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**Subject:** **MCC Meeting Notes for 8 April 1998**  
**Date:** April 10, 1998 8:52:52 PM PDT  
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**Reply-To:** "Coastside Discussion List" <Midcoast-L@lists.sanmateo.org>

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Notes from Mid-Coast Community Council Meeting 8 April 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 of the Incorporation / Annexation Study - Economic Analysis Section. Presented by Paul Koenig and Supervisor Richard Gordon. Sponsor: David Spiselman  
Report received and discussed.
2. Response to "Initial Study" on El Granada Transmission Pipeline Replacement Project by Coastside County Water District (CCWD). Sponsor: Laura Stein  
Council unanimously approved sending letter to CCWD expressing concern with proposed Negative Declaration, requesting budget data for entire project.
3. Letter to San Mateo County Board of Supervisors requesting a public referendum vote on the proposed Mirada Surf re-zoning and development project. Sponsor: Ric Lohman  
Council unanimously approved sending letter to Board asking for advisory ballot question.

Introductions, Pledge of Allegiance; meeting started about 7:20 pm

Council Members present: Joe Gore, Ric Lohman, Paul Perkovic, David Spiselman (Chair), Laura Stein  
Council Members absent: Mary Hobbs, Chris McComb

#### Announcements and Public Comment

Leonard Woren " Next regular meeting of Granada Sanitary District, which would have been Wednesday, has been canceled and a special meeting called for the third Thursday, to avoid a conflict with the MCC Planning and Zoning Committee meeting.

Jim Marsh " Read a brief court decision note from Civil Engineering Magazine, February 1998: "A city ordinance to slow development and incoming population has been upheld by the U.S. Court of Appeals for the

Sixth Circuit. The city of Hudson, Ohio, was formed by the 1994 merger of Hudson Township and the city of Hudson Village. Population in the area

had increased by more than 70% in the 1970s and 35% in the 1980s, prompting the city to develop a comprehensive plan to manage the growth

rate and limit the need for new infrastructure. To implement the plan, the city passed several zoning ordinances, including one that required an applicant for a zoning certificate for "residential dwelling unit" construction to first obtain a residential development allotment. A limited number of

allotments, determined by the city council, are issued each year and distributed through a lottery system. Developers brought suit, seeking a

preliminary injunction to prevent enforcement of the slow-growth ordinance. The trial court awarded the preliminary injunction. The appellate

court said that local governments have broad power to zone and control land use to attain their goals if the means selected are rationally related

to those goals. The court held that the city's goal to control growth of residential areas, until its infrastructure can meet current and future needs, is unquestionably a rational concern. The court also said that the ordinance

clearly benefited the city because it will slow growth until the city is

equipped to sustain a more rapid growth rate. Thus, the court concluded that

the trial court had wrongfully granted the preliminary injunction, and the injunction was dissolved. [Schenck v. City of Hudson, U.S. Court of Appeals for the Sixth Circuit, June 4, 1997.]

Paul Perkovic " Announced vacancy on Montara Sanitary District Board of

Directors, interested residents should send in resume or letter of interest

by April 30, 1998, and plan to attend the May 7, 1998 Board meeting to be interviewed. The District office is at 8888 Cabrillo Highway and the District Administrator can be reached for further information at 650-728-

3545. Announced North Fair Oaks Council meeting at the Human Resources Center, 2500 Middlefield Road, Redwood City, on Thursday, April 16, 1998 from 7:00 to 9:00 pm to consider revisions to the R-1/S-9

zoning district regulations. County Planning had suggested (as part of the substandard lot study) that the Mid-Coast Community Council might explore zoning district revisions, and this is an opportunity to see how

another community is handling the matter.

Ric Lohman ? Would like those circulating petitions to tell the whole story,

not just a slanted side.

Joe Gore ? Dream Machines on April 26 from 10:00 am to 4:00 pm at Half Moon Bay Airport. Also, a reminder to buy scrip, which directly contributes to the local school system.

