

# WILDOMAR MUNICIPAL SERVICE AND INITIAL FISCAL REVIEW RESPONSE TO COMMENTS

## NOVEMBER 2004



### *Oakland Office*

1736 Franklin St.  
Suite 450  
Oakland, CA 94612  
Tel: (510) 832-0899  
Fax: (510) 832-0898

### *Corporate Office*

27368 Via Industria  
Suite 110  
Temecula, CA 92590  
Tel: (800) 755-MUNI (6864)  
Fax: (909) 587-3510

### *Other Regional Offices*

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## TABLE OF CONTENTS

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<b>Introduction .....</b>	<b>1</b>
<b>Errata .....</b>	<b>2</b>
Closure of Ortega Parks .....	2
Traffic Control Services .....	2
Property Appreciation Rate .....	3
<b>Response To Comments .....</b>	<b>4</b>
Bob Cashman, Chairman, Wildomar Incorporation Now.....	4
Richard L. Estes, Estes Real Estate, Inc.....	7
John Lloyd .....	7
Joe McCabe, Chairman, Annex to Murrieta Committee.....	8
Robin Oxman.....	10
Edy Rodarme.....	11
Jon Rodarme .....	11
Kami Sabetzadeh .....	12
Kamron C. Sabetzaeeh.....	16
Jack Van Haaster, Mayor, City of Murrieta.....	16
<b>Correspondence Received .....</b>	<b>18</b>

## INTRODUCTION

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The County of Riverside and Riverside Local Agency Formation Commission made the public draft of the *Wildomar Municipal Service and Initial Fiscal Review* (the Report) available to the public for comment on October 12, 2004. At that time notice was provided that the period for public comment on the Report would end on November 13.

This document is organized into the following sections:

- ◆ Introduction
- ◆ Errata
- ◆ Response To Comments
- ◆ Correspondence Received

The Errata section includes corrections to the Report identified since its publication. The Responses To Comments section provides responses to those comments received during the comment period that related to the factual basis for the findings contained in the Report. The Correspondence Received section includes copies of all correspondence received during the comment period, including letters and emails.

## ERRATA

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This section includes corrections to the Report identified since its publication.

### Closure of Ortega Parks

The paragraph directly below Table 3.4 on page 28 erroneously states that the County closed the parks formerly maintained by the Ortega Park District. In fact the District closed the parks prior to the District's dissolution.

### Traffic Control Services

As noted in Tables 3.1, 3.2, and 3.3 in the Report, the California Highway Patrol currently provides traffic control services to the unincorporated area. The discussion below should have been included in the discussion of law enforcement services on pages 36-37.

### Current Services and Facilities

#### *California Highway Patrol*

Traffic control services are in addition to the California Highway Patrol's (CHP) responsibilities to patrol state highways. This is the case for all unincorporated areas in the State. Under incorporation the new city would be responsible for providing these services. Under annexation the City of Murrieta would be responsible for providing these services. The CHP would continue to be responsible for patrolling and responding to traffic incidents on state highways regardless of the governance scenario.

The Wildomar area is currently divided between two CHP beats served by the agency's Temecula area office. These beats extend far beyond the Wildomar area boundaries. These beats include all state highways and unincorporated area roads north to State Highway 74, west to the Orange County boundary, south the San Diego County boundary, and east to State Highway 79.

The agency provides on average about 16 hours of coverage per day to these areas, including the Wildomar area. Based on data for the last three years, about half of all traffic incidents occur on unincorporated area roads and about half occur on state highways. Thus, about eight hours a day of service is provided to the unincorporated area not including state highways. Based on a visual examination of the unincorporated area road network covered by the CHP, only a few hours a day could be attributable to service to the Wildomar area.

### Costs of Service

#### *New Incorporated City*

This level of staffing currently provided by the CHP to the Wildomar area would add an insignificant amount to the current County sheriff staffing levels for the Wildomar area. Therefore, the fiscal analysis does not explicitly include the cost of traffic control services currently provided by the CHP in law enforcement costs for the new city.



## **Property Appreciation Rate**

The assumption in Table 4.1 on page 46 labeled “Real Property Appreciation Rate” should be labeled “Property Appreciation Rate (nominal)”.

## RESPONSE TO COMMENTS

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Responses to comments are provided first in alphabetical order by last name of the commenter. Responses are provided to those comments received during the comment period that related to the factual basis for the findings contained in the Report. No response is provided to opinions expressed regarding the findings of the report. See the Correspondence Received section that follows for the alphanumeric indicators used to identify each response to comment below.

### Bob Cashman, Chairman, Wildomar Incorporation Now

#### Comment A-1

The Report assumed that the current boundaries of school districts serving the Wildomar area would not be affected by any of the governance scenarios. Therefore, an analysis of the effect of the scenarios on school districts was not included in the Report.

#### Comment A-2

Any financing districts, such as Community Facilities Districts, administered by school districts would remain unaffected by incorporation or annexation.

#### Comment A-3

In correspondence dated November 2, 2004, County staff provided maps of agency boundaries collected as part of this study to the commenter.

#### Comment A-4

County staff provided maps of fire service response time collected as part of this study to the commenter. A description of the current level of service, including response times and equipment for Wildomar and the City of Murrieta is on pages 31-33 of the Report. A discussion of infrastructure needs and deficiencies is on pages 73-76 of the Report.

#### Comment A-5

There is no update to the information contained in “Attachment 5”. See pages 52-53 in the Report and Table A.12 in the Appendix for a discussion of estimates of existing and projections for future sales tax.

The methodology used to evaluate Wildomar area’s potential to attract a significant level of regional retail sales is explained on page 9 of the Report. There was no “model” constructed for this purpose. The methodology focused on the competitive advantages of existing regional retail centers, their location relative to the Wildomar area, and the projected growth of the Wildomar area during the planning horizon. Wildomar is not projected to have a sufficient population base to attract major regional retailers without affecting sales in those retailers’ existing stores that are within a 10 to 20 minute drive. New regional retailers would likely locate in or near already established centers in the cities of Lake Elsinore, Murrieta, and

Temecula to spread their stores geographically and capture retail spending. One consultation with a local real estate analyst confirmed the findings stated in the Report.

Areas around the three highway interchanges along Interstate 15 in Wildomar would likely develop with some highway commercial uses. These uses would attract some regional spending from outside the Wildomar area. The sales tax associated with this development is included in the projection of retail sales presented on pages 52-53 of the Report and in Table A.12 in the Appendix.

### **Comment A-6**

Staffing charts included in the annual budget document of the cities referenced on page 25 of the Report were used to develop the staffing plan for the new city. The analysis did not include any interviews with the staff of those cities.

### **Comment A-7**

The assumptions regarding holding time for properties for the purposes of projecting property tax are shown in Table 4.1 on page 46 of the Report. These values are common assumptions used in fiscal impact analyses in California to integrate the effect of Proposition 13.

The Report did not conduct any research of local conditions to verify these assumptions because these assumptions have little effect on the projection of property tax. For example, reducing the turnover rate for new residential development from seven to five years, and the rate for new nonresidential development from 15 years to 10, and the rate for all existing development from eight to seven years, would increase total property tax revenue by five percent at the end of the planning horizon (less in earlier years).

### **Comment A-8**

Nonresidential land use supply was not a constraint for development estimated for the land use projections. As explained on pages 10-12 of the Report, development was projected for two major nonresidential land use categories, commercial and office/industrial. Projected development was then allocated to the land use categories designated by the Riverside County *General Plan* and shown in Table 2.1 on page 13. No development was allocated to the “Business Park” land use category only because the Riverside County *General Plan* designates just 13 acres within the Wildomar area to this category. Development could occur within this category during the planning horizon. If so, demand would shift from other nonresidential land use categories. The overall effect on the fiscal impact under each governance scenario would be insignificant.

The development projections used in the report only estimate growth at the geographic level of the north and south Wildomar areas. The development projections make no assumptions regarding how development would be distributed among the four “community centers” designated in the *General Plan* in the Wildomar area.

### **Comment A-9**

The County receives traffic fine revenue generated within the unincorporated area and shares this revenue with cities in incorporated areas. See the discussion on page 55 of the

report and “Fines – Traffic Motor Vehicle” in Table D.10 in the Appendix. The “Countywide Allocation” shown in the table would continue to be collected by the County upon incorporation or annexation. The “Unincorporated Allocation” would accrue to the new incorporated city or the annexing city. The assumptions reflected in Table D.10 reflect a reasonable allocation of revenue for the purposes of an initial fiscal review, and could be confirmed with the County for the comprehensive fiscal analysis (CFA) required prior to incorporation. Different assumptions would have no effect on the Report findings because this revenue source is so limited (see Table 5.1 on page 62).

### **Comment A-10**

See response to comments A-1 and A-2

### **Comment A-11**

See response to comments A-1 and A-2

### **Comment A-12**

The boundaries used to define the north and south Wildomar areas were based on the City of Murrieta’s application to the Riverside Local Agency Formation Commission (LAFCO). That application proposed to annex the south area and to expand the City’s sphere to include the north area.

The effect of annexing the south area on the remaining unincorporated north area in the context of the policy objectives for government reorganization expressed in State law is an issue for LAFCO to determine.

### **Comment A-13**

The Report is limited to (1) an initial fiscal analysis, and (2) a municipal service review of the governance scenarios. The Report does not attempt to evaluate historical context, community identify, or current popular opinion regarding the scenarios.

### **Comment A-14**

The ongoing increase in the population of the Wildomar area is not a limitation of the study. Current population estimates and projected growth are explicitly addressed. See pages 9-10 of the Report.

### **Comment A-15**

Based on determination by LAFCO, the Report is an initial fiscal analysis. Incorporation proponents could have commissioned this study, and could commission the comprehensive fiscal analysis required by LAFCO prior to incorporation. These studies can be completed in a reasonable manner with or without “substantial interaction and input from the incorporation proponents.”

### **Comment A-16**

See response to comments A-1 and A-2

### **Comment A-17**

The assumptions and methodology used in the Report's findings do not reflect a bias in favor of any of the governance scenarios. The Wildomar community has had opportunities to provide input throughout the process including at a community meeting near the start of the study on February 10<sup>th</sup>, at a staff level meeting on April 26<sup>th</sup> during the data collection phase, and through input on existing retail businesses to estimate sales tax in the Wildomar area. Further, a comment period was established from October 12 to November 13, 2004 to allow for additional public comment.

### **Comment A-18**

County staff has responded to information requests to the greatest extent feasible throughout this process, including the November 2, 2004 letter and two community workshops. This response to comments represents an additional effort to respond to community comments.

## **Richard L. Estes, Estes Real Estate, Inc.**

### **Comment B-1**

The \$380,000 average market value per single family unit assumed in the Report is consistent with the data attached to the correspondence through the second quarter of 2004 (\$374,000 for the Willow Creek and \$366,000 for Palomar Ridge).

If the analysis used the \$450,000 average value per unit for 2004 suggested by the correspondence, total revenues would increase under the full incorporation scenario by less than three percent in 2010, and less than five percent by 2025. These increases would not affect the net fiscal impact of any of the governance scenarios significantly enough to change the findings in the Report.

With regards to appreciation rates, the Report assumes a nominal rate of eight percent annually through the planning horizon. Current appreciation rates in the area are higher though most economists would not consider these rates sustainable over the long-term. The eight percent rate used in the Report is consistent with long-term historical trends in suburban areas of California and is appropriate for a 20-year planning horizon.

## **John Lloyd**

### **Comment C-1**

The Report interpreted the revised statute regarding vehicle license fees (VLF) based on the most current information available from the League of California Cities and the California Association of Local Agency Formation Commissions.

## **Joe McCabe, Chairman, Annex to Murrieta Committee**

### **Comment D-1**

Wildomar is not projected to have a sufficient population base to attract major regional retailers without affecting sales in those retailers existing store within a 10 to 20 minute drive. See also the response to comment A-5.

### **Comment D-2**

The current cost of Sheriff services to the Wildomar area is based on the estimated cost that the County would charge a new city under a contract for sheriff services. In the Appendix, this cost is documented in a case study analysis shown in Table B.11. The cost is used to determine the County's current cost of services to the area in Table B.13, and is used to estimate a new city's costs for contract services in Tables B.4 (full incorporation scenario) and B.8 (partial incorporation scenario).

### **Comment D-3**

Regarding the cost of office space for a new city's administrative functions, the Report assumed location in an industrial park or similar development that would provide the most inexpensive space available in the area.

