

**SAN JOAQUIN COUNTY  
GENERAL SERVICES  
DEPARTMENT**

**PARKS AND RECREATION  
BENCHMARKING AND  
ASSESSMENT REPORT**

May 21, 2018

Public Finance  
Public Private Partnerships  
Urban Economics  
Clean Energy Bonds

---

Newport Beach  
San Francisco  
San Jose  
Riverside  
Dallas  
Houston

**TABLE OF CONTENTS**

	Page
<b>CHAPTER 1: EXECUTIVE SUMMARY &amp; STUDY OVERVIEW .....</b>	<b>1</b>
INTRODUCTION .....	1
BACKGROUND .....	1
METHODOLOGY .....	2
KEY FINDINGS .....	2
COMMON THEMES .....	3
SUMMARY OF RECOMMENDATIONS .....	3
CONSTRAINTS AND PROCESSES .....	5
<b>CHAPTER 2: BENCHMARKING, OPERATIONS ANALYSIS .....</b>	<b>6</b>
PARKS DIVISION ANALYSIS .....	6
FINDINGS - PARKS .....	8
ZOO ANALYSIS .....	9
FINDINGS - ZOO .....	11
<b>CHAPTER 3: EVALUATION OF PARKS AND FACILITIES .....</b>	<b>12</b>
OPERATIONS AND MAINTENANCE .....	13
<b>CHAPTER 4: MICRO-RECOMMENDATIONS .....</b>	<b>21</b>
1. EXPAND THE VOLUNTEERING PROGRAM / COMMUNITY ACTIVATION .....	21
2. FOCUS RESOURCES AND ATTENTION ON OAK GROVE AND MICKE GROVE .....	22
3. EXPAND AUTOMATION, ONLINE, AND REVENUE OPTIMIZATION PROCESSES .....	23
<b>CHAPTER 5: MACRO-RECOMMENDATIONS .....</b>	<b>26</b>
1. DECREASE REGIONAL PARK INVENTORY .....	26
2. RE-NEGOTIATE OPERATING AGREEMENT WITH THE ZOOLOGICAL SOCIETY .....	28
3. EVALUATE STRATEGIC PRIORITIES RELATING TO MICKE GROVE ZOO .....	29
4. SECURE LONG-TERM FUNDING FOR PARKS AND RECREATION .....	30
<b>CHAPTER 6: PUBLIC FINANCING OPTIONS .....</b>	<b>32</b>
SPECIAL DISTRICTS AND BALLOT MEASURES .....	32
COMMUNITY FACILITIES DISTRICT (“CFD” OR “MELLO-ROOS”) .....	33
ENHANCED INFRASTRUCTURE FINANCING DISTRICTS (“EIFDs”) .....	34
ASSESSMENT DISTRICTS (“ADs”) / LANDSCAPING AND LIGHTING DISTRICTS (“LLDs”) .....	35
DEVELOPMENT IMPACT FEES (“DIFs”) .....	36
PUBLIC PRIVATE PARTNERSHIPS (“P3”) .....	38
<b>CHAPTER 7: IMPLEMENTATION AND PROPOSED TIMELINE .....</b>	<b>40</b>
SUMMARY OF RECOMMENDATIONS .....	40
PREFERRED PUBLIC FINANCING STRATEGIES .....	40
PUBLIC FACILITIES FINANCING PLANS (“PFFPs”) .....	40
SAMPLE TIMELINE .....	43
<b>NOTES .....</b>	<b>44</b>
<b>APPENDIX .....</b>	<b>46</b>

## CHAPTER 1: EXECUTIVE SUMMARY & STUDY OVERVIEW

### INTRODUCTION

To assist the San Joaquin County Parks and Recreation Division (the “Division”) with administration and operation, David Taussig and Associates, Inc. (“DTA”) was tasked with performing a benchmarking study and assessment (the “Study”) of San Joaquin’s regional parks system. The purpose of this Study is to evaluate how San Joaquin County compares to other counties based on a wide range of quantitative and qualitative information regarding parks, recreation, facilities, employees, services, and finances.

### BACKGROUND

The San Joaquin County General Services Department oversees the San Joaquin County Parks and Recreation Division, which operates and maintains approximately 997 acres of parkland. Consisting of nine (9) regional and twelve (12) non-regional parks, the Division provides parks and open space services to roughly 750,000 San Joaquin County residents.

Across its parks inventory, the Division has 129 rental facilities, including 23 picnic shelters, 68 campsites, 21 boat slips, and 17 sports fields. With opportunities for fishing, camping, boating, and various other activities, the parks system enables local residents to participate and enjoy an array of park features and amenities.

Micke Grove Regional Park serves as the park system’s most popular attraction, featuring, among other things, the Micke Grove Zoo, Wortley Lake, a Japanese Garden, FunTown at Micke Grove, and the San Joaquin Historical Museum. In 2016-2017 alone, Micke Grove Regional Park saw over 390,000 visitors.

Micke Grove Zoo, located within Micke Grove Regional Park, in many ways acts as the community’s emotional tether to the parks system. The Zoo cares for and houses 143 animals from approximately 51 different species. It is home to both native animals and exotic species, some of which are classified as endangered. As noted in its mission statement, the Zoo is committed to “promoting the stewardship of Nature through enjoyment, understanding, and involvement.”

Like most parks and recreation departments across the State of California, the Division faces the challenge of providing a high quality of service to its local communities despite the burgeoning costs of services. These financial constraints have recently led to a re-evaluation of the Division’s regional park inventories, operations, funding sources, and organizational structure.

## METHODOLOGY

DTA compiled a list of a dozen different counties (see Chapter 2) to research and, based on demographic criteria, selected three (3) counties that were most similar to San Joaquin based on:

- Population
- Median Household Income
- Geographic Location
- Similarity in Climate
- Similar Governance Structure
- Parks and Facilities

Additionally, DTA reviewed eleven (11) different zoos (see Chapter 2) and selected three (3) that were most similar to Micke Grove Zoo based on:

- Acreage
- Zoo Animal Inventory Count
- Geographic Location
- Climate

DTA also prepared and distributed three (3) surveys for different segments of the San Joaquin County staff, including the Park Division administrators, the operations and maintenance staff, and the Micke Grove Zoo staff. Select survey respondents received follow-up questions and/or were interviewed. Furthermore, DTA anonymously conducted two (2) on-site visits to the Micke Grove Park and Zoo, one (1) on-site visit to Dos Reis Regional Park, and one (1) scheduled on-site visit to Oak Grove Regional Park and Nature Center.

## KEY FINDINGS

- **The Division provides a wider scope of services and amenities than benchmarked Counties.** Visitation numbers are high and increased 20.1% between 2013 to 2017, indicating a great demand for parks and open space in San Joaquin County.
- **The Division's regional park inventory has a higher number of active sites than benchmarked Counties.** As such, staff are seen spending a larger part of their time communicating and interacting with visitors than their counterparts in Stanislaus, Placer, and Yolo County. This is one of the Division's strengths and should be leveraged to generate more publicity and engage sponsors.
- **The Division's parks employees assume great individual responsibility in order to operate and maintain the Micke Grove Zoo.** Compared to benchmarked zoos, Micke Grove Zoo experiences among the most visitors per Full Time Equivalent ("FTE"), in addition to possessing a high number of animals per FTE.

- **The Micke Grove Zoo faces financial challenges and currently does not have access to a quick-fix solution.** The identification of avenues to future financing will prove paramount to the Zoo's fiscal viability going forward. The reaccreditation of the Zoo could be one such avenue, as sponsors and donors may be more willing to support accredited facilities. Accreditation may also help secure grant funding; the Association of Zoos & Aquariums ("AZA"), for instance, awards various Conservation Grants each year.
- **Zoos rely heavily on donations, sponsorships, and foundation funding to remain operational.** The third-party non-profit organizations affiliated with the benchmarked zoos provide a high level of support by assisting with operational demands and sourcing and administering corporate sponsorships and fundraising events.
- **Coordination and outreach with San Joaquin County's Department of Community Development is vital to accessing additional sources of grant funding.** Other municipalities take advantage of grant opportunities such as the Housing-Related Parks (HRP) Program and the Land and Water Conservation Fund (LWCF).

### COMMON THEMES

Common themes that emerged over the course of the study include:

- 1) Full-time staff has integrated with large number of seasonal staff
- 2) The Division does more with less, in comparison to the benchmarked Counties
- 3) Large regional park inventory with demanding cost-center facilities
- 4) A need to better prioritize high-visibility capital projects and regional park facilities that receive the most annual visitors
- 5) Existing funding sources unable to keep up with rising costs of services and maintenance
- 6) Lost revenue potential at certain cost-centers
- 7) A lack of long-term funding options for operations and maintenance

### SUMMARY OF RECOMMENDATIONS

- **Expand the Volunteering Program / Community Activation**  
Volunteers are a crucial resource that the Division currently benefits from and relies upon, and it is vital that the Division continues to turn to the public for help, engaging volunteers where possible to support park maintenance and operations. Micke Grove Zoo currently has 13 active volunteers who assist with Zoo operations, and the Society's latest SEC filing reveals the organization has 0 active volunteers. These volunteer statistics are significantly lower than benchmarked zoos. Additionally, in comparing the online sign-up processes for prospective volunteers, the Division's is less streamlined and has room for improvement.

➤ **Focus Attention and Resources on Oak Grove and Micke Grove**

These two regional parks attract the greatest number of annual visitors, due in large part to the variety of amenities they offer to the community. Oak Grove and Micke Grove are, therefore, best positioned to utilize additional resources and attention to generate additional revenues, attract new visitors, and improve upon the quality of existing services and amenities. The revamped amphitheater at Oak Grove, for example, provides an opportunity to increase community engagement and raise revenues.

Additionally, there may be room to improve employee efficiencies through increased staffing efforts or a realignment of employee roles. Greater emphasis should be placed on marketing, public outreach, volunteer program management, and dedicated fundraising. Office staff for both the zoo and parks system, for example, may have capacity to absorb some portion of these responsibilities. The Division should consider providing additional training to staff who are assigned new or expanding roles.

➤ **Expand Automation, Online, and Revenue Optimization Processes; Increase Marketing; and Develop Consistent Membership and Parking Policies**

Online campground reservations are in the process of being implemented, and the County should continue to improve and apply this line of thinking across the Division, where applicable. Improving the online automation process will decrease staff workload and increase the visibility and convenience to future visitors.

Similarly, a method of tracking visitors among the separate sites at Micke Grove — i.e., the zoo, the disc golf course, the Japanese garden, and the historical museum — would allow the Division to accurately measure demand and usage for each facility.

The Division would also benefit from additional performance metrics such as new volunteer sign-ups, newsletter sign-ups, and visitor feedback. These can be tools for evaluating certain processes and may help develop future outreach and marketing strategies.

Furthermore, the parking user fees at Micke Grove Park should be re-evaluated due to the variance in pricing set by organizations operating at Micke Grove. The County, the Zoo, the Zoological Society, the Japanese Gardener's Club, and the Historical Society all offer some form of membership that includes free parking or discounted parking at Micke Grove Park, but there is no uniformity in price.

➤ **Decrease Regional Park Inventory**

DTA recommends reducing the inventory of regional parks by turning over the Woodbridge Wilderness Area to a neighboring homeowner's association and pursuing a public private partnership (P3) for the Regional Sports Complex.

- **Renegotiate Operating Agreements with Zoological and Historical Societies**  
The original 1999 operating agreement with the Zoological Society is out-of-date, and the existing division of responsibilities and duties between the Zoo and the Society will likely need to be revisited in order for both organizations to have a clearer understanding and more transparency of their respective goals and objectives.
- **Evaluate Strategic Priorities Relating to Parks and Micke Grove Zoo**  
The Division should evaluate its strategic objectives for Micke Grove Zoo. If the Division's intention is to renovate and revitalize the Zoo, additional funding must first be secured to complete the East End Project, which in its unfinished state is a roadblock to reaccreditation.

Reaccreditation with the AZA, the Zoological Association of America ("ZAA"), or a similar institution can help secure funding as: (i) an improved perception surrounding the Zoo encourages potential sponsors and donors; and (ii) accreditation improves access to grant programs. In such a case, the Division should explore and engage the AZA Mentorship Program, which provides pivotal feedback and is available at little to no cost.

If the Division intends to model the Zoo after the Folsom City Zoo Sanctuary, which does not breed, sell, or trade animals, and does not wish to seek accreditation, it should consider renaming or rebranding the Zoo. Sanctuaries act on behalf of the animals and focus on providing a lifestyle as close to natural as possible until the death of an animal. A sanctuary is not open to the public in the same sense as a zoo; animals are not presented in exhibits for viewership, and the public is typically not allowed unescorted access through the facility.

Measure Z, a one-tenth of one percent (.1%) sales tax, was enacted in 2004 by Fresno County voters to finance repairs for animal exhibits and facility repairs and to finance expansions to the Fresno Chaffee Zoo. The special measure, which required 2/3 voter approval, generated over \$110 MM between 2004 and 2014.

