

Date of Hearing: April 23, 2024

ASSEMBLY COMMITTEE ON WATER, PARKS, AND WILDLIFE

Diane Papan, Chair

AB 2103 (Pellerin) – As Amended March 4, 2024

SUBJECT: Department of Parks and Recreation: Big Basin Redwoods, Año Nuevo, and Butano State Parks

SUMMARY: Allows the Department of Parks and Recreation (State Parks) to acquire real property for Big Basin Redwoods, Año Nuevo, and Butano state parks on its own behalf.

EXISTING LAW:

- 1) Establishes the California state park system and vests State Parks with control of the state park system and responsibility for administering, protecting, developing, and interpreting state parks for the use and enjoyment of the public [Public Resource Code (PRC) § 5001 *et seq.*].
- 2) Allows State Parks to receive and accept any gift, dedication, devise, grant, or other conveyance of title to or any interest in real property, including water rights, roads, trails, rights-of-way, buildings, facilities, and other improvements, to be added to or used in connection with the state park system (PRC § 5005).
- 3) Declares that it is vital to ensure public confidence in amounts paid, and procedures used, for the acquisition of property by state agencies that spend taxpayer or bond funds and that it is important to ensure that an acquisition agency act expeditiously to purchase critically needed conservation lands for their preservation and protection (PRC § 5096.500).
- 4) Requires, among other things, that the Director of the Department of General Services (DGS) approve every contract for the acquisition of real property of the state, unless exempted by the Legislature (Government Code § 11005).
- 5) Provides that State Parks, with the consent of the Department of Finance, may acquire the title to or any interest in real property that State Parks deems necessary or proper for the extension, improvement, or development of the state park system. All real and personal property acquired by State Parks for the state park system shall be under the jurisdiction of State Parks immediately upon transfer of title to the state (PRC § 5006).
 - a) Allows State Parks to perform their own property appraisals, use the Real Estate Services Division (RESD) of DGS, or contract with an independent appraiser to assist in property appraisals.
 - b) Allows State Parks to select real property it has appraised and submit purchase offers and negotiate a purchase agreement with the owners(s) of the property and implement and process the purchase agreement and conveyance of title to the state. State Parks may use the RESD of DGS or contract with other state agencies to assist in negotiating purchase agreements and conveyance of title.

- c) Provides that, regardless of all other law, all appraisals conducted by State Parks shall be reviewed and approved by DGS or, at the discretion of DGS, a competent professional appraiser approved by DGS. Real property shall be appraised and appraisal review completed before commencement of purchasing negotiations.
- 6) Establishes the role of State Public Works Board (SPWB) to select and acquire, on behalf of the state and with the consent of the relevant state agency, the fee or any lesser right or interest in any real property necessary for any state purpose or function (Government Code § 15853).
- a) Requires that all land and other real property be acquired by SPWB on behalf of or for any state agency, except for the Department of Transportation, the High-Speed Rail Authority, the Department of Water Resources (DWR), the Central Valley Flood Protection Board, the Department of Fish and Wildlife (DFW), the Wildlife Conservation Board (WCB), and several others.
 - b) Requires that SPWB shall acquire, on behalf of State Parks, any interests in real property, including options to purchase, which have been appraised, selected, and settled through purchase negotiations by State Parks.

FISCAL EFFECT: Unknown. This bill is keyed fiscal.

COMMENTS:

- 1) **Purpose of this bill.** This bill allows State Parks to purchase real property for Big Basin Redwoods, Año Nuevo, and Butano state parks on its own behalf instead of through the SPWB acquisition process. According to the author, “[This bill] will help provide certainty of timely land transfer from acquisition partners to [State Park] for land parcels that State Parks agrees to acquire. Specifically, this bill would add property acquired for Big Basin Redwoods, Año Nuevo, and Butano State Parks, to the list of exemptions from the Public Works Board process. [This bill] will allow State Parks to work with conservation organizations more effectively in order to speed up the land acquisition process and permanently protect lands for conservation, cultural, or recreational purposes.”
- 2) **Background.** There are 280 park units (beaches, historic sites, museums, off-highway vehicle recreation areas, parks, etc.), over 340 miles of coastline, 970 miles of lake and river frontage, 15,000 campsites, and 5,200 miles of trails in the state park system. Millions of people visit the California state park system annually.

