

Notes from Mid-Coast Community Council Meeting 27 May 1998 at Seton Coastside Hospital

[See disclaimer at end of notes; these are not official minutes.]

Agenda for Meeting and Summary of Actions Taken

1. Presentation by San Mateo County Local Agency Formation Commission (LAFCo) of Midcoast Incorporation / Annexation Feasibility Study – Second Phase, Economic Data and Implications.
Sponsor: David Spiselman
Discussion and questions; no action.
2. Recommendation to Board of Supervisors concerning the McNee Ranch Lot Line Adjustment.
Sponsor: Chuck Kozak
Moved that the Council recommend to the Planning Commission denial of the application because it is a de facto subdivision and is not in keeping with the Local Coastal Plan or the Montara - Moss Beach - El Granada Community Plan or the PAD zoning regulations and is not conducive to preserving agricultural operations; and that we thank the County staff for their diligent work. Approved unanimously.
3. Consider letter in support of request by Half Moon Bay Coastside Chamber of Commerce for funding from San Mateo County. Sponsor: Chris McComb. [Added as urgency item by unanimous vote.]
Moved that the Council send a letter to the Board of Supervisors supporting the Half Moon Bay Coastside Chamber of Commerce and Visitors' Bureau request for \$25,000 in County funding. Failed 2-3-2.

Introductions, Pledge of Allegiance; meeting started about 7:10 pm

Council Members present: Joe Gore, Mary Hobbs, Ric Lohman, Chris McComb, Paul Perkovic, David Spiselman (Chair), Laura Stein
Council Members absent: (none)

Announcements and Public Comment

Barbara Mauz – Announced Granada Sanitary District Board meeting on June 15 at El Granada School and urged residents to attend.

Joe Caruso (Supervisor Rich Gordon's coastal liaison) – Neil Cullen reported to the Board that Public Works proposes to install a new stop sign at Columbus Street and Sonora Avenue, and proposes to recommend the elimination of left turns during commute hours at the intersection of Highway 92 and Highway 35 at Crystal Springs.

Charise McHugh – Half Moon Bay Coastside Chamber of Commerce and Visitors' Bureau gets some funding from the City of Half Moon Bay; she thinks it is appropriate for the County to provide some funding, also.

Chris McComb – Moved that we add an urgency item to our agenda to consider sending a letter of support for the \$25,000 funding request from the Chamber of Commerce; seconded by Laura Stein. Approved unanimously.

David Spiselman – An Economic Development Seminar will be held on Tuesday, June 16 at the Crowne Plaza Hotel in Foster City; cost is \$30 per person (including continental breakfast and lunch).

Leonard Woren – After the Harbor District makes their appointment tonight, a majority (three) of the Commissioners will be appointed, not elected.

Kathryn Slater-Carter – The Regional Water Quality Control Board (RWQCB) will be taking public comment until June 3 on the second phase of the permitting process for the abalone aquaculture project at Pillar Point Harbor. The hearing is Wednesday, June 17 at the RWQCB in Oakland. Explained how Pietro Parravano had been removed from the Harbor Commission's committee handling this matter, and had been the one Commissioner representing the interests of commercial fishermen.

Chuck Kozak – Last Wednesday, 20 May, the Midpeninsula Regional Open Space District had a public meeting to discuss possible District expansion to serve the coastside. They approved four proposals: (1) To conduct another survey to determine if support levels have changed; (2) [missed this one – was it to prepare a ballot item?]; (3) To convene an advisory committee to work with the District on reviewing its policies and regulations; and (4) To have their staff proceed with everything they can do to prepare for annexation.

Paul Perkovic – Announced that the Vanos Greenhouse application was heard at today's Planning Commission meeting and the Commission (with one member absent) deadlocked 2-2 on a proposal to require a full EIR, as recommended by the Pescadero Municipal Advisory Council and as supported by the Midcoast Community Council in our previous consideration of this issue. The hearing was continued to June 10.

Jim Marsh – MCTV (Mid-Coast Television) needs support, urged people to call County Department of Public Works at 363-4100 and ask Neil Cullen to work on getting the funding renewed. There is a need to renew the relationship between Westar Cable and the government agencies. Alternatively, call the Half Moon Bay City Council at 726-8270.