- **Secure Long-Term Funding for Parks and Recreation**  
Existing revenue sources are affected by a variety of factors that create volatility and unpredictability for budgeting and forecasting. DTA recommends that the County look towards additional public financing sources to secure stable and long-term funding options for the Division/Department.

#### **CONSTRAINTS AND PROCESSES**

- Time constraints
- Aggregation of costs and revenues data
- Budget cycle changes
- Possible loss of momentum vis-à-vis next steps
- Political climate of local government
- Macroeconomic issues facing the San Joaquin Valley

## CHAPTER 2: BENCHMARKING, OPERATIONS ANALYSIS

A benchmarking analysis was performed for both the San Joaquin Parks and Recreation Division and the Micke Grove Zoo in order to identify and evaluate areas of strength and weakness as compared to other communities. DTA considered nearly a dozen California counties (including Stanislaus, Placer, Yolo, Kern, Lake, Solano, Sutter, El Dorado, Sacramento, Kings, and Ventura County) and zoos (including the Happy Hollow Zoo, Charles Paddock Zoo, Sequoia Park Zoo, Santa Ana Zoo, Orange County Zoo, and Folsom Zoo, as well as a few out-of-state zoos, including the Oregon Zoo, Milwaukee County Zoo, Bergen County Zoo, Sedwick County Zoo, and Cape May County Zoo) to arrive at the analysis contained herein.

### PARKS DIVISION ANALYSIS

During the period of preliminary data collection, a total of eleven (11) Counties were identified as potential benchmarks. Of those, the three (3) most comparable were selected: Stanislaus, Placer, and Yolo. All three are close to San Joaquin geographically and exhibit similar characteristics in terms of median household income, median property value, and land area.

By evaluating the Division against its counterparts in Stanislaus, Placer, and Yolo County, DTA has been able to establish a baseline of measurements by which to evaluate and, ultimately, prioritize its recommendations for the future.

Note, when examining these statistics, it is important to consider each in context. Each is simply a component of a greater whole, and in isolation may prove an ineffective comparative tool.

**Table [2-1]  
County Demographics**

	San Joaquin	Stanislaus	Placer	Yolo
Population [1]	745,424	547,899	386,166	219,116
Median Household Income [1]	\$55,045	\$51,591	\$76,926	\$57,663
Median Property Value [33]	\$278,400	\$243,500	\$407,400	\$325,700
Land Area (Sq. mi.) [33]	1,426	1,515	1,502	1,024
Average Density (Persons per Sq. m.)	522.74	361.65	257.10	213.98

As shown in Table [2-1], San Joaquin County has a larger population (and greater population density) than the comparable counties; this is notable because it is an indication of the service demand within the area. The Division must accommodate more people, and provide more services, than does Stanislaus, Placer, or Yolo County. This will prove a common theme.



**Table [2-2]**  
**Department/Division Budget Comparison**  
(NUMBERS ARE SUBJECT TO ROUNDING)

	San Joaquin	Stanislaus	Placer	Yolo
Total Expenditures [19], [3], [4], [5]	\$5,504,181	\$6,669,469	\$4,398,313	\$1,693,448
Total Revenues [19], [3], [4], [5]	\$3,126,050	\$3,763,743	\$2,459,968	\$523,683
Percentage of Expenditure Funded by Revenues	56.79%	56.43%	55.93%	30.92%
Population [1]	745,424	547,899	386,166	219,116
<b>Parks and Recreation Expenditures per Capita</b>	<b>\$7.38</b>	<b>\$12.17</b>	<b>\$11.39</b>	<b>\$7.73</b>
General Fund Contribution [19], [3], [4], [5]	\$2,378,131	\$2,905,726	\$1,938,345	\$1,037,365
General Fund Contribution per Capita	\$3.19	\$5.30	\$5.02	\$4.73
GF Contribution as a Percentage of Parks Budget	43.21%	43.57%	44.07%	61.26%

Broadly, and as seen in Table [2-2], above, the Division generated approximately \$3.1 million in revenue for FY 17-18, enough revenue to cover approximately 56.79% of its annual expenditures.

Indeed, no parks and recreation department is completely alike and such differences in sources of funding, organizational structure, and policy objectives are to be expected. Stanislaus, Placer, and San Joaquin County all fund a comparable share of their expenditures through service revenues. And while this means that San Joaquin generates proportionately more than does Yolo County, it is, like most parks departments, still dependent on the County General Fund. Critically, and perhaps most notably, **the Division's general fund contribution per capita is the lowest among the benchmarked Counties.**

**Table [2-3]**  
**Department/Division Service Comparison**  
(NUMBERS ARE SUBJECT TO ROUNDING)

	San Joaquin	Stanislaus	Placer	Yolo
Population [1]	745,424	547,899	386,166	219,116
Number of Staff (FTE) [2], [3], [4], [5]	59.5	42	22	7
Non-Regional Parks [7], [8]	12	37	39	9
Regional Parks [6], [7], [8]	9	5	2	4
FTE per Regional Park	6.61	8.40	11.00	1.75
Regional Park-Acres	584	5,314	1,324	1,646
Parks and Recreation Expenditures per Capita	\$7.38	\$12.17	\$11.39	\$7.73
<b>General Fund Contribution per Capita</b>	<b>\$3.19</b>	<b>\$5.30</b>	<b>\$5.02</b>	<b>\$4.73</b>
Number of Annual Visitors [2], [3]	855,200	590,636		
Average Annual Visitors per Regional Park	95,022	118,127		
Average Annual Visitors per Regional Park-Acre	1,464	111		
Visitors per FTE	14,373	14,063		

As seen in Table [2-3], the Division operates and maintains the greatest number of regional parks in the area. Nearly fifty-percent (50%) of San Joaquin's parks are regional parks, a ratio much higher than that of Stanislaus, Placer, or Yolo County. This is significant because regional parks typically demand greater budgetary need.

Although San Joaquin's regional park-acreage is a less than the benchmarks, likely due to the urbanized nature of the County, **the Division's system experiences more visitors and (substantially) more visitors per regional park-acre.** This proximity suggests that service, and person-to-person interaction, is a larger component of the Division staff's workload than in Stanislaus, Placer, or Yolo. Responsible for upkeep and maintenance, staff must also be attentive to park visitors and local residents to ensure their safety and enjoyment of the facilities.

San Joaquin County's high visitation statistic is likely due to the wide variety of park features offered by the Division. Micke Grove Park, for instance, provides the community with a multitude of activities and amenities including a Japanese Garden, a small amusement park, a splash pad, the Micke Grove Zoo, and opportunities for fishing and disc golf. The Micke Grove Regional Park alone, encompassing 132 acres of the Division's inventory, serviced 393,000 visitors in 2016-2017 (over half of the system's total visitors), a testament to the facility's popularity. In this respect, the Division's efforts are first class; indeed, the residents of San Joaquin come first.

The impacts of visitation at this magnitude should not be overlooked. As further confirmed by surveys and interviews, Division staff often interact with guests due to the nature of many regional parks being active sites. Given that staff time is a finite resource, it becomes difficult to balance the regular duties of Division employees with the increasing service demands that result from a growing County population and increasing annual visitations.

### **FINDINGS - PARKS**

- The Division provides a wider scope of services and amenities than does Stanislaus, Placer, or Yolo. Visitation numbers are high and increased 20.1% between 2013 to 2017, indicating a great demand for parks and open space in San Joaquin County. This is encouraging, as local residents are clearly interested in and engaged by the Division and its offerings.
- The Division has an excellent opportunity to further solidify its strong community bond. A cohesive marketing plan using online and social media channels is a critical component of any parks department's success, regardless of locale, and staff are the first contact between the community and the department. **The Division's regional park inventory has a higher number of active sites than benchmarked Counties.** As such, staff are seen spending a larger part of their time communicating and interacting with visitors than their counterparts in Stanislaus, Placer, and Yolo County. This is one of the Division's strengths and should be leveraged to generate more publicity and engage sponsors.
- Coordination and outreach with San Joaquin County's Department of Community Development is vital to accessing additional sources of grant funding, such as the Housing-Related Parks (HRP) Program and the Land and Water Conservation Fund (LWCF).

**ZOO ANALYSIS**

Identifying analogous sites for the Micke Grove Zoo presented difficulties given the special nature of the facility. County-run zoos are a bit of a rarity, and most tend to be larger in scale than Micke Grove. In an effort to focus on the unique nature of California public agency financing, DTA selected the Happy Hollow Zoo in San Jose, the Charles Paddock Zoo in Atascadero, and the Sequoia Park Zoo in Eureka as benchmarks. In addition to being operated by a parks department, each site is similar in size and the quantity of animals housed. Importantly, each of the three zoos selected for this analysis are AZA accredited.

**Table [2-4]  
Zoo Accreditation**

Zoo	Location	Accreditation
Happy Hollow Zoo	San Jose, CA	AZA
Charles Paddock Zoo	Atascadero, CA	AZA
Sequoia Park Zoo	Eureka, CA	AZA
Santa Ana Zoo	Santa Ana, CA	-
Orange County Zoo	Orange, CA	ZAA
Folsom Zoo	Folsom, CA	-
Fresno Chaffee Zoo	Fresno, CA	AZA
Oregon Zoo	Portland, OR	AZA
Milwaukee County Zoo	Milwaukee, WI	AZA
Bergen County Zoo	Hackensack, NJ	AZA
Sedwick County Zoo	Wichita, KS	AZA
Cape May County Zoo	Cape May Court House, NJ	AZA

All of the zoos identified within Table [2-4], with the exception of the Santa Ana Zoo and Folsom Zoo, are accredited with either the Association of Zoos & Aquariums (“AZA”) or the Zoo and Aquarium Association (“ZAA”). The Santa Ana Zoo lost accreditation in 2017 due to monkey habitats that were “outdated and not consistent with modern zoological practices.”

The Folsom Zoo, identified by the Division as a strong potential benchmark, has chosen not to seek accreditation due to a divergence of policy and objectives (the Zoo does not breed, sell, or trade animals). Furthermore, based on an analysis of recent capital improvement projects at the Folsom Zoo, DTA has identified that the Zoo is heavily reliant on grant funding provided by the Housing-Related Parks (“HRP”) Program offered by the California Department of Housing and Community Development (“CDHCD”). HRP funds are awarded based on new affordable housing units issued by the applicant each program year (typically calendar year) and suggests coordination between the City of Folsom’s community/economic development, and parks and recreation departments to secure this grant funding.

Tables [2-5] and [2-6] on the following page present much of the quantitative information relevant to this analysis. On the face, Micke Grove Zoo exhibits characteristics similar to the benchmarks in terms of number of animals, species, and annual visitors (relative to total expenses). Similarly, the price of admission is roughly comparable among the selected zoos given their size. Where the Micke Grove Zoo begins to deviate, and consequently struggle, is in its number of corporate sponsors, number of revenue sources (from administration, services/programs, gift shop, etc.), and number of volunteers. Each of these areas has room for improvement.

Similarly striking is the number of animals per full-time employee equivalent (“FTE”). Micke Grove boasts the second-highest figure among those examined at approximately 11.33 animals per FTE. And while Micke Grove does, generally, house small-bodied species, each individual animal requires significant time and effort from staff in order to ensure its health and well-being. Notably, the employment figures for the Happy Hollow Zoo reflect both Park and Zoo staff.

**Table [2-5]**  
**Zoo Budget Comparison**  
(NUMBERS ARE SUBJECT TO ROUNDING)

	Micke Grove Zoo	Happy Hollow Zoo	Charles Paddock Zoo	Sequoia Park Zoo
Total Expenses [14], [19], [17], [15]	\$1,313,299	\$7,940,312	\$1,060,050	\$926,995
Total Revenues [19], [17], [15]	\$319,819	\$6,227,000	\$427,090	\$1,194,042
Revenue from Administration [17], [15]	\$0		\$251,360	\$284,239
Revenue from Services/Program [17], [15]	\$310,219		\$62,200	\$19,559
Revenue from Gift Shop [17], [15]	\$0	\$18,875	\$86,530	\$0
Revenue (Miscellaneous/General Fund) [17], [15]				\$623,157
Amount Paid by Foundation [17], [15]	\$9,600	\$145,000	\$27,000	\$267,087
Online Donations Available	No	Yes	Yes	Yes
Number of Corporate Sponsors [9], [10], [11], [12]	0-2	21	11	20
Annual Fund-Raising Events [9], [10], [11], [12]	3*	4	4	3

\* Events run by Zoological Society.

