

El Dorado Hills Telegraph

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Incorporation effort viable for new city

By: Matthew Self, The Telegraph

An incorporated El Dorado Hills would be financially viable under 16 of the most identifiable scenarios, according to a report issued last week.

The El Dorado Local Agency Formation Commission released fiscal analysis last week with results that caught many off guard. Without the inclusion of backfill from the state, authors of the report concluded an El Dorado Hills city would still likely show surpluses in its third year.

Members of the El Dorado Hills incorporation effort had worried a change in state law last fall that eliminated much of the state's backfill funding to new cities from vehicle licensing fees would render an incorporation fiscal analysis without much hope.

"We were surprised because of the VLF that was changed in 2004. We thought at that time it made up a substantial part of our budget. We were pretty sure if we got a portion of it back we'd be viable, but we were surprised that without the VLF we were viable," said Norm Rowett, a pro-incorporation spokesman.

New cities still receive some backfill through sales taxes and gasoline taxes.

"We looked at current funding, and the city is feasible, even without getting as much of that as it would have two or three years ago. New cities still get some money from the state, but they don't get as generous an amount," said Roseanne Chamberlin, the county's LAFCO executive officer.

A bill was introduced in the state assembly last February to resurrect backfill funding from VLF funds, but its passage is uncertain and was not considered in the analysis. The bill is currently in committee.

The study, conducted by the consulting firm, Economic and Planning Systems, used two boundaries in its study. The first boundary - the base boundary - was established by LAFCO in 1998 during an initial attempt to incorporate El Dorado Hills. The second boundary, referred to as the alternative boundary, reflects El Dorado Hills' current sphere of influence, including key areas such as The Promontory, Carson Creek/Eur Ranch and the easterly half of Marble Valley.

The financially viable positions without the El Dorado Hills Business Park was an equally surprising result. Business park representatives have resisted being brought into El Dorado Hills Community Services District's sphere of influence, and would resist being part of any incorporation effort.

However, an incorporated El Dorado Hills without the business park would create an unincorporated island, which is currently not allowed under state law.

It might be possible, Chamberlain said, to construct a scenario where the business park on unincorporated land would satisfy state law.

"The commission will make their call on the boundaries. They have to follow whatever policies or state law at the time. The (incorporation) committee's position is it should be part of the incorporation because it provides a balance to the city, and also the city can help develop the business park a little more aggressively than the county has," Rowett said.

He cited the potential for SMUD expansion into El Dorado County, a service that would only be available to incorporated areas.

Public hearings are a required process for the incorporation process. With incorporation supporters pushing for placement on the November ballot, LAFCO is rushing to fit hearings into its schedule.

The next public hearing is scheduled for 5:30 p.m. tonight, 2850 Fairlane Court, Building C, Placerville.

The comprehensive fiscal analysis is available on the web at www.co.el-dorado.ca.us/lafco.

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