

SAN DIEGO
DRAWN
SOLANA BEACH CA. 92075

MARY DULL

PUBLIC AFFAIRS RESEARCH INSTITUTE
SAN DIEGO STATE COLLEGE

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SOLANA BEACH, 1959

By

Don B. Leiffer

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PUBLIC AFFAIRS RESEARCH INSTITUTE
San Diego State College
San Diego, California

April, 1959

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San Diego State College

PUBLIC AFFAIRS RESEARCH INSTITUTE
SAN DIEGO 15, CALIFORNIA

April 13, 1959

Mr. Carl Tascher, President
Solana Beach Chamber of Commerce
Solana Beach, California

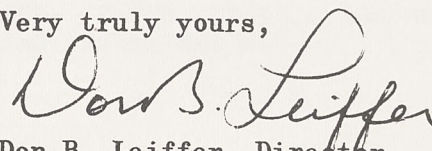
Dear Mr. Tascher:

In fulfillment of our agreement, we are submitting herewith the results of our study of Solana Beach and the various future governmental alternatives available to the community.

We have endeavored to present in both written exposition and chart form the factual basis for public decision-making. The advantages and disadvantages of the various possibilities have been explored and the results are displayed in the pages which follow.

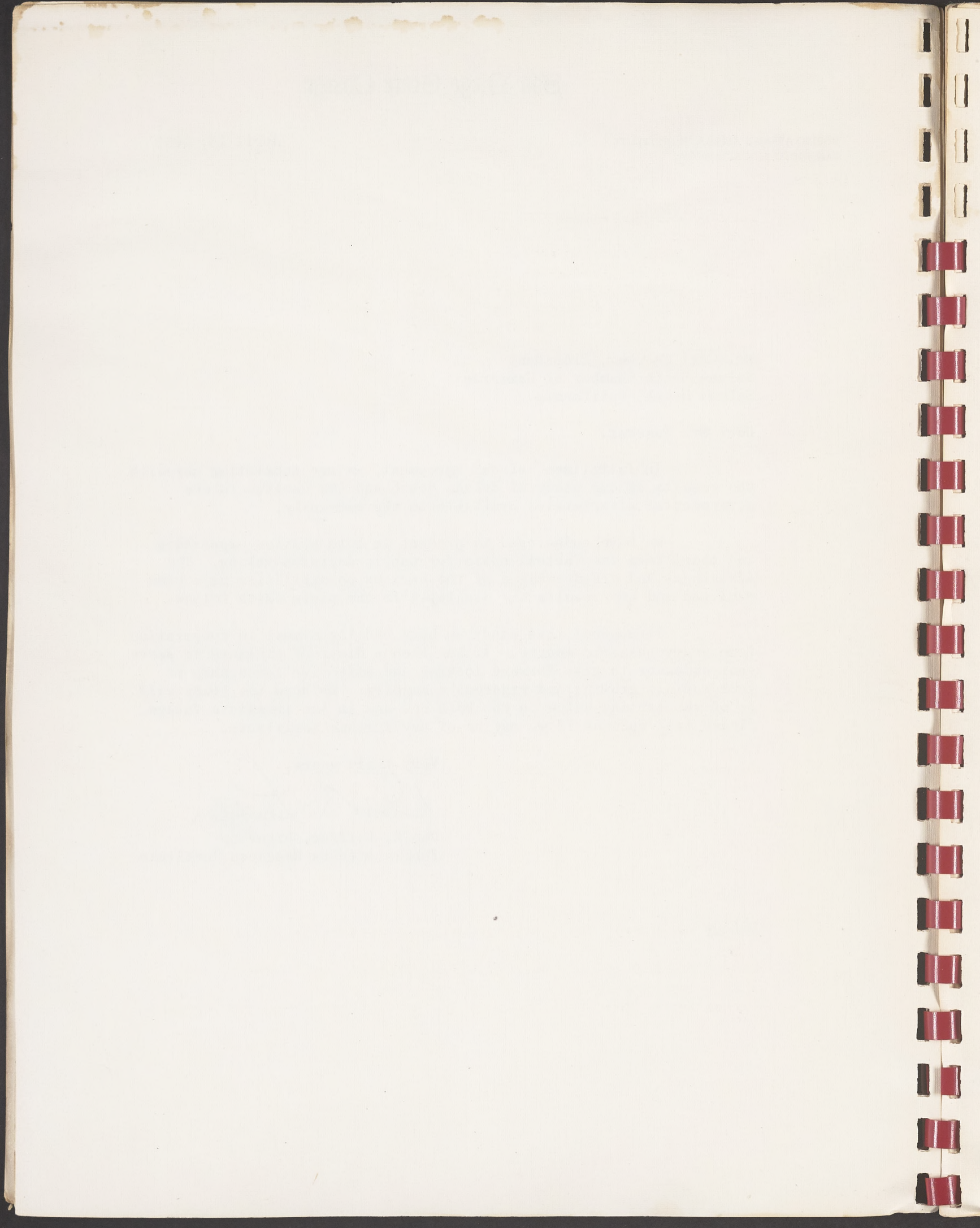
Throughout this study we have had the utmost in cooperation from every possible source. It has been a distinct pleasure to serve your endeavor to give forward-looking and effective leadership to your rapidly growing and vigorous community. We hope the study will be of substantial value to you both now and in the immediate future. Please call upon us if we may be of any further assistance.

Very truly yours,



Don B. Leiffer, Director
Public Affairs Research Institute

DBL: jw



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Members of the Board of Directors and the Secretary of
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Publisher of The San Dieguito Citizen
Fire Chief of the Solana Local Fire District
Officials of the Santa Fe Irrigation District
Members of the staff of the City Manager, the Division
of Administrative Management, and the Planning Department
of the City of San Diego
The Chief Administrative Officer of San Diego County and
members of his staff
Department heads of the County of San Diego
Officials of the Public Works and Planning Departments
of the County of San Diego
Statistical compilations of the State of California
Officials of the California State Board of Equalization
Reports of San Diego County officers
The San Diego Gas and Electric Company
Budget documents of several California cities

We especially wish to thank Mr. Albert Hogan and Dr. C. F. Brass for their helpfulness. Appreciation is also expressed to Mrs. Joyce Wells for her assistance in the preparation and typing of the manuscript, and to Mr. Marvin Dull for the cover and map work.

While the authors appreciate all of the assistance which has been given them, they wish to acknowledge full responsibility for the form, data, and conclusions contained in the report.

I.

SUMMARY AND CONCLUSIONS

The delightful residential community of Solana Beach is in the midst of a great expansion period. New homes are going up, more people are moving in, and more are coming in the years immediately ahead. There will be more business, more commerce, and more industry. Of equal importance to the citizens and property owners of Solana Beach is the great population and area growth of the City of San Diego and its suburbs. The city itself now reaches the southeast boundary of Solana Beach. All this means that the community is becoming increasingly urbanized and suburbanized, and is perforce a part of the total metropolitan complex of greater San Diego.

From all this development two conclusions may be drawn, and one question must be raised. One conclusion is that Solana Beach will need, and circumstances will demand, more urban-type services, and there will be a corresponding increase in the costs of government. The other conclusion is that time is an important factor if an orderly and desirable growth is to be promoted and controlled. The question which must be posed is, of course, how will this all be done with proper protection of the public interests and prudent use of public monies.

The pages which follow seek to deal with possible answers to this basic question. At present the services provided by the County of San Diego and by the special districts currently operating appear adequate. It is not likely that this will remain so for long, for the situation is too dynamic.

Additional functions and higher levels of service will be required as well as stricter control of planning and zoning. There is also an understandable desire for control to be exercised locally. Some definite action by the citizens

of Solana Beach within the next three years is indicated. This is the time for decision.

Of all the alternatives available at the present writing, the following appear to be most feasible: (1) annexation to the City of San Diego, (2) incorporation, (3) incorporation using the "Lakewood Plan", and (4) incorporation of Solana Beach and Del Mar as a single entity. Under all of these options, water would continue to be provided by the Santa Fe Irrigation District, and education by the existing school districts. No change is contemplated in the assignment of responsibilities for the performance of these two very important public services.

The study indicates that Solana Beach possesses the necessary bases for incorporation, and incorporation is a genuine possibility provided that the people are willing to assume the increased financial responsibility to gain the greater degree of local control that incorporation provides. The budgetary figures presented in the report for incorporation are minimum and conservative. It is to be anticipated that if the community does incorporate, its expenses, both aggregate and per capita, will undoubtedly increase as the years pass. Incorporation under the Lakewood Plan would presumably be less expensive, but there would continue to be considerable control exercised over the community by the County of San Diego with whom the "Lakewood contracts" would be made. While it would appear that the Lakewood Plan would be financially reasonable, it must also be said at this time that it would be the most unpredictable. The option of a consolidated incorporation with Del Mar raises an additional set of questions, for such action would require the consent of the Del Mar community. This consent, of course, is conditioned upon the success of the incorporation movement now under way in Del Mar.

Annexation to the City of San Diego would provide the largest number

and highest level of services indicated in any of the alternatives studied. There would be the benefits of large-scale operation and the availability of specialized and technical skills. Whether this compensates for the loss of local control over local affairs is a question which only the citizens of Solana Beach can rightfully answer.

Attention is given in a concluding section of the report to the governmental requirements of the area immediately to the east and north of Solana Beach which is closely associated with the community, both economically and socially. The governmental future of this area is also tied closely to that of urban Solana Beach. At the time of incorporation or annexation, the contiguous area can indicate its desire to join the action or reserve the decision for a future date.

II.

THE COMMUNITY

Solana Beach as a community now stands on the threshold of large-scale development. The quiet, attractive seaside community finds itself among those affected by the whirlwind expansion of Southern California. A pattern appears to have developed within Solana Beach during its World War II expansion that has favored a realistic approach to growth and urbanization. This pattern remains today and is evident to the outsider who takes a closer look inside.

There is a significant history of civil organizations that have put forth time and effort to make Solana Beach a better place in which to live. Early organizations include the Solana Beach Planning Committee which was instrumental in developing much of the downtown area. From the very earliest period, citizens of Solana Beach have been interested in the orderly development of their community. The Chamber of Commerce, created in 1944, was the outgrowth of several earlier organizations. It has since been concerned with the balanced expansion of the region, and has been responsible at least in part for the introduction of several governmental services, including zoning, and for attracting a number of industrial and commercial businesses to the area. This study is the result of the interest of the Chamber in the future of Solana Beach.

Other civic organizations have contributed to the community's development. The Women's Civic Club, in addition to other projects, has contributed to the beautification of the "Plaza", which serves to identify the community today. Two service clubs, the Optimists and the Kiwanis, are active in the community. In addition there are local newspapers and community social and cultural activities.

Solana Beach is more than just another suburb in San Diego County; it is in the best sense of the word a community. A degree of cohesion and unity of purpose among its citizens clearly exists. The decision to look ahead at this time, before problems become crises, attests to an unusual development of community spirit. Although Solana Beach is a new urban area, a community of younger people in which many of the working population leave the area as daily commuters to outside employment, there is, nevertheless, a high degree of interest in local affairs.

When compared to many other unincorporated regions of San Diego County, Solana Beach shows a better balance in its industrial, commercial and residential development. Some of the features of this balanced development deserve mention. In December 1958, the area contained a total of 117 business establishments of which 12 were industrial. Employment in the industrial businesses alone now stands at an average of 400 persons with an annual payroll of approximately 2½ million dollars. These industries, moreover, are all of the light manufacturing type and are non-nuisance creating.

