

AGRICULTURAL PRESERVATION & OPEN SPACE DISTRICT

William J. Keene, General Manager

MISSION STATEMENT

The mission of the Sonoma County Agricultural Preservation and Open Space 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	\$33,250,850
Total Revenues	\$16,320,720
Total Net Cost	\$16,930,130
Total Staff	26.35
% Funded by Local Discretionary Funds	0%

DEPARTMENTAL DESCRIPTION

In 1990 Sonoma County voters approved Measure C to create the Agricultural Preservation and Open Space District (District). Measure C includes a quarter cent sales tax to fund District operations until 2011. In 2006 voters approved Measure F, which will take effect in 2011 and extends the quarter-cent sales tax through 2031. Since its inception, the District has protected over 82,000 acres (128 square miles) on 174 properties. The District partners with willing landowners, public agencies, and non-profit organizations to protect land permanently from development through agreements with landowners (conservation easements) and direct purchases. Acquisitions are guided by a long-range plan, "Connecting Communities and the Land," which directs preservation to the highest priority farmlands, greenbelts, natural areas, and recreational lands. In addition, the District implements the Agricultural Resources and Open Space and Resource Conservation Elements of the Sonoma County General Plan.

The five-member Open Space Authority (Authority) levies the sales tax and provides the revenues to the District. It also ensures that the District's open space purchases are consistent with the voter-approved expenditure plan. The Board of Supervisors acts *ex officio* as the governing body of the Sonoma County Agricultural Preservation and Open Space District.

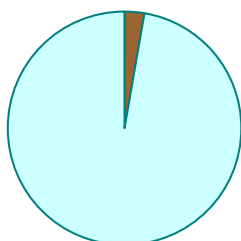
The sales tax is the District's primary funding source; it generates \$16 million annually. In addition, the Authority issued a Measure F sales tax revenue bond in 2007 which raised \$98 million and will be paid with sales tax proceeds beginning in FY 11-12. Since issuing the bond, the District has spent all of these funds, primarily on acquiring 5,200 acres. The District has a \$54 million fund balance from unspent sales tax proceeds. It allocates \$500,000 annually to a Stewardship Reserve Fund which is part of the District's long-term financial plan for management of its lands beyond 2031.

The Authority contracts with the District to provide:

- Land conservation (planning, appraisal, negotiation of acquisitions and easements).
- Stewardship (includes both preparing properties for public access with capital improvements, and land management activities which include monitoring and enforcement of conservation easements, providing fire control, removing invasive species, habitat preservation, erosion control, and managing volunteer patrols).
- Public access by funding capital improvements on District properties such as restrooms, parking lots, and trails, and by providing education programs.

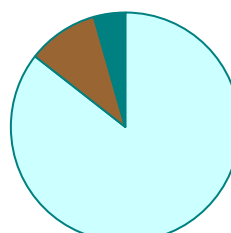
Beginning in 2011, as required by Measure F, the quarter cent sales tax will be levied by the County rather than the Sonoma County Open Space Authority. Additionally, the Authority will reorganize as the Sonoma County Open Space Fiscal Oversight Commission to provide independent fiscal oversight of the District's operations.

Funding Sources



■ Interest Earnings/Fund Balance
□ Sales Tax

Funding Uses



□ Land Acquisition
■ Stewardship/Land Management
■ Public Information/Education

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FY 09-10 ACCOMPLISHMENTS

- Completed nine conservation projects totaling over 7,000 acres for \$24.5 million, including the multi-partner effort to acquire 5,360 acres of the Jenner Headlands, the largest conservation acquisition in Sonoma County.
- Enhanced public access to District-protected lands by promoting public access by permit for Taylor Mountain, initiating construction of trails in the Laguna de Santa Rosa and on the North Slope Sonoma Mountain, and Healdsburg Ridge Open Space Preserves, and expanding the District's outings program to include more non-profit partners and diverse outdoor experiences.
- Provided \$4.7 million to cities and non-profit partners through the District's competitive Matching Grant Program for the Bayer, Burbank, Colgan Creek, Giorgi Park, Patterson Point and West County Trail projects to create recreational opportunities in underserved communities, expand existing community parks, provide new Russian River beach access, and restore and enhance riparian systems.
- Launched initiatives for climate change, sustainable water, and healthy communities by partnering with the newly created Regional Climate Protection Authority on issues affecting the county, by participating in the Sonoma Valley Groundwater Management Program to identify significant groundwater resource protection areas, and by partnering with the Department of Health Services on the newly initiated Healthy Eating, Active Living Community Health Initiative (i-Walk and i-Grow) health action programs.
- Retaining a federal legislative consultant, drafted state and federal legislative and funding strategies in partnership with county departments and agencies, and submitted grant applications for acquisition and stewardship programs.
- Developed a long-term financial plan to reduce District costs while still providing for continued land conservation and long-term, responsible land management for District-protected properties.

