



City Manager's Report
March 22, 2016, City Council Meeting
Prepared by: Cleve Morris, City Manager
Item #:

Subject: Authorize Staff to initiate a study with El Dorado County and the City of Placerville to explore Land Use Planning and Tax Sharing Options for the Greater Placerville Area, and set a date for a joint meeting between the City Council and the Board of Supervisors

Background: El Dorado County has substantial commercial development in the Missouri Flat / Highway 50 area, with more planned. The City of Placerville has some major development at the Placerville Drive/Highway 50 area. Both of these areas compete against each other. Both the County and the City are looking at additional development to benefit their residents and reduce sales tax leakage to other counties.

The City and County have been offered assistance, at no cost, by the Sacramento Area Council of Governments (SACOG), working with Portland State University, to consider ways in which the City and County could reduce or eliminate duplication of retail providers and work together to attract the best commercial development for our area. A part of this work would include the development of a method for stabilizing the sales tax revenues for the City, and over the longer term, for the County as well.

Discussion: The following are potential outcomes for this project:

- **Save taxpayer money**

We could save taxpayer money by not building unnecessary roads, sewers, water lines and other public investments to serve new commercial development while existing commercial buildings and properties are vacant or under-used. This approach will also save taxpayer money needed to provide police and fire protection and other services.

- **Allow existing businesses to succeed**

We could provide more stability for existing stores and businesses rather than diminishing their customers or forcing them out of business because of competition from new stores and other businesses that are made possible because taxpayers will pay for their roads, sewers and other improvements and services.

- **Protect our rural lands and environment**

Residents of our communities place a high value on their quality of life including the rural lands around them. We do not want every highway interchange to become the location for another shopping mall, billboards, gas stations and other development. It makes more sense for our communities to use the vacant land in areas that are already partly developed first, before developing more lands and diminishing our rural character and resources.

- **The City and the County should cooperate instead of competing with each other**

We could increase cooperation between the City of Placerville and El Dorado County, instead of competing for land development. This will provide more stability in local government finances so that we can continue to provide essential services to our residents, such as fire and police protection, clean drinking water and sewer disposal, over the long term.

This first phase feasibility study will be informal and open-ended. We will engage representatives of the County and the City to create potential scenarios for review. It is expected that this work can be completed in approximately 60 days. Following completion of the first phase scenario options, we will present our results to a joint meeting of the City Council and Board of Supervisors. Proposed dates for the meeting are May 24, 2016 or May 31, 2016. It is recommended that the Board and Council work with their staff to identify the best date for the meeting.

Options: The following options are available.

1. Authorize staff to move forward with the study.
2. Request additional information prior to proceeding.
3. Reject the proposal and do not proceed with the study at this time.

Cost: The primary cost of the study is being funded through SACOG. Some additional costs may be involved including staff time and potential production of exhibits and reports. Those costs will be determined during the initial feasibility phase of the project.

Budget Impact: None anticipated at this time. Staff costs and report production can be absorbed in the current fiscal year budget.

Recommendation: Authorize Staff to initiate a study with El Dorado County and the City of Placerville to explore Land Use Planning and Tax Sharing Options for the Greater Placerville Area, and set a joint meeting between the City Council and the Board of Supervisors. Proposed dates are- May 24 or May 31, 2016.

M. Cleve Morris, City Manager