### Agenda Item Number: 45

**County of Sonoma**

**Agenda Item**

**Summary Report**

**Clerk of the Board**

575 Administration Drive
Santa Rosa, CA 95403

**To:** Board of Supervisors

**Board Agenda Date:** July 10, 2018

**Vote Requirement:** Majority

**Department or Agency Name(s):**

**Staff Name and Phone Number:**

James Nantell 565-2946

**Supervisiorial District(s):**

**Title:** Parks Sales Tax Measure

**Recommended Actions:**

Receive report from staff on Proposed November 2018 Parks Sales Tax Ballot Measure and,

A. Adopt a resolution introducing proposed ordinance imposing a 1/8 cent transactions and use tax in Sonoma County for Regional Parks and City Parks and waiving further reading.

B. Conduct a public hearing to consider whether to adopt an ordinance imposing a special transactions and use tax (sales tax) on Sonoma County to provide additional funding for Regional Parks and City Parks. The ordinance, if adopted, will be placed on the ballot at the November 6, 2018 election, and will become effective if it is approved by two-thirds (2/3) of the voters voting on the measure.

**Executive Summary:**

Sonoma County Regional Parks and City Parks provide a broad variety of experiences for Sonoma County residents and visitors, including developed and open space parks, multiuse bikeways, sports fields, playgrounds, swimming and boating opportunities, camping, and rustic trails. In addition, the open spaces protected by the Regional Park system preserve important ground water recharge areas, natural resources, watersheds and wildlife habitat. Through Partnerships with the Sonoma County Agricultural Preservation and Open Space District (District) and nonprofit organizations, the Regional Parks system has expanded significantly over the past decade while also becoming increasingly utilized by both residents and visitors to the County. The Regional Park system now faces significant fiscal challenges being able to invest in aging infrastructure and amenities in the parks, the daily operations and maintenance services in existing parks, and dedicated funds to leverage state, federal and other sources to continue developing new open space parks and trails with public access and basic amenities including sustainable trails, permanent restrooms and effective management of the natural resources and fuel loads.
Regional Parks’ staff have been exploring the possibility of a 1/8 cent special transaction and use (sales) tax on the November 6, 2018 ballot. Since the Spring of 2017, Regional Parks has been undertaking a community outreach effort to get a deeper understanding of the public’s thinking about parks in Sonoma County and how the public prioritized park needs relative other needs. On June 13, 2018 the Board of Supervisors received a report on the potential Parks ballot measure and directed staff to return in July to place the measure on the ballot.

Discussion:

Since November of 2016 when the Parks Ballot Measure J narrowly missed the 2/3rds majority yes vote by 1,100 votes, there has been a strong interest from many in the community that a funding measure be placed on a county wide ballot. Before proposing to return to the ballot, Regional Parks felt it was important to engage with local leaders and stakeholders with a community outreach effort. The results of that outreach effort are included in Attachment A and summarized below.

Phase I Outreach to City Elected and Appointed Leaders: conducted 60 hours of interviews with city council members and city managers during the summer of 2017. Five key findings emerged over the course of the interviews:

1. Parks enjoy nearly universal support;
2. Connectivity of communities to parks ranked high for everyone;
3. Public demand to open and expand more parks is very high;
4. Increasing participation in parks for more community members is valued strongly; and
5. As is the case with Regional Parks, cities have growing deferred maintenance needs and little to no funding for capital improvements.

On September 21, 2017, Regional Parks hosted a Parks Summit and presented the 2017 Outreach Report to a crowd of nearly 200 members of the public, elected and appointed officials.

Public Survey Poll: With the support of an outside grant from Resources Legacy Fund, Fairbanks, Maslin, Maullin, Metz and Associates conducted a public survey poll in late January 2018 to determine to the extent of public support of a possible parks ballot measure.

The summary of the polling results was:

1. The initial support for a Parks Funding Measure is 72 percent, ranging up to 76 percent after positive messaging, and held strong at 70 percent after negative messaging was tested.
2. Including the cities in the proposed measure reinforced support by 5 to 8 percent.
3. Favorability for Regional Parks was 89 percent, with un-favorability at 4 percent.
4. Public recognition of the need for additional funding was strong, especially after the fires, increasing 5 percent in the last two years (73 percent in 2018, compared to 68 percent from a comparable survey poll conducted in 2016).
5. 72 percent of voters approved of a two-thirds to one-third split on the revenues between the county and cities, respectively.

