

## FREQUENTLY ASKED QUESTIONS REGARDING THE INCORPORATION OF SAN MARTIN

### Definitions

- How will we define the Towns boundaries and what rationale would be used to define the boundaries?

*Town boundaries must offer a revenue neutral solution and must make sense geographically. San Martin's Town boundaries will likely include the entire sphere of influence of San Martin. Final boundaries will be negotiated with LAFCO*

- What's the difference between becoming a Town and becoming incorporated?

*No difference. Incorporation, forming a city, forming a Town ... all refer to the same activity.*

- What does LAFCO stand for?

*Local Agency Formation Commission. LAFCO is a state mandated local agency set up to oversee the boundaries of cities and special districts, encouraging orderly boundaries, preserving agricultural and open space lands and discouraging urban sprawl.*

### Taxes

- Will taxes be raised?

*NO. State law requires that any new Town be revenue neutral; that is formation of the Town may NOT be based on an increase in taxes. The existing level of services must continue to be provided from the current tax base.*

*The Town Council and the registered voters would consider any future Town needs that would require additional funds. If the Town Council desired to raise funds through taxes or any other levies or assessments, it would do so after consulting with the residents and putting it to a vote of the people.*

- If we need to raise \$200,000 to form a Town, how can we say a Town will not raise taxes?

*Incorporation could cost anywhere from \$50,000 to \$200,000 depending on the requirements placed on San Martin by LAFCO and State law - most significantly, whether we need to do an EIR or not. This money would need to be raised by contributions and grants. With the States permission, state loans could be repaid by the new city of San Martin – but not by raising taxes, but rather by using existing funds that would become available to San Martin as an incorporated City.*

- The typical LAFCO township incorporation has a 60% sales tax and a 40% property tax revenue ratio. Do you anticipate 60% sales tax revenue? If not, will we have adequate property tax revenue considering the large percentage of the community protected by prop 13 (Jarvis-Gann)?

*The financial analysis shows about a 25% sales tax revenue and 40% property tax revenue and we are still revenue neutral. Transient occupancy tax and state motor vehicle license fees make up the bulk of the balance of general revenues.*

- Do you have a plan to improve the sales tax revenue percentage?

*Yes, a gradual increase in sales tax revenue is factored into the long-term financial analysis. By improving our commercial area - making it an appealing 'local serving' place to shop, we could easily improve revenue from sales tax.*

## **Finances**

- Where will the funds come from to run a Town?

*Funds come from existing taxes and fees that currently go to the County. Upon incorporation part of these funds will remain with the Town, sufficient to pay for the preexisting level of services. Refer to the financial analysis provided by EPS for details. The main sources of funds are property, sales, transient occupancy, and property transfer taxes along with franchise, planning, fines, and state motor vehicle license fees.*

- How can we be sure money that would normally go to the County will remain in San Martin to fund the Town?

*The financial departments in Santa Clara County and the San Martin Town Manager and Financial Assistant would manage this - with overview by LAFCO.*

- How will a Town affect property values?

*With land use development plans appropriate to a rural community, land values should increase.*

## **Services**

- How will services be affected outside a Town boundary, but within the sphere of influence?

*The County would continue to provide services to areas outside the Town boundary but within the sphere of influence while the Town of San Martin would provide for the services within the Town boundary.*

*Additional financial analysis done after the first financial feasibility study shows San Martin being revenue neutral even with the extension of the Town boundary to the full sphere of influence. Therefore we will most likely extend the Town boundaries to cover the entire sphere of influence and this question will be moot.*

## **Land Use Policies**

- Can the County override the Town's land use policies and or ordinances?

*No, but any City policies and ordinances must conform to State, regional and County policies and ordinances. In addition, the County still would exercise control over County-owned facilities, such as the Household Hazardous Waste Facility and South County Airport.*

- What is the plan to get the County's attention and to work with us on our priorities?

*There are two constructive efforts underway. The SMPAC has formed a task force which will eventually recommend changes to land use requirements in the Industrial and Commercial areas of San Martin. The County may or may not choose to follow those recommendations. Secondly, Incorporation is the most certain means to gain local land use authority.*

- How will a Township affect County owned land?

*County-owned land is not subject to local land use regulations, except under specific terms, such as those spelled out in redevelopment agreements between the two entities.*

- I understand there are a number of commercial/industrial endeavors you intend to ban. Do we have a position regarding acceptable land use?

