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PUBLIC REVIEW REPORT

INITIAL FISCAL ANALYSIS OF THE PROPOSED INCORPORATION OF LA JOLLA

Prepared for:

Independent La Jolla, Inc.

Prepared by:

Economic & Planning Systems, Inc.

March 2005

EPS #13062

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March 21, 2005

Richard Smith
Independent La Jolla
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La Jolla, CA. 92035

Subject: Transmittal of Public Review Report --
Initial Feasibility Analysis of the Proposed Incorporation of La Jolla;
EPS #13062

Dear Richard:

We are pleased to transmit the Public Review Report for your review. The Report has been revised to include information provided by the City of San Diego; where information was unavailable from the City, we have proceeded with our analysis utilizing other sources of information and assumptions. We have also included additional information about boundary alternatives, as you requested.

Although it is likely there will be significant changes when more detailed data becomes available if you move forward with a Comprehensive Fiscal Analysis (as part of the formal LAFCO process), I would anticipate that the basic conclusions probably will not change substantially. Ultimately, the findings will depend heavily upon the outcome of future discussions and negotiations with the City of San Diego, and eventual decisions regarding service provision, contracts and potential additional start-up costs, mitigation payments, and disposition of assets. Changes will also occur as a result of recent changes in the distribution of State revenues, e.g., distribution of Vehicle License Fees to cities.

Sincerely,

ECONOMIC & PLANNING SYSTEMS, INC.

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Principal

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TABLE OF CONTENTS

	<u>PAGE</u>
I. INTRODUCTION	1
Methodology.....	3
Issues Requiring Further Research.....	3
II. CONCLUSIONS.....	5
Feasibility of Incorporation	5
Fiscal Impacts upon Other Agencies.....	9
Reorganization Impacts	9
III. THE INCORPORATION PROPOSAL	10
Proposal for Incorporation	10
Name of the New City.....	10
Form of Government	10
City Boundary	10
Reorganization	13
Service Levels	13
Effective Date.....	13
Gann Limit	13
New Taxes.....	14
Capital Improvements.....	14
IV. PUBLIC SERVICES PLAN AND COST ASSUMPTIONS.....	15
City Council	17
City Administration and Finance	17
City Manager’s Office.....	17
Finance Department	17
Administrative Services	18
City Attorney.....	18
City Clerk’s Office.....	18

TABLE OF CONTENTS (continued)

	<u>PAGE</u>
Police Protection.....	18
Public Works/Engineering.....	19
Road Maintenance	19
National Pollution Discharge Elimination System.....	20
Planning and Community Development	20
Animal Control.....	22
Library	22
Parks and Recreation	22
Fire Protection	23
Utilities	23
Other City Expenditures	24
Repayment for Initial-Year Services.....	24
Revenue Neutrality Mitigation Payments.....	25
Other Public Facilities.....	25
V. MUNICIPAL REVENUE ESTIMATES.....	26
Growth and Development.....	26
Revenue Assumptions.....	26
Road Fund.....	29
VI. IMPACTS UPON EXISTING AGENCIES	30
City of San Diego	30
Short-term Fiscal Impact upon the City of San Diego	30
Revenue Neutrality.....	31
Other Agencies and Districts.....	31
APPENDIX I: Budget Model	
APPENDIX II: Revenues and Expenditures of Comparable Cities	
APPENDIX III: San Diego City Parks and Open Space in La Jolla	

LIST OF FIGURES AND TABLES

	<u>PAGE</u>
Figure 1: Boundaries of the Proposed City of La Jolla.....	2
Table 1: Summary of Revenues and Expenses.....	6
Table 2: Summary of Boundary Subareas and Issues	11
Table 3: Municipal Service Providers—Existing and Proposed	16
Table 4: Change in Revenues and Expenses to the City of San Diego.....	32

I. INTRODUCTION

This report presents an Initial Fiscal Analysis (IFA) of the incorporation of La Jolla as proposed by the Independent La Jolla, Inc., a citizen group that is currently considering the pursuit of an incorporation petition. The community of La Jolla currently is within the municipal boundaries of the City of San Diego. The IFA provides an initial evaluation of cityhood feasibility and potential impacts on the City of San Diego. The IFA is intended to serve as a “fatal flaw” analysis of incorporation feasibility, to recommend ways to improve feasibility, and to identify issues requiring further research as part of a formal Comprehensive Fiscal Analysis (CFA) required by law, if the incorporation process moves forward. The requirement for the CFA is established in the Cortese/Knox Local Government Reorganization Act of 2000 (California Government Code Section 56000 et seq.) at Section 56800 (herein the “Statute”).

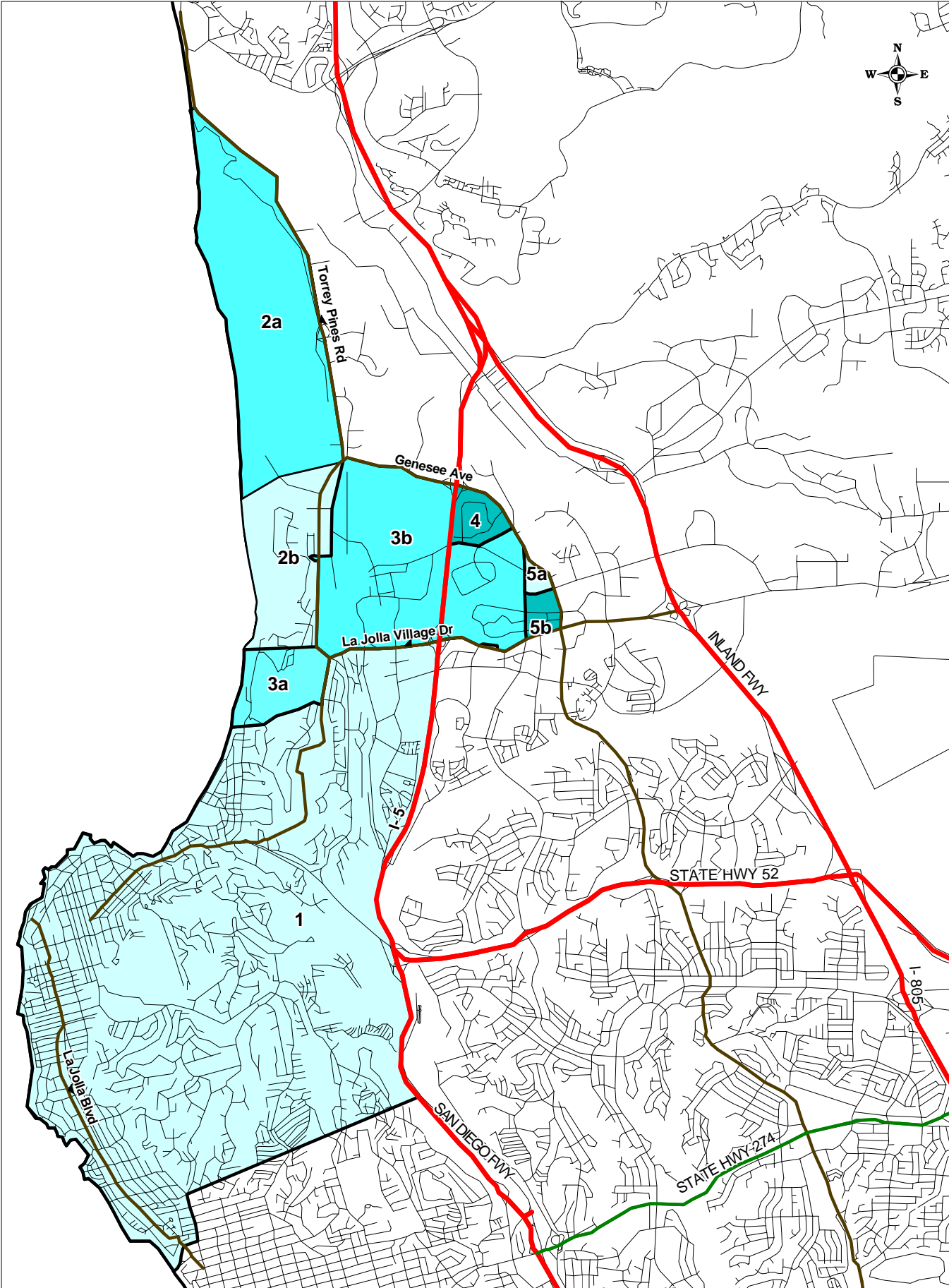
Figure 1 depicts potential incorporation boundaries, described further in **Chapter III**. The total 13-square mile area is home to approximately 43,700 residents. Creating city boundaries is a policy decision involving many factors such as fiscal feasibility, community identity, and orderly land use patterns. Final decisions regarding the boundaries will be made by the Local Agency Formation Commission (LAFCO), considering such policies as avoiding enclaves substantially surrounded by cities and providing efficient, rational public services and accountability.

LAFCO requires that an incorporation application include preliminary fiscal feasibility information. Once LAFCO proceeds with an application, a more extensive and detailed CFA would be prepared to provide LAFCO with information necessary to make the determinations required by the statutes. LAFCO has the authority to approve, deny, or modify the incorporation proposal (as defined in the petition) and must in all cases impose specific terms and conditions regarding the transition of governance to a municipality. If LAFCO approves the proposal, and if no formal majority protest as specified in the law occurs, an election would be held. Majority voter approvals within the proposed city boundaries, as well as within the existing City of San Diego, are required to create the incorporated City of La Jolla.

Financial feasibility is a key finding that must be made by LAFCO; however, LAFCO itself is instrumental in determining financial feasibility since it imposes conditions that directly affect costs and revenues accruing to the new City. These conditions include the following:

- Timing of incorporation (date of the election and the effective date of the new city)
- Boundaries of the new city
- Property tax transfer
- Mitigation terms and conditions related to “fiscal neutrality”
- Related governmental boundary changes, such as dissolutions of or detachments from special districts

Figure 1
Boundaries of the Proposed City of La Jolla



METHODOLOGY

This IFA has been prepared in cooperation with the City of San Diego. The analysis evaluates the feasibility of a new city government, taking into account the land use buildout possible given potential boundary restrictions and other legal requirements imposed by LAFCO (terms and conditions), the proposed municipal government, and a projection of municipal costs and revenues. The analysis also evaluates the potential impacts of incorporation upon agencies presently providing services to La Jolla (e.g., the City of San Diego).

The IFA includes a municipal budget model and forecast. Revenue estimates are based on specific mandated formulas (property tax), the development schedule (sales tax), and estimates of population growth. Costs estimates are based both on potential increases in the population, as well as on the incremental need, if any, for additional city staff.

Data and assumptions in the municipal budget model reflect review and analysis conducted by the Consultant. Cost and revenue information generally reflects the most recent fiscal year for which information is available. The Consultant has estimated potential costs and revenues in certain cases where information was otherwise unavailable from the City of San Diego, and has utilized comparisons to other cities where appropriate to estimate staffing and other items based on similarly-sized cities.

A number of areas of uncertainty have a significant impact upon the findings contained herein. A key unknown relates to the recent changes to the State budget that affect the distribution of State Motor Vehicle License Tax Fees (VLF) to newly incorporated cities. The effects of the current budget, and potential changes, are discussed in this report, and may require further investigation as the process moves forward.

ISSUES REQUIRING FURTHER RESEARCH

A CFA will initiate a process whereby the City of San Diego and other affected agencies are required to provide information necessary to complete the CFA. It is anticipated that the CFA process, and further data collection, research and analysis, will result in changes to the results presented in this initial analysis. Specific items identified in this initial analysis are likely to require further review and are listed below:

Cost Analysis. Several of the departmental costs shown in the IFA are based on average citywide cost estimates instead of on the City of San Diego's current level and cost of service specific to the La Jolla area (e.g., police services). For the CFA, it will be important to obtain more detailed data regarding these departmental costs

Revenue Analysis. There are revenue estimates in the IFA that are based on per capita calculations using City of San Diego revenues, or on revenues from comparable cities (e.g., fines and penalties) in addition to data provided by the City. These revenue

estimates will be refined in the CFA. State subventions, e.g., the “property tax swap” portion of vehicle license fee revenues, are assumed to be received by the new city based on the amount that the City of San Diego would have received from the area. This issue will depend, in part, upon the outcome of pending legislation.

Revenue Neutrality. The current analysis indicates an adverse fiscal impact upon the City of San Diego; further analysis and changes to existing costs and revenues of the City of San Diego in the La Jolla area will change the magnitude of the fiscal results.

Boundary Alternatives. This IFA generally describes boundary options for discussion purposes, and identifies fiscal and public service issues associated with each. More detailed information on costs and revenues generated in each area may be necessary prior to submittal of a proposal to LAFCO. The IFA can provide a starting point that may help refine or eliminate potential boundaries from further analysis and consideration.

II. CONCLUSIONS

FEASIBILITY OF INCORPORATION

1. *La Jolla can be financially feasible as a city.*

The conclusion that a City of La Jolla can be financially feasible is based upon the results of the Municipal Budget Model and forecast completed as a part of this analysis. The new city is able to cover anticipated expenditures, accrue revenues and establish an initial fund balance.

Table 1 shows the estimated costs by major municipal function and revenues available to the new city government. The municipal General Fund surplus (annual revenues minus annual expenditures) is projected to be approximately \$5.9 million by its third full year of operation. The analysis assumes that initial year services provided by the City of San Diego would be repaid in the same year; alternatively, State law allows the new city to repay the costs over time, although it is likely that additional interest charges would accrue.

The Road Fund is able to generate a slight surplus and establish reserves. Further research would need to be conducted regarding the road maintenance service being provided to the area by the City of San Diego, and its associated cost. It is also possible that additional revenues, e.g., grants, would be available to help fund road maintenance.

The IFA budget includes a contingency set-aside of 5 percent annually, in addition to any available annual fund balances; this contingency could help to cover unanticipated costs, or road maintenance costs, and/or be applied towards capital improvements.

A revenue neutrality mitigation payment to the City of San Diego is not shown in **Table 1**, as the actual payment would be the subject of negotiation. However, the current analysis indicates that mitigation will be necessary, as described in subsequent findings.

2. *Municipal service levels will be at least equal to existing levels.* Municipal services are funded in the IFA at a level that approximates existing service levels. In some instances service levels may improve qualitatively despite little or no difference in expenditures; for example, with a planning department located within the community, residents will have more convenient access to these services as well as a greater degree of local control.

Table 1
Summary of Revenues and Expenses (All figures in Constant 2004\$s)
La Jolla Incorporation Analysis, EPS #13062

Item	Fiscal Year									
	2007-08 1	2008-09 2	2009-2010 3	2010-11 4	2011-12 5	2012-13 6	2013-14 7	2014-2015 8	2015-2016 9	2016-2017 10
General Fund Revenues										
Property Taxes	\$19,532,506	\$19,765,187	\$20,000,388	\$20,238,135	\$20,478,456	\$20,690,752	\$20,935,762	\$21,120,711	\$21,305,755	\$21,494,295
Sales Tax	\$5,318,511	\$5,425,955	\$5,535,549	\$5,647,334	\$5,761,355	\$5,877,657	\$5,996,285	\$6,117,285	\$6,240,705	\$6,366,593
Transient Occupancy Tax	\$6,578,656	\$6,578,656	\$6,578,656	\$6,578,656	\$6,578,656	\$6,578,656	\$6,578,656	\$6,578,656	\$6,578,656	\$6,578,656
Real Property Transfer Tax	\$353,034	\$357,513	\$362,042	\$366,620	\$350,325	\$353,438	\$357,138	\$360,318	\$364,086	\$367,052
Franchise Fees	\$1,791,148	\$1,802,742	\$1,814,437	\$1,826,234	\$1,830,276	\$1,834,285	\$1,838,402	\$1,842,486	\$1,846,678	\$1,850,768
Planning Fees	\$1,551,927	\$1,559,438	\$1,566,986	\$1,574,572	\$1,582,196	\$1,589,858	\$1,597,559	\$1,605,298	\$1,613,075	\$1,620,892
Public Works/Eng. Fees	\$437,803	\$439,992	\$442,192	\$444,403	\$446,625	\$448,858	\$451,102	\$453,358	\$455,624	\$457,903
Fines and Penalties	\$133,494	\$134,358	\$135,230	\$136,109	\$136,410	\$136,709	\$137,016	\$137,320	\$137,632	\$137,937
State Motor Vehicle License Fees	\$2,669,876	\$2,687,158	\$2,704,590	\$2,722,175	\$2,728,201	\$2,734,177	\$2,740,313	\$2,746,400	\$2,752,650	\$2,758,746
Investment Earnings	\$383,670	\$387,510	\$391,401	\$395,342	\$398,925	\$402,444	\$406,322	\$409,618	\$412,949	\$416,328
Other	\$590,078	\$593,898	\$597,750	\$601,637	\$602,969	\$604,289	\$605,646	\$606,991	\$608,372	\$609,720
Total	\$39,340,701	\$39,732,406	\$40,129,220	\$40,531,217	\$40,894,394	\$41,251,124	\$41,644,199	\$41,978,442	\$42,316,183	\$42,658,890
General Fund Expenses										
Legislative	\$152,500	\$152,500	\$152,500	\$152,500	\$152,500	\$152,500	\$152,500	\$152,500	\$152,500	\$152,500
Elections	\$0	\$55,339	\$0	\$56,060	\$0	\$56,308	\$0	\$56,559	\$0	\$56,814
Administrative Services	\$1,018,642	\$1,017,505	\$1,135,480	\$1,141,132	\$1,146,813	\$1,152,522	\$1,158,260	\$1,164,026	\$1,169,821	\$1,175,645
City Attorney	\$450,000	\$459,000	\$468,180	\$477,544	\$487,094	\$496,836	\$506,773	\$516,909	\$527,247	\$537,792
Finance	\$765,442	\$769,269	\$773,115	\$776,981	\$780,866	\$784,770	\$788,694	\$792,637	\$796,600	\$800,583
Police	\$11,804,626	\$11,922,672	\$12,041,899	\$12,162,318	\$12,283,941	\$12,406,781	\$12,530,848	\$12,656,157	\$12,782,718	\$12,910,546
Fire	\$5,828,505	\$5,857,648	\$5,886,936	\$5,916,370	\$5,945,952	\$5,975,682	\$6,005,560	\$6,035,588	\$6,065,766	\$6,096,095
Library	\$1,112,907	\$1,118,472	\$1,124,064	\$1,129,684	\$1,135,333	\$1,141,009	\$1,146,714	\$1,152,448	\$1,158,210	\$1,164,001
Animal Control	\$168,351	\$170,288	\$172,249	\$174,236	\$175,495	\$176,759	\$178,041	\$179,329	\$180,636	\$181,941
Planning and Building	\$2,183,184	\$2,293,750	\$2,304,368	\$2,315,040	\$2,225,766	\$2,236,544	\$2,247,377	\$2,258,264	\$2,269,205	\$2,280,201
Public Works Administration	\$1,751,211	\$1,759,967	\$1,768,767	\$1,777,611	\$1,786,499	\$1,795,431	\$1,804,408	\$1,813,430	\$1,822,498	\$1,831,610
Environmental Services (trash collection)	\$1,633,824	\$1,633,824	\$1,633,824	\$1,633,824	\$1,633,824	\$1,633,824	\$1,633,824	\$1,633,824	\$1,633,824	\$1,633,824
NPDES Program	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000
Transfer to Road Fund	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397
Park Maintenance	\$2,538,607	\$2,538,607	\$2,538,607	\$2,538,607	\$2,538,607	\$2,538,607	\$2,538,607	\$2,538,607	\$2,538,607	\$2,538,607
Non-Departmental										
Office Rent/Supplies	\$903,360	\$385,360	\$387,360	\$379,360	\$379,360	\$379,360	\$379,360	\$379,360	\$379,360	\$379,360
Insurance	\$948,077	\$942,768	\$950,362	\$957,680	\$958,903	\$966,550	\$970,871	\$978,631	\$983,052	\$990,927
Contingency	\$1,580,128	\$1,571,280	\$1,583,937	\$1,596,133	\$1,598,172	\$1,610,917	\$1,618,118	\$1,631,052	\$1,638,420	\$1,651,546
Repayment, 1st year costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$34,130,761	\$33,939,645	\$34,213,047	\$34,476,479	\$34,520,523	\$34,795,797	\$34,951,354	\$35,230,719	\$35,389,861	\$35,673,390
General Fund Operating Surplus (Deficit)	\$5,209,941	\$5,792,761	\$5,916,173	\$6,054,739	\$6,373,872	\$6,455,327	\$6,692,845	\$6,747,723	\$6,926,322	\$6,985,500

Mitigation Payment

-----TO BE DETERMINED-----

Table 1
Summary of Revenues and Expenses (All figures in Constant 2004\$s)
La Jolla Incorporation Analysis, EPS #13062

Item	Fiscal Year									
	2007-08 1	2008-09 2	2009-2010 3	2010-11 4	2011-12 5	2012-13 6	2013-14 7	2014-2015 8	2015-2016 9	2016-2017 10
Road Fund Revenues										
Gas Taxes	\$808,259	\$813,491	\$818,768	\$824,092	\$825,916	\$827,725	\$829,583	\$831,426	\$833,318	\$835,163
General Fund	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397
TRANSNET	<u>\$1,019,841</u>	<u>\$1,019,841</u>	<u>\$1,019,841</u>	<u>\$1,019,841</u>	<u>\$1,019,841</u>	<u>\$1,019,841</u>	<u>\$1,019,841</u>	<u>\$1,019,841</u>	<u>\$1,019,841</u>	<u>\$1,019,841</u>
Total	\$2,719,498	\$2,724,729	\$2,730,007	\$2,735,330	\$2,737,155	\$2,738,964	\$2,740,821	\$2,742,664	\$2,744,556	\$2,746,402
Road Fund Expenditures										
Road Maintenance	\$0	\$2,112,584	\$2,112,584	\$2,112,584	\$2,112,584	\$2,112,584	\$2,112,584	\$2,112,584	\$2,112,584	\$2,112,584
Repayment of First-Year Services	<u>\$0</u>	<u>\$501,520</u>	<u>\$501,520</u>	<u>\$501,520</u>	<u>\$501,520</u>	<u>\$501,520</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$0	\$2,614,104	\$2,614,104	\$2,614,104	\$2,614,104	\$2,614,104	\$2,112,584	\$2,112,584	\$2,112,584	\$2,112,584
Road Fund Operating Surplus (Deficit)	\$2,719,498	\$110,625	\$115,902	\$121,226	\$123,050	\$124,859	\$628,237	\$630,080	\$631,971	\$633,817

7

- 3. The City of La Jolla appears capable of making a revenue neutrality payment to the City of San Diego.** As described in greater detail in subsequent sections, the La Jolla area currently generates net revenue to the City of San Diego in excess of public service expenditures. The IFA estimates that the City of San Diego could experience a loss of \$4.6 million of net revenue annually (revenue currently generated by the area in excess of expenditures) if La Jolla incorporates. Assuming that the mitigation payment is equal to the estimated \$4.6 million net loss, the new city would experience an annual surplus of \$1.3 million in the third year.
- 4. Boundary alternatives do not significantly change the findings regarding the near-term financial viability of the new city.** The new city could achieve improved economies of scale for certain services (e.g., planning, general government, etc.), through expansion of its service area; however, other services (e.g., police protection) are likely to increase and may offset additional revenues generated from the larger boundary. The inclusion of certain boundary options may be complicated by the presence of public facilities that will continue to serve residents of the City of San Diego.