Phase II Community Outreach and Gathering Public Input: In February 2018, having suspended the community outreach and efforts to gather public input about spending priorities due to the October 2017 fire storms, Regional Parks initiated Phase II of the Outreach Plan. This phase is still in progress.
with presentations to over 40 community organizations and stakeholders thus far. It also included two educational mailings to over 80,000 households requesting feedback on priorities for county spending and the possible parks ballot measure. Over 2,000 feedback cards have been received from the first mailer with 70 percent indicating that they would support a funding measure for parks. Replies to the second mailer, over 1500 to date, have confirmed the following priorities that came out of the meeting with community leaders, the January polling survey, and response to the first mailer:

1. Maintaining parks, trails, & open space
2. Protect water and natural resources for future generations
3. Bicycle and walking trails to connect cities and parks

Proposed Ballot Measure

The proposed sales tax measure would provide dedicated funding for Sonoma County Regional and City Park systems. Beginning with Doran Regional Park, established by County ordinance in 1967, County supervisors have created a park system which is among the most beautiful and diverse in the state. From Gualala Point Regional Park at the far north, to Tolay Lake Regional Park in the south, and iconic county mountaintops and their watersheds including Hood, Taylor and Sonoma Mountains, the system today includes 56 parks and trails. The creation and renewal of the Sonoma County Agricultural Preservation and Open Space District provided the mechanism for the purchase of a number of properties including, in addition to those listed above, the Laguna de Santa Rosa Trail, Riverfront Park, and Cloverdale River Park. The District has also acquired a number of additional parklands that await transfer to the Regional Park system, however, only very limited funding is provided for initial public access and long term operations and maintenance support is not included in the District’s voter-approved expenditure plan.

Regional Parks are integral to the health and quality of life of county residents. Additionally, the 11,071 acres of parklands are critical to protecting natural resources, ecosystems and watersheds. There are now over 26,000 park members supporting the system representing approximately 10% of county housing units (http://www.census.gov/quickfacts/table/PST045215/06097; assumes one park membership per household). Day use of parks has doubled over the last five years, with park visitation exceeding 5 million visits annually. Volunteerism is at an all-time high, and national award-winning programs such as the Russian River Water Safety Patrol have been implemented saving lives and improving water safety on the Russian River. Programs and parks that specifically engage young and diverse populations have become integral to the departments mission providing environmental education and outdoor recreation to enhance the health and well-being of the community.

The increasing demand for parks and trails, escalating costs, backlog of facility maintenance and increasing natural resource threats, has park funding stretched to an unsustainable level. These circumstances are putting treasured resources at risk and putting pressure on Regional Parks to raise fees. General fund dollars for Regional Parks have remained relatively constant with general fund support at 17.81% of budget for the proposed 2018/19 fiscal year (excluding Transient Occupancy Tax revenues). Although Parks has been increasingly more dependent upon fees, park fee increases result in impacts to those who can least afford them thus decreasing their access to our open spaces and the important benefits associated with that access. Without a new dedicated funding source, the Regional
Park system is at risk of a major decrease in service levels, public safety, routine maintenance, and closures of trails, restrooms and other features that are failing and require investment to remain usable for the public. Additionally, park expansions and the development of existing parks will continue to be delayed with many park improvements and deferred maintenance needs put off indefinitely until grants or other fundraising can be completed.

The expenditure plan, which is Exhibit A of the attached resolution and ordinance, describes in detail the manner in which the proposed sales tax will be spent. Those expenditures would fall into four categories as shown below:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Support For Local City Parks And Recreation Needs - 33.3%</td>
<td>$38,300,000</td>
</tr>
<tr>
<td>2. Invest In Maintenance, Safety And Recreation Services In Sonoma County Regional Parks, Trails And Open Space Preserves – 25%</td>
<td>$28,750,000</td>
</tr>
<tr>
<td>3. Improve Access To Sonoma County Regional Parks, Trails And Open Space Preserves – 23.4%</td>
<td>$26,840,000</td>
</tr>
<tr>
<td>4. Protect Natural Resources In Sonoma County Regional Parks, Trails And Open Space Preserves – 18.3%</td>
<td>$21,110,000</td>
</tr>
<tr>
<td>TOTAL EXPENDITURE PLAN COST OVER 10 YEARS (Assumes $11.5 million per year)</td>
<td>$115,000,000</td>
</tr>
</tbody>
</table>

The proposed measure would:

