

July 6, 2000 (Agenda)

Local Agency Formation Commission  
105 East Anapamu Street  
Santa Barbara CA 93101

## **Goleta Incorporation - Project Status Report No. 1**

Dear Members of the Commission:

### RECOMMENDATION

It is recommended the Commission receive this Project Status Report and provide direction to the staff as appropriate.

### DISCUSSION

Attached is the first in what will be a series of Project Status Reports the staff will provide to the Commission as we proceed with the proposed incorporation of a new city in the Goleta Valley.

We plan to use these reports as a communication and management tool to keep the Commission and public apprised of the progress of the incorporation, ensure tasks are completed on schedule and to highlight any issues of concern.

If you have any questions regarding this report, please contact the LAFCO office.

Sincerely,

**BOB BRAITMAN**  
Executive Officer

# GOLETA INCORPORATION – PROJECT STATUS REPORT NO. 1

June 30, 2000

## Financial Report

LAFCO has received \$94,030 in funding for the Comprehensive Fiscal Analysis. The County has provided \$80,000 and \$14,030 are from non-County contributions through Goleta *Now!*

LAFCO's contract with Economic & Planning Systems to prepare the CFA is for an amount not to exceed \$98,620, so funding for the CFA is almost complete.

We have paid \$9,359.37 to EPS towards the contract amount.

### FINANCING

#### County Appropriations

FY 1999-2000	\$65,000.00
FY 2000-2001	\$15,000.00

As of 6/28/00	\$80,000.00
---------------	-------------

#### Non-County Donations

Goleta Now! contributions	As of 6/28/00	\$14,030.00
---------------------------	---------------	-------------

<b>Total Income</b>		<b>\$94,030.00</b>
---------------------	--	--------------------

### EXPENSES

#### Comprehensive Fiscal Analysis

EPS Invoice No. 10027.1.1	Paid 6/12/2000	\$981.58
EPS Invoice No. 10027.1.2	Paid 6/19/2000	\$8,377.79

EPS Expenses to date	\$9,359.37
----------------------	------------

#### Compliance with CEQA

No expense yet

**Total Expenses**

**\$9,359.37**

**Balance Remaining**

**\$84,670.63**

Project Timeline

The incorporation process is on track. There are no difficulties or delays to report at this time.

EPS has established reporting relationships with County administration and departments and is collecting data for the preliminary (fatal flaw) analysis.

The County Board of Supervisors held a public workshop on Goleta Governance on June 27. As new information becomes available LAFCO should plan similar public discussion opportunities

**GOLETA INCORPORATION – PROJECT TIMELINE**  
**As of June 28, 2000**

**Year 2000**

- |                  |   |
|------------------|---|
| <b>April 6</b>   | Contract with EPS for CFA, subject to secure funding for each phase   |
| <b>April/Aug</b> | EPS Phase I – Prepare Initial (Fatal Flaw) Fiscal Analysis - <i>Underway</i>  |
|                  | June/July LAFCO, County and proponents negotiate definition of revenue neutral  |
| <b>July 17</b>   | County Departments begin generating data for base year 1999-2000  |
| <b>Sept/Dec</b>  | EPS prepares Draft CFA <ul style="list-style-type: none"><li>◆ Public Services Plan</li><li>◆ Municipal Budget Analysis</li><li>◆ Impacts on Affected Agencies</li><li>◆ Prepare and Present <u>Public Review</u> Draft CFA</li></ul> |
|                  | Sept 15 EPS receives base year data from the County   |
|                  | Nov 17 EPS completes data analysis  |
|                  | Dec 15 Draft Property Tax Exchange figures available  |

Dec/Feb EPS prepares Incorporation Terms and Conditions

- ◆ Initial Municipal Operations & Facilities Plan
- ◆ Conclude Negotiations with affected Agencies
- ◆ Draft Incorporation Terms and Conditions

