Governing Board

MEETING AGENDA

Wednesday, June 24, 2015
1:00 p.m. to 3:00 p.m.

Meeting Location:
California State Coastal Conservancy
1330 Broadway, 11th Floor Conference Room
Oakland, California 94612

Public Conference Call:
Call-in Number: (877) 336-1831
Participant Code: 226167

For additional information, please contact:
Clerk of the Governing Board, (510) 464-7900

Agenda and attachments available at:
www.sfbayrestore.org

The Governing Board may take action on any item on this agenda.

1. Call to Order
   Chair Ted Lempert will call the meeting to order.

2. Roll Call

3. Public Comments
   Information

4. Announcements
   Information

5. Approval of Summary Minutes of April 22, 2015
   Action
   Attachment: Summary Minutes for April 22, 2015
6. **Chair’s Report**  
   *Information*  
   Lempert  
   
   **A. Report on Governing Board Appointment**  
   *Attachment: Pierce letter dated June 11, 2015*

7. **Report on Interim Treasurer Appointment**  
   *Action*  
   Kenneth Moy, Legal Counsel, Association of Bay Area Governments  
   *Attachment: Rapport letter dated June 4, 2015; Financial Report*

8. **Report on Outreach and Funding**  
   *Information*  
   Ted Lempert, Chair; and Paul Kumar, Save The Bay

9. **Legislation Update**  
   *Information*  
   Sam Schuchat, Executive Officer, California State Coastal Conservancy  
   *Attachment: AB 746*

10. **Report on Options for Ballot Measure: Revenue-Raising Mechanisms and Date of Election**  
    *Action*  
    Schuchat  
    *Attachment: Schuchat memo dated June 17, 2015; Recommendations Ballot Measure Tables*

11. **Report on Funding for Pre-Election Consultant Costs**  
    *Information*  
    Dave Pine, Supervisor, County of San Mateo  
    *Attachment: Suggested Contacts*
12. Adjournment

Next meeting is on Monday, September 21, 2015, 1:00 p.m. to 3:00 p.m.

Agenda submitted by the Clerk of the Governing Board:
June 17, 2015

Agenda posted:
June 18, 2015
1. **Call to Order**
   Ted Lempert, Chair, called the meeting to order at about 1:03 p.m.

2. **Roll Call**
   Fred Castro, Clerk of the Governing Board, reported that five (5) members were present. A quorum of the Governing Board was present.
   Present were Keith Caldwell, Rosanne Foust, Ted Lempert, Dave Pine, John Sutter.
   Absent was John Gioia.
   Present were Kenneth Moy (ABAG); Judy Kelly (San Francisco Estuary Partnership); Sam Schuchat (California State Coastal Conservancy).
   [Cindy Chavez, Supervisor, County of Santa Clara, resigned from the Governing Board effective April 15, 2015.]

3. **Public Comments**
   There was no public comment.

4. **Announcements**
   Pine announced that the Bay Area Council released a report, *Surviving the Storm.*
Sutter reported that the East Bay Regional Park District will likely place a ballot measure affecting the Oakland and Richmond districts in 2016, and the Hayward Recreation Park District will also have a ballot measure.

There were no other announcements.

5. Approval of Summary Minutes of February 25, 2015

Lempert recognized a motion by Foust and a second by Caldwell to approve the summary minutes of the Governing Board meeting on February 25, 2015. There was no discussion. The motion passed with five (5) aye votes.

Ayes: Caldwell, Foust, Lempert, Pine, Sutter.

Nays: None.

Abstentions: None.

Absent: Gioia.

6. Chair’s Report

There was no Chair’s report.

7. Report on Polling Results

Paul Kumar, Save The Bay, reported on results of polling conducted in April by FM3 and Public Opinion Strategy.

Members discussed a parcel tax option passing without a campaign; voter turnout in primary and general elections; likely support and opposition; voter turnout and support for local measures; primary versus general elections; Santa Clara County environmental measures; electoral advantages and disadvantages for bond measures; election expenses; a possible state park bond for the November ballot.


Sam Schuchat, Executive Officer, California State Coastal Conservancy, reported on current options for revenue-raising mechanisms, including parcel tax and general obligation bonds.

Members discussed potential opposition to bonds; identifying parcel owners likely to be affected by a general obligation bond; outreach and education; updating the expenditure plan; potential revenues from a parcel tax and general obligation bond; examples of projects list; paying for administrative costs.

9. Report on Options for Funding Pre-Election Administrative Costs

a. ABAG Member Contributions

Kenneth Moy, Legal Counsel, Association of Bay Area Governments, reported that the ABAG Finance and Personnel Committee received a report on a proposal for support of the San Francisco Bay Restoration Authority from ABAG members and that the report was tabled.
b. Membership Option

Pine reported on the proposal for soliciting support for the San Francisco Bay Restoration Authority from cities and counties and special districts in the Bay Area.

Members discussed developing a letter and fact sheet and a list of potential supporters.

Staff will develop a fact sheet and list of potential supporters.

10. Legislation Update

Schuchat reported on the status of AB 746 (Ting) which is being heard by the Assembly Local Government Committee.