**Table [2-6]**  
**Zoo Operations Comparison**  
(NUMBERS ARE SUBJECT TO ROUNDING)

	Micke Grove Zoo	Happy Hollow Zoo	Charles Paddock Zoo	Sequoia Park Zoo
Number of Animals [9], [10], [11], [12]	143	150	101	195
Number of Species [9], [10], [11]	51	70	45	54
Number of Zoo Staff (FTE) [13], [19], [11], [12]	13	98	7	25
Number of Animals per FTE	11.33	1.50	14.42	7.80
Zoo Acreage	5	16	5	7
Zoo Visitors [14], [18], [17], [15]	117,900	439,762	68,000	109,756
Zoo Visitors per FTE	9,342	4,487	9,714	4,390
Number of Society Employees [13], [12]	3.5			12
Number of Zoo Volunteers [13], [12]	13	60		255
Children Admission Price [9], [11], [12]	\$3.00		\$5.00	\$6.00
Adult Admission Price [9], [10], [11], [12]	\$5.00	\$14.25	\$7.00	\$10.00

The Charles Paddock Zoo in Atascadero looks to be the best comparative tool given its similarities in staff, animals per staff member, and total expenses. The Friends of the Charles Paddock Zoo plays a vital role in the operations and success of the zoo and is responsible for: enhancing the standard of living of the animals, maintaining and improving the educational programs that the zoo provides, and assisting with the ongoing maintenance and improvements to zoo grounds. All of these goals are met through fundraising, marketing, and volunteerism.

The role and significance of active supporters cannot be understated. The Sequoia Park Zoo's success can similarly, like Charles Paddock, be attributed to its support staff. Volunteers are numerous, freeing up staff time and enabling employees to perform their regular duties. The Sequoia Zoo Foundation actively sources and secures funding; this is in addition to its general responsibilities of operating a café and gift shop, administering rentals, and marketing and fundraising efforts. After expenses, the Sequoia Foundation raised over a quarter of a million dollars for its zoo in 2015.

#### **FINDINGS - ZOO**

- The Division's parks employees assume great individual responsibility in order to maintain the Micke Grove Zoo, as evidenced by the 9.342 Zoo visitors per FTE identified in Table 2-6. There may be room to improve employee efficiencies through increased staffing efforts or a realignment of employee roles.
- The Micke Grove Zoo faces financial challenges and currently does not have access to a quick-fix solution. The identification of avenues to future financing will prove paramount to the Zoo's fiscal viability going forward. The reaccreditation of the Zoo could be one such avenue.
- Taking a step back, zoos of this size and form simply are not profitable. They rely heavily on donations, sponsorships, and foundation funding to remain operational. In the case of the Happy Hollow, Charles Paddock, and Sequoia Zoos, a third-party non-profit organization takes care of much of the operational demands and provides support by sourcing and administering corporate sponsorships and fundraising events.

## CHAPTER 3: EVALUATION OF PARKS AND FACILITIES

The Division operates and maintains an astonishing variety of parks and recreational facilities, including unique natural and cultural resources, which enhance the quality of life of the County's residents and visitors. In addition to the Micke Grove Regional Park, Oak Grove Park, the largest of the County's regional parks at 180 acres, includes a 150-seat outdoor amphitheater, a 10-acre lake, a boat house, fishing, nature trails, paddleboat rentals, and a Nature Center. The 70-acre Regional Sports Complex is another popular attraction, with picnic shelters, concession stands, four (4) soccer fields, and four (4) lighted softball fields. Also under the Division's purview is Harmony Grove, a historic church and wedding venue. The Dos Reis, Mossdale, Stillman Magee, and Westgate Landing Regional Parks offer opportunities for outdoor activities and water recreation, providing access to a total of four (4) rivers. Mossdale is a day-use area that includes picnic tables, barbecue facilities, and a boat ramp; Dos Reis, Stillman Magee, and Westgate Landing offer overnight RV and/or tent camping in addition to picnic tables and barbecues. Westgate Landing features a fishing pier and overnight boat docking with twenty-one (21) boat slips, and Stillman Magee is known as a fantastic and accessible water-rafting site. Lastly, Woodbridge Wilderness Area is a natural riparian area with passive recreational opportunities, such as river access and fishing.

A key challenge that the Division faces in the long term is maintaining the quality of its diverse facilities while accommodating future growth. The number of annual park visitors grew by approximately 2.2% in 2017, for a 1,706-visitor increase. This level of growth will likely continue for the foreseeable future, in part due to population growth in San Joaquin County. According to the US Census Bureau, San Joaquin County has an estimated population of 733,709 as of July 1, 2016. A study conducted by San Joaquin County Council of Governments and University of the Pacific, released in July 2016, forecasts that the County's population will reach 1,020,862 by 2040 and 1,168,732 by 2050. These figures represent anticipated population increases of 39.1% and 59.3%, respectively. For the City of Stockton, its population is expected to increase by approximately 154,000, or 50%, by 2045; three other cities – Manteca, Lathrop, and Tracy – are each projected to grow by at least 40,000 residents over the next two decades.

In addition to financing new or expanded parks and recreation facilities to serve future growth, the County seeks to correct existing deficiencies in its facilities to improve service for the current population in the near term. Following is a list of trends, challenges, and concerns that were discussed by County staff in interviews and in response to surveys conducted by DTA.

## **OPERATIONS AND MAINTENANCE**

### **Division Staff and Assignments**

As identified in Chapter 2, the Division has approximately 6.61 full-time employees per Regional Park, which is low relative to the benchmarks. Stanislaus and Placer County have, for comparison, approximately 8.40 and 11.00 full-time employees per regional park. Based on operations data provided by Park Maintenance Supervisor, the Division currently employs an operations and maintenance staff comprised of 19 park workers, mechanics, and mow-crew members. Together this crew covers 23 different assigned locations, including the 9 regional parks, 12 non-regional parks, and 2 additional assignments near the non-regional parks. Of the 19 park workers, three (3) park workers are dedicated to Oak Grove, four (4) park workers are dedicated to Micke Grove, and one (1) mechanic exclusively covers both Oak Grove and Micke Grove.

Apart from the park workers, mechanics, and mow crew members, the Division also employs ten (10) park aides. Within the pool of park aides, three (3) work at Oak Grove Park and the other seven (7) work at Micke Grove Park. However, of the seven (7) park aides that work at Micke Grove Park, four (4) also have assignments in at least one other location (excluding Oak Grove Park). This has resulted in park aides, on average, being assigned to cover 1.43 locations. Additionally, the Division enlists extra help throughout the year from seasonal workers and the County's Alternative Work Program (AWP). Collectively, the park aides, seasonal workers, and AWP workers account for approximately 20.37 full-time equivalent (FTE) positions.

### **Park Administration**

The Parks Administration is comprised of one Park Administrator, one Marketing and Promotion Specialist, one Account Technician, and two Senior Office Assistants. The administrative staff book reservations, handle correspondences, collect fees, plan and organize events, keep records, input payroll and other data, make weekly deposits, and answer calls (approximately 20,665 of which were received in FY 16/17). Staff roles should be reviewed and made in alignment with the strategic direction and needs of the Division moving forward on an annual or semi-annual basis.

### **Parks Policies, Procedures, and Agreements**

The Parks Division's current set of policies and procedures was last updated in 2009. The Division also has numerous agreements with various user groups. To create a path to a more viable future, reviewing and updating these policies, procedures, and agreements to reflect the needs of the parks system is crucial. DTA recommends the development of new policies, procedures, and agreements that reflect the service-oriented, creative, and collaborative culture of the Parks Division and to meet the current and future needs of its citizens and user groups.

## Capital Replacement Needs, Equipment Life Cycle

The Parks Division currently has funding for vehicles as a line item for motor pool in the budget. All fleet assets are owned by the Vehicle and Equipment Replacement Fund. The current funding level is only for vehicles, and does not include the cost of additional specialized tractors and mowers. Current practice is to budget for this type of equipment, which means there is no replacement program in place. DTA recommends that the Division consider increasing the motor pool fund to include these sorts of costs.



Table [3-1], below, shows the list of locations being maintained by full-time Division staff. In reviewing the staff’s individual work assignments, DTA noticed that each Division park worker, on average, covers more than five (5) assigned locations.

**Table [3-1]**

<b>Operations and Maintenance Assigned Locations Inventory</b>	
East Side	Non-Regional Park Assignments (14)
Giannone	
Garden Acres	
Madison	
Boggs Tract	
Woodbridge Community	
Lodi Community Center	
Raymus Village	
West Jackson	
Hazelton	
Palm Island	
Taft	
Larch Clover	
Kennedy	
<b>Oak Grove</b>	Regional Park Assignments (9)
<b>Micke Grove</b>	
<b>Dos Reis</b>	
<b>Westgate Landing</b>	
<b>Stillman Magee</b>	
<b>Regional Sports Complex</b>	
<b>Woodbridge Wilderness Area</b>	
<b>Harmony Grove</b>	
<b>Mossdale Park</b>	
Lodi Community Center	Other Division Assignments (2)
Raymus Traffic Island	

Although the Division has been efficient in its deployment of staffing to accommodate its large inventory of regional parks, the growing number of assignments has led to an increase in part-time help while shifting full-time employees away from Oak Grove Park and Micke Grove Park, the two largest regional assets in the inventory. In aggregate, operational data suggests that the full-time park workers and park aides employed by the Division are assigned to 4.48 locations on average, supplemented with help from seasonal workers and the AWP program.

**Current Funding Sources are Failing to Track Service Cost Inflation**

As an example, San Joaquin County currently has eight (8) County Service Area (“CSA”) special taxing districts to fund its non-regional parks, and the projected tax levy for FY17-18 is expected to raise \$236,640 in revenue, while the total expenditures is expected to be \$271,010, resulting in an additional draw of \$34,370 in revenue appropriations. In particular, CSA #2 (Madison Park) saw an increase in NCC of \$4,440, CSA #5 (Raymus Village Park) saw an increase in NCC of \$7,644, CSA #8 (Taft

Park) saw an increase in NCC of \$10,964, and CSA #48 (Woodbridge Community Park) saw an increase in NCC of \$10,651. DTA understands these are non-regional assets, but the manner in which their budgets are constructed allows for a detailed review.

The pattern of increasing NCC costs in each of the CSAs is an indication that the property tax levies for the CSAs have not kept up with inflating costs for maintenance and services. All the non-regional parks financed by the CSAs have experienced maintenance cost inflation year-on-year. In CSA #2 (Madison Park), CSA #5 (Raymus Village Park), CSA #8 (Taft Park), and CSA #48 (Woodbridge Community Park), these associated costs are outpacing the growth in property tax levies. In particular, CSA #48 (Woodbridge Community Park) is expected to see a decrease in property tax revenue for FY18-19. Table [3-2] below shows the increase in NCC generated by County Service Areas.

**Table [3-2]**  
(NUMBERS ARE SUBJECT TO ROUNDING)

County Service Area	FY17-18 Increase in Appropriations
1. Boggs Tract Park	\$610
2. Madison Park	\$4,440
3. Garden Acres and Eastside Parks	\$45
4. Lanthrop Park	\$12
5. Raymus Village Park	\$7,644
8. Taft Park	\$10,964
11. Larch Clover Park	\$5
48. Woodbridge Community Park	\$10,651
<b>Total Net Increase in Revenue Appropriations</b>	<b>\$34,370</b>

For a second example, the Division has a total of eight (8) different parks trust accounts of varying sizes, with the two (2) largest accounts being the Park Endowment Trust and the Micke Grove Trust. In total, parks trust fund expenditures have been outpacing trust fund deposits, with a planned net outlay of approximately \$287,044 for FY17-18. As of FY17-18, parks trust funds have largely been depleted, with an aggregate projected remaining balance of \$229,484 by the end of June 2018. Table [3-3], below, shows the net outlay per trust fund for FY17-18.