There is a new bank, a one year old supermarket and another under construction. In addition, there is an adequate variety of retail businesses to serve the community. Professional services are available for medical and dental needs. All the usual household service and general repair businesses are established. A hotel and a theatre are included in the downtown district, and, at the last count, 8 motels were available for the visitor in Solana Beach.

The community has five places of worship, two fine beaches within walking distance from the Plaza and two excellent county parks within a few minutes driving distance. An agreeable, moderate climate further contributes to pleasant living. Recent developmental trends indicate that Solana Beach will consolidate its position as a middle and upper middle class residential area.

There were over 1,235 residential dwelling units at the start of 1959. There were two elementary schools, a junior high school, and a private military academy. A high school is soon to be constructed to the northeast of the area.

History

Early Spanish padres referred to the stretch of land north of the San Diego River as "Solana Del Mar" -- pleasant, sunny place by the sea. From this comes the present-day name, Solana Beach. The townsite, however, was not platted until 1923, some two centuries later. With the exception of the first years of the Great Depression, the community grew at a gradual and steady pace. The post office and the Santa Fe Irrigation District were established in 1923. The justice court was created in 1930, and county lifeguard service at the beach was provided in 1941. Fire protection was inaugurated in 1949, and the first sewers were installed in 1950. There has been a public elementary school in Solana Beach since 1872.

Physical Description

Solana Beach occupies a portion of the narrow coastal plain which extends along the Pacific Coast from the Oceanside area southward to the mouth of the Sorrento Valley, where it widens out to include a portion of the broad Kearny Mesa. Directly north of Solana Beach is the San Elijo Lagoon, and south is the San Dieguito River Valley. The coastline between these two points is edged by a sea cliff of about 75 feet in height. A beach ridge borders the sea cliff, rising to about 25 feet above the land lying to the east, creating a broad "valley" between the ridge and the base of a slowly rising hill to the east. A vista of gently rolling land extends eastward from this hill. On the coast, immediately north of Solana Beach is the small unincorporated community of Cardiff; to the south lies Del Mar. Rancho Santa Fe lies a few miles eastward.

A northern extension of the City of San Diego reaches around Del Mar and touches the southeastern portion of Solana Beach.

The hinterland of Solana Beach to the east and to the north may be considered as within the developmental area of the community. (See map, page 18) Subdivision activity will undoubtedly spread east, and perhaps north, from Solana Beach, and the region is economically closely associated with the community. If Solana Beach incorporates, all or portions of these areas might be included, or annexed at a later date.

Present Government

The present government in Solana Beach, an unincorporated community, is that of the County of San Diego. The County provides such services as police protection, road maintenance, animal control, planning and zoning, building inspection, library, beach cleaning and lifeguard service, and public health protection. The State of California furnishes traffic control and maintenance of Highway 101. The Solana Beach Sanitation District has extended sewer service to a portion of the area, and proposes to annex some other sections in the very near future. Water is provided by the Santa Fe Irrigation District, and fire protection by the Solana Local Fire District, each of which is governed by its own elected board of directors. The Solana Beach Public Highway Lighting District contains 16 4,000-lumen lights, and the Eden Gardens Lighting District has 12 such street lights. Maps on pages 16 and 17 show boundaries of certain special districts. Schools are administered by the Solana Beach Elementary School District and the San Dieguito Union High School District.

Study Boundaries

The area selected for study in this report is basically that of the Solana Local Fire District. (See map on page 16) This area was selected

primarily because it is the region which might most readily support an incorporated municipality, one of the major governmental options discussed in this report. The area studied encompasses 1,725 acres and contains almost all of the existing urban development. Population is in excess of 4,300 and the 1958-1959 assessed valuation is approximately \$4,888,530. Due to extensive development of the region in the past year, a considerably higher assessed valuation is expected in 1959-1960. Except for the northeast portion, the entire area has been zoned, with the greatest portion reserved for residential use. There is a commercial zone along the west side of present Highway 101, and a similar small zone in Eden Gardens. The Santa Fe Railway parallels the highway on the east, and there is additional commercial and some industrial zoning on the eastern side of the tracks.

Some Estimates of the Future

It seems likely that for the immediate future Solana Beach will develop very rapidly. It is further anticipated that this development will include additional commerce and industry. On the whole, however, the area will remain primarily residential, with a predominance of moderately expensive single-family dwellings. With the relocation eastward of Highway 101 as a freeway in two years or more (see map on page 17), it is likely that tourist-type of commercial activity will diminish in importance. Population of Solana Beach will reach 7,000 by 1965, and 15,000 by 1975. A "saturation" population of some 20,000 in the study area may be expected at some later time. Total assessed valuation will likely rise to \$9,800,000 in 1965, and to \$23,250,000 by 1975, based on present price levels. Per capita assessed valuation will probably increase sharply in the next five years. Table I presents this information in tabular form.

The purpose of this report is to provide a review and analysis of the problems that may be anticipated in the growth of Solana Beach. The influence

of the rapid expansion of the San Diego Metropolitan Area is already apparent. Increases of population, building activity, business activity, and traffic plus the increasingly intimate linkage with the economy of the entire metropolitan area are all instruments of change. All these changes call for a further examination of the governmental services required and the manner in which they ought to be furnished in Solana Beach.

TABLE I

ESTIMATED POPULATION AND ASSESSED VALUATIONS
IN SOLANA BEACH, 1959-1975

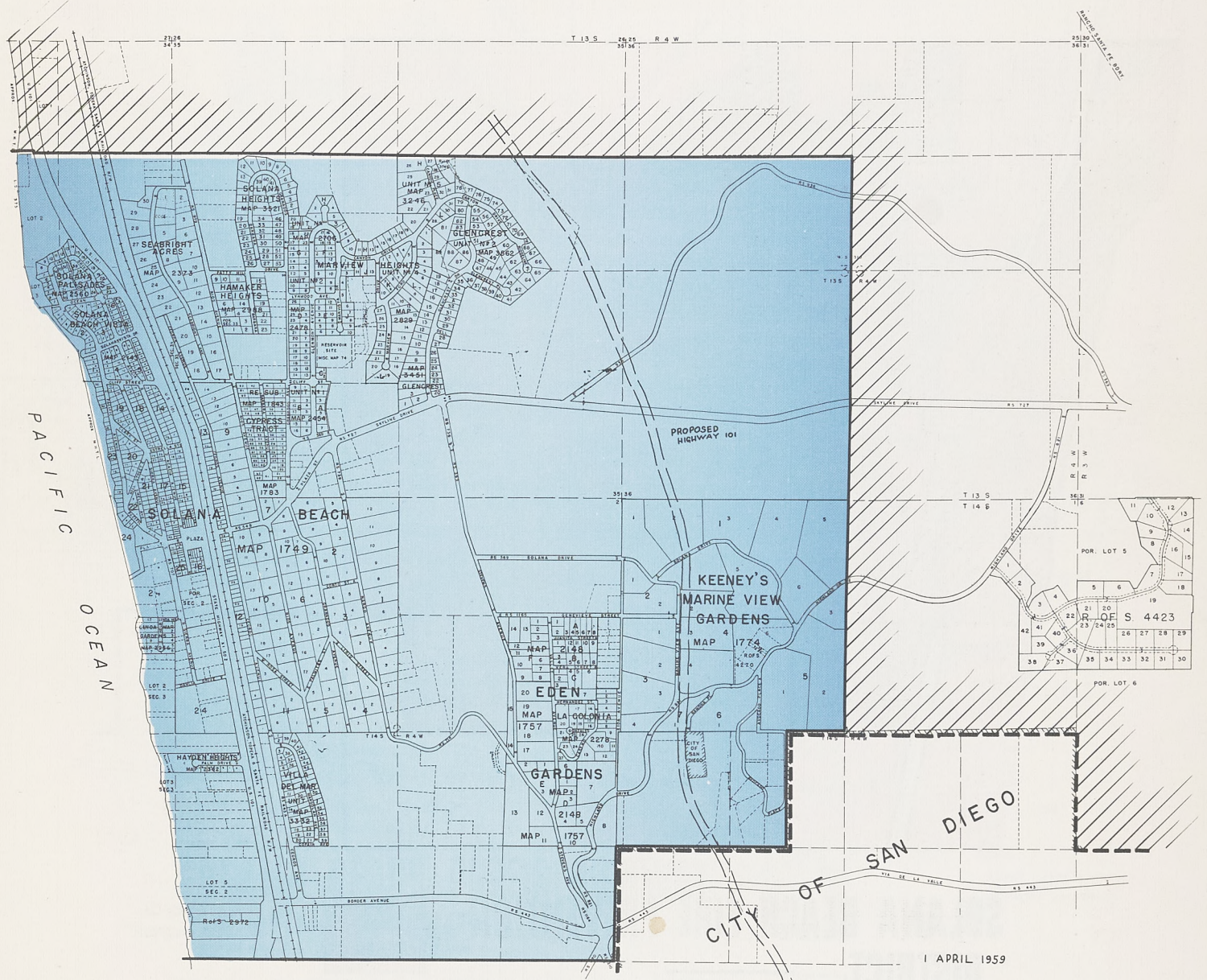
<u>Year</u>	<u>Population</u>	<u>Dwelling Units</u>	<u>Assessed Valuation</u>	<u>Per Capita Assessed Valuation</u>
1959	4,323	1,235	\$ 4,888,530	\$1,130
1965	7,000	2,000	\$ 9,800,000	\$1,400
1975	15,000	4,285	\$23,250,000	\$1,550

TABLE II

ESTIMATED POPULATION AND ASSESSED VALUATIONS
IN SOLANA BEACH - DEL MAR, 1959-1975*

<u>Year</u>	<u>Population</u>	<u>Dwelling Units</u>	<u>Assessed Valuation</u>	<u>Per Capita Assessed Valuation</u>
1959	7,900	2,250	\$10,778,530	\$1,364
1965	12,200	3,486	\$19,032,000	\$1,560
1975	22,300	6,365	\$37,910,000	\$1,700

*A revision of assessed valuations in the Solana Beach and Del Mar Union School Districts has been commenced by the County Assessor's office. The revised valuations, while available for individual parcels, were not available in summary form at the time of printing. The revised valuations will not be official until posted on the assessment rolls sometime in May. The trend in valuation change is upward; this will cause a rise in the per capita assessed valuation figure for 1959.