Laura Stein – Requested an item on the June 10 agenda to discuss recommendations for the Pilarcitos Quarry traffic – alternatives are to increase intervals between truck releases; (2) ship at nights for some projects; (3) operate on Saturdays from 6 am to 11 am when possible.

Laura Stein – Coastside County Water District (CCWD) meeting on June 9 at 7:30 pm will consider the El Granada Pipeline Replacement Project; they are now claiming the project is needed for fire safety. Community members that want to get comments in should do so promptly.

Dennis Coleman – Noted letter from Blair King commenting on annexation / incorporation study. Provided some background information on CCWD water supply sources, wells, and storage reservoirs. Provided some background information on how highway projects get approved. Provided a copy of the Coastside Capacity Report.

Committee Reports

Mary Hobbs – Bank balance is now \$553.93. The next Parks and Recreation Committee meeting will be June 8 at 7:30 pm at the Three Zero Café. Call Mary at 728-5012 for further details.

Laura Stein – Planning and Zoning Committee will next meet June 3 at 7:30 pm at the Three Zero Café. The Concept Plan replacement is still in the discussion stage. Next agenda will have discussion of the annexation / incorporation study, water reallocation policy, and prioritization of long term projects.

Joe Gore – CalTrans is proposing to temporarily prohibit left turns at the signal at Highway 35 and 92 in an attempt to improve traffic flow during commute hours. A recommendation will be voted on by the Board of Supervisors at their June 2 meeting.

Laura Stein – Protocol Committee will meet Thursday, June 11 at 7:30 pm at Three Zero Café.

David Spiselman – The next Form of Government Committee meeting will be Monday, June 1 at the Mid-Coast Community Council office at the Half Moon Bay Airport.

Regular Agenda**1. Presentation by LAFCo of Midcoast Incorporation / Annexation Feasibility Study – Second Phase, Economic Data and Implications**

Paul Koenig (San Mateo County Director of Environmental Services, and Executive Director of the Local Agency Formation Commission, or LAFCo) – First part of presentation will review the fiscal part of the study; the second part will look at means of revenue augmentation; the third part will look at how various land use alternatives could affect revenues and costs. The Appendix outlines how the LAFCo process operates, and estimates the time and cost involved.

Martha Poyatos (LAFCo Analyst) – Reported on revisions to preliminary estimates of revenues and expenditures for either a possible new coastside city, or the consequences of annexation to Half Moon Bay. [See Draft Report attached.] Current conclusion estimates a new city would have a deficit of approximately \$875,000, and annexation to Half Moon Bay would result in a deficit of approximately \$1,440,000. To fund these deficits, a parcel tax of \$163 per year would meet the incorporation deficit, \$269 the annexation.

Andrew Delaney (San Mateo County Planning and Building Division) – Reviewed some key factors that affect the fiscal impacts of land use decisions. There is always a balance of revenues and costs for land use decisions. Costs are generally associated with residents and employees; the types of residents may also affect the relative costs, e.g., families with children might require more parks and recreation. Property values can affect the frequency of police calls. Development patterns can affect service costs, e.g., infill is generally more economical than sprawling development. On the revenue side, property tax and sales tax are the primary revenue sources; a transient occupancy tax may also play a large part in a tourist area such as the Midcoast. Property tax is limited by Proposition 13, affected by property value and turnover rates. [See Draft Report for further details.]

