

GALT MARKET

Community Plan



AB 3773

In 1969 the 48-acre Galt Market Property was deeded to the City by the State Director of General Services. In 1982 the State Legislature passed AB 3773, urgency legislation which expressly allowed the City to utilize the property to conduct a city-operated flea market on a portion of the property, upon condition that the rents were utilized solely for park and recreation purposes. Additionally, AB 3773 required that the remaining acreage be used for park and recreation purposes only. Since 1982, the City of Galt has continued to operate the Galt Flea Market in compliance with AB 3773.

CURRENT SITUATION

The majority of cities in California pay for parks and recreation services from general funds. *Galt has a unique funding source for Parks & Recreation that is not available to other cities, and that for many years largely provided the revenue needed to fund recreation programming and parks maintenance.* That funding source is the Galt Market, specifically authorized under AB 3773 with revenues dedicated generically for parks and recreation purposes. Consistent with the provisions of AB 3773, Galt long ago made the financial decision, given the totality of its General Fund constraints, to provide for Parks & Recreation facilities and activities from Galt Market funding. This has been the financial approach to Parks & Recreation for many decades, with General Fund providing other services to the community.

The Galt Market has historically provided the single largest source of revenue for the Parks & Recreation program in Galt. However, over the past decade there has been a shift in retail consumer behavior which has resulted in a significant decline in revenue generated by the Market. *Since 2005 the revenue collected by the Market has decreased by nearly \$1M annually, while Parks & Recreation costs have increased by \$810k.* This disparity has caused a major constraint to the funding of Parks & Recreation and as a result the City's General Fund has been forced to subsidize the Parks & Recreation program for several years. The City is currently facing a substantial operating deficit which has resulted in the City utilizing General Fund savings to cover the shortfall.

GALT MARKET REVENUES



GALT MARKET COMMUNITY PLAN

LEGISLATIVE ANALYSIS.....

The most significant constraint to development of the Galt Market property is the restrictions of land uses provided under AB 3773. *The City is interested in pursuing a possible legislative change to modify the restrictions placed on the property by the 50 year-old legislation.* The ultimate goal of this project is to enhance the Galt Market operation, while developing complementary surrounding land uses, and most importantly ensuring a viable, sustainable source of income for the Parks & Recreation Program. The ability to generate revenue on the property is substantially limited by AB 3773 restrictions.

MOVING FORWARD

Recognizing the situation of declining revenue at the Galt Market, City staff applied for and subsequently received a \$120,000 grant from the California Energy Commission (CEC) to create a master plan and explore redevelopment opportunities of the entire 45-acre Galt Market Grounds. The Market property offers the City a unique opportunity to create a gateway and focal point for the community. As it sits, the Galt Market property is substantially underutilized with the Market only operating on Tuesdays and Wednesdays and sitting vacant the remainder of the week. The intent of a master plan is to explore uses that could potentially utilize the property on days that the Galt Market is not operational, and also explore ancillary commercial and higher density residential uses on the surrounding properties. *The overarching goal of the master plan is to develop a long term vision and plan for the Galt Market and surrounding City-owned properties while ensuring a viable, sustainable source of income for the City and more specifically the Parks & Recreation program.*

The City has hired a consultant to complete the master plan and lead the community outreach and public input process as part of the master plan development. This process is envisioned to be a collaborative endeavor with the community and various stakeholder groups to ensure that the ultimate master plan for the property is one that the entire community can embrace.

BUDGET CRISIS

The City of Galt has been operating with a structural deficit in its General Fund, Parks & Recreation Fund and Lighting Landscape Districts for several years. This deficit is primarily a result of expenditures exceeding revenues in the Parks & Recreation Fund and Lighting & Landscaping Districts Funds over an extended period of time. *Without significant spending reductions or revenue enhancements, the City's General Fund will spend through its available fund balance, including emergency reserves by approximately 2024.* The Galt City Council is in the midst of developing a plan to enact short-term expenditure reductions and exploring mid-term expenditure reduction and revenue enhancements, but the residents of Galt will inevitably be impacted as a result of these service level cuts.

Fund Balance Comparison

General Fund, Parks & Recreation, & NE L & L District

