



COUNTY OF SAN MATEO
Inter-Departmental Correspondence

DATE: July 6, 2006

BOARD MEETING DATE: July 18, 2006

SPECIAL NOTICE/HEARING: None

VOTE REQUIRED: 4/5

TO: Honorable Board of Supervisors

FROM: Supervisor Jerry Hill
Supervisor Adrienne Tissier

SUBJECT: County of San Mateo Parks for the Future Sales Tax Measure

RECOMMENDATION:

(1) Adopt an ordinance establishing a one-eighth (1/8) cent sales tax for parks and recreation purposes, subject to a two-thirds vote of the electorate; and (2) Adopt a resolution placing the ordinance on the November 7, 2006 general election ballot.

VISION ALIGNMENT:

Commitment: The proposed measure furthers the commitment to preserve and provide people access to our natural environment and the commitment to responsive, effective and collaborative government.

Goals: The proposed measure fulfills the goal of ensuring residents have nearby access to green space, such as parks and recreational opportunities, and the goal of County and local governments effectively communicating, collaborating and developing strategic approaches to issues affecting the entire County.

BACKGROUND:

In 2004, the County and representatives from the Cities began discussions on alternatives to increase funding for the operation, improvement and maintenance of parks in all areas of San Mateo County. The effort grew out of a recognition that there is strong public support for parks and recreation activities within the County, and that other budget priorities have eroded the ability to maintain and improve park and recreation amenities in the incorporated and unincorporated areas of the County.

A Steering Committee, consisting of County and city representatives, and members of the public with a strong interest in the improvement and maintenance of the Countywide park system, determined that one-eighth (1/8) cent sales tax would

provide approximately \$16,000,000 per year, in today's dollars, for parks in San Mateo County. In 2005, the County sponsored state legislation to authorize the tax (S.B. 203 (Simitian)).

DISCUSSION:

The Steering Committee has developed a proposed measure, to be submitted to a vote of the electorate at the November 2006 election, to establish a one-eighth (1/8) cent sales tax for parks purposes. There is strong support for the measure from the cities. The major components of the measure are as follows:

- \$ The measure would be in effect for a period of 25 years, and would be further extended by a vote of the electorate.
- \$ Net tax revenues must be used to support parks and recreation services, including maintaining and improving park bathrooms, picnic areas and athletic facilities, repairing and upgrading playgrounds and play structures, improving access to parks and playgrounds for the disabled, preserving open spaces, and maintaining hiking and biking trails.
- \$ Allocation of net tax revenues, after deduction of administrative expenses, would be: 42% to the County, 6% to the three park districts operating in the County, and 52% to the cities, with the allocation to the cities to be distributed based on population. Any growth in sales tax revenues exceeding 4% from one year to the next will be shared by the cities and districts only.
- \$ The City/County Association of Governments will oversee the allocation of funds, will periodically audit the distribution and use of the funds, and will report on the status of the distribution and use of the funds at a public meeting.

Because the measure is a special tax, it must be approved by a 2/3 vote of the electorate. Polling conducted on two occasions has indicated strong public support for the measure. SB 203 requires at least a 2/3 vote of the Board to place this measure on the ballot, therefore a 4/5 vote is required. If passed by the electorate, collection of the sales tax will begin in April 2007.

Today, we ask the Board to introduce the ordinance and waive reading of the ordinance in its entirety, and continue the matter to the August 1 meeting for final adoption of the ordinance and adoption of the resolution placing the measure on the ballot.

FISCAL IMPACT:

The cost of placing this measure on the November ballot could be as high as \$500,000, depending on how many measures are placed on the ballot. This amount would not be recoverable in the event the measure fails. Additionally, the State requires an initial "start up" cost of between \$15,000 and \$40,000 if the measure prevails. The measure provides for reimbursement of both the election costs and the start-up costs from the first year of sales tax proceeds.