11. Report on Schedule Leading to a Possible June 2016 Ballot Measure

Schuchat reported on the draft schedule of tasks, Governing Board decisions, and deadlines for the June 2106 election, including decisions at the Governing Board meeting in June regarding a parcel tax or general obligation bond measure for either the June or November ballot in 2016; the adoption of resolutions in early 2016; outreach to stakeholders; registrar ballot, tracking poll, and bond counsel costs; scheduling additional Governing Board meetings in 2015.

Members discussed ballot costs; stakeholder and fundraising outreach; polling results supporting parcel tax; potential opposition and support for either a parcel tax or general obligation bond measure; placing a measure in the June or November ballot; updating the fact sheet.

12. Adjournment

Lempert adjourned the Governing Board meeting at about 2:30 p.m.

Next meeting is on Wednesday, June 24, 2015, 1:00 p.m. to 3:00 p.m.

Submitted by the Clerk of the Governing Board:
June 5, 2015

Approved by the Governing Board:
TBD
June 11, 2015

Patricia Showalter  
Councilmember  
City of Mountain View  
2711 Levin Court  
Mountain View, CA 94040

Dear Councilmember Showalter:

I am pleased to appoint you as a member of the Governing Board of the San Francisco Bay Restoration Authority, for the Bayside Cities/Counties seat, effective immediately. This appointment ends March 20, 2017.

I appreciate your willingness to serve and am confident that the San Francisco Bay Restoration Authority will benefit from your participation.

The San Francisco Bay Restoration Authority was established by enactment of AB 2954 (Lieber) in 2008 as a new regional government agency charged with raising and allocating resources for the restoration, enhancement, protection, and enjoyment of wetlands and wildlife habitat in the San Francisco Bay and along its shoreline.

Enclosed are the legislation establishing the San Francisco Bay Restoration Authority and the list of Governing Board members.

For additional information, please contact Governing Board Chair Ted Lempert, President, Children Now, (510) 763-2444 or tlempert@childrennow.org; or Judy Kelly, Director, San Francisco Estuary Partnership, (510) 622-8137 or judy.kelly@waterboards.ca.gov.

Sincerely yours,

Julie Pierce  
ABAG President  
Councilmember, City of Clayton
Patricia Showalter
June 11, 2015

Cc    Ted Lempert
      Judy Kelly
      Kenneth Moy

Enclosures:
AB 2954
Governing Board Members
June 4, 2015

Ted Lempert  
Chair, Governing Board  
San Francisco Bay Restoration Authority  
tltempert@childrennow.org

Re: San Francisco Bay Restoration Authority—Treasurer

Dear Mr. Lempert:

The Association of Bay Area Governments (ABAG) is the agency responsible for appointing the Governing Board of the San Francisco Bay Restoration Authority (Authority). ABAG’s programs include the San Francisco Estuary Project and the San Francisco Bay Trail. The Authority and ABAG have overlapping and compatible goals for enhancing the natural resources of the San Francisco Bay and providing public access and recreational opportunities along the Bay.

By letter dated April 20, 2009, ABAG offered to make certain members of its staff available on an as needed basis to support the work of the Governing Board and the Authority (attached). The Authority accepted this offer, including the appointment of ABAG’s Finance Director to the position of the Authority’s Treasurer. Please be advised that ABAG has recently appointed Charlie Adams as its Interim Finance Director (see attached for background on Mr. Adams). ABAG hereby offers the services of Mr. Adams to serve as the Authority’s Treasurer. I will assume the Authority’s acceptance of this offer on the same terms as set forth in the April 20, 2009 letter unless I hear otherwise from you.

Sincerely,

Ezra Rapport  
Executive Director

Cc: Charles Adams

Attachments:  
Gardner letter dated April 20, 2009  
Staff memo dated April 16, 2015
April 20, 2009

Governing Board Member (name)
c/o Association of Bay Area Government
101 8th Street
Oakland, CA 94607

Re: San Francisco Bay Restoration Authority

Dear Board Members:

The Association of Bay Area Governments (ABAG) is the agency responsible for appointing the Governing Board of the San Francisco Bay Restoration Authority (Authority). ABAG’s programs include the San Francisco Estuary Project and the San Francisco Bay Trail. The Authority and ABAG have overlapping and compatible goals for enhancing the natural resources of the San Francisco Bay and providing public access and recreational opportunities along the Bay.

At this time, the Authority has neither funds nor staff. ABAG will make its staff available on an as needed basis to support the work of the Governing Board. ABAG agrees to the appointment of its Executive Director, Legal Counsel, Finance Director and Clerk of its Executive Board to the positions of the Authority’s Director, Legal Counsel, Treasurer and Clerk to the Governing Board, respectively. In the event that ABAG needs to withdraw this offer, it will provide the Authority with prior notice so as to avoid disruption to the Authority’s work.

ABAG may seek reimbursement for the cost of providing interim staff to the Authority from the proceeds of any financings undertaken for restoration projects.

ABAG looks forward to the Authority’s success.