Laura Stein ? League of California Cities is proposing a constitutional

amendment on the Educational Revenue Augmentation Fund: ?For the last several years, state government has frustrated the intent of local voters by

raiding local funds for state programs. This has put California?s communities at great risk and forced local governments to balance shrinking budgets while demands for service increase.? Their constitutional

amendment is going to be introduced early in the 1998 session, to establish

financial stability for local services, preserve local voter control, and

increase government accountability. If the measure receives 2/3 support

from both houses of the Legislature by July 1998, it will be placed on the

November 1998 ballot for consideration by California?s voters.

#### Committee Reports

David Spiselman ? Bank balance same as last meeting, \$660. Mary Hobbs requested that we postpone consideration of the Fitzgerald Marine Preserve issue, originally planned for April 22, to a later date.

Laura Stein ? A small group met with Paul Koenig, Terry Burnes, and Dave

Holbrook to discuss how the Mirada Surf EIR Scoping Session and the overall Environmental Impact Report process would be handled. New projects that will be reviewed in the future include the Shorebird Restaurant

demolition permit, a 14-room addition to the Harbor View Motel. Next Planning and Zoning Committee meeting is Wednesday, April 15, at 7:30 pm at the Three Zero Cafe at the Half Moon Bay Airport.

David Spiselman ? Thanked Paul Koenig for his suggestion that we have a

case management approach in following projects in the Mid-Coast. Also, the Protocol Committee will be meeting Thursday, April 9, at 7:30 pm at

the Three Zero Cafe at the Half Moon Bay Airport. This committee will be looking at how to make our regular meetings more effective.

Paul Perkovic ? A delegation from the Council appeared before the Board of Supervisors on Tuesday, March 24, to present the Council's position on substandard lots.

Joe Gore ? Chris McComb has volunteered to chair the Traffic Subcommittee. The proposed signal at Coronado is on our agenda for April 22.

Paul Perkovic ? Reported briefly on the EIR Scoping Session for the Half Moon Bay Airport Master Plan held Tuesday, April 7 ? letters suggesting other environmental issues that should be examined as part of the environmental review can be sent to the appropriate County staff up through April 21.

#### Regular Agenda

##### 1. Presentation of the Incorporation / Annexation Study - Economic Analysis Section

David Spiselman ? Wanted to thank the County for their efforts so far in doing the Fiscal Analysis for the Midcoast Incorporation / Annexation Study.

Rich Gordon (Supervisor, Third District) ? County Staff is here to provide a

draft of a section of a future full report, just that section that relates to fiscal issues. Before they complete the final report, they want to insure that the fiscal section is complete, thorough, and accurate. In many cases, there are

assumptions that the staff has made, and the County wants feedback on these assumptions. There is a formal comment period for people to respond to the study draft.

Paul Koenig (Director of Environmental Services for the County of San Mateo) ? Introduced Martha Poyatos, Management Analyst with San Mateo County Local Agency Formation Commission (LAFCo).

Martha Poyatos ? Presented background for Fiscal Analysis, assumptions that we would maintain essentially the current level of services if incorporated as a separate city, and adopt the same level of services that the City of Half Moon Bay currently provides if annexed. [See written report for details.]

Laura Stein ? Understands that Peter Banning had done a prior study, are the results comparable?

Martha Poyatos ? Peter had shown a larger deficit for incorporation; he had not included the State Motor Vehicle In-Lieu fee (SMVIL), and may have miscalculated the impact of the Educational Revenue Augmentation Fund on property taxes that would accrue to a new city, or an annexation.

Ric Lohman ? Didn't see local bake sales . . . (laughter).

Joe Gore ? Why didn't they include Parks and Recreation services?

David Spiselman ? That was at his request; the County is not generally providing a lot of local park services.

