

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: May 23, 2022

CAO File No. 0220-03145-0356
Council File No. C.F. 21-1462
C.F. 20-1452
Council District: All

To: Honorable Members of the City Council

From: Matthew W. Szabo, City Administrative Officer



Reference: C.F. 21-1462
C.F. 20-1452

Subject: **PROPOSED 2022 BALLOT MEASURE TO FUND PARKS AND RECREATIONAL FACILITIES**

SUMMARY

In anticipation of the sunset of the Proposition K: L.A. For Kids Program (Proposition K) in 2026-27, City Council has adopted two Motions directing staff to report on options for establishing a new citywide assessment program for parks and recreational facilities (C.F. 21-1462: Buscaino-Lee-Raman-O'Farrell-Martinez-Cedillo; and, C.F. 20-1452: Rodriguez-Blumenfield). This report is responsive to both Motions.

This report outlines the revenue options for the Department of Recreations and Parks \$4.6 billion estimate for rehabilitation of existing facilities, development of new parks and recreational facilities, maintenance and operations. These revenue options include General Obligation Bonds (GO Bonds), Parcel Tax, Sales Tax, and Gross Receipts Tax. An overview of the Proposition K program, lessons learned, and other relevant considerations for developing a framework for a new program are also presented. Should Council choose to proceed, the filing requirements are also discussed for placing a measure on the upcoming November 8, 2022, General Municipal Election ballot.

RECOMMENDATIONS

That the City Council, subject to approval of the Mayor:

1. Determine whether a measure to fund a City-sponsored Parks and Recreational Facilities Program should be placed on the November 8, 2022 Municipal Election Ballot;
2. If the City Council chooses to place a revenue measure on the November 8, 2022 Ballot:
 - A. Request that the City Attorney, with the assistance of the City Administrative Officer, prepare and present the necessary Resolutions and Ordinances for the proposed ballot measure;

- B. Approve one of the following funding options, which would generate the specified amount in annual funding for a 30-year program, as follows:
- i. For a measure to fund the rehabilitation of existing facilities - \$2.71 billion program total. a GO Bond of up to \$2.71 billion or a parcel tax of up to \$0.0335 based on square footage of improvements, or a rate that generates approximately \$90.23 million in annual revenue; or
 - ii. For a measure to fund the rehabilitation of existing facilities; development and acquisition of new facilities; operations and maintenance – \$4.62 billion program total; \$153.94 million annually to address the current identified needs:
 - a. A GO Bond of up to \$4.575 billion and a Parcel Tax of up to \$0.0167, or a rate that generates approximately \$45 million in annual revenue, based on square footage of improvements for residential and non-residential properties. Improvements are defined as all assessable buildings and structures on the land. The GO Bond would fund the capital and the Parcel Tax would fund the operations; or
 - b. A Parcel Tax of up to \$0.0555, or a rate that generates approximately \$153.94 million in annual revenue, based on square footage of improvements for residential and non-residential properties to fund the capital and operations and maintenance of the program. The tax would be reduced to approximately \$0.0167 or a rate commensurate with \$45 million in annual revenue, for the square footage of improvements after the capital program is complete.

BACKGROUND

The Department of Recreation and Parks (RAP) issued a "Parks Condition Assessment Report" in 2018 summarizing the site conditions and recommended improvements for all parklands owned by the City. The 2018 report provides an assessment of over 16,000 acres of parkland at 559 park sites in the City of Los Angeles including regional parks, recreation centers, pools and bathhouses, senior centers, lakes, trails, picnic areas, and playgrounds. The estimate, which at that time was \$2.1 billion for renovation and rehabilitation of existing facilities, has been reevaluated and adjusted to \$2.7 billion. The overall funding need is estimated at \$4.6 billion, which includes the \$2.7 billion for the rehabilitation of existing facilities, \$1.9 billion for the development of new facilities, and \$43 million in the annual cost of operations and maintenance of new facilities.

Mayor Eric Garcetti also issued Executive Directive 31 - "Achieving Park Equity," on December 6, 2021, which, among other actions, provided instructions for the CAO, in consultation with RAP, the Bureau of Engineering (BOE), the Chief Legislative Analyst (CLA), and the City Attorney, to "work with stakeholders, including the Park Equity Working Group and other park advocates, to evaluate the possibility of a park funding measure with strong equity components." Unfortunately, RAP's guaranteed revenue mandated by the City Charter is no longer sufficient to sustain the operations of the Department and fund critical infrastructure improvements.