*As with any multi-faceted endeavor, positions vary regarding what is deemed to be in the best interest of San Martin. This must be discussed within the community to develop a common view of what acceptable land use would be.*

*To preserve our rural environment we will likely want to discourage dirty and unsightly land uses in the industrial area. Instead we could consider other options such as nicely landscaped industrial R&D parks, local serving industrial agricultural businesses, and perhaps sports fields for our children. In the commercial area we would want to encourage local serving businesses such as restaurants, bakery, coffee shop, pet store, boutiques, tailor shop, etc.*

*Whatever the Town Council and community finally define, would need to conform to the San Martin General Plan and fit the rural environment of San Martin.*

- Would we adopt a policy to encourage inappropriate land uses in the town core to relocate?

*Once you define acceptable land use policy, any uses that exist in the Town that do NOT conform to those policies would become "legal nonconforming" uses. This allows the Town to encourage change as application is made for new land usage. The Town however must honor those landowners who have been making legal use of their land.*

*The real incentive for change will be financial reward. In the industrial area, for example, it will be more profitable to build industrial R&D facilities than to run a junkyard. In the commercial area it will become more profitable to have a local serving business once the obstacles for development are removed.*

- If we incorporate as a Town does that mean we'll have sewer and water lines installed?

*There is no plan at all to hook up sewer and water lines outside the industrial and commercial areas. The application for incorporation will stipulate that the residential agricultural community wishes to remain rural without sewer or water lines. The Town Charter will stipulate that sewer and water lines not be installed*

*outside of the existing industrial & commercial areas without a 2/3 vote of all registered voters.*

*On the other hand it is likely that at some point the San Martin Town Counsel would seek some form of wastewater treatment within the industrial and commercial areas if the investment would pay for itself. Wastewater treatment makes clean industrial applications and eateries in the commercial area possible.*

*The SMPAC Industrial Commercial Land Use Task Force will study the financial feasibility of various ways to provide waste treatment – such as self-contained water treatment plants or hook up to the sewer line for the industrial and commercial areas only.*

- I own a property in the commercial zone overlay. There is a café in San Martin. Can I put a café on my property?

*This is too specific a question with too few details. In general, it would be great to develop local serving, attractive businesses in the commercial area – and a café could help. But many questions would need to be answered- such as design and sewerage capability.*

- My neighbor is a hazardous waste transfer facility. A waste transfer facility does not seem to fit in a commercial area. What would you do to straighten this mess out?

*As an incorporated city any inappropriate plans for expansion could be denied. Over time the city could seek to downsize or eliminate the transfer operation through a buyout or eminent domain if that were legally the most appropriate thing to do.*

*As a side note: If this question refers to the Allwaste Transfer Facility at the South end of Town – this facility is in the INDUSTRIAL area, not commercial. The same general response still applies.*

- There are two RV parking facilities in the middle of the village. Is this any way to develop the village core?

*No, the core should have local serving businesses. However, a nicely designed RV parking facility might fit in the current industrial area.*

- Would you expect someone to develop a research business park next to a hazardous waste transfer business, a county household hazardous waste facility, a South County garbage transfer facility, a mushroom compost stockpile, or an automotive wrecking yard?

*No – however there is considerable industrial land, adjacent to the rural area, where it would be appropriate to develop a research business park.*

- Do you think it would be possible to develop a meaningful general plan without waiting for the county?

*Yes. The work being done by the Industrial/Commercial Land Use Task Force and the incorporation planning efforts will provide much of the content that*

*would eventually be incorporated into a general plan for San Martin. These efforts will be completed by the first city council along with community participation.*

- Will the new community have a policy regarding greenbelt areas and public parks?

*That needs to be developed by the elected Town Council in collaboration with the community.*

- Will equestrian and pedestrian paths along community roads have a priority for development?

*That needs to be determined by the elected Town Council in collaboration with the community.*

- I hear talk of a centralized well and centralized distribution system to address polluted drinking water. How will a Township affect such decisions?

*We are concentrating on wellhead treatment systems, which will restore safe water to all residents, their gardens and their animals. We are not considering a municipal water system. Such topics could be included in the Town Council's agenda if community residents wanted to look into this area.*

- Do you have a position with regard to planning and development of the village core?

*Yes. Again, we recognize that positions vary within the community on this issue – but we believe the village core should be made more inviting and appropriate as the center for our rural community. It should be more esthetically appealing, should contain local serving businesses (such as a bakery, restaurant, seamstress, feed store, etc.) and should have adequate public parking. Land use requirements will need to be clarified (such as where is the real 'build to' line); sewerage treatment will need to be addressed for this area only; and development money (grants and loans) will need to be found.*

### **Town Management**

- Can you run a Township with only volunteers?