Any increase in net revenues (revenues in excess of expenditures) to the new city's budget as a result of adding revenue-rich territory (for example, areas with a significant amount of hotel tax or sales tax, but minimal increase in service costs) will increase by an equal and offsetting amount a higher mitigation payment to the City of San Diego; thus the inclusion of these areas will have no significant net benefit to the new city.

- 5. The financial feasibility of a new City of La Jolla could be improved in a variety of ways.**
- Revenue-generating new development after cityhood, especially hotels or retail uses, would improve the new city's budget conditions. Any increase in revenues prior to incorporation would have no significant effect, since required mitigation would also increase.
 - Special taxes to fund services (e.g., police services), a utility users tax or increase to the hotel tax could further improve fiscal prospects. The current analysis does not indicate the need for such taxes, unless current service levels are increased.
 - Further analysis and additional information from the City of San Diego could reduce the estimated costs to a new city, for example, through contracts for services or reduced staffing.

FISCAL IMPACTS UPON OTHER AGENCIES

1. *The incorporation of La Jolla would have an adverse impact on the City of San Diego.*

The revenues transferred from the City of San Diego to the new city exceed the savings in expenditures for transferred services. As defined in Government Code Section 56815 and calculated in this analysis, the difference between revenues transferred and expenditures transferred results in an adverse impact on the City of San Diego's General Fund. Based on current estimates, there would be a need for mitigation payments (and/or other agreement provisions that mitigate the impacts) as required by the statute. The analysis shows an adverse impact on the City of San Diego's General Fund of \$4.6 million. In addition, the City of San Diego could experience an adverse impact on its Road Fund. The revenue neutrality calculation is further discussed in **Chapters V and VI**.

2. *Other agencies serving the La Jolla area will not be significantly affected by the incorporation.*

The IFA assumes other agencies serving the La Jolla area, including the school districts, and private utility providers, will not be significantly affected by the incorporation. Growth in La Jolla, whether the area is incorporated as a new city or not, will affect demand for services from these districts. It is assumed that school and most other service provider expenditures and revenues will remain the same whether or not the area incorporates.

REORGANIZATION IMPACTS

At this time, no special district reorganizations have been identified, nor are any special district reorganizations assumed in the IFA. LAFCO may, at its discretion, include special district changes as a part of its approval based on the findings of the CFA.

III. THE INCORPORATION PROPOSAL

PROPOSAL FOR INCORPORATION

The following sections describe the La Jolla municipal government. If incorporation proceeds, these terms will be refined further as a part of the application and LAFCO review process.

NAME OF THE NEW CITY

The name of the new city is assumed to be “The City of La Jolla.”

FORM OF GOVERNMENT

La Jolla will be incorporated as a General Law city under the Constitution of the State of California, consistent with State Law. The proposed form of the new city would be the “Council/Manager” form common to small and mid-sized cities throughout the State. Under the Council/ Manager form, a five-person City Council, elected at-large, would retain a City Manager who would be responsible for the day-to-day operations of the new city with an appointed City Clerk.

CITY BOUNDARY

Figure 1 depicts preliminary municipal boundaries proposed for La Jolla, showing boundary options. The options provide a basis for further data collection, evaluation, public discussion, and LAFCO review. It is likely that the range of options will be narrowed during subsequent review and analysis. **Table 2** summarizes fiscal and other issues related to the inclusion of certain areas.

The total area comprises approximately 13 square miles and a population of approximately 43,600. The boundary includes all areas within the 92037 zip code, which are commonly considered “La Jolla”. The boundaries are larger than the area shown in the La Jolla Community Plan, as they also include UC San Diego property in the 92093 and 92161 zip codes, and areas further to the north (Torrey Pines State Reserve and the municipal golf course) and to the east of Gilman Drive. The entire length of the proposed city, assuming all subareas are included, is about 8.5 miles.

The southern boundary extends from the ocean near the terminus of La Jolla Boulevard, east to Interstate 5. The demarcation follows the zip code boundary for analysis purposes only; it is likely that changes will be necessary to avoid splitting neighborhoods, follow logical street patterns, and assure that communities of interest

Table 2
Summary of Boundary Subareas and Issues

Subarea	Description	Acres	Population	Potential Fiscal Effects on City Budget	Other Issues
1	Area west of I-5 and south of La Jolla Village Drive and UCSD to south boundary of 92037 zip code. Includes La Jolla Village Square shopping center	5,360 ac.	32,500	IFA fiscal analysis indicates positive fiscal results, however, a "revenue neutrality" payment will be necessary to the City of San Diego	Southern boundary not well-defined; although it could adhere to zip code, does not follow logical physical or community demarcations
2a	Glider Port, Scripps Clinic & Green Hospital, Hilton Hotel, Torrey Pines Inn, Golf Course, Torrey Pines State Reserve	1,100 ac.	280	Neutral - tax exempt uses offset by hotel taxes, and golf course/restaurant sales tax	City of San Diego would continue to own and operate public facilities within the new city's jurisdiction
2b	La Jolla Farms, La Jolla Estancia Hotel, Salk Institute	450 ac.	1,270	Neutral - tax exempt uses & service demands from residential offset by residential property tax and hotel taxes	
3a	UCSD West of Torrey Pines Road (Scripps Institute)	200 ac.	340	Neutral/Negative - tax exempt use, still requires services	
3b	UCSD east of Torrey Pines Road	1,050 ac.	6,500	Neutral/Negative - tax exempt use, still requires services; partial offset from book store sales tax	Splitting UC between two municipalities may create service inefficiencies
4	Scripps Memorial Hospital	90 ac.	0	Negative - tax exempt use, still requires services	Land was dedicated for the hospital conditioned upon it remaining within La Jolla; however, the hospital would still be within the 92037 "La Jolla" zip code
5a, 5b	Day school, police and fire stations, Marriot Hotel, mix of commercial and residential	50 ac.	420	Neutral - tax exempt uses & service demands from residential offset by commercial sales tax and hotel taxes	The police & fire stations serve San Diego residents not be included in the new city, thus requiring mutual aid or other service agreements to mitigate potential service impacts or inefficient service provision

are included. Certain changes are likely as the preliminary analysis proceeds moves forward and the boundaries are reviewed; further changes will occur if the proposal is forwarded to LAFCO.

The northernmost point is where Torrey Pines Road meets the southern city limit of Del Mar. The northern area includes Torrey Pines State Reserve and the Torrey Pines Municipal Golf Course.

Following is an overview of the boundary subareas.

Subarea 1—Over half of the total potential incorporation area is south of La Jolla Village Drive and the University of California (UC) campus, in the area designated Subarea 1. This subarea is entirely within the 92037 zip code. Subarea 1 comprises the majority of the potential area within the proposed new city.

In order to avoid City of San Diego “islands” within the new city boundaries, the next increment to the boundaries includes the contiguous areas designated as Subareas 3a and 3b.

Subareas 3a and 3b—These subareas include the Scripps Institution of Oceanography and UC San Diego. These areas are tax exempt and do not generate property tax; however, sales tax is generated from retail sales on the campus (e.g., the bookstore). The population within these areas totals 6,832, according to the 2000 census. The entire UC property, including the area to the east of I-5, is shown as a boundary option, to avoid splitting the property into multiple municipal jurisdictions.

Subareas 2a and 2b—Immediately to the north of the Scripps property and west of the UC campus are privately-owned residential properties in Subarea 2b, with a population of approximately 1,544. Inclusion of Subarea 2b requires that the adjoining Scripps and UC Subareas 3a and 3b also be part of the new city in order to avoid creation of City of San Diego “islands” within the new city.

Subarea 2a is the next contiguous area to the north of Subarea 2b and includes the Torrey Pines Municipal Golf Course, the Torrey Pines City Beach and the Torrey Pines State Beach. Subarea 2a is tax exempt; however, sales tax is generated at the golf course clubhouse, and the Hilton hotel in that subarea generates property tax, sales tax and Transient Occupancy Tax (TOT). Although the golf course is owned by the City of San Diego, the territory potentially could become part of the jurisdiction of the new city. The new city would gain no ownership or operational control over the golf course beyond its legal municipal authority (e.g., land use controls, etc.).

Subarea 4—This subarea includes the Scripps Memorial Hospital, and inclusion is contingent on incorporation of the UC subareas. Subarea 4 is shown as an option because the area may be better served as part of the surrounding new city. In addition, the land was dedicated for the hospital conditioned upon it remaining within La Jolla; it

is uncertain, however, whether exclusion from the incorporation boundaries would have any impact on the hospital as a result of this condition, particularly since the hospital would still be within the 92037 “La Jolla” zip code.

Subareas 5a and 5b—These subareas are bounded along their western edge by UC San Diego property and are included because the subareas may be better served as part of the surrounding new city (assuming the UC subareas are also incorporated into the new city). Subarea 5a, which includes a day school, is bounded on the south by Eastgate Mall. Subarea 5b is bounded on the south by La Jolla Village Drive. Subarea 5b includes a City of San Diego police station, fire station, some residential uses, and a hotel and commercial property, which are revenue generating uses. In addition to serving the La Jolla community, the police station and fire station serve existing City of San Diego residents and businesses that would not be included in the potential incorporation, perhaps requiring mutual aid or other service agreements to mitigate potential service impacts or inefficient service provision.

REORGANIZATION

No special district reorganizations are assumed for this analysis.

SERVICE LEVELS

This IFA presumes and reflects municipal expenditures that maintain existing municipal service levels. The proposed service levels are discussed in **Chapter IV**.

EFFECTIVE DATE

This IFA assumes July 1, 2007 as the effective date, assuming a successful November 2006 election. Depending on the time required to initiate and complete the LAFCO process, this timeline may be extended.

GANN LIMIT

Local agencies in California that receive proceeds of taxes are required to have a limit on how much tax money they can spend. It is called the Gann Limit.

Under State law, the LAFCO resolution of approval and the ballot question before the voters must identify a provisional Gann Limit. Following incorporation, the City Council will place on a future ballot a permanent Gann Limit for voter approval. The CFA will determine a provisional Gann Limit.

NEW TAXES

The IFA assumes no new taxes will be imposed by the new city.

CAPITAL IMPROVEMENTS

It is assumed that the new City Council initially will adopt all impact fee ordinances currently enforced by the City of San Diego to ensure a continual flow of existing fee revenues. While this IFA addresses issues of fiscal feasibility, it has not evaluated the need for, or financing of, future capital improvements except to assume ongoing funding resulting from existing dedications and fees currently charged by the City of San Diego and adopted by the new city.

IV. PUBLIC SERVICES PLAN AND COST ASSUMPTIONS

A municipal Public Services Plan was developed to assess the feasibility of incorporation. **Table 3** presents a list of existing and proposed municipal services in La Jolla. The Public Service Plan is preliminary, reflecting Independent La Jolla, Inc.'s informal incorporation proposal and judgment of the Consultant. In actuality, decisions made by LAFCO, the future La Jolla City Council, and the San Diego City Council (and potentially, the County of San Diego) regarding contract services will determine how public services are provided in La Jolla.

As with all new cities, the municipal government in La Jolla will evolve over time. Initially, many services are likely to be provided by contract with the City of San Diego or other entities. Over time, these services may be provided directly by the new city. Upon its incorporation the City of La Jolla could become responsible for the following municipal services currently provided by the City of San Diego.

- City Council to make policy, and to advocate for the community
- City Administration, Finance, and Legal Counsel
- Police Protection including traffic law enforcement
- Fire Protection, including emergency response services
- Public Works (including engineering, road and local drainage maintenance, street lighting, parks and other maintenance)
- Land Use Planning and Regulation, Building Inspection and Code Enforcement Services
- Animal Control
- Environmental Services, include refuse collection and recycling

The following paragraphs describe the municipal services provided by the new city. Actual levels of service would be established by the City Council through the budget process. Cost projections are based on estimates of the service costs that the new city would incur because of its responsibility to provide certain public services. Levels of service and staffing decisions reflect the judgment of the Consultant based on current service levels and staffing and expenditure levels for cities of comparable size. Detailed cost assumptions are included in **Appendix I**. **Appendix II** provides information regarding the revenues and expenditures of comparable cities.

The following sections provide an overview of the city departments. Salary levels are assumed to increase at 0.5 percent per annum in real terms above inflation (unless otherwise noted). Actual salaries would depend on the negotiation of employment contracts and city staffing practices. Other costs generally include supplies and materials and would vary by year depending on need. The method of service provision, staffing levels, and contract services are illustrative; actual methods may include

Table 3
Summary of Municipal Service Providers (Existing and Proposed)*
La Jolla Incorporation Analysis, EPS #13062

Service	Service Provision		
	Present Provider	After Incorporation	Method
General Government			
City Council	City of San Diego	City of La Jolla	City Council
Manager	City of San Diego	City of La Jolla	City Staff
Attorney	City of San Diego	City of La Jolla	City Staff/Contract
Finance/Clerk/Administrative Services	City of San Diego	City of La Jolla	City Staff
Public Protection			
Law Enforcement	City of San Diego	City of La Jolla	City of San Diego or County Contract, or La Jolla Dept.
Traffic Control/Accident Investigation	California Highway Patrol	City of La Jolla	Same as above
Fire Protection	City of San Diego	No Change	As is currently provided
Ambulance	City of San Diego	No Change	As is currently provided
Animal Control	City and County of San Diego	City of La Jolla	Contract w/County
Land Use and Planning			
Regulation & Planning	City of San Diego	City of La Jolla	City Staff
Community Services			
Recreation Programs	City of San Diego	No Change	As is currently provided
Local Parks/Recreation Facilities	City of San Diego	No Change	As is currently provided
Library	City of San Diego	City of La Jolla	San Diego City Contract or La Jolla Dept.
Public Works/Public Utilities			
Public Works Administration	City of San Diego	City of La Jolla	City Staff
Roads, Local Drainage, Bridges, Signals	City of San Diego	City of La Jolla	City Staff/Contract
Building Inspection	City of San Diego	City of La Jolla	City Staff/Contract
Domestic Water	City of San Diego	No Change	As is currently provided
Waste Water Treatment/Disposal	City of San Diego	No Change	As is currently provided
Solid Waste Management/Disposal	City of San Diego	City of La Jolla	Contract
Flood Control	City of San Diego	City of La Jolla	City Staff
Street Lighting	City of San Diego	City of La Jolla	City Staff
National Pollution Discharge Elimination System	City of San Diego	City of La Jolla	City Staff/Contract
Public Education			
K-12 Grade Levels	San Diego Unified School District	No Change	As is currently provided
Other Services			
Electricity	San Diego Gas & Electric	No Change	Franchise Agreement w/City of La Jolla
Gas	San Diego Gas & Electric	No Change	Franchise Agreement w/City of La Jolla
Cable Television	Cox Communications and Time Warner Cable	No Change	Franchise Agreement w/City of La Jolla
Public Transit	Metropolitan Transit System	No Change	As is currently provided

* Proposed by applicant and IFA consultant. For illustrative purposes only; actual provision of service by the City will depend upon LAFCO actions, negotiations with service providers, and future actions by the City of La Jolla and City of San Diego Councils.

some variation of in-house staff and contract services. The City Council ultimately would determine the method of service provision based on consideration of numerous factors including cost and availability of contractors.

CITY COUNCIL

The City Council would be the governing body of the new city and would include five council members. The City Council would hire a City Manager and City Attorney, make service and budget decisions, enter into agreements with other governmental entities, and regulate land use within the city boundaries and represent the community.

The IFA assumes that council members would be paid a minimal monthly stipend, and other travel and membership costs would be incurred. The actual stipend will be decided as part of the new city's formal budgetary process. The "membership" expenses include membership in organizations such as the League of California Cities and other professional organizations. Travel and meeting expenses include costs related to conference and meeting attendance.

CITY ADMINISTRATION AND FINANCE

The new city would be administered by a City Manager and a professional staff, including a Finance Director. Administrative and service decisions would be focused on the City Manager, who would carry out the policy directives of the City Council. Specific activities of Administration and Finance include a City Clerk and elections, budget preparation and administration, personnel, and contract administration.

CITY MANAGER'S OFFICE

The City Manager's Office, responsible for overseeing city operations, would include a full-time City Manager, a full-time Assistant City Manager, and a full-time secretary in the first year of operation.

FINANCE DEPARTMENT

The Finance Department, responsible for financial oversight and budgeting, would include a full-time Director of Administrative Services, Finance Manager, Treasurer, three Accountants, a Senior Account Clerk, and a secretarial/clerk staff person.

ADMINISTRATIVE SERVICES

Administrative Services includes human resources functions and information services. The latter is assumed to be provided by contract initially.

CITY ATTORNEY

The new city initially will contract with an attorney or municipal law firm to provide legal expertise. The cost of this expertise, set to \$450,000 annually beginning the initial year, is assumed to increase at 2 percent per annum, in real terms. This amount should provide adequate amounts to deal with city start-up costs. The new city may incur other types of legal expenses, e.g., related to litigation, which would be funded from contingency funds.

CITY CLERK'S OFFICE

The City Clerk's Office, responsible for a number of City record-keeping and administrative duties, will include a full-time City Clerk and a Deputy City Clerk starting in the first year of operation. Other costs include the cost of legal notices as well as supplies and materials.

POLICE PROTECTION

Police protection is one of the most important responsibilities of municipal government and typically the most costly for small cities. At present, the City of San Diego provides law enforcement services. After incorporation, the IFA assumes the new city would contract with the City of San Diego Police Department to provide law enforcement and traffic control services. The City of San Diego currently does not provide contract services to other cities, so it is uncertain whether they would provide contract services to the new city.

The City of San Diego Police Department provided cost estimates for the La Jolla area. If a CFA is conducted, it will be important for the Police Department to provide the Consultant with a contract cost including indirect costs associated with departmental overhead, and the cost of providing local traffic enforcement. Alternatively, the new city may contract with the County of San Diego to provide services; no contract estimate is available at this time.