Sincerely,

Original signed by Henry Gardner

Henry L. Gardner
Executive Director
DATE: April 16, 2015  
TO: Finance & Personnel Committee  
FROM: Ezra Rapport, Executive Director  
SUBJECT: Appointment of Interim Finance Director Charles Adams

I am pleased to announce the appointment of Charles Adams as ABAG's Interim Finance Director. Mr. Adams will be acting in this role while Herbert Pike, ABAG's Finance Director, is on medical leave. Mr. Pike has made himself available to assist Mr. Adams with his duties.

Mr. Adams brings a wealth of experience and knowledge to ABAG. Mr. Adams holds a BS Degree in Accounting from the University of Utah and an MBA Degree from Washington University, St. Louis. He is a Certified Public Accountant (CPA) and a Certified Management Accountant (CMA). His professional career has included two year service as a US Army Officer, auditor with PriceWaterhouse, CPAs, Managing Partner of Adams, Grant, White & Co. CPAs, Chief Financial Officer of the Oakland – Alameda County Coliseum and Director of Finance and Administrative Services of the City of Albany.

Mr. Adams has been serving public and nonprofit organizations for over 45 years. During his CPA career, Mr. Adams served as an audit partner on numerous governmental and nonprofit agencies, including the City of Berkeley, Alameda County Transportation Authority, MTC, BART, Peralta Community College District, Oakland Unified School District, Oakland-Alameda County Coliseum, AC Transit, and the Regional Center of the East Bay. As the Chief Financial Officer of the Oakland-Alameda County Coliseum and the City of Albany, Mr. Adams coordinated the issuance of numerous bonds totaling over $400 million. He is experienced in bond issuance and debt management.

Mr. Adams has extensive experience in financial reporting, operating and capital budget preparation and financial forecasts, cash and treasury management, debt management, grants management, contract management, and risk management. He oversaw critical accounting and administrative functions including accounts receivable, accounts payable, payroll, treasury, grant reporting, fixed assets, human resources, and information technology. He has great expertise in evaluating internal controls and developing comprehensive policies and procedures.

Throughout his career, Mr. Adams has held leadership positions in many professional and civic organizations, including Board of Directors of the East Bay Chapter of the California CPA
Society, President of the San Francisco Bay Area National Association of Black Accountants (NABA), National Treasurer of NABA, and President of the Oakland Rotary Club.

Mr. Adams will oversee the Finance Department’s day-to-day operations and the MTC audit and forensic audit. He will coordinate preparation of ABAG’s budget for FY 15-16. He will work with staff to evaluate current policies and procedures and implement additional best practices to enhance internal controls.

We are very fortunate to have Mr. Adams to assist us at this time. His extensive experience and background are great assets to ABAG. His strong knowledge in the audit, financial reporting, grants management, debt administration, and risk management areas will be beneficial to our grant funded programs and service programs. Please join us in welcoming Mr. Adams to ABAG.
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SAN FRANCISCO BAY RESTORATION AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE MONTH ENDED MAY 31, 2015

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An act to amend Sections 66702.5, 66703, 66704, 66704.05, and 66706 of the Government Code, relating to the San Francisco Bay Restoration Authority.

LEGISLATIVE COUNSEL’S DIGEST

AB 746, as amended, Ting. San Francisco Bay Restoration Authority. (1) Existing law, the San Francisco Bay Restoration Authority Act, until January 1, 2029, establishes the San Francisco Bay Restoration Authority to raise and allocate resources for the restoration, enhancement, protection, and enjoyment of wetlands and wildlife habitat in the San Francisco Bay and along its shoreline. The act establishes a governing board of the authority composed of specified members, including a member who is a resident of the San Francisco Bay area with expertise in the implementation of the San Francisco Bay Conservancy Program, who serves as the chair. The act grants to the board all powers that are necessary to carry out the act, including, among other things, the power to levy specified benefit assessments, special
taxes, and property-related fees, and to issue revenue bonds and general obligation bonds. However, the act limits the total amount of outstanding indebtedness incurred pursuant to those provisions authorizing the issuance of general obligation bonds to 10% of the authority’s total revenues in the preceding fiscal year. Existing law generally requires a district to reimburse the county elections official for the actual costs incurred in conducting an election for the district. However, the act authorizes, until January 1, 2017, the authority to reimburse only the incremental costs, as defined, that are incurred by the county elections official related to submitting a special tax measure to the voters.

This bill would delete the requirement that one member of the board, who serves as the chair, be a resident of the San Francisco Bay area with expertise in the implementation of the San Francisco Bay Conservancy Program and would instead require that member to be an elected official of a bayside city or county, or an elected member of a special district, with expertise in the implementation of the San Francisco Bay Conservancy Program. The bill would also delete the limit on the authority’s total amount of outstanding general obligation bonded indebtedness based on prior fiscal year revenues, and would, instead, prohibit the authority from having a total amount of outstanding bonded indebtedness that exceeds $1,500,000,000. The bill would specify that the authority may incur general obligation bonded indebtedness for the acquisition or improvement of real property or for the funding or refunding of any outstanding bonded indebtedness incurred by the authority. The bill would extend to January 1, 2019, the operation of the provision authorizing the authority to reimburse county elections officials for only the incremental costs of submitting a special tax measure to the voters, expanded to apply to other specified measures that would generate revenues for the authority. The bill would postpone to January 1, 2049, the repeal date for the act, and would make related conforming changes. By imposing additional duties on local government officials with regard to implementation of the act, the bill would impose a state-mandated local program.

