

AGRICULTURAL PRESERVATION & OPEN SPACE DISTRICT

Andrea Mackenzie, General Manager

MISSION STATEMENT

The mission of the Sonoma County Agricultural Preservation and Open Space District (District) is to permanently preserve the diverse landscapes of Sonoma County for future generations, including working farms and ranches, greenbelts and community separators between and around urban areas, natural areas and wildlife habitat, and land for public access and passive recreation

Budget at a Glance:

Total Expenditures	\$33, 773,347
Total Staff	18.0
% Funded by County Discretionary Funds	0%

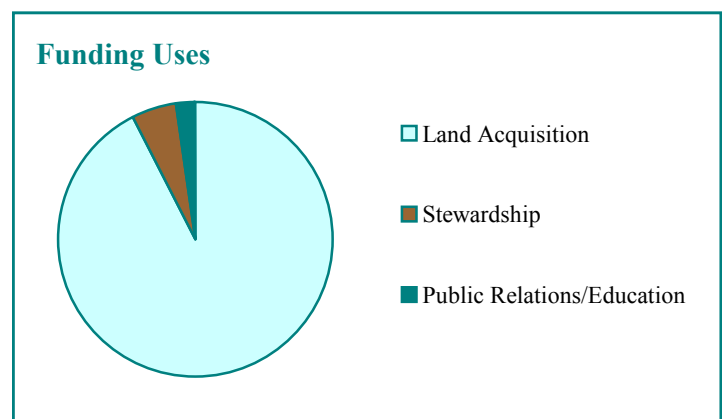
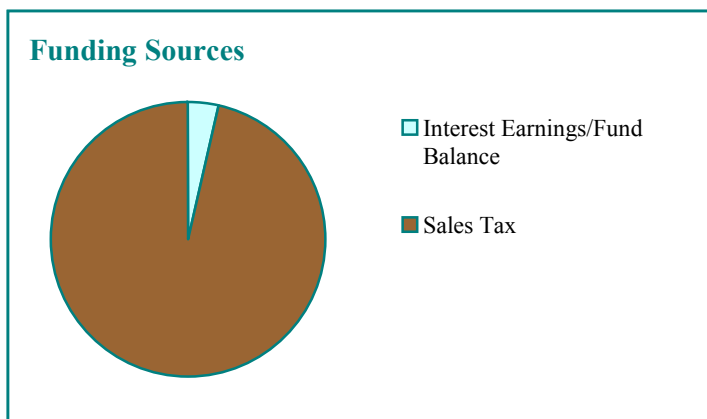
DEPARTMENTAL DESCRIPTION

Sonoma County voters created a unique land protection agency, the Agricultural Preservation and Open Space District, in November 1990 and funded it with a quarter-cent sales tax through March, 2011. In November 2006, voters approved Measure F, which extends the quarter-cent sales tax through 2031. Since its inception, the District has protected over 70,000 acres, or 100 square miles on 146 properties, at a cost of \$214 million; and today, ranks as one of the top open space and farmland conservation programs in the nation.

The District partners with willing landowners, public agencies and non-profit organizations to protect land permanently from being developed, through agreements with landowners (conservation easements) and through outright purchase of land. District acquisitions are guided by a long-range strategic plan, “*Connecting Communities and the Land*,” which reflects community desires and values and directs preservation to the highest priority farmlands, greenbelts, natural areas, and recreational lands. In addition, the District implements the Agricultural Resources and Open Space Elements of the Sonoma County General Plan. In its first 16 years, the District and its partners have made impressive gains in preserving and protecting natural areas, scenic lands, greenbelts around cities, and working farmland.