**Table [3-3]**

Trust Fund	FY17-18 Planned Deposits	FY17-18 Planned Use	FY 17-18 Projected End Balance	FY17-18 Net Outlay
Park Donation Trust	\$16,000	\$16,000	\$569	\$0
Park Endowment Trust	\$156,706	\$480,500	(\$62,560)	(\$323,794)
Micke Grove Trust	\$315,000	\$300,000	\$16,000	\$15,000
Parks and Recreation Activity Trust	\$15,000	\$22,500	\$83,619	(\$7,500)
<b>Subtotal Operational Trusts</b>	<b>\$502,706</b>	<b>\$819,000</b>	<b>\$37,268</b>	<b>(\$316,294)</b>
Harmony Grove Endowment Trust	\$30	\$0	\$10,040	\$30
MG Golf Course Cap. Impr. Trust	\$30,220	\$0	\$166,393	\$30,220
Park Deposits Trust	\$30,000	\$33,500	\$8,829	(\$3,500)
Subdivision Park Trust	\$2,500	\$0	\$6,595	\$2,500
<b>Total Trusts</b>	<b>\$565,456</b>	<b>\$852,500</b>	<b>\$229,484</b>	<b>(\$287,044)</b>

## Major Cost Centers and Net County Costs

In general, parks and recreational amenities in the State of California are rarely ever fiscally neutral. The Division currently operates 9 regional parks (including Micke Grove Zoo) and 12 non-regional parks, all of which are reimbursed through a Net County Cost (“NCC”) by the General Fund. The NCC to operate the total Parks inventory totaled approximately \$2.57 million in FY16-17. Based on the FY16-17 County budget and financial report, DTA has determined the three (3) regional parks that have the largest negative budgetary impacts: Oak Grove Park and Nature Center, Regional Sports Complex, and Micke Grove Park and Zoo. The combined NCC of operating and maintaining these particular regional facilities total approximately \$2.2 million, or 87.7% of all NCC. The total NCC of all nine (9) regional parks equals approximately \$2.33 million, or 90.5% of all NCC. The FY16-17 NCC support for each individual park is as follows:

Table [3-4]

Park	NCC Per Park
Boggs Tract Park (CSA 1)	\$4,387
Dos Reis Park (CSA 4)	(\$49,269)
Eastside/Garden Acres Park (CSA 3)	\$37,261
Gianone Park	\$35,981
Harmony Grove Church	\$14,562
Kennedy Park	\$67,035
Larch Clover Park (CSA 11)	\$7,573
Madison Park (CSA 2)	\$8,313
Micke Grove Park	\$512,935
Micke Grove Zoo	\$1,029,193
Mossdale Crossing Park	\$23,091
Nature Center	\$55,061
Oak Grove Regional Park	\$486,870
Raymus Village Park (CSA 5)	\$4,051
Regional Sports Complex	\$171,962
Stillman L. Magee	\$18,216
Taft Park (CSA 8)	\$9,900
West Jackson Park	\$14,513
Westgate Landing	\$36,321
Woodbridge Community Park (CSA 48)	\$5,156
Woodbridge Wilderness Area	\$29,608
Other County Services	\$49,991
<b>Total</b>	<b>\$2,572,711</b>

## Regional Sports Complex

Based on interviews and surveys, the Regional Sports Complex has a growing number of operations and maintenance items to address, including, but not limited to, repairing concession stands, repaving parking lots, field upgrades, and turf rehabilitation. An ongoing maintenance issue for operations staff is the frequent need to cover gopher holes. Rehabilitation of these facilities is currently underway, but not yet completed. As such, recent declining field and facility conditions has led to a decrease in field usage.

The Division has earmarked approximately \$663,000 to spend on capital projects related to the Regional Sports Complex in FY17-18, including new field capacity, irrigation upgrades, and roof replacements for the concessions building (recently completed). Currently, there are eight (8) fields in total, consisting of four (4) softball fields and four (4) soccer fields. An additional soccer field is under construction, which would bring the total number of fields to nine (9). This capital outlay represents approximately 23% of the Public Improvement Fund dollars allocated to the Division for FY17-18.

## Oak Grove Regional Park and Oak Grove Nature Center

Like many other regional parks across the state, Oak Grove Regional Park has likely been negatively impacted by the phasing out of Proposition 84 and similar grants. Oak Grove contains many popular public facilities and amenities, including paddleboats and aqua-cycles for Oak Grove Lake, an 18-hole disc golf course, outdoor picnic shelters, an indoor Boat House, children's playgrounds, and campgrounds. Pavilion rentals are frequently used by guests, and during a recent on-site visit, DTA staff noticed that all pavilions had been fully reserved for the upcoming weekend. Additionally, the on-site visit revealed that a recently refurbished outdoor amphitheater was now available for reservations as well. The operating hours of Oak Grove Regional Park are typically 8AM – 6PM during the winter months, and 8AM – 8PM during the rest of the year.

Oak Grove also operates a Nature Center, which is a featured attraction with seasonal event programming and consistent educational programming. These programs, which are run in cooperation with the Oak Grove Docents, a non-profit organization, draw in over 5,000 annual visitors to the Nature Center, and leads to positive marketing and word-of-mouth for the Oak Grove Regional Park. However, it is also being managed by Micke Grove Zoo staff, which complicates the budgeting and NCC calculations for Oak Grove and Micke Grove Zoo due to transfer pricing and cost allocation processes. Additionally, this arrangement has led to the Nature Center having weekend-only operating hours. Furthermore, in order to lower the operating cost of the Nature Center, the Zoo Services and Interpretive Manager has been transitioning the species inventory at the Nature Center to species that do not require veterinary care.

## Micke Grove Regional Park and Zoo

Micke Grove Regional Park is home to both the Micke Grove Park and the Micke Grove Zoo, as well as a few non-profits including the Zoological Society and the Historical Society, and is adjacent to the popular Micke Grove Golf Links. Like Oak Grove Regional Park, the operating hours of Micke Grove Regional Park are typically 8AM – 6PM during the winter months, and 8AM – 8PM during the rest of the year. However, unlike Oak Grove Regional Park, the business model for Micke Grove Regional Park is more complicated, and Micke Grove faces a complex set of revenue generation issues.

Micke Grove parking fees have declined from \$521,672 in FY 13-14 to \$494,464 in FY 16-17, and Micke Grove Zoo admission fees have declined from \$348,173 in FY13-14 to \$262,192 in FY 16-17. However, the annual visitors to the Park and Zoo have increased during that period. **Based on DTA's own research, as well as corroboration from surveys and interviews, DTA believes this trend results from Micke Grove Park and Zoo losing potential revenue due to the existing revenue and pricing model of annual membership passes shared by the Division and its third-party operators.** The Micke Grove Zoological Society, Historical Society, and Japanese Gardener's Club all offer their own individual passes, which provide access to the park, zoo, and free or discounted parking. The revenues generated by these third-party membership passes flow back to the Division at a reduced rate. Also, the pricing model for these passes typically conflict with each other, causing competition for best price. The Zoological Society, for example, currently offers online Groupon discounts on its annual membership, which results in a 50% revenue share with Groupon (which negatively impacts the expected revenue from user fees for the park and zoo). Based on data gathered from surveys and online reviews, many users purchase the membership passes simply to avoid paying full price for park/zoo access and parking. As a result, a portion of revenue that should have been generated from user fees to fund Micke Grove Park and Zoo is instead going to the third-party organization. These types of issues have led to increased confusion among Park and Zoo staff regarding revenue sharing and a perception that the current model is "unfair" to the County.

Other lost revenue potential results from certain resource shortages at Micke Grove Park and Zoo leading to inconsistent operations of the gift shop, concession stand, and Funtown (although a private partner, any lost synergies hurt revenue). The gift shop was previously not operational due to staffing constraints and has recently re-opened on weekends with sporadic hours of operation. The concession stand has remained closed, as the business model has failed to attract new operators. Additionally, based on the operating agreement with the Micke Grove Zoological Society, the would-be revenues generated from the gift shop are earmarked to support educational and special event programming offered by the Society for Micke Grove Zoo, and this clause should be re-visited before the gift shop is ever re-opened.

## Other Regional Parks

Excluding Micke Grove Regional Park and Zoo, Oak Grove Regional Park, and the Regional Sports Complex, the other six (6) regional parks have an aggregate NCC total of \$72,529 for FY 16-17. One (1) regional park is fiscally neutral, that being Dos Reis Park, which generates a surplus of \$49,269 back to the County. The other (5) regional parks have an average NCC of \$24,360. An important consideration for Dos Reis Park is that it overlaps with CSA #4 (Dos Reis Park), which means a portion of its services is funded by CSA #4 (Dos Reis Park).

## CHAPTER 4: MICRO-RECOMMENDATIONS

Based on surveys and interviews, DTA has compiled several “micro-recommendations,” or short-term fixes that will improve the Division's ability to fund the operations and maintenance of its regional parks and avoid further negative impacts to the County General Fund.

### **1. EXPAND THE VOLUNTEERING PROGRAM / COMMUNITY ACTIVATION**

Volunteers are a crucial resource that the Division currently benefit from and rely upon, and it is vital that the Division continue to turn to the public for help, engaging volunteers where possible to support park maintenance and operations. Micke Grove Zoo currently has 13 active volunteers that assist with Zoo operations, and the Society's latest SEC filing reveals the organization has 0 active volunteers.

As identified by Table [2-6], the number of volunteers currently assisting the Division is low relative to the other benchmarked counties and zoos. The Sequoia Park Zoo and Foundation, for example, has a pool of 255 volunteers who contributed approximately 9,040 service hours in the previous fiscal year. Likewise, Happy Hollow Zoo has 60 highly dedicated volunteers contributing approximately 10,000 service hours.

Given the high demand for community service opportunities among high school students, there is great potential in a demographic that the Division is currently not engaging. Increasing the number of volunteers that can assist with Micke Grove Zoo operations will not only help to offset operations and maintenance costs, but also generate positive word-of-mouth and visibility within the local community.

Additionally, Sequoia Park Zoo offers research grants for conservation and a small number of scholarships for event programming. While the grants and scholarships are relatively small (approximately \$4,000 annually), these types of initiatives are highly successful at increasing engagement in nearby communities and schools. Micke Grove Zoo could benefit from instituting a similar type of program.

Lastly, in comparing the online sign-up processes for prospective volunteers, Micke Grove Zoo has room for improvement. Whereas most benchmarked zoos have either an online application and/or online submission processes readily available on their websites, Micke Grove Zoo requires prospective volunteers to first email either a Zoo staff email address or a Society staff email address for an application. This is an unnecessary step that may deter prospective volunteers. These prospective volunteers are also unlikely to notice that this step leads them to contact different organizations offering different volunteering opportunities.

## **2. FOCUS RESOURCES AND ATTENTION ON OAK GROVE AND MICKE GROVE**

Many of the regional parks in the Division's inventory are burdened by similar issues: continued maintenance requirements and lost revenue potential. As such, it is important to prioritize two (2) regional parks: Oak Grove and Micke Grove. The two parks provide the County with a wide variety of activities and amenities including seasonal fishing, paddle boating, the Micke Grove Zoo, the Nature Center and disc golf. These two regional parks also attract the greatest number of annual visitors, due in large part to these amenities. Oak Grove and Micke Grove are, therefore, best positioned to utilize additional resources and attention to generate additional revenues, attract new visitors, and improve upon the quality of existing services and amenities.

At present, a portion of the fundraising for the Zoo is being conducted by the Zoo Services and Interpretive Manager. The Zoo Services and Interpretive Manager is also tasked with managing operations and staff at the Micke Grove Zoo and Oak Grove Nature Center. Looking closely at the multiple roles that the Interpretive Manager has filled, the Division would benefit from reviewing the operating agreement between the County and the Micke Grove Zoological Society in order to clarify roles and determine whether there needs to be a dedicated role for fundraising. Given that the fundraising efforts for the Micke Grove Park and Zoo have yielded limited results in recent years, it may be worthwhile for the Division to either (1) employ a professional fundraiser to secure a vital source of supplementary funding and/or (2) re-assign roles and responsibilities among existing staff to better prioritize fundraising and sponsorships.

Similarly, there may be room to improve employee efficiencies through increased staffing efforts or a realignment of employee roles. Office staff for both the zoo and parks system, for example, may have capacity to absorb some portion of these responsibilities. In such a case, the Division should consider providing additional training to staff who are assigned new or expanding roles.

At a more granular level, priority should be given to projects that have a strong connection to the guest experience. The Micke Grove Zoo East End enclosure, for example, is outward facing and has a direct impact on the perception of the Zoo. Targeting these types of projects may not only improve the guest experience, but also demonstrate to employees the importance and significance of the work that they do (thereby improving staff morale). Additional sources of grant funding, such as the Housing-Related Parks (HRP) Program and the Land and Water Conservation Fund (LWCF), can also help finance these types of projects.

Chapter 6 provides further details about the various public financing options available to the County.



### **3. EXPAND AUTOMATION, ONLINE, AND REVENUE OPTIMIZATION PROCESSES; INCREASE MARKETING; AND DEVELOP CONSISTENT MEMBERSHIP AND PARKING POLICIES**

Online campground reservations are in the process of being implemented, and the County should continue to improve and apply this thinking across the Division, where applicable. Improving the online automation process will decrease staff workload and increase the visibility and convenience to future visitors.

The automation of certain processes, such as fee collection and campground reservations, already has considerable support among park employees. Implementing these types of processes do take time, but they should not be overlooked. Among the maintenance workers surveyed, more than 65 percent chose “Agree” or “Strongly Agree” in response to the statement, “Online campground reservations would be beneficial to the Parks Division.” (Another 30.43% chose “Neutral,” and only one respondent disagreed.). Similarly, nearly one-third (31.82%) chose “Agree” or “Strongly Agree” to the statement, “Automated park entrance fee collection would be beneficial to the Parks Division.” (Another 36.36% chose “Neutral”). Furthermore, automated fee collection data has been proven to better accurately track park visitors. Yolo County has a multitude of what they refer to as “Iron Rangers” that are at some of the regional parks within Yolo. They note that these fee collections methods are dramatically improved when the automated fee collector comes with a physical barrier to entry that ensures the fee is collected [32].