**Year 2001**

**Jan/Feb** Prepare Executive Officer Report with draft terms and conditions

**Feb/June** Public Review and LAFCO Hearing Process

Jan 4 LAFCO public forum on administrative draft CFA

March 1 LAFCO public forum on draft CFA

April 5 LAFCO hearing on the incorporation

May 3 Continued LAFCO hearing and approval of the incorporation

**June/July** Board of Supervisors conducts protest hearing, calls November 6 election

**July 6** Elections Department deadline for County to place item on November 2001 ballot (124 days prior to election)

**Aug 13 - Sept 8** Nomination period for city council members (113 to 88 days prior to election)

**Decided by Clerk conducting election** Deadline for submitting direct arguments

**Not more than 10 days later** Deadline for submitting rebuttal arguments

**August 2** LAFCO approves Impartial Analysis

**Same as Rebuttal Arguments** Deadline for submittal of Impartial Analysis

**November 6** Election Day

**November 20** Board of Supervisors approves canvass of election

**To Be Determined** Effective Date of Incorporation

Goleta Incorporation Committee

The Goleta Incorporation Committee (GIC) is comprised of the incorporation's chief petitioners, the Goleta Roundtable, County administrative staff, LAFCO staff and EPS. It will monitor the incorporation process and review items that will be presented to your Commission for action.

The Committee met on June 15 and 28 and will meet in approximate two-week intervals. Topics reviewed and discussed by the Committee have included:

- Finding agreement on population, employment and housing projections for the CFA
- Schedule of incorporation activities
- Policy and procedure for defining revenue neutrality
- Preliminary “cost” figures for proposed city

#### Issues of Concern

- LAFCO public outreach and information program

Chair Gail Marshall has emphasized the need for an outreach program to provide information to the public as the incorporation process proceeds.

The Commission sponsored two staff-led public workshops to “scope” the CFA, which were followed by Commission meetings to receive additional public testimony. A similar format could be useful in considering the incorporation. It would entail staff-led public workshops, perhaps in the evening, followed by public hearings by the Commission.

The staff feels key public meetings should be held to disseminate and discuss information as it becomes available, when it would be appropriate and useful for members of the public to provide their thoughts and suggestions to the Commission.

The staff suggests that key public workshops be held in:

- In August to discuss the incorporation process, including rules for the election
- Early September when the initial (fatal flaw) fiscal analysis is available.
- February or March regarding environmental review.
- March or April when the updated draft fiscal study is available.
- May to evaluate incorporation boundaries and other terms and conditions.

Dates are approximate and a more refined schedule will be presented as events unfold. Any other ideas for an effective public outreach program would be appreciated.

These workshops might be held in conjunction with LAFCO meetings or as special activities; scheduling flexibility is important to ensure the greatest opportunity for meaningful public participation.

Incorporation will take several months. In staff’s view, public meetings should be held when there is new information or issues that require public discussion. Public workshops without new material or

substance for the public may tend to wear out or disinterest the public before the time that crucial issues are considered.

- Revenue Neutrality Guidelines

One of the thornier issues that LAFCO may be called upon to address with the incorporation proponents and the County is the question of revenue neutrality, a concept that has been interpreted in various ways in California.

The Goleta incorporation committee has begun discussions of potential principles that might be involved in a revenue neutrality agreement or conditions for the incorporation of Goleta. This is preliminary at this time and further discussions are scheduled at future meetings.

- Population and land use projections

Since many costs and revenues are predicated upon population and land use, it is important that there be widely accepted statistics upon which the analysis is based. Staff from the County (and City of Santa Barbara) have been working to establish reliable population statistics for each of the study modules. One difficulty is that it has been almost ten years since the results of the last census were known and the 2000 census will not be available in time to figure significantly in the CFA.

In addition, there is a need to identify a range of population and land use projections for the CFA, which is a ten-year projection. It is important to know how population and growth projections affect the results of the fiscal analysis. This is a sensitive issue because land use and environmental matters are a central concern in Santa Barbara County.

Population and land use forecasts are for study purposes only, alternative scenarios are not favored other than for academic evaluation purposes. On June 28 the Goleta Incorporation Committee provided direction to EPS to proceed with the study based on a 1.38% population growth factor and to project revenue and costs of two alternatives – one at half that rate and another fifty percent higher. These assumptions are for the preliminary analysis only.

- Compliance with CEQA

In an incorporation is considered to be a “project” and LAFCO must comply with CEQA. The staff is beginning to solicit proposals from environmental consulting firms to prepare the environmental documentation. A contract will be presented to LAFCO at a future meeting.

- Election procedures for Goleta governance options

There are many questions regarding election procedures, not so much for the incorporation as for the potential annexation to the City of Santa Barbara. Some feel such a large proposal should not be completed without a popular vote, even if the statutes allow annexations without elections.

The LAFCO staff and legal counsel will prepare an opinion or statement about election procedures that also discusses methods to ensure that a confirmation election is held