### **Comment D-4**

See response to comments A-1 and A-2

### **Comment D-5**

The comment asks whether "there would be no change in the services we currently receive from Riverside County." As explained on page 22 of the Report, the County's current level of service provided to the Wildomar area was used to estimate the costs of service for a new city. However, a new city could choose to change this level of service by, for example, adopting local revenue measures to fund a higher level of service. The Report makes no assumptions regarding these or other policy choices that a new city may make.

### **Comment D-6**

The key point of Table 6.1 on page 74 of the Report is to show that the City of Murrieta is able to provide higher levels of service than the unincorporated area of Wildomar because of additional voter-approved assessments, charges, and special taxes paid by city residents and businesses. If residents and property owners of a newly incorporated city in Wildomar adopted revenues measures to fund higher levels of service, then the net fiscal impact shown in Tables 5.1 and 5.2 on pages 62 and 64, respectively, of the Report would remain unchanged (costs and revenues would increase commensurably). If, on the other hand, revenues measures were adopted without a commensurate increase in levels of service, then the net fiscal impact shown in Tables 5.1 and 5.2 would be less negative and more positive. As stated in response to comment D-5, the Report makes no assumptions regarding these or other policy choices that a new city may make.

### **Comment D-7**

State law requires that LAFCO prepare a comprehensive fiscal analysis (CFA) before approving incorporation of a new city. The initial fiscal review provides a substantial amount of the analysis required by a CFA. But a CFA would still need to be completed using actual County revenue and expenditure data for the most recent fiscal year prior to preparation of the analysis. It would be the decision of LAFCO whether to place measures for new taxes, fees, or charges on the same ballot as the incorporation measure to ensure the fiscal viability of the new city.

### **Comment D-8**

See response to comment C-1. The passage of Proposition 1A in the November election does not affect the recent changes to the vehicle license fee statute.

### **Comment D-9**

Table 5.1 on page 62 of the Report indicates a \$542,400 deficit in the new city's general fund in 2006 under the full incorporation scenario if the prior VLF statute were in place. If this deficit were funded by a voter-approved revenue measure the burden would be about \$55 per housing unit (based on an estimated 9,764 units in Wildomar in 2006). In the same table the deficit is estimated at \$2,551,400 under the current VLF statute. If this deficit were funded by a voter-approved revenue measure the burden would be about \$261 per housing unit. These burdens would decrease to the extent nonresidential properties were included in the revenue measure.

LAFCO would decide whether to place a measure for new taxes, fees, or charges on the same ballot as the incorporation measure to ensure the fiscal viability of the new city. The Report makes no assumptions regarding these or other policy choices that the incorporation proponents or a new city may make.

### **Comment D-10**

The City of Murrieta fire department has determined that a new station in the south Wildomar area would be necessary to provide a 5.5-minute response time to the annexation area.

### **Comment D-11**

As stated on page 58 of the Report, “[c]urrent charges levied in Wildomar, such as those levied through LLD 89-1 and CSA 103, and that fund the same services as the special assessment would be credited against that assessment. Current charges that fund services that are in addition to the services funded by the special assessment would continue to be levied”. Upon annexation the City would conduct a re-engineering analysis of all existing subdivision assessments and charges and determine to what extent a credit would apply.

Any areas that do not receive services funded by existing Murrieta assessments, such as street sweeping in rural areas, would not be assessed the City's charge for those services.

## **Comment D-12**

As stated on pages 33-34 of the Report, the estimate for fire services under both incorporation scenarios is based on contracting back with the County. The contract cost would equal the County's cost of operating the Wildomar station, plus 30 percent of the cost of the Sedco Hills station when it opens in 2008, plus associated overhead costs. These costs are lower than costs for the City of Murrieta because costs per station are \$849,000 for the County and \$1,100,000 for the City. See Tables B.4, B.8, and C.11 in the Appendix.

As Menifee and Bear Creek County fire station costs to serve Wildomar, the County fire department indicated that these costs would not be included in contract costs for a new city as long as the new city continued to contract with the County for services.

## **Comment D-13**

As stated in footnote 2 in Tables B.3 and B.7, the staffing plan for the new city assumes that the executive secretary in the city manager's office would act as the city clerk until a full-time city clerk is hired.

The staffing plans assume that either other administrative services accounting staff or an outside contractor will be responsible for payroll until a full-time payroll clerk is hired.

## **Comment D-14**

See response to comments D-3, D-12, and D-13.

## **Comment D-15**

The County would not require that a new incorporated city have a higher response time for ambulance services than the current response time for the unincorporated area. The delivery of ambulance services, and the current level of service provided to the Wildomar area, would not be affected by any of the governance scenarios because the service is provided through a countywide contract.

## **Robin Oxman**

## **Comment E-1**

See response to comment A-5 regarding commercial projections.

The factors considered in preparing the office and industrial projections are discussed on page 11 of the Report.

Interviews were conducted with local real estate professionals, rather than local landowners, because the former group tends to have a broader perspective regarding market trends and conditions.

## **Comment E-2**

Sales tax is typically one of the three largest revenue sources for a city. Attraction of regional retail development to Wildomar would make a significant impact on the revenue estimates for the new city.



However, only a substantial amount of regional retail development would result in sales tax revenue sufficient to fully fund the negative fiscal impact shown in Table 5.1 on page 62 of the report. Assuming average retail sales of \$175 per square foot (see footnote 12 on page 10 of the Report), additional retail development of 1.46 million square feet would be needed by 2006 to fully fund the projected negative fiscal impact of \$2,551,400. Additional retail development of 1.11 million square feet would be needed by 2010 to fully fund the projected negative fiscal impact of \$1,948,200. This development would have to be in addition to the 412,000 square feet already included in the development projection used in the Report (see the projection for the commercial center and commercial retail land uses in Table 2.2 on page 14 of the Report).

### **Comment E-3**

Table A.12 in the Appendix shows current (2004) sales tax per capita in Wildomar (\$11 in the north area, \$38 in the south area, and \$21 overall).

## **Edy Rodarme**

### **Comment F-1**

As discussed on page 73 and shown in Table 6.1 of the Report, most of the assessments and special taxes currently collected by the City of Murrieta fund services that are in addition to those currently provided to the Wildomar area. See response to comment D-6.

### **Comment F-2**

The assumptions regarding costs to the new city discussed in Chapter 3 of the Report are based on a range of sources reflecting the experience of newly incorporated cities and costs for cities in Riverside County. The assumptions used are reasonable estimates for a new city in the Wildomar area. The assumptions are not meant to be either conservative (low) or aggressive (high), and are meant to represent moderate levels of costs. The actual costs for the new city would depend on decisions made by the new city council.

### **Comment F-3**

New regional retailers would likely develop in cities that already have a regional retail base such as Temecula, Murrieta, and Lake Elsinore. See response to comments A-5 and E-2.

## **Jon Rodarme**

### **Comment G-1**

See response to comment D-6.

## Kami Sabetzadeh

### Comment H-1

See response to comment A-12.

### Comment H-2

The fiscal impact of the partial annexation (south area) scenario is more positive than annexation of the entire Wildomar area because there is more population in the north area compared to the property and sales tax base generated by the area.

### Comment H-3

Table 5.7 on page 71 of the Report estimates the base year (FY 2003-04) fiscal impact on the County in terms of revenues and costs transferred to the new city or the City of Murrieta, depending on the governance scenario. As shown in the table, the County would transfer more costs than revenues from its general fund, resulting in a positive fiscal impact to that fund under all four governance scenarios. The impact on other funds would vary depending on the governance scenario, as shown in the table.

For incorporations, the “revenue neutrality” provision of state law (*Government Code* section 56845) requires a base year estimate of revenues and costs transferred similar to that shown in Table 5.7. The purpose is to determine the fiscal impact of an incorporation on affected agencies, like the County. Negative fiscal impacts must be mitigated by tax sharing agreements or other terms and conditions unless the affected agency agrees to the proposed transfer without mitigation.

Tables 5.5 and 5.6 on pages 69 and 70 of the Report show the ongoing costs and revenues that would remain with the County’s general fund after transfer of the revenues and costs shown in Table 5.7. As shown in Tables 5.5 and 5.6, a negative fiscal impact is estimated in the initial years for all four governance scenarios, becoming positive over time.

### Comment H-4

Any references to periods of time following incorporation or annexation begin with the year 2006, the first year that the report assumes implementation of any of the governance scenarios.

### Comment H-5

For the purposes of the development projections, the Report assumes that current zoning designations under the County’s *General Plan* do not change under any of the governance scenarios. Future changes in zoning would be a policy decision for the new city or the City of Murrieta. As shown in Table 2.2 on page 14 of the Report the development projections are not constrained by available land supply. There is substantial land supply available in both the north and south areas compared to projected absorption by 2025.

## **Comment H-6**

The development projections do not assume that the north area of Wildomar is constrained due to topography. As shown in Table 2.2 on page 14 of the Report there is substantial land supply available in both the north and south areas compared to projected absorption by 2025. The primary reasons for assuming more development in the south area than the north area is that the north area has had little recorded building permit activity since 2000, and growth in Murrieta appears to be encouraging growth in the south area. A similar influence in the north area from growth within the City of Lake Elsinore could not be detected.

## **Comment H-7**

As discussed on page 8 of the Report, the development projections used in the Report anticipate development of highway commercial uses and other retail development along Interstate 15 at the interchanges.

## **Comment H-8**

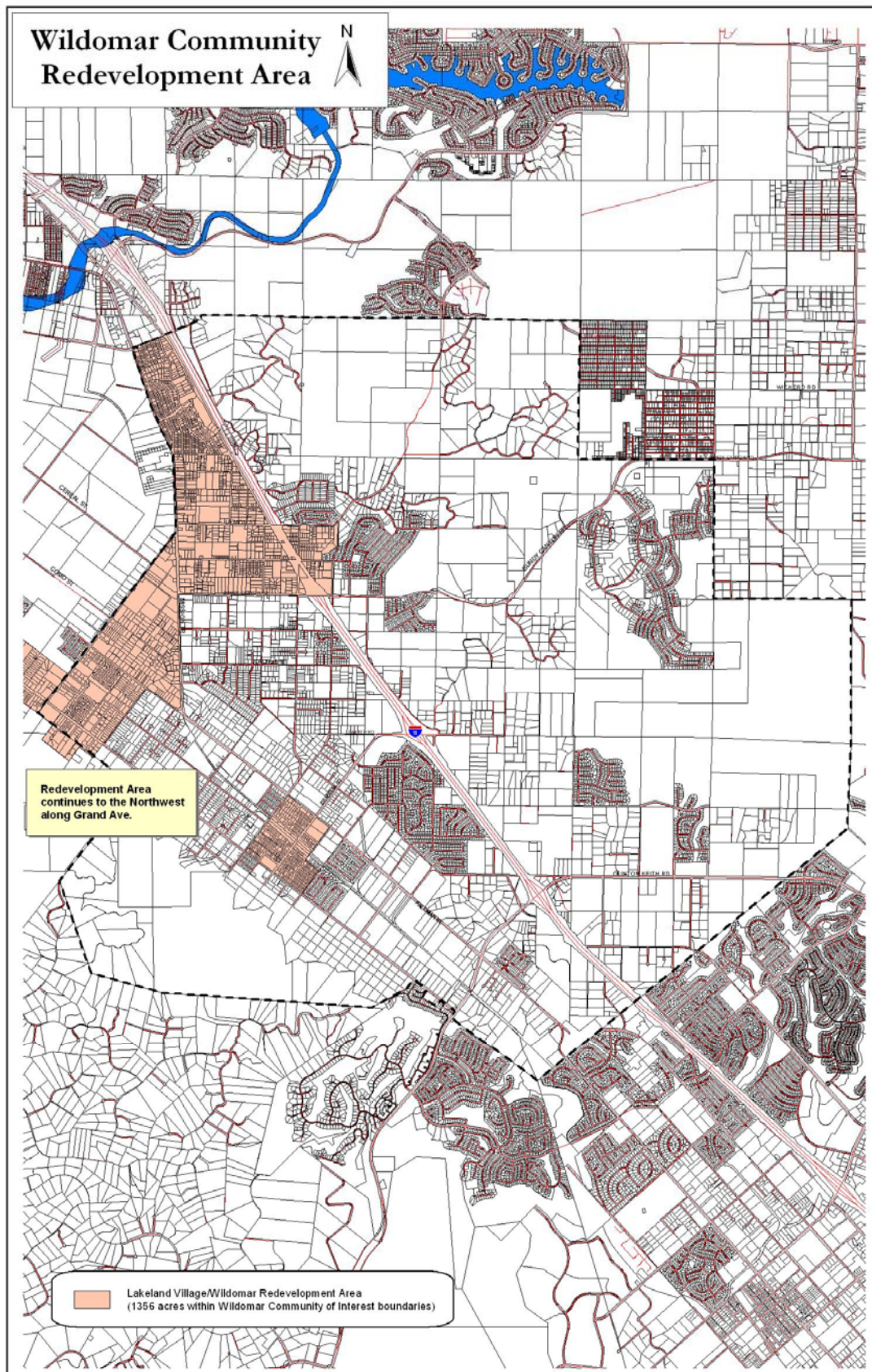
The development projections used in the Report were based in part on recent development application and building permit data provided by the County, and therefore take into account recent development trends.