Based on the mix of survey responses and adoption in benchmarked Counties, the optimal solution would be to automate fee collection while re-assigning existing fee collection roles to roles that involve guest interaction. Automated fee collection would contribute to operational efficiency and revenue generation, while the additional customer service presence would continue to enhance visitor experience and the brand image of the Division.

Similarly, a method of tracking visitors among the separate sites at Micke Grove – i.e., the zoo, the disc golf course, the Japanese garden, and the historical museum – would allow the Division to accurately measure demand and usage for each facility.

The Division would also benefit from additional performance metrics such as new volunteer sign-ups, newsletter sign-ups, and visitor feedback. These can be tools for evaluating certain processes and may help develop future outreach and marketing strategies. Currently, social media reviews are filled with positive feedback that the Division should take pride in and highlight to the community through its various channels of communication. For example, one citizen noted, “Wonderful experience for a family with children. For a small zoo, the caretakers and staff make it a memorable time for all” [29]. Zoo staff are regularly praised for customer service experience exceeding expectations, and the Zoo itself is recognized as a community facility that should be supported.

Furthermore, the parking user fees at Micke Grove Park should re-evaluated due to variance in pricing set by the different organizations operating at Micke Grove. The County, the Zoo, the Zoological Society, the Japanese Gardener’s Club, and the Historical Society all offer some form of membership that includes free parking or discounted parking at the Micke Grove Park, but there is no uniformity in price. Table [4-1] below highlights the price discrepancies for parking passes. The parking user fees are meant to generate revenues that support park maintenance and operations; instead, the user fees are being undercut by different organizations operating at Micke Grove Park. Another alternative is to create one uniform annual parking pass that exclusively routes through the Division, and the Division can then distribute the revenues pro rata to the third-party organizations.

**Table [4-1]**

Parking Pass	Frequency	Cost [2] [9] [28]	Number of Uses	Destination of Funds
Micke Grove Parking	Annually	\$30.00	Unlimited	Historical Society
Micke Grove Parking	Annually	\$35.00	Unlimited	Zoological Society
Multi Park Pass	Annually	\$100.00	Unlimited	County
Micke Grove Parking	Weekday	\$5.00	Single	County
Micke Grove Parking	Weekend	\$6.00	Single	County

An example of user fees being undercut is the aforementioned Groupon deal offered by the Zoological Society, which is perhaps *too* efficiently priced. The typically \$100 Zoo Friend pass, which includes annual parking and park access, is offered by Groupon for around \$50, and many customers are taking advantage of this discount. “Great deal! This deal pays for itself in parking fees alone,” reads the top review on Groupon [29]. While a Groupon isn’t necessarily bad option, and park membership may have increased as a result of these deals, it also speaks to lost revenue potential from user fees.

Of the approximately \$50 paid for the deal, Groupon takes a fee of approximately 50%. This means the Zoological Society is estimated to collect only \$25 from each sale, which is effectively a \$75 discount on the original user fee. Furthermore, this is a cumbersome approach that requires additional staff time to (i) verify that only new members receive the discount and (ii) activate and distribute the membership cards. Table [4-2], on the following page, breaks down the financial impact of offering this Groupon discount.

**Table [4-2]**

Current Groupon Campaign (2015 Onwards)	Annual Membership Cost	Groupon Price	Minimum Number of Groupon's Sold	Groupon's Minimum Fee	Amount Made by Society	Revenue From Groupon Sales	Potential Revenue Without Groupon	Revenue Lost
Sacramento [29]	\$100	\$49.00	340	50.00%	\$24.50	\$8,330	\$34,000	(\$25,670)
San Francisco [30]	\$100	\$51.00	130	50.00%	\$25.50	\$3,315	\$13,000	(\$9,685)
Modesto [31]	\$100	\$51.00	740	50.00%	\$25.50	\$18,870	\$74,000	(\$55,130)
Lodi [32]	\$100	\$50.50	1000	50.00%	\$25.50	\$25,500	\$100,000	(\$74,500)
<b>Total</b>						<b>\$56,015</b>	<b>\$221,000</b>	<b>(\$164,985)</b>

The current Groupon campaign has been in place since 2015. Prior to the current offer, the Zoological Society had active campaigns in 2012, 2013, and 2014. The 2012 and 2013 campaigns, notably, offered even greater discounts – an annual pass was obtainable for only \$39 at the time.

**Table [4-3]**

Previous Groupon Campaigns	Annual Membership Cost	Groupon Price	Minimum Number of Groupon's Sold	Groupon's Minimum Fee	Amount Made by Society	Revenue From Groupon Sales	Potential Revenue Without Groupon	Revenue Lost
2012	\$100	\$39.00	110	50.00%	\$19.50	\$2,145	\$11,000	(\$8,855)
2013	\$100	\$39.00	320	50.00%	\$19.50	\$6,240	\$32,000	(\$25,760)
2014	\$100	\$49.00	330	50.00%	\$24.50	\$8,085	\$33,000	(\$24,915)
<b>Total</b>						<b>\$16,470</b>	<b>\$76,000</b>	<b>(\$59,530)</b>

## CHAPTER 5: MACRO-RECOMMENDATIONS

Based on the benchmarking results, interviews, and analyses of budgets and financial reports, DTA has compiled three (3) “macro-recommendations”, or longer-term proposals that are necessary to ensure the stability and viability of facilities and services that the Division currently provides, while also reducing the draw on the County General Fund.

### **1. DECREASE REGIONAL PARK INVENTORY**

San Joaquin County notably has nine (9) regional parks in its inventory, relative to other nearby counties such as Kern, which has eight (8), Stanislaus, which has five (5), Placer, which has two (2), and Yolo, which has four (4). Regional parks are much costlier to maintain than non-regional parks and given the Division’s need to prioritize Oak Grove and Micke Grove, the two regional parks that bring in the most visitors and serve the largest portion of the population, DTA recommends reducing the inventory of regional parks by turning over the Woodbridge Wilderness Area to a neighboring homeowner’s association and pursuing a public private partnership (P3) for the Regional Sports Complex.

#### **a) Turn over Woodbridge Wilderness Area to neighboring HOA.**

While not the most expensive cost center in the Division inventory, the Woodbridge Wilderness Area nonetheless has a NCC of approximately \$30,000 and is a prime candidate for offloading. According to interviews and surveys, the Woodridge Wilderness Area is primarily used by its adjacent residents. These same residents have also been vocal about short park hours and berm issues, the latter of which is currently a potential liability for the County. Furthermore, the Woodbridge Wilderness Area Master Plan calls for unfunded capital projects totaling approximately \$2.5 million, which would dilute capital funding for higher priority projects in other regional parks. As such, it is advisable to turn over this regional park to a Homeowners’ Association in the adjacent community.

Additionally, the Division currently services two nearby services areas, those being the Woodbridge Community Park and the Lodi Community Center. The Lodi Community Center is currently operated by County Human Services Agency; however, staff time from the Parks Division is being allocated towards maintenance of that facility and the reimbursement does not fully cover the Parks Division costs. The Woodbridge Community Park generates an NCC of approximately \$5,400 and the Lodi Community Center generates an NCC of approximately \$9,500, or approximately \$15,000 in total. Based on proximity, the City of Lodi would be an ideal candidate for taking over the maintenance of these facilities in the long term.

## b) Explore Public Private Partnership (“P3”) Opportunities for Regional Sports Complex

Although the Regional Sports Complex is the third most costly regional park to maintain, its usership is dwarfed by the number of visitors to the Micke Grove Regional Park and Oak Grove Regional Park. For example, in FY17-18, the Regional Sports Complex had 86,500 visitors, whereas Micke Grove Park saw 345,900 visitors, Micke Grove Zoo saw 117,900 visitors, and Oak Grove Park saw 155,000 visitors. The visitor count at the Regional Sports Complex is instead on-par with that of Dos Reis Park, which had an estimated 84,500 visitors. Over the next few years, the Regional Sports Complex may also face new local competition, as Lathrop High School recently announced in February 2018 its intention to build a \$6 million sporting complex adjacent to the high school grounds.

As such, it is worthwhile for the Division to pursue public private partnership (“P3”) opportunities to support the ongoing operations and maintenance of the Regional Sports Complex. This could free up staffing and resources needed elsewhere and introduce new best practices for marketing, gauging demand, and operating the facilities. For example, the four (4) soccer fields logged 2,035 hours of usage in FY17-18, whereas the four (4) softball fields only logged 354 hours of usage.

P3 projects are an increasingly common financing mechanism used by municipalities, as they offer private financing and the sharing of a project’s risks and rewards between public and private partners. The private partners can be a for-profit or non-profit entity, and the key overarching premise for utilizing a P3 approach, according to the San Joaquin Council of Governments [21], is that “public infrastructure projects can benefit from the private sector’s involvement in terms of innovation, efficiency, and best practices for design, construction, operation, and maintenance.”

In recent years, the P3 model has grown in popularity and there have also been numerous examples of municipalities adopting the P3 model for regional sports facilities. The City of Roseville recently utilized a P3 model to build a brand new Regional Sports Complex and renovate the Roseville Aquatics Complex. The City of Irvine in southern California is also currently using a P3 to build the largest multisport facility in California at the Orange County Great Park. Furthermore, cities outside of California, like Corpus Christi, Texas, have also transitioned to the P3 model to build their regional sports complexes.

The Division can begin with researching through the County procurement process. Initiate with a “Request for Information,” as opposed to a more time-consuming Request for Proposals, then proceed from there. Notably, the Division has already issued one such RFP in the past, and this RFP should be

updated and re-issued each fiscal year to continue the search for a viable P3 partnering opportunity.

## **2. RE-NEGOTIATE OPERATING AGREEMENTS WITH ZOOLOGICAL AND HISTORICAL SOCIETIES**

DTA surveyed and interviewed County staff operating the Micke Grove Zoo (“Zoo”) and received extensive feedback regarding the relationship and coordination between the Zoo staff and the Micke Grove Zoological Society (“Society”), a non-profit corporation originally created for the express purpose of assisting the Micke Grove Zoo. The surveys suggest better information sharing and communication is needed between Society staff and Zoo staff. The existing division of responsibilities and duties between the Zoo and the Society will likely need to be re-visited in order for both organizations to have a clearer understanding and more transparency of their respective goals and objectives.

San Joaquin County has an operating agreement with the Society dating back to June 8, 1999, which outlines the responsibilities and duties assigned to the Society by the County. Specifically, the Society is tasked with the following duties: (1) promoting charitable events and activities to support the Zoo, (2) engage in fundraising activities to raise money that encourage the prosperity and development of the Zoo, and (3) use the Park and Zoo for fundraising activities and education programs. Furthermore, according to the operating agreement, these fundraising activities “may include, but are not limited to, cultivation, solicitation, and coordination of Zoo gift programs and planned gifts, solicitation of grants from persons, corporations, and foundations for Zoo initiatives, conservation, education and research activities, and educational exhibits, programs and activities.”

Additional obligations and duties that fall under the Society’s purview per the operating agreement include: marketing and promotion, recruiting Zoo volunteers, providing financial support for collection acquisition and development, contributing to capital improvements and equipment for the Zoo, and assisting with gift shop operations.

The Society and the Zoo appeared to have a functional and working relationship through 2008, and the Society had previously employed staff to handle each of its duties outlined in the operating agreement. However, in late 2007, the Society began work on a new development project at the Zoo that was never completed due to a lack of funds resulting from the 2008 recession. Since the recession, the Society has faced continuing financial and staffing challenges, and as of January 2018, the Society employs one (1) paid full-time employee, two (2) paid part-time employees, and has a non-paid board of directors comprised of seven (7) members. The Society has recently filled an open position for a second full-time employee and brought on another part-time employee; however, its main priority is to continue its educational outreach programming, which is only one component of the original operating agreement. The Society’s recent efforts to hire additional two staff and recruit new board members does demonstrate improvement over previous years and accompanies an improved outlook for the future.

Nonetheless, DTA recommends that the County revisit and reframe the 1999 operating agreement with the Society. Certain responsibilities and duties outlined in the operating agreement should be better clarified, including marketing and public outreach, donor fundraising, and on-site revenue generation from gift shops and concession stands. Importantly, the operating agreement should better outline the power dynamics of the relationship and recognize Park and Zoo administrators as the program leaders. Furthermore, DTA recommends including a provision within the operating agreement that would require the Society to prepare and publish annual reports easily accessible by members of the public.

### **3. EVALUATE STRATEGIC PRIORITIES RELATING TO PARKS AND MICKE GROVE ZOO**

The Division should evaluate its strategic objectives for Micke Grove Zoo. If the Division's intention is to renovate and revitalize the Zoo, additional funding must first be secured to complete the East End Project, which in its unfinished state is a roadblock to reaccreditation.