This Office has met with the CLA, City Attorney, RAP, and several of the authoring Council Offices to obtain input regarding the expansion of the City's recreational and park facilities and the necessary maintenance for these facilities. Based on these discussions, this report provides a description of potential voter-approved measures that would generate revenue from local taxes, along with the various limitations and other relevant considerations.

Proposition K Program Overview & Lessons Learned

The Proposition K program was established through a Ballot Measure approved by City voters on November 5, 1996, which authorized the City to collect up to \$25 million annually in local assessments over a 30-year period. The primary objective of the Proposition K program is to combat the inadequacies and decay of the City's youth infrastructure, which has resulted in serious unmet needs for park, recreation, childcare and community facilities.

Eligible use of program funds is restricted to three categories in set percentages to be achieved over the life of the program, as follows: a) Program administration (3%); b) Maintenance of completed projects (15%); and, c) Capital expenses (82%) that include acquisition and improvements for parks, recreation, and community facilities serving youth throughout the City. The capital program is further divided into two types of projects: "Specified" projects that are designated in the Ballot Measure for a specific scope of work and base funding amount; and, "Competitive" projects that are awarded through a grant process conducted every two to three years that is open to City entities, other governmental agencies and qualified non-profits, with awards restricted to eight categories of funding designated in the program Ballot Measure.

The Proposition K Ballot Measure also established a requirement for community input on the prioritization and selection of projects. The structure approved by Council during the early years of the program utilizes three regional bodies for the Central, Southern and Valley regions, that are appointed by the respective Council Offices and convened each year to develop a five-year expenditure program that determine the prioritization for project implementation. Separate community oversight bodies are convened to provide input on the detailed scope elements for all City-implemented projects.

Legal Restrictions Preventing Creation of a Successor Program

As part of the same 1996 ballot that established the Proposition K program, California voters approved Proposition 218 which established new substantive and procedural requirements for special assessments. Proposition 218 defines an assessment as "any levy or charge upon real property by an agency for a special benefit conferred upon the real property." Subsequently, in 2010, California voters approved Proposition 26 which defines any "levy" as a "tax," except for a few limited exceptions.

Since passage of this legislation, municipalities must demonstrate that the special benefits to impacted properties are proportionate to and no greater than the benefit that would be conferred by the proposed capital improvement. This requirement has effectively eliminated the ability to collect citywide assessments and direct funding to the areas of greatest needs. Taken together,

the two Propositions impose requirements that make it impractical or infeasible to levy new assessment fees beyond a very limited purpose or use. Any repeal of the laws would require voter approval.

Programmatic Considerations / Lessons Learned

One of the most limiting factors for achieving the mandates of the Proposition K program is the lack of flexibility and discretion in implementing the scope of work designated for the “specified” projects, along with the restrictions defined for the competitive funding categories. This lack of flexibility poses challenges for effectively serving local communities that have experienced significant changes in their demographic composition and associated needs of their residents since the establishment of the Proposition K program over 25 years ago. To ensure that funded projects are responsive to community needs as they change over time, any subsequent capital program established for park and recreational programs would require some degree of flexibility in terms of the scope elements and selection criteria.

As another significant challenge, the Proposition K program provides limited funding for program administration and maintenance expenses, which only partially offsets the costs incurred by the City and requires other supplemental funds to contribute towards these expenses. However, these ratios were intentionally set low so that the majority of program funds would be dedicated to capital improvements as a means of securing voter support. The discontinuation of the Proposition K program will eliminate an average of \$6 million of maintenance funding awarded annually to RAP. Any subsequent program which develops new parks and recreational facilities should include operations and maintenance funding.

Proposed Framework for a New Parks and Recreational Facilities Ballot Measure

RAP’s estimated need to secure new funding of \$4.6 billion would be used to address one-time capital expenses associated with site rehabilitation, acquisition, and development (\$4.58 billion), and the ongoing costs of annual operational and maintenance (O&M) expenses that would be associated with the development of new facilities (\$43.25 million). As reflected in the table below, the capital estimate includes \$20 million for the 10 childcare facilities that are included the Proposed Child Care Ballot Measure Report (C.F. 19-0213).