The act specifies that the special taxes are to be levied, and submitted to the voters, consistent with specified provisions of the California Constitution relating to voter approval for local tax levies and property-related fees, charges, and assessments. This bill would instead specify that measures that will generate revenues are to be submitted to the voters, consistent with those requirements of the California Constitution and the requirements of the
California Constitution relating to general obligation bond indebtedness and ad valorem taxes.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason.


The people of the State of California do enact as follows:

SECTION 1. Section 66702.5 of the Government Code is amended to read:

(a) It is the intent of the Legislature that the authority should complement existing efforts by cities, counties, districts, the San Francisco Bay Conservation and Development Commission, the State Coastal Conservancy, and other local, regional, and state entities, related to addressing the goals described in this title.

(b) It is further the intent of the Legislature to explicitly affirm the San Francisco Bay Restoration Authority’s authority to incur general obligation bond indebtedness under paragraph (2) of subdivision (b) of Section 1 of Article XIII A of the California Constitution, and Article 11 (commencing with Section 5790) of Chapter 4 of Division 5 of the Public Resources Code.

SEC. 2.

SECTION 1. Section 66703 of the Government Code is amended to read:

(a) The authority shall be governed by a board composed of seven voting members, as follows:

(1) One member shall be an elected official of a bayside city or county, or an elected member of a special district, with expertise in the implementation of Chapter 4.5 (commencing with Section 31160) of Division 21 of the Public Resources Code and shall serve as the chair.

(2) One member shall be an elected official of a bayside city or county in the North Bay. For purposes of this subdivision, the North Bay consists of the Counties of Marin, Napa, Solano, and Sonoma.
One member shall be an elected official of a bayside city or county in the East Bay. For purposes of this subdivision, the East Bay consists of Contra Costa County and the portion of Alameda County that is north of the southern boundary of the City of Hayward, excluding the Delta primary zone.

One member shall be an elected official of a bayside city or county in the South Bay. For purposes of this subdivision, the South Bay consists of Santa Clara County, the portion of Alameda County that is south of the southern boundary of the City of Hayward, and the portion of San Mateo County that is south of the northern boundary of Redwood City.

One member shall be an elected official of a bayside city or county in the West Bay. For purposes of this subdivision, the West Bay consists of the City and County of San Francisco and the portion of San Mateo County that is north of the northern boundary of Redwood City.

Two members shall be elected officials of one or more of the following:

(A) A bayside city or county.

(B) A regional park district, regional open-space district, or regional park and open-space district formed pursuant to Article 3 (commencing with Section 5500) of Chapter 3 of Division 5 of the Public Resources Code that owns or operates one or more San Francisco Bay shoreline parcels.

(b) The Association of Bay Area Governments shall appoint the members.

(c) Each member shall serve at the pleasure of his or her appointing authority.

(d) A vacancy shall be filled by the Association of Bay Area Governments within 90 days from the date on which the vacancy occurs.

SEC. 2. Section 66704 of the Government Code is amended to read:

66704. The authority has, and may exercise, all powers, expressed or implied, that are necessary to carry out the intent and purposes of this title, including, but not limited to, the power to do all of the following:

(a) (1) Levy a benefit assessment, special tax levied pursuant to Article 3.5 (commencing with Section 50075) of Chapter 1 of

Item 9
Part 1 of Division 1 of Title 5, or property-related fee consistent
with the requirements of Articles XIII A, XIIIC, and XIIID of the
California Constitution, including, but not limited to, a benefit
assessment levied pursuant to paragraph (2), except that a benefit
assessment, special tax, or property-related fee shall not be levied
pursuant to this subdivision after December 31, 2048.

(2) The authority may levy a benefit assessment pursuant to any
of the following:

(A) The Improvement Act of 1911 (Division 7 (commencing
with Section 5000) of the Streets and Highways Code).

(B) The Improvement Bond Act of 1915 (Division 10
(commencing with Section 8500) of the Streets and Highways
Code).

(C) The Municipal Improvement Act of 1913 (Division 12
(commencing with Section 10000) of the Streets and Highways
Code).

(D) The Landscaping and Lighting Act of 1972 (Part 2
(commencing with Section 22500) of Division 15 of the Streets
and Highways Code), notwithstanding Section 22501 of the Streets
and Highways Code.

(E) Any other statutory authorization.

(b) Apply for and receive grants from federal and state agencies.

(c) Solicit and accept gifts, fees, grants, and allocations from
public and private entities.

(d) Issue revenue bonds for any of the purposes authorized by
this title pursuant to the Revenue Bond Law of 1941 (Chapter 6
(commencing with Section 54300) of Part 1 of Division 2 of Title
5).