No significant initial start-up costs are assumed to be necessary, since the City of San Diego's Police Department is currently equipped to serve the area. Over time, the new city could establish its own department, which could incur significant startup costs; this option has not been evaluated in this analysis. The new city would be eligible for various grants; however, it is assumed that any grants received would be utilized to purchase equipment or services over and above the level shown in the budget, due to typical grant funding "maintenance of effort" requirements and restricted uses.

PUBLIC WORKS/ENGINEERING

The City of San Diego currently provides public works and engineering services through their Engineering and Capital Projects and Transportation Departments, and provides refuse collection and recycling through their Environmental Services Department. The Public Works Department of the proposed city would provide engineering services to the new city and would manage capital improvement and maintenance activities. The major activities would include maintenance for roads and landscaping as well as conducting engineering review of development proposals.

Most likely much of the engineering, building inspection, and maintenance activity would be conducted by the new city through a contract; after the expiration of the contract, the new city could continue to contract with the City of San Diego (if agreed to by the City of San Diego), increase its in-house staff, and/or utilize private consulting engineers and contractors. At the direction of the City Manager and City Council, the Public Works Director/City Engineer would coordinate with contract service providers. The Public Works Department is assumed to include 19 employees, including engineers, project staff, maintenance workers, and other technical and administrative staff.

ROAD MAINTENANCE

The IFA assumes road mile maintenance costs for repair and maintenance of pavement, hardscape repairs, drainage, and maintenance of traffic signals, based on the City of San Diego's cost estimates. Detailed costs of providing road maintenance to La Jolla by the City of San Diego will be identified further in a CFA. The analysis assumes that the City of San Diego would continue to provide services under contract to the City of La Jolla, although staff responsibilities could transition to the new city.

Landscaped medians are maintained under assessment district agreements, which are assumed to be continued under the new city. Assessment districts collect assessments from property owners, in addition to property tax, to fund maintenance of improvements within the district.

Information provided by the City of San Diego Street Division shows that as of FY 2002 approximately 68 percent of the streets in La Jolla are in acceptable condition, 27 percent are in fair condition, and 5 percent are in poor condition. Approximately 83 of the 122

miles of roads in the La Jolla area need little or no maintenance (as of 2002). Repair costs were estimated at approximately \$1.15 million for streets in fair condition and \$1.2 million for streets in poor condition.

NATIONAL POLLUTION DISCHARGE ELIMINATION SYSTEM

The new city will be responsible for implementing a variety of programs in accordance with Phase 2 of the National Pollution Discharge Elimination System. Minimum program requirements could include public education and outreach on storm water impacts, public involvement/participation, illicit discharge detection and elimination, construction site storm water runoff control, post construction storm water management in new development and redevelopment, and pollution prevention and “good housekeeping” for municipal operations. The new city may also implement additional pollution control and monitoring measures, depending on funding availability and priorities.

PLANNING AND COMMUNITY DEVELOPMENT

The existing City of San Diego Zoning Ordinance most likely will be adopted as land use policy by the first City Council. It is assumed that beginning in its second year, the new city would begin to develop a new general plan and zoning ordinance. Consultant contracts would be used for these services. A Planning Commission would be appointed and begin to update the General Plan and supporting planning documents and policies. The IFA assumes that approximately 70 percent of the department costs (excluding the General Plan) are recovered through fee revenue.

PLANNING

Functions and Staffing

The Planning Department is responsible for General Plan preparation, code enforcement, and development services. General Plan preparation will occur during the early years of the new city’s operation, and code enforcement will be ongoing, most intensively prior to buildout. The IFA includes consultant costs related to General Plan preparation.

The level of staffing is based on the level of service provided by other comparable cities of similar size throughout California. The Department is assumed to include the following staff positions.

Positions	FTEs
Planning Director	1
Assistant Director	1
Planners (senior and principal)	4.5
Building/Zoning Administrators	2
Building Inspectors	4
Code Enforcement	2
Aids and Clerks	5
Secretary/Clerical	1

BUILDING INSPECTION SERVICES

Building Inspection Services are currently provided by the Development Services Department of the City of San Diego. The Building Inspection Department of the proposed city would provide plan review, permit issuance, building construction and file-keeping services for La Jolla. Building inspection is assumed to be initially provided through a contract with the City of San Diego under the auspices of La Jolla's Public Works Administration. Annual building inspection costs would vary based upon development activity.

CODE ENFORCEMENT

There are currently 317 open code enforcement cases in the proposed City of La Jolla, which represent roughly 6 percent of the total number of cases in the City of San Diego. However, the Neighborhood Code Compliance Department believes that the current service level provided to La Jolla is inadequate given the complexity of cases in the area. These cases included issues regarding fragile coastal bluffs, protected view corridors, historic resources, and other environmentally sensitive lands. Thus, the City of San Diego recommends increasing Department staff by 42 percent, or by 16 FTEs, in order to adequately handle all of the complex issues that are more prevalent in the La Jolla area.

AFFORDABLE HOUSING AND ECONOMIC DEVELOPMENT

The new city could handle various functions (e.g., administering HUD programs, facilitating housing development) through in-house planning staff. Various grants programs for housing would cover a portion of these costs, and administration-related

costs. The current business improvement district, which provides private funding from businesses for area marketing, maintenance and improvements, is assumed to continue, unaffected by the incorporation.

OTHER COSTS

It is assumed that planning consultants will play a significant role in General Plan preparation as well as providing other consulting services over time. Mapping reproduction costs are associated with General Plan preparation and other City needs for maps. Actual costs will depend on the extent of use and implementation of a GIS system and the exact geographic boundaries covered. The Planning Commission expense includes costs related to the preparation of the General Plan and Zoning Code, including costs such as materials and supplies, report production, travel, and meetings.

ANIMAL CONTROL

At present, the County and the City of San Diego both provide animal control and shelter services to La Jolla. A portion of these costs is covered by charges for services and animal license fees. After incorporation, the IFA assumes the new city will contract with the County and/or the City of San Diego for these services. It was assumed that the cost to the new city of contracting these services would be based on the level of service currently provided to the area. The actual cost will depend upon a variety of factors that include inflation, employee "cost of living" increases, and State mandates for animal retention and the spaying/neutering of all dogs and cats adopted from the shelter. The per-capita cost was applied to the existing and new population within the proposed incorporation areas to determine the costs of animal control.

LIBRARY

Library service is provided to residents of La Jolla by the San Diego Public Library System. Local residents use the newly expanded La Jolla/Riford Branch Library. It is assumed that the new city would contract for ongoing operations and potentially take over operations in the longer term.

PARKS AND RECREATION

The City of San Diego Park and Recreation Department manages parks and open space, recreational programs, and recreational facilities. In the La Jolla area the Department currently manages approximately 348 acres of open space, 37 acres of regional parks, and 44 acres of community parks. Community facilities operated in the La Jolla area by the City of San Diego include the La Jolla Tennis Courts and The La Jolla Bridge Club. Both of these facilities are maintained by community groups, with partial maintenance

provided for the Bridge Club by the City of San Diego, under agreements with the City of San Diego. In addition, the Department manages approximately 6,000 acres of the San Diego-La Jolla Underwater Park (see **Appendix III** for a detailed listing of La Jolla's inventory of parks and open space).

FIRE PROTECTION

The City of San Diego Fire Department provides fire protection to La Jolla. The Department also provides emergency response services. The following table shows the location and services for fire stations serving La Jolla.

Station Name	Address	Apparatus
Fire Station 9	7870 Ardath Lane at Torrey Pine Road	Engine, medic/rescue
Fire Station 13	809 Nautilus Street at Fay Avenue	Engine
Fire Station 16	2110 Via Casa Alta at La Jolla Scenic	Engine
Fire Station 35 (provides services within and outside incorporation area)	4285 Eastgate Mall at Genesee Avenue	Engine

The IFA assumes that the new city will be responsible for the provision of fire protection services to the incorporation area. Costs are based on current average costs per station.

UTILITIES

Individual utility companies serving the City of San Diego currently that will continue to serve the proposed City of La Jolla include San Diego Gas & Electric, Cox Communications, and Time Warner Cable. In addition, private haulers would continue to provide refuse service under a franchise agreement with the new city; it is assumed that the new city continues to fund residential refuse collection services in the same manner as the City of San Diego. The IFA assumes that the City of San Diego will provide water and wastewater services to the area as it currently does to other cities.

OTHER CITY EXPENDITURES

OFFICE RENT AND SUPPLIES

The new city will require office space, supplies, and equipment to conduct its operations. It is expected that the new city will rent workspace for its staff and a council chamber. The number of new city staff is expected to stabilize at about 65 persons. Space rental cost estimates are based on the assumption that the new city will rent sufficient space for this level of staff, and 67 persons to include space for contract employees and a 2,000-square-foot space for the council chamber, for a total of approximately 15,400 square feet. Rent is assumed to be \$1.30 per square foot per month; actual costs will depend on the type, location, size and amenities. Annual supplies and initial computer and furnishing costs are estimated using an average cost per employee.

INSURANCE

The new city will carry insurance. Insurance costs were estimated at about 3 percent of total General Fund expenses, excluding non-departmental costs. Depending on the type of insurance coverage, level of self-insurance, and participation in shared programs, costs could be less.

CONTINGENCY

A number of unforeseen costs may occur that will have to be borne by the new city. The cost estimates include a contingency allowance estimated at 5 percent of total General Fund costs to account for unforeseen costs or cost increases above the projected amounts in the IFA budget. If the contingency funds are not required, they could provide a reserve that could be applied to specific purposes, e.g., capital improvements.

REPAYMENT FOR INITIAL-YEAR SERVICES

The City of San Diego will continue to provide a number of services to La Jolla for the first fiscal year of city operation after incorporation, as provided by State law. Services that will continue to be provided most likely will include police, fire protection, animal control, land use planning and code enforcement, and road maintenance. It is assumed the City of San Diego will request repayment of its first year expenses to provide services. The costs are assumed to be repaid by the City of La Jolla in the initial year of operation. Alternatively, repayment could occur over a period of five years (typically with interest), allowing the new city to establish initial reserves. Depending on the timing of the accrual of certain revenue sources, the City of La Jolla may receive a credit against the initial year's service cost equal to any revenue retained by the City of San Diego.

REVENUE NEUTRALITY MITIGATION PAYMENTS

This IFA does not include any assumptions regarding revenue neutrality mitigation payments, as these will be the subject of further analysis in the CFA and negotiated as part of the incorporation process. However, the IFA does estimate the potential impacts on the City of San Diego, as described in **Chapter VI**, to provide an initial assessment of the potential order of magnitude of such costs. The actual payment may vary depending on timing, phasing of amounts (e.g., varying over time), and term of payments.

OTHER PUBLIC FACILITIES

Major public facilities such as all public roads would be conveyed to the new city. For any additional facilities that are constructed by La Jolla, additional capital and maintenance costs would be incurred. Other facilities, such as recreation and community facilities, will be the subject of negotiation with the City of San Diego.

V. MUNICIPAL REVENUE ESTIMATES

This Fiscal Analysis is based upon a Municipal Budget Model that reflects a hypothetical city budget during its first ten years of municipal operations. Data and assumptions used in the model are realistic, and, insofar as possible, represent what could occur following incorporation. However, the structure of the municipal government and decisions reflecting staffing, level of service, and funding are ultimately at the discretion of the City Council. Key features of the Fiscal Analysis include the following:

- Revenue projections are based upon the revenues that can be expected by the new city following incorporation. The specific amounts of these new revenues were estimated by considering current and expected development, State laws, and procedures affecting the levy and distribution of local government revenues, and tax-sharing formulas imposed by State law.
- The analysis is presented in “constant dollars,” that is, dollars of constant 2004 purchasing power. In actuality, inflation will affect both costs and revenues during the projection period. “Constant dollar” percentage increases were included in budget line items to reflect increases in costs above general inflation.

GROWTH AND DEVELOPMENT

The population of the community of La Jolla is assumed to grow at approximately 0.7 percent per year from 2000-2010 and at 0.4 percent per year from 2010-2020 based on the San Diego Association of Governments (SANDAG) growth estimates for the La Jolla census tracts. This is equivalent to about 60 units annually through 2010. These growth rates reflect the fact that La Jolla is largely a built-out community (98 percent), and there is very little room for future housing growth. It is also assumed that 10,000 square feet of new commercial square footage is developed each year in La Jolla based on the SANDAG land use forecast for the La Jolla area.

REVENUE ASSUMPTIONS

PROPERTY TAX

Property tax to the new city is based on the estimated amount currently received by the City of San Diego from the La Jolla area, which represents approximately 17 percent of the property taxes generated. The application of the approximate Tax Increment Factor, or 17 percent, to the property tax growth indicates the new city’s share of the growth in property tax revenues. This share is then added to the new city’s prior year property tax revenue allocation to estimate the new city’s current year revenues. Growth is generated by new development as well as the resale and appreciation of existing properties.

The property tax calculations used in the Municipal Budget Model do not model tax delinquencies or prior year accounts, although they do include the “supplemental” roll, which includes changes in assessed value that occur during the year.

SALES TAX

Estimates of the sales tax accruing to the new city are based on data provided by the City of San Diego. Estimates of new sales tax are estimated based on assumptions regarding the amount of new retail development assumed for La Jolla, and retail sales per square foot.

“Unallocated taxable sales”, which will be part of detailed estimates provided in the preparation of a CFA, will include taxable sales unrelated to retail permits within the incorporation area boundaries. These sales include mail order and Internet sales and are distributed Statewide proportionate to situs sales tax. A 2 percent real increase in sales tax (above inflation) is assumed in the sales tax forecast.

TRANSIENT OCCUPANCY TAX

TOT revenues are based on figures provided by the City of San Diego. Upon incorporation, the same 10.5 is assumed to apply to hotel revenues within the new city.

PROPERTY TRANSFER TAX

Property transfer tax revenues accruing to the new city are based on the assessed value of units sold and the tax rate accruing to the new city of \$0.55 per 1,000 of assessed value. The assessed value that sells each year includes the sale of existing and new development. It was assumed that 6 percent of existing residential units and 2 percent of commercial assessed value turn over every year. No transfer tax is assumed for new commercial development, assuming that most commercial property is built and held for investment purposes, or is owner-occupied.

FRANCHISE FEES

Franchise fees that are collected in the area include cable, electric, gas, and refuse collection. The fees were projected based on per capita estimates derived from existing City of San Diego revenues.

PLANNING REVENUES

Based on the estimates from comparable cities, revenues from the provision of planning, including zoning permit fees, are assumed to offset 70 percent of the costs of providing these services excluding the costs of General Plan development. This assumes the new city charges more in fees than is currently being charged by the City of San Diego, which recovers approximately 40 percent of its Planning Department costs through planning fees.

PUBLIC WORKS/ENGINEERING

Fees can be charged for a variety of activities conducted by the Public Works Department. Based on standard charge-to-cost ratios in other cities, it is assumed that about 25 percent of costs could be recouped through charges for services.

FINES AND PENALTIES

The average fines and penalties per resident accruing to the new city were based on an EPS estimate from similar analyses.

STATE MOTOR VEHICLE LICENSE FEES

The VLF accruing to the new city were based on the current per-capita tax allocation to the City of San Diego. Recent State legislation changed the manner in which this tax is distributed; approximately \$55 out of the \$60 per capita revenue will be “swapped” for property tax. The analysis shows the equivalent \$60 amount times population, although it will be received in the form of property tax. Under prior State law, new cities benefited by receiving VLF based on a “proxy population”, or three times registered voters, which is greater than actual population; pending legislation may restore the “bump” in revenues received by new cities, which would increase the estimated revenues to the new city.

INVESTMENT EARNINGS

Investment earnings are assumed to be accumulated on one percent of annual revenues. This assumes earnings from reserve and fund balances; the actual earnings will vary from year to year.

OTHER

The City of San Diego currently receives a significant amount of revenue from its Transportation Department, with a majority of the Department's revenues coming from fines, forfeitures, and penalties related to parking enforcement. Thus, based on San Diego's per capita revenue, it is assumed that the proposed City of La Jolla will receive transportation related revenues.

ROAD FUND

GAS TAX

Gas taxes are the primary source of Road Fund revenues. The new city would receive gas tax revenues via a number of different highway user taxes. The IFA estimates these revenues based on current City of San Diego revenues, although the actual amounts will vary slightly due to the smaller size of the new city. The per capita rates were applied to the projected population to estimate the gas tax revenues accruing to the new city each year.

TRANSNET

In 1987, San Diego region voters approved Proposition A which initiated the TransNet program—a half-cent sales tax to fund a variety of important transportation projects throughout the region. This 20-year, \$3.3 billion transportation program expires in 2008. Last year, voters countywide approved Proposition A, the 40-year extension of TransNet. The new city is assumed to receive an amount based on a proportion of the City of San Diego's current receipts.

GENERAL FUND TRANSFERS

The City of San Diego also transfers funds to help pay for road maintenance. The IFA assumes a comparable transfer amount.

GRANTS

As part of the CFA, further research should be conducted regarding grants and other funds that could be available to the Road Fund. The IFA assumes that the new city will receive grant funds similar to the City of San Diego.

VI. IMPACTS UPON EXISTING AGENCIES

A variety of services, including the court system, public health, social services, fire protection, water supply, flood control, library and environmental health services, will continue to be provided by existing service providers. The new city may wish to improve or enhance these services over time through cooperative arrangements with existing agencies or businesses.

CITY OF SAN DIEGO

The incorporation of La Jolla would change the operating budget of the City of San Diego in both the short term and long term. In general, the City of San Diego would lose revenue but would also realize a reduction in expenditures. In the case of La Jolla, an adverse fiscal impact on the City of San Diego would be expected to occur because the revenue-producing aspects of the proposed area (e.g., property tax base and sales tax base) exceed the costs of services provided to the area. **Table 4** summarizes potential impacts.

The concern for fiscal impacts of incorporations is reflected in the Cortese Knox Local Government Reorganization Act at Section 56815 established the noted “revenue neutrality” standard. The exact language of the statute, at Section 56815(a), is “similar exchange”; at 56815(b) the exact language is “substantially equal.” These terms refer to revenues and costs subsequently defined in sub-sections (1) and (2). Revenues are those “revenues currently received by the local agency...” that would “accrue to the local agency receiving the affected territory.” Costs are “expenditures currently made by the local agency...for services which will be assumed by the local agency receiving the affected territory.” In the case of La Jolla, the proposed incorporation would have an adverse impact on the City of San Diego, and, as a result, would require a mitigation payment from the new city.

SHORT-TERM FISCAL IMPACT UPON THE CITY OF SAN DIEGO

The short-term fiscal effect upon the City of San Diego government from services provided in the initial (transition) year of the City of La Jolla is assumed to be compensated by payments for services and by payments made as a part of the State-allowed repayment for first-year services. It is assumed the repayment for first year City services is made to the City of San Diego in the first year of operation. The City of La Jolla has the option to repay the City of San Diego over a five-year period in accordance with State law.

REVENUE NEUTRALITY

This IFA has estimated the potential impacts on the City of San Diego, as summarized in **Table 4**. Principles related to the definition of revenue neutrality and the approach to establishing mitigation payments can be discussed and negotiated as part of the formal incorporation process. For purposes of this analysis, the cost reductions to the City of San Diego are based upon the 2003-2004 estimated costs of service. The revenue reductions to the City of San Diego are estimated based on the 2003-2004 revenues shifted from the City of San Diego to the City of La Jolla.

OTHER AGENCIES AND DISTRICTS

Other agencies serving the incorporation area, including park districts, school districts, and water districts, and electrical, natural gas and telephone utilities, will not be significantly affected by the incorporation. Growth in La Jolla will affect demand for services from these public and private agencies, regardless of incorporation.

