

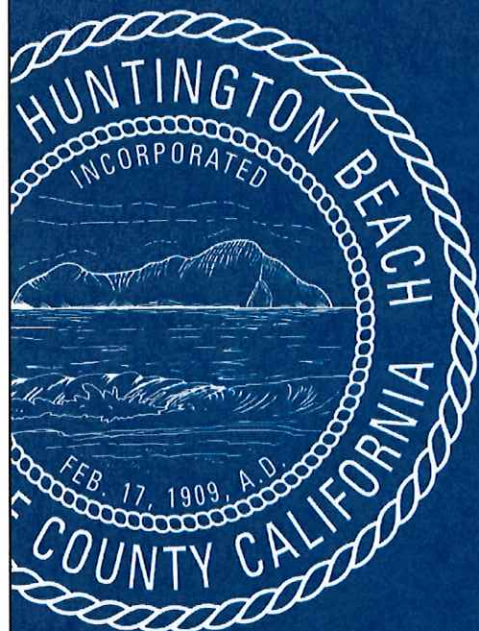
Bolsa Chica Annexation Study

City Council Study Session
September 6, 2022

SUPPLEMENTAL
COMMUNICATION

Meeting Date: 9/6/2022

Agenda Item No.: SS #4 (22-729)



Background




Previous Studies & Actions

- 2009: RSG prepared Annexation Feasibility Study
- 2013: Council directed staff to update the 2009 study
- 2014: Council action to:
 - Authorize LAFCO annexation application
 - Negotiate MOU with County & other agencies regarding continued maintenance of Bolsa Chica
 - Negotiate with County regarding Wieder Regional Park
- 2015: Council study session on status of annexation
 - Annexation did not proceed due to concerns related to liability, uncertainty regarding continued involvement/funding of other agencies, maintenance costs of Wieder Park




Methodology



Stakeholder Interviews

- State Lands Commission (SLC)
- California Department of Fish and Wildlife (CDFW)
- OC Parks
- California Coastal Commission
- OC Public Works
- Huntington Beach Agencies



Financial Data



- Property Taxes from County Assessor
- Franchise Fees and Utility User Fees
- Other Taxes

	7/1/22	7/1/23	7/1/24	7/1/25	7/1/26
Property Taxes	\$2,200	\$2,300	\$2,300	\$2,400	\$2,400
Franchise Fees and Utility User Fees	\$140	\$150	\$150	\$160	\$170
Total	\$2,340	\$2,450	\$2,450	\$2,560	\$2,570

Oil Taxes and Fees




- Data available from California Geologic Energy Management Division
- 1971 Agreement splits rights between land owners
- SLC may become responsible for some oil taxes and fees

	7/1/22	7/1/23	7/1/24	7/1/25	7/1/26
Production Tax	\$15,400	\$15,723	\$16,051	\$16,385	\$16,725
Annual Fee	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200
Fire Inspection Fee	\$8,211	\$8,211	\$8,211	\$8,211	\$8,211
Total	\$26,811	\$27,124	\$27,462	\$27,796	\$28,136





Findings



Fiscal Impact

- Negative fiscal impact for the foreseeable future

	7/1/22	7/1/23	7/1/24	7/1/25	7/1/26
Expenditures	\$463,463	\$463,463	\$463,463	\$463,463	\$463,463
Revenues	\$29,151	\$29,584	\$29,912	\$30,356	\$30,706
Net Impact	(343,312)	(433,879)	(433,551)	(433,107)	(432,757)



Liability



- Significant liability challenges with Bolsa Chica
- Liability under Clean Water Act for Estuary
- Maintenance of Bolsa Chica Tidal Inlet



Wieder Park



- OC Parks expects City would have full responsibility
- Public Works estimates \$262,500 in annual maintenance
- \$750,000 to replace two playgrounds
- May need additional HBPD staff

- City could benefit from counting toward park inventory



Questions?