(e) Incur bond indebtedness, consistent with paragraph (2) of
subdivision (b) of Section 1 of Article XIII A of the California
Constitution; general obligation bonded indebtedness for the
acquisition or improvement of real property or for funding or
refunding of any outstanding indebtedness, subject to the following
requirements:

1. The principal and interest of any bond general obligation
bonded indebtedness incurred pursuant to this subdivision shall
be paid and discharged prior to January 1, 2049.

2. For purposes of incurring bond general obligation bonded
indebtedness pursuant to this subdivision, the authority shall
comply with the requirements of Article 11 (commencing with
Section 5790) of Chapter 4 of Division 5 of the Public Resources Code. For purposes of this subdivision, all references in Article 11 (commencing with Section 5790) of Chapter 4 of Division 5 of the Public Resources Code to a board of directors shall mean the board and all references to a district shall mean the authority.

(3) Notwithstanding any other law, the total amount of outstanding bonded indebtedness the authority may incur pursuant to this subdivision and subdivision (d) shall not exceed one billion five hundred million dollars ($1,500,000,000).

(f) Receive and manage a dedicated revenue source.

(g) Deposit or invest moneys of the authority in banks or financial institutions in the state in accordance with state law.

(h) Sue and be sued, except as otherwise provided by law, in all actions and proceedings, in all courts and tribunals of competent jurisdiction.

(i) Engage counsel and other professional services.

(j) Enter into and perform all necessary contracts.

(k) Enter into joint powers agreements pursuant to the Joint Exercise of Powers Act (Chapter 5 (commencing with Section 6500) of Division 7 of Title 1).

(l) Hire staff, define their qualifications and duties, and provide a schedule of compensation for the performance of their duties.

(m) Use interim or temporary staff provided by appropriate state agencies or the Association of Bay Area Governments. A person who performs duties as interim or temporary staff shall not be considered an employee of the authority.

SEC. 3. Section 66704.05 of the Government Code is amended to read:

66704.05. (a) If the authority proposes a measure pursuant to subdivision (a) or (e) of Section 66704 that will generate revenues, the board of supervisors of the county or counties in which the measure is proposed shall call a special election on the measure. The special election shall be consolidated with the next regularly scheduled statewide election and the measure shall be submitted to the voters in the appropriate counties, consistent with the requirements of Articles XIII A, XIII C, and XIII D of the California Constitution, as applicable.

(b) (1) The authority is a district, as defined in Section 317 of the Elections Code. Except as otherwise provided in this section,
a measure proposed by the authority that requires voter approval
shall be submitted to the voters of the authority in accordance with
the provisions of the Elections Code applicable to districts,
including the provisions of Chapter 4 (commencing with Section
9300) of Division 9 of the Elections Code.

(2) Because the authority has no state revenues as of the
effective date of this paragraph, the appropriations limit for the
authority shall be originally established based on receipts from the
initial measure that would generate revenues for the authority
pursuant to subdivision (a), and that establishment of an
appropriations limit shall not be deemed a change in an
appropriations limit for purposes of Section 4 of Article XIIIB of
the California Constitution.

(c) The authority shall file with the board of supervisors of each
county in which the measure shall appear on the ballot a resolution
of the authority requesting consolidation, and setting forth the
exact form of the ballot question, in accordance with Section 10403
of the Elections Code.

(d) The legal counsel for the authority shall prepare an impartial
analysis of the measure. The impartial analysis prepared by the
legal counsel for the authority shall be subject to review and
revision by the county counsel of the county that contains the
largest population, as determined by the most recent federal
decennial census, among those counties in which the measure will
be submitted to the voters.

(e) Each county included in the measure shall use the exact
ballot question, impartial analysis, and ballot language provided
by the authority. If two or more counties included in the measure
are required to prepare a translation of ballot materials into the
same language other than English, the county that contains the
largest population, as determined by the most recent federal
decennial census, among those counties that are required to prepare
a translation of ballot materials into the same language other than
English shall prepare the translation and that translation shall be
used by the other county or counties, as applicable.

(f) Notwithstanding Section 13116 of the Elections Code, if a
measure proposed by the authority pursuant to this article is
submitted to the voters of the authority in two or more counties,
the elections officials of those counties shall mutually agree to use
the same letter designation for the measure.
(g) The county clerk of each county shall report the results of
the special election to the authority.

(h) (1) Notwithstanding Section 10520 of the Elections Code,
for the first election at which the authority proposes a measure
pursuant to subdivision (a) or (e) of Section 66704 that would
generate revenues, the authority shall reimburse each county in
which that measure appears on the ballot only for the incremental
costs incurred by the county elections official related to submitting
the measure to the voters.

(2) For purposes of this subdivision, “incremental costs” include
all of the following:
(A) The cost to prepare, review, and revise the impartial analysis
of the measure that is required by subdivision (d).
(B) The cost to prepare a translation of ballot materials into a
language other than English by any county, as described in
subdivision (e).
(C) The additional costs that exceed the costs incurred for other
election races or ballot measures, if any, appearing on the same
ballot in each county in which the measure appears on the ballot,
including both of the following:
(i) The printing and mailing of ballot materials.
(ii) The canvass of the vote regarding the measure pursuant to
Division 15 of the Elections Code.