Table 4
Change in Revenues and Expenses to the City of San Diego
La Jolla Incorporation Analysis, EPS #13062

Item	Amount	Notes	Source
General Fund Revenues and Expenditures			
Revenues Transferred to the City			
Property Taxes	\$18,792,410		See Table B-1
Transient Occupancy Tax	3,445,963	GF allocation only	City of San Diego (2/24/05)
Sales Tax	5,372,233		City of San Diego (2/24/05)
Real Property Transfer Tax	353,034		EPS estimate
Franchise Fees	1,756,961		Per Capita estimate
State Motor Vehicle License Fees	2,584,124		City of San Diego (2/24/05)
Fees and Permits (1)	47,224	Includes licenses	Per Capita estimate
Transportation	582,404		Per Capita Net Revenues
Other General Fund Revenue (2)	40,485		Per Capita
Risk Management	11,469		Per Capita Net Revenues
Transfers from Other Funds	340,000	Gas Tax (for GF services)	City of San Diego (2/24/05)
Real Estate Assets	0	Not included	
Subtotal	33,326,307		
Expenditures for Services Transferred to the City			
General Government (3)	\$3,245,471		Per Capita Net Costs
City Attorney	0		Included in general government
Finance	65,575		Per Capita Net Costs
Police	11,804,626		City of San Diego (2/24/05)
Fire	5,828,505		City of San Diego (2/24/05)
Library	1,112,907		City of San Diego (2/24/05)
Animal Regulation Services (4)	164,316		Per Capita estimate
Planning and Building	144,550		Per Capita Net Costs
Community and Economic Development	340,393		Per Capita Net Costs
Development Services	0	No net GF Cost	
Neighborhood Code Compliance	303,304		City of San Diego (2/24/05)
Environmental Services (collection)	1,633,824		City of San Diego (2/24/05)
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Street Lighting	0		Included in Transportation
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Special Projects	79,638		Per Capita Net Costs
Storm Water Pollution Prevention (5)	93,811		Per Capita
Citizens Assistance	0	No transfer assumed	
Transfer to Road Fund	891,397		Per road mile (est'd from budget)
Subtotal	\$28,771,185		
City Surplus or (Deficit)	(\$4,555,122)		

32

Table 4
Change in Revenues and Expenses to the City of San Diego
La Jolla Incorporation Analysis, EPS #13062

City Road Fund

Revenues Transferred to the City

Gas Taxes	808,259	
TRANSNET	<u>1,019,841</u>	
Subtotal	1,828,100	

Expenditures for Services Transferred to the City

Road Maintenance (net of General Fund contribution)	1,221,187	From Table C-1
---	-----------	----------------

Net City Road Fund Gain or (loss) (606,913)

Notes:

- (1) Includes Licenses.
- (2) Includes Interest Earnings.
- (3) General Government includes City Council, Mayor, Council Administration, Ethics Commission, City Manager, City Clerk, City Attorney
IT, City Treasurer, Human Resources, Personnel, Auditor and Comptroller, General Services, Equal Opportunity Contracting, Citywide Program Expenditures,
Public and Media Affairs, and Government Relations.
- (4) Part of Citywide Program Expenditures.
- (5) Does not include Storm Drain Fund.



**Economic &
Planning Systems**

Real Estate Economics

Regional Economics

Public Finance

Land Use Policy

APPENDIX I:

BUDGET MODEL

**Initial Feasibility Analysis Model
Table of Contents**

<u>Section</u>	<u>Table #</u>	<u>Table Title</u>
Summary	Table 1	Summary of Revenues and Expenses (All figures in Constant 2004\$s)
	Table 2	Summary of Boundary Options and Issues
	Table 3	Summary of Municipal Service Providers (Existing and Proposed)*
City of San Diego	Table 4	Change in Revenues and Expenses to the City of San Diego
Assumptions	Table A-1	Demographic Assumptions, Fiscal Year 2003/2004
	Table A-2	General Assumptions
Projections	Table A-3	Development Schedule
	Table A-4	Population Projections
	Table A-5	Assessed Value Calculation - All Figures in \$000's
Revenues	Table B	Annual Revenue Estimate (All figures in Constant 2004\$s)
	Table B-1	Revenue Estimate Notes
Costs	Table C	Expenditure Estimate (All figures in Constant 2004\$s)
	Table C-1	Expenditure Estimate Notes
Departmental Worksheets	Table C-2	City Manager and City Clerk Cost Estimates
	Table C-3	Finance Department Cost Estimates
	Table C-4	Planning and Community Development Department Cost Estimates
	Table C-5	Public Works Department Cost Estimates
City of San Diego Per Capita Estimates	Table D-1	City of San Diego Revenue and Net Cost Allocation
	Table D-2	City of San Diego Revenues Per Capita
	Table D-3	City of San Diego Costs Per Capita

Table 1
Summary of Revenues and Expenses (All figures in Constant 2004\$s)
La Jolla Incorporation Analysis, EPS #13062

Item	Fiscal Year									
	2007-08 1	2008-09 2	2009-2010 3	2010-11 4	2011-12 5	2012-13 6	2013-14 7	2014-2015 8	2015-2016 9	2016-2017 10
General Fund Revenues										
Property Taxes	\$19,532,506	\$19,765,187	\$20,000,388	\$20,238,135	\$20,478,456	\$20,690,752	\$20,935,762	\$21,120,711	\$21,305,755	\$21,494,295
Sales Tax	\$5,318,511	\$5,425,955	\$5,535,549	\$5,647,334	\$5,761,355	\$5,877,657	\$5,996,285	\$6,117,285	\$6,240,705	\$6,366,593
Transient Occupancy Tax	\$6,578,656	\$6,578,656	\$6,578,656	\$6,578,656	\$6,578,656	\$6,578,656	\$6,578,656	\$6,578,656	\$6,578,656	\$6,578,656
Real Property Transfer Tax	\$353,034	\$357,513	\$362,042	\$366,620	\$350,325	\$353,438	\$357,138	\$360,318	\$364,086	\$367,052
Franchise Fees	\$1,791,148	\$1,802,742	\$1,814,437	\$1,826,234	\$1,830,276	\$1,834,285	\$1,838,402	\$1,842,486	\$1,846,678	\$1,850,768
Planning Fees	\$1,551,927	\$1,559,438	\$1,566,986	\$1,574,572	\$1,582,196	\$1,589,858	\$1,597,559	\$1,605,298	\$1,613,075	\$1,620,892
Public Works/Eng. Fees	\$437,803	\$439,992	\$442,192	\$444,403	\$446,625	\$448,858	\$451,102	\$453,358	\$455,624	\$457,903
Fines and Penalties	\$133,494	\$134,358	\$135,230	\$136,109	\$136,410	\$136,709	\$137,016	\$137,320	\$137,632	\$137,937
State Motor Vehicle License Fees	\$2,669,876	\$2,687,158	\$2,704,590	\$2,722,175	\$2,728,201	\$2,734,177	\$2,740,313	\$2,746,400	\$2,752,650	\$2,758,746
Investment Earnings	\$383,670	\$387,510	\$391,401	\$395,342	\$398,925	\$402,444	\$406,322	\$409,618	\$412,949	\$416,328
Other	\$590,078	\$593,898	\$597,750	\$601,637	\$602,969	\$604,289	\$605,646	\$606,991	\$608,372	\$609,720
Total	\$39,340,701	\$39,732,406	\$40,129,220	\$40,531,217	\$40,894,394	\$41,251,124	\$41,644,199	\$41,978,442	\$42,316,183	\$42,658,890
General Fund Expenses										
Legislative	\$152,500	\$152,500	\$152,500	\$152,500	\$152,500	\$152,500	\$152,500	\$152,500	\$152,500	\$152,500
Elections	\$0	\$55,339	\$0	\$56,060	\$0	\$56,308	\$0	\$56,559	\$0	\$56,814
Administrative Services	\$1,018,642	\$1,017,505	\$1,135,480	\$1,141,132	\$1,146,813	\$1,152,522	\$1,158,260	\$1,164,026	\$1,169,821	\$1,175,645
City Attorney	\$450,000	\$459,000	\$468,180	\$477,544	\$487,094	\$496,836	\$506,773	\$516,909	\$527,247	\$537,792
Finance	\$765,442	\$769,269	\$773,115	\$776,981	\$780,866	\$784,770	\$788,694	\$792,637	\$796,600	\$800,583
Police	\$11,804,626	\$11,922,672	\$12,041,899	\$12,162,318	\$12,283,941	\$12,406,781	\$12,530,848	\$12,656,157	\$12,782,718	\$12,910,546
Fire	\$5,828,505	\$5,857,648	\$5,886,936	\$5,916,370	\$5,945,952	\$5,975,682	\$6,005,560	\$6,035,588	\$6,065,766	\$6,096,095
Library	\$1,112,907	\$1,118,472	\$1,124,064	\$1,129,684	\$1,135,333	\$1,141,009	\$1,146,714	\$1,152,448	\$1,158,210	\$1,164,001
Animal Control	\$168,351	\$170,288	\$172,249	\$174,236	\$175,495	\$176,759	\$178,041	\$179,329	\$180,636	\$181,941
Planning and Building	\$2,183,184	\$2,293,750	\$2,304,368	\$2,315,040	\$2,225,766	\$2,236,544	\$2,247,377	\$2,258,264	\$2,269,205	\$2,280,201
Public Works Administration	\$1,751,211	\$1,759,967	\$1,768,767	\$1,777,611	\$1,786,499	\$1,795,431	\$1,804,408	\$1,813,430	\$1,822,498	\$1,831,610
Environmental Services (trash collection)	\$1,633,824	\$1,633,824	\$1,633,824	\$1,633,824	\$1,633,824	\$1,633,824	\$1,633,824	\$1,633,824	\$1,633,824	\$1,633,824
NPDES Program	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000
Transfer to Road Fund	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397
Park Maintenance	\$2,538,607	\$2,538,607	\$2,538,607	\$2,538,607	\$2,538,607	\$2,538,607	\$2,538,607	\$2,538,607	\$2,538,607	\$2,538,607
Non-Departmental										
Office Rent/Supplies	\$903,360	\$385,360	\$387,360	\$379,360	\$379,360	\$379,360	\$379,360	\$379,360	\$379,360	\$379,360
Insurance	\$948,077	\$942,768	\$950,362	\$957,680	\$958,903	\$966,550	\$970,871	\$978,631	\$983,052	\$990,927
Contingency	\$1,580,128	\$1,571,280	\$1,583,937	\$1,596,133	\$1,598,172	\$1,610,917	\$1,618,118	\$1,631,052	\$1,638,420	\$1,651,546
Repayment, 1st year costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$34,130,761	\$33,939,645	\$34,213,047	\$34,476,479	\$34,520,523	\$34,795,797	\$34,951,354	\$35,230,719	\$35,389,861	\$35,673,390
General Fund Operating Surplus (Deficit)	\$5,209,941	\$5,792,761	\$5,916,173	\$6,054,739	\$6,373,872	\$6,455,327	\$6,692,845	\$6,747,723	\$6,926,322	\$6,985,500

Mitigation Payment

-----TO BE DETERMINED-----

Table 1
Summary of Revenues and Expenses (All figures in Constant 2004\$)
La Jolla Incorporation Analysis, EPS #13062

Item	Fiscal Year									
	2007-08 1	2008-09 2	2009-2010 3	2010-11 4	2011-12 5	2012-13 6	2013-14 7	2014-2015 8	2015-2016 9	2016-2017 10
Road Fund Revenues										
Gas Taxes	\$808,259	\$813,491	\$818,768	\$824,092	\$825,916	\$827,725	\$829,583	\$831,426	\$833,318	\$835,163
General Fund	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397
TRANSNET	<u>\$1,019,841</u>	<u>\$1,019,841</u>	<u>\$1,019,841</u>	<u>\$1,019,841</u>	<u>\$1,019,841</u>	<u>\$1,019,841</u>	<u>\$1,019,841</u>	<u>\$1,019,841</u>	<u>\$1,019,841</u>	<u>\$1,019,841</u>
Total	\$2,719,498	\$2,724,729	\$2,730,007	\$2,735,330	\$2,737,155	\$2,738,964	\$2,740,821	\$2,742,664	\$2,744,556	\$2,746,402
Road Fund Expenditures										
Road Maintenance	\$0	\$2,112,584	\$2,112,584	\$2,112,584	\$2,112,584	\$2,112,584	\$2,112,584	\$2,112,584	\$2,112,584	\$2,112,584
Repayment of First-Year Services	<u>\$0</u>	<u>\$501,520</u>	<u>\$501,520</u>	<u>\$501,520</u>	<u>\$501,520</u>	<u>\$501,520</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$0	\$2,614,104	\$2,614,104	\$2,614,104	\$2,614,104	\$2,614,104	\$2,112,584	\$2,112,584	\$2,112,584	\$2,112,584
Road Fund Operating Surplus (Deficit)	\$2,719,498	\$110,625	\$115,902	\$121,226	\$123,050	\$124,859	\$628,237	\$630,080	\$631,971	\$633,817

Table 2
Summary of Boundary Subareas and Issues

Subarea	Description	Acres	Population	Potential Fiscal Effects on City Budget	Other Issues
1	Area west of I-5 and south of La Jolla Village Drive and UCSD to south boundary of 92037 zip code. Includes La Jolla Village Square shopping center	5,360 ac.	32,500	IFA fiscal analysis indicates positive fiscal results, however, a "revenue neutrality" payment will be necessary to the City of San Diego	Southern boundary not well-defined; although it could adhere to zip code, does not follow logical physical or community demarcations
2a	Glider Port, Scripps Clinic & Green Hospital, Hilton Hotel, Torrey Pines Inn, Golf Course, Torrey Pines State Reserve	1,100 ac.	280	Neutral - tax exempt uses offset by hotel taxes, and golf course/restaurant sales tax	City of San Diego would continue to own and operate public facilities within the new city's jurisdiction
2b	La Jolla Farms, La Jolla Estancia Hotel, Salk Institute	450 ac.	1,270	Neutral - tax exempt uses & service demands from residential offset by residential property tax and hotel taxes	
3a	UCSD West of Torrey Pines Road (Scripps Institute)	200 ac.	340	Neutral/Negative - tax exempt use, still requires services	
3b	UCSD east of Torrey Pines Road	1,050 ac.	6,500	Neutral/Negative - tax exempt use, still requires services; partial offset from book store sales tax	Splitting UC between two municipalities may create service inefficiencies
4	Scripps Memorial Hospital	90 ac.	0	Negative - tax exempt use, still requires services	Land was dedicated for the hospital conditioned upon it remaining within La Jolla; however, the hospital would still be within the 92037 "La Jolla" zip code
5a, 5b	Day school, police and fire stations, Marriot Hotel, mix of commercial and residential	50 ac.	420	Neutral - tax exempt uses & service demands from residential offset by commercial sales tax and hotel taxes	The police & fire stations serve San Diego residents not be included in the new city, thus requiring mutual aid or other service agreements to mitigate potential service impacts or inefficient service provision

Table 3
Summary of Municipal Service Providers (Existing and Proposed)*
La Jolla Incorporation Analysis, EPS #13062

Service	Service Provision		
	Present Provider	After Incorporation	Method
General Government			
City Council	City of San Diego	City of La Jolla	City Council
Manager	City of San Diego	City of La Jolla	City Staff
Attorney	City of San Diego	City of La Jolla	City Staff/Contract
Finance/Clerk/Administrative Services	City of San Diego	City of La Jolla	City Staff
Public Protection			
Law Enforcement	City of San Diego	City of La Jolla	City of San Diego or County Contract, or La Jolla Dept.
Traffic Control/Accident Investigation	California Highway Patrol	City of La Jolla	Same as above
Fire Protection	City of San Diego	No Change	As is currently provided
Ambulance	City of San Diego	No Change	As is currently provided
Animal Control	City and County of San Diego	City of La Jolla	Contract w/County
Land Use and Planning			
Regulation & Planning	City of San Diego	City of La Jolla	City Staff
Community Services			
Recreation Programs	City of San Diego	No Change	As is currently provided
Local Parks/Recreation Facilities	City of San Diego	No Change	As is currently provided
Library	City of San Diego	City of La Jolla	San Diego City Contract or La Jolla Dept.
Public Works/Public Utilities			
Public Works Administration	City of San Diego	City of La Jolla	City Staff
Roads, Local Drainage, Bridges, Signals	City of San Diego	City of La Jolla	City Staff/Contract
Building Inspection	City of San Diego	City of La Jolla	City Staff/Contract
Domestic Water	City of San Diego	No Change	As is currently provided
Waste Water Treatment/Disposal	City of San Diego	No Change	As is currently provided
Solid Waste Management/Disposal	City of San Diego	City of La Jolla	Contract
Flood Control	City of San Diego	City of La Jolla	City Staff
Street Lighting	City of San Diego	City of La Jolla	City Staff
National Pollution Discharge Elimination System	City of San Diego	City of La Jolla	City Staff/Contract
Public Education			
K-12 Grade Levels	San Diego Unified School District	No Change	As is currently provided
Other Services			
Electricity	San Diego Gas & Electric	No Change	Franchise Agreement w/City of La Jolla
Gas	San Diego Gas & Electric	No Change	Franchise Agreement w/City of La Jolla
Cable Television	Cox Communications and Time Warner Cable	No Change	Franchise Agreement w/City of La Jolla
Public Transit	Metropolitan Transit System	No Change	As is currently provided

* Proposed by applicant and IFA consultant. For illustrative purposes only; actual provision of service by the City will depend upon LAFCO actions, negotiations with service providers, and future actions by the City of La Jolla and City of San Diego Councils.

Table 4
Change in Revenues and Expenses to the City of San Diego
La Jolla Incorporation Analysis, EPS #13062

Item	Amount	Notes	Source
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City Surplus or (Deficit)	(\$4,555,122)		

Table 4
Change in Revenues and Expenses to the City of San Diego
La Jolla Incorporation Analysis, EPS #13062

City Road Fund

Revenues Transferred to the City

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TRANSNET	<u>1,019,841</u>	
Subtotal	1,828,100	

Expenditures for Services Transferred to the City

Road Maintenance (net of General Fund contribution)	1,221,187	From Table C-1
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Net City Road Fund Gain or (loss)	(606,913)	
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Notes:

(1) Includes Licenses.

(2) Includes Interest Earnings.

(3) General Government includes City Council, Mayor, Council Administration, Ethics Commission, City Manager, City Clerk, City Attorney

IT, City Treasurer, Human Resources, Personnel, Auditor and Comptroller, General Services, Equal Opportunity Contracting, Citywide Program Expenditures,

Public and Media Affairs, and Government Relations.

(4) Part of Citywide Program Expenditures.

(5) Does not include Storm Drain Fund.

Table A-1
Demographic Assumptions, Fiscal Year 2003/2004
La Jolla Incorporation Analysis, EPS #13062

Item	Amount
<u>Proposed City</u>	
Population (1)	43,649
Registered Voters (2)	26,967
Voters as % of Pop.	62%
Housing Units - Detached (4)	19,680
Housing Units - Attached (4)	<u>0</u>
Housing Units (1)	19,091
City-Maintained Lane Miles (3)	124
<u>City of San Diego</u>	
Incorporation Pop.	43,649
City of San Diego Pop. (4)	1,294,000
City maintained Road Miles (5)	2,985
La Jolla Assessed Value (6)	10.97 billion

Source:

- (1) Census 2000 and City of San Diego Development Services Department.
- (2) Based on voter registration data for the proposed incorporation area for La Jolla
- (3) Includes Sub-area 1 only.
- (4) Department of Finance, 1/1/04.
- (5) Includes asphalt, concrete, and dirt streets and alleys maintained by the City of San Diego.
- (6) County of San Diego Assessor/Recorder/County Clerk letter to Judy Bailey, 3/12/2004

Table A-2
General Assumptions
La Jolla Incorporation Analysis, EPS #13062

Item	Amount	Assumption
First Year of Operations	1	
Dollars Discounted to Fiscal Year (FY)	2004	
% of FY City providing Services	100%	
% of FY left when staff hired	100%	
Inflation (Discount) Rate	2.0%	
Property Appreciation Rate Prior to Development	2.0% plus inflation	
Assessed Value Increase of Existing Development	2.0% plus inflation	
Assessed Value Increase for New Development	2.0% plus inflation	
<u>Assessed Value</u>		
Assessed Value per Dwelling Unit (existing) (1)	\$600,000	
Assessed Value of Residential	\$8,964,216,247	
Assessed Value of Commercial	<u>\$2,005,572,635</u>	
Total Assessed Value (2)	\$10,969,788,882	
Property Tax Rate	1.0%	
<u>Average Market Value by Land Use for New Development (3)</u>		
Single-Family	\$975,000	
Multi-Family	\$250,000	
Retail	\$400	per sq.ft.
Hotel	\$350	per sq.ft.
Other Commercial	\$350	per sq.ft.