George Bergman – Discussed some of the factors that might affect land use decisions and identified ten potential sites that could be rezoned for such land uses. Summarized Local Coastal Program constraints, infrastructure availability, and road access limitations. Noted Citizens Utility water constraint for northern portion of Midcoast. There are two commercial zoning districts in the Midcoast, C-1 (Neighborhood Commercial) and CCR (Coastside Commercial Recreation). Together, the C-1 areas comprise about xx acres and are about 85% developed. There are two industrial zones, M-1 (Light Industrial), including 345 acres of the Half Moon Bay Airport and 47 acres just west of the airport; and W (Waterfront) in Princeton. In addition to the existing areas zoned for commercial or industrial development, there are ten potential parcels that the County has identified: (1) Montara Sanitary District treatment site, approximately 5 acres, currently zoned RM/CZ; (2) Farallon Vista parcel, approximately 10 acres, currently zoned R-3-A, which would allow 148 dwelling units as an affordable housing site; (3) Etheldore Site east of the Half Moon Bay Airport, owned by County, currently zoned RM/CZ, has good highway accessibility but prime agricultural soils; (4) agricultural site west of Half Moon Bay Airport, about 17 acres of prime agricultural soils, currently zoned PAD; (5) agricultural site near Pillar Point Harbor, about 23 acres of prime agricultural soils, currently zoned PAD; (6) El Granada School site, currently zoned R-1/S-17; (7) North El Granada affordable housing site, about 6 acres, currently zoned R-3-A, would allow 104 dwelling units; (8) El Granada COSC (Community Open Space Conservation) site, a long, narrow, 14-acre site along the front of El Granada; (9) Mirada Surf West site, currently zoned RM/CZ; (10) Mirada Surf East site, currently zoned RM/CZ.

Paul Koenig – The County will accept comments for revisions to the Draft Report before they complete it.

Jim Marsh – Is there a reason that all the discussion remained within the Urban/Rural Boundary?

Martha Poyatos – The Local Coastal Plan currently limits the boundaries of a proposed new city or annexed area, would require LCP change to allow city boundaries to be larger.

Jim Marsh – Could the County include some County-owned properties as part of the deal?

Paul Koenig – That would be a subsidy by the County; if there were the political will, of course, a direct subsidy could be possible, but doesn't think this is likely.

Jim Marsh – Asked some questions about Table 4, noted that Midcoast population is slightly greater than Half Moon Bay's, yet our assessed valuation is about ¾ of theirs, noted other comparisons with Half Moon Bay.

John Plock – The Appendix indicates the costs to incorporate are likely to be between \$60,000 and \$120,000. Who pays?

Martha Poyatos – The applicant.

Chuck Kozak – Asked about extending the proposed boundary to include the Rural Residential Area, or other rural areas that might generate low-impact revenue producing uses.

Paul Koenig – Changing the urban limit line will significantly complicate the process. Proposing an annexation or incorporation that includes rural lands would likely make the LAFCo approval unlikely.

George Bergman – Gave some history of an early 1980's County proposal to designate the area as urban that the Coastal Commission eventually required to be designated as Rural Residential.

Scott Boyd – Asked if we know the assessed valuation of the Rural Residential Area.

Martha Poyatos – Reminded the Council, and the audience, that this is a very high level, preliminary study, not at the level of detail that would be required for a thorough study; it was intended to indicate if there are any fatal flaws in considering these alternatives.

Leonard Woren – Suggests that about 10% of the deficit could be eliminated by raising the building and planning fees shown in the spreadsheet to cover the full cost.

Paul Koenig – Explained that some of the planning costs, such as a General Plan, benefit the entire community, and cannot reasonably be recovered from developers.

Kathryn Slater-Carter – Observed that Table 13 shows a significant revenue potential from State Motor Vehicle In-Lieu Fee, but the Governor is currently proposing to cut these. Also, the Educational Revenue Augmentation Fund has a big impact on potential revenues.

Paul Koenig – There are a number of bills at the State level to reduce the Motor Vehicle In-Lieu Fee; at the County level, these fees are the second largest source of revenue. Even if the dollars are replaced by the State, they are likely to come back with strings attached.

Chris McComb – Thanked the County staff for their efforts so far, which represents a tremendous amount of work. Are there similar studies that have been done in other areas that indicated similar financial imbalances; and were they eventually successful? Has a County ever gone to an area and said, "You're costing us a whole lot of money," and asked to have them incorporate?

Martha Poyatos – Would like to look at some recent incorporations for this kind of information.

Paul Koenig – LAFCo is going to want to be assured that any action will be successful.

Laura Stein – What is your impression of these figures are far as the viability for us?

