

TABLE 16 – Net change about **FOG Meeting**
June 1, 1998, 7:30PM, 3-0 Café

PRESENT:

<u>NAME</u>	<u>EMAIL</u>
Lorraine Feather	plume@gte.net
Joe Gore	threezero@aol.com
Joe Loomis	lawyer@coastside.net
Paul Perkovic	perk@montara.com
David Spiselman	dave-s@coastside.net
Elizabeth Vesprimi	(not given)
Leonard Woren	ldw@lindy.stanford.edu

SUMMARY

Discussion considered the *Midcoast Incorporation / Annexation Fiscal Feasibility Study* document, including the Tables. Attendees gave their opinions of the study, and also questioned assumptions present in various sections of the document.

Total change in Projected Budget Deficit if changes below were made: **\$397,000 improvement in deficit from \$877,000 to \$480,000**. If legal lots rather than parcels used to calculate tax to individual property-holders, net is about \$100 per lot owner.

DETAILS

TABLE 8 – Adjust Business License Tax Revenues upward \$259,000 over 4 years:

The Business License Tax table assumes that there will be no change in the number of professional jobs based in the midcoast after incorporation. Please give us an example of 200 professional jobs in start-up corporations (where there are two corporations with 50 employees each, having revenues of \$200,000 per employee, and two corporations with twenty employees each, having revenues of \$125,000 per employee, and the remainder are 15 corporations at start-point totaling 60 employees and \$900,000 in annual revenue). This would result in about \$25,900,000 in total revenues for the corporations and a total Business License Tax of \$259,000 (at 1% of total revenues, about four years after incorporation into a city).

TABLE 16 – Net change about ZERO:

Police costs appear to be too high. Sheriff's officers start their time-card day in Redwood City where they clock in and end their day when they clock out there. In effect, we're paying for a ninety minute commute and a six-and-one-half hour work day. Also, both a per mile charge and depreciation on vehicles are included, where the per mile charge should be inclusive of depreciation. On the other hand, Sheriff currently gives full service, while what is included in the study is only basic service. There are other charges we can expect to face that aren't included in the study.

TABLE 18 – Net change about ZERO:

Is Half Moon Bay's service level for Public Works currently better than that of the unincorporated midcoast? Half Moon Bay pays about \$350,000 more, net.

TABLE 19 – Adjust Planning Department Salaries downward by about \$138,000:

Use the Half Moon Bay numbers for the new city's Planning Department headcount (5.5), not the county's current dedicated headcount (7.5).

Parcel Tax – page 11; Use legal lots, not APN's; adjust "lot tax" downward to \$100:

The Parcel tax is stated to be about \$163 per APN, if used to cover entire deficit at start-up point. This Parcel Tax should be calculated based on the number of legal lots, not on the number of APN's. The county estimates 5,350 APN's. There are many more developed and undeveloped lots, including commercial as well as residential. In Moss Beach / Montara alone, according to the Montara Sanitary District, there are over 6,000 lots. One possible outcome might be the merger of many contiguous sub-standard lots to minimize the impending parcel tax.

COMMENTS BY ATTENDEES

Lorraine Feather

Wants incorporation now if the parcel tax seems within reach. Also thinks we should study comparable areas that have incorporated to see how they have dealt with issues such as the potential legal fee burden if a developer sues. Wants to see every reasonable effort made for existing land use guidelines to be in force from the start in such a way that the incorporated Midcoast would not be under the threat of constant lawsuits.

Joe Gore

We need more work on the philosophical side at the same time. How many folks want incorporation? The financial numbers don't prove much, even if they're accurate. Example: The numbers are for basic police service while what we get now is "full service" including a crime lab and emergency services that we'd be billed a lot more for. Also, the Shorebird is very likely to turn into a hotel soon, and the tax revenues from that aren't included in the study.

Joe Loomis

Will comment by Wednesday at noon, via email.

David Spiselman

Use the El Granada Affordable Housing site for an office park since it has access to water.

Paul Perkovic

To get the tax base needed for incorporation may require that we build the very things we want now to stop from being built.

Elizabeth Vesprini

Supports incorporation now, wants local land use control.

Leonard Woren

We need a realistic comparison of alternatives. Many folks won't support annexation; it's just not salable. We need a straw poll of the community. There is a water issue: Citizens Utilities (CU) serves many of the areas that the county was suggesting could be rezoned to provide for office parks or other more tax-intensive uses. CU has no unused capacity at this time. Also, note that coastal related services include both visitor serving as well as local businesses serving local residents or providing a non-commuting job for local residents, according to the Coastal Act.

Foresees the need to have some of the potential commercial properties served by CCWD even though they're in CU's "service" area. This may be easier than previously thought, since MSD has water board powers. Conceptually, MSD could contract with CCWD to get the water, and MSD could serve those properties!

On page 12 of the Study, under "Fees", there's a comment about increasing fees to cover costs. This needs to be done in this analysis, since most current residents won't want to subsidize any costs associated with development. New development should pay the full cost of the department.

The assumption at the bottom of page 5 is bad. HMB has had very little development for the last few years due to lack of sewer capacity.

Under "Planning and Building" on page 9, the HMB staffing level should be assumed, not the County's staffing level.

GSD has ~2000 customers. GSD has ~2100 ERU's in the assessment district, and is getting ~2700 ERU's of new capacity from the plant. This results in the GSD service area having a total of over 4000 parcels. Add that to MSD's 6000, and get 10,000 parcels. This comes to a parcel tax of about \$87.

TIME LINE

June 2: Presentation of this document back to the attendees for comment.

June 3: Presentation of the revised document to the MCC's P&Z Committee for endorsement, to be forwarded to LAFCo

Late June: After receipt of comments from the public and from public agencies, LAFCo presents the final draft to the MCC.

July-August: Public Meetings to determine if there is support to continue with the process, toward incorporation.