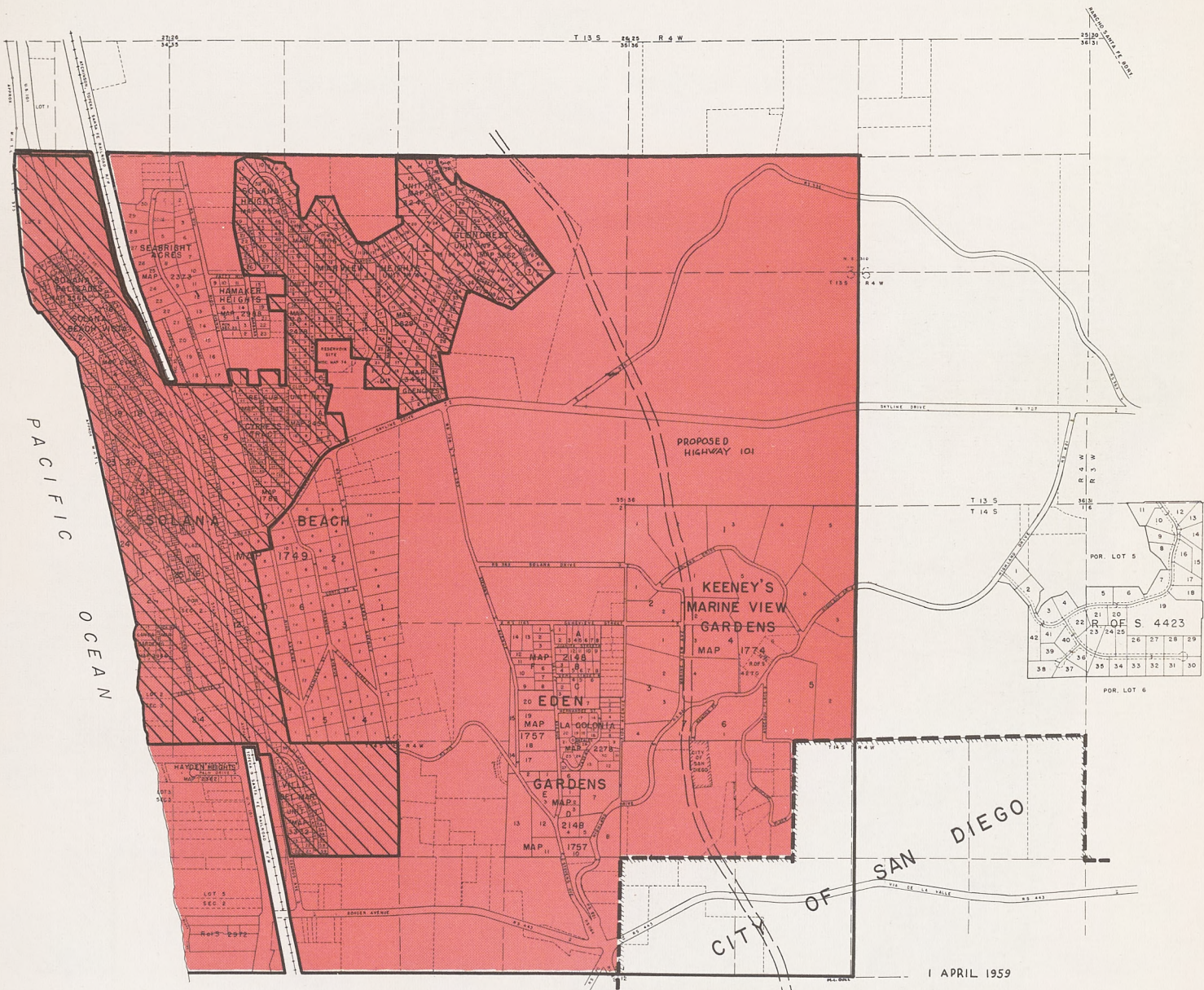


AREA INCLUDED IN STUDY



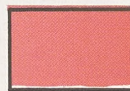
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SOLANA BEACH FIRE PREVENTION DISTRICT

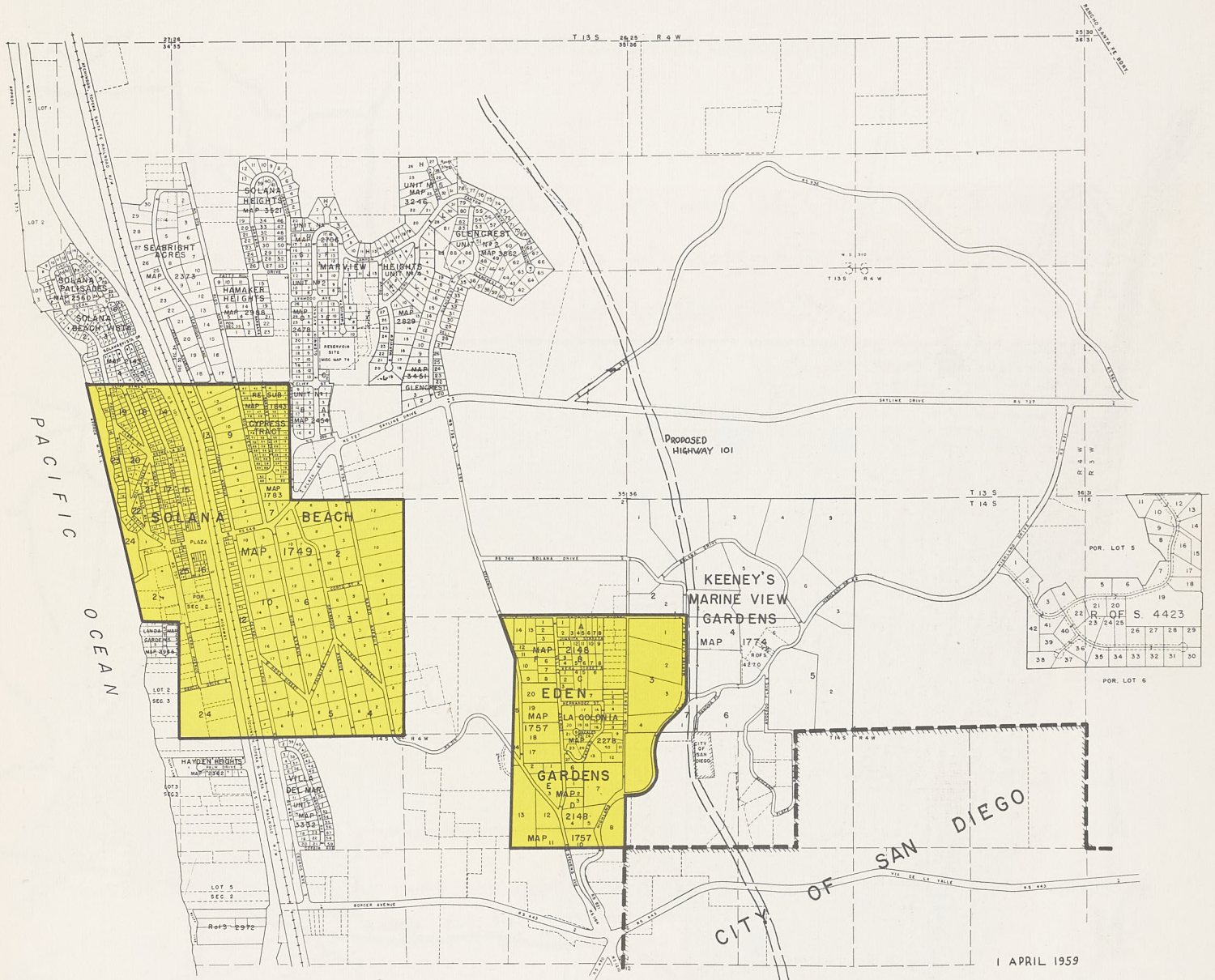
SOLANA BEACH SANITATION DISTRICT



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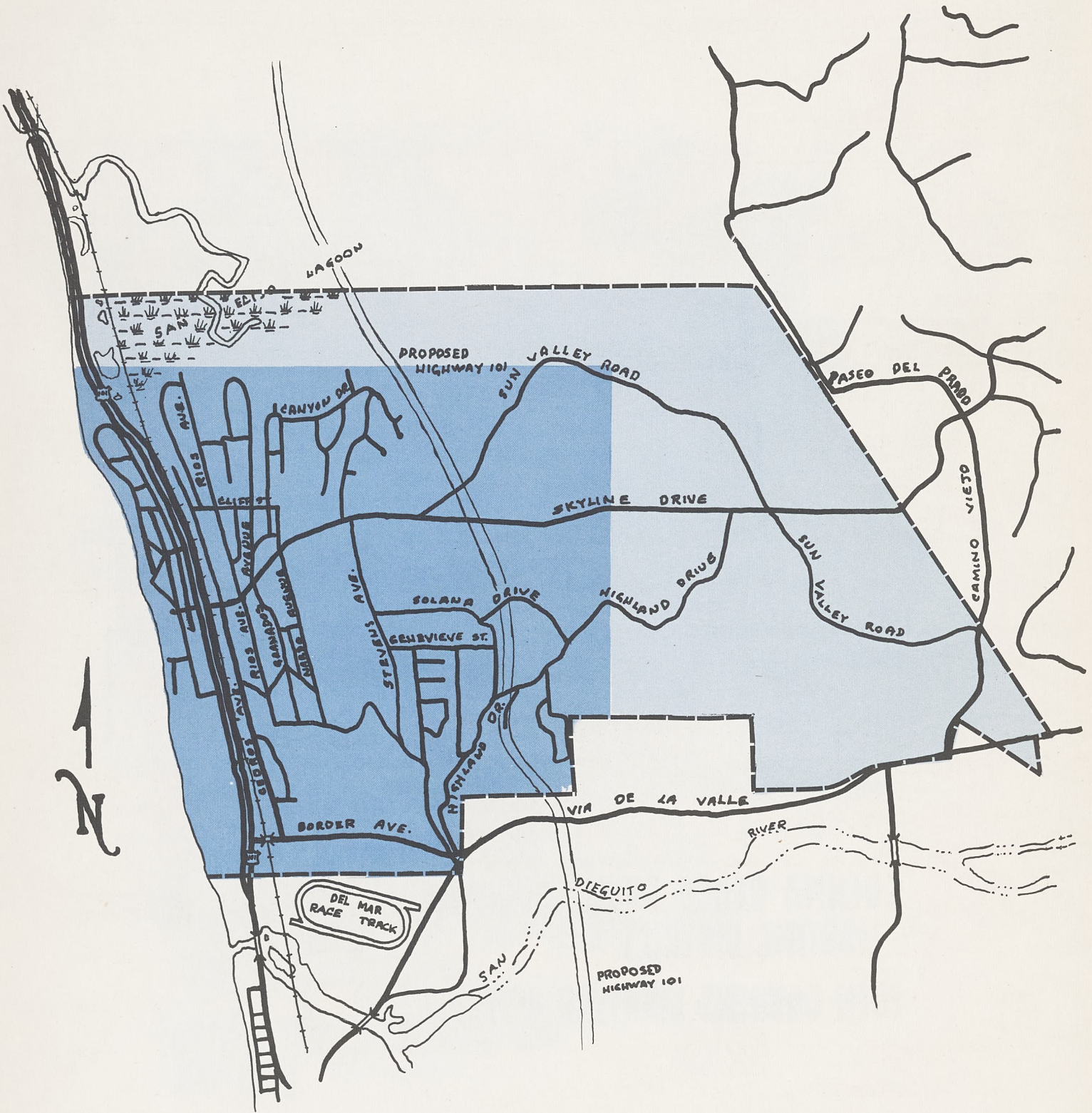
**SOLANA BEACH PUBLIC HIGHWAY
LIGHTING DISTRICT —**

EDEN GARDENS LIGHTING DISTRICT



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SOLANA BEACH AREA
AREA UNDER STUDY
AREA OF POTENTIAL GROWTH

III.

SERVICE NEEDS AND GOVERNMENTAL ALTERNATIVES

Service Needs

As an urban community, Solana Beach needs urban services. Within the next few years the degree of urbanization will increase markedly, and the agricultural and semirural hinterland will be steadily rolled backward. As this occurs, the need for more governmental services will be felt. At some time in the future, Solana Beach will undoubtedly require a full complement of municipal services.

