

# Money is the main issue for Aptos incorporation

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APTOS — If an incorporated city is ever to be economically feasible, state revenue-sharing funds will hold the keys to the kingdom of Aptos, say backers.

Since Aptos — the city, as planned by incorporation advocates — would come into this world without any industrial tax base to speak of and with a relatively insubstantial commercial tax base, sources of revenue may be the crux upon which the fate of incorporation hangs.

Recognizing that money is the main issue, the incorporation committee has taken three steps to try to persuade area residents — who would have to vote on whether to incorporate — that the idea is feasible:

One was to hire a Berkeley consulting firm, which will issue a preliminary report before the first of the year on the feasibility of incorporation.

The second was to draw up the boundaries, with the aid of the head of the county Local Agency Formation Commission (LAFCO), which will have responsibility for approving the incorporation.

Backers say that areas that might prove costly to a future city, such as rural roads prone to flooding and landslides, were left out of the planned city, as were areas not within the general county planning area of Aptos.

The third step was to project potential revenue.

The steering committee has projected revenue of \$4 million for 1988-89, and operating expenses of

## The rules of incorporation

SANTA CRUZ — Advocates of incorporating Aptos into a city are going about the governmental process in the right way, according to the county official who would have to review and report on an application for incorporation.

"They're doing it correctly," said Pat McCormick, executive director of the Local Agency Formation Commission (LAFCO).

McCormick has been meeting with incorporation backers as they drew up a proposed-boundaries map of the planned city.

He said he expressed a "private opinion" to the backers on what LAFCO would and would not like to see in the proposed boundaries. "I certainly didn't confer LAFCO's blessing," said McCormick on Monday, adding, "I'm available to anybody, pro or con, who wants to talk about the process."

Before LAFCO can consider any incorporation, backers will have to submit a petition bearing the

signatures of 25 percent of the residents of the proposed city. LAFCO would then verify the signatures with the county Elections Office, McCormick said.

If the petition was found to be valid, LAFCO would then study the proposed incorporation and, eventually, issue a report to be considered by LAFCO commissioners.

McCormick noted that there have been no incorporation applications since LAFCO was formed in 1965.

Backers have been looking toward a trio of small Contra Costa County cities — Orinda, Danville and San Ramon — as models for the Aptos-incorporation process. McCormick said this was wise, since LAFCO will look for "reality comparisons" with other communities and counties if and when the Aptos application is presented.

\$2.5 million, which would leave the city with a surplus of \$1.5 million.

That much of a surplus, say incorporation backers, is necessary because of the way the state disburses funds to cities. In the first eight years, revenue-sharing funds are based on three times the number of registered voters. After that, the funding drops to reflect the total number of registered voters.

Committee member Doug McConnell estimated last week the city would have slightly more than 11,500 registered voters and a population of 18,000, making it the third largest city in the county, behind Santa Cruz and Watsonville.

The \$4 million in revenue esti-

mated by the incorporation group includes tax revenue of \$1,666,000. This figure would include \$600,000 in property taxes, sales tax of \$650,000 and transit occupancy taxes of \$325,000 — mainly from the Seacliff Inn motel and various summer rentals. It would not include transit occupancy tax revenues from Wingspread or the Seascape benchlands.

The estimated revenue also includes \$264,000 in franchise-tax money; \$50,000 in fines and parking ticket-revenue; and \$390,000 in licenses and permits. Building permits within a city of Aptos would cost less than what it costs in the unincorporated areas of the county,

said McConnell.

The key to the city's economic viability would be in the revenue-sharing funds available, said McConnell.

The committee estimates that a city would draw \$1,635,000 in such funding, mainly from gasoline tax-money and vehicle registration fees collected by the state. Cities, say incorporation backers, have more sources of state revenue than counties.

Backers also point out that a city of Aptos would not be "full service," since the area already has a Fire Department — the Aptos/La Selva Fire District — and a water supplier

— Soquel Creek Water District. In addition, sanitation for the Aptos area is provided through the Santa Cruz sewer system. Residents of Aptos would not have to pay additional money to bring in these urban services.

Incorporation backers got a significant boost last week with the announcement of a proposal by county Sheriff Al Noren to set up a 17-officer police substation for the city. Noren's proposal might significantly reduce the expenditures faced by Aptos.

County supervisors have asked Noren for a copy of his proposal to the Aptos incorporation committee.

And now, following the defeat Tuesday of Measure C — a ballot proposal to impose special fees on property owners in the unincorporated areas in the county to pay for increased sheriff's patrols — incorporation backers can use Noren's plan as a selling point for cityhood.

McConnell said Wednesday that while he was in favor of Measure C, an incorporated city of Aptos would offer "a lot more service" than proposed in the ballot measure. And, he said, because of the revenue-sharing funds, the increased police protection would end up "not really costing residents anything."

In addition, a committee of Aptos residents studying incorporation unveiled a map Thursday that outlined proposed boundaries of the city.

The map includes the 66-acre Porter-Sesson property, where the county has given tacit approval to the Wingspread Beach project. That project includes 468 hotel-style condominium units, a three-hall performing arts complex, a conference

center, restaurants, shops and sport fields. The map also encompasses Seascape, including the benchlands where a 298-unit hotel and conference center has been approved by the county.

The county has moved to legally ensure it will get the revenue from these two projects, and incorporation backers say they are not counting on revenue from either in their early financial charts for the city.

At the same time, they say they are taking "no position" as a group on whether the two projects should be built.

Some backers, however, are not discounting the potential of future revenue from the two developments.

The county has drawn up an ordinance that would prohibit a "newly incorporating city or annexing city" from enacting any policy in regard to Wingspread that would cost the county money. The ordinance, however, needs state legislative approval, a far-from-certain prospect.

Including Wingspread and the benchlands in the city's boundaries has political ramifications to it, as well.

Wingspread, in particular, has boiled over into a political blood-letting, with opponents of the development charging that Aptos Supervisor Robley Levy has sold out the area by providing the crucial swing vote toward approval.

Levy, however, has called for a countywide election on whether Wingspread should be permitted. The election is supported by the other supervisors. What would happen to the project if Aptos tried to include it within its boundaries is uncertain.

Sheriff Noren's proposal to set up a Sheriff's Office-run police department that would be answerable to a city of Aptos also has political overtones to it, since the sheriff has fought with the Board of Supervisors for years in an unsuccessful effort to pry loose money for increased patrols in the county's unincorporated areas, including Aptos. The Sheriff's Office has the same number of deputies it had in 1974, despite a significant increase in the county's population.

Noren's proposed Aptos police substation is similar to arrangements worked out between the Contra Costa County cities of Orinda, Danville and San Ramon and that county's Sheriff's Office.

The incorporation committee is hosting a public forum Nov. 12 at Rio del Mar School, where a consultant hired to do a preliminary study on the feasibility of incorporation will answer questions.