Increase public access to existing parks by improving trail systems, countywide multi-use walking, hiking, biking and equestrian trails, picnic areas, restrooms, playgrounds, campgrounds and other facilities. The measure would maintain and enhance parks and open space in all regions of Sonoma County, as detailed in the attached expenditure plan:

- Address deferred maintenance in regional parks, neighborhood parks and open space preserves
- Protect watersheds, water sources and recharge areas including rivers, creeks, estuaries and streams, enhance protection of natural areas and wildlife habitat
- Manage vegetation to preserve biodiversity and reduce wildfire risk
- Provide funding for programs including environmental education, healthy living, and expanded outreach to diverse, urban communities within Sonoma County
- All funds to stay within Sonoma County and funds cannot be taken away by the state government
- Independent citizens' oversight, mandatory financial audits and annual reports
- Visitors from outside Sonoma County would help pay to fund the parks, trails and open spaces they enjoy while visiting
- Prohibit the County Board of Supervisors and City Councils that elect to receive the city parks sales tax proceeds from supplanting the agencies' historical general fund contributions in support of the operating cost for providing park and recreation programs, facilities and services

The State sales tax cap is 7.25%, and state law limits the combined local sales tax to a total of 9.25%. In Sonoma County, the current rate varies from 8.125% to 9.125%. A complete overview of sales tax in Sonoma County jurisdictions is found in Attachment D. This would be a special tax dedicated only to Regional and City Parks and would require a 2/3 vote to be approved in November.
Prior Board Actions:
On June 13, 2018 the Board of Supervisors received a report on the potential Parks ballot measure and directed staff to return in July to place the measure on the ballot.

Strategic Plan Alignment  Goal 2: Economic and Environmental Stewardship

A successful Parks Measure will provide funding to invest in park improvements and deferred maintenance to increase the useful life of our Regional and City Parks and facilities to serve the community over the next 20 years. In addition it will provide funding to invest in natural resources and watershed management to protect the environment.

<table>
<thead>
<tr>
<th>Fiscal Summary</th>
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<tbody>
<tr>
<td>Expenditures</td>
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<tr>
<td>Budgeted Expenses</td>
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<td>Additional Appropriation Requested</td>
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<td>Total Expenditures</td>
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</table>

<table>
<thead>
<tr>
<th>Funding Sources</th>
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<tbody>
<tr>
<td>General Fund/WA GF</td>
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<td>State/Federal</td>
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<tr>
<td>Fees/Other</td>
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<tr>
<td>Use of Fund Balance</td>
</tr>
<tr>
<td>Contingencies</td>
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<tr>
<td>Total Sources</td>
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</tbody>
</table>

Narrative Explanation of Fiscal Impacts:
The cost of placing the measure on the ballot depends on a number of factors, including whether or not there is more than one county measure, actual voter registration, the number of pages of text needed in the voter pamphlet. Estimated costs are approximately $300,000, but could be higher depending on the factors mentioned above. Funding was added from Contingencies as part of the 2018-19 Budget Hearing actions. If successful, the proceeds of the tax will cover the election costs associated with this measure.

A successful ballot measure is estimated to generate an additional $11.5 million annually for the next 10 years of which $7,659,000 would go to Regional Parks and $3,841,000 to city parks.
<table>
<thead>
<tr>
<th>Position Title</th>
<th>Monthly Salary</th>
<th>Additions</th>
<th>Deletions</th>
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</thead>
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<tr>
<td>(Payroll Classification)</td>
<td>Range</td>
<td>(Number)</td>
<td>(Number)</td>
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<tr>
<td>(A–I Step)</td>
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<td></td>
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</tbody>
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Narrative Explanation of Staffing Impacts (If Required):

Attachments:
A. Resolution of Introduction
B. Proposed Parks Measure Ordinance and Expenditure Plan
C. Estimates of Funds to Cities

Related Items “On File” with the Clerk of the Board:

Revision No. 20170501-1
Resolution Of The Board Of Supervisors Of The County Of Sonoma, State Of California, Introducing, Reading The Title Of And Waiving Further Reading of A Proposed One-Eighth Of One Percent Sales Tax Measure Entitled The “Sonoma County Parks Improvement, Water Quality, And Fire Safety Measure Transactions And Use Tax Ordinance,”

Whereas, a proposed ordinance of the Board of Supervisors of the County of Sonoma, introducing, reading the title of and waiving further reading of a proposed one-eighth of one percent sales tax measure entitled the “Sonoma County Parks Improvement, Water Quality, and Fire Safety Measure Transactions and Use Tax Ordinance,” has been introduced and the title read at a public hearing on July 10, 2018; and

Now, Therefore, Be It Resolved that further reading of the proposed ordinance is waived.