Reaccreditation with the Association of Zoos and Aquariums ("AZA"), the Zoological Association of America ("ZAA"), or a similar institution can help secure funding as: (i) an improved perception surrounding the Zoo encourages potential sponsors and donors; and (ii) accreditation improves access to grant programs. AZA accreditation, which is typically the most expensive, can cost upwards of \$4,000 in the first year, and that does not account for any additional costs needed to improve zoo standards to meet the AZA requirements. The Zoo would then simply pay the cost of annual dues, and the aforementioned ~\$4,000 every five (5) years thereafter (AZA sites must be reaccredited every five (5) years).

Notably, the AZA offers commission-approved mentors who serve as guides for institutions as they work towards eventually applying for AZA accreditation. Mentors can make site visits to inspect the park and will provide feedback on what should and must be done prior to applying to the AZA. Micke Grove should have received similar feedback after the inspection that led to the loss of accreditation in 2006. There is no fee associated with the AZA mentoring program, and the Zoo would only be responsible for the expenses related to the inspection.

If the Division intends to model Micke Grove after the Folsom City Zoo Sanctuary, which does not breed, sell, or trade animals, and does not wish to seek accreditation, it should consider renaming or rebranding the Zoo. What separates a sanctuary from a zoo is the philosophy that the residents (or animals) come first. Sanctuaries act on behalf of the animals and focus on providing a lifestyle as close to natural as possible until the death of an animal. A sanctuary is not open to the public in the same sense as a zoo; animals are not presented in exhibits for viewership, and the public is typically not allowed unescorted access through the facility. Reaffirming and reiterating this as a mission statement may prove an effective tool in garnering sponsor and donor support much like accreditation.

Another model to explore involves securing additional public financing. Measure Z, a one-tenth of one percent (.1%) sales tax, was enacted in 2004 by Fresno County voters to pay specifically for animal exhibit and facility repairs at and the expansion of the Fresno Chaffee Zoo. The special measure, which required 2/3 voter approval, generated over \$110 MM between 2004 and 2014. The Fresno Chaffee Zoo opened two new, major exhibits during that period as result of the additional funding, those being the Sea Lion Cove and African Adventure exhibits. Sea Lion Cove was a roughly \$11 MM project completed in 2012 which, according to the Zoos website, greatly contributed to the robust increase in Zoo attendance. The African Adventure exhibit, more recently completed, was a roughly \$56 MM project which brought lions, African elephants, a meerkat, cheetahs, a giraffe, zebras, and Southern white rhinoceros to the Chaffee Zoo.

#### **4. SECURE LONG-TERM FUNDING FOR PARKS AND RECREATION**

The Division (and the broader Department) is currently lacking in long-term funding mechanisms to ensure the organization can keep up with the rising costs of operations and maintenance. As addressed in Chapter 2, the tax revenues from the various Community Service Areas do not fully cover the expenditures for maintaining non-regional parks. Furthermore, relying on trust fund deposits and private donations, which vary year to year, creates volatility and unpredictability for budgeting and forecasting. As such, it is imperative that the County look towards additional public financing to secure long-term funding options for the Division/Department.

The rising costs of public facilities and services is a common problem that every public agency in California faces. Consequently, cities and counties across the State have been investigating and adopting innovative public financing mechanisms in order to generate new revenues and finance rising costs. Public demand for parks, open space, and recreational amenities will also trend upward as the rapid population growth in the Bay Area and Peninsula shifts migration and homebuyers further eastward. The County of San Joaquin has a unique opportunity to explore public financing options that can fund the existing and future costs of its parks and recreation inventory.

Another important consideration for the County is whether any revenues from a Development Impact Fee (“DIF”) should be allocated to fund the variety of facilities and services provided by the Division. Currently, San Joaquin County only charges a Quimby parks fee and *does not have a dedicated AB1600 development impact fee* for parks and recreation. Importantly, the Quimby parks fee, which is not an AB1600 DIF fee, can only pay for parkland acquisition and development costs; however, that fee does not pay for facilities, maintenance, and services. Absent an AB1600 parks impact fee, the cost of operating and maintaining any new park inventory is passed on directly to the County and dilutes the Parks Division’s existing resources. Given that San Joaquin County nonetheless provides and maintains an outsized number of regional parks for its residents, a resulting consequence is the large number of



unfunded capital projects requested by the Division totaling approximately \$15.9 million for FY17-18.

Last but not least, the Division needs to improve its coordination and outreach with San Joaquin County's Department of Community Development. Working together with Community Development is vital to accessing additional sources of grant funding, as many grant opportunities, such as the Housing-Related Parks (HRP) Program and the Land and Water Conservation Fund (LWCF), have a supplementary financing component for parks and recreation.

## CHAPTER 6: PUBLIC FINANCING OPTIONS

In order to determine a public financing strategy that can meet the needs of the County, DTA has compiled a list of public financing options below. Each public financing option has been evaluated based on function, accessibility, and practicality.

### ▪ Special Districts and Ballot Measures

The County may want to consider placing some form of funding measure (tax initiative) on the local ballot in an upcoming general or special election. This initiative could take the form of a Special Tax, where the tax revenue is earmarked for specific uses, or possibly a Parcel Tax, which involves an identical property tax levied on every parcel. In recent years, three notable tax measures for parks and recreation financing passed – Measure Q by Santa Clara County voters in 2014, Measure Z by Fresno County voters also in 2014, and Measure A by Los Angeles County voters in 2016. Both Santa Clara County and Los Angeles County had previously created a special district to govern and manage its parks, recreation, and open space inventories, and their enabling legislations authorized annual assessments on virtually all parcels in their respective Counties. Measure Q marked a continuity of funding with updated rates, whereas Measure A marked an expansion of funding and services.

As previously mentioned in the report, Measure Z, a one-tenth of one percent (.1%) sales tax, was enacted in 2004 by Fresno County voters to pay specifically for animal exhibit and facility repairs at and the expansion of the Fresno Chaffee Zoo. The special measure, which required 2/3 voter approval, generated over \$110 MM between 2004 and 2014. The Fresno Chaffee Zoo opened two new, major exhibits during that period as result of the additional funding, those being the Sea Lion Cove and African Adventure exhibits. Sea Lion Cove was a roughly \$11 MM project completed in 2012 which, according to the Zoos website, greatly contributed to the robust increase in Zoo attendance. The African Adventure exhibit, more recently completed, was a roughly \$56 MM project which brought lions, African elephants, a meerkat, cheetahs, a giraffe, zebras, and Southern white rhinoceros to the Chaffee Zoo.

Alternatively, San Joaquin County could develop or designate an **Open Space District (“OSD”)** or **Open Space Authority (“OSA”)**. By creating a separate district, the County unlocks the ability to tax uniquely for parks and recreation. East Bay Regional Parks District is another such example, albeit involving a partnership between two (2) Counties. The function and mechanism for creating these districts will vary based on governing statutes and the magnitude of required financing. Overall, these models offer a well-defined governance structure and greater flexibility with the structure and implementation of its tax measures, leading to a very secure method of long term funding.

DTA recommends that the County commission a formal survey/poll to identify voter support for a special district (e.g., OSD or OSA) or a funding measure (e.g. Special Tax, Parcel Tax, or other funding mechanism) and to determine the electorate's threshold of willingness to pay, prior to placing the measure on the ballot.

- **Community Facilities District (“CFD” or “Mello-Roos”)**

Another public financing option available to the County is the establishment of a Community Facilities District (“CFD”), which is a method of special district financing created by the Mello-Roos Community Facilities Act of 1982 (“Mello-Roos Act”). Special district financing, which using tax-exempt bond issuances to finance public improvements within a defined geographical boundary, is used throughout the country. The nomenclatures and mechanisms for special district financing vary based on state statutes and local ordinances, but with over 25,000 independent special districts operating in California alone, the use of CFDs is downright commonplace. Appendix A provides an example of how a County-wide CFD may be structured and its potential impact to existing and/or new development in the City of Tracy and the City of Stockton, for comparison and contrast.

#### **Background**

Under the Mello-Roos Community Facilities Act of 1982, any county, city, special district, school district, or joint powers authority may form a CFD, which allows for financing of public improvements and services.

#### **Function**

CFDs can be used for a variety of improvements and services, including the purchase of property, such as parks and open space; the construction of public facilities; and servicing debt. Furthermore, CFDs can finance a broad swath of services, including the maintenance and operation of public facilities. (Cal Gov. Code § 53313).

#### **Mechanism**

A CFD is created by a two-thirds majority vote of “qualified electors” in the district. If the district contains 12 or more registered voters, the qualified electors are the registered voters; however, if there are fewer than 12 registered voters, the qualified electors are the landowners in the district, with each such owner entitled to one vote for each acre or portion of acre owned (Cal. Gov. Code §§ 53326, 53328). After adoption of a resolution outlining the purpose and boundaries of the district, the municipality conducts public hearings. Once public hearings conclude, the municipality holds an election to approve the district.

In using the CFD as a funding mechanism, the County could finance the construction of its regional park facilities via multiple 30-year CFD infrastructure bond issuances and/or finance enhanced levels of operations and maintenance for regional park facilities via a services-only CFD.

## ▪ Enhanced Infrastructure Financing Districts (“EIFDs”)

On September 29, 2014, Senate Bill 628 (SB 628, Beall) was approved as the “Enhanced Infrastructure Financing District” (“EIFD”) law to provide a post-redevelopment mechanism under which a city or county could use some or all of its share of the 1% basic *ad valorem* property tax levy within an established EIFD for the purpose of financing specified public facilities or public infrastructure of community-wide significance (such as parks and recreation facilities) within that jurisdiction.

Notably, SB 628 does not require an election prior to formation, and only requires a 55 percent voter approval in order to sell bonds, whereas previous legislation required a 2/3 popular vote. Other jurisdictions, agencies, or special districts – except school districts, community college districts, and county offices of education – can voluntarily contribute some or all of their share of the 1% basic property tax levy, as well. While an infrastructure financing district law had been in place since the early 1990s, it was rarely used because redevelopment property tax increment financing was the preferred approach.

### **Background**

SB 628 authorizes a city or county to create an EIFD, adopt an Infrastructure Financing Plan, and issue bonds, the last of which requires approval of 55 percent of the qualified electors within the potential district. The County may consider the formation of an EIFD for all or portions of its County Services Areas (“CSAs”).

### **Function**

According to the legislation, development financing under SB 628 may include public capital facilities or other specified community projects including facilities that may have applicability to the CSAs and some of their Zones of Benefit, such as the following: parks, recreational facilities, and open space; arterial streets, parking facilities, and transit facilities; facilities for the collection and treatment of water for urban uses; flood control levees and dams, retention basins, and drainage channels; and projects implementing a sustainable communities strategy. An established EIFD can exist for a period of up to forty-five (45) years from the date on which the issuance of the bonds is approved.

### **Mechanism**

To initiate an EIFD, the County would first need to pass a resolution to establish a public financing authority (“PFA”). The PFA is composed of three (3) members of the legislative body of the participating affected taxing entity and two (2) members of the public.

The County would also adopt a resolution of intention to establish an EIFD and infrastructure financing plan. The Infrastructure Financing Plan describes the type of public facilities and development that will be financed by the EIFD. The County must hold a public hearing before approving the adoption of the plan and formation of EIFD.

While direct voter approval is not required to create the organizational structure behind the EIFD, the County must get voter approval for the issuance of a bond.

The County could consider using the EIFD to fund its Regional Park, recreation, and open-space facilities. The County's objective would be to include much of the projected new development in the EIFD prior to the actual development of the new communities and the subsequent increase in assessed valuations that would be the revenue source for the EIFD.

- **Assessment Districts ("ADs") / Landscaping and Lighting Districts ("LLDs")**

An Assessment District ("AD") is a financing mechanism governed by the California Streets and Highways Code, Divisions 10 and 12. Counties, cities, and special districts may designate specific areas as ADs, with the approval of a majority of the property owners and allow these ADs to collect special assessments to fund the facilities improvements constructed or acquired by the Assessment District.

#### **Background**

Assessment districts are a commonly used public financing tool. A special assessment charge is imposed on real property by a local agency to finance the cost of providing public improvements or services. The assessment district structure allows a local government to raise money for public improvements that provide local special benefits to assessed property.

#### **Function**

Assessment districts are tools used to finance limited public infrastructure enforced as a property tax assessment and recovered as a property tax line item. Unlike a CFD, which has a two-thirds (2/3) super-majority voter approval process, an assessment district requires only a majority vote (50% +1), with ballots weighed according to the proportional financial obligation of the affected property.

Under Proposition 218, property assessments cannot be directly based on the value of property; instead, they must be based on how much the property will benefit from the assessment (Cal. Const. Art. XIII D, § 4). Proposition 218 only permits property assessments for "special benefits," which confer "a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large" (Cal. Const. Art. XIII D, § 2, subd. (i)). By contrast, a "general benefit" goes to the community at large. Thus, any assessment district must finance infrastructure and services whose benefits accrue to district properties in specific and unique ways.