At present, however, the type and level of governmental services seems adequate. There appears to be no great dissatisfaction with the functions performed by governmental units within the study area. The evidence available indicates that services now obtained from the county and through special districts are furnished in an efficient and satisfactory manner. Many members of the community, however, desire a greater degree of local control over planning and zoning. They feel that certain long and short-term goals for Solana Beach can be more assuredly reached when control of planning and zoning rests more directly in the hands of residents. This feeling does not imply a disapproval of the planning and zoning services rendered by the County of San Diego.

Within the next few years additional needs may be expected for police protection, traffic control, and sewerage facilities. When the region becomes more intensively developed, additional services may be required as well as continued expansion of existing services. These would include a park and recreation program, more street lighting and street sweeping. An adequate water supply seems assured for at least a decade to come.

Governmental Alternatives

There are a variety of instruments by which local governmental services may be provided for Solana Beach. These include formation of either a county service area or a community service district, addition of certain other special districts for particular services, making no changes whatsoever, annexation to the City of San Diego, and incorporation. From the standpoint of present and future needs of the urbanizing area of Solana Beach, four main alternatives are considered feasible, three of which involve incorporation:

- (1) Annexation to the City of San Diego,
- (2) Incorporation, with the city providing its own services,
- (3) Incorporation, utilizing the "Lakewood Plan," if it is available, and
- (4) Incorporation of Solana Beach and Del Mar as one community.

Under each of the proposals schools and water supply would be administered by special districts now performing these functions. Table III, page indicates the level and manner of administration suggested for each of the major services which Solana Beach now obtains or will need in the near future, under each option.

Financial Implications

Increase in local governmental service generally must be compensated by revenue obtained from local residents. Therefore, over a period of the next few years, as governmental services expand, Solana Beach citizens may expect a higher per capita expense for local government, although funds may not necessarily be obtained by the property tax. In addition, community growth and development usually calls for relatively high capital expenditures to provide expanded levels of service needed for education, sanitation, fire protection, police protection,

recreation, and other amenities. Certain other improvements, streets, sidewalks, and curbs, for example, may also be required. These latter are usually paid for by benefited property owners through special assessments under 1911 Act procedures. There is further a general trend throughout the country for local government expenses to increase at the rate of 5 to 15 per cent per year. This increase is not directly related to growth, and appears even in communities where little or no growth is taking place. The increase is due in part to inflation and in part to the demand for more services by citizens. Practically all urban areas may expect to be affected by this trend. On the whole, therefore, citizens of Solana Beach should expect to be confronted with higher per capita expenses for local government regardless of the alternative adopted to provide services.

Governmental costs will also tend to rise in ratio to the number and level of services demanded. One widely observed political fact may also be noted: a local government which commences operations on a minimum budget and provides for no more than minimum functions may expect to be faced with many requests from residents for additional services. It is very difficult for local governing bodies to refuse many of these, and the result is usually an increase in the property tax rate.

The Choice of Alternatives

The decision to incorporate or annex to another city is a serious step; a deliberative and informed approach is well worth the time involved. While legally a municipality may disincorporate or a community may de-annex from a larger city, in practice these occurrences are extremely rare. The result is that when incorporation or annexation occurs, it is generally a permanent matter.

Several criteria should guide citizens in making a decision regarding the governmental future of their community. Ability of local residents to have

<u>Street Maintenance</u> (improvements generally made by abutting owners)	Maintained up to present standards by county. Highway maintained by state	Maintained up to present standards by city. Highway maintained by state	Provided by city department of 3 positions. Highway maintained by state	Contract with county for present level of services. Highway maintained by state	Provided by city department of 6½ positions. Highway maintained by state
<u>Street Lighting</u>	Two special districts within Solana Beach	Take over districts Provide lights at all intersections in Solana Beach	Take over districts	Retain districts as presently operated	Take over districts Provide lighting on present 101 in DelMar
<u>Refuse and Garbage Collection</u>	Private contractor	City of San Diego once a week	Private contractor	Private contractor	Private contractor
<u>Water</u>	Santa Fe Irrigation District	Would remain in Santa Fe Irrigation District for time being	Santa Fe Irrigation District	Santa Fe Irrigation District	Solana Beach by Santa Fe Irrigation District. Del Mar might annex to this District and pay appropriate costs to do so
<u>Parks and Recreation</u>	County year-round lifeguard service at one station and summer service at another	Summer lifeguard service at both stations. School playground recreation program	City lifeguard service somewhat reduced. No park or playground program	Contract with county for present lifeguard service	Lifeguard service only by city at present level
<u>Library</u>	County Free Library District	Replace Free Library with Book-mobile service	County Free Library District	County Free Library District	County Free Library District
<u>Sewers</u>	Provided by Sanitation District and septic tanks	Take over present system & expand treatment plant	Retain District as presently operated	Retain District as presently operated	Retain District in Solana Beach. Provision of sewers for Del Mar is discussed in <u>Report on Del Mar</u>

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TABLE III

COMPARISON OF SERVICES AVAILABLE

MAJOR SERVICES	PRESENT	ANNEXATION TO CITY OF SAN DIEGO	INCORPORATION PERFORM OWN SERVICES	INCORPORATION LAKEWOOD PLAN	INCORPORATION SOLANA BEACH - DEL MAR
<u>Planning and Zoning</u>	Area 80% zoned. County to begin a community planning study in near future	Eventual land use and zoning study (as is usual)	Local control by council and a planning commission assisted by small department of plan- ning (1 position)	Local control by council and a planning commission	Local control by council and a planning commission assisted by small department of plan- ning (1 position)
<u>Police Protection</u>	Intermittent sheriff patrols. Other personnel on call. Traffic con- trol by highway patrol	One 24-hr general patrol car, one 24-hr traffic patrol car, six additional officers during fair & horse racing periods	5-man department, including 1 patrol car. Extra patrol- men during fair & horse racing periods	Contract with sheriff for half- time patrol car, plus extra assist- ance during fair & horse racing periods	8-man department, including 1 patrol car. Extra patrol- men during fair & horse racing periods
<u>Fire Protection</u>	Provided by Solana Local Fire District 4 full-time firemen plus "call" men. 4 pieces of equipment Fire station	Take over district Add 5 men, new 1200 gal pumper	Take over district as a city department	Take over district as a city department	Take over district as city department Add fire station, pumper truck, 3 full-time firemen plus "call" men in Del Mar. Expansion of hydrant system
<u>Building Inspection</u>	Provided by county Costs covered by fees	Provided by San Diego under city standards	Provided by a "part-time" city department (1 position)	Contract with the county for present service. Costs covered by fees	Full-time building inspector, with some clerical assistance

TABLE
COMPARATIVE PROPERTY TAX RATES

TYPE OF TAX OR COST	PRESENT SITUATION		ANNEXATION TO SAN DIEGO	
	Rate	Tax Bill	Rate	Tax Bill
Taxes				
City	\$ - -	\$ - -	\$ 1.77	\$ 69.38
County	1.98	77.62	1.98	77.62
Schools	3.82	149.74	3.82	149.74
M.W.D. (Santa Fe)	.22	8.62	.22	8.62
Water Authority (Santa Fe)	.10	3.92	.10	3.92
Sanitation District	.22	7.48	- -	- -
Highway Lighting (TCA 11102 only)	.04	1.57	- -	- -
Fire District	.68	26.66	- -	- -
County Library	.09	3.53	- -	- -
Total Taxes	<u>\$ 7.15</u>	279.14	<u>\$ 7.89</u>	309.28
Santa Fe I. D. (Land only)	\$ 2.50	9.13	\$ 2.50	9.13
TOTAL TAX BILL		288.27		318.41
Other Costs				
Annual Sewer Charges		- -		13.20
Refuse Collection		24.00		- -
Fire Insurance Premium		30.75		26.65
Total Other Costs		54.75		39.85
TOTAL COST		<u>\$ 343.02</u>		<u>\$ 358.26</u>

*Service levels under each plan somewhat different. See Table III for differences.

¹Assumptions

- (1) County Assessed Value
 - (a) Land \$ 365.00
 - (b) Improvements 3,235.00
 - (c) Personal Property 320.00

\$ 3,920.00
- (2) Improvements and personal property insured against fire for a total value of \$17,500.
- (3) Property owner subscribes to existing garbage and trash collection.
- (4) The area will remain in the present school district.
- (5) The area will remain in the Santa Fe Irrigation District.
- (6) The City of San Diego will annex the Solana Local Fire District, The

IV

AND TYPICAL PROPERTY TAX BILL*¹

INCORPORATION OWN SERVICES		INCORPORATION LAKEWOOD PLAN		INCORPORATION SOLANA BEACH - DEL MAR ²	
Rate	Tax Bill	Rate	Tax Bill	Rate	Tax Bill
\$ 1.29	\$ 50.57	\$.70	\$ 27.44	\$.61	\$ 23.91
1.98	77.62	1.98	77.62	1.98	77.62
3.82	149.74	3.82	149.74	3.82	149.74
.22	8.62	.22	8.62	.22	8.62
.10	3.92	.10	3.92	.10	3.92
.22	7.48	.22	7.48	.22	7.48
--	--	.04	1.57	--	--
--	--	--	--	--	--
<u>.09</u>	<u>3.53</u>	<u>.09</u>	<u>3.53</u>	<u>.09</u>	<u>3.53</u>
<u>\$ 7.72</u>	301.48	<u>\$ 7.17</u>	279.92	<u>\$ 7.04</u>	274.82
\$ 2.50	<u>9.13</u>	\$ 2.50	<u>9.13</u>	\$ 2.50	<u>9.13</u>
	310.61		289.05		283.95
	--		--		--
	24.00		24.00		24.00
	<u>30.75</u>		<u>30.75</u>		<u>30.75</u>
	54.75		54.75		54.75
	<u>\$ 365.36</u>		<u>\$ 343.80</u>		<u>\$ 338.70</u>

Solana Beach Sanitation District and the Solana Beach Public Highway
Lighting District.

(7) Computation for the Fiscal Year 1958-59.

²Applies to Solana Beach area only.

a large degree of control over the future of their town is an extremely important consideration, although not necessarily decisive. Local political independence is attractive to many persons, as is the control over planning and zoning, which accompanies it. Cost is also of major concern to most citizens, particularly to those who are property owners. The types and quality of services to be obtained must be considered, and their costs should be examined under each option. Furthermore, whatever is done should be done with an eye to the future. The solution of governmental problems in Solana Beach should be of a long-range character and designed to obviate some of the difficulties so often encountered in the development of a community. The solution should, at the same time, provide a continuous, efficient and honest government, and meet the cost of expansion of services in the years to come.

This report renders factual information on some of these matters, and is intended to provide Solana Beach residents with a basis upon which to make a decision regarding their future local government. Table III, page 22. and Table IV, page 24, indicate briefly (1) the amount and level of service which can be expected under each alternative presented in this report, and (2) a comparison of the estimated costs under each option to the average property owner. Tables IX, X, and XI, on pages 43, 47, and 53 respectively, present the three proposed municipal budgets. The chapters to follow are commentaries which describe the major implications within each alternative.

IV.