Paul Koenig ? The cost of recreation that they used in the study is based on

the costs within the City of Half Moon Bay, costs on the Mid-coast would probably be higher (at least for a new city), considering acquisition and start-up costs.

Joe Gore ? Wondered whether a new city could take over harbor or airport.

Rich Gordon ? Conceivably, that could happen; but the Half Moon Bay Airport is one of two general aviation airports operated by the County, as a

County-wide service; and the Pillar Point Harbor is operated by a special district, the San Mateo County Harbor Commission. This initial study did not look at any effects of merging special districts into a new city or annexed area.

David Spiselman ? It is possible to include functions performed by special districts, and get the revenues (and expenses) associated with those districts.

But the net effect is likely to be small.

Martha Poyatos ? If you capture the revenue, you also get the service responsibility.

David Spiselman ? Expects that we would be able to review the initial study, inform the community (possibly through a half-day public meeting or workshop), decide how the community wants to proceed.

Laura Stein ? Thinks there are two parts to this: Does the community want to incorporate or annex, and does it make sense financially?

Rich Gordon ? Some of what you are asking is premature ? to have a discussion of the philosophical issues, and to look at the complete fiscal picture and what that would mean, are separate discussions. Under either option, there is currently a deficit. There is not enough money to do either

option at the moment. This also leads into planning and land use issues ? for instance, the Transient Occupancy Tax provides a potential significant source of revenue.

Laura Stein ? Could you compare and contrast what the plusses and minuses would be for us?

Martha Poyatos ? We are really only focusing on the fiscal data here; there really aren't any plusses for either scenario now. That would really be a question for the Council and the community to look at the fiscal and the land use side of it.

Paul Perkovic ? Could you explain the Auditor's Ratio for us?

Martha Poyatos ? The reasoning behind the Auditor's Ratio is that the County is providing a lot of State mandated services (environmental health, libraries) that still must be provided.

Paul Perkovic ? Is it correct to conclude that we as an area are currently costing the County money, on a net basis? We provide less revenue than our costs?

Martha Poyatos ? Proposition 13 has set the limits, that result in residential housing (especially that which has not been reassessed through recent

sales)

not paying their own costs. The study was not intended to look at whether the Midcoast as a region was a revenue generating or expense generating part of the County.

Paul Koenig ? What are the costs of extending totally new services? If it is

infill, it might be less expensive to serve than if it is in a new area.

It

is

a

fairly complicated analysis. It is generally agreed that urban sprawl costs

more to provide the services than it generates in taxes.

Paul Perkovic ? It is ironic that the examination of the feasibility of

incorporating was triggered by the perception by some in the community that

Paul Koenig ? There is a lot of truth to what you are saying. Cities have

fought to get hotels; they've gerrymandered to get area that could have

hotels or commercial enterprises, just to get the sales tax or transient

occupancy tax revenue.

Joe Gore ? Why are the planning fees different for incorporation and annexation scenarios?

Andrew Delaney ? For the incorporation scenario, they took the percentage

of current County planning staff effort devoted to Midcoast planning issues

(and the associated costs); for the annexation scenario, they took the number of Coastal Development Permits (as an indicator of the number of

new development permits) and used the Half Moon Bay revenue estimates.

Rich Gordon ? For figures related to County activities, they based cost and

revenue estimates on actual figures for 1997. For those estimates based on

the City of Half Moon Bay, they used the current budget, not actual figures,

and didn't have as extensive discussions with Half Moon Bay staff.

Paul Perkovic ? Isn't it possible to recover the full planning and

building  
costs through fees?

Paul Koenig ? In theory, you probably could set the fees to recover all the costs. We try to do that for building inspection services, because the builder derives the direct benefit of the inspections. However, for planning services, it isn't fair to ask developers to pay for the General Plan, etc., which are

matters that benefit the entire community; however, the direct time spent on

various projects is generally charged to the developer.

Laura Stein ? Since Dennis Coleman is here, do you have figures on the cost of a typical household in Half Moon Bay.