BE IT FURTHER RESOLVED, that the Board of Supervisors will consider adoption of the proposed ordinance at their August 7, 2018 Board of Supervisors Meeting.

Supervisors:

Gorin:  Rabbitt:  Zane:  Hopkins:  Gore:

Ayes:  Noes:  Absent:  Abstain:

So Ordered.
“Sonoma County Parks Improvement, Water Quality, and Fire Safety Measure. To improve and protect regional and neighborhood parks; safeguard water supplies, streams, rivers; reduce future wildfire risk; preserve fish and wildlife habitat; conserve natural areas for future generations; support community health and expand walking, hiking, and biking trails; shall Sonoma County establish a one-eighth cent special transaction and use tax (sales tax) countywide for a ten-year period, providing approximately $11.5 million annually, with citizens’ oversight and annual audits?”
ORDINANCE NO. (______)

AN ORDINANCE OF THE
BOARD OF SUPERVISORS OF THE COUNTY OF SONOMA, STATE OF CALIFORNIA,
IMPOSING A TRANSACTIONS AND USE TAX TO BE
ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

The Board of Supervisors of the County of Sonoma, State of California, ordains as follows:

Section 1. TITLE. This ordinance shall be known as Sonoma County Parks Improvement, Water Quality, and Fire Safety Measure Transactions and Use Tax Ordinance. The County of Sonoma, hereinafter shall be called "County." This ordinance shall be applicable in the incorporated and unincorporated territory of the County.

Section 2. OPERATIVE DATE. "Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the adoption of this ordinance, the date of such adoption being as set forth below.

Section 3. PURPOSE. This ordinance is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

A. To impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.5 of Part 1.7 of Division 2 which authorizes the County to adopt this tax ordinance which shall be operative if a (2/3) majority of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.

B. To adopt a retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.
C. To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure therefor that can be administered and collected by the California Department of Tax and Fee Administration in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the California Department of Tax and Fee Administration in administering and collecting the California State Sales and Use Taxes.

D. To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this ordinance.

E. To establish a local funding source for Sonoma County Regional and local City Park deferred maintenance, improvement, programs for youth and adults, and wild land fire prevention as set out in detail in the expenditure plan (“Expenditure Plan”) adopted as part of this Ordinance.

F. Park maintenance and improvements are essential to protecting parks, picnic areas, natural areas, water quality, wildlife and fish habitat, hiking and biking trails, sports fields, playgrounds and other recreational opportunities for future generations.

G. Sonoma County and Cities own thousands of acres of parkland that could be opened and made accessible to the public through this investment, allowing for more hiking, biking and horseback riding trails, picnic areas, campgrounds and athletic facilities for Sonoma residents to visit and enjoy.

H. The proposed tax would encourage interagency efforts to promote recreation, health, agricultural viability, protection of watersheds, promotion of biodiversity and economic vitality consistent with the County’s mission of investing in beautiful, thriving and sustainable communities for all and enriching the quality of life in Sonoma County.

I. The proposed tax would provide needed funding to enable Sonoma County Regional and City Parks to (i) fund currently unfunded deferred maintenance of existing infrastructure, and (ii) redevelop existing facilities and install new infrastructure that would make Sonoma County Regional / City parks more sustainable.

Section 4. CONTRACT WITH STATE. Prior to the operative date, the County shall contract with the California Department of Tax and Fee Administration to perform all functions incident to the administration and operation of this transactions and use tax ordinance; provided, that if the County shall not have contracted with the California Department of Tax and Fee Administration prior to the operative date, it shall nevertheless so contract and in such a case the
operative date shall be the first day of the first calendar quarter following the execution of such a contract.

Section 5.  **TRANSACTIONS TAX RATE.** For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated and unincorporated territory of the District at the rate of $1/8th\%$ of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the operative date of this ordinance.

Section 6. **PLACE OF SALE.** For the purposes of this ordinance, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or their agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the California Department of Tax and Fee Administration.