(1) EPS estimate

(2) County of San Diego Assessor/Recorder/County Clerk letter to Judy Bailey, 3/12/2004

(3) EPS estimate

**Table A-3
Development Schedule
La Jolla Incorporation Analysis, EPS #13062**

Item	Note	Calendar Year													
		Existing 2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Development Schedule															
New Residential Development (1)															
Single-Family		31	31	31	31	32	32	32	1	0	1	0	1	0	0
Multi-Family		29	29	30	30	30	30	31	7	7	7	7	7	7	7
Other (2)		0	0	0	0	0	0	0							
Total New Units		60	61	61	61	62	62	62	8	8	8	8	8	7	7
New Commercial Dev. (Sq. Ft.)															
Commercial		10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Total New Sq. Ft.		10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Cumulative New Sq. Ft. (2000+)		10,000	20,000	30,000	40,000	50,000	60,000	70,000	80,000	90,000	100,000	110,000	120,000	130,000	140,000
Cumulative New Development Entire City															
Residential Development															
Single-Family		12,065	12,096	12,128	12,159	12,191	12,222	12,254	12,255	12,255	12,256	12,257	12,258	12,258	12,258
Multi-Family		3,292	3,321	3,351	3,381	3,411	3,441	3,472	3,479	3,487	3,494	3,501	3,509	3,516	3,524
Other (2)		4,323	4,323	4,323	4,323	4,323	4,323	4,323	4,323	4,323	4,323	4,323	4,323	4,323	4,323
Total Dwelling Units		19,680	19,741	19,802	19,863	19,925	19,987	20,049	20,057	20,065	20,074	20,081	20,090	20,097	20,105
Commercial Dev. (Sq. Ft.)															
Commercial		4,010,000	4,020,000	4,030,000	4,040,000	4,050,000	4,060,000	4,070,000	4,080,000	4,090,000	4,100,000	4,110,000	4,120,000	4,130,000	4,140,000

- (1) Does not include University housing.
(2) University Housing

**Table A-4
Population Projections
La Jolla Incorporation Analysis, EPS #13062**

Item	Note	Calendar Year													
		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Population Projections															
New Population															
Single-family	3.5	109	109	110	110	110	111	111	4	2	4	2	4	0	0
Multi-family	2.5	73	74	74	75	76	76	77	18	18	18	19	19	19	19
Other		<u>96</u>	<u>98</u>	<u>99</u>	<u>101</u>	<u>102</u>	<u>104</u>	<u>105</u>	<u>79</u>	<u>79</u>	<u>80</u>	<u>81</u>	<u>82</u>	<u>83</u>	<u>84</u>
Subtotal		278	281	283	286	288	291	293	100	100	102	101	104	102	103
Cumulative Population		43,649	43,929	44,212	44,498	44,786	45,077	45,370	45,470	45,570	45,672	45,773	45,877	45,979	46,082
Cumulative Registered Voters	62%	26,967	27,140	27,315	27,492	27,670	27,849	28,030	28,092	28,154	28,217	28,280	28,344	28,407	28,470
Proxy Population (1)		--	--	81,946	81,946	81,946	81,946	81,946	81,946	81,946	81,946	81,946	81,946	81,946	81,946

(1) Proxy population is three times the estimated number of registered voters at the time of incorporation. Proxy population is the "official population" used to determine the distribution of State revenues during the first seven years after incorporation. (note: potentially eliminated by recent legislation)

Table A-5
Assessed Value Calculation - All Figures in \$000's
La Jolla Incorporation Analysis, EPS #13062

Item	Fiscal Year												
	2007-08	2008-09	2009-2010	2010-11	2011-12	2012-13	2013-14	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Assessed Value of Existing Development													
Resid. Assessed Value in City (Constant \$000's) (1)	\$8,964,216	\$9,091,909	\$9,221,023	\$9,351,574	\$9,483,578	\$9,617,049	\$9,752,003	\$9,888,456	\$9,990,176	\$10,092,425	\$10,196,193	\$10,300,509	\$10,406,366
Comm. Assessed Value in City (Constant \$000's) (1)	<u>\$2,005,573</u>	<u>\$2,009,073</u>	<u>\$2,012,573</u>	<u>\$2,016,073</u>	<u>\$2,019,573</u>	<u>\$2,023,073</u>	<u>\$2,026,573</u>	<u>\$2,030,073</u>	<u>\$2,033,573</u>	<u>\$2,037,073</u>	<u>\$2,040,573</u>	<u>\$2,044,073</u>	<u>\$2,047,573</u>
(less total existing redevelopment) (2)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$10,969,789	\$11,100,981	\$11,233,596	\$11,367,647	\$11,503,151	\$11,640,122	\$11,778,576	\$11,918,529	\$12,023,749	\$12,129,498	\$12,236,765	\$12,344,582	\$12,453,938
Assessed Value of New Development													
A.V. from New Development (Constant \$000's)													
Single-Family	\$30,398	\$30,477	\$30,556	\$30,635	\$30,715	\$30,794	\$30,874	\$975	\$487	\$975	\$487	\$975	\$0
Multi-Family	\$7,275	\$7,340	\$7,405	\$7,471	\$7,538	\$7,605	\$7,673	\$1,832	\$1,836	\$1,840	\$1,844	\$1,848	\$1,852
Commercial	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500
Resid. A.V. from New Dev. (Constant \$000's)	\$37,674	\$37,817	\$37,962	\$38,107	\$38,253	\$38,400	\$38,547	\$2,807	\$2,324	\$2,815	\$2,332	\$2,823	\$1,852
Comm. A.V. from New Dev. (Constant \$000's)	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500
(less total new redevelopment) (2)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$41,174	\$41,317	\$41,462	\$41,607	\$41,753	\$41,900	\$42,047	\$6,307	\$5,824	\$6,315	\$5,832	\$6,323	\$5,352
Cum. Resid. A.V. from New Dev. (Constant \$000's)	\$37,674	\$75,491	\$113,452	\$151,559	\$189,812	\$228,211	\$266,759	\$269,566	\$271,890	\$274,705	\$277,037	\$279,860	\$281,712
Cum. Comm. A.V. from New Dev. (Constant \$000's)	<u>\$3,500</u>	<u>\$3,500</u>	<u>\$7,000</u>	<u>\$10,500</u>	<u>\$14,000</u>	<u>\$17,500</u>	<u>\$21,000</u>	<u>\$24,500</u>	<u>\$28,000</u>	<u>\$31,500</u>	<u>\$35,000</u>	<u>\$38,500</u>	<u>\$42,000</u>
(less total new redevelopment) (2)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$41,174	\$78,991	\$120,452	\$162,059	\$203,812	\$245,711	\$287,759	\$294,066	\$299,890	\$306,205	\$312,037	\$318,360	\$323,712
Total Assessed Value (Existing & New Development)													
Cumulative Resid. A.V. (Constant 2000 \$000's)	\$9,001,890	\$9,129,726	\$9,258,985	\$9,389,681	\$9,521,831	\$9,655,449	\$9,790,550	\$9,891,263	\$9,992,500	\$10,095,240	\$10,198,524	\$10,303,332	\$10,408,218
Cumulative Comm. A.V. (Constant 2000 \$000's)	<u>\$2,009,073</u>	<u>\$2,012,573</u>	<u>\$2,016,073</u>	<u>\$2,019,573</u>	<u>\$2,023,073</u>	<u>\$2,026,573</u>	<u>\$2,030,073</u>	<u>\$2,033,573</u>	<u>\$2,037,073</u>	<u>\$2,040,573</u>	<u>\$2,044,073</u>	<u>\$2,047,573</u>	<u>\$2,051,073</u>
Subtotal	\$11,010,962	\$11,142,298	\$11,275,057	\$11,409,254	\$11,544,903	\$11,682,021	\$11,820,623	\$11,924,836	\$12,029,573	\$12,135,813	\$12,242,597	\$12,350,905	\$12,459,290
(less total redevelopment)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$11,010,962	\$11,142,298	\$11,275,057	\$11,409,254	\$11,544,903	\$11,682,021	\$11,820,623	\$11,924,836	\$12,029,573	\$12,135,813	\$12,242,597	\$12,350,905	\$12,459,290

- (1) Residential assumes increase of 1%
no real increase in comm'l assessed value assumed
- (2) No redevelopment areas within the proposed boundaries

Table B
Annual Revenue Estimate (All figures in Constant 2004\$s)
La Jolla Incorporation Analysis, EPS #13062

Item	Note (1)	Fiscal Year									
		2007-08 1	2008-09 2	2009-2010 3	2010-11 4	2011-12 5	2012-13 6	2013-14 7	2014-2015 8	2015-2016 9	2016-2017 10
General Fund Revenues											
Property Taxes	1	\$19,532,506	\$19,765,187	\$20,000,388	\$20,238,135	\$20,478,456	\$20,690,752	\$20,935,762	\$21,120,711	\$21,305,755	\$21,494,295
Sales Tax	2	\$5,318,511	\$5,425,955	\$5,535,549	\$5,647,334	\$5,761,355	\$5,877,657	\$5,996,285	\$6,117,285	\$6,240,705	\$6,366,593
Transient Occupancy Tax	3	\$6,578,656	\$6,578,656	\$6,578,656	\$6,578,656	\$6,578,656	\$6,578,656	\$6,578,656	\$6,578,656	\$6,578,656	\$6,578,656
Real Property Transfer Tax	4	\$353,034	\$357,513	\$362,042	\$366,620	\$350,325	\$353,438	\$357,138	\$360,318	\$364,086	\$367,052
Franchise Fees	5	\$1,791,148	\$1,802,742	\$1,814,437	\$1,826,234	\$1,830,276	\$1,834,285	\$1,838,402	\$1,842,486	\$1,846,678	\$1,850,768
Planning Fees	6	\$1,551,927	\$1,559,438	\$1,566,986	\$1,574,572	\$1,582,196	\$1,589,858	\$1,597,559	\$1,605,298	\$1,613,075	\$1,620,892
Public Works/Eng. Fees	7	\$437,803	\$439,992	\$442,192	\$444,403	\$446,625	\$448,858	\$451,102	\$453,358	\$455,624	\$457,903
Fines and Penalties	8	\$133,494	\$134,358	\$135,230	\$136,109	\$136,410	\$136,709	\$137,016	\$137,320	\$137,632	\$137,937
State Motor Vehicle License Fee	9	\$2,669,876	\$2,687,158	\$2,704,590	\$2,722,175	\$2,728,201	\$2,734,177	\$2,740,313	\$2,746,400	\$2,752,650	\$2,758,746
Investment Earnings	10	\$383,670	\$387,510	\$391,401	\$395,342	\$398,925	\$402,444	\$406,322	\$409,618	\$412,949	\$416,328
Other	11	<u>\$590,078</u>	<u>\$593,898</u>	<u>\$597,750</u>	<u>\$601,637</u>	<u>\$602,969</u>	<u>\$604,289</u>	<u>\$605,646</u>	<u>\$606,991</u>	<u>\$608,372</u>	<u>\$609,720</u>
Total General Fund Revenues		\$39,340,701	\$39,732,406	\$40,129,220	\$40,531,217	\$40,894,394	\$41,251,124	\$41,644,199	\$41,978,442	\$42,316,183	\$42,658,890
Road Fund Revenues											
Gas Taxes	12	\$808,259	\$813,491	\$818,768	\$824,092	\$825,916	\$827,725	\$829,583	\$831,426	\$833,318	\$835,163
General Func		\$891,397	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397
TRANSNET		<u>\$1,019,841</u>	<u>\$1,019,841</u>	<u>\$1,019,841</u>	<u>\$1,019,841</u>	<u>\$1,019,841</u>	<u>\$1,019,841</u>	<u>\$1,019,841</u>	<u>\$1,019,841</u>	<u>\$1,019,841</u>	<u>\$1,019,841</u>
Total Road Fund Revenues		\$2,719,498	\$2,724,729	\$2,730,007	\$2,735,330	\$2,737,155	\$2,738,964	\$2,740,821	\$2,742,664	\$2,744,556	\$2,746,402

(1) Reference Notes are included in Figure B-1.

Table B-1
Revenue Estimate Notes
La Jolla Incorporation Analysis, EPS #13062

Ref #	Item	Assumption	Fiscal Year									
			2007-08 1	2008-09 2	2009-2010 3	2010-11 4	2011-12 5	2012-13 6	2013-14 7	2014-2015 8	2015-2016 9	2016-2017 10
General Fund												
1	Property Tax	See Figures A-5 and B-2										
	Total Property Tax @ 1% of AV		\$110,109,624	\$111,422,984	\$112,750,573	\$114,092,539	\$115,449,035	\$116,820,214	\$118,206,231	\$119,248,361	\$120,295,725	\$121,358,128
	Property Tax Increment		\$0	\$1,313,360	\$1,327,588	\$1,341,966	\$1,356,496	\$1,371,179	\$1,386,017	\$1,042,130	\$1,047,364	\$1,062,402
	Subtotal		\$0	\$1,313,360	\$1,327,588	\$1,341,966	\$1,356,496	\$1,371,179	\$1,386,017	\$1,042,130	\$1,047,364	\$1,062,402
	Property Tax Increment to City:	See Fig B-2										
	From City	17.07% TAF	0	\$224,151	\$226,579	\$229,033	\$231,513	\$234,019	\$236,552	\$177,860	\$178,754	\$181,320
	From Special Districts	TAF	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Total	17.07% TAF	\$0	\$224,151	\$226,579	\$229,033	\$231,513	\$234,019	\$236,552	\$177,860	\$178,754	\$181,320
	Gross Property Tax to City											
	Base		\$18,792,410	\$18,792,410	\$19,016,561	\$19,243,140	\$19,472,174	\$19,703,687	\$19,937,706	\$20,174,257	\$20,352,118	\$20,530,871
	Share of Tax Increment		\$0	\$224,151	\$226,579	\$229,033	\$231,513	\$234,019	\$236,552	\$177,860	\$178,754	\$181,320
	Total		\$18,792,410	\$19,016,561	\$19,243,140	\$19,472,174	\$19,703,687	\$19,937,706	\$20,174,257	\$20,352,118	\$20,530,871	\$20,712,192
	Property Tax Increment: Supplemental Role @50% of AV of New Dev		\$35,381	\$35,505	\$35,630	\$35,755	\$35,881	\$5,382	\$4,970	\$5,389	\$4,976	\$5,396
	Prop. Tax Inc. to City: Suppl Role @4% of Tax due to turnover		\$751,696	\$760,662	\$769,726	\$778,887	\$788,147	\$797,508	\$806,970	\$814,085	\$821,235	\$828,488
	Property Tax to City Prior to Tax Admin. Fees		\$19,579,487	\$19,812,728	\$20,048,496	\$20,286,816	\$20,527,715	\$20,740,597	\$20,986,197	\$21,171,592	\$21,357,083	\$21,546,075
	Less Prop. Tax Admin. Fees	0.25% of gross A.V.	(\$46,981)	(\$47,541)	(\$48,108)	(\$48,680)	(\$49,259)	(\$49,844)	(\$50,436)	(\$50,880)	(\$51,327)	(\$51,780)
	Net General Fund Property Tax to City		\$19,532,506	\$19,765,187	\$20,000,388	\$20,238,135	\$20,478,456	\$20,690,752	\$20,935,762	\$21,120,711	\$21,305,755	\$21,494,295
2	Sales Tax	1%										
	Retail Sales Tax (3)	\$5,372,228	\$5,372,231	\$5,372,231	\$5,372,231	\$5,372,231	\$5,372,231	\$5,372,231	\$5,372,231	\$5,372,231	\$5,372,231	\$5,372,231
	Subtotal		\$5,372,233	\$5,372,233	\$5,372,233	\$5,372,233	\$5,372,233	\$5,372,233	\$5,372,233	\$5,372,233	\$5,372,233	\$5,372,233
		2% real increase	\$5,372,233	\$5,479,678	\$5,589,271	\$5,701,057	\$5,815,078	\$5,931,379	\$6,050,007	\$6,171,007	\$6,294,427	\$6,420,316
	Unallocated Sales Tax (4)											
	(less) State admin charge	1.0%	(\$53,722)	(\$53,722)	(\$53,722)	(\$53,722)	(\$53,722)	(\$53,722)	(\$53,722)	(\$53,722)	(\$53,722)	(\$53,722)
	Total Sales Tax (General Fund)	\$5,372,228	\$5,318,511	\$5,425,955	\$5,535,549	\$5,647,334	\$5,761,355	\$5,877,657	\$5,996,285	\$6,117,285	\$6,240,705	\$6,366,593
3	Transient Occupancy Tax (3)	base=	\$6,578,656	\$6,578,656	\$6,578,656	\$6,578,656	\$6,578,656	\$6,578,656	\$6,578,656	\$6,578,656	\$6,578,656	\$6,578,656
		includes share currently allocated by City of San Diego to special promotional programs										
4	Property Transfer Tax	residential commercial										
	Turnover of prior year base	6.0%										
	Rate per \$1,000 market value	\$0.55										
	Base Resid A.V. fiscal year (constant \$000's)		\$9,389,681	\$9,521,831	\$9,655,449	\$9,790,550	\$9,891,263	\$9,992,500	\$10,095,240	\$10,198,524	\$10,303,332	\$10,408,218
	Prop. Tran. Tax from turnover of existing resid. units		\$309,859	\$314,220	\$318,630	\$323,088	\$326,412	\$329,752	\$333,143	\$336,551	\$340,010	\$343,471
	Base Comm'l A.V. fiscal year (constant \$000's)		\$2,019,573	\$2,023,073	\$2,026,573	\$2,030,073	\$2,033,573	\$2,037,073	\$2,040,573	\$2,044,073	\$2,047,573	\$2,051,073
	Prop. Tran. Tax from turnover of existing comm'l		\$22,215	\$22,254	\$22,292	\$22,331	\$22,369	\$22,408	\$22,446	\$22,485	\$22,523	\$22,562
	Prop. Tran. Tax from new residential development		\$20,959	\$21,039	\$21,120	\$21,201	\$1,544	\$1,278	\$1,548	\$1,282	\$1,553	\$1,019
	Total Property Transfer Tax		\$353,034	\$357,513	\$362,042	\$366,620	\$350,325	\$353,438	\$357,138	\$360,318	\$364,086	\$367,052

Table B-1
Revenue Estimate Notes
La Jolla Incorporation Analysis, EPS #13062

Ref #	Item	Assumption	Fiscal Year									
			2007-08 1	2008-09 2	2009-2010 3	2010-11 4	2011-12 5	2012-13 6	2013-14 7	2014-2015 8	2015-2016 9	2016-2017 10
5	Franchise Fees	\$1,756,961 City of SD FY 04- \$40.25 fee per capita	\$1,791,148	\$1,802,742	\$1,814,437	\$1,826,234	\$1,830,276	\$1,834,285	\$1,838,402	\$1,842,486	\$1,846,678	\$1,850,768
6	Planning Fees (2)											
	% of planning costs recaptured by fees (exc. GF)	71%	\$1,551,927	\$1,559,438	\$1,566,986	\$1,574,572	\$1,582,196	\$1,589,858	\$1,597,559	\$1,605,298	\$1,613,075	\$1,620,892
7	Public Works/Engineering Fees											
	% of costs recaptured by fees	25%	\$437,803	\$439,992	\$442,192	\$444,403	\$446,625	\$448,858	\$451,102	\$453,358	\$455,624	\$457,903
8	Fines and Penalties											
	Per capita est. from EPS	\$3.00	\$133,494	\$134,358	\$135,230	\$136,109	\$136,410	\$136,709	\$137,016	\$137,320	\$137,632	\$137,937
9	State Motor Vehicle License Fees (note: revenues could be greater, depending on outcome of proposed legislation to restore revenues to new cities)											
	Relevant population for calculation		44,498	44,786	45,077	45,370	45,470	45,570	45,672	45,773	45,877	45,979
	Per capita fees (5)	\$60.00	\$2,669,876	\$2,687,158	\$2,704,590	\$2,722,175	\$2,728,201	\$2,734,177	\$2,740,313	\$2,746,400	\$2,752,650	\$2,758,746
10	Investment Earnings											
	Subtotal General Fund revenues, excl. invest. earnings		\$38,366,954	\$38,750,998	\$39,140,069	\$39,534,238	\$39,892,501	\$40,244,391	\$40,632,231	\$40,961,832	\$41,294,863	\$41,632,842
	% of General Fund revenues	1%										
	Subtotal Interest Earnings		\$383,670	\$387,510	\$391,401	\$395,342	\$398,925	\$402,444	\$406,322	\$409,618	\$412,949	\$416,328
11	Other											
	Parking Enforcement Revenue	Per Capita	\$590,078	\$593,898	\$597,750	\$601,637	\$602,969	\$604,289	\$605,646	\$606,991	\$608,372	\$609,720
Road Fund												
12	Road Fund											
	Highway User Tax 2105	Per Capita	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Highway User Tax 2106 (a)	Per Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Highway User Tax 2106 (c)	Per Capita	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Highway User Tax 2107	Per Capita	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Highway User Tax 2107.5 (c)	Per Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Gas Taxes		\$792,833	\$808,259	\$813,491	\$818,768	\$824,092	\$825,916	\$827,725	\$829,583	\$831,426	\$833,318
	General Fund	per road mile	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397
	TRANSNET		\$1,019,841	\$1,019,841	\$1,019,841	\$1,019,841	\$1,019,841	\$1,019,841	\$1,019,841	\$1,019,841	\$1,019,841	\$1,019,841
	Total		\$2,704,071	\$2,719,498	\$2,724,729	\$2,730,007	\$2,735,330	\$2,737,155	\$2,738,964	\$2,740,821	\$2,742,664	\$2,744,402

Notes:

- (1) City of San Diego Finance Department, 2004.
- (2) EPS estimate.
- (3) City of San Diego (2/24/05).
- (4) Included in Retail Sales Tax estimate.
- (5) Approximately \$55 per capita is received in the form of "property tax swap: per recent legislation. Actual increase will be based on growth in assessed value.