Depending on which framework options Council selects and based on known factors for projected one-time capital and acquisition expenses, and ongoing costs of operations and maintenance, the annual minimum revenue requirement for a 30-year program is estimated as follows:

- \$90.23 million/year up to \$2.71 billion – Existing facilities: Renovation / rehabilitation (no O&M funding)
- \$153.94 million/year during the 30-year capital program and \$45 million/year in Year 31 (\$4.58 billion) – All categories: Existing & new facilities; operations and maintenance (O&M)

This Office recommends that if new facilities are included in the program, that that ongoing maintenance and operations costs be included in any ballot proposal. However, if Council opts to only support improvements for existing facilities, our Office would not recommend pursuing a separate ballot measure to replace the loss of \$6 million in Proposition K maintenance funds. This funding loss, however, would generate a potential impact to the General Fund. A breakdown and description of the funding categories under consideration are provided in the table below:

Category	Description	One-Time Capital Funds	Annual Operations & Maintenance
1. Rehabilitation of Existing City Facilities	<p>This component would focus on the rehabilitation of existing City facilities that require repairs or infrastructure upgrades (Attachment E).</p> <p>Following the sunset of the Proposition K program in 2026-27, RAP would lose between \$5-6 million in annual maintenance funds currently awarded through the program.</p>	\$2,707,000,000 ^a	\$ 6,000,000 ^b
2. Development of New, City-owned Recreational and Parks Facilities	<p>This component would focus on the development of new recreational facilities and parks in underserved areas, as needed to bridge the access gap for recreational services (Attachment F). Due to the limited time to develop the proposed Ballot Measure, RAP has conducted an expedited assessment and additional analysis of the proposed sites would be required to ensure the areas of highest needs would be prioritized as part of the City's commitment to achieve social equity objectives.</p>	\$1,868,000,000	\$ 37,246,600
Total:		4,575,000,000	43,246,600
<p>^a Includes \$20 million for 10 childcare facilities (C.F. 19-0213; Proposed Childcare Ballot Measure report.</p> <p>^b Annual loss of Proposition K maintenance funds following the sunset of the program in 2026-27.</p>			

Prioritization of Needs – Equity Metrics

The funding categories represented in Attachments E and F provide a rough estimation of rehabilitation needs for existing facilities and future development opportunities. The actual selection of projects funded through any new ballot measure would need to be evaluated and prioritized in accordance with City-established equity metrics to ensure that the program addresses the most critical needs for disadvantaged communities with limited or inadequate access to park and recreational facilities. Regardless of the program design (either limited to rehabilitation, or a comprehensive plan that includes acquisition, the development of new facilities and funding for operations and maintenance), the prioritization of projects should be determined in accordance with the City’s equity metrics.

Ballot Requirements and Filing Deadlines

The City’s General Election will be held on November 8, 2022. Proposition 218 requires that any new tax assessed by a local government must, first, be submitted to the electorate for approval. A general tax requires majority approval, while a special tax requires a two-thirds vote to approve.

Based on the deadlines contained in the City Election Code and the City Council’s Recess schedule, the last day for the Council to request the City Attorney to prepare the necessary election documents for measures appearing on the general election ballot is June 21, 2022. The last day for the Council to adopt Resolutions of Necessity (required for bond measures) is June 28, 2022. The last day for the Council to adopt all final election resolutions and ordinances is June 29, 2022. The City Clerk’s election calendar provides for specific information regarding these deadlines. Since this is a regularly scheduled Municipal Election, the Council may present both general tax and special tax measures on the November 2022 ballot, as outlined in the table below.

<u>Deadlines: State General Municipal Ballot</u>			
Council Request for City Attorney to Prepare Resolutions (125 days prior)	Last Date to Adopt Resolution of Necessity (required for bond issuance)	Last Date for Council To Adopt Election Resolutions (110 days Prior)	Date of Election
June 21, 2022 ¹	June 28, 2022 ²	June 29, 2022 ²	November 8, 2022
<p>1 The legal deadline falls on an anticipated Council Recess day (7/6/2022); therefore, the deadline is moved up two weeks to ensure compliance with subsequent ballot measure resolution deadlines that follow.</p> <p>2 The legal deadline falls on an anticipated Council Recess day (7/21/2022); therefore, the deadline is moved up to the Wednesday preceding a holiday and anticipated Council Recess. Resolutions of Necessity for bond measures must be adopted at the meeting before the final election resolutions.</p>			

Funding Options for Proposed Ballot Measure

The following summary outlines the considerations for the four funding options available for the proposed ballot measure, with additional information provided in report Attachments A-D.