Section 7. **USE TAX RATE.** An excise tax is hereby imposed on the storage, use or other consumption in the District of tangible personal property purchased from any retailer on and after the operative date of this ordinance for storage, use or other consumption in said territory at the rate of $1/8th\%$ of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

Section 8. **ADOPTION OF PROVISIONS OF STATE LAW.** Except as otherwise provided in this ordinance and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this ordinance as though fully set forth herein.

Section 9. **LIMITATIONS ON ADOPTION OF STATE LAW AND COLLECTION OF USE TAXES.** In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

A. Wherever the State of California is named or referred to as the taxing agency, the name of this County shall be substituted therefor. However, the substitution shall not be made when:
1. The word "State" is used as a part of the title of the State Controller, State Treasurer, California Department of Tax and Fee Administration, State Treasury, or the Constitution of the State of California;

2. The result of that substitution would require action to be taken by or against this County or any agency, officer, or employee thereof rather than by or against the California Department of Tax and Fee Administration, in performing the functions incident to the administration or operation of this Ordinance.

3. In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:
   a. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;
   b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the state under the said provision of that code.

4. In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.

B. The word "District" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.

Section 10. PERMIT NOT REQUIRED. If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this ordinance.

Section 11. EXEMPTIONS AND EXCLUSIONS.

A. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.

B. There are exempted from the computation of the amount of transactions tax the gross receipts from:
1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the County in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

2. Sales of property to be used outside the District which is shipped to a point outside the District, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the District shall be satisfied:

   a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-District address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and

   b. With respect to commercial vehicles, by registration to a place of business out-of-District and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date of this ordinance.

5. For the purposes of sub-paragraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

C. There are exempted from the use tax imposed by this ordinance, the storage, use or other consumption in this District of tangible personal property:
1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.

2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.

3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this ordinance.

5. For the purposes of subparagraphs (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

6. Except as provided in subparagraph (7), a retailer engaged in business in the District shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the District or participates within the District in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the district or through any representative, agent, canvasser, solicitor, subsidiary, or person in the District under the authority of the retailer.

7. "A retailer engaged in business in the District" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the District.
D. Any person subject to use tax under this ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

Section 12. AMENDMENTS. All amendments subsequent to the effective date of this ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this ordinance, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this ordinance.

Section 13. ENJOINING COLLECTION FORBIDDEN. No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the County, or against any officer of the State or the County, to prevent or enjoin the collection under this ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

Section 14. SEVERABILITY. If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

Section 15. EFFECTIVE DATE. This ordinance relates to the levying and collecting of the District transactions and use taxes and shall take effect immediately.

Section 16. TERMINATION DATE. The authority to levy the tax imposed by this ordinance shall expire March, 31, 2029.

Section 17. ELECTION COSTS. Payment for the costs of the election shall be the responsibility of the County. If the election is successful, the County shall be reimbursed for the cost of the election from the proceeds of the tax.

Section 18. CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION COSTS. Payment for the costs of contracting with the California Department of Tax and Fee Administration for administration of the tax shall be the responsibility of the County. If the election is successful, the County shall be reimbursed for any fee charged by the California Department of Tax and Fee Administration from the proceeds of the tax.
Section 19. INCREASE OF THE APPROPRIATIONS LIMIT. The appropriations limit of the County shall be increased by the amount of revenue anticipated to be collected by the County from the transactions and use tax to allow spending of the tax for the period allowed by law.

Section 20. ADOPTION OF THE EXPENDITURE PLAN. The Board hereby adopts the attached Expenditure Plan, which is incorporated into this Ordinance by reference.

Section 21. INDEPENDENT CITIZENS’ OVERSIGHT COMMITTEE AND ANNUAL AUDIT. As further defined in Expenditure Plan (Exhibit A) the Board of Supervisors shall establish a citizens’ oversight committee to provide transparency and ensure fiscal accountability.

Section 22. COMPLIANCE WITH CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA). Pursuant to the State CEQA Guidelines section 15378(b)(4), adoption of this Ordinance and Expenditure Plan is not a “project” subject to the requirements of CEQA. Prior to the commencement of any project included in the Expenditure Plan, any necessary environmental review required by CEQA shall be completed. Estimated costs in the Expenditure Plan include the cost of such environmental review.