Table C
Expenditure Estimate (All figures in Constant 2004\$s)
La Jolla Incorporation Analysis, EPS #13062

Item	Note (1)	Fiscal Year									
		2007-08 1	2008-09 2	2009-2010 3	2010-11 4	2011-12 5	2012-13 6	2013-14 7	2014-2015 8	2015-2016 9	2016-2017 10
GENERAL FUND EXPENDITURES											
Legislative	1	\$152,500	\$152,500	\$152,500	\$152,500	\$152,500	\$152,500	\$152,500	\$152,500	\$152,500	\$152,500
Elections	2	\$0	\$55,339	\$0	\$56,060	\$0	\$56,308	\$0	\$56,559	\$0	\$56,814
Administrative Services	3	\$1,018,642	\$1,017,505	\$1,135,480	\$1,141,132	\$1,146,813	\$1,152,522	\$1,158,260	\$1,164,026	\$1,169,821	\$1,175,645
City Attorney	4	\$450,000	\$459,000	\$468,180	\$477,544	\$487,094	\$496,836	\$506,773	\$516,909	\$527,247	\$537,792
Finance	5	\$765,442	\$769,269	\$773,115	\$776,981	\$780,866	\$784,770	\$788,694	\$792,637	\$796,600	\$800,583
Police	6	\$11,804,626	\$11,922,672	\$12,041,899	\$12,162,318	\$12,283,941	\$12,406,781	\$12,530,848	\$12,656,157	\$12,782,718	\$12,910,546
Fire	7	\$5,828,505	\$5,857,648	\$5,886,936	\$5,916,370	\$5,945,952	\$5,975,682	\$6,005,560	\$6,035,588	\$6,065,766	\$6,096,095
Library	8	\$1,112,907	\$1,118,472	\$1,124,064	\$1,129,684	\$1,135,333	\$1,141,009	\$1,146,714	\$1,152,448	\$1,158,210	\$1,164,001
Animal Control	9	\$168,351	\$170,288	\$172,249	\$174,236	\$175,495	\$176,759	\$178,041	\$179,329	\$180,636	\$181,941
Planning and Building	10	\$2,183,184	\$2,293,750	\$2,304,368	\$2,315,040	\$2,225,766	\$2,236,544	\$2,247,377	\$2,258,264	\$2,269,205	\$2,280,201
Public Works Administration	11	\$1,751,211	\$1,759,967	\$1,768,767	\$1,777,611	\$1,786,499	\$1,795,431	\$1,804,408	\$1,813,430	\$1,822,498	\$1,831,610
Environmental Services (collection)	11a	\$1,633,824	\$1,633,824	\$1,633,824	\$1,633,824	\$1,633,824	\$1,633,824	\$1,633,824	\$1,633,824	\$1,633,824	\$1,633,824
NPDES Program	12	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000
Street Lighting	13	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer to Road Fund	14	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397
Park Maintenance	15	\$2,538,607	\$2,538,607	\$2,538,607	\$2,538,607	\$2,538,607	\$2,538,607	\$2,538,607	\$2,538,607	\$2,538,607	\$2,538,607
Non-Departmental	16										
Office Rent/Supplies		\$903,360	\$385,360	\$387,360	\$379,360	\$379,360	\$379,360	\$379,360	\$379,360	\$379,360	\$379,360
Insurance		\$948,077	\$942,768	\$950,362	\$957,680	\$958,903	\$966,550	\$970,871	\$978,631	\$983,052	\$990,927
Contingency		\$1,580,128	\$1,571,280	\$1,583,937	\$1,596,133	\$1,598,172	\$1,610,917	\$1,618,118	\$1,631,052	\$1,638,420	\$1,651,546
Repayment, 1st year costs	17	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total General Fund Expenditures		\$34,130,761	\$33,939,645	\$34,213,047	\$34,476,479	\$34,520,523	\$34,795,797	\$34,951,354	\$35,230,719	\$35,389,861	\$35,673,390
ROAD EXPENDITURES											
Road Maintenance	18	\$2,112,584	\$2,112,584	\$2,112,584	\$2,112,584	\$2,112,584	\$2,112,584	\$2,112,584	\$2,112,584	\$2,112,584	\$2,112,584
City Loan Repayment	17	<u>\$0</u>	<u>\$501,520</u>	<u>\$501,520</u>	<u>\$501,520</u>	<u>\$501,520</u>	<u>\$501,520</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Road Fund Expenditures		\$2,112,584	\$2,614,104	\$2,614,104	\$2,614,104	\$2,614,104	\$2,614,104	\$2,112,584	\$2,112,584	\$2,112,584	\$2,112,584

Table C-1
Expenditure Estimate Notes
La Jolla Incorporation Analysis, EPS #13062

Ref. Item	Department/Program	Estimating Cost		Source	Fiscal Year										
		Factor	Cost Factor		2007-08	2008-09	2009-2010	2010-11	2011-12	2012-13	2013-14	2014-2015	2015-2016	2016-2017	
					1	2	3	4	5	6	7	8	9	10	
1	Legislative														
	City Council Expenses	Persons	5	Laguna Beach											
	Stipend	Per month	\$2,500	Laguna Beach	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	
	Expenses (travel, meetings)		\$2,500		\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	
	City Council Expenses				\$152,500	\$152,500	\$152,500	\$152,500	\$152,500	\$152,500	\$152,500	\$152,500	\$152,500	\$152,500	
2	Elections														
	Assumes only general elections	\$2.00	per reg. voter		\$0	\$55,339	\$0	\$56,060	\$0	\$56,308	\$0	\$56,559	\$0	\$56,814	
3	Administrative Services														
	City Manager			See below	\$459,675	\$461,973	\$464,283	\$466,604	\$468,937	\$471,282	\$473,638	\$476,007	\$478,387	\$480,779	
	City Clerk			See below	\$186,329	\$181,030	\$181,910	\$182,795	\$183,684	\$184,577	\$185,475	\$186,377	\$187,284	\$188,196	
	Administrative Services				\$372,639	\$374,502	\$489,287	\$491,733	\$494,192	\$496,663	\$499,146	\$501,642	\$504,150	\$506,671	
	Subtotal				\$1,018,642	\$1,017,505	\$1,135,480	\$1,141,132	\$1,146,813	\$1,152,522	\$1,158,260	\$1,164,026	\$1,169,821	\$1,175,645	
4	City Attorney -- Contracted Service	\$450,000	Real Incr.	Coronado	2%	\$450,000	\$459,000	\$468,180	\$477,544	\$487,094	\$496,836	\$506,773	\$516,909	\$527,247	\$537,792
5	Finance			See below	\$765,442	\$769,269	\$773,115	\$776,981	\$780,866	\$784,770	\$788,694	\$792,637	\$796,600	\$800,583	
6	Police			Average Coronado/San Diego											
		1.62	sworn officers/1000 res	City of San Diego											
		\$129,600	/sworn officer	including traffic enforcement											
	Initial Year (2007-08) Contract Cost	\$8,505,959													
	Initial Year (2007-08) Contract Cost	\$11,804,626	Real Inc.	1.0%	\$11,804,626	\$11,922,672	\$12,041,899	\$12,162,318	\$12,283,941	\$12,406,781	\$12,530,848	\$12,656,157	\$12,782,718	\$12,910,546	
7	Fire	\$5,828,505		Per Capita	0.5%	\$5,828,505	\$5,857,648	\$5,886,936	\$5,916,370	\$5,945,952	\$5,975,682	\$6,005,560	\$6,035,588	\$6,065,766	\$6,096,095
8	Library initial year contract cost	\$1,112,907		Per Capita	0.5%	\$1,112,907	\$1,118,472	\$1,124,064	\$1,129,684	\$1,135,333	\$1,141,009	\$1,146,714	\$1,152,448	\$1,158,210	\$1,164,001
9	Animal Control	\$3.76	Charge per capita, net of revenue	Real Inc.	0.5%	\$168,351	\$170,288	\$172,249	\$174,236	\$175,495	\$176,759	\$178,041	\$179,329	\$180,636	\$181,941
10	Planning and Building			See Figure C-4	\$2,183,184	\$2,293,750	\$2,304,368	\$2,315,040	\$2,225,766	\$2,236,544	\$2,247,377	\$2,258,264	\$2,269,205	\$2,280,201	
11	Public Works			See Figure C-5	\$1,751,211	\$1,759,967	\$1,768,767	\$1,777,611	\$1,786,499	\$1,795,431	\$1,804,408	\$1,813,430	\$1,822,498	\$1,831,610	
11a	Environmental Services (trash collection)				\$1,633,824	\$1,633,824	\$1,633,824	\$1,633,824	\$1,633,824	\$1,633,824	\$1,633,824	\$1,633,824	\$1,633,824	\$1,633,824	
12	NPDES Program			Coronado Budget	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	
13	Street Lighting (included in road maintenance costs)			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
14	Transfer to Road Fund				\$891,397	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397	\$891,397	
15	Parks & Recreation			Acres											
	Regional Parks (1)			37.00	\$1,619,593	\$1,619,593	\$1,619,593	\$1,619,593	\$1,619,593	\$1,619,593	\$1,619,593	\$1,619,593	\$1,619,593	\$1,619,593	
	Community Parks (2)	\$10,000		44.00	\$440,000	\$440,000	\$440,000	\$440,000	\$440,000	\$440,000	\$440,000	\$440,000	\$440,000	\$440,000	
	Undeveloped/OS	\$26.63		348.16	\$9,272	\$9,272	\$9,272	\$9,272	\$9,272	\$9,272	\$9,272	\$9,272	\$9,272	\$9,272	
	Underwater Park (3)				\$5,977.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Subtotal				\$6,747.77	\$2,538,607	\$2,538,607	\$2,538,607	\$2,538,607	\$2,538,607	\$2,538,607	\$2,538,607	\$2,538,607	\$2,538,607	

Notes:

(1) Cost is equal to 33% of overall City Beaches and Shoreline Parks budget plus Environmental Growth Funds (\$164,322 water).

(2) EPS cost estimate.

(3) No cost estimate available.

Table C-1 (cont.)
Expenditure Estimate Notes
La Jolla Incorporation Analysis, EPS #13062

Ref. Item	Department/Program	Estimating Cost Factor	Cost Factor	Fiscal Year										
				2004-05 0	2005-06 1	2006-07 2	2007-08 3	2008-09 4	2009-2010 5	2010-11 6	2011-12 7	2012-13 8	2013-14 9	
16	Non-Departmental													
	Office Rent/Supplies													
	FTEs (Includes 3 additional spaces for contractual employees to use)													
	Finance, Planning, Public Works Depts.			60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00
	City Manager and City Clerk Offices			5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
	Subtotal			65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00
	Other (temporary, etc.)			1.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
	Total FTE			66.00	67.00	68.00	68.00	68.00	68.00	68.00	68.00	68.00	68.00	68.00
	Total FTE Costs			5,718,479	5,840,491	5,981,730	6,010,764	5,939,943	5,969,268	5,998,739	6,028,358	6,058,124	6,088,040	6,088,040
	Staff Capacity Required			68	68	68	68	68	68	68	68	68	68	68
	Office Space Required	200 sqft/employee		13,600	13,600	13,600	13,600	13,600	13,600	13,600	13,600	13,600	13,600	13,600
	Council Chamber	2,000 sqft		2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
	Total Space			15,600	15,600	15,600	15,600	15,600	15,600	15,600	15,600	15,600	15,600	15,600
	Total Rent	\$1.30 /sqft/month		\$243,360	\$243,360	\$243,360	\$243,360	\$243,360	\$243,360	\$243,360	\$243,360	\$243,360	\$243,360	\$243,360
	Annual Supplies	\$2,000 per FTE		\$132,000	\$134,000	\$136,000	\$136,000	\$136,000	\$136,000	\$136,000	\$136,000	\$136,000	\$136,000	\$136,000
	Initial Computers, and Furnishings	\$8,000 per FTE		\$528,000	\$8,000	\$8,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Total Rent and Supplies			\$903,360	\$385,360	\$387,360	\$379,360	\$379,360	\$379,360	\$379,360	\$379,360	\$379,360	\$379,360	\$379,360
	Insurance	3% yearly cost of City	Coronado	\$948,077	\$942,768	\$950,362	\$957,680	\$958,903	\$966,550	\$970,871	\$978,631	\$983,052	\$990,927	\$990,927
	Contingency	5% of total GF expenses		\$1,580,128	\$1,571,280	\$1,583,937	\$1,596,133	\$1,598,172	\$1,610,917	\$1,618,118	\$1,631,052	\$1,638,420	\$1,651,546	\$1,651,546
	Subtotal													
17	Repayment, 1st year costs (see Prop tax transfer)		6%	0	0	0	0	0	0	0	0	0	0	0
	Total 1st yr costs	\$0	excludes road maintenance											
	Less 1st Year's PTax Rev.	\$0												
	Subtotal	\$0												
	Loan Repayment	5 years												
	See Table B-3													
Road Fund														
18	Road Fund Costs													
	124.00 Miles of road													
	\$17,037 Average maintenance cost per road mile			\$2,112,584	\$2,112,584	\$2,112,584	\$2,112,584	\$2,112,584	\$2,112,584	\$2,112,584	\$2,112,584	\$2,112,584	\$2,112,584	\$2,112,584
	Total cost for road maintenance in San Diego divided by the total miles of road in San Diego													
	Total Costs			\$2,112,584	\$2,112,584	\$2,112,584	\$2,112,584	\$2,112,584	\$2,112,584	\$2,112,584	\$2,112,584	\$2,112,584	\$2,112,584	\$2,112,584
17	Amortization of first year (see note 15 for terms)		\$2,112,584		\$501,520	\$501,520	\$501,520	\$501,520	\$501,520	\$501,520				

**Table C-2
City Manager and City Clerk Cost Estimates
La Jolla Incorporation Analysis, EPS #13062**

Ref. Item	Description	Assumptions	Fiscal Year										
			2007-08 1	2008-09 2	2009-2010 3	2007-08 4	2008-09 5	2009-2010 6	2010-11 7	2011-12 8	2012-13 9	2013-14 10	
City Manager Office													
City Manager		Laguna Beach/ Coronado Avg.	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Annual Salary	\$140,000	Real Inc.	0.5%	\$140,000	\$140,700	\$141,404	\$142,111	\$142,821	\$143,535	\$144,253	\$144,974	\$145,699	\$146,427
Benefits	33%			\$46,200	\$46,431	\$46,663	\$46,896	\$47,131	\$47,367	\$47,603	\$47,841	\$48,081	\$48,321
Subtotal				\$186,200	\$187,131	\$188,067	\$189,007	\$189,952	\$190,902	\$191,856	\$192,816	\$193,780	\$194,749
Assistant City Manager - FTE		Coronado Avg.	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Annual Salary	\$113,500	Real Inc.	0.5%	\$113,500	\$114,068	\$114,638	\$115,211	\$115,787	\$116,366	\$116,948	\$117,533	\$118,120	\$118,711
Benefits	33%			\$37,455	\$37,642	\$37,830	\$38,020	\$38,210	\$38,401	\$38,593	\$38,786	\$38,980	\$39,175
Subtotal				\$150,955	\$151,710	\$152,468	\$153,231	\$153,997	\$154,767	\$155,541	\$156,318	\$157,100	\$157,885
Executive Assistant- FTE		Coronado Avg.	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Annual Salary	\$60,700	Real Inc.	0.5%	\$60,700	\$61,004	\$61,309	\$61,615	\$61,923	\$62,233	\$62,544	\$62,857	\$63,171	\$63,487
Benefits	33%			\$20,031	\$20,131	\$20,232	\$20,333	\$20,435	\$20,537	\$20,639	\$20,743	\$20,846	\$20,951
Subtotal				\$80,731	\$81,135	\$81,540	\$81,948	\$82,358	\$82,770	\$83,183	\$83,599	\$84,017	\$84,437
Personnel Subtotal				\$417,886	\$419,975	\$422,075	\$424,186	\$426,307	\$428,438	\$430,580	\$432,733	\$434,897	\$437,071
Other Costs -Materials & Supplies	10%			\$41,789	\$41,998	\$42,208	\$42,419	\$42,631	\$42,844	\$43,058	\$43,273	\$43,490	\$43,707
Total City Manager Office Expenses				\$459,675	\$461,973	\$464,283	\$466,604	\$468,937	\$471,282	\$473,638	\$476,007	\$478,387	\$480,779
City Clerk Office													
City Clerk - FTE		Coronado Avg.	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Annual Salary	\$69,300	Real Inc.	0.5%	\$69,300	\$69,647	\$69,995	\$70,345	\$70,696	\$71,050	\$71,405	\$71,762	\$72,121	\$72,482
Benefits	33%			\$22,869	\$22,983	\$23,098	\$23,214	\$23,330	\$23,446	\$23,564	\$23,682	\$23,800	\$23,919
Subtotal				\$92,169	\$92,630	\$93,093	\$93,558	\$94,026	\$94,496	\$94,969	\$95,444	\$95,921	\$96,401
Deputy City Clerk - FTE		Laguna Beach	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Annual Salary	\$52,000	Real Inc.	0.5%	\$52,000	\$52,260	\$52,521	\$52,784	\$53,048	\$53,313	\$53,580	\$53,848	\$54,117	\$54,387
Benefits	33%			\$17,160	\$17,246	\$17,332	\$17,419	\$17,506	\$17,593	\$17,681	\$17,770	\$17,859	\$17,948
Subtotal				\$69,160	\$69,506	\$69,853	\$70,203	\$70,554	\$70,906	\$71,261	\$71,617	\$71,975	\$72,335
Other Costs		Carmel Valley	0%	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Legal Notices	\$5,000	Real Inc.		\$20,000	\$13,894	\$13,964	\$14,034	\$14,104	\$14,174	\$14,245	\$14,317	\$14,388	\$14,460
Other Costs	15%			\$25,000	\$18,894	\$18,964	\$19,034	\$19,104	\$19,174	\$19,245	\$19,317	\$19,388	\$19,460
Subtotal Other Costs				\$25,000	\$18,894	\$18,964	\$19,034	\$19,104	\$19,174	\$19,245	\$19,317	\$19,388	\$19,460
Total City Clerk Office Expenses				\$186,329	\$181,030	\$181,910	\$182,795	\$183,684	\$184,577	\$185,475	\$186,377	\$187,284	\$188,196

Table C-3
Finance Department Cost Estimates
La Jolla Incorporation Analysis, EPS #13062