ALTERNATIVE I: ANNEXATION TO THE CITY OF SAN DIEGO

Certain Political Implications

Annexation of Solana Beach would place the community under the jurisdiction of the city council of San Diego, just as is any other part of the city. Solana Beach residents would participate in the election of city officials as do other citizens. Administration of most services, including planning and zoning, would be placed in the hands of central city departments. Solana Beach would not necessarily cease to be an identifiable community, however. Several areas of San Diego are community entities, and even if they have no specific boundaries or governmental powers, do have such organizations as "town councils", improvement associations, and service clubs such as chambers of commerce. La Jolla is the primary example of this phenomenon. If Solana Beach should annex to San Diego, it is very likely that a local citizens council would be formed to assist city officials in extending services to the area and in planning and zoning. It is also emphasized, however, that annexation would mean that citizens could not direct local affairs by themselves alone and without reference to persons outside the area.

Services

Annexation to San Diego would result in large-scale provision of municipal services to Solana Beach. Practically all functions usually furnished by large municipalities would be rendered. These would include refuse and garbage collection, now provided by private contractor. Level or quality of services would be high, as compared with those now provided or proposed by incorporation budgets in Tables IX and X. The city estimates, for example, that it would spend approximately \$244,000 per year for operation and maintenance of functions (ex-

cluding capital outlay) in Solana Beach, in contrast to the \$178,000 proposed in Table IX for an incorporated city. San Diego spends about \$68.00 per capita per year for carrying on municipal activities. A description of major services which San Diego would provide Solana Beach is included in Table III.

Special districts (fire, sewers, lighting) now existing in Solana Beach would be taken over by the City of San Diego and integrated with city departments. Full time paid fire district personnel would be offered employment by the city fire department if they meet medical requirements. Schools, however, would continue to be administered by existing districts, and, at least "for the time being"¹ water would be provided by the Santa Fe Irrigation District under present arrangements. The City of San Diego, with a professional city manager and department heads, and merit selection of most personnel, has an excellent reputation for efficient and economical administration.

Financial Implications

Annexation of Solana Beach to San Diego would bring city taxes, fees and charges to the area. As in the case of incorporation, these taxes, fees and charges are in addition to those levied by the county and the school districts, and those associated with the Santa Fe Irrigation District. In 1958-1959, the city levied a property tax of \$1.77 per \$100 assessed valuation. Sales taxes, motor vehicle license fees, gasoline taxes, liquor license fees, and revenue from fines and forfeitures collected by the state within the area and turned over at present to the county would be remanded to the City of San Diego instead.

Table IV provides a breakdown of a total property tax rate which might be levied against a typical Solana Beach home. It also indicates what a

¹Report to Public Affairs Research Institute from the City of San Diego, January 1959, p. 3.

property tax bill might be for a typical residential taxpayer. The total tax rate would amount to \$7.89, higher than the total under any of the other alternatives considered in this report. It would be partly offset by elimination of charges for refuse and garbage collection and less expensive fire insurance.

An annual sewer charge must be added, however. Table IV indicates that the average householder might pay a full property tax bill plus certain associated charges of \$358.26 should the area annex to San Diego, as compared to a present \$343.02¹.

Government of the City of San Diego

San Diego contains over 510,000 residents in an area of over 196 square miles. It is the "core" city of the metropolitan area. San Diego has a home rule charter, and its government is directed by a mayor and six councilmen. Actual administration of affairs is in the hands of a professional city manager employed by the council. The mayor is elected at large for a four-year term. Each councilman is nominated from a district, but is elected at large for a four-year term. As in all California local government, elections are non-partisan.

Annexation Procedure

The procedure for annexation is, in general terms, as follows:

- (1) the city council of the annexing city must give approval for circulation of petitions; a notice of intent to circulate petitions must be published;
- (2) petitions are circulated in the unincorporated area to obtain signatures of at least one-fourth of the qualified electors residing in the territory;
- (3) petitions are presented to the city council of the annexing city; (4) hear-

¹Based on a total real and personal property assessed valuation of \$3920 in the typical case.

ings are held by the city council, protests are heard, and property may be excluded from the proposed boundaries by the council; (5) an election is held in the area proposing to annex, and a majority vote decides the issue; (6) the annexing city may approve either by council ordinance or at an election within the city; (7) the unincorporated territory becomes legally a part of the annexing city.

It is emphasized that annexation can be accomplished only by the consent of the annexing city and of the area wishing to be annexed. Generally, the City of San Diego has had a policy of willingness to accept most areas desiring to join it.

V.

INCORPORATION: GENERAL CONSIDERATIONS

Three of the alternatives for local government of Solana Beach involve incorporation. By choosing incorporation the people of Solana Beach would receive the greatest degree of control over local planning and zoning, and thereby insure greatest community autonomy in development of the area. In fact, incorporation is the only way at present by which a community can be legally certain of lodging these functions in its own hands.

Government of an Incorporated City

Unincorporated areas incorporate as general law (sixth class) cities. They are governed by a five-member city council, each councilman being elected at large for a four-year period. One is selected by his colleagues as mayor. Collectively, the council is responsible for the operation of the municipal government.

Organizational Structure

The law permits a city to adopt the council-manager form of administration. Every municipality in San Diego County has some type of council-manager government, and most new cities throughout the state have provided for this organizational structure. The council is responsible for selection and discharge of the manager. As the most popular form, and because of its reputation for economical and efficient administration, the minimal incorporation budgets proposed in Tables IX, X, and XI assume that the proposed City of Solana Beach will adopt the council-manager structure of government. The position of manager is full time and normally the manager has training and experience in municipal administration. In most cases, he is not a resident of the community until after

he has been employed. The professionally trained city manager occupies a position of responsibility analogous to that of the general manager of a business establishment operating on an equivalent budget. His salary should be commensurate with his professional standing.

Municipal Services and Special Districts

Once an area incorporates it becomes responsible for furnishing whatever municipal services its citizens desire and are willing to pay for, within limits of state law. County administration of such functions as police protection, lifeguard service, and street maintenance cease at the beginning of the fiscal year next after date of incorporation.

Most special districts providing municipal services and wholly contained within the area of the new city may become fused with the city, although this is not always the case. Those portions of overlapping special districts contained within the municipality may also become a part of the city under some circumstances. The law regarding district-municipality relationship is extremely complicated. In each of the three plans for incorporation it is proposed that the Solana Local Fire and the lighting districts be absorbed by the city. Districts administering water, schools, and sewers would be retained as they are presently established.

Sewers and sewage disposal can be handled more efficiently by a large scale unit. Small systems are costly in terms of overhead and problems of expansion. It is proposed that the County continue to administer the system and thus be in a position to expand it beyond the borders of Solana Beach, and perhaps ultimately combine it with a large regional system. In most cases this provides the least expensive and most effective answer to the sanitation problem in the long run.

Municipalities vary widely in the number and level of services which

they provide residents. This fact is, of course, related to the demands, needs, and ability to pay of citizens. Within limits, a larger jurisdiction can provide a larger number and higher level of services than a smaller one for the same price, due to economies of large-scale operation. Overhead costs are relatively high for small cities. In general, therefore, the larger cities provide more services than the small ones. In order to keep taxes at a reasonably low level the alternative incorporation budgets presented in this report for Solana Beach must be considered as fairly minimal.

On an average, cities of San Diego County spent about \$60.00 per capita in 1958-1959; the range, excluding Imperial Beach, was between \$50.00 and \$85.00. Cities selected for comparison with Solana Beach spent between \$42.00 and \$107.00 per capita during the same period. (See Table VII) The Solana Beach proposed minimal budgets provide per capita expenditures of from \$32.00 to \$41.00. We can reasonably expect these figures would increase after a few years experience.

Municipal Finance

A municipality's ability to pay is related in part to its assessed valuation, upon which the property tax is levied. High assessed valuation is often a result of high-value industry or large-scale commercial development. Residential property alone seldom provides a basis for a property tax levy sufficient to sustain a municipal government. Per capita assessed valuation in Solana Beach (see Table VIII) is considered high enough to warrant consideration of incorporation. This valuation, in addition, will be shown to have risen sharply when the next assessment figures are released. Future movement of industry and business in the area is expected to have an increasingly favorable effect upon the property tax base.

There are twelve separate taxes which a general law city may levy upon

COMPARISON OF EXPENDITURES

City (Population)	General Government	Police	Fire	Other Protection	Sanitation
CARMEL (4,398)	\$ 30,156	\$ 67,917	\$35,379	\$21,060	\$ 2,167 ²
CHOWCHILLA (4,254)	\$ 10,695	\$ 38,702	\$ 1,500	\$ 6,581	\$ 29,384
EXETER (4,165)	\$ 23,572	\$ 27,427	\$19,720	\$11,342	\$ 30,911
FAIRFAX (4,661)	\$ 18,475	\$ 33,332	\$31,054	\$10,655	\$ -- ²
OJAI (3,930)	\$ 39,681	\$ 45,992	\$ --	\$14,929	\$ 13,606
YREKA (4,373)	\$ 24,792	\$ 35,514	\$10,362	\$11,296	\$ 9,798 ²
HEMET (4,235)	\$ 24,987	\$ 48,917	\$19,170	\$14,224	\$ 35,171
SOLANA BEACH ¹ (own services) (4,323)	\$ 36,400	\$ 33,100	\$32,000	\$ 4,900	\$ -- ²
SOLANA BEACH ¹ (Lakewood Plan) (4,323)	\$ 30,200	\$ 20,000	\$32,000	\$ --	\$ -- ²
LAGUNA BEACH (8,618)	\$105,872	\$117,839	\$65,132	\$78,080	\$138,297
INDIO (7,830)	\$ 51,565	\$128,564	\$47,037	\$23,540	\$ 46,590
WALNUT CREEK (7,955)	\$141,298	\$152,236	\$ --	\$10,508	\$ -- ²
CALEXICO (7,486)	\$ 35,301	\$107,009	\$49,099	\$ 6,521	\$ 34,280
SANGER (8,212)	\$ 39,095	\$ 75,465	\$29,834	\$15,739	\$ 41,014
SOLANA BEACH-DEL MAR ¹ (7,900)	\$ 43,800	\$ 46,700	\$56,500	\$ 6,700	\$ -- ²

¹Estimated²Primary sanitation services furnished by other means, as a Sanitation District or private collection.

SELECTED CITIES, 1957-1958*

Health	Streets	Recreation	Other	Debt Services	Capital Outlay	Total
\$ --	\$121,826	\$ 2,490	\$63,429	\$ 3,247	\$ 10,025	\$357,696
\$ --	\$ 69,434	\$ 1,639	\$11,766	\$ 9,671	\$ 2,319	\$181,691
\$ 293	\$ 70,512	\$23,873	\$ 7,970	\$ --	\$ 3,404	\$219,024
\$ --	\$106,841	\$15,176	\$ 5,867	\$ --	\$ 8,879	\$230,279
\$ --	\$ 88,784	\$ 7,348	\$ 4,222	\$ 2,693	\$ 24,204	\$241,451
\$ --	\$ 69,455	\$ 8,809	\$19,734	\$ 30,655	\$ 12,128	\$232,543
\$ 600	\$ 71,517	\$ 9,853	\$40,657	\$ 42,425	\$ 36,976	\$344,527
\$ --	\$ 32,000	\$18,000	\$ --	\$ --	\$ 18,000	\$174,400
\$ --	\$ 24,600	\$25,000	\$ --	\$ --	\$ 5,000	\$136,800
\$ --	\$184,071	\$81,625	\$66,012	\$ 13,260	\$ 76,099	\$926,287
\$ --	\$120,198	\$37,712	\$65,118	\$ 50,270	\$209,792	\$672,386
\$ --	\$151,666	\$78,695	\$55,094	\$118,313	\$ 83,847	\$791,657
\$4,843	\$106,004	\$53,565	\$57,169	\$ 48,278	\$ 21,847	\$523,646
\$1,804	\$ 85,287	\$29,054	\$ 5,301	\$ 33,562	\$ 24,737	\$380,892
\$ --	\$ 58,200	\$32,000	\$ --	\$ --	\$ 28,500	\$273,400

*Source: State Controller. Annual Report of Financial Transactions Concerning Cities of California, Fiscal Year, 1957-58.

