



**CITY OF CHICO  
BIDWELL PARK AND PLAYGROUND COMMISSION (BPPC)  
POLICY ADVISORY COMMITTEE**

Regular Meeting Agenda  
October 10, 2018, 6:00 p.m.

**Chico Municipal Center Council Chamber Building - 421 Main Street, Conference Room 2**

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*Materials related to an item on this Agenda are available for public inspection in the Park Division Office at 965 Fir Street during normal business hours or online at <http://www.chico.ca.us/>.*

**1. CALL TO ORDER**

**2. REGULAR AGENDA**

**2.1. CONSIDERATION OF POTENTIAL REVENUE SOURCES FOR UPPER BIDWELL PARK ROAD REPAIRS**

At its 9/24/18 meeting, the Bidwell Park and Playground Commission (BPPC) considered the Natural Resources Committee's recommendations regarding options and the costs to repair the Upper Park Road in Upper Bidwell Park. The BPPC directed the Policy Advisory Committee (PAC) to review revenue sources, such as a potential parking fee, for these repairs and for costs of any additional staffing that may be needed if the entire road was reopened to public vehicles.

**Recommendation:** *The Park & Natural Resources Manager requests that the Committee review the information provided in the Staff report and provide recommendations to the BPPC.*

**3. BUSINESS FROM THE FLOOR**

Members of the public may address the Committee at this time on any matter not already listed on the agenda, comments are limited to three minutes. The Committee cannot take any action at this meeting on requests made under this section of the agenda.

**4. ADJOURNMENT**

Unless otherwise noticed, adjourn to the next regular meeting on November 14, 2018 at 6:00 p.m. in Conference Room 2, Chico Municipal Center Council Chamber Building located at 421 Main Street, Chico, California.



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# BPPC Policy Advisory Committee Staff Report

Meeting Date 10/10/18

DATE: 10/04/18  
 TO: BPPC Policy Advisory Committee  
 FROM: Linda Herman, Parks & Natural Resources Manager  
 SUBJECT: CONSIDERATION OF POTENTIAL REVENUE SOURCES FOR UPPER BIDWELL PARK ROAD REPAIRS

## REPORT IN BRIEF:

At its 9/24/18 meeting, the Bidwell Park and Playground Commission (BPPC) considered the Natural Resources Committee's recommendations regarding options and the costs to repair the Upper Park Road in Upper Bidwell Park. The BPPC directed the Policy Advisory Committee (PAC) to review revenue sources, such as a potential parking fee, for these repairs and for costs of any additional staffing that may be needed if the entire road was reopened to public vehicles.

**Recommendation:** *The Park & Natural Resources Manager requests that the Committee review the information provided in the Staff report and provide recommendations to the BPPC.*

## BACKGROUND:

At its 12/18/17 and 1/29/18 meetings, the BPPC considered the PAC's recommendations regarding establishing a parking fee for Upper Bidwell Park to help provide funding for maintaining the road, and provide more park amenities, such as more parking. In its research, the Committee reviewed the following vehicle parking fees charged by other agencies for parks and recreation areas:

Agency	Parking Fee	Annual Pass Fee	Senior and other Discounted Pass	Disabled Rate	Payment Method K=Kiosk B=Onsite Booth M=Mail O=Online IP=In-person (Office)
CA State Parks (Lake Oroville/Woodson Bridge)	\$6-8	\$125 (statewide)	\$1 discount	Free	O, IP
National Parks (Lassen/Whiskeytown)	\$20-\$25/vehicle/week	\$40-\$50/vehicle/year	\$20/yr. \$80/lifetime	Free	O, IP, M
Yolo County	\$6/vehicle	\$75/yr.	\$30/yr.	Free	IP
San Luis Obispo County	\$10	\$100	\$90	\$90	
Marin County	\$5 (M-F) \$10 (Wkend/Holiday)	\$90	\$40	\$40	IP
Sacramento	\$5 (M-F) \$8 (Wkend/Holiday)	\$50	\$10		B,K,IP,O
City of San Jose	\$6/vehicle	\$80	\$30	\$30	K, B,IP, M
City of Vacaville	\$3/vehicle	\$50	n/a	n/a	IP
City of Fairfield	\$3/vehicle	\$64	\$20	\$20	K, B

The PAC recommended a \$1 per vehicle daily fee, an annual pass fee of \$50, and no parking fees for senior citizens, veterans, low income households, and the disabled. It was also recommended that passes be issued to entities that lease facilities in Upper Bidwell Park (Bidwell Park Golf Course, Observatory, Rod and Gun Club, and the Chico Equestrian Association), to allow its members to park in their facility lots for free. The BPPC approved delaying the parking fee discussion until after the public survey was conducted.

