

[Regarding annexation, from the Santa Maria Times, 2004]

City, suburb or status quo?

Editor's Note: This is the second of two stories examining the relationship between Santa Maria and Orcutt.

By Jasmine Marshall and Erin Carlyle/Staff Writers

Will the future of Santa Maria and Orcutt become a tale of two cities, or a city and its suburb?

Both communities must ultimately come to grips with that question. Should Orcutt remain a large, unincorporated community with no local government, served by Santa Barbara County agencies?

Or will it one day simply be another part of Santa Maria, or even a city of its own?

Residents of both communities have a variety of opinions on the question, and state laws and financial constraints could shape the answer as well.

"When I look at it strictly from a governance standpoint, there's no question in my mind that we could have a better community in the Santa Maria Valley if all the urban area was governed by one agency," said Joe Centeno, 5th District County Supervisor and former mayor of Santa Maria.

Orcutt lies outside the city limits but is within Santa Maria's sphere of influence - a term used to describe "the ultimate boundary of an urban area," according to City Manager Tim Ness. Land cannot be annexed into a city unless it is part of the city's sphere of influence, and it cannot become a new city while it is in another city's sphere.

Typically, land in a city's sphere of influence is vacant land that the city is expected to "grow into about 20 years into the future," Ness said.

Orcutt was placed in Santa Maria's sphere of influence in the 1970s and has remained there since, according to Ness.

Bob Braitman, executive director of Santa Barbara County's Local Agency Formation Commission (LAFCO), a state agency that regulates local government and service boundaries, sums up the issue this way: "Is Orcutt well-served by being unincorporated?"

When it comes to communicating with their elected officials, most Orcutt residents seem to be saying things are fine the way they are.

"As much as anything, the only real complaint I hear from Orcutt people is about wanting street sweepers," said Joni Gray, 4th District Supervisor for Santa Barbara County, whose district includes Orcutt and Lompoc.

"I also hear sometimes about Parks and Rec (services). But people like the services they receive, like the county fire department and Orcutt (Volunteer) Fire Department," Gray said.

But some local officials argue that Orcutt and Santa Maria remaining apart doesn't make sense.

"From a political standpoint I feel the valley should be one political unit. We share the same water, same air, and some of the same resources," said Santa Maria City Councilman Bob Orach.

"We should be one community - whether we are called Santa Orcutt or Orcuttmaria or whatever," Orach said.

Centeno, who represents Santa Maria, says many Orcutt residents have asked him why their community can't become part of the city, saying they want the services a city offers.

But Ness said that annexing Orcutt into the city would be a bad deal financially for Santa Maria, because the Orcutt area does not generate enough retail sales tax to cover the cost of providing services to it.

"The entire area of Orcutt is residential. It does not have many revenue producers other than the Oak Knolls area and the Albertson's Shopping Center. Grocery stores are not big (sales tax) revenue generators," Ness said. "Residential (development) does not produce the property taxes to offset the costs and demands for services."

Since the passage of state Proposition 13 in the 1970s, homeowners are taxed at one percent of assessed value of their property. Cities generally get about 10 percent of the tax revenues from a home. For a house worth \$300,000, that works out to be approximately \$293 per year received by the city, Ness said.

But the cost of providing police and fire service alone to the same single-family home is around \$567 per year, said Ness - almost twice as much as the property tax revenue received from the homeowner.

Orach contends that the formula may eventually change at the state level, paving the way for Orcutt and Santa Maria to consider joining. But the state budget proposed this month by Gov. Arnold Schwarzenegger calls for shifting even more revenues from cities and counties to the state.

"I think it's just a matter of time until it (Orcutt) is annexed," said Bob Hatch, president of the Santa Maria Valley Chamber of Commerce. "I think the linchpin might be the major expansion of retail - it has to be more than just a few stores."

But the only new commercial development planned in Orcutt is Orcutt Plaza - which has been delayed indefinitely by the city and its protests over the way the development would receive its water. The majority of vacant land remaining in Orcutt is planned for residential, not commercial, development.

Many Orcutt residents are also wary of being annexed to Santa Maria.

"The city doesn't want Orcutt and Orcutt doesn't want to be annexed," said Don Ward, an Orcutt resident who follows planning and water issues closely. "We feel like we have retained our semi-rural atmosphere."

"I just don't think (Orcutt residents) want to be swallowed up by Santa Maria. They want to keep their own identity," said Steve LeBard, who has been active in the effort to revitalize Old Town Orcutt. LeBard cited Santa Maria's rapid development as a reason that Orcutt residents want to stay apart.

Some Orcutt residents say the two communities are socio-economically and culturally distinct. Census data shows Orcutt and Santa Maria have some very different demographic characteristics.

"Whether or not those differences should suggest that two areas shouldn't go together and act as one - I don't want to make that statement," Centeno said.

Annexing Orcutt would be too expensive for Santa Maria, City Councilwoman Alice Patino said, but Santa Maria should listen to the residents of any area that could be annexed to the city.

"When there was talk of Tanglewood being annexed, we heard loud and clear from people they didn't want to belong to Santa Maria," she said. Last year, there was discussion about the small enclave west of Santa Maria becoming part of the city as part of the Mahoney Ranch annexation.

Centeno agreed that the opinion of Orcutt residents will be important to any future planning.

"With respect to whether or not Orcutt should become part of the city of Santa Maria, obviously that should have to be determined by people themselves - the people in Orcutt," he said.

"But I think it makes sense to have Orcutt included within the city of Santa Maria and if that does come about ... we might look at structuring the governance in a different way."

Centeno suggested that if Orcutt became part of Santa Maria, City Council members could be elected by district, with specific seats carved out to represent the Orcutt area. Currently all Santa Maria residents vote for all five city council members, rather than by district.

Such a new system would ensure that Orcutt had fair representation within the city, Centeno said.

But if Orcutt does not become part of Santa Maria, should it become its own city?

"Whether or not it would pencil out as a separate city would be a question, because it would need (to pay for) all its own overhead, its own city manager, city planning department, vehicles and building maintenance," said Mike Brown, administrator for Santa Barbara County.

All those services cost a great deal of money. The costs of city staff alone represent 34 percent of Santa Maria's budget - approximately \$29 million per year. Police and fire are the most expensive services, according Michael Cox, city administrative services director. This fiscal year, Santa Maria will spend approximately \$20.4 million on public safety.

With the present tax structure leaving little state funding for city governments after the state and school programs take their pieces of the pie, many have doubts that Orcutt could make it on its own.

"It's going to be difficult for Orcutt in its present form to sustain itself as an incorporated city," Centeno said.

If Orcutt residents ever decided their community should become a new city, the first step would be to submit an application to LAFCO, either through a petition signed by 25 percent of the registered voters or by a resolution of the county supervisors.

Next, LAFCO would conduct a fiscal analysis of costs and revenues for the proposed city. Before the new city could incorporate, LAFCO must find that it could support itself and provide mandated services - such as law enforcement, road maintenance and land use planning - and that the revenue loss to the county was not greater than the reduction in county services. LAFCO would also have to remove Orcutt from Santa Maria's sphere of influence.

Negotiations between the county and city and public hearings would follow, Braitman said. Ultimately, the issue would go to a vote, and the residents of the proposed Orcutt city would decide. Santa Barbara County does not have veto power under California law, Braitman said, but revenue losses to the county would have to be compensated.

"(Cities) incorporate because they want greater local control," Braitman said. "People also incorporate because they want a higher level of services."

"I just don't see a lot of interest in that - becoming a city," Hatch said.