(3) This subdivision is repealed on January 1, 2019.

SEC. 5.
SEC. 4. Section 66706 of the Government Code is amended
to read:
66706. This title shall remain in effect only until January 1,
2049, and as of that date is repealed, unless a later enacted statute,
that is enacted before January 1, 2049, deletes or extends that date.

SEC. 6. The Legislature finds and declares that the San
Francisco Bay Restoration Authority has not assumed any existing
duties from another local or state government entity and has
received no state or local government revenues not counted toward
another entity’s appropriations limit. Therefore, the authority has
no associated appropriations limit pursuant to Article XIII B of the
California Constitution as of the date of enactment of this bill.

SEC. 6. The Legislature finds and declares that the changes
made by this act to subdivision (e) of Section 66704 of the
Government Code explicitly affirm the authority of the Francisco Bay Restoration Authority to incur general obligation bonded indebtedness, so as to implement the Legislature’s intent when the statute first became operative on January 1, 2009.

SEC. 7. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.
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MEMORANDUM

DATE: June 17, 2015

TO: Governing Board
San Francisco Bay Restoration Authority

FROM: Sam Schuchat
Executive Officer
State Coastal Conservancy

SUBJECT: Recommendations for Ballot Measure: Type of Revenue-Raising Measure, Date of Election, and Consultants

Attachment: Tables comparing features of a parcel tax measure with an ad valorem tax/general obligation bond measure

Introduction

This memo presents recommendations for the type of revenue-raising measure to place before voters, the preferred date of the election, and obtaining outside counsel and technical assistance. By making decisions now about the type of and target date for the ballot measure, Governing Board members, staff and community allies will be in a better position to communicate a specific proposal to stakeholders, obtain feedback, and assemble commitments to fund ballot costs over the next several months. Obtaining specialized outside counsel and technical advice will enable the Governing Board to be prepared to adopt election resolutions in early winter 2015-2016.

Recommendation #1: That the Governing Board pursue a parcel tax measure. The principal reasons that a parcel tax measure is preferable to a general obligation bond measure financed by ad valorem taxes are as follows:

- Greater voter support.
- Greater flexibility in the use of the funds, especially in allowing use of revenue for operation, maintenance and monitoring of Bay restoration projects and for administration of the Restoration Authority.
- Comparable revenue-generating capacity.
- The option exists for the Restoration Authority to issue revenue bonds on the basis of anticipated parcel tax receipts in order to finance accelerated restoration efforts in ways that would be comparable to the potential revenue stream benefits of issuing general obligation bonds.

Additional information is provided in the attached tables.

Item 10
Recommendation #2: That the Governing Board work toward placement of the revenue measure on June 2016 ballots. The principal reasons that the June 2016 election is preferable to the November 2016 election are as follows:

- Less competition for the attention of voters.
- Less competition from other revenue measures.
- Deciding now to target the June 2016 election could yield revenue for Bay restoration sooner and would not preclude shifting to the November 2016 election if needed.

Recommendation #3: That the Governing Board direct staff to retain qualified outside counsel and technical advisors. In order to be fully informed about legal matters and technical issues related to the revenue measure and to ensure that the measure is properly crafted, the Governing Board needs to have its own qualified outside consultants, including counsel and financial advisors. Staff of the public agencies and community allies with which the Restoration Authority has been working closely does not have the necessary expertise.
Table 1. Projections of Regional Revenue

Pending advice to the Restoration Authority from special outside counsel and other municipal finance professionals, the comparisons in Table 1 below may assist in evaluating the benefits and challenges of a parcel tax measure and a bond measure.

<table>
<thead>
<tr>
<th>Term</th>
<th>$12 Parcel Tax</th>
<th>$18 Parcel Tax</th>
<th>$500 million G.O. Bond</th>
<th>$750 million G.O. Bond</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional Revenue</td>
<td>$500M</td>
<td>$750M</td>
<td>$500M</td>
<td>$750M</td>
</tr>
<tr>
<td>Annual Tax</td>
<td>$12 per parcel</td>
<td>$18 per parcel</td>
<td>$3.22 per $100K of assessed value</td>
<td>$4.83 per $100K of assessed value</td>
</tr>
</tbody>
</table>

Table 1 Notes:

a. General obligation bonds would need to mature prior to the sunset date of the Restoration Authority, and the proceeds of each bond issue would need to be spent within three years. Thus, if the sunset date of the Restoration Authority becomes January 1, 2049 as proposed in AB 746, any 30-year bonds would need to be sold by January 1, 2019 and the proceeds spent by December 2021. Shorter-term bonds could be issued later—for example, 20 year bonds could be sold as late as January 1, 2029 with proceeds required to be spent by December 2033—but *ad valorem* tax rates for shorter term G.O. bonds would be higher than for 30-year G.O. bonds.

b. In the parcel tax measure, the Restoration Authority could reserve the option to issue special revenue bonds in order to help accelerate work on large projects ready for construction early in the life of the measure. Special revenue bonds would be subject to similar to those for G.O. bonds. The assistance of outside financial advice would be needed to help structure any issuance of special revenue bonds.

c. All “Regional Revenue” figures in Table 1 are based on 2015 NBS estimates of the total number of taxable parcels throughout the nine-county Bay Area and their total assessed value, as derived from county assessors’ data. These figures were provided to the Restoration Authority by Save The Bay.

d. *Ad valorem* taxes associated with potential 30-year bond measures are based additionally upon current interest rates for public agencies with average bond ratings.

