaries act). District Board Members and staff need to continue to closely track these activities.

2. FEDERAL LEGISLATION/ISSUES / ISSUES

A. NEW

I. Federal Budget Cuts - Rescissions

Pfuehler reported before Congress adjourned in December, they passed a continuing resolution to fund the government until March 4th this year. At which time, either the government shuts down or Congress passes a new measure to fund government programs and agencies. Because all fiscal matters in the Federal government begin in the House, the new Republican majority gets the first crack at defining the next funding measure. A number of the new majority have been advocating for \$100 billion

in deep cuts right away to get back to what they refer to as, 'pre-stimulus, pre-bailout budget levels.' Basically, any program initiated in the last two years is on the table to be cut. If Federal funds have not been obligated, they can actually be "rescinded." Some of the bailout money that was unspent or returned to the government will likely be cut or no longer available. The next logical place they would look is at other types of special grants and projects. The TIGER II grant the District received would fall into this category. Senators Feinstein and Boxer will be key in protecting any funds intended for California and District staff will continue to work with their staffs to protect the TIGER II funds.

2. Committee Appointments

Pfuehler reported the new majority in the House has cut Member and Committee budgets by at least 5% and they are also slashing the size of the Committees. With budget cuts and their new minority status with fewer seats on Committees, our delegation is likely to lose significant clout. Most of our Members will only have one Committee assignment.

B. UPDATES

1. TIGER Grant Process Update

Pfuehler reported the District has been meeting with our Congressional delegation, and with Metropolitan Transportation Commission (MTC) Commissioners from Alameda and Contra Costa counties, to remind all involved about our project and the need to protect the funds. The Senate is likely to be the safeguard in this situation and Senator Feinstein sits on the Appropriations Committee so she will have an opportunity to stand firm. Legislative staff and the MTC have told the District they will stand unified to prevent cuts to California programs. Staff's concern is the District's \$10.2 million pales in comparison to funding for the Caldecott Tunnel or Doyle Drive and could easily slip through the cracks. Pfuehler suggested putting together talking points for our Senators and expressed the need to communicate with the Department of Transportation (DoT) so we can protect as much funding as possible.

Grants Manager Jeff Rasmussen noted if the District can sign a contract with DoT there is a chance funding would be secured. Rasmussen also reported the District is meeting with all of our partners, making sure all are in agreement and on track with the TIGER II grant projects. The District has hired a consulting firm to help manage the TIGER II grant process. Rasmussen also reported the term sheet is in Washington, D.C. for final review, and the first draft of the master contract has been sent to Caltrans for review.

2. San Francisco Bay Restoration Legislation

Pfuehler reported last year Senator Dianne Feinstein and Representative Jackie Spear introduced legislation on Earth Day to provide a grant program for San Francisco Bay restoration. The original bill was very expensive, and it seemed highly unlikely that it would be enacted. As the year progressed, Feinstein struck the dollar amounts from

the bill and simply stated funds would be appropriated as necessary. This cleaner version made it into a package of other public lands bills that was nearly enacted in the last days of the 111th Congress. While it didn't make it, the District was somewhat successful in engaging Feinstein and Boxer's staff to think about East Bay projects. Senator Feinstein's staff has informed the District they will reintroduce the bill and specifically state that special districts qualify for funding under the program. Staff also learned about an existing pilot program which Senator Feinstein was able to secure through the Environmental Protection Agency for Bay Restoration. Senator Feinstein's staff suggested the District submit an application. The District has since submitted a \$1.5 million application for Bruener Marsh and has received support letters from our delegation.

3. PUBLIC COMMENTS – None.