## **Comment H-9**

A map of the Lakeland Village/Wildomar Redevelopment Project Area is shown in the following page. Only a small portion of the area is located in the south Wildomar area south and east of Central Avenue. The amount of development assumed to occur in the Project Area affects the property tax and redevelopment pass-through revenue projections (see pages 45-49 of the Report). The amount of development over the 20-year planning horizon assumed to occur in the Project Area is substantial, and includes:

- ◆ 2,939 housing units in the north area (2,039 single family and 900 multi-family units) and 164 units in the south area (all single family). This equals 29 percent of all housing units assumed to develop in the north area by 2025, and 14 percent of all units developed in Wildomar.
- ◆ 200,000 square feet of commercial space (community center and commercial retail land uses) in the north area and none in the south area. This equals 33 percent of all new commercial space estimated in the north area.
- ◆ 150,000 square feet of commercial space (commercial office and light industrial land uses) in the north area and none in the south area. This equals 36 percent of all new office and industrial space estimated in the north area.

In addition, redevelopment project area revenues cannot be used to fund citywide services or other general fund ongoing operating costs.





### **Comment H-10**

The proposed placement by the City of Murrieta of a new station centrally located in south Wildomar to improve response times to the area appears to be a reasonable approach to station planning. See discussion on page 34 of the report.

### **Comment H-11**

The cost of special teams and equipment operated by the Riverside County Sheriff (bomb squads, helicopters, etc.) are not included in the cost of contract services to a new city. Nor are these costs included in the City of Murrieta's police service costs. The Sheriff typically makes these special teams and equipment available to law enforcement agencies within the County at no additional charge.

### **Comment H-12**

The initial fiscal review in Chapter 6 explicitly examines the fiscal impact on incorporation of the north area if the south area is annexed to the City of Murrieta (compare Tables 5.1 and 5.2 on pages 69 and 70, respectively, of the Report). In addition, the municipal service review notes the advantages of the full incorporation and full annexation governance scenarios over the other scenarios in terms of governance structure options (see page 79 of the Report). The manner in which the Report's findings are used to determine which option is most appropriate for the Wildomar community is a policy issue for LAFCO.

### **Comment H-13**

See response to comment D-6.

### **Comment H-14**

Comparing the "Property Taxes" line item in Table 5.1 on page 62 of the Report with the same line item in Table 5.3 on page 65 indicates that the full incorporation scenario would generate substantially more revenue than the full annexation scenario. The same result is true for redevelopment project area pass-through revenue.

### **Comment H-15**

This comment attempts to compare the fiscal impact of the south annexation only scenario on the City of Murrieta (Table 5.4 on page 67 of the Report) with the impact of the full incorporation scenario on a new city (Table 5.1 on page 62). However, the data cited in the comment is drawn from tables summarizing the fiscal impact on the County (see Table 5.6 on page 70 of the Report for a summary of the impacts of the south annexation only scenario on the County and Tables 5.5 on page 69 for a summary of all other scenarios).

County receives more revenue and is responsible for higher costs of service under the south annexation only scenario compared to all other scenarios. The comment seeks an explanation of why, based on the data mistakenly taken from Tables 5.5 and 5.6, revenues are higher under the south annexation only scenario compared to the full incorporation scenario. Revenues are higher because the County would retain the north area as an unincorporated area. Thus projected County revenues are higher under that scenario

compared to the other three scenarios where the entire Wildomar area is either annexed and/or incorporated.

### **Comment H-16**

See response to comment H-15.

### **Comment H-17**

See response to comment H-15.

### **Comment H-18**

See response to comment H-15.

### **Comment H-19**

See response to comment H-15.

## **Kamron C. Sabetzaeeh**

### **Comment I-1**

See response to comment H-12.

## **Jack Van Haaster, Mayor, City of Murrieta**

### **Comment L-1**

The initial fiscal review assumes that a new incorporated city would have the same service level as the current unincorporated area. In terms of staffing levels, County and City of Murrieta fire stations are similar with three personnel on duty at all times. The City has a higher level of service in terms of response time at 5.5 minutes compared to seven minutes for the County. See pages 31-34 of the Report for a discussion of fire services provided by the two agencies.

### **Comment L-2**

The initial fiscal review uses current levels of service as funded in the City of Murrieta's approved FY 2003-04 budget. For police services staffing was funded at a level of 0.67 officers per 1,000 residents in that budget. The City is continuing to increase its police staffing levels as noted in the comment. The cost of these increased staffing levels are not included in the initial fiscal review.

### **Comment L-3**

The cost of reopening the former Ortega Park District parks in Wildomar was decided after the initial fiscal review had been completed. These costs and the costs of ongoing maintenance are not included in the analysis.

#### **Comment L-4**

The County has made no indication that the large vacant parcel referred to in the comment would be made available for a park facility to serve the Wildomar area.

## CORRESPONDENCE RECEIVED

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On the following pages are copies of all letters and emails regarding the Report received during the public comment period. The alphanumeric indicators shown in the margin of each piece of correspondence identify each response to comment in the preceding section.



## Kathy Gifford - Muni-Financial study

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**From:** "cashman" <cashman@linkline.com>  
**To:** "Kathy" <kgifford@rceo.org>  
**Date:** 10/25/2004 10:31 PM  
**Subject:** Muni-Financial study  
**CC:** "Sheryl" <vxd120@hotmail.com>

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Kathy –

One item missing from the study is the determination of the fiscal aspects of the school districts. School districts are often included in Municipal Services as some school districts are coterminous with city boundaries. If this is not the case, and the school districts will remain separate, then the study needs to note this fact. This is an item that has legal documentation in the form of resolutions from the school districts. Also, it should be assessed whether the CFA's and CSD's for the various housing tracts in the area will transfer to Murrieta or the Murrieta School District, all or in part during the annexation scenario's.

A-1  
A-2

## Kathy Gifford - Muni-Financial study

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**From:** "cashman" <cashman@linkline.com>  
**To:** "Kathy" <kgifford@rceo.org>  
**Date:** 10/25/2004 10:28 PM  
**Subject:** Muni-Financial study  
**CC:** "Sheryl " <vxd120@hotmail.com>

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Kathy –

Per our conversation earlier today, I have put together a list of some backup data that would help us understand the study. The list is not comprehensive, but it will be a good start. Specifically, we need.....

1. A map of each agencies boundaries

The following is a partial list ---- county regional parks, Murrieta Parks Department, flood control zones, CSA's serving Wildomar including both CSA 152 and 152A, boundaries of LLD 89-1, water and wastewater services, the Murrieta School District, The Lake Elsinore School District, boundaries for CRR and Waste Management for both Murrieta and Wildomar, Road and Bridge Assessment districts for Wildomar and Murrieta, any special assessment areas and their location within Murrieta (or if they include the whole city including annexed areas)..

A-3

2. A map of the response time for fire services in various areas of Murrieta and Wildomar. A description of the level of services available for these areas. What equipment is available and what equipment comes from the county fire.

A-4

Infrastructure needs and deficiencies over the next 10 years.

3. An update of Attachment 5 – Sales tax information for the Wildomar Area. Please include updated information in the similar format as was presented in April 2004.

A-5

- a. What is the source of the additional information?
- b. Please explain in detail what model was used to assess regional retail sales. What is the name of the methodology? If determined in part by interview with developers or realtors, how many interviews were obtained?

4. The information used to define the staffing level for the new city. Also, any fiscal data that was used to determine the staffing level (from the referenced cities). Was any of the staffing level determined by conversations with officials in the cities and if so what was that information?

A-6

5. Backup information for "holding times" for property that are times based on actual experience in a rapidly developing area (Table 4.1 page 46). This valley has a 20% turnover rate per year in the individual schools, which would equate to a 5 year holding time. Is there other information to the contrary?

A-7

6. The information that was used to derive that there would be no business parks in Wildomar (Table A.9). What information was used to determine that the community centers in "north Wildomar" would not be built. If the information was by interview please identify the source and the information provided.

A-8

7. On page 55, Traffic Fines, there is a statement that the new city is "assumed to generate revenues equal to the half of the counties ...." What is the backup information supporting this statement?

A-9

Please advise as to how soon we can obtain this information. We only have a short time to respond to the study.

Thanks,

Bob Cashman  
 Chairman, WIN.

## Kathy Gifford - RE: Muni-Financial study

---

**From:** "cashman" <cashman@linkline.com>  
**To:** "cashman" <cashman@linkline.com>, "Kathy" <kgifford@rceo.org>  
**Date:** 10/27/2004 9:52 PM  
**Subject:** RE: Muni-Financial study  
**CC:** "Sheryl" <vxd120@hotmail.com>

---

Kathy -

The school district is a municipal service provider and is commonly listed in other studies in a list of such providers. For example, it is listed in the Oakhurst IFA prepared by EPS.

It is thought by some residents in the area that there might be a change of school district and that the annexation area might become part of the school district of the city of Murrieta. The Muni Study should identify whether this is a fact or not. **A-10**

A change in school district was an aspect of the incorporation of the city of Murrieta which created it's own school district at the time of incorporation.

It is reasonable that the school district(s) and the services be included in the study.

Muni should be asked to add this to the study (see below. Some of the CFA's include not only mitigation for schools but also infrastructure for the development. Who will receive the revenues?) **A-11**

-----Original Message-----

**From:** cashman [mailto:cashman@linkline.com]  
**Sent:** Monday, October 25, 2004 9:34 PM  
**To:** Kathy  
**Cc:** Sheryl  
**Subject:** Muni-Financial study

Kathy -

One item missing from the study is the determination of the fiscal aspects of the school districts. School districts are often included in Municipal Services as some school districts are coterminous with city boundaries. If this is not the case, and the school districts will remain separate, then the study needs to note this fact. This is an item that has legal documentation in the form of resolutions from the school districts. Also, it should be assessed whether the CFA's and CSD's for the various housing tracts in the area will transfer to Murrieta or the Murrieta School District, all or in part during the annexation scenario's.





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## Wildomar Incorporation Now

(909) 330-0355 | P.O. Box 1476 | Wildomar, CA 92595

[www.WildomarWIN.org](http://www.WildomarWIN.org)

501(c)3 Non-profit #90-0133094

November 10, 2004

To: MuniFinancial

Re: Draft copy of MuniFinancial study of October 2004

Our review of this study finds that much useful information can be obtained from the study, particularly in regard to county services and service levels. However, there are also some "fatal flaws" in the study.

The following, in our opinion, are errors in the methodology or in the conclusions:

1. The truth is that the unsettled budget details cloud any attempt at making a definite opinion on the fiscal aspects of the governance options. The report should therefore recommend that no change of governance be considered until this is resolved. A resolution could occur as soon as early next year but in any case will occur within two years, the time period for the California budget compromise. According to local elected officials, another formula for funding will be developed, a formula that could make the immediate incorporation of Wildomar a possibility.

2. We find that the report consistently underestimates the City of Wildomar's revenue at the time of incorporation and over represents the revenue that will accrue to Murrieta if an annexation occurs. The same is true of the services provided to the two communities. . Objectivity is difficult to obtain when the consultant has a private audience with the city of Murrieta while avoiding significant interaction with the Wildomar Incorporation committee.

3. The study should clearly identify the reason for the boundaries of the proposed annexation area - namely, cherry-picking the commercial from the area. Also, it should explicitly note that the southern annexation creates an unincorporated island. Both factors are to be perceived as negative factors for a proposed annexation according to Cortese Knox Hertzberg statutes.

A-12

4. Other factors that are important to governance scenarios, such as community identity and organization, historical elements, and the general interest and desires of the people in the area are not considered in the analysis. [This limitation of the study should be identified within the report when it discusses governance scenarios. MuniFinancial's field of expertise is the MSR and the fiscals, not how the community should govern itself in the future.]