See Table 2 on next page.
Table 2. Further Comparison of Parcel Tax Measure and G.O. Bond Measure

Pending advice to the Restoration Authority from special outside counsel and other municipal finance professionals, the comparisons in Table 2 below may assist in evaluating the benefits and challenges of a parcel tax measure and a bond measure.

<table>
<thead>
<tr>
<th>Issue</th>
<th>Parcel Tax Measure</th>
<th>G.O. Bond Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total funding generated</td>
<td>$500m - $750m plus earnings, minus county administrative costs; if special revenue bonds are sold, additional costs and restrictions would apply.</td>
<td>$500m - $750m, minus county and bond-administration costs.</td>
</tr>
<tr>
<td>Higher taxes for higher-value parcels?</td>
<td>Limited latitude for imposing higher taxes on higher-value property.</td>
<td>Yes</td>
</tr>
<tr>
<td>Schedule for availability of funding following passage of June 2016 revenue measure</td>
<td>At $12/parcel: ~$25.2m per year for 20 years beginning in FY 2017 (total $500m); if special revenue bonds are sold, additional funding would be assembled in bond-sale years.</td>
<td>Bond funds available beginning FY 2017. Amounts available annually depend upon size of bond issues.</td>
</tr>
<tr>
<td>Schedule for disbursement of funds</td>
<td>As needed for Bay restoration. If special revenue bonds are sold: To maintain tax exempt status of bonds, must spend 85% of amount of proceeds within 3 years of given bond sale.</td>
<td>To maintain tax exempt status of bonds, must spend 85% of amount of proceeds within 3 years of given bond sale.</td>
</tr>
<tr>
<td>Eligible uses of funds</td>
<td>Acquisition and improvement of real property; operation, maintenance and monitoring; Restoration Authority administration.</td>
<td>Acquisition and improvement of real property; significant deferred maintenance of qualified improvements; bond-related costs.</td>
</tr>
<tr>
<td>Need additional source of funding for Restoration Authority administration?</td>
<td>No</td>
<td>Yes&lt;sup&gt;d&lt;/sup&gt;</td>
</tr>
<tr>
<td>Need amendment of enabling legislation per AB 746?</td>
<td>Yes: For extension of Restoration Authority sunset to 2037 to enable collecting 20 years of parcel tax receipts or for extension of Restoration Authority sunset to 2049 to enable issuance of 30-year bonds until 2019, with shorter-term bonds thereafter.</td>
<td>Yes: For authority to issue G.O. bonds, to ease limit on amount of bonding authority, and for extension of SFBRA sunset to 2049 to enable issuance of 30-year bonds until 2019, with shorter-term bonds thereafter. &lt;sup&gt;e&lt;/sup&gt;</td>
</tr>
<tr>
<td>Need to update Draft Expenditure Plan?</td>
<td>Yes: Update associated list and map of potentially eligible projects to reflect completion of some projects and addition of others; additional revisions needed if and when bonds to be sold.</td>
<td>Yes: Revise to comport with G.O. bond measure provisions, eliminate ineligible activities, and update associated list and map of potentially eligible projects to reflect completion of some projects and addition of others.</td>
</tr>
</tbody>
</table>

Table 2 Notes: See next page
Table 2 Notes:

a. Assumes that 2016-17 property tax bills reflect parcel tax measure.

b. Assumes that 2016-17 property tax bills reflect G.O. bond measure.

c. Interval between passage of measure and first G.O. bond sale is based upon the experience and projected schedule of the Midpeninsula Open Space District for its first bond sale following June 2014 passage of its Measure AA.

d. The advice of bond professionals will be needed to determine the types of Restoration Authority administrative costs that would be eligible for payment from the proceeds of Restoration Authority G.O. bond sales. Informal consultation to-date strongly indicates that an additional source of funding would be needed for RA support other than bond administration.

e. If AB 647 is enacted with the necessary provisions and signed by the Governor by October 2015, then the Restoration Authority will be in a position to adopt either parcel tax or bond measure resolutions in time to qualify for the June 2016 ballot.
## Suggested Contacts for Restoration Authority Membership