To be assessed on individual properties, special benefits must be demonstrated through a reliable methodology, typically developed by an assessment engineer.

Examples of special benefits include flood protection provided by storm drain improvements, proximity to public parks, safety resulting from street lighting, and sanitation benefits from sewer improvements.

### **Mechanism**

California statutes and the state constitution enable assessment districts (Cal. Const. Art. XIII D; Municipal Improvement Act of 1913; Improvement Bond Act of 1915; Cal. Gov. Code § 53753). As with other tax-assessment finance tools, an assessment district is established by the local government and the local residents via a vote. Typically, a public agency will engage the support of assessment engineers to identify the improvements or services and their respective costs. The engineers then determine the specific benefits to each parcel and provide an analysis of why the improvements should be recovered through the assessment.

#### ▪ **Development Impact Fees (“DIFs”)**

An impact fee is "a monetary exaction, other than a tax or special assessment, which is charged by a local agency to the applicant in connection with approval of a development project for the purpose of defraying all or a portion of the cost of public facilities related to the development project..." (California Government Code, Section 66000). The authority of local governments to impose impact fees on development is derived from their police power to protect the health and welfare of citizens under the California Constitution (Article 11, Section 7). Furthermore, the California Mitigation Fee Act provides a prescriptive guide to establishing and administering impact fees based on "constitutional and decisional law." Development impact fees ("DIFs") were enacted under Assembly Bill 1600 by the California Legislature in 1987 and codified under California Government Code Section 66000 *et seq.*, also referred to as the Mitigation Fee Act (the "Act" or "AB 1600").

### **Background**

AB 1600 defines local governments to include cities, counties, school districts, special districts, authorities, agencies, and other municipal corporations. Fees governed by the Act include development fees of general applicability, and fees negotiated for individual projects. *The Act does not apply to user fees for processing development applications or permits, fees governed by other statutes (e.g., the Quimby Act), developer agreements, or penalties, or fees specifically excluded by the Act (e.g., fees collected pursuant to agreements with redevelopment agencies or various reimbursement agreements).*

### **Function**

Public facilities that can be funded with impact fees are defined by the Act as "public improvements, public services, and community amenities." Please note that Government Code Section 65913.8 precludes the use of DIFs to fund operations/maintenance or services, with limited exceptions for very small improvements and certain temporary measures needed by certain special districts. In

combination, these provisions effectively restrict the use of most impact fees to public capital improvements.

The County may consider levying DIFs to pay for public parks and recreation facilities. Upon the adoption of the Park Fee Study and required legal documents by the Board, all new residential and non-residential development may be required to pay its "fair share" of the cost of public parks and recreation facilities through these development impact fees.

There are several high-visibility projects that the Parks Division is looking to finance that could qualify for DIFs. For example, the East End Project at Micke Grove Zoo requires a large capital investment to either re-purpose or complete full build out.

### **Mechanism**

A fee may be levied for each type of capital improvement required for new development, with the payment of the fee typically occurring prior to the beginning of construction of a dwelling unit. Fees are often levied at final map recordation, issuance of a certificate of occupancy, or more commonly, at building permit issuance.

The County would engage a consultant to conduct a Park Fee Study intended to meet the nexus or benefit requirements of AB 1600, which mandates that there is a nexus between fees imposed, the use of the fees, and the development projects on which the fees are imposed.

Section 66000 *et seq.* of the Government Code requires that all public agencies satisfy the following requirements when establishing, increasing or imposing a fee as a condition of new development:

- 1) Identify the purpose of the fee. (Government Code Section 66001(a)(1))
- 2) Identify the use to which the fee will be put. (Government Code Section 66001(a)(2))
- 3) Determine that there is a reasonable relationship between the fee's use and the type of development on which the fee is to be imposed. (Government Code Section 66001(a)(3))
- 4) Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is to be imposed. (Government Code Section 66001(a)(4))
- 5) Discuss how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

Identifying these items will enable a development impact fee to meet the nexus and rough proportionality requirements established by various court cases. The Park Fee Study will present each of these items as they relate to the imposition of the proposed development impact fees for public parks and recreation facilities within the County.

## ▪ Public Private Partnerships (“P3”)

### Background

A public private partnership (“P3”) is a contractual arrangement between a public agency and a private-sector entity. In the case of the Division, a number of ownership arrangements might lead to a P3 for the Regional Sports Complex, Oak Grove Park, and Micke Grove Park and Zoo. This will require an exploration of potential parties and their willingness to participate in the partnership.

P3s typically involve a long-term partnership agreement between a public entity and a private developer. Under the agreement, the private developer typically designs, builds, finances, operates and maintains a fee-generating public improvement. P3s are frequently built on public land (not always) and focus on public infrastructure that has a revenue stream to help secure and repay project costs. The goal of California P3s is to grant local governments the authority to mobilize private investment capital for fee-producing infrastructure (Cal. Gov. Code § 5956.1).

There are two fundamental differences between a P3 and privatization:

1. In a P3, the government remains an active participant through the deal, rather than simply granting concessions to a private party.
2. The government is a party to the P3 transaction and is ultimately expected to provide the service since it is a public good, even in default.

P3 projects require specific enabling legislation that defines the public agencies and types of projects. California has enacted four statutes giving state and local government agencies the authority to enter into P3s. Enabling statutes define the private partner (concessionaire), selection methodology, and term of the operations and maintenance agreement, and they often expressly mandate that the public improvement remain in the ownership of the government at the end of the term.

### Function

P3s are a form of project financing and management. Based on the local government objective, the concessionaire typically obtains most or all of the funding for the project. The concessionaire is then repaid through the project’s revenue stream or by the public. Arrangements vary from project to project, using different financing tools that may include private equity investment by the concessionaire and/or investors, loans from private commercial lenders, government grants, federal government loan and guarantee assistance programs, and private activity bonds or other corporate bond financing.

### Mechanism

Each type of P3 requires an enabling statute. While California has narrow P3 statutes for transportation, courthouses, and the high-speed rail project, it has a broad P3 enabling statute available to “local government agencies” for the development of a variety of types of public infrastructure projects using a P3 approach (Cal. Gov. Code §5956.3(a)). The local government -enabling statute has been used to pursue “fee-



producing” infrastructure for irrigation; drainage; energy or power production; water supply treatment, and distribution; flood control; inland waterways; harbors; municipal improvements; commuter and light rail; highways or bridges; etc.

## CHAPTER 7: IMPLEMENTATION AND PROPOSED TIMELINE

### SUMMARY OF RECOMMENDATIONS

The DTA team concludes that the Division is admirably “doing more with less.” Staffing cuts would be inappropriate, and in fact, additional staffing would allow the Division to clear any backlogged tasks and prioritize work with high visibility to the community.

Each of the micro-recommendations outlined in Chapter 4 should be implemented immediately, and the planning stages for the more long-term macro-recommendations, found in Chapter 5, should begin as early as possible. DTA has compiled a list of preferred public financing strategies outlined below (see Chapter 6 for more detail).

### PREFERRED PUBLIC FINANCING STRATEGIES

1. A ballot measure could finance many of the Division’s higher cost facilities and services indefinitely. If an Open Space Authority (“OSA”) could be developed or designated, this would offer greater flexibility with how the ultimate measure is structured and implemented. Partner agencies are welcome.
2. A *dedicated* development impact fee for parks can finance future capital facilities and services generated by population growth and new development.
3. A public private partnership at the Regional Sports Complex could provide support for ongoing operations and maintenance and, critically, increase usership.
4. Replacing the existing (and future) CSAs with a CFD + EIFD combination would ensure tax receipts keep up with cost inflation of operations and maintenance.

### PUBLIC FACILITIES FINANCING PLANS (“PFFPs”)

Public agencies typically draft reports for the preparation and implementation of financing strategies and plans to fund public facilities and services for newly developing areas, as well as for existing development. These reports, known as Public Facilities Financing Plans (“PFFPs”), are often used in conjunction with specific plans, environmental impact reports, incorporations, reuse studies, general plan amendments, development agreements, and individual project proposals; and they cover different types of residential, commercial/industrial, and mixed-use projects.

DTA has provided several sample tables typically seen in PFFPs to assist the County, the Division, and others evaluate the order of magnitude involved in some of the strategies:

**Table [7-1]**

<b>San Joaquin County - Sample Uniform Tax per Square Foot</b>	
	<b>San Joaquin County</b>
<b>Estimated SF of Improved Property in SJ County<sup>1</sup></b>	<b>203,220,500</b>
<b>Proposed Tax of 1.5 cents per SF of Improved Property</b>	<b>\$3,048,308</b>
<b>Estimated Tax per Home (2,000 SF)</b>	<b>\$3.00</b>

[1] Source: CoStar Research Data.

**Table [7-2]**

<b>San Joaquin County - Sample Uniform Residential Tax</b>	
	<b>San Joaquin County</b>
<b>Number of Households in SJ County<sup>1</sup></b>	<b>223,062</b>
<b>Median Property Value per House in SJ County<sup>2</sup></b>	<b>\$329,900</b>
<b>Proposed Tax of \$12 per Residential Unit</b>	<b>\$2,788,275</b>
<b>Estimated Direct Charge Tax Rate</b>	<b>0.0038%</b>
<b>Proposed Tax of \$25 per Residential Unit</b>	<b>\$5,576,550</b>
<b>Estimated Direct Charge Tax Rate</b>	<b>0.0076%</b>
<b>Proposed Tax of \$50 per Residential Unit</b>	<b>\$11,153,100</b>
<b>Estimated Direct Charge Tax Rate</b>	<b>0.0152%</b>

[1] Source: DataUSA.  
[2] Source: CoStar Research Data.

**Table [7-3]**

<b>San Joaquin County - Sample DIF (20 Years)</b>	
	<b>San Joaquin County</b>
<b>Number of Households in SJ County<sup>1</sup></b>	<b>223,062</b>
<b>Projected Annual Growth Rate of Households in SJ County<sup>2</sup></b>	<b>0.84%</b>
<b>Projected Number of Households in 2038 in SJ County<sup>4</sup></b>	<b>286,800</b>
<b>Proposed DIF per Unit</b>	<b>\$500</b>
<b>Estimated DIF Revenue (Over 20 Years)</b>	<b>\$31,869,000</b>
<b>Proposed DIF per Unit</b>	<b>\$1,000</b>
<b>Estimated DIF Revenue (Over 20 Years)</b>	<b>\$63,738,000</b>
<b>Proposed DIF per Unit</b>	<b>\$2,000</b>
<b>Estimated DIF Revenue (Over 20 Years)</b>	<b>\$127,476,000</b>
[1] Source: DataUSA.	
[2] Source: CalTrans San Joaquin County Economic Forecast 2017.	
[3] Source: CoStar Research Data.	
[4] Source: CalTrans San Joaquin County Economic Forecast 2017.	

**Table [7-4]**

<b>San Joaquin County - Sample CFD Breakdown</b>		
	<b>Existing*</b>	<b>New (Projected)**</b>
<b>Number of Households in SJ County</b>	<b>223,062</b>	<b>63,738</b>
Estimated Value per Residential Unit	\$274,000	\$399,582
<b>Current Assessments, Special Taxes, and Parcel Charges</b>		
<i>Basic Ad Valorem Property Tax</i>	1.0000%	1.0000%
<i>Other Ad Valorem Taxes<sup>3</sup></i>	0.1298%	0.1298%
<b>TOTAL - Ad Valorem Taxes</b>	<b>1.1298%</b>	<b>1.1298%</b>
<i>Other Assessments, Direct Charges, and Special Taxes</i>	0.0916%	0.0916%
<b>Total Property Taxes Before Proposed CFD</b>	<b>1.2214%</b>	<b>1.2214%</b>
<b>Proposed CFD Rate per Residential Unit</b>	<b>\$25</b>	<b>\$100</b>
<b>Proposed CFD Rate (%)</b>	<b>0.0091%</b>	<b>0.0250%</b>
<b>Total Property Taxes and Charges with CFD</b>	<b>1.2306%</b>	<b>1.2465%</b>
<b>Total Potential CFD Revenue per Annum</b>	<b>\$5,576,550</b>	<b>\$6,373,800</b>
*Existing homes figure based on estimated number of households from DataUSA.		
**Assuming units of new residential development at FY18 market rate. Projected number of units based on expected population growth and household growth through 2038.		
[1] Source: Based on City of Stockton market values per Zillow Home Value Index (ZHVI) as of December 31, 2017.		
[2] Source: NewHomeSource™: Average New Home Price for City of Stockton, San Joaquin County.		
[3] Source: San Joaquin County Treasurer-Tax Collector.		

**SAMPLE TIMELINE**

What follows is a suggested schedule of events for the micro-recommendations, macro-recommendations, and potential financing solutions described previously. The periods identified represent an approximation of engagement commencement dates and time-to-completion of the proposed strategies.