Dennis Coleman ? Between \$500 and \$1000 per home in Half Moon Bay.

Tim Duff ? Appreciates all the hard work the County has put into this portion of the study. How does the airport fold into the fiscal portion of the study?

Martha Poyatos ? Many public agencies have what are called ?enterprise funds?, which are services that they charge users for; the County of San

Mateo owns the airport, and it is an enterprise fund.

Paul Koenig ? The airports are self-sufficient; they do not create a burden on the General Fund. Any excess funds they generate are put back into the airport; they are restricted funds.

Paul Perkovic ? But for the airport, under the proposed Master Plan, there is some proposed industrial / commercial area. The lease revenues from an on-airport business would go to the County airport enterprise fund, but wouldn't any sales tax revenues go to a new city?

Paul Koenig ? Yes.

Roger Goodrich ? One thing on this question, Do houses lose money or gain money?, depends on how old they are. If a house has been under Proposition 13 for a while, it may produce less revenue. For instance, a neighbor had a house assessed at \$78,000, while his nearby was paying



taxes on \$218,000, and when he sold it the people are now paying taxes on \$400,000. It isn't a simple question of houses losing money; it depends on when they are built and when they change hands.

Jim Marsh ? Would like to look at the assumptions the study has done; perhaps the limits of a new city would not just follow the current urban/rural boundary, might go around Half Moon Bay to Pescadero, etc.,

there are large amounts of valuable land outside the urban/rural boundary.

Paul Perkovic ? Be careful of what you ask for! It is ironic that the impetus to look at incorporation was to get land use control, and yet to provide

fiscal justification it is essentially necessary to invite in the very kinds of projects that the community has opposed.

David Spiselman ? Please keep the remarks to the fiscal issues, not the greater philosophical issues.

Jim Marsh ? Would also like to include the value of County property that is included within the City of Half Moon Bay; if we promote the concept of annexation, there may be things that would need to be offered to the City of

Half Moon Bay to accept the annexation. Also, he was under the belief that a full service city got a higher percentage of revenues than contract services cities.

Paul Koenig ? Thinks that Martha already covered that ? if you provide more services, you do get more revenue. Including merging the special districts would throw an incredible amount of complication into the study. Agrees that, on average, the net impact would be small, because those new revenues are currently balanced by current expenses.

Martha Poyatos ? Wants to focus on how to make this study as accurate as possible.

Fran Pollard ? Do any cities actually pay their costs? [Paul Koenig says they are required by law to not run a deficit.] Need to form a park

district,  
would like to see parks plugged in to this report, and raise enough fees  
to  
offset the costs.

Leonard Woren ? What is County Service Area 6? One of the things you  
show under franchise fees is garbage collection, those fees currently go  
to  
the special districts (sanitary districts). The report didn't address  
initial  
capital costs, he thinks that infrastructure that is already here should

remain  
as part of any new city (or annexed area). Does this look any different  
(for

annexation) if it is done a piece at a time, rather than asking the City  
of  
Half  
Moon Bay to annex an area that is larger than the City currently?

Martha Poyatos ? It provides landscaping, lighting, and flood control in  
the

Princeton area, she thinks. She and Andrew were looking at the franchise  
fees today, and they realize that garbage collection franchise fees  
(amounting to about \$14,000) would need to be excluded.

David Spiselman ? We started with a "back of the matchbook" study, then  
moved on to a more comprehensive feasibility study; if we really decide  
to  
go forward, that's the time to study other options.

Lou Bertolucci ? We turned down incorporation (or annexation) already,  
twice. All I've heard tonight is If, If, If. We don't have the revenues  
to  
support a city.

