

COUNTY OF SAN MATEO
Intra-Departmental Correspondence

September 11, 1997

TO: Martha Poyatos, LAFCo Analyst

FROM: Terry Burnes, Planning Administrator



SUBJECT: Mid-Coast Incorporation/Annexation Study

Last night the Mid-Coast Council voted to proceed with the proposed incorporation/annexation study. Following are comments made by the Council and the public and my comments on them.

1. "Title doesn't include annexation. Will the study address that?" We agreed that it should and would, so when we prepare the work program, we need to factor that in. Most of the information would be the same for both analyses.
2. "Maximize involvement of the City of Half Moon Bay." We will gather information from the City, but Mayor Ruddock, who was at the meeting, made it clear that they would not be contributing resources to the study. We do need to provide the City with copies of any information which we provide the MCCC.
3. "Include the MCCC as part of the project 'staff' or include the Council in project milestone meetings." Paul said we would keep them informed, but that this was primarily a technical study and that having policy advisors be part of the project staff probably wasn't appropriate. I suggested that we could make presentations to the Council and public at three points: the work program, at the conclusion of the fiscal analysis, and at the conclusion of the land use analysis, which would also be the conclusion of the study. We need to flesh out a community involvement strategy as part of developing the work program.
4. "Look at other ways to close any revenue/expense gap, not just additional development." Some suggestions included a business license tax, a parcel or utility tax, adjusting service levels and consolidating special district operations with city operations. We agreed that we would do that, although Paul said that addressing the latter items in all their possible details and permutations would be beyond the scope of the study he envisions. I do think we need to be prepared to discuss with them the combination of strategies that we think might give them the best shot at annexation or incorporation, given the overall situation on the Coastside as we understand it.
5. "Document the assumptions upon which the analysis and the results are based." We agreed to do that, perhaps in an appendix.

6. "Help us to identify other similar areas in California which have annexed or incorporated and analyze their experience to see what can be learned from it." We agreed to do that, but indicated that in-depth written analysis of annexation or incorporation efforts elsewhere would probably exceed the scope of the study. Someone mentioned Malibu as a city to look at. I believe that we have a good example with similar geography and demographics close at hand in the City of Pacifica, which happens to be a partner in the ABAG subregional planning study now underway. And, as you have pointed out, Portola Valley is also a good example of a limited service, predominantly residential city which incorporated primarily to gain control of land use, the issue which is driving this on the Coastside.
7. There was a request for some information on the history of this issue, including why the Mid-Coast was assigned to Half Moon Bay's sphere of influence. We agreed to include that.
8. "Go to sources other than the Sheriff, such as the City of Half Moon Bay, for police costs. These are the biggest expense and changes in those costs could have a significant impact on the size of any shortfall." We agreed to do that.
9. "This needs to include a public forum to help the community define a vision of what it wants to be." Both Paul and Supervisor Gordon made it clear that this was not a community visioning study or a comprehensive land use study. They said it will be primarily a fiscal analysis supplemented by information about how various land uses might contribute to closing any gap between revenues and expenses. They also emphasized that this is an "in-between" analysis, more detailed than what Peter Banning did last year, but short of the comprehensive and detailed analysis needed for actual incorporation or annexation proceedings, designed to allow the community to evaluate which option appears more favorable and when and how to proceed with future steps.
10. "Provide the document on disk so that the MCCC can post it to their Web site." I said we could do that.
11. "Obtain an independent peer review of the results by qualified professionals in this field as a check on the work of staff." We might consider locating a consultant to take a look at what we do at each step to give us any advice they might have and to critique the results in a general way, but I have confidence that you, George and Andrew can do a proper job of this.
12. Mayor Ruddock said the City of Half Moon Bay has consultants delivering an economic development study at the end of October which might be of use in our work.
13. "Obtain a 'pipeline' report as part of this to get a handle on what development is anticipated in the foreseeable future so as to properly factor that into the study." We said we'd do that.
14. "Evaluate the market feasibility of the various land uses, not just their revenue potential." I believe we plan to address the feasibility of various land uses in a very general and limited way, but will not do a market feasibility study per se, which would exceed the scope of this study. Half Moon Bay's economic development study might help with this issue.

15. "Evaluate the current relationship between taxes paid in the Mid-Coast and service expenditures there." Paul suggested that would be a natural by-product of the study.
16. Someone suggested that "full service" cities receive a greater share of sales tax revenue than limited service cities and that we should evaluate the benefit of consolidating special district operations with City operations to achieve this benefit. We should address this in the report but, as noted above, Paul cautioned that analyzing all the aspects of special district consolidation was beyond the scope of this study.
17. "Some non-financial issues, such as infrastructure requirements for alternative development scenarios, should be addressed." Paul said that sort of analysis was beyond the scope of this study. We do need to consider how we will address capital improvements in this analysis, however.

Those are my notes. There is a videotape of the meeting available from MCTV if you wish to view the meeting. I don't think that's necessary, however, as I tried to take careful notes and the Council will likely have an opportunity to review the work program before we proceed.

As far as I'm concerned, we should now get underway with this. I think the first step would be to prepare a work program and schedule, which should address the above issues as appropriate, particularly the review process at each phase and how the MCCC will be involved. You and Andrew should proceed with that and then meet with Paul and me to review the results and your recommendations. Thanks.

TB:tb
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cc: Supervisor Gordon
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