

1/19/83
Green Sheet

City wants out of port district

Capitola has started the legal steps necessary for the city to completely pull out of the Santa Cruz Port District, but it may be too late.

The city council last Thursday night passed a resolution asking the county Local Agency Formation Commission to approve the city's total withdrawal from the port district, which operates the Santa Cruz Yacht Harbor.

But Councilman Michael Routh, who serves on LAFCO's board of directors, said an appeals court decision handed down earlier last week on a Scotts Valley annexation will block LAFCO from processing any annexations or "deannexations" for the foreseeable future.

That decision, Routh said, prevents any such decisions until a city or special district has an adopted "sphere of influence."

Capitola is the only city that now has an full sphere of influence adopted by LAFCO and there are no spheres of influence adopted for any special district, including the port district, Routh said.

It will take a year or more to complete the spheres of influence,

Routh told the other councilmen, but the resolution was adopted anyway, with the idea that Capitola's desire would be at the top of LAFCO's action list.

Capitola has been toying with the idea of withdrawing part of the city from the district for four years or more. But the idea was shelved after some preliminary discussion of it by the council.

When the Port District was formed in the 1950s, state law provided that only one city and the unincorporated areas of the county could be included in the district.

Since Santa Cruz was the largest city, the boundary lines were carefully drawn at the time to exclude land that was inside Capitola's city limits.

Port Commissioners, until 1980, were chosen

by the Santa Cruz City Council and the County Board of Supervisors, with the four appointed commissioners choosing a fifth, "public", to also serve on the commission.

State law was changed to allow popular election of the five commissioners.

Over the years, the city has annexed portions of the county area but has never taken the formal steps to withdraw the territory from the Port District.

The result was that, until the passage of Prop. 13 in 1978, some city property owners

were paying a small property tax to the port district and others were not.

Prop. 13's passage changed the way property taxes were assessed and proportioned among the various taxing agencies and today's individual tax bill would not be raised or lowered as a result of any deannexation or annexation.

The percentage of tax revenues collected by each agency would change, however, and in this case, it appears that the winner would be county government, Capitola City Manager Steve Burrell said.