Barbara Mauz ? You left out one of the important considerations, which  
is  
that one of the things we don't have in our community is local control.  
If  
you over-impact and compact people into a small area such as ours, with  
no  
open space, no greenbelts, overwhelming amounts of traffic and  
congestion,  
overcrowded schools, overwhelmed services from police and fire, you're  
going to die from that. People can't get around now. We still have a  
chance  
to survive ? we can still cure the job / housing imbalance, so people  
who  
have jobs can work here, and not have to drive dozens of miles to their

jobs.

Rich Gordon ? We're committed to completing the full study, and getting the rest of the information. We're about two months away from having the remainder of the work completed.

David Spiselman ? Would like to see what a typical revenue generating development would bring in, to get an idea of how land use changes or new development might enable the deficit to be filled.

Laura Stein ? We need to have the next step before we can determine if this is a plus or minus for us.

Rich Gordon ? Because some of this is projection, it will be very difficult to do a cost/benefit analysis of certain land use decisions.

Paul Koenig ? They are going to try to provide generalized information, but unless you look at a specific project, you can't really come up with detailed revenue and expense information.

Joe Gore ? When we started this study, it was around land use. Is there another method of getting control?

Paul Koenig ? We were asked to do an incorporation or annexation study.

Without a city, you don't get the same control; although there may be other mechanisms that would be possible.

Laura Stein ? You had suggested that cost/benefit analysis is not always practical.

Martha Poyatos ? A typical study tends to be very narrow, e.g., the helmet law study.

David Spiselman ? Asked Joe Caruso about parcel taxes the other day. Is it possible for a city being formed to have, as part of its formation, a parcel

tax measure that bridges the gap between the projected revenues and expenses at the time of incorporation.

Martha Poyatos ? Under Proposition 218, those taxes get revisited every four years. When they get into potential revenue sources, they will look into those issues.

2. Response to ?Initial Study? on El Granada Transmission Pipeline Replacement Project by Coastside County Water District (CCWD)

Laura Stein ? The proposed project is the replacement of a 10-inch diameter water transmission pipeline with a new 16-inch transmission pipeline. The pipeline would run from within the City of Half Moon Bay up through El Granada, for a distance of about 3.5 miles. The proposed project is a new water system. [See page 24 of the report.] Their determination is that a

Negative Declaration will be prepared ? this means that there will purportedly be no impact from this project. By doubling our water capacity, they are claiming that there will be no impact on us. This report does not indicate what the cost of this entire project will be. The project is intended to accommodate future expansion requirements, yet it would be paid for by current users. CEQA states that you must consider alternatives; they do not state what the cost would be to repair the leaking pipe, rather than installing a new 16 inch pipe. CCWD wants to pretend that expanding facilities to accommodate total buildout will not promote total buildout. She believes that CCWD should do a complete Environmental Impact Report for this project.

Joe Gore ? Were any persons from Coastside County Water District invited to attend on this matter?

Laura Stein ? Yes, she spoke to Bob Rathborne (General Manager of CCWD); also, Roger Goodrich, a member of the Board of Directors of CCWD, had been here earlier in the meeting, during the discussion of possible incorporation or annexation.

Paul Perkovic ? There was a plan some years ago for CCWD to take over water supply to the Montara / Moss Beach area. It appears that this project might provide enough transmission capacity for that plan, even though it was never approved. Should current CCWD users pay for infrastructure on

a speculative basis in case CCWD someday in the future supplies water to the Montara / Moss Beach area? On the other hand, if they replace the current pipe with one the same size, and later the Montara / Moss Beach area needs water from CCWD, we will have wanted them to have put it a larger capacity transmission pipe. So it seems that there are significant questions that need to be answered before an informed decision can be made about the needed transmission capacity.

Leonard Woren ? Has heard several rumors: The two 12-inch pipes proposed for the Moss Beach Highlands project can carry enough water for 90,000 people; and he has heard that the Half Moon Bay Fire Protection District won't allow new construction in the Princeton area that requires sprinklers, because the water pressure and flow is too low.

Laura Stein ? According to the Initial Study, the pipeline would be sufficient for 7,800 more houses.