PASSED AND ADOPTED

In regular session of the Board of Supervisors of the County of Sonoma introduced on the 10th day of July, 2018, and finally passed and adopted this 24th day of July, 2018, on regular roll call of the members of said Board by the following vote:

SUPERVISORS:

Gorin: ___ Rabbitt: ___ Zane: ___ Hopkins: ___ Gore: ___

Ayes: ____ Noes: ____ Absent: ____ Abstain: ____

WHEREUPON, the Chair declared the above and foregoing ordinance duly adopted and

SO ORDERED.
Chair, Board of Supervisors
County of Sonoma

ATTEST:

___________________________
Sheryl Bratton, County Clerk and
Clerk of the Board of Supervisor
EXPENDITURE PLAN

SONOMA COUNTY PARKS IMPROVEMENT, WATER QUALITY AND FIRE SAFETY MEASURE The expenditure plan for Sonoma County Parks Improvement, Water Quality, and Fire Safety Measure (“Expenditure Plan”) provides for investment into four program categories. Each program category will receive a percentage share of sales tax revenues, currently estimated at $115 million (in 2018 dollars) over a 10-year period.

Project Descriptions

The Expenditure Plan has four program categories that include specific program areas. The Expenditure Plan calls for a specific percentage of revenue to be allocated to each of the categories and the funding then distributed to the proposed list of program areas.

Cost for the items listed under each expenditure category includes support cost for accounting, planning, reservations and marketing, project management and audits.

The list below does not reflect priority order.

<table>
<thead>
<tr>
<th>1. SUPPORT FOR LOCAL CITY PARKS AND RECREATION NEEDS - 33.3%</th>
<th>$38,300,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintain parks and recreation facilities to ensure safe, clean, accessible visitor experiences</td>
<td></td>
</tr>
<tr>
<td>Improve and develop athletic fields, playgrounds, restrooms, picnic areas and visitor amenities</td>
<td></td>
</tr>
<tr>
<td>Create and expand parks, trails, bikeways, public art, and recreation &amp; historical facilities</td>
<td></td>
</tr>
<tr>
<td>Plan and develop bike paths and trails with connections to schools, community spaces and regional trails</td>
<td></td>
</tr>
<tr>
<td>Provide recreation, education and health programs for the community</td>
<td></td>
</tr>
<tr>
<td>Decrease future fire risks, fuel loads and invasive plants on city owned open space parks</td>
<td></td>
</tr>
<tr>
<td>Improve trails along waterways and riparian areas to benefit fish, wildlife habitat and water quality</td>
<td></td>
</tr>
</tbody>
</table>
2. **INVEST IN MAINTENANCE, SAFETY AND RECREATION SERVICES IN SONOMA COUNTY REGIONAL PARKS, TRAILS AND OPEN SPACE PRESERVES – 25%**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complete deferred maintenance in parks, trails, parking areas and restrooms</td>
<td>$28,750,000</td>
</tr>
<tr>
<td>Improve ongoing maintenance of parks, trails, signs, parking areas, fences and buildings</td>
<td></td>
</tr>
<tr>
<td>Provide recreation, education and health programs</td>
<td></td>
</tr>
<tr>
<td>Build and update playgrounds and natural play areas</td>
<td></td>
</tr>
<tr>
<td>Improve sports fields and active recreation parks</td>
<td></td>
</tr>
<tr>
<td>Improve and expand permanent restrooms, picnic areas, and visitor centers</td>
<td></td>
</tr>
<tr>
<td>Provide environmental and cultural education at visitor centers and community sites</td>
<td></td>
</tr>
<tr>
<td>Complete trails and amenities in existing open space parks</td>
<td></td>
</tr>
</tbody>
</table>

3. **IMPROVE ACCESS TO SONOMA COUNTY REGIONAL PARKS, TRAILS AND OPEN SPACE PRESERVES – 23.4%**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operate and maintain parks to ensure safe, clean, accessible visitor experiences</td>
<td></td>
</tr>
<tr>
<td>Repair and expand regional trails, including Class 1 bike paths</td>
<td></td>
</tr>
<tr>
<td>Enhance access to Sonoma Coast, including expansion of coastal trails</td>
<td></td>
</tr>
<tr>
<td>Improve and expand access to Russian River and Petaluma River</td>
<td></td>
</tr>
<tr>
<td>Provide outdoor education and recreation programs for underserved children, families and seniors</td>
<td></td>
</tr>
<tr>
<td>Update park signs, maps and visitor information</td>
<td></td>
</tr>
<tr>
<td>Plan, develop, operate and maintain new open space parks</td>
<td></td>
</tr>
<tr>
<td>Support expansion of Bay Area Ridge and San Francisco Bay Trails in Sonoma County</td>
<td></td>
</tr>
</tbody>
</table>

