

Castaic Area Town Meeting

Thursday June 18, 2009

6:30-8:00 PM

Castaic Middle School

28900 Hillcrest Parkway in Castaic

Multi-Purpose Room

Summary Notes

By Allison Sampson, Facilitator (www.allisonsampson.com)

Prepared

By

Allison Sampson Management Consultants

The logo features the name "Allison" in a red, cursive script font. Below the name, the tagline "Celebrating a Decade of Consulting to Nonprofits." is written in a smaller, red, sans-serif font.

Celebrating a Decade of Consulting to Nonprofits.

Sponsored by the Castaic Area and West Ranch Town Councils
Any and all questions will be answered at the meeting

I. OPENING REMARKS

The facilitator reviewed the plan for the evening and along with overall comments, reiterated that she does not live in the area and is completely unbiased towards tonight's subject matter. The focus of this evening's meeting is to provide an educational forum so that the communities involved in the current unincorporated Los Angeles County area can become better informed about the options to (1) form a city, (2) annex to the City of Santa Clarita, or (3) remain unincorporated in Los Angeles County.

Richard Berkson with Economic and Planning Systems was hired by a committee made up of the West Ranch and Castaic Town Councils, representatives of the City of Santa Clarita and the County of Los Angeles, to study one part of this three-part question: What is the impact of forming a new city?

The various studies looking at the three options were paid for by both the City of Santa Clarita and the County of Los Angeles. The intent is that the County and City of Santa Clarita have the objective of self-determination for each of these communities to decide which option is best.

Speaker cards were distributed. To recap, the focus for this evening's meeting is to look at one of the three governance options—incorporating into a new city. The annexation study and the comparison report of annexation and incorporation, are not available tonight. We hope to have them for the fall meetings. Tonight is the first step in understanding these three distinct options, starting with, incorporating into a new city. The information tonight will be fundamental in making a comparison to the other two options.

The purpose of this meeting is **educational and informational only**. **There is no decision to be made at these meetings**. There will be follow-up and dialogue throughout the summer. These notes are being posted and future questions should be directed towards one of the following three websites:

www.westranchtowncouncil.com

www.westranchbeacon.com

www.castaicareatowncouncil.org

Once again, the additional studies of the annexation and the comparison report of the three options are to be ready for the fall meetings. There was an apology made that they were not ready for this meeting, and the City of Santa Clarita addressed this question, promising that the annexation study will be ready in September.

Upon completion of the fall meetings, an advisory, non-binding, **advisory vote will take place in November 2009**. The purpose of the advisory vote is to allow registered voters in the boundary areas to voice their opinion on the three options:

- Incorporation
- Annexation
- Remaining in unincorporated Los Angeles County

Ultimately, after the advisory vote is taken, a committee will make the final decision known as LAFCO.

II. **AGENDA**

6:30 p.m.	Opening Remarks
6:45 p.m.	Consultant Presentation
7:10 p.m.	Form Your Questions
7:20 p.m.	Dialogue
7:50 p.m.	Clarification and Follow-Through Items
8:00 p.m.	Adjourn

III. **PRESENTATION BY ECONOMIC AND PLANNING SYSTEMS, INC.:** **RICHARD BERKSON**

An Executive Summary of the initial fiscal analysis for the proposed incorporation of West Ranch/Castaic/Tesoro was distributed. A more detailed PowerPoint presentation was also reviewed with handouts available. The full 84-page report is posted on all of the websites for additional questions and dialogue.

Meeting Dialogue:

A. There were several questions about **Geographic Boundaries:**

- The report focuses on three large areas and does not focus on naming separate communities. They are all aggregated within these three areas.
- The naming process of a city is not really addressed in the report but is usually handled by a petition.
- If there is a northern expansion of Castaic, it would have an impact with increased revenues and corresponding with increased need for services.
- Newhall Ranch is outside of the boundary area.
- With reference to a new county split, this would have to be a follow-up conversation with the county office.
- Is it necessary to have all three areas in a new city? This is up to the regions to decide.

- The detention facilitator is in the boundaries and does have a revenue impact because it adds population and revenue.
- The area of boundaries still has a lot of discussion and education needed. For example, the sports complex and other “spheres of influence” in the area.