A-13

5. A number of very conservative assumptions with regard to population and commercial development are made in the report. Some of these assumptions, though they were made quite recently are already not accurate. [As noted in the report, even something as simple as the areas population is a "moving target" in the case of Wildomar. This needs to be listed as a limitation of the study. ]

A-14

6. Further, the MuniFinancial study itself is not the Initial Fiscal Analysis (IFA) nor is it the Comprehensive Fiscal Analysis (CFA) for the incorporation of Wildomar. This fact should be identified in the study. The MuniFinancial study is not a study made by nor is it approved by the incorporation proponents. A reasonable analysis of incorporation cannot be made without the substantial interaction and input from the incorporation proponents.

A-15

7. Many details within the report, for example, the preliminary market study, need further exploration and definition. This effort is not within the scope of the MuniFinancial study. The WIN committee believes these details would best be addressed by our Comprehensive Fiscal Analysis, once LAFCO has given the go ahead for this study. It may be that a change in governance, namely cityhood, could be considered should the Wildomar CSA show that the city could stand on its own within the next several years even in the absence of further changes in the state funding mechanism.

Sincerely yours,

Bob Cashman, Chairman  
Wildomar Incorporation Now

cc: Kathy Gifford, Bob Buster



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501(c)3 Non-profit #90-0133094

To: Kathy Gifford, County Executive Office

November 10, 2004

Re: Draft of MuniFinancial Report dated October 2004

A few issues need to be laid on the table for all to view.---

The MuniFinancial study involved the City of Murrieta and the County of Riverside, but it is our opinion tha it failed to involve the Wildomar community and its representatives except in a perriferal and incidental way. In particular, the Wildomar Incorporation Committee was blocked from significant comment and interaction during the course of the study. A few carefully controlled meetings were held which showed how beneficial such an interaction would have been. Unfortunately, there were only a few of these. A study cannot be fair and balanced, if all of the interested parties are not included in the decision-making process.

What we wanted to do was to understand the assumptions and limitations of those assumptions with regard to the analysis and bring forward our knowledge of those issues.. What happened instead is that all these discussions took place behind closed doors, with only the County and the City of Murrieta participating. At the publication of the draft copy of the study, we requested some of the backup data (the raw data that the conclusions are drawn from) so that we could make an intelligent evaluation of the study. This information was not supplied. It was apparently desired that significant public input be made under an information handicap. Do not take this study at face value.

Sincerely yours,

Bob Cashman, Chairman  
Wildomar Incorporation Now

P.S. I have attached the letter sent to MuniFinancial at the beginning of the study.



*WIN*  
*Wildomar Incorporation Now*

To: MuniFinancial  
Re: Wildomar Study

Date: 10 February 2004

The Wildomar Incorporation Now committee finds it unsettling that a study about Wildomar's future could take place without the intimate involvement of the important Wildomar Community organizations. An incorporation study involving the future governance of our community has started without our input. How can we, as the incorporation proponents, have any confidence in the conclusions of the study and in the information gathered for such a study?

It appears that the City of Murrieta has been granted the ability to monitor the progress of the study and propose alternatives that can affect the outcome of the study whereas the Wildomar Incorporation Committee is blocked from access to that information and eliminated from discussion of the alternatives. The city of Murrieta has, in effect, a private pipeline to the study. This power to discuss and review is also the power to manipulate and effect outcomes. This situation is not conducive to fairness and is unlikely to result in a balanced study. .

The WIN committee respectfully requests that the county contract with MuniFinancial and their MOU with the City of Murrieta be modified to allow the Wildomar incorporation proponents the same open access to MuniFinancial that is enjoyed by the City of Murrieta.

Yours,

Bob Cashman, Chairman WIN

Bob Buster, Supervisor 1st district  
Barbara Dunmore, County Executive Office  
George Spiliotis, LAFCO  
City of Murrieta

**Wildomar Incorporation Now P O Box 1476 Wildomar Ca 92595**  
**Web site: Wildomarwin.org**

November 12, 2004  
Wildomar, California

To: Kathy Gifford  
From: Bob Cashman

It is puzzling to me why MuniFinancial is so reluctant about adding the two School Districts to the Service agencies mentioned in the report. These are commonly included in such studies.

As I have explained, this is a big issue in our community as there are people who believe that the service agencies will change and that the Murrieta School District will serve the students in the proposed annexation zone should annexation proceed.

I have explained to MuniFinancial there are special circumstances that make this an important issue for the two communities. For example, there is a prior historical example of a change in school district services that occurred at the time of a change in governance. This happened to occur during the incorporation of the city of Murrieta. There are several other reasons, including publications circulated in the community and some fiscal aspects related to CFD's that I have already stated to you at the meeting.

It needs to be clearly identified in your report that this is not the case and that there are no fiscal implications concerning the school district after incorporation or after annexation.

Please add this item to the study.

Yours,

Bob Cashman  
Wildomar Resident

A-16





## Wildomar Incorporation Now

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[www.WildomarWIN.org](http://www.WildomarWIN.org)

501(c)3 Non-profit #90-0133094

George Spiliotis

November 12, 2004

Executive Officer Riverside LAFCO

3850 Vine Street, Ste. 110

Riverside, CA 92507-4277

Dear Mr. Spiliotis,

For the benefit of LAFCO's deliberations the incorporation proponents for Wildomar, the Wildomar Incorporation Now committee, will be submitting it's IFA for the incorporation of Wildomar. This Initial Fiscal Analysis will be ready in the next few weeks.

Much of the Municipal Service Data and individual revenue data in the Wildomar IFA is derived from information provided by the MuniFinancial Report of October 14, 2004. Though much remains the same, you will notice some differences between the two studies. The differences include the desired staffing level for the city government, the revenue generated for the city, the commercial and industrial market projections, and in a few cases a different level of service. These items each have a fiscal impact that is explained in the study. The resolution of these differences would not be expected to the responsibility of MuniFinancial but is the type of effort that would normally take place during a Comprehensive Fiscal Analysis for the city of Wildomar.

As explained in the Wildomar IFA, it is anticipated that some funding formula for incorporating cities will be developed by the state in the immediate future. Both studies show that if that funding formula replicates the dollar amount of the previous VLF backfill, then incorporation would be a reality in the immediate future.

Sincerely yours,

Bob Cashman, Chairman  
Wildomar Incorporation Now

Cc: Kathy Gifford, Bob Buster



## Wildomar Incorporation Now

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George Spiliotis

November 12, 2004

Executive Officer Riverside LAFCO

3850 Vine Street, Ste. 110

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As explained in the Wildomar IFA, it is anticipated that some funding formula for incorporating cities will be developed by the state in the immediate future. Both studies show that if that funding formula replicates the dollar amount of the previous VLF backfill, then incorporation would be a reality in the immediate future.

Sincerely yours,

Bob Cashman, Chairman  
Wildomar Incorporation Now

Cc: Kathy Gifford, Bob Buster



Protecting  
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## Wildomar Incorporation Now

(909) 330-0355 | P.O. Box 1476 | Wildomar, CA 92595

[www.WildomarWIN.org](http://www.WildomarWIN.org)

501(c)3 Non-profit #90-0133094

To: Bob Spenser  
MuniFinancial

November 10, 2004

For the record, it needs to be stated that significant Wildomar community organizations; for example, the Wildomar Chamber of Commerce, the Wildomar Incorporation Committee, and the Wildomar MAC were blocked from interacting with MuniFinancial during the study whilst the City of Murrieta was present at most meetings and in constant communication with MuniFinancial. There is something fundamentally wrong about this. This is a study that includes details of Wildomar incorporation without involving much of Wildomar.

It is a disappointment to us that the wording and some assumptions in the report seem to reflect a bias against the community of Wildomar, though I suppose that this should not be a surprise. We have been steadfastly prevented from participating in what appears to the public to be an incorporation study of Wildomar and its' potential for partial annexation by the city of Murrieta.

A-17

MuniFinancial could have done a more complete and better analysis had they interacted with us on a consistent basis during their study. [After the draft copy was released, we requested backup materials so that we could form our own opinions about the sufficiency of the study. These materials were not provided to us. From comments made at the last Muni workshop in Wildomar, it appears that MuniFinancial does not have ready access to this information even though the study is not yet complete. Both MuniFinancial and the incorporation committee could have benefited had the supporting data (backup material) been available during the comment period. ]

A-18

Sincerely yours,

Bob Cashman, Chairman  
Wildomar Incorporation Now



Rick Estes  
P.O. Box 1571  
Wildomar, Ca. 92595

Katherine Gifford, Principal Management Analyst  
Riverside County Executive Office  
4080 Lemon Street, 4<sup>th</sup> floor  
Riverside, Ca. 92501

Re: Wildomar Municipal Service and Initial Fiscal Review, land use assumptions, market value per residential unit published by MuniFinancial, October, 2004.

Dear Ms Gifford

Please accept this correspondence as my request for the above referenced analysis to be revised to reflect a change of the unit value of the single family residential home, as shown on page 46 of the Wildomar Municipal Service and initial Fiscal Review, from \$380,000 to \$450,000. The figure of \$380,000 is out of date and incorrect. I have attached two spread sheets in Excel format of the actual sales of the two tracts used in the study. A third subdivision mentioned in the study, at Clayton Ranch will not close any sales until the spring of 2005. Some comments on the three subdivisions:

B-1

- Both Palomar Ridge and Willow Creek are completed and sold out. (Please refer to the two spread sheets showing the closing dates and sale prices of the homes.) Palomar Ridge is currently marketing a separate tract approximately ½ mile east of the original location and is calling the new subdivision Palomar Ridge also. No homes have been completed at the new location and are projecting close of escrows in the late spring of 2005. Reservations are being taken on these homes with a published asking price of \$445,990 to \$479,990.
- The Clayton Ranch tract ("Saratoga at Clayton Ranch") is a Lennar Homes project of approximately 45 lots of which all but 6 have reservations on them at this time. These homes are due to close escrow in the spring of 2005 and are priced from \$460,990 to \$599,990.

Lennar Homes is also building and marketing a tract of homes adjacent to the Clayton Ranch Tract, with a project name of Andalusia consisting of approximately 96 homes. These homes have not been priced at this time but are to be priced in Late November, 2004. These Andalusia homes are expected to be premium priced over the Clayton Ranch project because the home will have upgrades included in a program Lennar has named "Everything Included".

- In the second quarter of 2004, the Willow Creek project's average sale price of \$400,494 and the median sales price of \$410,500 had already passed the MuniFinancial figure of \$380,000.

Palomar Ridge's average sale price of \$411,475 and the median sale price of \$406,250 were well beyond the \$380,000 figure by the third quarter of 2004

- There are no new home subdivisions in Wildomar with homes offered at \$380,000 or below. None.
- Subdivisions in Wildomar which are currently priced, start in the mid \$400's. I find no exceptions.

As a Real Estate Broker practicing in the communities of Wildomar, Lake Elsinore, Murrieta and Temecula for over 28 years, I consider myself qualified to comment on this study and will be happy to contribute additional market data if your office, MuniFinancial, or anyone else involved in the study so desires. Thank you for your help in this matter.

Sincerely,

A handwritten signature in dark ink, appearing to read "Rick Estes", with a stylized flourish at the end.