Elizabeth Vespremi ? The pipeline sizing should be an engineering issue; and she is also concerned about the Moss Beach Highlands pipelines.

Joe Gore ? Concerned that Laura's motion indicates a particular desired outcome, since she used words such as "deceptive" in describing the Initial Study.

Paul Perkovic ? Their environmental checklist answers "No" to a number of questions that clearly indicate they are ignoring the cumulative growth impact potential of the proposed pipeline. That seems intentionally deceptive. A pipeline that supports additional growth definitely will have an impact on schools, fire protection, other public services, and those are legitimate (and required) questions for CEQA analysis.

Joe Bertolucci ? They really should put in a 16-inch pipe; the major cost is in excavation, not the pipe itself. The major issue is fire protection.

Dennis Coleman ? The City of Half Moon Bay City Council met with the CCWD Board and asked if they have more water. The answer was No. They asked if they could get more water from Crystal Springs. The answer

was No. CCWD first must exhaust its local supplies, before it can get more water from Crystal Springs. They was the reason there is no impact on schools, traffic, local services, is that the pipe will carry no more water than the 10-inch pipe carries initially. So that misses the gist of the cumulative impact thing in CEQA.

Laura Stein moves that the Council send a letter to CCWD: Following review and discussion of the Initial Study, El Granada Transmission Pipeline Replacement Project, the Council has come to consensus on the

following: CCWD's Environmental Analysis is in conflict with the Mid-Coast Community Council CEQA based Environmental Checklist. We believe that no decision can be made, relative to the level of environmental

review, until these conflicts are resolved. In addition, CCWD's analysis

makes no mention of the cumulative effects that this project would have on noted CEQA environmental factors. We are attaching a copy of the Mid-Coast Community Council Environmental Checklist, completed by our Planning and Zoning Committee. The Council also requests the budget for

this project not by Phase, but a budget for the whole project.

Seconded

by Ric Lohman. Unanimous vote in favor.

3. Letter to San Mateo County Board of Supervisors requesting a public referendum vote on the proposed Mirada Surf re-zoning and development project

Ric Lohman moves that the Council send a letter to the Board of Supervisors asking for an advisory ballot measure on the Mirada Surf General Plan Amendment and Rezoning. Seconded by David Spiselman. Unanimous vote in favor.

Future Agenda Items

For the April 22 meeting:

Vallemar Bluffs development

CalTrans proposed traffic light in El Granada and Montara intersection improvements

Future agendas:

Pre-Application Process (replacing Concept Plan)

County Parks General Plan for Fitzgerald Marine Reserve and Pillar Point

Marsh

Ocean View Farms

Adjourned at 10:30 pm.

[Disclaimer: These are preliminary, unreviewed notes taken in real-time by

a Council member and participant. They have NOT been augmented by viewing the broadcast of the meeting on Thursday, April 9, 1998.

Although

they attempt to be a neutral summary of points made by each speaker, they

are neither a verbatim transcript nor official minutes. Additions, clarifications, and corrections from the community are welcomed. As with

the previous notes, these notes will be made generally available via hard

copy and electronically on the Montara Web Site and via the MIDCOAST-L@LISTS.MONTARA.COM community distribution list server, to enable the Council and the community to keep a relatively clear and complete written

summary of the discussions. Complete videotapes of meetings are broadcast

by MCTV, cable Channel 6, following each meeting, and archived copies of these tapes may also be available for review, if appropriate. My apologies to the grammarians for mixing voice; the first person sentences

were more-or-less direct quotations of statements made by the speaker, the

third person sentences were my summary of what was said. Where you find

bracketed ellipses, such as [?], it indicates that the speaker said something

that was lost in the notes.]

[DRAFT] Notes from 8 April 1998 Mid-Coast Community Council meeting

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Prepared by Paul Perkovic. See disclaimer at end of notes. Revision 1.0

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