<table>
<thead>
<tr>
<th>Organization</th>
<th>Contact</th>
<th>Who Makes the Ask</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Counties</strong></td>
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<tr>
<td>Alameda</td>
<td>Sup. Gioia</td>
<td></td>
<td>Sam S.</td>
</tr>
<tr>
<td>Contra Costa</td>
<td>Steve Kinsey</td>
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<td>Marin</td>
<td>Steve Kinsey</td>
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<td>Marin</td>
<td>Steve Kinsey</td>
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<tr>
<td>Napa</td>
<td>Sup. Caldwell</td>
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<tr>
<td>San Francisco</td>
<td>Steve Ritchie</td>
<td></td>
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<tr>
<td>San Francisco Public Utilities Commission</td>
<td>Steve Ritchie</td>
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<tr>
<td>San Mateo</td>
<td>Steve Ritchie</td>
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<tr>
<td>Santa Clara</td>
<td>Sup. Pine</td>
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<tr>
<td>Solano</td>
<td>NA</td>
<td></td>
<td></td>
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<tr>
<td>Sonoma</td>
<td>Sue Gorman (via Judy)</td>
<td></td>
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<tr>
<td>Sonoma County Water Agency</td>
<td>Grant Davis</td>
<td>Sam S.</td>
<td></td>
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<tr>
<td><strong>Cities</strong></td>
<td></td>
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</tr>
<tr>
<td>Berkeley</td>
<td>Tom Bates</td>
<td></td>
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<tr>
<td>City of San Jose, Environmental Services Dept.</td>
<td>Melody Tovar</td>
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<tr>
<td>City of Sunnyvale</td>
<td>Melody Tovar</td>
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<tr>
<td>Menlo Park</td>
<td>Vice-Mayor Pat Showalter</td>
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<tr>
<td>Mountain View</td>
<td>Vice-Mayor Foust</td>
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<tr>
<td>Redwood City</td>
<td>Richard Mitchell</td>
<td></td>
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<tr>
<td>Richmond</td>
<td>Kerrie Romanow</td>
<td></td>
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<tr>
<td>San Jose</td>
<td>Richard Mitchell</td>
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<tr>
<td><strong>Ports</strong></td>
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<tr>
<td>Port of Oakland</td>
<td>Richard Sinkoff</td>
<td></td>
<td>Ask Jim McGrath for best contact</td>
</tr>
<tr>
<td>Port of Redwood City</td>
<td>Michael Giari</td>
<td></td>
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<tr>
<td>Port of San Francisco</td>
<td>Monique Moyer</td>
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<tr>
<td><strong>Special Districts</strong></td>
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<tr>
<td>Bay-Friendly Landscaping &amp; Gardening - StopWaste.org</td>
<td>Gary Woolfe</td>
<td></td>
<td></td>
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<tr>
<td>Central Contra Costa Sanitary District</td>
<td>Mark Boucher/Mitch Avalon</td>
<td></td>
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<tr>
<td>Contra Costa County Flood Control District</td>
<td>Roger Bailey</td>
<td></td>
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<tr>
<td>Contra Costa Water District</td>
<td>Mike Carlson</td>
<td></td>
<td></td>
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<tr>
<td>East Bay Municipal Utilities District</td>
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</tbody>
</table>
East Bay Municipal Utility District
East Bay Regional Parks District
Hayward Area Recreation District
Marin Municipal Water District
Santa Clara County Open Space Authority
Santa Clara Valley Water District
Solano County Water Agency
Sonoma County Ag Preservation and Open Space District
Zone 7 Water Agency - Co. of Alameda

Alexander Coate
Robert Doyle

Cynthia Koehler (via Sam)
Andrea MacKenzie
Beau Goldie
David Okita
Bill Keene
Jill Duerig

State Agencies + SFEP + FedGov

CA State Coastal Conservancy
NOAA Restoration Center
Regional Water Quality Control Board
San Francisco Bay NERR
San Francisco Estuary Partnership
SF Bay Conservation & Development Commission
US Army Corps of Engineers
US Bureau of Reclamation
US Fish & Wildlife

Amy Hutzel
Patrick Rutten
Bruce Wolfe
Mike Vasey
Judy Kelley
Larry Goldzband
Bill Brostoff
John Klochak

NGOs/Associations

Bay Area Clean Water Agencies
Bay Area Council
Bay Area Flood Protection Agencies Association
Bay Area Stormwater Management Agencies Association
Bay Area Water Agencies Coalition
Bay Institute, The
Bay Planning Coalition
Citizens Committee to Complete the Refuge
Ducks Unlimited
East Bay Dischargers Association
Friends of the San Francisco Estuary
National Fish & Wildlife Foundation
Natural Resources Defense Council
North Bay Watershed Association
Point Blue Conservation Science
San Francisco Estuary Institute

David Williams
Jim Wunderman
Mark Boucher/Carl Morrison
Geoff Brousseau
John Frawley
John Coleman
Florence LaRiviere
Anne Hansen
Mike Connor
Barbara Salzman
Claire Thorp
Kate Poole
Harry Seraydarian
Ellie Cohen
Warner Chabot
San Francisco Bay Joint Venture
San Mateo County Economic Development Association
Save The Bay
Silicon Valley Leadership Group
Sonoma Land Trust
TNC
Western State Petroleum Association

Businesses
Arcadis
Cargill
Chevron
Ecorp Consulting
H. T. Harvey & Associates
AECOM (merged with URS)

Beth Huning
Roseanne Foust
David Lewis
Carl Guardino
Wendy Eliot
Brian Stranko
Catherine Reheis-Boyd

Peter Wijsman
Pat Mapelli/Barbara Ransom
Walton Gill
Jim Stewart
Ron Duke
Louis Armstrong