Rick Estes (rick@estesrealestate.com)

# Willow Creek Tract-Sales

www.beazer.com

ADDRESS	LOT #	ASSESSOR PCL #	SALE PRICE	4TH QTR CLOSE 03	1ST QTR CLOSE 04	2ND QTR CLOSE 04	3RD QTR CLOSE 04	4TH QTR CLOSE 04
36117 Fredrick Street	1	380-340-001	8/3/2004					
36105 Fredrick Street	2	380-340-002	5/4/2004			411,400		
36093 Fredrick Street	3	380-340-003	4/16/2004			344,000		
36081 Fredrick Street	4	380-340-004	4/20/2004			403,000		
36069 Fredrick Street	5	380-340-005	4/19/2004			350,000		
36057 Fredrick Street	6	380-340-006	4/16/2004			410,500		
36045 Fredrick Street	7	380-340-007	4/19/2004			351,500		
36033 Fredrick Street	8	380-340-008	4/16/2004			374,500		
36021 Fredrick Street	9	380-340-009	3/1/2004		351,000			
36009 Fredrick Street	10	380-340-010	4/30/2004		371,500	370,000		
35997 Fredrick Street	11	380-340-011	3/1/2004		369,000			
35985 Fredrick Street	12	380-340-012	3/9/2004		372,000			
35973 Fredrick Street	13	380-340-013	2/26/2004		376,000			
35961 Fredrick Street	14	380-340-014	2/19/2004		425,000			
35949 Fredrick Street	15	380-340-015	3/16/2004		388,000			
22941 Charles Road	16	380-340-016	2/26/2004		391,500			
22931 Charles Road	17	380-340-017	2/18/2004		348,000			
35932 Fredrick Street	18	380-340-018	3/19/2004		393,500			
35944 Fredrick Street	1	380-341-001	3/1/2004		410,000			
35956 Fredrick Street	2	380-341-002	2/27/2004		390,000			
35968 Fredrick Street	3	380-341-003	3/30/2004			422,000		
35980 Fredrick Street	4	380-341-004	4/21/2004					
35992 Fredrick Street	5	380-341-005	3/31/2004					
36004 Fredrick Street	6	380-341-006	3/26/2004					
36016 Fredrick Street	7	380-341-007	3/17/2004					
36028 Fredrick Street	8	380-341-008	3/10/2004					
36040 Fredrick Street	9	380-341-009	5/6/2004					
36052 Fredrick Street	10	380-341-010	4/30/2004			426,500		
36064 Fredrick Street	11	380-341-011	4/30/2004			403,500		
36076 Fredrick Street	12	380-341-012	5/18/2004			414,000		
36088 Fredrick Street	13	380-341-013	5/4/2004			448,000		
36100 Fredrick Street	14	380-341-014	4/23/2004			393,500		
22712 Shadygrove Cir.	15	380-341-015	5/5/2004			418,500		
22724 Shadygrove Cir.	16	380-341-016	7/13/2004			437,500	469,000	
22736 Shadygrove Cir.	17	380-341-017	7/23/2004				405,000	
22748 Shadygrove Cir.	18	380-341-018	7/23/2004				483,000	
22760 Shadygrove Cir.	19	380-341-019	7/16/2004				463,000	
22755 Shadygrove Cir.	20	380-341-020	8/2/2004				540,000	
22743 Shadygrove Cir.	21	380-341-021	8/25/2004				565,000	
22731 Shadygrove Cir.	22	380-341-022	7/30/2004				466,000	
22719 Shadygrove Cir.	23	380-341-023	9/21/2004				441,500	
22707 Shadygrove Cir.	24	380-341-024	8/3/2004				418,000	
22846 Catt Rd.	25	380-341-025	5/28/2004				447,500	
22858 Catt Rd.	26	380-341-026	3/29/2004					
36108 Blackstone Cir.	27	380-341-027	3/29/2004		412,000	430,000		
36096 Blackstone Cir.	28	380-341-028	1/12/2004		354,000			
36084 Blackstone Cir.	29	380-341-029	1/22/2004		360,500			
36072 Blackstone Cir.	30	380-341-030	2/4/2004		357,500			
36060 Blackstone Cir.	31	380-341-031	1/13/2004		343,182			
36048 Blackstone Cir.	32	380-341-032	1/8/2004		327,500			
36036 Blackstone Cir.	33	380-341-033	12/29/2003	276,770				
36077 Blackstone Cir.	34	380-341-034	12/30/2003	354,500				
36065 Blackstone Cir.	35	380-341-035	12/26/2003	321,500				
36053 Blackstone Cir.	36	380-341-036	1/8/2004		354,000			
36041 Blackstone Cir.	37	380-341-037	12/31/2003	336,000				
36029 Blackstone Cir.	38	380-341-038	12/26/2003	319,500				
36017 Blackstone Cir.	39	380-341-039	1/2/2004		335,500			
36005 Blackstone Cir.	40	380-341-040	1/28/2004		407,500			
22978 Catt Rd.	41	380-341-041	1/13/2004		308,500			
22966 Catt Rd.	42	380-341-042	1/9/2004		327,500			
22954 Catt Rd.	43	380-341-043	3/16/2004		453,500			
22991 Charles Street	44	380-341-044	1/16/2004		389,000			
22981 Charles Street	45	380-341-045	12/24/2004	366,000				
22971 Charles Street	46	380-341-046	2/2/2004	391,500				
	47	380-341-047	12/19/2003					
	48	380-341-048	2/3/2004					
Total			2365770		11590182	6808400	5087000	
Average Sale Price			337967		373877	400494	462455	
Median Sale Price			336000		372500	410500	463000	



# Palomar Ridge Tract-Sales

www.groupmeeker.com

ADDRESS	LOT #	ASSESSOR PCL #	SALE DATE	4TH QTR 03	1ST QTR 04	2ND QTR 04	3RD QTR 04	4TH QTR 04
36261 Madora Drive	49	380-331-001	10/8/2004					415,000
36249 Madora Drive	50	380-331-002	9/30/2004				380,000	
36237 Madora Drive	51	380-331-003	9/29/2004				420,000	
36225 Madora Drive	52	380-331-004	10/4/2004					410,000
36213 Madora Drive	53	380-331-005	10/1/2004					383,000
36189 Madora Drive	54	380-331-006	10/27/2004					405,000
36153 Madora Drive	55	380-331-007	7/7/2004				385,500	
36141 Joy Court	56	380-331-008	5/30/2004			380,000		
22985 Joy Court	57	380-331-009	6/25/2004			429,500		
22973 Joy Court	58	380-331-010	6/23/2004			406,000		
22961 Joy Court	59	380-331-011	7/2/2004				474,000	
22949 Joy Court	60	380-331-012	6/25/2004			365,000		
22937 Joy Court	61	380-331-013	6/24/2004			414,500		
22925 Joy Court	62	380-331-014	6/18/2004			406,500		
22929 Joy Court	63	380-331-015	6/30/2004			390,000		
22932 Joy Court	64	380-331-016	6/17/2004			360,500		
22944 Joy Court	65	380-331-017	7/21/2004			356,500		
22956 Joy Court	66	380-331-018	6/29/2004				430,000	
22958 Joy Court	67	380-331-019	7/14/2004			430,000		
22958 Joy Court	68	380-331-020	7/14/2004					
36117 Madora Drive	69	380-331-021	6/23/2004			415,000		
36105 Madora Drive	70	380-331-022	02/27/04	319,000				
36093 Madora Drive	71	380-331-023	3/12/2004	342,000				
36069 Madora Drive	72	380-331-024	3/4/2004	308,000				
22981 Nan Street	73	380-331-025	3/30/2004	350,000				
22969 Nan Street	74	380-331-026	4/20/2004			356,000		
22957 Nan Street	75	380-331-027	3/5/2004	350,000				
22945 Nan Street	76	380-331-028	3/15/2004	346,500				
22933 Nan Street	77	380-331-029	3/19/2004	330,000				
22921 Nan Street	78	380-331-030	7/20/2004				430,000	
22928 Nan Street	1	380-330-001	2/27/2004	308,000				
22940 Nan Street	2	380-330-002	2/20/2004	310,000				
22952 Nan Street	3	380-330-003	8/24/2004				333,000	
22964 Nan Street	4	380-330-004	3/2/2004	333,000				
22976 Nan Street	5	380-330-005	3/19/2004	277,727				
36045 Madora Drive	6	380-330-006	2/18/2004	335,000				
36033 Madora Drive	7	380-330-007	2/26/2004	355,500				
36021 Madora Drive	8	380-330-008	3/2/2004	305,000				
22975 Timber Ridge Ct.	9	380-330-009	5/28/2004			348,000		
22963 Timber Ridge Ct.	10	380-330-010	4/28/2004			386,000		
22951 Timber Ridge Ct.	11	380-330-011	4/22/2004			346,000		
22939 Timber Ridge Ct.	12	380-330-012	4/30/2004			384,000		
22927 Timber Ridge Ct.	13	380-330-013	4/28/2004			355,500		
22922 Timber Ridge Ct.	14	380-330-014	4/30/2004			361,500		
22934 Timber Ridge Ct.	15	380-330-015	4/26/2004			337,500		
22946 Timber Ridge Ct.	16	380-330-016	4/26/2004			367,500		
22958 Timber Ridge Ct.	17	380-330-017	5/4/2004			323,500		
22970 Timber Ridge Ct.	18	380-330-018	5/12/2004			358,000		
22982 Timber Ridge Ct.	19	380-330-019	5/11/2004			349,000		
22994 Timber Ridge Ct.	20	380-330-020	5/28/2004			350,000		
23006 Timber Ridge Ct.	21	380-330-021	5/20/2004			337,000		
23018 Timber Ridge Ct.	22	380-330-022	5/25/2004			372,500		
36004 Madora Drive	23	380-330-023	10/1/2004				342,000	
36016 Madora Drive	24	380-330-024	5/18/2004			350,000		
36028 Madora Drive	25	380-330-025	5/27/2004			350,000		
36040 Madora Drive	26	380-330-026	5/17/2004			336,000	350,000	
36052 Madora Drive	27	380-330-027	7/12/2004			336,000		
36064 Madora Drive	28	380-330-028	5/20/2004					
36076 Madora Drive	29	380-330-029	2/24/2004	351,000				
36088 Madora Drive	30	380-330-030	2/27/2004	300,000				
36100 Madora Drive	31	380-330-031	3/10/2004	330,000				
36112 Madora Drive	32	380-330-032	9/3/2004				401,000	
36124 Madora Drive	33	380-330-033	9/10/2004				410,000	
36136 Madora Drive	34	380-330-034	9/17/2004				385,000	
36148 Madora Drive	35	380-330-035	9/22/2004				416,000	
36160 Madora Drive	36	380-330-036	9/21/2004				436,500	
36146 Sunlight Court	37	380-330-037	9/10/2004				353,000	
36158 Sunlight Court	38	380-330-038	9/22/2004				398,000	
36170 Sunlight Court	39	380-330-039	9/17/2004				402,500	
36187 Sunlight Court	40	380-330-040	9/29/2004				480,000	
36185 Sunlight Court	41	380-330-041	10/7/2004					430,500
36163 Sunlight Court	42	380-330-042	10/8/2004					476,000
36151 Sunlight Court	43	380-330-043	10/6/2004					441,000
36208 Madora Drive	44	380-330-044	10/26/2004					480,500
36220 Madora Drive (Model)	45	380-330-045	9/27/2004					
Madora Drive (Model)	46	380-330-046						
Madora Drive (Model)	47	380-330-047						
Madora Drive (Parking)	48	380-330-048						
Total				5550727		10627500	829500	3783000
Average Sale Price				326,513		366,466	411,475	420,333
Median Sale Price				330000		358000	406250	415000

# I'M FOR WILDOMAR

November 15, 2004

Katherine Gifford, Principal Management Analyst  
Riverside County Executive Office  
4080 Lemon St, 4th Floor  
Riverside Ca 92501

Dear Madam:

I've been a citizen of Wildomar for almost four years. During that time I have seen tremendous growth among both the residential and the business developments in the community. I have seen the majority of the community pull together to become a city. I have also watched our neighboring city, Murrieta, work very hard to destroy Wildomar's chance to ever become a city.

In the newly released, "Wildomar Municipal Service and Initial Fiscal Review" it shows that prior to the change in the Vehicle License Fees, the community of Wildomar would be able to incorporate within a few years. Considering the time it takes to finalize planning, inform the people and schedule a vote for incorporation, a few years is probably what we need.

It also states in the Muni Review that under the current rules, "Because of the importance of the VLF as a local revenue source, particular to new incorporated cities, this impact casts doubt about the fiscal viability of any incorporation effort in the State at this time, including the Wildomar Effort". I find it close to impossible that the State Assembly and the Governor of California recognized this effect and had decided to stop the future formation of cities within the state.

This report has the power to permanently damage the community of Wildomar. By not obtaining a legal answer to the funding questions regarding the VLF it leaves an impression that Wildomar is permanently doomed to never be self-supporting. It also leaves the impression that the state will never have another new city. To imply that the future of all new city hood throughout the state has been decided by an insignificant budget change is not ethically sound.

Please do not release this draft as a complete study until these issues can be defined. One of the purposes of this study is to present to the community, and it's neighboring cities, a clear picture of whether or not Wildomar has the ability to incorporate in the future. This study shows that up until a few months ago incorporation was the best answer. The final answer though is shrouded in a budget change that appears to have a much stronger impact on the State of California then the Legislature could have imagined.

Please do not rush this issue. Wait for the state to look into this problem. Do not finalize this report.