COMPARISON OF REVENUES

City (Population)	Property Tax	Licenses & Permits	Fines & Penalties	Subventions & Grants	Fees & Charges
CARMEL (4,398)	\$128,515	\$40,237	\$22,352	\$ 34,330	\$ 129
CHOWCHILLA (4,254)	\$ 45,910	\$14,402	\$10,520	\$ 59,843	\$ 30,802
EXETER (4,165)	\$ 62,042	\$ 8,949	\$ 3,192	\$ 30,732	\$ 35,100
FAIRFAX (4,661)	\$ 85,433	\$10,858	\$ 1,284	\$ 60,479	\$ 5,873
OJAI (3,930)	\$ 66,744	\$11,713	\$ 7,341	\$ 44,189	\$ 15,409
YREKA (4,373)	\$ 78,598	\$17,273	\$ 7,498	\$ 41,017	\$ 9,855
HEMET (4,235)	\$118,873	\$25,534	\$ 6,066	\$ 29,693	\$ 30,420
SOLANA BEACH (Lakewood Plan) (4,323) ¹	\$ 34,220	\$ 3,000	\$20,000	\$ 37,790	\$ - -
SOLANA BEACH (own services) (4,323) ¹	\$ 63,062	\$ 3,000	\$25,000	\$ 37,790	\$ 4,000
LAGUNA BEACH (8,618)	\$381,169	\$50,111	\$50,878	\$134,670	\$117,222
INDIO (7,830)	\$125,229	\$44,094	\$51,581	\$ 68,779	\$ 72,375
WALNUT CREEK (7,955)	\$158,304	\$34,164	\$15,411	\$ 68,958	\$ 68,770
CALEXICO (7,486)	\$243,332	\$31,650	\$28,024	\$ 72,556	\$ 42,386
SANGER (8,212)	\$ 79,028	\$21,925	\$12,646	\$ 79,571	\$ 78,334
SOLANA BEACH-DEL MAR (7,900) ¹	\$ 65,750	\$14,000	\$50,000	\$ 75,490	\$ 5,000

¹Estimated²Consists of revenues from parking meters, parking lots, and sundry services

SELECTED CITIES, 1957-1958*

Sales Taxes	Miscellaneous ²	Privileges	Rent	Sales	Interest	Total
\$126,398	\$ 2,753	\$ 6,072	\$ --	\$ 589	\$ 2,427	\$ 363,802
\$ 56,619	\$ 1,253	\$ 5,998	\$ 177	\$ 36	\$ 1,694	\$ 227,254
\$ 46,879	\$ 1,778	\$ 3,468	\$ 2,649	\$ --	\$ 1,889	\$ 195,678
\$ 31,278	\$ 2,500	\$ 6,610	\$ 1,600	\$ --	\$ 249	\$ 206,164
\$ 63,470	\$ 2,531	\$ 5,323	\$ --	\$ --	\$ 1,960	\$ 217,680
\$ --	\$38,763	\$ 1,069	\$ 2,266	\$ 147	\$ 2,661	\$ 199,147
\$ 82,169	\$ 7,401	\$ 4,211	\$ 4,401	\$10,092	\$ --	\$ 318,840
\$ 44,600	\$ --	\$ 1,500	\$ --	\$ --	\$ --	\$ 141,110
\$ 44,600	\$ --	\$ 1,500	\$ --	\$ --	\$ --	\$ 178,952
\$197,361	\$65,559	\$10,158	\$27,974	\$ 341	\$13,994	\$1,049,437
\$177,665	\$34,341	\$ 2,772	\$ 3,794	\$ 292	\$17,440	\$ 598,362
\$514,467	\$52,889	\$10,357	\$ 50	\$ 11	\$20,428	\$ 943,810
\$123,445	\$48,271	\$ 2,780	\$ 5,857	\$ 8,705	\$ 482	\$ 607,483
\$ 93,275	\$ --	\$ 4,816	\$ 182	\$ --	\$ 1,262	\$ 371,037
\$ 75,680	\$ --	\$ 3,000	\$ --	\$ --	\$ --	\$ 288,920

*Source: State Controller. Annual Report of Financial Transactions Concerning Cities of California, Fiscal Year, 1957-1958.

TABLE VII

PER CAPITA REVENUES AND EXPENDITURES, SELECTED CITIES, 1957-58*

City	Per Capita Revenue	Per Capita Property Tax	Property Tax Rate	Percentage of Property Tax, Governmental Revenues	Per Capita Expenditure
CARMEL	\$ 82.72	\$29.22	\$1.02	35.3	\$ 81.33
CHOWCHILLA	\$ 53.42	\$10.79	\$1.22	20.2	\$ 42.71
EXETER	\$ 46.98	\$14.90	\$1.00	31.7	\$ 52.59
FAIRFAX	\$ 44.23	\$18.33	\$1.10	41.4	\$ 49.41
OJAI	\$ 55.39	\$16.98	\$1.32	30.7	\$ 61.44
YREKA	\$ 45.54	\$17.97	\$1.50	39.5	\$ 53.18
HEMET	\$ 75.29	\$28.07	\$1.69	37.3	\$ 81.35
CARLSBAD	\$ 58.11	\$30.14	\$.87	51.9	\$ 54.93
SOLANA BEACH ¹ (own services)	\$ 41.27	\$14.59	\$1.29	35.2	\$ 41.27
SOLANA BEACH ¹ (Lakewood Plan)	\$ 32.64	\$ 7.92	\$.70	24.3	\$ 32.57
LAGUNA BEACH	\$121.77	\$44.23	\$1.7944	36.3	\$107.48
INDIO	\$ 76.42	\$15.99	\$1.00	20.9	\$ 85.87
WALNUT CREEK	\$118.64	\$19.90	\$.95	16.8	\$ 99.52
CALEXICO	\$ 81.15	\$32.50	\$2.30	40.1	\$ 69.95
SANGER	\$ 45.18	\$ 9.62	\$1.17	21.3	\$ 46.38
SOLANA BEACH - DEL MAR ¹	\$ 36.59	\$ 8.32	\$.61	22.8	\$ 36.38

*Source: State Controller, Annual Report of Financial Transactions Concerning Cities of California, Fiscal Year 1957-58.

¹Based on budgets provided in Tables IX, X, and XI

TABLE VIII

PER CAPITA ASSESSED VALUATION, SELECTED CITIES, 1957-58*

CITY	POPULATION	ASSESSED VALUATION	PER CAPITA
CARMEL	4,398	\$ 12,695,530	\$2,887
CHOWCHILLA	4,254	\$ 3,720,520	\$ 875
EXETER	4,165	\$ 6,165,104	\$1,480
FAIRFAX	4,661	\$ 7,766,945	\$1,666
OJAI	3,930	\$ 4,937,290	\$1,256
YREKA	4,373	\$ 5,453,399	\$1,247
HEMET	4,235	\$ 6,900,490	\$1,629
LAGUNA BEACH	8,618	\$ 21,835,710	\$2,534
INDIO	7,830	\$ 12,378,500	\$1,581
WALNUT CREEK	7,955	\$ 16,916,065	\$2,126
CALEXICO	7,486	\$ 10,557,616	\$1,410
SANGER	8,212	\$ 6,690,340	\$ 815
CARLSBAD	6,393	\$ 24,333,500 ²	\$3,806
CHULA VISTA	35,557	\$ 50,773,310 ²	\$1,428
CORONADO	18,764	\$ 20,895,510 ²	\$1,114
EL CAJON	27,776	\$ 34,227,340 ²	\$1,232
ESCONDIDO	10,262	\$ 16,405,630 ²	\$1,599
LA MESA	25,620	\$ 33,236,720 ²	\$1,298
NATIONAL CITY	31,785	\$ 29,748,030 ²	\$ 936
OCEANSIDE	20,489	\$ 24,390,990 ²	\$1,190
IMPERIAL BEACH	14,287	\$ 8,630,660 ²	\$ 604
SAN DIEGO	500,744	\$720,996,930 ²	\$1,440
SOLANA BEACH	4,323 ³	\$ 4,888,530 ²	\$1,130
SOLANA BEACH - DEL MAR	7,900 ³	\$ 10,778,530 ²	\$1,364

*Source: State Controller, Annual Report of Financial Transactions Concerning Cities of California, Fiscal Year 1957-58.

²Based on 1958-59 San Diego County Assessment Roll. It is expected that the 1959-60 Assessment Roll will show a considerably higher assessed valuation in Solana Beach

³1959 Estimates

real and personal property. The most important are (1) a general property tax for general fund purposes, limited to not more than \$1.00 per \$100 assessed valuation, unless a majority of voters approve a higher rate; (2) an unlimited levy for bond interest and redemption; (3) a levy of not more than \$.03 per \$100 assessed valuation for parks and recreation; (4) an unlimited levy for parks and boulevards; (5) an unlimited levy for a pension scheme or for defrayment of city costs for joining the state retirement plan for employees. There are additional limited levies authorized for disaster preparedness, construction of storm drains, museum maintenance, operation of a veterans home, and upkeep of a library. One result of this complicated tax system is that most general law cities have a total tax rate of over \$1.00 per \$100 assessed valuation (see Table VII).

Non-property tax revenues come from a variety of sources, particularly the state-collected locally-shared taxes, the motor vehicle license fees, the gasoline tax, liquor license fees, sales taxes, and fines and forfeitures. Additional sums may come from local licenses and permits, departmental fees and charges, and franchise taxes. These revenues, obtainable in a "City of Solana Beach", are conservatively estimated in Tables IX, X, and XI. They, too, are large enough to warrant consideration of the alternative of incorporation, since their yield would preclude the need for excessive property taxes.

Additional sources of revenue, which may eventually serve to reduce property taxes, can be obtained through higher business licenses and permit fees, charges for use of recreational facilities, public parking lots, parking meters, and taxes on theatre and similar admissions. Careful policing of the highways and through streets may yield extra returns from fines for violations of the motor vehicle code. None of the additional sources of funds have been considered in calculating revenues which a "City of Solana Beach" might obtain.

Municipalities are authorized to issue general obligation bonds for particular public purposes, if two-thirds of the electorate approve each issue. Bonds are normally sold to defray costs of capital improvements, such as civic center buildings, parks, storm drains, and street lighting. Debts may be amortized over a period of forty years in most cases. This report does not propose the issuance of bonds for improvements in Solana Beach for the immediate future. It is suggested that certain sums be set aside from current revenues for capital outlay purposes.