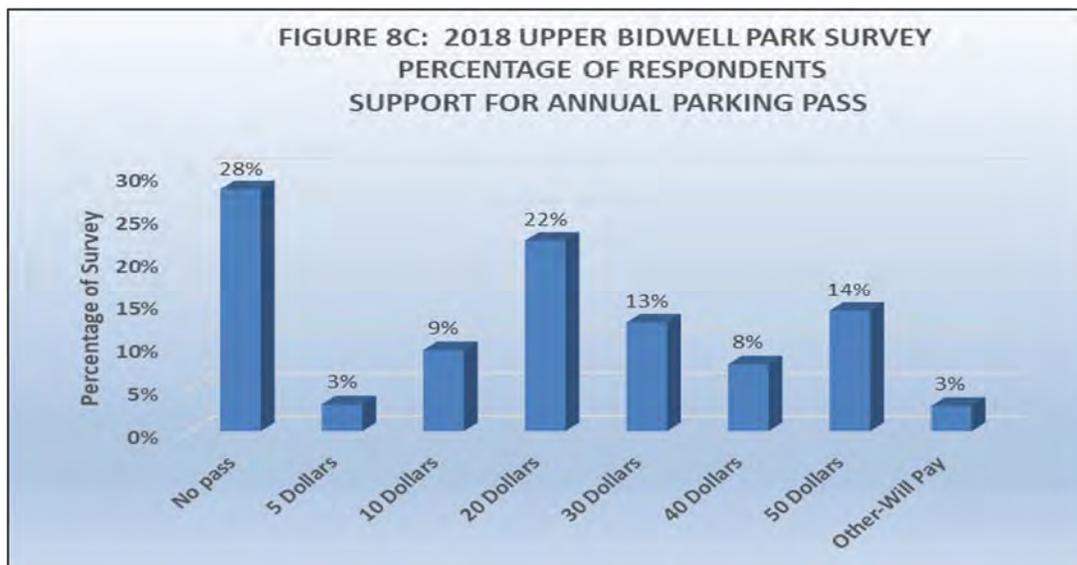
## DISCUSSION:

### 1. Public Survey Results:

Based on the survey data results, only 21% of the respondents are unwilling to pay a daily parking fee (see table below). Respondents who are willing to pay only one or two dollars together comprise about 36% of the survey. Nineteen percent of the respondents say they would pay a donation. Overall, 79% are willing to pay at least \$1 or more for a day pass for maintenance.



The results from this question regarding an annual pass are similar to the results for a daily parking fee. As shown in the following table, 28% of the respondents are unwilling to pay for an annual pass. Almost three-quarters (72%) are willing to pay at least \$5 or more for an annual parking pass, with the greatest percentage being for a \$20 pass.



Recognizing that many of the survey respondents were more affluent, the data shows that there is overwhelming support for either a modest daily parking fees or a low-cost annual parking pass. The concerns raised in the comments also focused on the need for fee waivers for low income and senior citizens. The optimal daily fee appears to be \$1 to \$2 and the optimal annual parking pass is \$10 to \$20. Respondents who were infrequent visitors appeared to be less supportive of paying for annual passes while frequent visitors are more supportive of them. Donations in-lieu of parking fees were also supported by almost 20% of the respondents.

## 2. Estimated Costs:

- a. Upper Park Road Repairs: - As was discussed at the BPPC meeting, the costs to make road and stream crossing repairs for the entire road between Horseshoe Lake and the end (Lot U) is \$450,000 or more (Phase III). To make repairs to the three high priority erosion sites and some other areas as needed to provide emergency vehicle access only beyond Diversion Dam gate (Phase I) is estimated at approximately \$35,000. Costs for Phase II to provide public vehicle access to Salmon Hole are unknown at this time and will be determined after the completion of Phase 1.
- b. Parking Kiosks - The estimated costs to install a kiosk at the Wildwood Avenue entrance is approximately \$10,000. The annual maintenance costs are unknown at this time since the maintenance costs of the downtown kiosks are not separately itemized from all of the parking meter costs. The Park Rangers would provide the enforcement of the parking fee as part of their normal patrols in Upper Park.
- c. Staffing Costs - If the road was to be reopened to public vehicles beyond Diversion Dan, it is anticipated that more Park Staff may be needed due to potential increased enforcement and maintenance needs. It is estimated that one additional Seasonal Ranger (9 months) at a fully-burdened cost of approximately \$38,950/yr., and one full-time Maintenance Worker at a cost of \$47,932/yr. may be needed for this increased public use. This would bring the Park Division staff to almost where it was when the entire road was opened to public vehicles in the past.