4. **PROTECT NATURAL RESOURCES IN SONOMA COUNTY REGIONAL PARKS, TRAILS AND OPEN SPACE PRESERVES – 18.3%**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decrease future fire risks, fuel loads and invasive plants</td>
<td>$21,110,000</td>
</tr>
<tr>
<td>Improve waterways and riparian areas to benefit fish, wildlife habitat and water quality</td>
<td></td>
</tr>
<tr>
<td>Monitor and manage soil, vegetation and wildlife conditions</td>
<td></td>
</tr>
</tbody>
</table>
Develop and implement natural resource management plans

Enhance grazing to improve fire safety and biodiversity

Protect and interpret natural and cultural resources through educational programs and services

TOTAL EXPENDITURE PLAN COST OVER 10 YEARS

<table>
<thead>
<tr>
<th>Measure</th>
<th>Cost (in $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 YR Measure – 1/3rd to City Parks and Recreation Needs</td>
<td>$38,300,000</td>
</tr>
<tr>
<td>10 YR Measure – 2/3rds to Regional Parks</td>
<td>$76,700,000</td>
</tr>
</tbody>
</table>

*Assumes $11.5 million per year

Oversight and Administration

The implementation of the Sonoma County Parks Improvement, Water Quality and Fire Safety Measure will be the responsibility of the Sonoma County Regional Parks Department (SCRPD). The SCRPD Director reports to the Sonoma County Board of Supervisors.

Independent Citizens’ Oversight Committee and Annual Audit

The Board of Supervisors shall establish a citizens’ oversight committee to provide transparency and ensure fiscal accountability. The committee shall review the receipt and expenditures of the revenue from the transactions and use tax, including the County’s annual independent audit. The committee’s review shall be completed in conjunction with the County’s budget process. The committee shall produce an annual oral or written report on its review which shall be considered by the Board at a public meeting. The committee may provide budget recommendations to the Board and City Councils regarding expenditures from the transactions and use tax. Any written report shall be a public record. The Board shall adopt a resolution regarding the appointment of seven committee members, and any additional duties of the committee. A minimum of two of Committee members will be selected from list of names submitted by the Mayors of Sonoma County Cities, provided such suggested names are submitted. In the absence of one or both names from City Mayors the Sonoma County Parks Advisory Commission Chair and Vice Chair will serve on the Oversight Committee. Each Board of Supervisor Member will appoint one person to serve on the Citizen’s Oversight Committee. Committee members will serve a three year term and are eligible to be reappointed to one additional three year term.

The funds collected from the transactions and use tax ordinance shall be accounted for and tracked by the County Auditor-Controller Treasurer-Tax Collector in four separate funds to facilitate citizen oversight.
The amount generated by this revenue source and how it was used shall be included in the annual audit of the County’s financial operations by an independent certified public accountant, which the committee shall review.

To preserve the integrity and independence of the oversight process, the committee’s responsibilities shall not include decision-making on spending priorities, financing plans or tax rate projections or assumptions and the committee shall have no authority to direct, nor shall it direct, County or City staff or officials.

**Annual Report**

An annual Sonoma County Parks Improvement, Water Quality, and Fire Safety Measure Transactions and Use Tax Ordinance Report shall be prepared by the SCRPD and each city no later than the last day of the sixth month following the end of each fiscal year. The Report shall be submitted to the Citizens’ Oversight Committee for review. The Committee will submit their findings and conclusions to the County Board of Supervisors and City Councils. The Report will also be made available to the public. The Annual Report shall detail the prior fiscal year’s activities related to the retail transactions and use tax. The Report shall include revenues generated by the Transactions and Use Tax, expenditures (in summary form), funds carried over from previous fiscal years, and any remaining funds to be carried over for expenditure in subsequent fiscal years. The report may also include any future expenditures/projects that the entity is considering and for which they are seeking confirmation of eligibility for use of the proceeds from this Parks measure.

**California Department of Tax and Fee Administration Costs.**

Payment for the costs of contracting with the California Department of Tax and Fee Administration for administration of the tax shall be the responsibility of the County. If the election is successful, the County shall be reimbursed for any fee charged by the California Department of Tax and Fee Administration from the proceeds of the tax.

**Election and Administration Costs**

Payment for the costs of the election shall be the responsibility of the County. If the election is successful, the County shall be reimbursed for the cost of the election from the proceeds of the tax. The annual administrative cost borne by the County’s Auditor staff and the California Department of Tax and Fee Administration will be deducted from the annual proceeds from 1/8% sales tax before distribution to the park departments.