Incorporation Procedure

An unincorporated area becomes a general law city through the following procedures: (1) a notice of intention to circulate incorporation petitions, signed by twenty-five to fifty qualified signers, must be filed with the County Board of Supervisors. (2) A petition is filed with the County Board of Supervisors, and must contain signatures of at least twenty-five per cent of the owners of land in the region representing twenty-five per cent of the value of the land, as shown on the last equalized assessment roll of the county. The petition must (a) describe boundaries of the proposed city; (b) state the number of inhabitants within the boundaries; and (c) pray that the city may be incorporated. It may include provision for appointment of a city manager, election of councilmen by districts, and appointment of normally elective city officers except councilmen. (3) If the petition is found valid, petitioners are asked to deposit with the county clerk a fee, the amount set by the county, to defray costs of publication of a notice of hearing on incorporation of the area. (4) A date for a hearing is set by the Board of Supervisors and publicized. (5) Hearings are held, protests are heard, and boundaries adjusted. A petition against incorporation, signed by the owners of fifty-one per cent of the total assessed value of land in

the area, will cause proceedings to be dropped. If there is no such petition presented the Board orders an election to be held. (6) An election is held in the area to vote on (a) incorporation, (b) nominees to public office, and (c) whether to adopt any of the options placed on the ballot that were included in step (2) above. Decisions are made by majority vote of qualified electors residing in the area. (7) If the vote is favorable, a general law city is legally formed once the Board of Supervisors has made an official canvass of the balloting and the Secretary of State has been notified of the results.

TABLE IX

Suggested Budget - City of Solana Beach
Incorporation - Own Services

A. Expenditures

General Government		
City Council	\$	600.00
Chief Executive Office		11,300.00
City Clerk and Finance		9,300.00
Law		3,000.00
Planning and Zoning		5,200.00
General Expense		<u>7,000.00</u>
		\$ 36,400.00
Public Safety		
Police		33,100.00
Fire Protection		32,000.00
Other (Building Inspection)		<u>4,900.00</u>
		70,000.00
Public Works - Streets and Lights		32,000.00
Parks and Recreation		18,000.00
Capital Outlay		18,000.00
Contingency Fund		<u>4,000.00</u>
		<u>\$ 178,400.00</u>
TOTAL EXPENDITURES		
B. Revenues		
Licenses and Permits		\$ 3,000.00
Departmental Fees and Charges		4,000.00
Fines and Forfeitures		25,000.00
State Subventions and Grants		
Liquor Licenses	\$	2,000.00
Vehicle License Fees		23,040.00
Gasoline Tax		<u>12,750.00</u>
		37,790.00
Sales Tax		44,600.00
Privileges		<u>1,500.00</u>
Sub-total		115,890.00
Property Tax		63,062.00
(Assessed valuation approximately \$4,888,530. Rate about \$1.29)		
		<u>\$ 178,952.00</u>
TOTAL REVENUES		

VI.

ALTERNATIVE II: INCORPORATION, PROVIDING OWN SERVICES

Implications for Local Control

Most incorporated cities, large or small, provide the bulk of municipal services through their own municipal departments. This method provides the community with the most complete control over its local government. The number and level of services is largely determined by the citizens, and within limits, they are freer to choose the manner in which functions are financed. Employees under such a system are more sensitive to criticism. It is, however, one of the most expensive ways in which to provide local government in the smaller cities.

Services and Service Levels

Functions which would be performed by Solana Beach city employees are described in Table III. The level of service is not high compared with that of many other municipalities of the same size, but it is at least equal to the level now provided by the county. Table V indicates proposed expenditures as compared to several other communities of the approximate population of Solana Beach. The proposed budget, outlined in Table IX, gives another breakdown of expenditures.

The fire district and lighting districts would be absorbed by the city, and any indebtedness would be integrated into the city budget. Water supply and sewage disposal would continue to be performed by present districts. Library service would continue to be furnished through the county free library system.

It is proposed that three broad functions be combined within the offices of city manager (or chief administrative officer) and city clerk. These functions are: general supervision, non-property tax collection and fiscal management and personnel management. A clerk-stenographer and a clerical assistant are included

within these two offices. A lawyer and an auditor would be engaged on a part time consulting basis.

As Tables V and VII indicate, both total expenditures (\$174,400) and per capita expenditures (\$41.27) contemplated in the proposed budget for Solana Beach are lower than those of the cities which are listed for comparative purposes on the basis of population. It is expected, however, that such services will be adequate for the present requirements of Solana Beach. The budget does not provide for street sweeping, additional street lighting, refuse and garbage collection, disaster preparedness, drainage, publicity and advertising, an employee retirement program, and a recreation program other than lifeguard service at the beach.

Certain functions, now performed by the county for other cities, might be obtained under contract for Solana Beach. These include assessment of property and collection of property taxes, election administration, care of prisoners, law enforcement communication, and operation of dumps. Public health service would be provided by the County Health Department at no charge to the City of Solana Beach.

Financial Analysis

Tables V, VI, VII, VIII, and IX provide an analysis of the financial situation of Solana Beach should the community decide to incorporate and perform most functions itself. These tables also indicate similar financial data for cities comparable in population to Solana Beach.

By conservative estimate, non-property tax revenues would amount to approximately \$115,890. It would therefore be necessary, according to 1958-1959 assessed valuation figures, to levy a tax rate of about \$1.29 to raise the \$63,000 necessary to meet proposed municipal expenses of \$174,000. If the amount

of assessed valuation rises, as expected, it is probable that the tax rate could be lowered considerably, if additional expenditures are not incurred. In comparison with the other municipalities of the size of Solana Beach, and based on the budget proposed in Table IX, these conclusions may be stated: (1) total expenditures are less; (2) amount of property taxes collected will be relatively small; (3) the property tax rate is about average; (4) the per capita property tax collection is low; (5) the percentage of property tax revenues to total income is average; and (6) the major non-property tax revenues compare favorably.

As indicated in Table IV, a total tax rate on assessed value of real and personal property would, for the average taxpayer in Solana Beach, come to approximately \$7.72. This is not as much as the tax rate that might be expected in the event of annexation to San Diego, but is more than under either of the remaining options. Total expenses (\$365.36) to an average residential taxpayer would, however, be about \$7 more per year than under any of the alternative governmental plans. It is emphasized that service levels are lower than those of the City of San Diego, but approximately the same as those budgeted under the remaining options.

As Solana Beach increases in population, and perhaps in area by annexation of developed hinterlands, and as additional business activity and industry enter the region, the financial picture may be expected to improve. This improvement might persist even though new functions might have to be undertaken by the city government. In a few years this option might then appear in a more favorably competitive position with the annexation alternative.

TABLE X

Suggested Budget - City of Solana Beach
Incorporation - Lakewood Plan

A. Expenditures

General Government		
City Council	\$	600.00
Chief Executive Office		11,300.00
City Clerk and Finance		8,300.00
Law		3,000.00
Planning and Zoning		- -
General Expense		<u>7,000.00</u>
	\$	30,200.00
Public Safety		
Police		20,000.00
Fire Protection		32,000.00
Other		<u>- -</u>
		52,000.00
Public Works - Streets and Lights		24,600.00
Parks and Recreation		25,000.00
Capital Outlay		5,000.00
Contingency Fund		<u>4,000.00</u>
	\$	<u>140,800.00</u>
TOTAL EXPENDITURES		

B. Revenues

Licenses and Permits	\$	3,000.00
Departmental Fees and Charges		- -
Fines and Forfeitures		20,000.00
State Subventions and Grants		
Liquor Licenses	\$	2,000.00
Vehicle License Fees		23,040.00
Gasoline Tax		<u>12,750.00</u>
		37,790.00
Sales Tax		44,600.00
Privileges		<u>1,500.00</u>
Sub-total		106,890.00
Property Tax		34,220.00
(Assessed valuation approximately \$4,888,530. Rate about \$.70)		
		<u>141,110.00</u>
TOTAL REVENUES	\$	<u>141,110.00</u>

(For every \$488 one cent would be added to the tax rate)

VII.

ALTERNATIVE III: INCORPORATION, USING THE LAKEWOOD PLAN

Implications for Local Control

As described, incorporation gives the citizens of an area legal control over planning and zoning and the number and level of other municipal services. However, when major functions are performed by some other jurisdiction under contract with the city, some loss of local control is bound to follow. Most employees are not under direct supervision of municipal officers, but are supervised by personnel whose fundamental responsibilities are to another unit of government. There has been a tendency in Los Angeles County, where the "Lakewood Plan" began, for the county to urge contracting cities to contract for standard levels of particular services; by so doing, the concept of local control is minimized.

The Lakewood Plan

Most counties provide certain services to municipalities, largely under contract. The "Lakewood Plan", an extension of that practice, takes its name from the City of Lakewood in Los Angeles County. In 1952, the City of Lakewood and the County of Los Angeles agreed that the latter would provide practically all municipal services to the city under contract. It was believed that smaller cities could obtain cheaper and more efficient government in this manner. Since 1954 a number of the smaller and newer municipalities in Los Angeles County have utilized the "Lakewood Plan".

At present San Diego County provides the following municipal-type functions for incorporated cities either by law or under contract: assessment of property and collection of property taxes; public health services; plumbing inspection; lifeguard services; election administration; personnel services; and

dog control.

The county provides certain services to unincorporated areas only: street construction and maintenance; street sweeping; street lighting; traffic safety; planning and zoning; park construction and operation; refuse disposal; law enforcement; building inspection and other less important services.

Cities may join a sanitation district and the free library district, both of which are operated by the county, in order to obtain sewerage and library services. These districts are, however, financially self-supporting.

Fire protection, water supply, and refuse collection are not available to either unincorporated or incorporated areas from the County of San Diego.

Legally, no county is required to adopt the "Lakewood Plan" style of providing municipal services to cities. Very few counties, in fact, have the personnel and equipment to go into business in this manner. No county government has gone as far as Los Angeles County in purveying functions to municipalities.

At the present writing, San Diego County has not adopted a policy of making available such services as street maintenance and police protection to cities on a reimbursable basis. The following discussion assumes that the "Lakewood Plan" is available from San Diego County. This assumption is made only in order to indicate what Solana Beach might obtain if the county made the plan available.

Services and Service Levels

Services, service levels, and administrative arrangements are described in Table III. Levels would be approximately the same as now provided, or in a few instances slightly higher. Planning and zoning, however, would be accomplished by an unpaid city commission and the city council.

The following major services would be performed by the county machinery under contract or by law: police protection and traffic safety, building inspection, street construction and maintenance, lifeguard service, public health services, dog control, assessment of property and collection of taxes, and election administration.

Present special districts would be retained to provide sanitation services, street lighting, water supply, and library.

It is proposed that the city absorb and operate the Solana Local Fire District, although this is not a legal necessity. In addition, of course, the municipality must provide management, administrative coordination, financial control and clerical services. A city manager or chief administrative officer is suggested, together with a city clerk-finance officer, a clerk-stenographer, and a general clerical assistant. A small amount of "city hall" space will be needed for these employees and for meetings of the city council, planning commission, and other governmental bodies. City attorney and auditor services may be obtained on a fee basis. The following services are not provided in the proposed budget: additional street lighting, refuse and garbage collection, disaster preparedness, drainage, publicity and advertising, an employee retirement program, and a park and recreation program (other than lifeguard service).

Table V indicates proposed expenditures in comparison to those of several other communities of the approximate size of Solana Beach. Table X, budget for the "Lakewood Plan", gives a more detailed analysis of these expenditures. Total proposed expenditures would be \$136,800, and per capita expenditures would amount to approximately \$32.57. Service levels, as compared to some municipalities, would be relatively low; this may be expected in view of the conservative expenditures. Comparison of estimates given in the proposed

budgets alone, however, may not provide a valid interpretation since it is reasonable to expect that some overhead costs may be reduced through the "Lakewood Plan."