## 3. Potential Revenue Sources:

- a. Grants – Staff is actively seeking grants that may be available to fund the Upper Park Road repairs and some of the other desired park improvements. Recent potential grant sources include the Prop 68 Grants available through the CA Department of Fish & Wildlife and the California Natural Resources Agency. Recreational Trail grants using transportation funds is also a possibility.
- b. Vehicle Parking Fee – During the 2017 calendar year, 413,756 vehicles were detected by the permanent traffic counter located at the entrance of Upper Bidwell Park at Wildwood. Using this data, a \$1/vehicle fee could result in over \$400,000 in additional annual revenue that would be used to repair and maintain Upper Park Road, to add additional parking facilities, better signage, or for other Upper Park amenities. However, it is likely that this number would be less depending on the number of users who are eligible for free parking, and the number of annual passes purchased.
- c. Other Revenue Sources – The Chico Park & Recreation District (CARD) recently conducted a Needs Assessment and Feasibility Study for the Amateur Sports Market, which included a discussion of public and private funding mechanisms that may be available to help build these facilities. Attached as Exhibit 1 for the Committee's information is Section 9 of that Draft Study that identifies these potential funding options.

## ATTACHMENTS:

Exhibit 1: CARD Needs Assessment Section 9

## 9. DEVELOPMENT OPTIONS: Private Management Models

### Private Management

Intense and increasing levels of competition among sports complexes have led some public entities to contract day-to-day operations of large-scale sports complexes to private management companies such as Ripken Baseball, Big League Dreams, GoodSports Enterprises, Fieldhouse USA and Sports Facility Management. In the two potential management scenarios outlined below, private management companies are typically responsible for various key operational and fiscal factors such as policies, directives, organizational structure, leadership, job classifications, competition, scheduling and booking, and finance and accounting. The possibility exists for private firms to contribute funds to aid in facility development through rental agreements, revenue share provisions, etc.; however, the current appetite for private funding is low.

#### Full Management in Partnership with Governmental Entity:

The facility Owner (e.g., CARD) retains all of the rights and privileges of ownership while the private management firm performs assigned management functions. The Owner sets policies while the management company establishes procedures in order to implement the policies and compensated with a flat annual fee, plus incentive payments designed to reward the production of desired results (e.g., revenue, attendance, event, room night generation, patron satisfaction). Owner is responsible for providing funds necessary to operate the facility within mutually agreed-upon budget parameters.

#### Full Management in Lieu of Government Entity Involvement:

Alternatively, the Owner may give a private management company land in exchange for building and operating the facility. The Owner only incurs the cost of the land purchase in exchange for the private management company funding the facility's construction and management costs. Typically, this structure minimizes ownership operating risk while maintaining the economic impact generated by the facility in the community.

#### Advantages:

- Efficiency incentives;
- Existing network of relationships to leverage tournament/event bookings;
- Internal network of knowledge and experience;
- Greater staffing resources;
- More efficient procurement process; and,
- Design, development, and pre-opening consulting services.

#### Disadvantages:

- Decreased appetite for private investment;
- Potential loss of direct control of the complex;
- Lack of existing local and regional market knowledge;
- Profit motive versus economic impact motives;
- Facility management fees; and,
- Corporate resources spread among several facilities.

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## 9. DEVELOPMENT OPTIONS: Typical Funding Sources

The purpose of this section is to summarize various public and private sector funding opportunities that could represent potential sources of funding to develop new sports and recreation facilities in Chico and meet any on-going operating requirements and capital reserves. The funding analysis presented herein is not intended to be an exhaustive review of all potential funding sources, but rather a review of the most likely funding sources that may be available specific to this project.

### Sources Typically Used Industry-wide

While there are a variety of Public Sector funding vehicles and revenue sources that have been used in the financing of sports and recreation facility projects in communities throughout the country, a large percentage are owned by the public sector and had construction funding provided through municipal capital project funding (i.e., transfers from a City or County's General Fund or Capital Projects Fund, etc.) or through the issuance of General Obligation Revenue bonds.

