

A new battle for cityhood

Public hearings to begin on East Palo Alto's future

By Chris Kenrick
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A new battle is brewing over the incorporation of East Palo Alto.

Supporters and opponents of cityhood for the largely black and Hispanic community — as well as people who favor the annexation of East Palo Alto to Menlo Park — will present their arguments in public hearings beginning Wednesday.

If the appropriate county agencies give the go-ahead, the cityhood question could go before voters as early as this June.

In many ways, this year's debate over incorporation is similar to last year's attempt to make East Palo Alto a city. That attempt narrowly failed at the polls last April, however, when voters approved incorporation but rejected one of its conditions — the dissolution of the East Palo Alto Sanitary District. Incorporation had been made conditional on the dissolution of the sanitary district because sanitary service revenues were needed to balance the new city's books.

This year, like last year, cityhood backers point to optimistic fiscal studies that conclude that a city of East Palo Alto would have at least a small surplus at the end of five years.

Those fiscal studies are based on the assumption that a new city would provide exactly the same level of services that San Mateo County currently provides to unincorporated East Palo Alto. The projections also assume that the fiscal relationship between cities and the state of California will not change.

This year's fiscal projections, prepared for the San Mateo County Local Agency Formation Commission by consultant Angus McDonald and Associations of Berkeley, are even rosier than last year's because they conclude that a new city of East Palo Alto could be viable even

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without revenues from the East Palo Alto Sanitary District.

The reason for this change in outlook, according to McDonald, is that current projections for property tax transfers to a new city are more favorable than they were last year.

"The McDonald report is almost as good as I could have written myself," said Barbara Mouton, a member of the East Palo Alto Municipal Council and a longtime backer of incorporation.

"I think it looks good," said East Palo Alto Municipal Council member Ruben Abrica, another incorporation activist. "We're prepared and we're serious to take on the work of building a city and improving the conditions in our community by making sure it's fiscally feasible. We won't be a wealthy community, but as long as we have enough we

need to get the development going."

The McDonald study also analyzed the possibility of Menlo Park annexing East Palo Alto but found that that situation would produce a deficit after five years.

Another reason for the bleak annexation projection is the fact that it is based on the assumption that Menlo Park would provide the annexed community a level of services currently provided to Menlo Park residents. Those services probably cost more than the level of services East Palo Altans currently receive.

While cityhood supporters are optimistic about the chances for successful incorporation this year, opponents tend to be critical of McDonald's projections.

"It's clear that Angus McDonald favors incorporation and it's clear that the county favors incorporation, so it's not surprising to me that the case for incorporation looks stronger now than it did last time and it's not surprising that the case for annexation looks

weaker," said Arn Cenedella, a vocal opponent of incorporation in last year's campaign.

Cenedella said the McDonald study "compares apples and oranges" in its comparison of incorporation with annexation because it sets a lower standard of services for incorporation than for annexation.

"I have a real hard time believing what's in the McDonald report," Cenedella said. "What it's going to come

down to is everyone in East Palo Alto is going to have to make their own decision."

Wednesday's hearings, sponsored by the Local Agency Formation Commission, (LAFCO), begin at 1:30 p.m. in the basement of the Hall of Justice and Records, Redwood City. After a break for dinner, they are expected to go on into the evening. Further LAFCO hearings on East Palo Alto are scheduled for Jan. 19 and 26.