Ref. Item	Description	Assumptions		Fiscal Year											
				2007-08 1	2008-09 2	2009-2010 3	2007-08 4	2008-09 5	2009-2010 6	2010-11 7	2011-12 8	2012-13 9	2013-14 10		
Finance Department															
Director of Administrative Services - FTE															
	Annual Salary	\$99,500	Real Inc.	Coronado Avg	0.5%	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	
	Benefits		33%			\$99,500	\$99,998	\$100,497	\$101,000	\$101,505	\$102,012	\$102,523	\$103,035	\$103,550	
	Subtotal					<u>\$32,835</u>	<u>\$32,999</u>	<u>\$33,164</u>	<u>\$33,330</u>	<u>\$33,497</u>	<u>\$33,664</u>	<u>\$33,832</u>	<u>\$34,002</u>	<u>\$34,172</u>	
						\$132,335	\$132,997	\$133,662	\$134,330	\$135,002	\$135,677	\$136,355	\$137,037	\$137,722	\$138,411
Finance Manager - FTE															
	Annual Salary	\$78,500	Real Inc.	Coronado Avg	0.5%	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	
	Benefits		33%			\$78,500	\$78,893	\$79,287	\$79,683	\$80,082	\$80,482	\$80,885	\$81,289	\$81,696	
	Subtotal					<u>\$25,905</u>	<u>\$26,035</u>	<u>\$26,165</u>	<u>\$26,296</u>	<u>\$26,427</u>	<u>\$26,559</u>	<u>\$26,692</u>	<u>\$26,825</u>	<u>\$26,960</u>	
						\$104,405	\$104,927	\$105,452	\$105,979	\$106,509	\$107,041	\$107,577	\$108,114	\$108,655	\$109,198
Treasurer - FTE															
	Annual Salary	\$65,200	Real Inc.	Laguna Beach	0.5%	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	
	Benefits		33%			\$65,200	\$65,526	\$65,854	\$66,183	\$66,514	\$66,846	\$67,181	\$67,517	\$67,854	
	Subtotal					<u>\$21,516</u>	<u>\$21,624</u>	<u>\$21,732</u>	<u>\$21,840</u>	<u>\$21,950</u>	<u>\$22,059</u>	<u>\$22,170</u>	<u>\$22,280</u>	<u>\$22,392</u>	
						\$86,716	\$87,150	\$87,585	\$88,023	\$88,463	\$88,906	\$89,350	\$89,797	\$90,246	\$90,697
Accountant - FTE															
	Annual Salary	\$50,100	Real Inc.	Coronado Avg	0.5%	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	
	Benefits		33%			\$50,100	\$51,052	\$51,807	\$52,566	\$53,329	\$54,095	\$54,866	\$55,640	\$56,418	
	Subtotal					<u>\$49,599</u>	<u>\$49,847</u>	<u>\$50,096</u>	<u>\$50,347</u>	<u>\$50,598</u>	<u>\$50,851</u>	<u>\$51,106</u>	<u>\$51,361</u>	<u>\$51,618</u>	
						\$199,899	\$200,898	\$201,903	\$202,913	\$203,927	\$204,947	\$205,971	\$207,001	\$208,036	\$209,076
Clerks/Account Technician- FTE															
	Annual Salary	\$37,100	Real Inc.	Coronado Avg	0.5%	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	
	Benefits		33%			\$37,100	\$37,286	\$37,472	\$37,659	\$37,848	\$38,037	\$38,227	\$38,418	\$38,610	
	Subtotal					<u>\$12,243</u>	<u>\$12,304</u>	<u>\$12,366</u>	<u>\$12,428</u>	<u>\$12,490</u>	<u>\$12,552</u>	<u>\$12,615</u>	<u>\$12,678</u>	<u>\$12,741</u>	
						\$49,343	\$49,590	\$49,838	\$50,087	\$50,337	\$50,589	\$50,842	\$51,096	\$51,352	\$51,608
Senior Account Clerk- FTE															
	Annual Salary	\$49,000	Real Inc.	Laguna Beach	0.5%	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	
	Benefits		33%			\$49,000	\$49,245	\$49,491	\$49,739	\$49,987	\$50,237	\$50,488	\$50,741	\$50,995	
	Subtotal					<u>\$16,170</u>	<u>\$16,251</u>	<u>\$16,332</u>	<u>\$16,414</u>	<u>\$16,496</u>	<u>\$16,578</u>	<u>\$16,661</u>	<u>\$16,745</u>	<u>\$16,828</u>	
						\$65,170	\$65,496	\$65,823	\$66,152	\$66,483	\$66,816	\$67,150	\$67,485	\$67,823	\$68,162
Personnel Subtotal															
						\$637,868	\$641,057	\$644,263	\$647,484	\$650,721	\$653,975	\$657,245	\$660,531	\$663,834	\$667,153
Other Costs															
		20%				\$127,574	\$128,211	\$128,853	\$129,497	\$130,144	\$130,795	\$131,449	\$132,106	\$132,767	\$133,431
Total Finance Department Expenses															
						\$765,442	\$769,269	\$773,115	\$776,981	\$780,866	\$784,770	\$788,694	\$792,637	\$796,600	\$800,583

Administrative Services

Human Resources Manager- FTE (or contract initially)				1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	
Annual Salary	\$78,400	Real Inc.	Coronado Avg	0.5%	\$78,400	\$78,792	\$79,186	\$79,582	\$79,980	\$80,380	\$80,782	\$81,186	\$81,591	\$81,999
Benefits	33%				\$25,872	\$26,001	\$26,131	\$26,262	\$26,393	\$26,525	\$26,658	\$26,791	\$26,925	\$27,060
Subtotal					\$104,272	\$104,793	\$105,317	\$105,844	\$106,373	\$106,905	\$107,440	\$107,977	\$108,517	\$109,059
Human Resources Technician - FTE (or contract initially)				1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Annual Salary	\$39,280	Real Inc.	Coronado Avg	0.5%	\$39,280	\$39,476	\$39,673	\$39,872	\$40,071	\$40,271	\$40,473	\$40,675	\$40,878	\$41,083
Benefits	33%				\$12,962	\$13,027	\$13,092	\$13,158	\$13,223	\$13,290	\$13,356	\$13,423	\$13,490	\$13,557
Subtotal					\$52,242	\$52,503	\$52,766	\$53,029	\$53,294	\$53,561	\$53,829	\$54,098	\$54,368	\$54,640
Computer Network Administrator - FTE (or contract initially)				1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Annual Salary	\$88,500	Real Inc.	Laguna Beach	0.5%	\$88,500	\$88,943	\$89,387	\$89,834	\$90,283	\$90,735	\$91,188	\$91,644	\$92,103	\$92,563
Benefits	33%				\$29,205	\$29,351	\$29,498	\$29,645	\$29,793	\$29,942	\$30,092	\$30,243	\$30,394	\$30,546
Subtotal					\$117,705	\$118,294	\$118,885	\$119,479	\$120,077	\$120,677	\$121,281	\$121,887	\$122,496	\$123,109
Information Systems Specialist - FTE (or contract initially)				1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Annual Salary	\$74,000	Real Inc.	Laguna Beach	0.5%	\$74,000	\$74,370	\$74,742	\$75,116	\$75,491	\$75,869	\$76,248	\$76,629	\$77,012	\$77,397
Benefits	33%				\$24,420	\$24,542	\$24,665	\$24,788	\$24,912	\$25,037	\$25,162	\$25,288	\$25,414	\$25,541
Subtotal					\$98,420	\$98,912	\$99,407	\$99,904	\$100,403	\$100,905	\$101,410	\$101,917	\$102,426	\$102,939
Materials, Supplies & Services (inc. computers/software)				0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Costs	30%				\$0	\$0	\$112,912	\$113,477	\$114,044	\$114,615	\$115,188	\$115,764	\$116,342	\$116,924
Total Administrative Services					\$372,639	\$374,502	\$489,287	\$491,733	\$494,192	\$496,663	\$499,146	\$501,642	\$504,150	\$506,671

**Table C-4
Planning and Community Development Department Cost Estimates
La Jolla Incorporation Analysis, EPS #13062**

Ref. Item	Description	Assumptions	Fiscal Year											
			2007-08 1	2008-09 2	2009-2010 3	2010-11 4	2011-12 5	2012-13 6	2013-14 7	2014-2015 8	2015-2016 9	2016-2017 10		
Planning Department														
Planning Director - FTE			1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	
Annual Salary	\$96,600	Real Inc.	Coronado avg	0.5%	\$96,600	\$97,083	\$97,568	\$98,056	\$98,547	\$99,039	\$99,534	\$100,032	\$100,532	\$101,032
Benefits	33%				\$31,878	\$32,037	\$32,198	\$32,359	\$32,520	\$32,683	\$32,846	\$33,011	\$33,176	\$33,342
Subtotal					\$128,478	\$129,120	\$129,766	\$130,415	\$131,067	\$131,722	\$132,381	\$133,043	\$133,708	\$134,376
Assistant Director - FTE			1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Annual Salary	\$116,000	Real Inc.	Laguna Beach	0.5%	\$116,000	\$116,580	\$117,163	\$117,749	\$118,337	\$118,929	\$119,524	\$120,121	\$120,722	\$121,326
Benefits	33%				\$38,280	\$38,471	\$38,664	\$38,857	\$39,051	\$39,247	\$39,443	\$39,640	\$39,838	\$40,037
Subtotal					\$154,280	\$155,051	\$155,827	\$156,606	\$157,389	\$158,176	\$158,967	\$159,761	\$160,560	\$161,363
Planners (senior and principal) - FTE			4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Annual Salary	\$63,000	Real Inc.	Coronado avg	0.5%	\$283,500	\$284,918	\$286,342	\$287,774	\$289,213	\$290,659	\$292,112	\$293,573	\$295,040	\$296,516
Benefits	33%				\$93,555	\$94,023	\$94,493	\$94,965	\$95,440	\$95,917	\$96,397	\$96,879	\$97,363	\$97,850
Subtotal					\$377,055	\$378,940	\$380,835	\$382,739	\$384,653	\$386,576	\$388,509	\$390,452	\$392,404	\$394,366
Planners (associate) - FTE			1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Annual Salary	\$56,000	Real Inc.	Coronado avg	0.5%	\$56,000	\$56,280	\$56,561	\$56,844	\$57,128	\$57,414	\$57,701	\$57,990	\$58,280	\$58,571
Benefits	33%				\$18,480	\$18,572	\$18,665	\$18,759	\$18,852	\$18,947	\$19,041	\$19,137	\$19,232	\$19,328
Subtotal					\$74,480	\$74,852	\$75,227	\$75,603	\$75,981	\$76,361	\$76,743	\$77,126	\$77,512	\$77,899
Building/Zoning Administrators - FTE			2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Annual Salary	\$102,300	Real Inc.	Laguna Beach	0.5%	\$204,600	\$205,623	\$206,651	\$207,684	\$208,723	\$209,766	\$210,815	\$211,869	\$212,929	\$213,993
Benefits	33%				\$67,518	\$67,856	\$68,195	\$68,536	\$68,879	\$69,223	\$69,569	\$69,917	\$70,266	\$70,618
Subtotal					\$272,118	\$273,479	\$274,846	\$276,220	\$277,601	\$278,989	\$280,384	\$281,786	\$283,195	\$284,611
Building Inspectors - FTE			4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Annual Salary	\$69,300	Real Inc.	Laguna Beach	0.5%	\$277,200	\$278,586	\$279,979	\$281,379	\$282,786	\$284,200	\$285,621	\$287,049	\$288,484	\$289,926
Benefits	33%				\$91,476	\$91,933	\$92,393	\$92,855	\$93,319	\$93,786	\$94,255	\$94,726	\$95,200	\$95,676
Subtotal					\$368,676	\$370,519	\$372,372	\$374,234	\$376,105	\$377,986	\$379,875	\$381,775	\$383,684	\$385,602
Code Enforcement - FTE			2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Annual Salary	\$57,000	Real Inc.	Laguna Beach	0.5%	\$136,800	\$137,484	\$138,171	\$138,862	\$139,557	\$140,254	\$140,956	\$141,660	\$142,369	\$143,081
Benefits	33%				\$45,144	\$45,370	\$45,597	\$45,825	\$46,054	\$46,284	\$46,515	\$46,748	\$46,982	\$47,217
Subtotal					\$181,944	\$182,854	\$183,768	\$184,687	\$185,610	\$186,538	\$187,471	\$188,408	\$189,350	\$190,297
Aids and Clerks- FTE			5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Annual Salary	\$52,700	Real Inc.	Laguna Beach	0.5%	\$263,500	\$264,818	\$266,142	\$267,472	\$268,810	\$270,154	\$271,504	\$272,862	\$274,226	\$275,597
Benefits	33%				\$86,955	\$87,390	\$87,827	\$88,266	\$88,707	\$89,151	\$89,596	\$90,044	\$90,495	\$90,947
Subtotal					\$350,455	\$352,207	\$353,968	\$355,738	\$357,517	\$359,304	\$361,101	\$362,906	\$364,721	\$366,545
Administrative Secretaries- FTE			2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Annual Salary	\$39,500	Real Inc.	Coronado avg	0.5%	\$79,000	\$79,395	\$79,792	\$80,191	\$80,592	\$80,995	\$81,400	\$81,807	\$82,216	\$82,627
Benefits	33%				\$26,070	\$26,200	\$26,331	\$26,463	\$26,595	\$26,728	\$26,862	\$26,996	\$27,131	\$27,267
Subtotal					\$105,070	\$105,595	\$106,123	\$106,654	\$107,187	\$107,723	\$108,262	\$108,803	\$109,347	\$109,894
Personnel Subtotal					\$2,012,556	\$2,022,619	\$2,032,732	\$2,042,896	\$2,053,110	\$2,063,376	\$2,073,692	\$2,084,061	\$2,094,481	\$2,104,954
Other Costs														
Planning Consultants (inc. Gen'l Plan)		Real Inc.		0%	\$0	\$100,000	\$100,000	\$100,000	\$0	\$0	\$0	\$0	\$0	\$0
Planning Consultants (other)				0%	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Mapping Reproduction	\$7,500	Real Inc.		0%	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Planning Commission Expense	\$5,000	Real Inc.		0%	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Miscellaneous Other Costs		5% of personnel costs			\$100,628	\$101,131	\$101,637	\$102,145	\$102,656	\$103,169	\$103,685	\$104,203	\$104,724	\$105,248
Other Cost Subtotal					\$170,628	\$171,131	\$171,637	\$172,145	\$172,656	\$173,169	\$173,685	\$174,203	\$174,724	\$175,248
Total Planning Department Expenses					\$2,183,184	\$2,293,750	\$2,304,368	\$2,315,040	\$2,225,766	\$2,236,544	\$2,247,377	\$2,258,264	\$2,269,205	\$2,280,201

**Table C-5
Public Works Department Cost Estimates
La Jolla Incorporation Analysis, EPS #13062**

Ref. Item	Description	Assumptions	Fiscal Year											
			2007-08 1	2008-09 2	2009-2010 3	2010-11 4	2011-12 5	2012-13 6	2013-14 7	2014-2015 8	2015-2016 9	2016-2017 10		
Public Works Department														
Public Works Director - FTE (or contract initially)				1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0		
Annual Salary	\$140,300	Real Inc.	Laguna Beach	0.5%	\$140,300	\$141,002	\$141,707	\$142,415	\$143,127	\$143,843	\$144,562	\$145,285	\$146,011	\$146,741
Benefits		33%			<u>\$46,299</u>	<u>\$46,530</u>	<u>\$46,763</u>	<u>\$46,997</u>	<u>\$47,232</u>	<u>\$47,468</u>	<u>\$47,705</u>	<u>\$47,944</u>	<u>\$48,184</u>	<u>\$48,425</u>
Subtotal					\$186,599	\$187,532	\$188,470	\$189,412	\$190,359	\$191,311	\$192,267	\$193,229	\$194,195	\$195,166
Public Works Deputy Director - FTE (or contract initially)			Laguna Beach		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Annual Salary	\$102,300	Real Inc.		0.5%	\$102,300	\$102,812	\$103,326	\$103,842	\$104,361	\$104,883	\$105,408	\$105,935	\$106,464	\$106,997
Benefits		33%			<u>\$33,759</u>	<u>\$33,928</u>	<u>\$34,097</u>	<u>\$34,268</u>	<u>\$34,439</u>	<u>\$34,611</u>	<u>\$34,785</u>	<u>\$34,958</u>	<u>\$35,133</u>	<u>\$35,309</u>
Subtotal					\$136,059	\$136,739	\$137,423	\$138,110	\$138,801	\$139,495	\$140,192	\$140,893	\$141,598	\$142,306
Assistant and Associate Engineers - FTE			Coronado avg		2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Annual Salary	\$78,900	Real Inc.		0.5%	\$157,800	\$158,589	\$159,382	\$160,179	\$160,980	\$161,785	\$162,594	\$163,407	\$164,224	\$165,045
Benefits		33%			\$52,074	\$52,334	\$52,596	\$52,859	\$53,123	\$53,389	\$53,656	\$53,924	\$54,197	\$54,465
Subtotal					\$209,874	\$210,923	\$211,978	\$213,038	\$214,103	\$215,174	\$216,249	\$217,331	\$218,417	\$219,509
Sr. Administrative Analyst - FTE (or contract initially)			Laguna Beach		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Annual Salary	\$78,000	Real Inc.		0.5%	\$78,000	\$78,390	\$78,782	\$79,176	\$79,572	\$79,970	\$80,369	\$80,771	\$81,175	\$81,581
Benefits		33%			<u>\$25,740</u>	<u>\$25,869</u>	<u>\$25,998</u>	<u>\$26,128</u>	<u>\$26,259</u>	<u>\$26,390</u>	<u>\$26,522</u>	<u>\$26,655</u>	<u>\$26,788</u>	<u>\$26,922</u>
Subtotal					\$103,740	\$104,259	\$104,780	\$105,304	\$105,830	\$106,360	\$106,891	\$107,426	\$107,963	\$108,503
Project Staff - FTE			Laguna Beach		3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Annual Salary	\$84,000	Real Inc.		0.5%	\$252,000	\$253,260	\$254,526	\$255,799	\$257,078	\$258,363	\$259,655	\$260,953	\$262,258	\$263,569
Benefits		33%			\$83,160	\$83,576	\$83,994	\$84,414	\$84,836	\$85,260	\$85,686	\$86,115	\$86,548	\$86,978
Subtotal					\$335,160	\$336,836	\$338,520	\$340,213	\$341,914	\$343,623	\$345,341	\$347,068	\$348,803	\$350,547
Maintenance Workers - FTE (or contract initially)			Coronado avg		6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Annual Salary	\$32,600	Real Inc.		0.5%	\$195,600	\$196,578	\$197,561	\$198,549	\$199,541	\$200,539	\$201,542	\$202,550	\$203,562	\$204,580
Benefits		33%			<u>\$64,548</u>	<u>\$64,871</u>	<u>\$65,195</u>	<u>\$65,521</u>	<u>\$65,849</u>	<u>\$66,178</u>	<u>\$66,509</u>	<u>\$66,841</u>	<u>\$67,176</u>	<u>\$67,511</u>
Subtotal					\$260,148	\$261,449	\$262,756	\$264,070	\$265,390	\$266,717	\$268,051	\$269,391	\$270,738	\$272,092
Traffic Maintenance Technician - FTE (or contract initially)			Laguna Beach		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Annual Salary	\$43,000	Real Inc.		0.5%	\$43,000	\$43,215	\$43,431	\$43,648	\$43,866	\$44,086	\$44,306	\$44,528	\$44,750	\$44,974
Benefits		33%			<u>\$14,190</u>	<u>\$14,261</u>	<u>\$14,332</u>	<u>\$14,404</u>	<u>\$14,476</u>	<u>\$14,548</u>	<u>\$14,621</u>	<u>\$14,694</u>	<u>\$14,768</u>	<u>\$14,841</u>
Subtotal					\$57,190	\$57,476	\$57,763	\$58,052	\$58,342	\$58,634	\$58,927	\$59,222	\$59,518	\$59,816
Water Quality Analyst - FTE (or contract initially)			Laguna Beach		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Annual Salary	\$78,000	Real Inc.		0.5%	\$78,000	\$78,390	\$78,782	\$79,176	\$79,572	\$79,970	\$80,369	\$80,771	\$81,175	\$81,581
Benefits		33%			<u>\$25,740</u>	<u>\$25,869</u>	<u>\$25,998</u>	<u>\$26,128</u>	<u>\$26,259</u>	<u>\$26,390</u>	<u>\$26,522</u>	<u>\$26,655</u>	<u>\$26,788</u>	<u>\$26,922</u>
Subtotal					\$103,740	\$104,259	\$104,780	\$105,304	\$105,830	\$106,360	\$106,891	\$107,426	\$107,963	\$108,503
Environmental Specialist - FTE (or contract initially)			Laguna Beach		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Annual Salary	\$52,000	Real Inc.		0.5%	\$52,000	\$52,260	\$52,521	\$52,784	\$53,048	\$53,313	\$53,580	\$53,848	\$54,117	\$54,387
Benefits		33%			<u>\$17,160</u>	<u>\$17,246</u>	<u>\$17,332</u>	<u>\$17,419</u>	<u>\$17,506</u>	<u>\$17,593</u>	<u>\$17,681</u>	<u>\$17,770</u>	<u>\$17,859</u>	<u>\$17,948</u>
Subtotal					\$69,160	\$69,506	\$69,853	\$70,203	\$70,554	\$70,906	\$71,261	\$71,617	\$71,975	\$72,335
Administrative - FTE			Laguna Beach		2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Annual Salary	\$49,000	Real Inc.		0.5%	\$98,000	\$98,490	\$98,982	\$99,477	\$99,975	\$100,475	\$100,977	\$101,482	\$101,989	\$102,499
Benefits		33%			<u>\$32,340</u>	<u>\$32,502</u>	<u>\$32,664</u>	<u>\$32,828</u>	<u>\$32,992</u>	<u>\$33,157</u>	<u>\$33,322</u>	<u>\$33,489</u>	<u>\$33,656</u>	<u>\$33,825</u>
Subtotal					\$130,340	\$130,992	\$131,647	\$132,305	\$132,966	\$133,631	\$134,299	\$134,971	\$135,646	\$136,324
Personnel Subtotal					\$1,592,010	\$1,599,970	\$1,607,970	\$1,616,010	\$1,624,090	\$1,632,210	\$1,640,371	\$1,648,573	\$1,656,816	\$1,665,100
Other Costs		10%			\$159,201	\$159,997	\$160,797	\$161,601	\$162,409	\$163,221	\$164,037	\$164,857	\$165,682	\$166,510
Total Public Works Department Expenses					\$1,751,211	\$1,759,967	\$1,768,767	\$1,777,611	\$1,786,499	\$1,795,431	\$1,804,408	\$1,813,430	\$1,822,498	\$1,831,610

