



Midpeninsula Regional
Open Space District

R-14-130
Meeting 14-31
October 29, 2014

AGENDA ITEM 1

AGENDA ITEM

Initial 5-Year Measure AA Project List, Including Projects Identified for Fiscal Year 2015-16

GENERAL MANAGER'S RECOMMENDATIONS

Approve the proposed 5-year Measure AA project list, including projects identified for Fiscal Year 2015-16 for their inclusion in the District's 5-Year Capital Improvement Plan, as presented in this report and/or as modified by the Board at this meeting.

SUMMARY

At the September 10 Study Session, the District Board of Directors (Board) approved prioritization criteria and screening methodology for use in evaluating Measure AA projects to identify the highest priority projects to include as part of the initial 5-year project list and incorporate into the District's 5-Year Capital Improvement Plan (CIP) (R-14-114). The October 29 Study Session is a continuation of the District's prioritization of Measure AA projects, during which the Board will consider approving the proposed 5-year Measure AA project list, including the list of projects identified for Fiscal Year (FY)2015-16. Once the Board approves the 5-year Measure AA projects list, staff will develop cost estimates for projects prioritized within the initial three year schedule to inform the first bond issuance which is tentatively scheduled for late spring-early summer 2015.

BACKGROUND

Measure AA calls for the implementation of the Top 25 Vision Plan Portfolios (Portfolios) over the course of 20 to 30 years. Each Portfolio includes many projects within it. Recognizing that not all projects can be completed at one time and that Measure AA allows for a 20-30 year implementation timeframe, on September 10 the Board approved a set of 11 prioritization criteria (see Attachment 2) to identify (1) the highest priority projects that should be considered for early implementation, (2) highly desired projects that may be considered pending additional staff capacity, and (3) lower priority projects that can be scheduled further out into the 6+ year horizon.

DISCUSSION

Following the September 10 Study Session, the Measure AA project team, which includes representatives from multiple departments, applied the Board-approved criteria to evaluate and prioritize Measure AA projects. This work identified the *Essential* projects (i.e. those that met an *Essential* criterion, see Attachment 2) that should automatically be added to the initial 5-year Project List. This work also resulted in the ranking of projects based on total score. Each

department then evaluated their existing capacity based on current staffing levels to manage Measure AA projects while taking into account other department obligations, including support of Measure AA projects led by other departments, implementation of non-Measure AA projects, core function duties, administrative tasks, and unanticipated assignments or opportunities. Next, each department estimated the duration and potential start dates for each *Essential* project to understand the remaining capacity available to take on additional Measure AA projects. This remaining capacity was then applied to the highest-scoring Measure AA projects. All projects that were identified for the first five years were grouped into one list: the 5-Year Measure AA Project List (see Attachment 3). All other projects were grouped into a second list: the “Parking Lot” List (see Attachment 7).

The 5-Year Measure AA Project List identifies 51 projects that departments estimate can be implemented with existing staffing levels, taking into consideration an average vacancy rate of 1 to 2 positions per department. The “Parking Lot” List identifies additional projects that the Board may choose to add during the first 5 years pending additional staff capacity. A few lower scoring projects with scores between 5 and 4 points were included as part of the 5-Year Measure AA Project List because these projects are already underway or could be accomplished relatively quickly. Deferring projects that are currently underway would result in a loss of project momentum and added cost. Also, a few higher scoring projects and two (2) *Essential* projects did not make it to the 5-Year Measure AA Project List – these projects have not yet been initiated, require additional staffing to pursue, and though they carry a legal commitment, that obligation does not need to be met within the first 5 years.

For ease in understanding the comprehensive 5-Year Measure AA Project List and to distinguish the less discretionary projects from the more discretionary projects, staff further organized these projects into three main subsets (see Attachments 4 – 6) as follows:

1. **Essential projects** (31 total) – projects that meet one or more of the *Essential* criteria and therefore are deemed of high priority for implementation (non-discretionary)
2. **Other Land Conservation projects** (6 total) – land purchase projects, not included in the Essential projects, that are opportunity-driven and are therefore impractical to schedule, and yet require District flexibility to pursue and carry out when the opportunities arise (less discretionary)
3. **Other Public Access / Restoration projects** (14 total) – the remaining Measure AA projects that are not included in the two subsets above (more discretionary)

Board Consideration

Due to the less discretionary nature of the **Essential** and **Other Land Conservation projects** as described above and in the interest of reserving the Board meeting time to discuss more discretionary projects, the General Manager recommends that the Board focus its attention on the **Other Public Access / Restoration projects**.

Process Recommendation: The General Manager recommends that **Essential** projects and **Other Land Conservation projects** remain as highest priority and approved for automatic inclusion into the 5-Year Measure AA Project List.