The Santa Cruz State Parks District contains numerous State Parks and State Beaches, including Big Basin Redwoods, Butano, and Año Nuevo state parks. Big Basin Redwoods State Park is the oldest state park in California. The lands known today as Big Basin were originally the homelands of the Quiroste and Cotoni tribes, ancestral relatives of today’s Amah Mutsun Tribal Band and the Muwekma Ohlone Tribe.

State Parks partnerships. Partnership is not new to State Parks. From their inception, California’s state parks were forged in partnership with community leaders and organizations. Among a collection of concession businesses, volunteers, and others

supporting State Parks, nonprofits are invaluable partners that amplify the reach of State Parks' own community engagement efforts, foster ongoing connection to parks with added programming and events, leverage public investments with additional sources of funding, and build onramps that increase park access to ever more Californians. Land transactions are a typical example, where the nonprofit secures a critical piece of wildlife corridor, watershed, or cultural resource to be later incorporated into the park system.

2020 CZU Lightning Complex Fire (CZU fire). Wildfires have always occurred in Santa Cruz County. Every few years, a wildfire burns from hundreds to a few thousand acres, and a few structures are destroyed. However the CZU Fire was unusually extreme. The fire burned more land in Santa Cruz County than had been burned by all wildfires in the county in the previous 70 years combined. The CZU Fire began with a lightning event in the early morning of August 16, 2020 that ignited multiple fires in Santa Cruz and San Mateo counties. The separate fires quickly merged and rapidly spread across the North Coast and Bonny Doon areas and into the San Lorenzo Valley causing the evacuation of over 70,000 people. The fire was fully contained on September 22, 2020 after burning a total of 86,509 acres. Over 1,400 structures were destroyed—900 of the destroyed structures were residences. One life was lost. Monetary damages have been estimated at \$340 million including approximately \$30 million of damage to public infrastructure.¹ 97% of Big Basin was lost including the park visitors' center, lodge, staff homes, and other buildings. Within two years, with the help of many partners, the Big Basin partially reopened to the public on July 21, 2022.

According to *A study of nonprofit partnerships in California State Parks*, the reopening of Big Basin was made possible by an extensive collaboration between State Parks, nonprofit organizations (Friends of Santa Cruz State Parks, Save the Redwoods League, Parks California, Sempervirens Fund, and Mountain Parks Foundation), a "reimagining project" advisory committee, and a volunteer trail crew. Friends of Santa Cruz State Parks, a nonprofit cooperating association that supports operations in 32 parks and beaches throughout the county, is operating visitor services such as the reservation system and interpretive programs at Big Basin during the recovery period.

Reimagining Big Basin. State Parks initiated the Reimagining Big Basin project in summer 2021 to begin the planning process for permanent park facilities in response to the CZU fire. This process has included public events and activities to hear from partners, stakeholders and the community to assess the priorities for rebuilding. The Reimagining Big Basin Vision (Vision) highlights themes that emerged from the public process, including forest resiliency and how to be inclusive to California's diverse population as park facilities are reestablished. The Vision outlines a reimagined park that will be different from the Big Basin the public remembers, with facilities and services established outside of the old growth redwoods and areas with sensitive resources. Access will be improved for alternative modes of transportation, including a shuttle to reduce congestion and increase non-automotive access to the park. According to the Vision, "The CZU Lightning Complex Fire demonstrated the importance of planning at the landscape scale. ... Coordination with adjacent landowners and managers and strategic acquisitions will strengthen wildlife corridors and habitat connectivity, trail connectivity, and the diversity of recreational experiences in the region."