Sincerely,

John Lloyd

23164 Cannery Rd.

Wildomar, Ca. 92595

c-1





Annexation To Murrieta Committee  
P. O. Box 1272  
Murrieta, CA 92564-1272

Date: 8 November 2004

Katherine Gifford  
Riverside County Executive office  
4080 Lemon Street, 4<sup>th</sup> Floor  
Riverside, CA, 92501

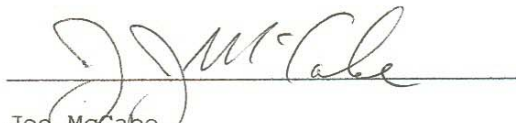
Subject: Comments and Questions on Wildomar Municipal Service and Initial Fiscal Review, Public Draft, dated October 2004.

The following are a list of questions relative to the Wildomar Municipal Service and Initial Fiscal Review.

1. Your study indicates that the large retailers like Wal-Mart and Home Depot won't build in Wildomar. Is that because they don't want to draw from their existing stores trade areas that are within a 10-mile radius and include Wildomar? D-1
2. It is my understanding from the Riverside County Sheriff that the rates for a CSA or CSD are lower than that charged for contract cities. This is because the Sheriff is mandated to provide law enforcement in the unincorporated areas. As a consequence, the County residents are charged a much lower recovery rate for services. Would the cost of Sheriff services be higher if Wildomar contracts with the Sheriff as opposed to the current cost to the county? Would Wildomar be required to provide the police cars or pay for the mileage if the County provides the cars? D-2
3. The study indicates that there are no municipal buildings in Wildomar and they would have to be leased or built to serve the city. The approximate costs to lease a 10,700 sq. ft. building in Wildomar would be \$28. per sq. ft. gross--annual rent of \$300,000 (\$ 2.33 per sq. ft. per month). Why did you estimate monthly lease costs at only \$1.50 per sq. ft.--annual lease costs for 2006 at only \$193,000 (table B.4)? D-3
4. The residents of Wildomar are within the Lake Elsinore Unified School District. Annexation of the southern section of Wildomar will have no impact on the school boundaries. Would the residents have to pay the Murrieta School District school bond assessments? D-4
5. This study assumes that if Wildomar becomes a city, there would be no changes in the services we currently receive from Riverside County. That means that we would have no additional sheriffs, no additional fire and no parks, is that right? D-5
6. The study on page 74 compares the services of the county versus Murrieta. It is obvious that there is a significantly lower of level of services in the county. This was a major reason for the push for annexation. What would the fiscal analysis on page 62 look like if incorporation were to provide the same level of services as Murrieta? When would the new city be fiscally viable? D-6

7. Is this fiscal survey good enough to be used for incorporation or will a complete fiscal analysis be required to let the residents know what it would cost to operate a city and if they would be required to pay any additional taxes or assessments? D-7
8. The study uses the current law regarding the Vehicle License Fees for determining fiscal viability. Isn't that the only way the County or city or LAFCO can realistically look at this study? Wouldn't it be very high risk for any responsible government agency to ignore what the study says and bet that at some time in the future, the law might change, particularly with ballot proposition 1A passed? D-8
9. If it were possible to change the VLF laws, what would be the tax liability to the property owners to make up the deficit of \$542,400? D-9
10. The study indicates that a new Murrieta fire station is required to support the southern section of Wildomar on annexation. Would that station be required to have the same level of response (5.5 minutes) as the existing Murrieta fire Stations? D-10
11. On page 74, the study provides a level of service comparison. In that table, the Murrieta voter approved a \$45.44/year assessment Landscape Maintenance, Street Sweeping and Street Lighting. Currently, the newer tracts pay from \$48/year to \$215/yr for Street Sweeping and Drainage (CSA 103), Street Sweeping (CSA 152), and Landscape Maintenance (89-1). Will those assessments be replaced with the Murrieta \$45/year assessments? If so, that would be a saving for everybody. Would those sections in the rural part of the annexation area which do not have street sweeping, street lighting or landscape be required to pay the \$45.44/year assessment identified in Table 6.1. D-11
12. Table 5.4, page 67, shows Murrieta costs with annexation of \$1,591,000 for police and \$1,366,000 for fire services (adding a fire station) in 2006 for the south annexed area only. Table 5.1, page 62, shows Wildomar (with full incorporation) costs of \$2,653,000 for police, but only \$849,000 for fire services for all of Wildomar. The estimate for fire services appears to be way too low. How did you come up with only \$849,000 for fire services to service all of Wildomar? Table 3.5, page 31, states that Wildomar is served by 3 Riverside County fire stations; Wildomar (61), Menifee (68), and Bear Creek (75). If these 3 stations serve Wildomar today, shouldn't a percentage of the costs from the Menifee and Bear Creek be included in the 2006 Fire service costs for full incorporation? These costs should continue until the Sedco Hills station is completed. D-12
13. Table B-2, page A-13, with full incorporation includes no city clerk or assistant to begin a city or approximately 35,000 in 2006. Would it not be more realistic to include \$110,000 cost for a city clerk? Also there is no payroll clerk for 2006. Again, would it not be more realistic to include \$65,000 for a payroll clerk for the beginning of a city of approximately 35,000 people? D-13
14. With Wildomar full incorporation, would not additional costs of \$107,000 for realistic building rental (total \$300,000 annual rent vs. \$193,000 per study), plus \$110,000 for a city clerk, plus \$65,000 for a payroll clerk, plus \$750,000+ additional for fire services (total \$1,600,000 annual vs. \$849,000 per study) significantly increase the projected (\$542,400) negative revenue--to (\$1,574,400++) negative revenue for 2006 under the old prior VLF law scenario--and D-14

make full WILDOMAR INCORPORATION, even with the prior VLF restored,  
NOT FEASIBLE?



Joe McCabe  
Chairman, Annex To Murrieta Committee  
951-600-1900

Copy: Bob Spencer  
MuniFinancial  
1736 Franklin St.  
Suite 450  
Oakland, CA 94612



## Kathy Gifford - Another question about the study

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**From:** <Jjmcbus@aol.com>  
**To:** <kgifford@rceo.org>  
**Date:** 11/11/2004 12:31 PM  
**Subject:** Another question about the study  
**CC:** <NRBanda@aol.com>, <Jtlpwells@comcast.net>

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Kathy,

Here is another question about the study that Muni should answer. Please forward this e-mail to Bob Spencer.

Ambulance service is currently provided by the AMR under a contract with the county. The response time in the contract is longer in the Unincorporated areas than it is in the cities. With Incorporation, will the new city be required to have the same response time as the other cities and if so, what will it cost to improve the response time. If the response time is to remain the same as it currently is, that should be stated in the table on page 74.

D-15

Thanks,  
Joe McCabe

**From:** "Robin Oxman" <robinoxman@earthlink.net>  
**To:** <Kgifford@rceo.org>  
**Date:** 10/29/04 11:44AM  
**Subject:** Municorp Report

Dear Ms. Gifford,

I found Mr. Spencer's responses to my questions inadequate in the extreme and insultingly pedestrian and cavalier. I'm hopeful they will be addressed more seriously, more thoughtfully and more thoroughly in the final report.

If there is anything I can do to assure those responses please let me know. I have taken the liberty of including them in this e-mail should you have lost the original entry.

Page 9 - what is the basis for the statement concerning the non-anticipation of significant regional retail? Why was this assumed (again on page 10). Were property owners interviewed as to any ongoing negotiations with developers? What did they say? If they were not interviewed, why not? What is the basis for the statement concerning the attraction of only limited industrial development? Were industrial parcel owners interviewed as to any ongoing negotiations with developers? What did they say? If they were not interviewed, why not?

E-1

Page 52 - the second criterion eliminated cities with significant regional retail development. How would Wildomar appear if it succeeded in attaining regional retail development?

E-2

Page 53 - there are four cities with sales tax per capita under \$47. What is that figure for Wildomar today? Wouldn't that be an important inclusion in your report?

E-3

On page 28 you quote Wildomar's population as 25,500. That is less than the population of San Jacinto with a sales-tax per capita of \$33

Many thanks

**Kathy Gifford - Wildomar Fiscal Review**

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**From:** "edy rodarme" <jonandedy@hotmail.com>  
**To:** <Kgifford@rceo.org>  
**Date:** 11/11/2004 12:07 PM  
**Subject:** Wildomar Fiscal Review

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RE: Wildomar Municipal Service and Initial Fiscal Review

Attn: Katherine Gifford, Principal Management Analyst

Dear Ms. Gifford,

I attended the community workshop at Wildomar Elementary School. Following are my comments and concerns.

I'm confused with the fiscal review. Why didn't it take into account what Wildomar as a city could provide for it's citizens if they had the same amount of money that Murrieta would collect for assesments (parks, police, etc.)? The assesments added by Murrieta would come to \$120-130 a year. What could Wildomar provide with that money compared to what Murrieta would supply?

F-1

I feel that the costs you listed if Wildomar obtained cityhood are very subjective. For example, the first city hall could be as inexpensive as a rented store or as expensive as a brand new city complex. There is no way to predict what Wildomar would spend on such items.

F-2

It was stated that Wildomar will not attract "big box businesses" in the near future. The most important decision on where to open stores is location, location, location! The cities of the Temecula Valley have mostly built up their interstate exits and frontage roads. Wildomar has three exits with lots of interstate frontage. To say that companies won't build because they use the time it takes to drive as a guide may be true but it isn't always followed. For example, in Murrieta the brand new Sam's Club is just on the other side of the



interstate from Walmart! What about Best Buy and Staples in the same shopping center, right next to each other selling the same electronic items (computers, printers, cameras, etc.)? Don't forget that Lowe's opened their store just down the road not even one block from Home Depot. [Maybe these businesses won't come to Wildomar but there are plenty of others who will be looking for interstate exits and frontage. How about Price Club, Wicks, Levitz, Walgreen, Saks, Nordstrom, Borders Books, Nieman Marcus, Gap, Dillard's, CompUSA--just to name a few? If there isn't room in Murrieta for them where will they look next? ]

F-3

These and other points seem to indicate a fiscal review that is incomplete and shortsighted.

Sincerely,  
Edy Rodarme  
35295 Billie Ann Road  
Wildomar

## Kathy Gifford - Wildomar Service and Fiscal Review

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**From:** "jon rodarme" <jonrodarme@hotmail.com>  
**To:** <Kgifford@rceo.org>  
**Date:** 11/13/2004 8:52 AM  
**Subject:** Wildomar Service and Fiscal Review

---

Dear Ms. Gifford:

At the Wildomar School workshop the presenter seemed taken aback when asked if their firm had considered what effect the same assessments that Murrieta is currently levying on their citizens would have if applied by and for the fledgling City of Wildomar. Of course that had not been a part of the study.

[ If the extra \$130 in assessments we in Wildomar would have to pay to Murrieta could be used here at home, that just might make Wildomar incorporation a working proposition! Why didn't they think of considering something so basic? ] I submit this lack of common sense renders the study useless.

| G-1

Jon Rodarme  
35295 Billie Ann  
Wildomar



To: Ms. Katherine Gifford  
Senior Management Analyst

11/12/2004

**My Comments in response to Muni Financial Study.**

Dear Ms. Gifford

I appreciate the opportunity to respond to Muni Financial' study. In order for one to be able to respond to this study on an item-by-item basis it would require many essays and possibly books to be authored. To prevent you or myself from major headache and reading fatigue I will only respond to some of the more evident shortcomings and discrepancies embedded in this study. In addition I will not get into reviewing all four scenarios as two appear to be non-starters. The two non-starters would be total annexation scenario and partial incorporation. Total annexation is not and has never been a possibility since it makes no sense to totally annex a fiscally viable community instead of allowing it to become a city of its own. The partial incorporation on the other hand is not viable since it deprives northern Wildomar from becoming a city since it will pull the rug from under it by taking the tax revenue base it has built in the southern portion over the last few years if not decades.

So lets look at the two remaining scenarios. Total Incorporation of Wildomar versus Partial Annexation of the Southern portion to Murrieta.

One scenario divides the community of Wildomar into North Wildomar and South Wildomar. [What is the logical basis for dividing Wildomar into two sections or who chose Baxter and Central, as a logical dividing line is not clear.] What is clear is that this is a cruel attempt to divide our community into north and south without any respect for the historical and/or human aspects of our community and very little or no respect for our life style! Unfortunately it is based on mere financial viability and the lucrative tax base it creates for Murrieta City yet denying the entire community of Wildomar from ever being able to have self-determination as a 120 year old community. The northern part would either remain as an orphaned stepchild of the county or be annexed to Lake Elsinore. This is if Lake Elsinore finds any portions of the Northern Wildomar worthy of being annexed. They may also choose to annex only the remaining tax revenue producing portions as well. Why not, we are having a big garage sale here in Wildomar and you too can come and cherry pick. Why would the Riverside County LAFCO even consider something like this is baffling to me. How would the County Board of Supervisors allow the City of Murrieta to take the most revenue producing sections of Wildomar and agree to take money from the other unincorporated areas of the Riverside County to support Northern Wildomar?