Funding Option	Description
General Obligation - GO Bond	This is a voter-approved measure that authorizes the City to issue bonded indebtedness and impose an ad valorem property tax on residential and non-residential property to secure and repay the outstanding bonded indebtedness. Proceeds from GO Bonds can only be used towards the acquisition or improvement of real property under the California Constitution (other federal tax conditions may also apply if the bonds are issued on a tax-exempt basis). Accordingly, proceeds from a GO Bond cannot be used towards, among other things, services and operational or maintenance expenses. A GO Bond requires two-thirds voter approval. Attachment A outlines this information and includes a table with the projected tax rate per \$100,000 of assessed value.
Parcel Tax	This is a special tax that requires a two-thirds voter approval. It is levied on parcels set at a flat rate charge per parcel or on the square footage of improvements for residential and non-residential parcels. Improvements are defined as all assessable buildings and structures on the parcel. A Parcel Tax cannot be based on a property's value. Revenue generated by this tax may be used to fund a variety of local government programs, projects, or services. The services do not have to benefit the property directly. The revenue use is restricted to the designated public programs, projects, and/or services approved by the voters under the ballot measure (Attachment B).
Sales Tax	This is a consumption-based tax imposed on goods and certain services. It may be a General Fund or a Special tax. A General Fund Tax requires a majority vote and the proceeds can be used for any general fund purpose. It does not require a designation, but a companion advisory measure may be separately adopted by the voters with the uses designated for recreational and park programs. A Special Tax requires two-thirds voter approval and its use must be for a specific purpose. Accordingly, as part of the ballot measure, revenues from sales tax must be designated for recreational and park programs. Attachment C outlines the revenue generations based on 0.25, 0.50 or 0.75 percent increase. The current sales tax in the City is 9.5 percent, which would increase to 9.75, 10, or 10.25 percent, respectively. An increase in the sales tax is regressive, as this type of tax increase disproportionately affects lower income households (Attachment C).

<p>Gross Receipts Tax</p>	<p>This is a tax imposed on total revenue generated from business activity. The gross receipts tax differs from an income tax and is imposed on the profits from business activity. These taxes fluctuate depending on the prevailing economic environment. The tax structure is complex, with different rates applicable to different types of business. An example of a tax that applies to leasing revenues is provided (Attachment D).</p>
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This Office does not recommend consideration of a sales tax because of its regressive nature, or a Flat Rate Parcel Tax, which may also be regressive since it does not take into account the parcel size. Similarly, consideration of a Gross Revenue (Business) Tax is not generally supported by the Office of Finance as, among other reasons, these taxes fluctuate depending on the prevailing economic environment. The tax structure is complex, with different rates applicable to different types of businesses (e.g. some business taxes are based on a flat rate per tax period and others are based on the number of vehicles, machines, devices or equipment used, the number of employees, square footage of the area, seating capacity, or the scale of fees collected; an example of a tax that applies to leasing revenues is provided in Attachment D. There is also the concern that an added tax burden would adversely impact local economic recovery efforts.

Of the four funding options outlined above, our Office recommends that City Council consider the following options.

A. GO Bond or a Parcel Tax for capital only

Should the program be limited to the rehabilitation of existing parks and facilities, a GO Bond of up to \$2.71 billion or a parcel tax of up to \$0.01 based on square footage of improvements, or a rate that generates approximately \$90.23 million in annual revenue, up to \$2.71 billion. This program option would not fund operations or maintenance, leading to a potential impact to the General Fund.

B. A combination of a GO Bond and a Parcel Tax for capital and operations

A GO Bond of up to \$4.575 billion to fund the one-time capital and a Parcel Tax of up to \$0.0167 based on square footage of improvements, or a rate that generates approximately \$45 million in annual revenue, to fund operations and maintenance, would be required to implement the overall program.

This option would require two separate questions (measures) on the ballot, one for the GO Bond and one for the Parcel Tax.