Primary financing for the District comes from a voter-approved ¼ cent sales tax. The five-member Open Space Authority (Authority) levies the sales tax and ensures that the District’s open space purchases are consistent with the voter-approved expenditure plan. The District leverages the sales tax funds, currently generating \$18.5 million annually, from other sources including state, federal, and private grants. Nearly \$24 million of such matching funds have been secured for protecting Sonoma County’s diverse farmlands and natural lands. The Authority currently contracts with the District to acquire open space (planning, appraisal, negotiation, and stewardship) and pays directly into escrow for the acquisitions. Beginning in 2011, in accordance with Measure F, the Sonoma County Board of Supervisors will levy the sales tax and will enter into a contract with the District for such purpose.

The District’s budget currently consists of five special funds. The first provides for the operations of the District in order to carry out the acquisition and preservation of agricultural and open space lands. The second fund contains monies committed to completed purchases for which payments are made on an installment basis. The third fund provides monies for public access and restoration improvements previously approved for the Prince Memorial Greenway Matching Grant to the City of Santa Rosa in 2001 and revised in 2005. Lastly, the District established two funds for lease-purchase payments: 1) to reflect purchase of land with funds obtained from the County of Sonoma line of credit, which was approved in 2004; and 2) the annual debt service payment to the County of Sonoma, with funds from the Open Space Authority.



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FY 06-07 Accomplishments

- Completed five conservation transactions on 2,000 acres at a cost of approximately \$14 million through conservation easement and fee title, including cooperative projects.
- Adopted new Expenditure Plan with the passage of Measure F, which reauthorized the .25 percent sales tax through 2031.
- Adopted the *Laguna de Santa Rosa Protected Lands Trails Plan* and secured \$500,000 from the State Coastal Conservancy for design and construction of Phase I trails and staging, to be implemented in 2008 in cooperation with Sonoma County Regional Parks.
- Completed master plans and environmental documents for North Slope Sonoma Mountain Ridge Trail and Healdsburg Ridge Open Space Preserve and developed cooperative agreements with Agency partners for public access, construction, and management. Secured \$600,000 in state partnership funding for construction of North Slope Ridge Trail.
- Completed “3 Bridges Project” on the Santa Rosa Creek Greenway in partnership with Sonoma County Water Agency and Sonoma County Regional Parks to place three bicycle/pedestrian bridges and improve a 3.5-mile segment of Santa Rosa Creek to enhance public access and alternative transportation.

FY 07-08 Objectives

- Develop and implement short and long-term financial mechanisms for restructuring debt and optimizing revenue for land acquisition, including the public offering of bonds secured by sales tax, consistent with voter-approved Expenditure Plan.
- Complete reorganization and staffing plan to build District’s capacity to implement the voter-approved Expenditure Plan, District’s acquisition plan (“*Connecting Communities and the Land*”), and effectively manage the District’s conserved properties.
- Develop policy for initial operations and maintenance funding and stewardship of District-protected lands, including creating long-term endowments.
- Enter into cooperative agreements with agency partners to open Healdsburg Ridge, Montini Ranch, North Slope Sonoma Mountain Trail, Laguna de Santa Rosa Trail, and Taylor Mountain for interim public access.
- Work with Advisory Committee, stakeholders, and agency partners to develop and implement short term (3-5 year) program initiatives emphasizing sustainable conservation, consistent with Measure F and District’s acquisition plan. Re-evaluate progress on annual basis.

FINANCIAL SUMMARY

Budget Division/Fund	Total Expenditures			Net Cost/Use of Fund Balance		
	FY 06-07 Adopted	FY 07-08 Recommended	% Change	FY 06-07 Adopted	FY 07-08 Recommended	% Change
SCAPOSD -						
Operations	4,139,905	4,625,764	11.7	130,643	154,564	18.3
Land Acquisitions	26,323,000	16,600,000	(36.9)	-	-	100.0
Financed Debt Service	12,321,690	11,600,320	(5.9)	-	-	n/a
Santa Rosa Creek - Spec Fund	928,595	928,596	0.0	928,595	928,596	0.0
Installment Pymts - Spec Fund	18,917	18,667	(1.3)	16,167	15,917	(1.5)
TOTAL FINANCIAL	43,732,107	33,773,347	(22.8)	1,075,405	1,099,077	2.2