Table D-1
City of San Diego Revenue and Net Cost Allocation
La Jolla Incorporation Analysis, EPS #13062

Department/Function	Net	Net Per Capita	La Jolla Net Per Capita	La Jolla Estimate
General Fund Revenues				
Property Tax- City General	199,750,958	\$154.37	\$6,737,911	\$19,532,506
Real Estate Transfer Tax	8,472,719	\$6.55	\$285,798	\$353,034
Sales and Use Tax (1)	127,947,877	\$98.88	\$4,315,881	\$5,372,233
Franchise Fees	52,086,577	\$40.25	\$1,756,961	
Fees and Permits (2)	1,400,000	\$1.08	\$47,224	
Transient Occupancy	57,998,226	\$44.82	\$1,956,371	\$5,807,995
Other General Fund Revenues (3)	1,200,223	\$0.93	\$40,485	
Motor Vehicle in Lieu	74,893,491	\$57.88	\$2,526,274	\$2,669,876
Transfers from Other Funds (4)	66,451,116	\$51.35	\$2,241,500	
Risk Management	340,000	\$0.26	\$11,469	
Transportation (net of costs)	17,265,843	13.34	\$582,404	
Real Estate Assets (net of costs)	23,344,167	18.04	\$787,435	
Total	631,151,197	488	\$21,289,713	
General Fund Expenditures (net of revenues shown on Table D-3)				
General Government (5)	96,214,690	\$74.35	\$3,245,471	
Animal Regulation Services (6)	4,871,287	\$3.76	\$164,316	
Planning	4,285,291	\$3.31	\$144,550	
Community and Economic Development	10,091,233	\$7.80	\$340,393	
Finance	1,944,019	\$1.50	\$65,575	
Police	252,166,216	\$194.87	\$8,505,959	9,179,595
Environmental Services	33,731,535	\$26.07	\$1,137,817	
Development Services (7)	0	0.00	\$0	
Storm Water Pollution Prevention- General Services (8)	2,781,109	2.15	\$93,811	
Neighborhood Code Compliance	4,428,971	3.42	\$149,396	\$185,022
Library	33,785,608	26.11	\$1,139,641	823,573
Parks and Recreation	61,526,950	47.55	\$2,075,400	
San Diego Fire-Rescue	118,984,830	91.95	\$4,013,544	3,778,003
Special Projects	2,360,941	1.82	\$79,638	
Engineering and Capital Projects	3,779,420	2.92	\$127,486	
Citizens Assistance	199,097	0.15	\$6,716	
Total	631,151,197	\$488	\$21,289,713	

Table D-1
City of San Diego Revenue and Net Cost Allocation
La Jolla Incorporation Analysis, EPS #13062

Source:

City of San Diego Annual Fiscal Year 2004 Budget; EPS

Notes:

- (1) Includes Safety Sales Tax
- (2) Includes Licenses
- (3) Includes Interest Earnings
- (4) Reflects transfers to the General Fund from several funds and includes a transfer from Special Promotional Programs to cover the costs of maintenance of tourist-oriented facilities and permanent police officers added during Fiscal Years 1994 through 1998 in response to the adoption of the Public Safety Ordinance
- (5) General Government includes City Council, Mayor, Council Administration, Ethics Commission, City Manager, City Clerk, City Attorney, City Treasurer, Human Resources, Personnel, Auditor and Comptroller, General Services, Equal Opportunity Contracting, Citywide Program Expenditures, Public and Media Affairs, and Government Relations
- (6) Part of Citywide Program Expenditures.
- (7) Not included in General Fund. Department restructured from General Fund to Special Revenue Fund in Fiscal Year 2004.
- (8) Does not include Storm Drain Fund.

Table D-2
City of San Diego Revenues Per Capita
La Jolla Incorporation Analysis, EPS #13062

Department/Function	Gross City Revenue	City Revenue per cap.	La Jolla Revenue	La Jolla Estimate
General Government (1)	<u>\$29,549,368</u>	\$22.84	\$996,746	
Property Tax- City General	\$199,750,958	\$154.37	\$6,737,911	\$19,532,506
Real Estate Transfer Tax	\$8,472,719	\$6.55	\$285,798	\$353,034
Sales and Use Tax (2)	\$127,947,877	\$98.88	\$4,315,881	\$5,372,233
Franchise Fees	\$52,086,577	\$40.25	\$1,756,961	
Fees and Permits (3)	\$1,400,000	\$1.08	\$47,224	
Transient Occupancy	\$57,998,226	\$44.82	\$1,956,371	\$5,807,995
Business Licenses		\$0.00	\$0	
Other General Fund Revenues (4)	\$1,200,223	\$0.93	\$40,485	
Motor Vehicle in Lieu	\$74,893,491	\$57.88	\$2,526,274	\$2,669,876
Transfers from Other Funds (5)	<u>\$66,451,116</u>	\$51.35	\$2,241,500	
Community and Economic Development	\$2,554,887	\$1.97	\$86,180	
Planning	\$2,841,034	\$2.20	\$95,833	\$1,551,927
Finance	\$169,394	\$0.13	\$5,714	
Police (6)	\$19,970,500	\$15.43	\$673,636	
Environmental Services	\$80,000	\$0.06	\$2,699	
Neighborhood Code Compliance	\$967,494	\$0.75	\$32,635	\$33,171
Library	\$2,106,099	\$1.63	\$71,042	\$48,327
Transportation (7)	\$24,598,787	\$19.01	\$829,755	
Parks and Recreation (8)	\$11,711,772	\$9.05	\$395,056	
San Diego Fire-Rescue (9)	\$5,181,450	\$4.00	\$174,778	157,656
Real Estate Assets (10)	\$27,624,000	\$21.35	\$931,801	
Special Projects	\$1,115,916	\$0.86	\$37,642	
Engineering and Capital Projects (11)	\$24,001,381	\$18.55	\$809,604	
Risk Management	<u>340,000</u>	<u>\$0.26</u>	<u>\$11,469</u>	
Total	\$743,013,269	\$574.20	\$25,062,995	\$35,526,724

Source:

City of San Diego Annual Fiscal Year 2004 Budget; EPS.

Notes:

- (1) General Government includes City Council, Mayor, City Manager, City Clerk, City Attorney, City Treasurer, Human Resources, Personnel, Auditor and Comptroller, General Services, Equal Opportunity Contracting, Citywide Program Expenditures, and Government Relations.
- (2) Includes Safety Sales Tax.
- (3) Includes Licenses.
- (4) Includes Interest Earnings.
- (5) Reflects transfers to the General Fund from several funds and includes a transfer from Special Promotional Programs to cover the costs of maintenance of tourist-oriented facilities and permanent police officers added during Fiscal Years 1994 through 1998 in response to the adoption of the Public Safety Ordinance.
- (6) Revenue includes: Licenses and Permits, Fines, Forfeitures, and Penalties, Revenue from Other Agencies, Charges for Current Services, and Other Revenues.
- (7) Revenue includes: Licenses and Permits, Fines, Forfeitures, and Penalties, and Charges for Current Services.
- (8) Revenue includes: Licenses and Permits, Revenue from Money & Property, Revenue from Other Agencies, Charges for Current Services, and Transfers from Other Funds.
- (9) Revenue include: Licenses and Permits, Revenue from Money & Property, Revenue from Other Agencies, Charges for Current Services, and Other Revenues.
- (10) Includes Revenue from Money & Property and Charges for Current Services.
- (11) Revenue include: Licenses and Permits, Charges for Current Services, and Transfers from Other Funds.

Table D-3
City of San Diego Costs Per Capita
La Jolla Incorporation Analysis, EPS #13062

Department/Function	Gross City Cost	City Cost per cap.	La Jolla Cost	La Jolla Estimate
General Government (1)	\$125,764,058	\$97.19	\$4,242,218	
Animal Regulation Services (2)	\$4,871,287	\$3.76	\$164,316	
Planning	\$7,126,325	\$5.51	\$240,382	
Community and Economic Development	\$12,646,120	\$9.77	\$426,573	
Finance	\$2,113,413	\$1.63	\$71,289	
Police	\$272,136,716	\$210.31	\$9,164,119	9,179,595
Environmental Services	\$33,811,535	\$26.13	\$1,140,516	
Development Services (3)	\$0	\$0.00	\$0	
Storm Water Pollution Prevention-General Services (4)	\$2,781,109	\$2.15	\$93,811	
Neighborhood Code Compliance	\$5,396,465	\$4.17	\$182,031	\$185,022
Library	\$35,891,707	\$27.74	\$1,210,683	823,573
Transportation	\$7,332,944	\$5.67	\$247,352	
Parks and Recreation	\$73,238,722	\$56.60	\$2,470,456	
San Diego Fire-Rescue	\$124,166,280	\$95.96	\$4,188,322	3,778,003
Real Estate Assets	\$4,279,833	\$3.31	\$144,365	
Special Projects	\$3,476,857	\$2.69	\$117,280	
Engineering and Capital Projects	\$27,780,801	\$21.47	\$937,090	
Citizens Assistance	<u>\$199,097</u>	<u>\$0.15</u>	<u>\$6,716</u>	
Total	\$743,013,269	\$574.20	\$25,047,518	

Source:

City of San Diego Annual Fiscal Year 2004 Budget

Notes:

(1) General Government includes City Council, Mayor, Council Administration, Ethics Commission, City Manager, City Clerk, City Attorney IT, City Treasurer, Human Resources, Personnel, Auditor and Comptroller, General Services, Equal Opportunity Contracting, Citywide Program Expenditures, Public and Media Affairs, and Government Relations.

(2) Part of Citywide Program Expenditures.

(3) Not included in General Fund. Department restructured from General Fund to Special Revenue Fund in Fiscal Year 2004.

(4) Does not include Storm Drain Fund.



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Land Use Policy

APPENDIX II:

REVENUES AND EXPENDITURES OF COMPARABLE CITIES

Appendix Table II-1
 La Jolla Incorporation Analysis, EPS #13062
 Selected Cities 2004-5- General Fund Expenditures
 Comparison Summary Table

Expenditures	City of Coronado		City of Laguna Beach		Proposed City of La Jolla		City of S.D. Per Capita Costs for La Jolla		
	Total	Per Capita	Total	Per Capita	Total	Per Capita			
Population	(1)	26,450	24,750		43,649				
City Council		\$996,859	\$38 (2)	\$55,600	\$2	\$152,500	\$3	\$222,902	\$5
Elections		\$0	\$0	\$0	\$0	\$0	\$0		
City Manager		\$729,574	\$28	\$567,230		\$459,675	\$11	\$13,819	\$0.32
City Clerk		\$220,214	\$8 (3)	\$301,330		\$186,329	\$4	\$113,963	\$3
City Attorney		\$142,100	\$5 (4)	\$445,000	\$18 (10)	\$450,000	\$10	\$979,965	\$22
Finance		\$0	(5)	\$1,064,430	\$43	\$765,442	\$18	\$71,289	\$2
Administrative Services									
Uncategorized Expenses		\$965,117	\$36			\$1,018,642	\$23		
Human Resources				\$425,530	\$17			\$39,189	\$1
Information Services (IT)		\$448,815	\$17	\$310,730	\$13			not in GF	
Subtotal		\$1,413,932	\$36	\$736,260	\$30	\$1,018,642	\$23		
Library		\$1,723,569	\$65	\$0	\$0	\$1,210,683	\$28	\$1,210,683	\$28
Police		\$8,924,700	\$337	\$8,328,056	\$336	\$8,505,959	\$195	\$8,505,959	\$195
Animal Services		\$106,821	\$4	\$500,500	\$20	\$164,316	\$4	\$164,316	\$4
Fire		\$4,518,608	\$171	\$7,099,100	\$287	3,778,003	\$87	\$4,188,322	\$96
Planning		\$1,048,010	\$40 (6)	\$1,474,000	\$60	\$2,183,184	\$50	\$240,382	\$6
Public Works								\$1,184,441	\$27
Uncategorized Expenses		\$4,145,825	\$157 (7)	\$7,007,100	\$283 (11)	\$1,751,211	\$40		
Administration		\$343,552	\$13						
Building Inspection				\$1,136,200	\$46				
Other Public Works									
Subtotal		\$4,489,377	\$170	\$8,143,300	\$329	\$1,751,211	\$40		
Parks and Recreation		\$2,078,982	\$79 (8)	\$3,240,400	\$131 (12)	\$2,068,865	\$47	\$2,470,456	\$57
Non-Departmental		\$0	\$0	\$1,555,200	\$63	\$2,812,199	\$64		\$0
Other		\$1,809,900	\$68 (9)	\$0	\$0				
TOTAL GENERAL FUND EXPENDITURES:		\$28,202,646	\$1,066	\$33,510,406	\$1,354	\$25,507,007	\$584	\$19,405,687	\$445

Source: City of Coronado Adopted Two Year Financial Plan For the Fiscal Years 2003-04/2004-05 and City of Laguna Beach Proposed Budget Fiscal Years 2004-05.

**Appendix Table II-1
La Jolla Incorporation Analysis, EPS #13062
Selected Cities 2004-5- General Fund Expenditures
Comparison Summary Table**

Notes:

- (1) All population figures from California Department of Finance, January 2004.
- (2) Includes City Council and Mayor.
- (3) Includes Elections.
- (4) Retainer.
- (5) Included in Administrative Services.
- (6) Includes Planning, Code Enforcement, and Building
- (7) Includes Engineering/Project Development
- (8) Includes Golf Course Enterprise
- (9) Includes City Hall expenditures and General Fund- Uses.
- (10) Retainer.
- (11) Includes Water Quality Division.
- (12) Includes Community Services Department.
- (13) Non-Departmental is a division of Administrative Services and includes city-wide costs, such as telephone maintenance and postage, that have been centralized for budgetary purposes.

Notes:

Coronado City Council Expenditure large because of contributions expenditure (\$778,000) of total.
Animal Services difference: Laguna Beach has its own Animal Shelter with 3 full-time personnel and 43 volunteers.
Coronado has an animal control facility with limited staff and expenses.
Coronado has own Fire Services Dept.
Coronado # of sq. miles: 7.4 (land), 13.5 (land and water)
Coronado # of fire stations: 2
Laguna Beach # of fire stations: 4
Laguna Beach # of sq. miles: 9
Laguna Beach has its own fire department.

**Appendix Table II-2
La Jolla Incorporation Analysis, EPS #13062
Selected Cities 2004-5 General Fund Revenues
Comparison Summary Table**

Revenues	<u>City of Coronado</u>		<u>City of Laguna Beach</u>		<u>Proposed City of La Jolla</u>	
	Total	Per Capita	Total	Per Capita	Total	Per Capita
Population	26,450		24,750		43,649	
General Operating Revenues						
Property Tax- City General	\$11,424,240	\$432	\$14,838,000	\$600	\$19,532,506	\$447 All number
Real Estate Transfer Tax	\$130,000	\$5		\$0	\$353,034	\$8
Sales and Use Tax	\$1,900,000	\$72	\$4,060,000	\$164	\$2,909,992	\$67
Utility Users Tax	N/A	N/A		\$0	N/A	N/A
Franchise Fees	\$725,000	\$27	\$803,000	\$32	\$1,791,148	\$41
Fees and Permits	\$456,981	\$17	\$6,500,500	\$263	\$1,989,729	\$46
Fines and Forfeitures	\$365,000	\$13.80	\$5,000	\$0	\$133,494	\$3
Transient Occupancy	\$8,000,000	\$302	\$3,700,000	\$149	\$5,808,000	\$133
Business Licenses	\$127,727	\$5	\$720,000	\$29		
Other General Fund Revenues	\$3,392,699	\$128 (1)	\$1,428,100	\$58 (3)	\$351,878	\$8 (4)
Intergovernmental Revenues	\$97,488	\$4	\$293,700	\$12		
Motor Vehicle in Lieu	\$0	\$0 (2)	\$1,400,000	\$57	\$2,669,876	\$61
Total General Fund Revenues	\$26,619,135	\$1,006	\$33,748,300	\$1,364	\$35,539,657	\$814

Source: City of Coronado Adopted Two Year Financial Plan For the Fiscal Years 2003-04/2004-05 and City of Laguna Beach Proposed Budget Fiscal Years 2004-05.

Notes:

- (1) Includes Use of Money & Property, Charges for Current Services, Reimbursements, Other Financing Sources, and Other Revenue.
- (2) City of Coronado estimates a backfill of all motor vehicle in lieu fees.
- (3) Includes Use of Money and Property, Other Revenue, and Reimbursements & Contributions.
- (4) Includes Investment Earnings.

Appendix Table II-3
 La Jolla Incorporation Analysis, EPS #13062
 Selected Cities-Staffing Levels
 Comparison Summary Table

FY 2003-04 Staffing Levels

City	City of Coronado	City of Laguna Beach
Population	26,450	24,750
City Council		
Legislative	5.00	2.50 (5)
City Manager	4.75	3.00
City Clerk	2.00	2.00
City Attorney	0.00	0.00
Finance	5.00	8.63
Administrative Services	3.50	
Human Resources	3.00	2.00
Information Services	1.00	2.00
Library	12.50	0.00
Police	43.00 (1)	50.00 (6)
Fire	31.00 (2)	41.00
Planning	8.00	23.60
Public Works	52.00	42.00
Administration		8.00 (7)
Building Inspection	2.00	
Other		
Parks and Recreation	25.50 (3)	7.50
Non-Departmental	0.00	0.00
Other	12.50 (4)	0.00
TOTAL:	211	192

Source: City of Coronado Adopted Two Year Financial Plan For the Fiscal Years 2003-04/2004-05 and City of Laguna Beach Proposed Budget Fiscal Years 2004-05.

Notes:

- (1) Includes sworn officers only.
- (2) Includes sworn officers only.
- (3) Includes Golf Course Enterprise.
- (4) Includes Beach Lifeguard Services in Fire Department.
- (5) Assumed three City Council members, Mayor, and Mayor Pro Tem are each .5 FTE.
- (6) Includes sworn officers only.
- (7) Includes Engineering Staff.

**Appendix Table II-4
 La Jolla Incorporation Analysis, EPS #13062
 Police Expenditure and Service Level Comparison
 Comparison Summary Table**

Expenditures	City of Coronado	City of Laguna Beach	City of San Diego
Population	26,450	24,750	1,294,000
Total Expenditures	\$8,924,700	\$8,328,056	\$272,136,716
Expend./Capita	\$337	\$336	\$210
Sworn Officers	43	50	2,100
Expend/Officer	\$207,551	\$166,561	\$129,589
Officers/Thous. Pop	1.63	2.02	1.62

Source: City of Coronado Adopted Two Year Financial Plan For the Fiscal Years 2003-04/2004-05 and
 City of Laguna Beach Proposed Budget Fiscal Years 2004-05.



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APPENDIX III:

SAN DIEGO CITY PARKS AND OPEN SPACE IN LA JOLLA

**Appendix Table III-1
Inventory of La Jolla Parks and Open Space
La Jolla Incorporation Analysis**

Sites	Estimated Acres
<u>Community Parks</u>	
Bird Rock Elementary Joint Use Site	1.50
Bird Rock Park	0.95
Cliffridge Park/Athletic Area	10.90
La Jolla Athletic Area	6.41
La Jolla Cove Bridge Club	0
La Jolla Community Park and Rec Ctr.	3.83
La Jolla Elem Joint Use Site	2.31
La Jolla Tennis Courts	0
Laureate Mini Park	0.81
Starkey Mini Park	1.31
Torrey Pines Elementary Joint Use Site	2.50
Union Place Circle	0.10
Via del Norte Mini Park	0.39
<u>Subtotal</u>	31.01
<u>Regional Parks</u>	
Calumet	0.70
Charlotte Park	0.15
Coast Blvd. Park	4.55
Ellen Browning Scripps Park	5.60
Hermosa Terrace Park	0.92
Kellogg Park	9.12
La Jolla Hermosa Park	0.32
La Jolla Shores Beach	6.30
La Jolla Strand Park	0.90
La Jolla Underwater Park	0
Marine Street Beach	1.04
Nicholson's Point Park	1.04
Torrey Pines City Park	12.39
Tourmaline Surfing Park	4.41
Windansea Park	2.93
<u>Subtotal</u>	50.37
<u>Open Space Parks</u>	
La Jolla Heights Natural Park	42.64
Mount Soledad Natural Park	277.10
Pottery Canyon Park	18.28
Soledad Open Space Park	10.05
Ludington Heights Park #1 & #2	0.09
<u>Subtotal</u>	348.16
<u>TOTAL</u>	429.54

Source:

City of San Diego and EPS.