C. A Parcel Tax for capital and operations

A Parcel Tax to fund both the capital and O&M costs of up to \$0.0556, or a rate that generates approximately \$153 million in annual revenue would be required for the 30-year capital program, and then reduced to \$0.0167, or a rate that generates approximately \$45 million in annual revenue, for the ongoing O&M.

FISCAL IMPACT STATEMENT

There is no impact on the General Fund as a result of the recommendations in this report.

FINANCIAL POLICIES STATEMENT

The actions recommended in this report comply with the City's Financial Policies.

MWS:mg:05220051

Attachments

- A. General Obligation (GO) Bonds
- B. Parcel Tax
- C. Sales Tax
- D. Gross Receipts Tax on Commercial Leasing Activity
- E. Proposed Rehabilitation or Replacement of Existing Facilities
- F. Proposed New Facilities and Operations and Maintenance Expenses

ATTACHMENT A

GENERAL OBLIGATION (GO) BONDS

A GO Bond measure requires the approval of 2/3 vote of the electorate in order for the City to be authorized to issue GO Bonds. Proceeds from the GO Bonds can only be used for the acquisition or improvement of real property. An ad valorem property tax will be imposed on taxable residential and non-residential property to secure and repay the bonded indebtedness.

State law currently limits the annual maximum interest rate to be paid on GO Bonds at 12 percent. That limit can be set at a lower rate. The interest rate on March 31, 2021 was 2.637 percent for tax-exempt bonds and 3.324 percent for taxable bonds. Information regarding the tax rate on \$100,000 of assessed value.

1.	Type	Special Tax (requires a 2/3 vote)
2.	Authorized Issuance Amount	A. \$500 million B. \$750 million C. \$1 billion D. \$1.5 billion
2	Term for repayment	20 years (or based on the City Debt Policy)
3	Uses	A. Finance the construction of recreational facilities and acquire real property for recreational facilities. B. New acquisition, construction, renovation, or improvements.
4	Maximum Interest Rate	A. Limit set by State law, currently 12 percent B. A rate lower than State law
5	Additional Proposed Provisions	A. Allocation process should include an Annual Plan to determine funding priorities. B. Administered by a designated Department(s), with oversight by a Citizens Oversight Committee and an Administrative Oversight Committee. C. Citizens Oversight Committee (3 appointed by Mayor, 4 appointed by Council). D. Administrative Oversight Committee (Mayor, CAO, CLA or designee).

GENERAL OBLIGATION (GO) BONDS (CONT)

Projected General Obligation Bonds Tax Rate per \$100,000 of Assessed Value

Fiscal Year Ending	Tax Rate Per \$100,000 of Assessed Value				
	Existing City GO Bonds and Authorization	New RAP Facility GO Bonds*	Overlapping GO Bonds		Total
			LAUSD	LACCD	
2023	\$ 12.02	\$ -	\$ 136.79	\$ 29.80	\$ 178.61
2024	15.58	1.33	132.36	29.49	178.77
2025	14.62	1.27	125.32	29.22	170.42
2026	14.61	2.49	120.14	28.96	166.19
2027	15.34	2.38	109.39	28.98	156.09
2028	14.58	3.50	93.51	28.82	140.41
2029	14.18	3.34	94.29	28.57	140.38
2030	13.07	4.36	94.09	28.11	139.64
2031	11.67	4.16	93.94	27.86	137.64
2032	11.17	5.10	93.80	28.60	138.67
2033	10.08	4.86	91.07	23.66	129.67
2034	9.63	4.63	85.19	17.52	116.97
2035	9.19	4.41	25.60	17.39	56.59
2036	8.77	4.19	25.10	3.16	41.22
2037	8.35	3.98	24.61	16.59	53.53
2038	7.95	3.77	24.13	16.62	52.47
2039	7.14	3.58	23.22	17.63	51.57
2040	5.44	3.39	22.75	10.81	42.38
2041	5.11	3.20	18.66	9.63	36.61
2042	4.79	3.02	18.28	8.18	34.28
2043	3.52	2.85	11.10	7.91	25.38
2044	1.51	2.23	10.87	7.64	22.26
2045	-	2.10	10.69	7.38	20.17
2046	-	1.55	2.06	7.11	10.72
2047	-	1.45	-	6.85	8.30
2048	-	0.95	-	6.59	7.54
2049	-	0.89	-	6.33	7.22
2050	-	0.44	-	-	0.44
2051	-	0.41	-	-	0.41
Average (2023-2051)	7.53	2.75	51.27	16.53	78.09