FY 10-11 OBJECTIVES

- Implement recreation and increase public access through trail construction on North Slope Sonoma Mountain, Healdsburg Ridge Open Space Preserve, and Laguna properties, development of the Taylor Mountain Open Space Preserve Master Plan, and expansion of the District's educational and outings programs.
- In collaboration with county and regional partners, participate in projects and programs that address agricultural sustainability, local food production, watershed protection/water supply reliability, and climate change through planning and stewardship activities, including stream enhancement and restoration.
- Pursue land and easement acquisitions based on important resource values, partnerships, and available funding.
- Continue to work with cities, county, and non-profit partners to implement projects under the Matching Grant Program and to refine guidelines for program administration.
- Develop federal and state legislative platforms that strengthen and leverage district partnerships.
- Develop and make recommendations to address long-term stewardship needs for district-protected lands beyond the life of Measure F, and for continued stewardship, and operations and maintenance expenditures.

SUMMARY OF SERVICE LEVEL CHANGES

Acquisitions will decrease due to the reduction of sales tax revenue. However, the District is increasing its focus on stewardship and access to properties it owns.

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FINANCIAL SUMMARY

Budget Division/Fund	FY 09-10 Adopted	FY 10-11 Recommended	% Change
SCAPOSD			
Beginning Cash Balance	77,528,963	58,037,012	(25.1)
<i>Expenditures</i>			
Operating	6,525,572	7,651,201	17.2
Stewardship	860,000	4,872,000	466.5
Land Purchases	29,256,379	20,727,649	(29.2)
Debt Service	0	0	0
Total Expenditures	36,641,951	33,250,850	(9.3)
<i>Revenues and Reimbursements</i> *			
Sales Tax and Interest Earned	17,150,000	16,320,720	(4.8)
Net Cost/Use of Fund Balance *	19,491,951	16,930,130	(13.1)
Ending Cash Balance	58,037,012	41,106,882	(29.2)
Stewardship Reserve Fund **	8,535,476	9,291,540	8.9

*Most funds are transferred from the Open Space Authority and are consolidated here with district funds to simplify the presentation.

**Represents ending cash balance in the Stewardship Reserve Fund.

STAFFING SUMMARY

Staffing	FY 09-10 Adopted	FY 10-11 Recommended	FTE Change	% Change
Permanent Positions	24.00	26.35	2.35	9.8

RECOMMENDED BUDGET

The District's fund balance at the start of FY 10-11 will be \$58 million. The budget proposes spending \$33.2 million, including \$20.7 million on acquisitions, \$7.7 million on operations (including \$210,000 for the outings and education programs and \$970,000 for stewardship land management), and \$4.4 million for stewardship-related capital improvements to promote recreational access, and transfer \$500,000 into the Stewardship Reserve Fund. This includes improvements on Taylor Mountain, Laguna Trails, Healdsburg Ridge, Jenner Headlands, and the North Slope of Sonoma Mountain. The District is pursuing partner funding for these improvements, and has been approved for \$1 million in grants from the Coastal Conservancy for the Laguna and North Slope projects (included as part of the \$4.4 million).

The District is retaining ownership of properties for longer periods because the agencies to which it would transfer ownership, such as the state and county park systems, are under severe financial pressure and thus less able to manage new properties. This is increasing the District's focus on stewardship and access. To support these responsibilities, the budget increases staff from 24.0 to 26.35 FTE. One and one-quarter FTE will create internal capacity to provide administrative and fiscal services that have been performed by contractors to the Authority. One of the new positions will serve as a Volunteer Coordinator for stewardship activities.

In May 2010, the District's proposed \$33.2 million FY 10-11 budget was reviewed by the Open Space Authority for consistency with the voter-approved expenditure plan.

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KEY ISSUES

The District's long-term financial plan is illustrated below in five year increments. It reflects the continuation of acquisitions on priority properties, but at a lower level as funds are becoming more limited due to use of the bond proceeds. The District will continue to increase its focus on stewardship and access to properties it has acquired. With the utilization of the bond proceeds this gradual shift has been anticipated, and will continue in future years as the district will begin paying \$7.5 million per year in FY 11-12 in debt service.

LONG TERM FINANCIAL PLAN

SCAPOSD Fund	FY 11/12 - 15/16	FY 16/17 - 20/21	FY 21/22 - 25/26	FY 26/27 - 30/31
Beginning Cash Balance	41,106,882	11,086,353	8,146,288	2,747,432
Revenues				
Sales tax & interest earned	89,563,377	100,692,488	115,930,734	126,907,077
Use of O&M Reserve	8,750,000	8,750,000	0	0
Total Revenues	98,313,377	109,442,488	115,930,734	126,907,077
Expenditures				
Operating	40,642,969	44,840,586	49,507,630	54,660,424
Stewardship	16,753,982	10,011,342	10,785,535	10,090,588
Land Purchases	33,375,000	20,000,000	23,500,000	21,500,000
Debt Service	37,561,955	37,530,625	37,536,425	37,532,625
Total Expenditures	128,333,906	112,382,553	121,329,590	123,783,637
Ending Cash Balance	11,086,353	8,146,288	2,747,432	5,870,872
Stewardship Reserve Fund*	13,426,010	18,218,993	23,775,374	30,216,742

*Represents ending cash balance in the Stewardship Reserve Fund for the time period shown.

DEPARTMENT HEAD CONCURRENCE OR COMMENT

The department head concurs with the County Administrator's recommended budget.

BOARD OF SUPERVISORS' ACTIONS

Adopted as recommended.