STAFFING SUMMARY

Staffing	FY 06-07 Adopted	FY 07-08 Recommended	FTE Change	% Change
Permanent Positions	18.00	18.00	0.00	0.0

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SUMMARY OF KEY ISSUES

- On November 7, 2006, voters approved Measure F, the Sonoma County Open Space, Clean Water, and Farmland Protection Measure, which extended the ¼ cent sales tax through 2031. Beginning on April 1, 2011, the county will levy the sales tax and contract with the District for operations and land purchases. The District is currently evaluating various financing options, including re-structuring the existing line of credit through the county Treasury and optimizing revenue for opportunity purchases, including through the sale of bonds.
- Land acquisitions by the District are opportunity-driven. Transactions can be complex and time consuming, resulting in uncertain project completion dates. As the annual workplan is prepared, the District budgets for acquisitions likely to be concluded during the upcoming fiscal year, which may bear little resemblance to the acquisition costs of the prior year. Additionally, as District cash flows and financing are optimized, new opportunities may be realized. Budgeted acquisitions may be updated through technical adjustments or by Board of Directors resolutions during the fiscal year.
- As the District matures, and with the passage of Measure F, the District's workload and focus continue to evolve. As more lands are acquired and lands protected by conservation easements change hands, the need for stewardship is increasing. Additionally, as the public becomes more aware of protected lands, there is a heightened desire for access to recreational lands. Also, the passage of Proposition 84 made available funding that will enhance the District's ability to leverage funding for acquisition, restoration, and public access projects in cooperation with its agency and non-profit partners. Therefore, in FY 07-08, the District will study its organizational structure, and develop a staffing plan that will more effectively allow the district programs to be carried out to the voters' expectations, increase its capacity for securing grant funding and project implementation, and meet the District's stewardship responsibilities.
- Measure F provides that up to 10 percent of the sales tax revenue generated over the life of the measure may be spent on operations and maintenance of recreational lands acquired pursuant to the voter-approved Expenditure Plan. Prior to administering such funds, the District will recommend a funding structure to the District Board of Directors that will establish a mechanism by which operations and maintenance funding will be made available on an annual basis. This will allow the District to enter into cooperative agreements with agency partners to open lands to the public in a more timely manner. The proposed budget appropriates \$300,000 in operations and maintenance funds with the anticipation that the mechanism for operations and maintenance funding will be developed in time to explore cooperative agreements with partner agencies. This budgeted amount accounts for the largest component in the expenditure increase as shown on the Financial Summary table in the preceding page.

DISTRICT SPECIAL FUNDS

	District Operations	Installment Payments	Santa Rosa Creek Special Fund	Land Acquisition	Financed Debt Service
Est Beginning Balance 7/2007	172,778	35,625	928,596	-	-
Plus Est Revenues & Reimb	4,471,200	2,750	-	16,600,000	11,600,320
Less Est Expenditures	4,625,764	18,667	928,596	16,600,000	11,600,320
Est. Ending Fund Bal 6/2008	18,214	19,708	-	-	-
Change in Fund Balance	(154,564)	(15,917)	(928,596)	-	-

DEPARTMENTAL APPEAL ITEMS

The General Manager of the Agricultural Preservation & Open Space District concurs with the recommended budget.

COUNTY ADMINISTRATOR'S RECOMMENDATION SUBJECT TO AVAILABLE FINANCING

None.

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BOARD OF SUPERVISORS' ACTIONS

Adopted as proposed with the following changes:

	Gross Expenditures	Revenue and Reimbursements	Net Cost
Technical Changes			
Rebudget appropriations and reimbursements to reflect unexpended 2006-07 funds related to the acquisition of various properties.	10,322,330	10,322,330	0
ISD Changes			
Rebudgeted Computer Improvements	8,603	0	8,603
Board Direction to Staff			
Staff to provide Board information on the programming for the future sales tax funding via the recently approved bond proceeds.			