*No. Although there will be a need for volunteer positions, members of the Town Council will receive token salaries of probably \$300 per month. The town will also need paid staff such as a city manager, a financial manager and professional planners. These requirements are comprehended and spelled out in the financial feasibility study.*

- Would we contract the building and planning functions with the county or with an independent contractor?

*Although the Town Council will determine this, it is thought that initially the new Town would contract for help from the County Planning Department. Over a period of 2 – 3 years the majority of the planning function would be brought into*

*the new town of San Martin as our own Planning Department is being developed, including Planners, Zoning, and Building Officials.*

- Will the new township have code enforcement?

*Yes, without code enforcement, the zoning rules and land use regulations would lack teeth. Code enforcement is a right Cities have.*

- Would you consider hiring a consultant to plan the development of the village core?

*Yes, the Town should consider hiring a consultant to HELP (along with community input) plan the development of the village core, subject to the availability of funds.*

### **Various**

- The County of Santa Clara appears to have saddled the San Martin community with facilities such as county airport, hazardous waste, Roads and Transportation yard, superior court branch, sheriff's office and public health clinic. Did the county have an ulterior motive by placing these facilities in San Martin?

*No. The County makes land use decisions to benefit the entire Santa Clara County and to benefit South County where possible. Rather than requiring South County residents to travel to the main offices in San Jose to conduct certain business, the superior court branch, sheriff's office and public health clinic provide these services locally. Decisions to place other facilities in San Martin, such as the hazardous waste, make economic sense for the County.*

*In contrast, the San Martin Town Council would be looking after the local rather than County- wide interest. Therefore, they would do a better job in planning land use and making decisions that served the interest of our community. As a Town, San Martin residents would have the ultimate say in its local land use planning.*

- We make "negative statements" regarding potential land use. I believe a conscientious effort should be made to put a "positive spin" on all township expectations and proposed policies regarding land use, as well as other issues.

*As an incorporated city the residents of San Martin exercise the most authority in land use planning. With proper planning San Martin could preserve its rural character and at the same time provide for expansion of local serving businesses. With proper planning urban sprawl could be restrained, and our children could have the same opportunities we have had to be close to livestock and farmland in our beautiful rural environment.*

- How would the incorporation process proceed and how long would it take?

*There are several phases to the incorporation process – determining financial feasibility; community dialogue; petition; LAFCO analysis, discussion and direction; completion of the application process; and finally a public vote.*

**Financial feasibility.** The SMNA commissioned Economic and Planning Systems to prepare an Initial Fiscal Analysis that would determine the financial feasibility of incorporating San Martin. EPS presented its findings in a public meeting at the San Martin Lions Hall on July 17<sup>th</sup>. This analysis is available to the public on the SMNA website. EPS determined it is economically feasible to incorporate San Martin as a self-governing city.

**Community dialogue.** The SMNA will facilitate a community outreach program to discuss the merits, concerns and mechanics of incorporation. We hope to afford every resident the opportunity to attend a discussion at a nearby neighbor's house and we will also schedule one or more Town Hall meetings.

We need to fully understand what it would mean to incorporate and then determine if there is adequate public support for incorporation. Much of the plan to incorporate that will be presented to LAFCO will be distilled from the public dialogue. This part of the effort should take between 4 to 6 months.

**Petition.** If there is adequate public support - we will need to have 25% of the registered voters sign a petition to be presented to LAFCO to proceed. Once we notify LAFCO of our intent to gather signatures we will have no more than 180 days to do so. With a sufficient number of petitioners, LAFCO will continue in the next phase of the incorporation process.

**LAFCO's role.** LAFCO will likely commission a comprehensive financial analysis of the proposed incorporation (this would be more detailed than what EPS prepared and be based on the latest available financial data). This will likely cost between \$30,000 and \$40,000. LAFCO will also review our proposal for incorporation with County and local government bodies to determine if they have any concerns with the incorporation. LAFCO will also hold public hearings on the subject. Then LAFCO will tell San Martin what else it must do to meet the requirements of forming its own city government. Additional planning or analysis may be needed. It is also possible that LAFCO would require an environmental impact report be prepared. Once all requirements have been met, LAFCO would recommend whether the incorporation meets all mandatory findings under State law; if so, then the proposal for incorporation would be recommended for placement on the next election ballot.

**Public vote.** The proposal to incorporate would be placed on the next November ballot and would require a majority vote to pass. On the same ballot, residents of San Martin would vote for their first Town council – should the measure pass.

**How long a process?** If the community supports the incorporation process, it would likely be placed on the ballot in November 2005.