1. Cost figures for a new Recreational and Parks GO bond are based on a \$500 million authorization, issued over 9 years on a tax-exempt basis. The first issuance is assumed to occur in 2023, with repayment to begin in 2024. Tax will be applied to residential and non-residential properties.
2. Taxable Assessed Valuation as of January 1, 2021 totaled \$723.77 billion.
3. Repayment is based on a 5 percent interest rate. Actual interest rates may differ as rates are dependent on market conditions at the time of bond issuance. We cannot fully predict what interest rates will be in the future.

PARCEL TAX

A Parcel Tax is a Special Tax and requires 2/3 voter approval. Use of the tax revenue must be specified. Revenue estimates for a parcel tax based on a flat charge or on the square footage of improvements are outlined in the table below:

1	Type	Special Tax (requires 2/3 vote)
2	Potential Rate	A. Flat charge per each parcel within the City, includes all assessable residential and non-residential; or B. Charge based on square footage of improvements on residential and non-residential properties. Improvements are defined as all assessable buildings and structures on the land.
3.	Amount	Potential annual revenue based on estimated square footage of improvements (residential and non-residential): A. A \$0.0084 tax per square footage per year could generate \$20 million. B. A \$0.0168 tax per square footage per year could generate \$40 million. C. A \$0.0335 tax per square footage per year could generate \$80 million. D. A \$0.0556 tax per square footage per year could generate \$153 million. Potential annual revenue based on 792,559 parcels in the City of Los Angeles (residential and non-residential): E. A \$25 per year parcel tax could generate \$20 million. F. A \$50 per year parcel tax could generate \$40 million. G. A \$100 per year parcel tax could generate \$80 million.
4	Possible Sunset	A. No sunset B. 10 years C. 20 years D. Another designated sunset date
5	Uses	A. Finance the construction of recreational facilities acquire real property. B. New acquisition, construction, renovation, or improvements. C. Operations and maintenance.
6	Additional Proposed Provisions	A. Allocation process should include an Annual Plan to determine funding priorities. B. Administered by a designated Department(s), with oversight by a Citizens Oversight Committee and an Administrative Oversight Committee. C. Citizens Oversight Committee (3 appointed by Mayor, 4 appointed by Council). D. Administrative Oversight Committee (Mayor, CAO, CLA or designee).

SALES TAX

A Sales Tax may be either a General or a Special tax. Sales taxes are regressive taxes and any increase will have a disproportionate impact on low-income households.

1	Type	A. General (majority vote) B. Special (requires a 2/3 vote)
2	Rate	A. 0.25 percent increase (\$163 million annually) B. 0.50 percent increase (\$326 million annually) C. 0.75 percent increase (\$489 million annually)
3	Sunset	A. No sunset B. 10 years C. 20 years D. Another designated sunset date
4	Uses, if General	No designation of uses required. A separate companion advisory measure could be adopted with the uses designated for recreation as outlined below.
5	Uses, if Special	A. Finance the construction of recreational facilities and acquire real property. B. New acquisition, construction, renovation, or improvements. C. Maintenance and operations.
6	Additional Proposed Provisions (if Special Tax)	A. Allocation process should include an Annual Plan to determine funding priorities B. Administered by a designated Department(s), with oversight by a Citizens Oversight Committee and an Administrative Oversight Committee. C. Citizens Oversight Committee (3 appointed by Mayor, 4 appointed by Council. D. Administrative Oversight Committee (Mayor, CAO, CLA or designee).

GROSS RECEIPTS TAX

A Gross Receipts Tax may be either a General or a Special tax. This is a tax imposed on total revenue generated from business activity. The gross receipts tax differs from an income tax and is imposed on the profits from business activity. Each business category has an individual Gross Receipts Tax Rate. As an example, the City's current gross receipts tax on all real property leasing activity (commercial, storage, residential) is \$1.27 per \$1,000 of gross receipts (0.127 percent). The Office of Finance does not generally encourage the use of a Gross Receipts Tax to support ongoing programs as these taxes will fluctuate depending on the economic environment.