It should be pointed out that all estimates for "Lakewood Plan" costs made in this report are based on assumptions. The County of San Diego has, as yet, indicated no official policy in the matter of supplying "Lakewood Plan" services, their cost determination or accounting policies. The "Lakewood Plan" as an alternative form of local government for Solana Beach does not exist as a complete "package deal" until the County Board of Supervisors makes provisions for furnishing a full range of municipal services through the County. If these provisions are made, the actual costs specified by the County may vary somewhat from the assumed costs as given in this report.

Financial Analysis

Tables V, VI, VII, VIII, and X provide a tentative financial analysis of the situation wherein Solana Beach incorporates and adopts the Lakewood Plan. Estimated conservatively, the non-property tax revenues would yield approximately \$106,890. It would therefore be necessary, based on 1958-1959 assessment figures, to levy a property tax rate of \$.70 to raise the \$34,220 additional to meet proposed needs of about \$141,110. As previously stated, total assessed valuation is expected to rise in 1958-1959. It is probable that the tax rate, based on proposed expenditures, may be somewhat lower.

It is difficult to make valid comparisons between Solana Beach with the Lakewood Plan and comparable Lakewood Plan cities. In addition to the previously explained necessity to make broad assumptions of cost in San Diego County, there is also a lack of data that may safely be used for quantitative and qualitative comparisons from those cities using the Lakewood Plan. The plan has not

been in use long enough to warrant firm conclusions.

Lakewood Plan cities generally vary in total property tax rate from \$7.00 to \$9.50; an average is approximately \$7.90. A high tax rate in Solana Beach under the Lakewood Plan would be about \$7.17. Many of the Los Angeles County Lakewood Plan cities levy no city property tax; some do, however, and in these the rate varies from \$.13 to \$.97. It is expected, as indicated, that should Solana Beach incorporate under this plan, it would be necessary to levy a city property tax of \$.70. Relative to the other alternatives presented in this report, the Lakewood Plan option for Solana Beach would cost the average residential property owner about the same as does the present situation. (See Table IV)

TABLE XI

Suggested Budget
Incorporation - Solana Beach-Del Mar

A. Expenditures

General Government		
City Council	\$ 1,500.00	
Chief Executive Office	11,300.00	
City Clerk and Finance	9,800.00	
Law	3,500.00	
Planning and Zoning	7,300.00	
General Expense	<u>10,400.00</u>	
		\$ 43,800.00
Public Safety		
Police	46,700.00	
Fire Protection	56,500.00	
Other	<u>6,700.00</u>	
		109,700.00
Public Works - Streets and Lights		58,200.00
Parks and Recreation		32,000.00
Capital Outlay		28,500.00
Contingency Fund		<u>15,000.00</u>
		\$ <u>287,400.00</u>

B. Revenues

Licenses and Permits		
Departmental Fees and Charges		\$ 14,000.00
Fines and Forfeitures		5,000.00
		50,000.00
State Subventions and Grants		
Liquor Licenses	\$ 4,400.00	
Vehicle License Fees	45,740.00	
Gasoline Tax	<u>25,350.00</u>	
		75,490.00
Sales Tax		75,680.00
Privileges		<u>3,000.00</u>
		223,170.00
Sub-total		223,170.00
Property Tax		65,750.00
(Assessed valuation approximately \$10,778,530. Rate \$.61)		<u> </u>
		\$ <u>288,920.00</u>

(For every \$1077 one cent would be added to tax rate)

VIII.

ALTERNATIVE IV: INCORPORATION OF SOLANA BEACH-DEL MAR

The Public Affairs Research Institute was requested by the Solana Beach Chamber of Commerce to analyze the situation should the two communities of Solana Beach and Del Mar incorporate. The following analysis assumes that the proposed city would administer its own municipal services. The city would contain about 7,900 residents. Table II indicates in a general way the projected growth of the combined communities.

Implications of Local Control

As in the case of Alternative II (Incorporation, with local provision of services), this would give maximum control over local governmental functions, including planning and zoning. It should be noted that Del Mar residents would have a voice in Solana Beach affairs and Solana Beach citizens would have an influence over activities of Del Mar. This fact would to some degree limit the effectiveness of local control over purely local matters in Solana Beach.

Certain Problems Relative to Joining with Del Mar

Solana Beach is provided at present with a fairly satisfactory number and level of municipal services. Del Mar will probably require additional water supply, a public sewer system, and considerably better fire protection. Incorporation of the two communities as one city will not solve the water supply problem in Del Mar, and may bring it into the purview of Solana Beach residents. It would be necessary for Del Mar, under proposals presented here, to join a county sanitation district to obtain sewers.

Fire protection would be extended from Solana Beach; the bulk of the

cost of formation of the present fire district and purchase of equipment has already been borne by that community. Since an inclusion of Del Mar into the Solana Local Fire District would give the residents of that community a possessory interest in a quarter million dollar fire station and associated fire fighting equipment now owned by Solana Beach residents, there might be a problem of monetary adjustment. It should also be pointed out that while inclusion in the fire district would provide Del Mar with better fire protection, this would not necessarily lower their fire insurance rates due to substandard water mains and hydrants. If a fire station would be built in Del Mar, as proposed, the cost of this would fall upon taxpayers of both communities equally.

General or business district street lighting might be provided subsequently by the city. Solana Beach has already paid for lighting in a fair proportion of its area; Del Mar has almost none. Cost of additional lighting would probably be shared by taxpayers of the entire region.

The two communities are separate, each with a business district and a chamber of commerce. They are also physically apart, and this has brought about feelings of separate identity on the part of citizens of each community. These facts might well have an impact in municipal affairs, for example in the manner of choosing councilmen or planning commissioners, in the location of a civic center, in establishing locations for parks and playgrounds, and in providing for industrial and other types of zoning.

Services and Service Levels

Services, service levels, and administrative arrangements are described in Table III. Levels in Solana Beach would be approximately the same, or perhaps a little higher, than they are presently.

The following functions would be provided by the city: planning and

zoning, police protection and traffic control, building inspection, street lighting, street construction and maintenance, and lifeguard service. It is suggested that the Solana Local Fire District be absorbed by the municipality and, in addition, add a fire station and pumper in Del Mar as well as improve the fire main and hydrant system there.

Solana Beach-Del Mar could contract with the county for the following services: assessment of property and collection of property taxes, dog control, election administration, care of prisoners, law enforcement communication, and operation of dumps. Public health services would be provided by the County Health Department at no additional cost to the region.

The existing special districts would be retained to provide water supply and sewers for Solana Beach, and library service for both communities.

No provision is made at present for refuse and garbage collection, street sweeping, disaster preparedness, drainage, publicity and advertising, an employee retirement program, and a park and recreation program (other than lifeguard service at the beach).

Administration, recording, and financial affairs require a professional city manager, a city clerk-finance officer, a clerk-stenographer, general clerical assistance, janitorial service, and an attorney and auditor on a fee basis.

Tables V and VII indicate proposed expenditures of Solana Beach-Del Mar in comparison to those of certain other cities of the same approximate size. Table XI (the proposed budget for Solana Beach-Del Mar) shows a further breakdown of these expenditures. Comparatively, the proposed expenses--over-all (\$273,400) and per capita (\$36.38)--are low; this reflects the fact that the service levels proposed will be lower than those found in the other municipalities. They are, however, considered adequate for Solana Beach for the present.

Financial Analysis

Table V, VI, VII, VIII, and XI provide a detailed analysis of the financial situation of Solana Beach-Del Mar should the communities incorporate. Financial data of other cities comparable in population to the joint community are also included in the tables.

Non-property tax revenues are estimated conservatively to amount to \$223,170. It would therefore be necessary, using the 1958-1959 assessed valuation for the two communities, to levy a property tax rate of about \$.61 to raise the \$65,750 additional necessary to meet proposed municipal expenses of \$273,400.

In comparison to other municipalities with a population comparable to Solana Beach-Del Mar, as shown in the tables, the following conclusions may be drawn: (1) total expenditures are considerably less; (2) amount of property taxes collected will be very small; (3) the property tax rate is very low; (4) the percentage of property tax revenue to total income is somewhat less than average; (5) the per capita property tax collection is very low; and (6) major non-property tax revenues are somewhat lower than average.

Governmental expenses of the joint municipality can be lower than those of Solana Beach alone because the larger population and area served by the former would reduce per capita overhead and administrative expenses considerably.

Table IV indicates that a total tax rate on assessed value of real and personal property for the average Solana Beach taxpayer would be approximately \$7.04. As may be noted, this is less than the present total tax rate. Total expenses to an average residential property taxpayer, including related expenses, (\$338.70), would be about \$4 less than he now pays. It is, however, emphasized again that service levels and number of services extended would be

lower than those offered by the City of San Diego.

Lakewood Plan

Should a combined City of Solana Beach-Del Mar secure municipal services through the "Lakewood Plan" (if it is available from San Diego County), some reduction in the property tax rate could be expected. See Chapter VII for general comments concerning the "Lakewood Plan."

IX.

DEVELOPMENTAL AREA OF SOLANA BEACH

To the east and to the north of the Solana Beach study area is an unincorporated region which is closely associated with the community both economically and socially. A map of the study area and this hinterland is shown on page 18.

The region was not included in the study because it is still predominantly rural, and as yet has little need for municipal services. Assessed valuation is also low as compared to urban Solana Beach. An area with these characteristics usually prefers to remain unincorporated in order to avoid payment of taxes for municipal-type services.

Within the next few years, however, these areas directly east and north of Solana Beach will develop considerably. The Santa Fe Irrigation District at this time is disposing of some 750 acres of land of which the greatest portion lies in the hinterland of Solana Beach. This land is well suited for improvements and has attracted considerable interest on the real estate market. Subdivision activity may be expected in many parts of the hinterland in the near future. While the region seems destined to become a predominantly residential area of fairly expensive single family homes, nevertheless it is in store for a substantial population increase. Small-scale commercial centers will also probably be located at several points. The region is unzoned at present. The area is now provided with water and schools through special districts. Other functions, including law enforcement, building inspection, planning and zoning, and road construction and maintenance are provided by the county at a "rural" level. Fire protection, basically against brush fire, is furnished by the State

SAN DIEGUITO CITIZEN
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SOLANA BEACH, CA. 92075

Division of Forestry.

As the region becomes urbanized, additional services, and a higher level of them, will become necessary. Attention to planning and zoning will soon be needed to provide for orderly development of the area. More consideration within the next few years must also be given to improved law enforcement and traffic control, street construction and maintenance, building inspection, sewers, street lights, and fire protection.

It appears that the most feasible manner for the hinterland to obtain such functions would be to join with Solana Beach in whatever governmental solution it takes to similar problems. Thus the region could annex to a City of Solana Beach to obtain most such services. Sewers could be secured by joining the Solana Beach Sanitation District.

San Dieguito Park, northeast of Solana Beach, is being developed by the County of San Diego as a regional county park. It is suggested that this park be excluded from any incorporation limits and left under the care of the county. The improvement and maintenance of a 96 acre park is a fairly expensive matter for a relatively small municipality.

However this hinterland may develop, its future is very closely associated with that of the community of Solana Beach.

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