The Muni Study makes a finding that the partial annexation of southern Wildomar to Murrieta will be feasible within a fairly short period of time. Murrieta will benefit from annexing only the southern portion -why?

Did any one of us have any doubts that this section of Wildomar would be self sufficient and moreover might even be able to support the entire community of Wildomar as a city if the VLF allocation rules were not changed mid stream? Do they really believe we, as residents of Wildomar, do not know that? What motivated LAFCO to consider this option as a viable scenario? How is the County dealing with the wool being pulled over their eyes? [Do they consider the Riverside County Board of Supervisors equally ignorant of the fact that if Murrieta takes the tax-revenue producing portion of the Unincorporated Community of Wildomar, the County will be left with a lot less revenue to serve the other unincorporated communities of Riverside County or would have to ignore its duties to serving the leftover portion of Wildomar?]

H-3

This approach is not only an insult to the intelligence of the Wildomar Citizens but it is a greater insult to our Board of Supervisors and other Riverside County Officials. If the Murrieta City Council and Muni Financial find the so-called "Southern Wildomar" a prized acquisition, I am sure the County and the entire community of Wildomar is aware of the same fact. As a matter of fact, we think that the potential revenues for the Southern section are way under estimated to prevent the study from showing the true fiscal feasibility of the entire community of Wildomar even without factoring in the new VFL rules. I will explain the reasons for this assumption further in this point and counter-point assessment.

#### New Vehicle Licensing Fee (VLF)

The new VLF rule became effective in the middle of Muni's study and the effects were inserted into the study immediately. These rules are very new and the legislator is finding quite a few misunderstandings, miscalculations, errors, and shortcomings with it. There are many efforts in the California legislature to correct many aspects of these new laws. This law in practicality denies any community the ability to become a city and achieve self-determination for its residents. It would only allow those communities with an already well-established tax base to become cities and gain the rights to self-determination. It is almost guaranteed that the legality of these laws will be challenged since they are in direct contradiction to previous legislation providing assistance to various communities to become independent. The law cannot discriminate against those communities that are not immediately rich enough to be able to have local representation and self-government. The previous law assisted unincorporated communities with VLF funds for seven (7) years based on a population assumption equal to three times the number of registered voters in such communities. This would have meant a lot for Wildomar considering the community has one of the highest registered voter ratios in the state. As of last count we had approximately 9800 registered voters. This means the VLF funds we would have received would have been based on an approximately 30,000 population. The new VLF law needs modification to allow communities such as ours to attain local representation.



### Full Incorporation:

The Muni Study considers full incorporation as "Potentially fiscally viable assuming the same service levels as currently provided by the County, and assuming VLF revenues as provided under prior law. With the loss of VLF revenues under current law the new city would not be fiscally viable because it would face deficits in its first decade of operation".

What the Muni study assumes is that Wildomar's first decade has already begun since the numbers they are using are the 2003 numbers they have gathered from various government agencies and they are not trending these numbers on a logical basis.

H-4

The foundation for this statement is based on what appears to be the inconsistencies in comparison of the growth rate for the city of Murrieta and the adjacent Southern Wildomar.

- ❑ The study shows Murrieta's commercial and industrial development growing at a much higher rate than the adjacent properties in Wildomar.
- ❑ It concludes because of the zoning arrangements that Wildomar does not have enough commercial properties to create the proper tax base. It does not take into account the fact that cities are capable of adjusting the zoning to create sufficient commercial and industrial zones. Murrieta is consistently adjusting their zoning to accommodate various developments.
- ❑ Using the same rate of growth for commercial and residential properties as that of Murrieta's makes a lot more sense than using that of Northern California or Orange County's rate of growth, yet the study compares Wildomar with distant communities solely based on the proximity of the population.
- ❑ The study considers the entire area as separate and disconnected communities that are separated by an invisible yet impenetrable wall. When the study indicates that the growth in the Southern Wildomar is the result of the spillover from Murrieta's growth, it contradicts itself. It cannot explain why the growth would have a problem crossing Baxter and Central streets into north Wildomar.
- ❑ It considers Northern Wildomar constrained due to steep topography whereas the Southern portion has been able to absorb the majority of what the study calls the spillover from Murrieta. Current interest expressed in developing the Northern portions of Wildomar is in direct contrast to Muni's study. The topography of Wildomar is fairly consistent both in the Southern and the Northern portions. It is a fact that the Southern portion has received more grading but developers have no problem grading and leveling suitable properties in the northern portions of Wildomar as well. For those of us who have lived in the area and remember the Tuscany Hills before the tract homes were built there or the current location of the Lake Elsinore Walmart and Von's center on Grape Street, or the Church currently under construction off of Baxter on Monte Vista, it comes as no surprise. The only surprise here is the lack of engineering and planning knowledge and experience utilized in this study.

H-5

H-6

- [The study ignores the possibility of intentional design for the development of the Clinton Keith corridor.] The community of Wildomar has played a very active role in designing their future city. The long laid plan is and was to develop our commercial base along the 15 freeway at Clinton Keith, Baxter and Bundy Canyon freeway accesses. Like Temecula we want to put the majority of our new commercial and retail along the freeway as opposed to Murrieta putting many residential units along the freeway. H-7
- [The study does not look at the Corydon corridor where many commercial buildings are being erected and many high tech industries are moving in.] Granted the developments are currently on the city of Lake Elsinore side of the street but since there are no invisible impenetrable walls in the middle of Corydon Street there is no reason to believe that the development will not spill into Wildomar from that side as well. That area contains many viable commercial properties on Corydon and Mission Trail within the Wildomar community. H-8

### Redevelopment Project Area

The study glances at the Lakeland Village/Wildomar RDA Project Area and makes an attempt to educate the reader in the working of the RDA-PAs. Whether intentional or unintentional the study's failure to take into account the enormous contributions of the Redevelopment Projects both inside the boundaries of the RDA-PA or outside of such bounties is a major blow to the credibility as well as the sloppiness of this feasibility study.

The study fails to indicate that:

- The Lakeland Village/Wildomar RDA-PA is a thirty-year multi million-dollar (at one estimate the available funds to this RDA-PA will exceed \$400,000,000) project in its fifth year of existence and has only been able to participate in the development of the PA since the beginning of this year after the legal settlements were finalized.
- [The RDA-PA includes almost two thirds of the Lakeland Village area and approximately more than one-half of Wildomar including a good part of the southern portion of Wildomar yet the study considers this an insignificant factor. The RDA-PA funds will be spent to enhance the quality of life by constructing many new structures, while contributing to repairing, modernizing, beautifying, expanding of many existing structures, facilities, commercial and residential properties. Such spending over the next 25 years will create many jobs in Wildomar and Lakeland Village communities. If the inflow of hundreds of millions of dollars is not worthy enough reason to be included in this study we need to reevaluate the credibility of this study.] We either need a logical explanation for not including these large numbers into the study or find out if it merely fell off the radar screen by accident or were there other motives behind this process. This is too big of a factor to just be overlooked!!! H-9
- On page 15 of the study it indicates "Absorption is shown only in later periods of the planning horizon because the project area is not along interstate 15 and



therefore will not benefit from growth as soon as other areas of Wildomar".

One wonder which map were they looking at or did they look at the PA diagrams at all? One can also wonder if all other information they have used for developing a foundation for this study is equally deficient and inaccurate as the one regarding the Lakeland Village/Wildomar PA. I recommend you take a look at the map of the Lakeland Village/Wildomar RDA Project Area and this time focus your attention on the Sedco Hills section from Malaga on the north up to Bundy Canyon Road on the south and then from Mission Trail on the west to Cherry street on the east side. How the study missed almost two (2) miles of freeway frontage and how it does not include the section straddling the freeway from Lemon Street all the way to Bundy Canyon Road remains a mystery. These are all the areas that would receive the above-mentioned hundreds of millions of dollars for development.

H-9  
(CONT.)

- The study fails miserably to compare Wildomar with other communities that have tremendously benefited from developments by RDA-PA. Our RDA-PA encompasses a fairly large area. If the study had looked into the RDA-PA for the City of Murrieta and had compared it to the Lakeland Village/Wildomar RDA - PA they would have noticed or at least given some weight to all the development that was made possible by the Murrieta RDA-PA. Why is it that our RDA-PA is felt to be of no or little effect in our fiscal feasibility? Even if they had used a percentage factor they would have noticed the many community service buildings and properties constructed and purchased by RDA-PA funds. I am sure the City of Murrieta can provide you with the numbers but please use the "trust but verify" rules as Ronald Reagan used in the case of old Soviet Union.
- In addition, the Lakeland Village/Wildomar RDA is not limited to development only inside the PA boundaries. It can fund and participate in the development of various community projects outside the RDA-PA boundaries if such projects will enhance the quality of life for the residents inside the boundaries. Lakeland Village/Wildomar RDA-PAC has already allocated funds for quite a few projects and is currently working on many other projects and developments for the benefit of the community. The following are a few examples,
  - ✓ \$100,000 Lakeland Village/Wildomar RDA-PAC contribution towards construction of a flood control system on Lemon Street in Wildomar (Not inside the RDA-PA!).
  - ✓ \$300,000 Lakeland Village/Wildomar RDA-PAC contribution towards engineering and construction of flood control channels for Bryant Street in Wildomar (Not inside the RDA-PA!).
  - ✓ \$20,000 Lakeland Village/Wildomar RDA-PAC contribution for graffiti removal inside the RDA-PA.
  - ✓ \$10,000 Lakeland Village/Wildomar RDA-PAC contribution towards Wildomar parks educational fund.
  - ✓ Hiring of engineering consultant working on façade improvement as well as selection of a development theme within the PA.
- The study fails to take into consideration the fact that the Lakeland Village/Wildomar RDA-PA is also able and strongly intends to contribute

towards the construction of necessary safety facilities such as fire stations, police stations, paramedic facilities as well as libraries, community centers and other similar facilities for communities of Wildomar and Lakeland Village.

- The study accepts the City of Murrieta's information regarding police, fire and paramedic services at face value. Ronald Reagan's "trust but verify" rule should be applied here as well. [For the study to indicate that fire services currently provided by stations 75 and 61 to the Southern portion of Wildomar will improve by 1.5 minutes is hard to digest and defies logical thinking. How could they do it faster than a station (75) located in the southern section of Wildomar on Clinton Keith? Have they looked into Murrieta's current traffic disaster? ] H-10
- The study compares the current level of services provided by the Riverside County to the community of Wildomar to that of the city of Murrieta, yet it fails to take into account the fact that Riverside County Sheriff is equipped with more sophisticated tools and equipment than most of the individual cities. The County police services include SWAT teams, Bomb Squads, K9 units, Helicopters, Narcotic units, Forensic teams and so on. The same goes for the Fire and Paramedic services. H-11
- The study completely ignores the human cost and future potential damages caused by partial annexation of the southern portion of Wildomar. If Wildomar were not able to sustain itself as a city in her entirety, how would it be possible for her to ever gain self-sustainability after losing a big portion of her tax base? Have they looked at some similar cases and the resulting consequences? Have they asked the County regarding those communities that fell into this unfortunate trap and do they know what has happened to those communities? Can the Northern part of Wildomar become so distressed and dependent on the County that all of it has to be included into a much more expanded RDA-PA? H-12

Under any of the annexation scenarios whether full or partial the residents of the affected area will be required to pay Murrieta's special assessments to the tune of \$130 per residential unit. If the same fees were paid to the community of Wildomar it would amount to approximately \$750,000 annually. This number is based on Muni's statistics and numbers. According to the study (page 14) there are 5550 existing single-family units in Wildomar. There will be an additional 96 units for the 2004-2005 year (page 13). Adding these numbers together will result in a total of 5696 units. Multiplying this number by \$130 Murrieta fees and assessments from each unit will result in a \$740,480 annual income for the City of Wildomar. This will reduce the deficit to (\$98,520) or (1.8%) in first year of operation assuming the VLF funds are received based on the old rules. The deficit without the VLF funds will be (\$413,520) or (7.4%). H-13

Based on this approach and Muni Study's standards Wildomar would strongly be viable for incorporation.



What is even more encouraging is the prospect of Wildomar being a thriving city within the first five (5) years of incorporation. Here are the estimated numbers for the year 2010.