Paul Koenig – You would have to have created some revenue augmentation, or had community indication that it would take that action, before there is any chance of favorable LAFCo consideration.

Ric Lohman – At least four of the identified parcels look like they are headed towards residential development, which would only make the fiscal situation worse.

David Spiselman – Wanted to also offer his thanks to everyone. Asked whether the County staff would be willing to come out for a Saturday community meeting.

Mary Hobbs – Added her thanks. The figures in the report are based on Half Moon Bay; do we have any sense whether Half Moon Bay's numbers are representative of cities of its size? What baseline service is required under incorporation, especially under Public Works? Are we required to improve roads, are we required to have lights, are we required to have a City Manager? Wouldn't merger of special districts help? Are city staffs directly related to population? Do incorporated areas have higher property values?

Paul Koenig – It is really had to determine; a lot depends on the level of services the city provides. Eliminating special districts would require their cooperation, and the savings might be negligible. Some staff positions are related to population, but generally it is related to the services required (which might be directly related to population). You still only need one City Manager; but if you are taking care of twice the road system, the costs would probably double. By and large, doesn't think property values would be affected.

Martha Poyatos – There are minimum requirements of what a city must provide; we can include those in an appendix. For the study, we maintained the current level of service.

Paul Perkovic – Were there any residential areas that could have been considered for conversion to commercial or industrial use to help fix our jobs / housing imbalance? It is ironic that incorporating might actually put a new city in the position of needing to approve exactly the kinds of projects that we have been hoping to avoid by gaining local land use control, just to balance a budget.

George Bergman – Actually, three of the ten sites identified are currently zoned residential.

Joe Gore – The largest portion of the costs in the report is the Sheriff's budget; is that the cost to provide the current level of service, or the equivalent of Half Moon Bay?

Paul Koenig – That is for the existing level of service.

2. Recommendation to Board of Supervisors concerning the McNee Ranch Lot Line Adjustment

Chuck Kozak – The proposed Lot Line Adjustment would create up to ten building sites, each of about 40 acres. The County staff report recommends denial of the application. The Planning and Zoning Committee recommended that the Council support the staff report. The applicant is attempting to invoke the Permit Streamlining Act, which requires a jurisdiction to take action on an application within a certain number of days of the application being deemed complete, or else it is considered automatically approved.

Paul Perkovic – **Moved that the Council recommend to the Planning Commission denial of the application because it is a de facto subdivision and is not in keeping with the Local Coastal Plan or the Montara - Moss Beach - El Granada Community Plan or the PAD zoning regulations and is not conducive to preserving agricultural operations; and that we thank the County staff for their diligent work.** Seconded by Mary Hobbs. Passed unanimously.

3. Consider letter in support of request by Half Moon Bay Coastside Chamber of Commerce for funding from San Mateo County

Chris McComb – Had some questions, concerned that the proponent didn't stay for her issue.

David Spiselman – **Moved that the Council send a letter to the Board of Supervisors supporting the Half Moon Bay Coastside Chamber of Commerce and Visitors' Bureau request for \$25,000 in County funding.** Seconded by Chris McComb.

Paul Perkovic – Expressed some concern that tax money that might be spent on other projects is basically underwriting the marketing costs that should be borne by the individual businesses. Indicated this was an opportunity to build bridges to the business community.

David Spiselman – Called the question. Motion failed, 2-3-2 (In favor: Gore, Spiselman; opposed: Lohman, McComb, Stein; abstaining: Hobbs, Perkovic)

Future Agenda Items

For the June 10 meeting:

Pilarcitos Quarry trucks

Letter in support of the Midpeninsula Regional Open Space District annexation process

Reallocation of water capacity policy

For the June 24 meeting:

ABAG Subregional Planning Study [Note: This was subsequently canceled, study not ready for release]

Possible items for future agendas (carried over from previous meeting notes):

Invite Fire Chief Delgado for discussion of fire issues

County Parks General Plan for Fitzgerald Marine Reserve and Pillar Point Marsh

Variations policy

CCWD report on water availability

Concept Plan replacement

Sewage spillage

Airport Master Plan

Design review process

Adjourned at 10:50 pm.