¹ County of Santa Cruz. July 2021. "[Local Hazard Mitigation Plan 2021–2026](#),"

Land Acquisitions by the state. For direct acquisitions of real property by most state agencies, statute provides an approval role for both DGS and SPWB. First, with few exceptions, every contract for the acquisition of real property entered into by or on behalf of the state must be approved by the Director of DGS (see Existing Law #4). Second, as a general rule, both real property site selection and acquisitions made by state agencies must also be approved by SPWB (which is staffed by DGS for this purpose), unless the acquiring agency is exempt from the SPWB process (see Existing Law #6). Before site selection or acquisitions are approved by SPWB, they reviewed and approved by DGS, again as a matter of practice, rather than because of an explicit statutory requirement. For land acquiring agencies outside of the SPWB process, statute sometimes explicitly requires DGS to review and approve an appraisal, such as in the case of acquisitions made by WCB (Fish and Game Code § 1348.2).

Challenge of this process. Considering new methods for expeditious state land acquisition is not new. Much of this comes from the difficulty in assessing the value of conservation lands. In October 2007, the Legislative Analyst's Office (LAO) released its report, "Improving the Appraisal Function in Resources Land Acquisitions," which focused specifically on the appraisals the state relies upon when making resource conservation land acquisitions by all agencies. The LAO report identified the challenges of determining the appropriate price governmental entities should pay for acquiring land for conservation purposes. A significant issue is that a principle of appraisal is to assess a property's value based on its highest and best *economic* uses (fair market value) over the noneconomic value of the uses of the property for which conservation acquisitions are typically made (public interest value). The LAO report identified various other external challenges that state agencies face when conducting appraisals for purposes of making land acquisitions for resource conservation, including the lack of recent sales of comparable property, resolution of land use and environmental permitting issues, and the "one of a kind" resource values that are integrally related to the public interest in the property.

Concerns with the SPWB process for acquiring conservation property were also in mind when the Legislature passed, and the Governor signed, AB 2497 (Laird), Chapter 462, Statutes of 2006, which requires the Secretary of the Resources Agency and the Department of Finance to jointly convene a workgroup consisting of representatives from specified state agencies and natural resource organizations to develop options for improving the efficiency of state resource land acquisition transactions for those departments and conservancies subject to the jurisdiction of the SPWB. According to a committee analysis, the AB 2497 report notes that the two-step approval process of the SPWB contributed to delays and increased costs to State Parks, who appears before SPWB the most out of all resource agencies. The report discusses several options requiring legislative action, including expanding SPWB membership, establishing a new parks acquisition board, and creating a new resources conservation board where all state resources land acquisitions would be considered and statewide acquisition priorities set. The report notes that the workgroup did not reach consensus on this or other options requiring legislative action. The option of creating a separate parks acquisition board, similar to the WCB, was the option presented in AB 2455 (Laird) of 2008; AB 2455 was vetoed.

- 3) **Policy considerations.** This bill seeks to address a complicated challenge: how to promote expeditious acquisition of land for the public benefit *and* ensure appropriate oversight of

these purchases (PRC § 5096.500). This bill streamlines the acquisition process by allowing State Parks to make property acquisitions towards Big Basin Redwoods, Año Nuevo, and Butano State Parks without going through SPWB. According to the *2022–23 California Five-Year Infrastructure Plan*, State Park’s backlog of deferred maintenance is estimated at over \$1 billion. This raises the question of how much the state should invest in new acquisitions when existing units have unmet operation and maintenance needs.

The tragedy of the CZU forest fire has opened a unique opportunity to “Reimaging Big Basin” and surrounding state parks. There does appear to be a genuine need to move swiftly in key parcel acquisitions to enable construction and connectivity in these parks to expedite the recovery of these parks.

- 4) **Proposed committee amendments.** As a State Parks exemption from the SPWB has not been previously granted, a sunset of this provision would provide a safe guard and allow the Legislature to understand the utility of providing this exemption as a case study. Additional safe guards in ensuring State Parks purchases the properties for fair market value may also be prudent. As such, the Committee may wish the author to accept these amendments:

Amendment 1– Amend Government Code § 15853:

(c) Notwithstanding any other law, all land and other real property to be acquired by or for any state agency, other than the Department of Transportation, the High-Speed Rail Authority, the Department of Water Resources, the Central Valley Flood Protection Board, the Department of Fish and Wildlife, the Wildlife Conservation Board, the Department of Parks and Recreation with respect to property acquired for Big Basin Redwoods, Año Nuevo, and Butano State Parks *pursuant to subdivision (g)*, the Public Employees’ Retirement System, the State Teachers’ Retirement System, the Department of Housing and Community Development, the State Lands Commission, except for property to be acquired for the State Lands Commission pursuant to an appropriation from the General Fund, and the State Coastal Conservancy with respect to acceptance of offers to dedicate public accessways made pursuant to the California Coastal Act of 1976 (Division 20 (commencing with Section 30000)) of, and for the purposes of Chapter 10 (commencing with Section 31411) of Division 21 of, the Public Resources Code, shall be acquired by the State Public Works Board in accordance with this part.

Amendment 2 – Add subdivision (g):

(g) Notwithstanding subdivisions (a) and (d), for acquisitions by the Department of Parks and Recreation with respect to property acquired for Big Basin Redwoods, Año Nuevo, and Butano State Parks in subdivision (c), the following applies:

(1) The purchase price for the land and other real property acquired by the Department of Parks and Recreation under subdivision (c) shall not exceed the fair market value of the property, as defined in Section 1263.320 of the Code of Civil Procedure.

(2) The fair market value shall be set forth in an appraisal that is prepared by a licensed real estate appraiser and approved by the Department of General Services.

(3) This authority shall remain in effect only until January 1, 2030, and as of that date is repealed.

- 5) **Arguments in support.** The sponsor, other regional land trusts, and the California State Parks Foundation write in support of the efficiency this bill enables for the acquisition of property for the three state parks. They observe the critical role of partnering conservation organizations in swiftly purchasing land that is intended to be transferred to State Parks. However, these partners often find themselves in a “vulnerable position as they must continue to own and manage high-conservation-value lands for long periods of time.” This bill will provide additional assurances by “streamlining the acquisition process, specifically for the fulfillment of the Reimagining Big Basin vision, providing confidence in timely land transfers from acquisition partners to [State Parks] for land parcels that State Parks agrees to acquire.”
- 6) **Related legislation.** AB 566 (Pellerin) of 2023 would have authorized State Parks to enter into an agreement with an eligible entity to permanently protect lands in or for the state park system and to acquire land on its own behalf. AB 566 was held in Assembly Appropriations Committee.

SB 1167 (Allen) of 2022 would have exempted transactions for the purpose of the state parks system from the SPWB if the transaction met both conditions: (1) State Parks determined that it would not require additional state resource to manage the land or other real property and (2) a Phase I Environmental Site Assessment had been completed on the land and had no recognized environmental conditions identified. SB 1167 was held in Assembly Water, Parks, and Wildlife Committee.

AB 727 (Maze) of 2007 would have removed DWR’s and WCB’s authority to acquire real property outside of the SPWB and removed DWR’s ability to use the power of eminent domain. AB 727 died in Assembly Business and Professions Committee.

AB 2455 (Laird) of 2008 would have removed the SPWB as the entity designated to acquire property for State Parks, and instead created the State Parks Preservation Board (“board”), and would have required the board to review the State Parks recommendations, and, subject to authorization by the board, would have authorized State Parks to acquire real property or rights in real property, subject to certain additional requirements. AB 2455 was vetoed by the Governor.

AB 2497 (Laird) Chapter 462, Statutes of 2006, required the Secretary of the Resources Agency and the Director of Finance to jointly convene a workgroup consisting of representatives from specified state agencies and natural resource organizations to evaluate and develop options for improving the efficiency of state resource land acquisition transactions for those departments and conservancies subject to the jurisdiction of the SPWB and report findings to the Governor and Legislature. AB 2497 required the workgroup to address, at a minimum, issues raised by the California Performance Review in 2004 regarding the SPWB review and approval process for resource land acquisition.

REGISTERED SUPPORT / OPPOSITION:

Support

Sempervirens Fund (Sponsor)
California State Parks Foundation
Land Trust of Santa Cruz County
Midpeninsula Regional Open Space District
Save the Redwoods League

Opposition

None on file

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