Assuming that Wildomar residents are paying the \$130 fees and assessment to Wildomar instead of Murrieta, the annual surplus in 2010 would be approximately \$50,000 without the VLF funds and approximately \$200,000 including the VLF fund under current laws.

### **Financial Inconsistencies.**

Comparing the financial data on pages 69 and 70 of the study makes one feel dizzy. Many of the numbers defy logic in a cruel way. During the first year under any of the four (4) scenarios various revenue numbers are fudged with. For the sake of keeping our sanity I will only compare the insanity of the Full Incorporation scenario versus Southern Wildomar annexation only scenario, although it is also worth to point out the difference between the tax revenue under full annexation versus full incorporation. [Somehow full annexation generates more property taxes than the full incorporation to the tune of \$713,000+ per year. The RDA Pass-Through funds also increase by \$6,000? ]

H-14

Now, let's go to our comparison of the revenue discrepancies between **Full Incorporation** versus **Southern Annexation only** for the year **2006**

<b><u>Revenues:</u></b>	<b><u>Southern Annexation only.</u></b>	<b><u>Full Incorporation</u></b>
Property tax	\$ 2,031,600	\$1,066,000
RDA Pass-Through	\$ 20,000	\$ 10,000
Property transfer tax	\$ 228,000	\$ 157,000
Sales tax	\$ 263,000	\$ NONE ?
VLF	\$ 1,927,000	\$ 1,927,000
Other Countywide Per Capita.	\$ 1,594,000	\$ 1,594,000
Other Unincorporated Per capita.	\$ 281,000	\$ NONE ?
Total revenues	\$ 6,344,600	\$ 4,754,000
<b><u>Costs:</u></b>		
Other Countywide- Per capita	\$ 5,593,000	\$ 5,593,000
Other Unincorporated Per capita.	\$ 165,000	\$ None
Police	\$ 1,579,000	\$ None
	\$ 7,337,000	\$ 5,593,000

Looking at the above numbers one should ask the following questions:

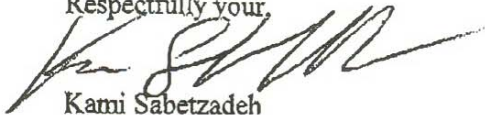
- How come the property tax revenue from the entire community of Wildomar is almost one half of the property taxes collected only in the Southern portion of Wildomar?

H-15

- Why are the RDA Pass-Through funds twice as much for the Southern portion only versus the entire area of Wildomar? | H-16
- How is Murrieta collecting \$71,000 more in property transfer taxes in the Southern Portion only, in comparison to the entire of Wildomar? | H-17
- How in the world does Murrieta generate \$263,000 revenues in sales taxes in the Southern portion of Wildomar when the entire Wildomar area is incapable of collecting even a penny in such revenues? Do the businesses in Wildomar stop operating if we become a city? | H-18
- One cannot help but wonder if we are still in Kansas? [How reasonable and logical is it for Murrieta to collect \$281,000 for services to other unincorporated areas yet only spend \$165,000 on them! What happens to the other \$116,000? Why wouldn't Wildomar as a city be able to receive similar funds?] | H-19

I think there is enough on both of our plates to chew on for the foreseeable future. To eliminate the inconsistencies, misinformation, lack of objectivity and sloppiness mentioned above will probably require a whole new study. I strongly demand a thorough and complete evaluation of all above mentioned questions and concerns and require that I receive a point by point response.

Respectfully your,



Kami Sabetzadeh  
21260 Cielo Vista Way  
Wildomar, CA. 92595

CC: Bob Buster, Supervisor 1st district  
Barbara Dunmore, County Executive Office  
George Spiliotis, LAFCO  
Bob Spenser, Muni Financial



**Attention Ms. Katherine Gifford**  
**Response to the Muni Financial Study**

I disagree with the Muni Financial findings that southern Wildomar can be annexed to Murrieta without harming the north part of Wildomar. The consequences would be devastating to Wildomar as a whole if this were allowed to happen.

I-1

In my opinion, Wildomar should be allowed to remain together and become a City. However, if Murrieta decides to annex only southern Wildomar, everyone who lives in Wildomar should be able to vote on it. Whatever happens to the South portion has a direct effect on the future of the North area. The south portion contains our hard worked for tax revenue base. If Wildomar loses the southern portion it will deny those in the North any chance to become a city. The County would have to continue supporting them because there would be no way for them to build up the tax base to become a city on their own.

I don't live in the southern portion and would be unable to vote and this is just not fair. The people I speak with in this area do not want to be annexed or want any portion of Wildomar annexed. We want to become a city. Wildomar has been here for over 100 years and we want to remain united.

The MAC and WIN committees have worked very hard to plan for the future of Wildomar as a city. The portion of Wildomar that Murrieta wants because of the commercial growth is a result of their hard work and dedication to having Wildomar become a city. There are still more ideas for further growth in the planning stages. We can do what it takes to become a City but we need all of Wildomar to remain united to do that.

If there should be a vote, you must allow all of the people of Wildomar to take part in it. Murrieta, in its greed to acquire our tax base and commercial properties, should not be allowed to destroy an entire community.

Kamron C. Sabetzaeeh  
21260 Cielo Vista Way  
Wildomar, CA 92595  
951-674-1472



Attention: Katherine Gifford

Comments in Response to the Muni Financial Study

I strongly disagree with the Muni Financial findings that southern Wildomar can be annexed to Murrieta without harming the north part of Wildomar. These portions of Wildomar are united in the common goal to become a City. If only the Southern portion were annexed, the consequences would be devastating to the entire community of Wildomar.

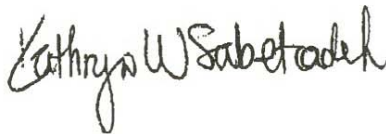
I prefer that all of Wildomar be allowed to remain together and become a City, but if Murrieta is given the go-ahead to annex the Southern portion of Wildomar, I feel that all of the citizens of Wildomar should be able to vote on it, not just the individuals in the Southern section. The reason for this is that whatever happens to the Southern portion has a very strong effect on the fate of the Northern portion. If the only the Southern portion is annexed, it takes the heart of Wildomar's tax revenue base with it. This will effectively deny those living in the Northern portion of Wildomar the chance to ever become a city. They would stay an orphan of the County and other areas that have had this same thing happen to them have declined and become places where no one really wants to live. So they would remain under the control of the County and the County would have to totally support them.

Therefore, I feel very strongly that all of the people in Wildomar, both those who live in the Northern area as well as those in the Southern portion, should have the right to vote and take charge of their own destiny. I feel that the overwhelming majority of those living in the entirety of Wildomar do not want to be annexed or want any portion of their community to be annexed. They want to become a city. Wildomar has a 120-year history behind it and a way of life that we want to be able to control and develop, as we feel best for the people and for Wildomar as a City.

To have people that only by chance live where our new tax base is in the Southern portion be able to take away the hopes and dreams of the rest of Wildomar is just not fair. There have been groups in Wildomar, the MAC and WIN committees included, dedicated individuals who for years have worked very hard and given their hearts and souls to the quest to become independent, to become a City. They too should have a say in what happens with the annexation scenario even without living in the "valuable" portion. Murrieta only wants this area because of the commercial development we have worked so hard to build. I strongly feel that Wildomar definitely has what it takes to become a City, even without the VLF monies. We have already begun to build a good tax revenue base along the Clinton Keith corridor, and there are more plans in the works to further develop along the I-15 through Wildomar. We in Wildomar have the drive and the desire to make this happen.

Do not tear apart our community without giving all of the individuals living in Wildomar the chance to vote regarding the annexation, either partial or whole. It would be a tragedy to have all the hard work we have done to become a City derailed by the greed of an adjacent predatory City, the City of Murrieta.

Kathryn W. Sabetzadeh  
21260 Cielo Vista Way  
Wildomar, CA 92595  
951-674-1472



**Kathy Gifford - Muni study regarding Wildomar**  
**Katherine Gifford, Principal Management Analyst**  
**Katherine Gifford, Principal Management Analyst**  
**Katherine Gifford, Principal Management Analyst**  
**Katherine Gifford, Principal Management Analyst**

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**From:** Gerry Stevenson <fredow@pe.net>  
**To:** <Kgifford@rceo.org>  
**Date:** 11/12/2004 10:45 AM  
**Subject:** Muni study regarding Wildomar  
Katherine Gifford, Principal Management Analyst  
Katherine Gifford, Principal Management Analyst  
Katherine Gifford, Principal Management Analyst  
Katherine Gifford, Principal Management Analyst  
**CC:** <District1@Co.Riverside.Ca.Us>

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> Katherine Gifford, Principal Management Analyst  
> Riverside County Executive Office  
> 4080 Lemon St, 4th Floor  
> Riverside Ca 92501  
>  
> November 12, 2004  
>  
> Thank you for the opportunity to share our comments on the Muni study  
> regarding the Wildomar Community.  
>  
> I believe that the study proved for once and to all the people who  
> said Wildomar can never be their own city, that Wildomar can be there  
> own city and the area considered the southern part of Wildomar would  
> be an asset for the future city of Wildomar.  
>  
> Sincerely,  
>  
> Gerry Stevenson  
> P.O. Box 292  
> Wildomar, Ca 92595  
> fredow@pe.net  
>  
>



# CITY OF MURRIETA

26442 Beckman Court, Murrieta, CA 92562  
Telephone: 909-698-1040 Fax: 909-698-4509



*Office of the Mayor*

November 12, 2004

Ms. Katherine Gifford  
Riverside County Executive Office  
4080 Lemon Street, 4<sup>th</sup> Floor  
Riverside, CA 92501

Dear Ms. Gifford:

Thank you for working with our staff to provide information for the Feasibility/MSR report that Muni-Financial prepared. As you are aware Bob Spencer was at a recent Council workshop to brief us on the study. As a result of the presentation we would like to offer the following additional information.

We are aware that the study had to be prepared on a fixed budget year being 2003-2004. However, since that time our City has been able to fund services like police and fire at a much higher level.

## Fire Services

For clarification, at what levels of service do the County fire cost assumptions include. Specifically, the cost of fire service to unincorporated or new City of Wildomar is \$849,000 in comparison for annexation the cost of service is \$1.1 million. The City constant staffing service level is one Captain, one Engineer and one Firefighter/Paramedic at all times. What service level is proposed for the new City of Wildomar?

L-1

As a supplement to the study the level of staffing within the City of Murrieta has increased by 30 percent with the approval of nine new Firefighter/Paramedic positions by Council on November 2. They will be in place by January 1, 2005 training for station 4. Additionally, the Fire Department's budget 2004-2005 is \$6,930,364, up over 17 percent from what the report indicates.

## Police Services

The current county standard for the sheriffs department is one per thousand; however, the study identifies that the ratio is .5 per 1000. This is the level of service that will be carried over to the new City of Wildomar. In comparison the study says that the level of service for the City is .64.

As a supplement to the study on November 2, 2004 the City Council approved funding for five additional police officers which will bring the City of Murrieta's

Ms. Gifford  
November 12, 2004  
Page 2

ratio up to .81 per thousand. [As indicated in the study upon annexation the City of Murrieta will budget to hire an additional eight officers, creating a new beat, and servicing the area at .81 per thousand. Furthermore, the City of Murrieta is on target to staff additional officers in the 2005-2006 budget that will bring the ratio in the City to .92 per thousand.]

L-2

Community Service/Parks and Recreation

The study assumed for cost purposes that there would be no park service in Wildomar. It also notes that three smaller parks, one of which is in the annexation area, would be reopened with accumulated funds and maintained for three years. Presumably after the three years there would need to be a mechanism to maintain these parks, shouldn't this be addressed?

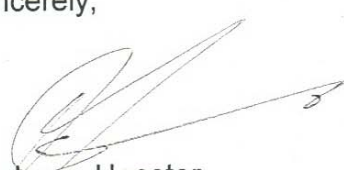
L-3

The City's standard of park service is five acres of park per 1000 residents. The City's current ratio is 4.15 per thousand; however, there is a sixty acre park under construction. Additionally, the Community Services District (CSD) continues to purchase and bank park and open space land as it becomes available. With regard to the annexation area, the City calculated that the area is 49 acres short of park land. [We are aware of fact that there is in excess of 100 acres currently owned by the Parks District, a portion of which will meet the 49 acre deficiency. The City of Murrieta is interested in negotiating a transfer of this acreage so that the park area can be developed and maintained for the residents.]

L-4

We look forward to the responses and will be presenting the same issues at the LAFCO meeting.

Sincerely,



Jack van Haaster  
Mayor

C: City Council  
Lori Moss