**Allocation of Transaction Tax Proceeds**

The net proceeds from the 1/8th % tax after deduction for California Department of Tax and Fee Administration and the County Auditor-Controller, Treasurer, Tax Collector cost for the administration of the tax shall be distributed as follows: 33.3% of proceeds from the 1/8th
percent transaction tax will be distributed to all incorporated cities based on their pro rata share of the most current total population of incorporated Sonoma County cities as provided by the State of California Finance Department. A onetime change over the 10 year term of this measure can be made to the per capita method of distributing the 33.3% share to cities by agreement of a 2/3rds majority of the City Managers or their designee’s from each of the incorporated Sonoma County Cities.

**Maintenance of Effort Requirement**

The proceeds from this measure should not be used to supplant an agency’s historical general fund(s) contribution in support of the operating (non-capital project) cost for providing its park and recreation programs, facilities and services. Other than during times of financial downturn or other unexpected event, General Fund contributions, adjusted for onetime funding, should not be less than allocated for the previous fiscal year. For purposes of this section a financial downturn is defined as a time where total general fund revenues for the county/city have declined by 1% or more when compared to the previous year.

Tax proceed recipients (cities and county) with reductions to General Funded Parks Departments due to financial downturn will not be deemed as in violation of the maintenance of effort requirement provided the actual amount of General Funds provided for operating Parks and Recreation programs, facilities and services is no less than the lowest amount provided over the three fiscal years of 15/16, 16/17 and 17/18 as shown in those three years’ Adopted Budgets. Tax proceed recipients as part of their budgeting process shall annually determine the budgeted general fund(s) non-capital contributions, adjusted for onetime funding, for parks and recreation uses.

**Implementation Guidelines**

A. The duration of the tax will be 10 years, beginning on April 1, 2019 and expiring on March 31, 2029.

B. Environmental reporting, review and approval procedures as provided for under the National Environmental Policy Act, and/or the California Environmental Quality Act, or other applicable laws will be adhered to as a prerequisite to the implementation of any project.

C. Actual tax proceeds may be higher or lower than estimated in this Regional Parks 1/8th Cent Transactions and Use Tax Ordinance for Sonoma County over the 10-year term. The Expenditure Plan is based on the percentage distributions to each Program Category and the dollar values included are estimates only. Actual tax proceeds will be programmed annually in accordance with the percentage distributions in the Expenditure Plan.
## Estimates Of Funds to Cities Based Per Capita

### 33.3% Cities, 66.6% County Percentage of Population

<table>
<thead>
<tr>
<th>City</th>
<th>% of Tot city Pop.</th>
<th>Allocation/Year</th>
<th>10 Year Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Santa Rosa</td>
<td>50.03%</td>
<td>$1,917,737</td>
<td>$19,177,370</td>
</tr>
<tr>
<td>Petaluma</td>
<td>17.19%</td>
<td>$659,107</td>
<td>$6,591,070</td>
</tr>
<tr>
<td>Rohnert Park</td>
<td>11.96%</td>
<td>$458,542</td>
<td>$4,585,420</td>
</tr>
<tr>
<td>Windsor</td>
<td>7.70%</td>
<td>$295,094</td>
<td>$2,950,944</td>
</tr>
<tr>
<td>Healdsburg</td>
<td>3.33%</td>
<td>$127,717</td>
<td>$1,277,167</td>
</tr>
<tr>
<td>Sonoma</td>
<td>3.09%</td>
<td>$118,612</td>
<td>$1,186,120</td>
</tr>
<tr>
<td>Cloverdale</td>
<td>2.51%</td>
<td>$96,342</td>
<td>$963,415</td>
</tr>
<tr>
<td>Sebastopol</td>
<td>2.14%</td>
<td>$82,171</td>
<td>$821,714</td>
</tr>
<tr>
<td>Cotati</td>
<td>2.04%</td>
<td>$78,088</td>
<td>$780,885</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>$3,833,410</strong></td>
<td><strong>$38,334,100</strong></td>
</tr>
<tr>
<td><strong>Unincorporated</strong></td>
<td></td>
<td><strong>$7,666,590</strong></td>
<td><strong>$76,665,900</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$11,500,000</strong></td>
<td><strong>$115,000,000</strong></td>
</tr>
</tbody>
</table>