Types of financing/funding vehicles that are commonly used in sports and recreation projects throughout the country include:

- General Obligation Revenue Bonds
- Tax Increment Financing (TIF)
- Pay-As-You-Go Financing
- Certificates of Participation
- State/Federal Assistance
- Private/Public Equity & Grants

Under situations where bonds have been issued, debt service is often supported by local tax revenue, which has tended to include the following:

- Property taxes
- Sales & use taxes
- Hotel/motel taxes
- Food & beverage taxes
- Auto rental/taxicab taxes/fees
- Admissions/entertainment taxes

In recent years, a growing number of communities have explored ways in which the Private Sector can participate in reducing the overall funding burden borne by the public sector. This participation has taken the form of:

- Grants/Donations
- Vendor rights
- Registration fee surcharge
- Naming rights/sponsorships
- Facility use agreements
- Parking fees

## 9. DEVELOPMENT OPTIONS: Overview and Typical Sources

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### Sources Available to CARD

A summary is provided below and on the following pages associated with available public sector revenues for a potential sports and recreation complex in Chico. This information focuses on available sources and the revenues or projected revenues associated with such sources; it does not address the funding capacity available under such sources, and includes the following topics/issues.

- **CARD property tax assessment** – flat rate assessment per household within CARD boundaries.
- **Park Impact Fees** – one-time, flat rate assessment for newly developed households within CARD boundaries.
- **Facility use agreements** – Negotiate up-front funding or advance rental payments in exchange for guaranteed use by organization with regular or ongoing usage of the facility during certain times of the year.
- **Registration fee surcharge** – fee could be applied to participants in CARD activities exclusively at a newly developed facility/complex, at any facility utilized by CARD or to local and/or non-local tournament participants.
- **Parking fees** – parking fee for individuals who take advantage of on-site parking during league and tournament events.
- **Naming or vendor rights opportunities** – sale of pouring, naming or other sponsorship opportunities are likely to be limited in Chico, and would likely be better allocated to support facility operating subsidies.



## 9. DEVELOPMENT OPTIONS: Recommended Next Steps

**Intent of Analysis** – An analysis was conducted to evaluate potential funding sources for a potential new sports and recreation complex in Chico. A variety of funding sources were considered. It should be noted that the list of sources is by no means intended to be exhaustive or cumulative in nature. Rather, the funding analysis developed herein was intended to identify the most typical or likely sources of project funding based on a review of comparable facilities and the resources that may be specifically available in the local market. The ultimate financing structure of a facility is dependent on political, economic and other issues of various parties that may be involved in developing a potential new sports and recreation complex. In some markets, the public sector has the ability to finance a substantial portion of the project cost, while in other markets it does not. The same is true of the private sector.

**CARD as Primary Source of Funding** – The flat rate, per parcel assessment levied by CARD to support ongoing operations and capital repair and replacement at existing facilities could be increased with voter approval. The annual flat tax would be determined based on the required funding to satisfy any debt service for new facilities. Once the facilities have been determined, the annual flat tax revenue would be used to secure funding.

**Other Public Sources Not Likely** – Conversations with City of Chico and Butte County representatives have indicated that funding support through pledged property tax or sales tax assessments are not likely, as funds are needed for the provision of other civic services. Opportunities should be explored into other partnership opportunities including assistance with the permitting and/or zoning processes.

**Partner with Charitable Organization** – This analysis quantified the most typical or likely project sources; however, there are other potential sources of funds CARD and the Chico community could explore to help fund the project. One option includes pursuing a partnership with a charitable organization or other philanthropist(s). Corporate or other benefactors should be pursued to solicit funds for project development or to create an endowment fund to support ongoing operations. Additionally, local sports organizations should be engaged to gauge their ability to contribute guaranteed lease payments or to provide volunteer labor hours to reduce the operational burden on CARD in return for priority access to facilities.

**Issue an RFQ** – Consideration should be given to issuing an RFQ to gain insight from potential local and national private sector partners. The intent would be to initiate conversations with organizations with a potential interest in utilizing new sports and recreation facilities in Chico or those that could derive some benefit through funding, operating or owning such facilities. Distribution could target various sports organization, private operators, potential naming rights or sponsoring entities, and other such organizations. Based on these conversations, CARD and the Chico community can begin to identify potential funding and operating models that would create the greatest opportunities for successful project implementation and operation.