Board members may wish to suggest moving specific projects from the “Parking Lot” List for inclusion into the 5-Year Measure AA Project List. In order to remain within current staff capacity, for each new project that is added to the 5-Year Measure AA Project List, another project of roughly equal level of effort should be removed from this list and placed on the “Parking Lot” list. As additional staff positions are approved by the Board in the future, more projects from the “Parking Lot” list can be moved onto the 5-Year Measure AA Project List.

Process Recommendation: The General Manager recommends consensus from at least four Board members to move a project from the “Parking Lot” List to the 5-Year Measure AA Project List and that projects added to the 5-Year Measure AA Project List are accommodated by shifting other projects to the “Parking Lot” List.

The final 5-Year Measure AA Project List will help inform future staffing and other resource needs for the District, which are being evaluated separately through the Financial and Operational Sustainability Model (FOSM) study. Recommendations for increased and/or redeployed staff capacity will be developed and incorporated into the upcoming and future Action Plan and Budget development processes for Board consideration.

Public Input

The October 29 Study Session Agenda will provide opportunities for public input on the Board’s discussions and deliberation of the 5-year Measure AA Project List.

COMMITTEE REVIEW

The Measure AA Ad Hoc Committee met on October 22 and provided guidance to staff on the delivery of the Measure AA Project Lists and the process for shifting projects from the “Parking Lot” List to the 5-Year Measure AA Project List. The Committee agreed with the overall format of the lists, the recommended process, and the goal of arriving at an approved Measure AA Project List as the desired outcome for the October 29 Study Session. Given the ambitious nature of the Measure AA Projects List, the Committee anticipates a robust discussion from the Board on the individual projects, where the Board would need to focus at a higher level rather than at the detailed project-level. If Board members have questions about specific project scopes, they are encouraged to submit them to staff prior to the October 29 Study Session to streamline Board discussions at the meeting.

FISCAL IMPACT

The decisions under consideration as part of this Agenda Item will substantially influence District spending beginning in FY2015-16; however, there is no fiscal impact to the FY2014-15 (current) budget related to this item, unless modest and obvious staff changes are suggested and approved as part of the mid-year budget. Subsequent implementation of Measure AA projects would be integrated into future Action Plans and Budgets, which will be subject to future Board approval as part of the year Action Plan and Budget approval process. Measure AA projects would be funded through the periodic issuance of bonds, as approved by the voters on June 3, 2014.

PUBLIC NOTICE

Notice was provided pursuant to the Brown Act and sent to the new Measure AA Implementation notification list, District docents, volunteers, and the Vision Plan notification list.

At the direction of the newly-formed Measure AA Ad Hoc Committee, the District also broadly distributed notification of the Measure AA project prioritization process to the larger public to further engage public interest as follows:

- Continual updates to the Measure AA website
- Hard copy flyers distributed to Cities and Counties, city halls, libraries, Parks and Recreation Departments, community centers, and sporting goods stores
- Flyers at Preserve trail heads
- E-blast to Mindmixer participants and partner agencies with new flyer
- Facebook ad (linked to Eventbrite registration page)
- Press release prior to Board Study Session

CEQA COMPLIANCE

No compliance is required as this action is not a project under the California Environmental Quality Act (CEQA).

NEXT STEPS

Pending approval of the 5-Year Measure AA Project List, staff will develop Measure AA project cost estimates, which will inform the projected total expenditure amount for the first bond issuance. Staff will also utilize the approved 5-Year Measure AA Project List to integrate into the FY15-16 Annual Action Plan and budget preparation. In addition, the 5-Year Measure AA Project List will also be incorporated into the District's 5-Year CIP, which will identify the proposed start years, anticipated project duration, yearly project cost, and total cost. The 5-Year CIP will be presented to the Action Plan and Budget Committee in January, before full Board review and consideration in February. Each year, the Board will have an opportunity to review the rolling 5-year CIP to determine whether any adjustments to the Measure AA Project List are warranted based on changing conditions (e.g. new opportunity is identified, priorities have shifted, etc) using the prioritization criteria as a guide.

Implementation of each Measure AA project will require an incremental increase in operations and maintenance capacity, which is being concurrently assessed by the Operations Impact Group. Results of this assessment will be fed into the Financial and Operational Sustainability Model (FOSM) study to further inform the recommendations on future staffing.

Attachments:

1. Flow Diagram of Measure AA Implementation Process
2. Measure AA Project Prioritization Criteria
3. 5-Year Measure AA Project List – Comprehensive
4. 5-Year Measure AA Project List – Subset – Essential Criteria
5. 5-Year Measure AA Project List – Subset – Other Land Conservation Projects
6. 5-Year Measure AA Project List – Subset – Other Public Access/Restoration Projects

7. 5-Year Measure AA "Parking Lot" List
8. 5-Year Measure AA Project Map
9. Public Comments Received Prior to October 24, 2014

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