**Public Facilities Financing Plan (PFFP)**

Potential Financing Strategies Timeline	Q3 2018	Q4 2018	2019	2020	2021	2022	2023
Engage consultants to evaluate possible tax measures. Discuss strategies and implications with County Counsel.							
Engage Development Impact Fee Consultant to commence Parks Nexus Study.							
Complete Parks DIF Study, Review Tax Measure analysis and synchronize those findings with CFD and EIFD Strategy.							
Issue Request for Information ("RFI") for P3 to target sub-group of P3 industry leaders.							
Evaluate RFIs for P3; issue RFQ or RFP annually.							
Develop ballot strategies for either special election, or commence outreach for 2020 - 2022 elections.							

**Micro-Recommendations**

Micro Recommendations Timeline	Q3 2018	Q4 2018	2019	2020	2021	2022	2023
1. Expand the Volunteering Program / Community Activation							
2. Focus Resources and Attention on Oak Grove and Micke Grove							
3. Expand Automation, Online, and Revenue Optimization Processes; Increase Marketing and Develop Consistent Membership and Parking Policies							

**Macro-Recommendations**

Macro Recommendations Timeline	Q3 2018	Q4 2018	2019	2020	2021	2022	2023
1. Decrease Regional Park Inventory							
2. Re-negotiate Operating Agreements with Zoological and Historical Societies							
3. Evaluate Strategic Priorities Relating to Parks and Micke Grove Zoo							
4. Secure Long-Term Funding for Parks and Recreation							

## NOTES

- [1]. U.S. Census Bureau: County QuickFacts, as of July 1, 2017
- [2]. "San Joaquin County Parks & Recreation." *San Joaquin County Parks & Recreation*, [www.sjpark.com/](http://www.sjpark.com/). Accessed November 2017.
- [3]. Stanislaus County Parks Master Plan.
- [4]. Placer County. "Final Budget 2017-2018," 28 Sept. 2017.
- [5]. Yolo County, and General Government. "2017-2018 Budget." *2017-18 County Budget*.
- [6]. Stanislaus County, California, Parks & Recreation.
- [7]. Placer County. "Parks and Trails." *Museums, Parks and Recreation*, [www.placer.ca.gov/departments/facility/parks](http://www.placer.ca.gov/departments/facility/parks). Accessed November 2017.
- [8]. Yolo County. "Yolo County." *Parks | Yolo County*, [www.yolocounty.org/general-government/general-government-departments/parks](http://www.yolocounty.org/general-government/general-government-departments/parks). Date Accessed January 2018.
- [9]. San Joaquin County. "Micke Grove Zoo | San Joaquin County Parks & Recreation." *Micke Grove Zoo | San Joaquin County Parks & Recreation, 2014*, [www.mgzoo.com/](http://www.mgzoo.com/). Date Accessed January 2018.
- [10]. Happy Hollow Park and Zoo. "Happy Hollow Park and Zoo: Outdoor Adventure for Families and Children." *Happy Hollow Park and Zoo: Outdoor Adventure for Families and Children, 2017*, [www.hhpz.org/](http://www.hhpz.org/). Date Accessed January 2018.
- [11]. Charles Paddock Zoo. "Conservation. Education. Recreation." *Charles Paddock Zoo, 2018*, [charlespaddockzoo.org/](http://charlespaddockzoo.org/). Date Accessed January 2018.
- [12]. Sequoia Park Zoo & Foundation. "The Sequoia Park Zoo." *Sequoia Park Zoo*, [www.sequoiaparkzoo.net/](http://www.sequoiaparkzoo.net/). Date Accessed January 2018.
- [13]. Micke Grove Zoo Organizational Chart.
- [14]. San Joaquin County. "2017-2018 Final Budget." 27 Oct. 2017. Date Accessed January 2018.
- [15]. Sequoia Park Zoo. "2015 Annual Report." 16 Nov. 2016, [www.sequoiaparkzoo.net/about/annual-reports/](http://www.sequoiaparkzoo.net/about/annual-reports/).
- [16]. Happy Hollow Foundation. "2017 Annual Update." 27 Sept. 2017, [www.hhpz.org/files/hhpz/HHF%20Annual%20Update\\_2017.pdf](http://www.hhpz.org/files/hhpz/HHF%20Annual%20Update_2017.pdf).
- [17]. City of Atascadero. "Budget for Fiscal Years 2017-2019." 27 Sept. 2017.
- [18]. San Jose: Parks and Recreation & Neighborhood Services. "2016 Annual Report." 1 Mar. 2017.
- [19]. 17-18 Parks, Recreation and Neighborhood Department Budget Summary.
- [20]. FY17-18 Proposed Budget Allocation Form.
- [21]. San Joaquin Council of Governments One Voice 2017 Statement.
- [22]. "Los Angeles Countywide Comprehensive Parks & Recreation Needs Assessment," June 2016.
- [23]. "Los Angeles County, California, Parks and Open Space Parcel Tax, Measure A

- (November 2016).” Ballotpedia.  
ballotpedia.org/Los\_Angeles\_County,\_California,\_Parks\_and\_Open\_Space\_Parcel\_Tax,\_Measure\_A\_(November\_2016). Date Accessed January 2018.
- [24]. “Santa Clara County Open Space Authority Parcel Tax, Measure Q (November 2014).”  
Ballotpedia.  
[https://ballotpedia.org/Santa\\_Clara\\_County\\_Open\\_Space\\_Authority\\_Parcel\\_Tax,\\_Measure\\_Q\\_\(November\\_2014\)](https://ballotpedia.org/Santa_Clara_County_Open_Space_Authority_Parcel_Tax,_Measure_Q_(November_2014)). Date Accessed January 2018.
- [25]. “Landmark Public Private Partnership Between FivePoint and City of Irvine Brings  
World-Class Sports Park to Life at Orange County Great Park.” CISION PR Newswire. 2017,  
[www.prnewswire.com/news-releases/landmark-public-private-partnership-between-fivepoint-and-city-of-irvine-brings-world-class-sports-park-to-life-at-orange-county-great-park-300499810.html](http://www.prnewswire.com/news-releases/landmark-public-private-partnership-between-fivepoint-and-city-of-irvine-brings-world-class-sports-park-to-life-at-orange-county-great-park-300499810.html). Date  
Accessed February 2018.
- [26]. “San Antonia group plans to develop \$25 million coastal sports complex.” San Antonio  
*Business Journal*. 2016. Date Accessed February 2018.
- [27]. “Design & Project Management Teams Selected to Build World-Class Sports Field in  
Placer County.” *LPA*. Jul 30, 2015. Date Accessed February 2018
- [28]. San Joaquin County Historical Society. “San Joaquin County Historical Society and Museum.”  
San Joaquin County Historical Society and Museum, 2018, [www.sanjoaquinhistory.org](http://www.sanjoaquinhistory.org).  
Date Accessed March 2018.
- [29]. Groupon. “\$49 For an Introductory Membership to the Micke Grove Zoological Society (\$100 Value).”  
Groupon, [www.groupon.com/deals/micke-grove-zoological-society-8-sacramento](http://www.groupon.com/deals/micke-grove-zoological-society-8-sacramento).  
Date Accessed March 2018.
- [30]. Groupon. “\$51 For an Introductory Membership to the Micke Grove Zoological Society (\$100 Value).”  
Groupon, [www.groupon.com/deals/micke-grove-zoological-society-8-san-francisco](http://www.groupon.com/deals/micke-grove-zoological-society-8-san-francisco).  
Date Accessed March 2018.
- [31]. Groupon. “\$51 For an Introductory Membership to the Micke Grove Zoological Society (\$100 Value).”  
Groupon, [www.groupon.com/deals/micke-grove-zoological-society-8-modesto](http://www.groupon.com/deals/micke-grove-zoological-society-8-modesto).  
Date Accessed March 2018.
- [32]. Sabatini, Elisa. Yolo County Sustainable Parks Study. Yolo County Administrator's Office, 2016,  
Yolo County Sustainable Parks Study. Date Accessed March 2018.
- [33]. Deloitte, and Datawheel. “Data USA.” *Data USA*, [datausa.io/](http://datausa.io/). Accessed November 2017.

APPENDIX

San Joaquin County - Sample CFD Breakdown

	City of Tracy		City of Stockton	
	Existing Homes	New Homes**	Existing Homes	New Homes**
<b>Number of Units*</b>	<b>24,344</b>	<b>10,160</b>	<b>94,561</b>	<b>49,520</b>
Estimated Value per Unit - Existing Homes <sup>1</sup>	\$468,300		\$274,000	
Estimated Value per Unit - New Homes <sup>2</sup>		\$618,930		\$399,582
<b>Estimated Total Value</b>	<b>\$11,400,295,200</b>	<b>\$6,288,328,800</b>	<b>\$25,909,714,000</b>	<b>\$19,787,300,640</b>
<b>RATES: Current Assessments, Special Taxes, and Parcel Charges</b>				
<i>Basic Ad Valorem Property Tax</i>	1.0000%	1.0000%	1.0000%	1.0000%
<i>Other Ad Valorem Taxes</i> <sup>3</sup>				
03561 - LINCOLN USD BOND 2004A/2013R			0.0387%	0.0387%
03562 - LINCOLN USD BOND 2004B			0.0178%	0.0178%
03563 - LINCOLN USD BOND 2004C			0.0048%	0.0048%
03564 - LINCOLN USD BOND 2004D			0.0036%	0.0036%
03565 - LINCOLN USD BOND 2012A			0.0172%	0.0172%
03566 - LINCOLN USD BOND 2012B			0.0144%	0.0144%
03567 - LINCOLN USD BOND 2012C			0.0178%	0.0178%
02363 - LAMMERSVILLE JT USD BOND 2016A	0.0534%	0.0534%		
04562 - SJ DELTA COLLEGE BOND 2004B	0.0155%	0.0155%	0.0155%	0.0155%
04563 - SJ DELTA COLLEGE BOND 2004C	0.0018%	0.0018%		
04564 - SJ DELTA COLLEGE BOND 2015R	0.0007%	0.0007%		
04961 - TRACY-LAMMERSVILLE SD BOND 2014R	0.0100%	0.0100%		
04963 - TRACY-LAMMERSVILLE SD BOND 2006C/2015R	0.0072%	0.0072%		
<b>TOTAL - Ad Valorem Taxes</b>	<b>1.0886%</b>	<b>1.0886%</b>	<b>1.1298%</b>	<b>1.1298%</b>
<i>Direct Charges</i> <sup>3</sup>				
WATER INVESTIGATION	0.0007%	0.0007%	0.0007%	0.0007%
SJC MOSQ & VCTR CONT	0.0022%	0.0022%	0.0024%	0.0024%
LINCOLN CFD - 1 (1991)			0.0562%	0.0562%
SJ AREA FL CONT C			0.0019%	0.0019%
RECL DISTR NO 160			0.0289%	0.0289%
SJC MOSQUITO ABATE	0.0006%	0.0006%	0.0005%	0.0005%
CSA NO 53 - HAZ WA	0.0010%	0.0010%	0.0010%	0.0010%
S DELTA WATER AGENCY	0.0005%	0.0005%		
LATRHOPE MANTECA	0.0272%	0.0272%		
RECL DISTR NO 17	0.0234%	0.0234%		
<b>TOTAL - Direct Charges</b>	<b>0.0556%</b>	<b>0.0556%</b>	<b>0.0916%</b>	<b>0.0916%</b>
<b>Total - General Property Taxes and Charges</b>	<b>1.1442%</b>	<b>1.1442%</b>	<b>1.2214%</b>	<b>1.2214%</b>
<b>Proposed CFD Rate per Residential Unit</b>	<b>\$50</b>	<b>\$125</b>	<b>\$50</b>	<b>\$125</b>
<b>Proposed CFD Rate (%)</b>	<b>0.0107%</b>	<b>0.0202%</b>	<b>0.0182%</b>	<b>0.0313%</b>
<b>Total Property Taxes and Charges with CFD</b>	<b>1.1549%</b>	<b>1.1644%</b>	<b>1.2397%</b>	<b>1.2527%</b>
<b>Total Potential CFD Revenue per Annum</b>	<b>\$1,217,200</b>	<b>\$1,270,000</b>	<b>\$4,728,050</b>	<b>\$6,190,000</b>

\*Existing homes figure based on estimated number of households from DataUSA.

\*\* Assuming units of new residential development at FY18 market rate. Projected number of units based on expected population growth and household growth through 2038.

[1] Source: Zillow Home Value Index (ZHVI) as of December 31, 2017.

[2] Source: NewHomeSource™: Average New Home Price for Top New Home Cities in San Joaquin County. Accessed February 8, 2018.

[3] Source: Sample Property Tax Bills for Tax Rate Areas (TRAs) 003022 (Stockton), 102004 (Manteca), and 092018 (Mountain House); San Joaquin County Treasurer-Tax Collector.