1	Type	A. General (majority vote) B. Special (requires a 2/3 vote)
2	Rate – (Example)	A. Greater than \$1 million (commercial, storage, residential) – increase current rate by 1 percent. (\$94 million) B. Greater than \$1 million (commercial, storage, residential) –increase current rate by 3.5 percent. (\$300 million)
3	Sunset	A. No sunset B. 10 years C. 20 years D. Another designated sunset date
4	Uses, if General	No designation of uses required. A separate companion advisory measure could be adopted with the uses designated for recreation as outlined below.
5	Uses, if Special	A. Finance the rehabilitation of existing, or construction of new, recreational facilities and acquisition of real property. B. Maintenance and operations.
6	Additional Proposed Provisions (if Special Tax)	A. Allocation process should include an Annual Plan to determine funding priorities. B. Administered by a designated Department(s), with oversight by a Citizens Oversight Committee and an Administrative Oversight Committee. C. Citizens Oversight Committee (3 appointed by Mayor, 4 appointed by Council. D. Administrative Oversight Committee (Mayor, CAO, CLA or designee).

**PROPOSED REHABILITATION
OR REPLACEMENT OF EXISTING FACILITIES**

Bond Category	Capital Cost Estimate
Outdoor Basketball Courts	\$ 12,000,000
Greek Theater	25,000,000
Cabrillo Marine Aquarium	35,000,000
Equestrian Facilities and Trails	35,000,000
Childcare Facilities	40,000,000
Skate Parks	45,000,000
Outdoor Tennis/Pickleball Courts	45,000,000
Natural Resource Areas / Open Space Parks and Amenities	45,000,000
Senior Facilities	50,000,000
Museums, Historic Sites, Special Facilities	50,000,000
ADA Improvements	50,000,000
Beach/Coastal Facilities and Access	60,000,000
Griffith Observatory	65,000,000
Sustainability / Climate Change Mitigation	75,000,000
Outdoor Restrooms	90,000,000
Athletic Field Lighting	100,000,000
Hiking/Multipurpose Trails, Park Roads, and Amenities	100,000,000
Playgrounds	200,000,000
Los Angeles River: Land Acquisition, Facilities, and Amenities	200,000,000
Athletic Fields	280,000,000
Swimming Pools	375,000,000
Recreation/Multipurpose Centers	730,000,000

Subtotal: Rehabilitation

\$2,707,000,000

**PROPOSED NEW FACILITIES AND
OPERATIONAL AND MAINTENANCE EXPENSES**

Bond Category	Capital Cost Estimate	Annual O&M ¹ Cost Estimate:
Outdoor Basketball Courts	\$ 8,000,000	\$ 1,525,200
Outdoor Tennis/Pickleball Courts	10,000,000	1,220,000
Athletic Fields	20,000,000	1,876,000
Outdoor Restrooms	20,000,000	1,027,400
Skate Parks	30,000,000	800,000
Park Ranger Facilities	65,000,000	2,291,600
Community School Park Facilities	75,000,000	7,112,500
Playgrounds	80,000,000	2,124,000
Swimming Pools	100,000,000	2,078,000
Senior Facilities	165,000,000	404,800
Childcare Facilities	175,000,000	4,500,000
Hollywood Central Park	250,000,000	780,300
Recreation/ Multipurpose Centers	370,000,000	7,024,800
Parkland Acquisition	500,000,000	4,500,000
Outdoor Basketball Courts	175,000,000	4,500,000
Outdoor Tennis/Pickleball Courts	250,000,000	780,300
New Facilities Subtotal:	<u>\$1,868,000,000</u>	<u>\$ 37,246,600</u>
Rehabilitation / Replacement of Existing Facilities (Attachment E Total):	\$2,707,000,000	--
Replacement of Proposition K Maintenance ²	--	6,000,000
Cost Category Totals:	<u>\$4,575,000,000</u>	<u>\$ 43,246,600</u>
GRAND TOTAL:	<u>\$4,618,246,600</u>	

¹ O&M estimates are based on direct costs only, which have not been adjusted for inflation.

² Amount required to fund O&M costs for existing facilities and avoid a shortfall within the RAP operational budget as a replacement for Proposition K maintenance funds that would no longer be available following the program sunset in 2026-27.