B. Risks/Cons/Pros:

- With regard to a high school, this remains a State of California decision.
- There was a question about park land. This generally falls under state law and would need more follow-up.
- The payment to the County, if annexed, is open to negotiation and not mandated by law as in the case of incorporating a city.
- Currently, the report assumes the \$3.7 million pay-out for sheriffs, which is a figure given by the Sheriff’s Department in an analysis of services received in the area. There was dialogue about this in the meeting, and this area of sheriff cost, specifically, needs follow-up at future meetings.
- There was a discussion about road fund shortfalls. Cities and counties are different, and in general, cities have more difficulty in funding road maintenance. The report assumes an average level of road improvement. It is difficult to mitigate costs, and often the County is in a position where it has to shift its resources year to year depending on many variables. This is an extremely difficult area to plan.
- Sales tax is estimated as an assumption that is reasonable on a flat line. It is very sensitive to economic cycles.
- Street parking is a subject that the city has discretion on.
- A city can form its own police department, but it is usually very expensive compared to the existing Sheriff’s Department now. The report assumes a Sheriff contract.

C. Revenue Questions:

- The base year assumption in revenues in this economy is that there is no growth and no inflation scenarios. The scenarios are based on a flat assumption so numbers will look worse if there is no recovery like other cities are experiencing in the State of California. With regard to property taxes, they are based on a county expenditure formula in your area and are affected by budget cuts and expenditures in the same area. Magic Mountain would affect the formula of the payment to the County.
- The consultant was asked if property taxes change as a result of incorporation. The consultant said it is rare. A new city can be viable without a new tax increase. The annexation report will address any tax changes.

D. General Comments:

- The subject of Tesoro's retail area has very little attention in the analysis assumptions of this report.
- Santa Clarita was compared to populations and other descriptions of other similar cities such as San Dimas, with a population of 40,000 to 50,000. This is usually the minimum level for a viable city. The current Tesoro/Castaic/West Ranch three region area population size does fall into the reasonable category for a successful city incorporation.
- To incorporate, it will take anywhere from three months to one year after the vote. The most likely scenario is 2012 for a new city.
- The vote is advisory. LAFCO takes the decision of the voters to the next step.
- With regard to pros and cons, it is important to evaluate all of the reports and all of the options and compare the three to each other.
- The most obvious advantage or benefit to city incorporation is more local control with five locally elected council members in contrast to county supervisor systems, where they must represent very large areas. The residents must weigh the value of topics such as growth—controlled or not, land use, services provided, local control, etc. The negative is obvious: the city has total responsibilities and no longer can rely on the County.
- Fire is unaffected and schools are unaffected as they are a State entity.
- The report has open questions about its level of certainty. The report is a reasonable, rough approximation. It is very difficult to be exact in forecasting. The report lays out scenarios and facts for the residents to consider and how they would be affected with a new city. This consulting firm and Richard have a good track record using Goleta's incorporation as an example. In checking back with that client city, their estimations were in the realm of reality.
- The city mitigation of the County is a law that was enacted in the early 1990s, because of a reaction by the County to subsidize what was being taken away from it. The law, however, does not address the term of the neutrality payment, which can run anywhere from 10 to 30 years or beyond. This is a key function by LAFCO in negotiating this term. The members of LAFCO are various, and it would include city representatives, district representatives, supervisory representatives, and it should be non-political and as diverse as possible. They generally work well.
- The city council can establish a charter city but it is a more complex form of governance, and it has not really been done in the last 10 years.
- There was a question about how incorporation of cities would affect home values. The answer by the consultant was that it depends on many factors in the real estate market, including the improvement in services (or not), development, etc.
- There was a comment about the prospect of future development because of a new city. The assumption now on the report is that there is a very moderate

level of growth at 1.5%, unlike prior times. It was suggested that the attendees refer to the more detailed report.

- There was a question again about property tax impact and issues. Richard explained that this is a very complex calculation, and it depends on many factors including what revenue is shared.

E. Closing Remark:

The meeting closed 10 minutes beyond the scheduled time. Attendees were encouraged to review the detailed report on the website and to ask questions over the summer months and attend their town council meetings.