



Mission statement of McKinleyville Community Services District:
“Provide McKinleyville with safe and reliable water, wastewater, lighting, open space, parks and recreation, library services, and other appropriate services for an urban community in an environmentally and fiscally responsible manner.”

**NOTICE IS HEREBY GIVEN THAT A SPECIAL MEETING OF THE
MCKINLEYVILLE COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS AND
THE MCKINLEYVILLE MUNICIPAL ADVISORY COMMITTEE
WILL BE HELD**

WEDNESDAY, November 8, 2023 AT 6:00pm

**LOCATION: AZALEA HALL
1620 Pickett Road
McKinleyville, California**

Or

TELECONFERENCE Via ZOOM & TELEPHONE:

**Use ZOOM MEETING ID: 859 4543 6653 (<https://us02web.zoom.us/j/85945436653>) or DIAL
IN TOLL FREE: 1-888-788-0099 (No Password Required!)**

To participate in person, please come to Azalea Hall.

To participate by teleconference, please use the toll free number listed above, or join through the internet at the Zoom App with weblink and ID number listed above, or the public may submit written comments to the Board Secretary at: comments@mckinleyvillecsd.com up until 4:30 p.m. on Tuesday, October 24, 2023.

All Public Comment received before the above deadline will be provided to the Board at 9 a.m. on Wednesday, October 25, 2023 in a supplemental packet information that will also be posted on the website for public viewing.

Please note that, due to potential technical difficulties, the quality of the Zoom meeting cannot be guaranteed. **If you have public input to provide on an agenda item, it is recommended you attend in person at Azalea Hall or submit written comments as outlined above.**

AGENDA

6:00 p.m.

A. CALL TO ORDER

A.1 Roll Call

A.2 Pledge of Allegiance

A.3 Approval of the Agenda

B. PUBLIC COMMENT AND WRITTEN COMMUNICATIONS

*Any person may address the Board at this time upon any subject not identified on this Agenda but within the jurisdiction of the McKinleyville Community Services District; however, any matter that requires action will be referred to staff for a report of action at a subsequent Committee or Board meeting. As to matters on the Agenda, an opportunity will be given to address the Board when the matter is considered. **Comments are limited to 3 minutes.** Letters should be used for complex issues.*

C. CONTINUED AND NEW BUSINESS

- | | | |
|-----|---|----------------|
| C.1 | Discussion of County Roads Projects in McKinleyville including Central Avenue, McKinleyville Avenue, Ocean Avenue & the Multimodal Study (6:10-6:30 pm) | Pg. 5 |
| | Attachment 1 – Section 4 of the Draft Town Center Ordinance | Pg. 9 |
| | Attachment 2 – Washington Avenue Bike Lanes & Parking Mailer | Pg. 15 |
| | Attachment 3 – Santos Subdivision Tentative Map | Pg. 19 |
| | Attachment 4 – Recommendations Section of the McKinleyville Multimodal Transportation Plan | Pg. 21 |
| C.2 | Discussion of the Exploration of Incorporation of McKinleyville (6:30-7:00 pm) | Pg. 53 |
| | Attachment 1 – Draft Alternative Boundary Maps for City of McKinleyville | Pg. 55 |
| | Attachment 2 – Cal Poly Incorporation Report | Pg. 57 |
| C.3 | Discussion of Measure B Reauthorization to Support Parks and Recreation (7:00-7:05 pm) | Pg. 167 |
| C.4 | Discussion of Status of McKinleyville Community Forest (7:05-7:20 pm) | Pg. 169 |
| | Attachment 1 – Map of Proposed McKinleyville Community Forest Property | Pg. 171 |
| C.5 | Discussion of Bringing McKinleyville’s Voice to County Issues (7:20-7:35 pm) | Pg. 173 |
| C.6 | Discussion of The Role of MMAC and the Relationship Between MMAC and MCSD in Governance of McKinleyville (7:35-7:45 pm) | Pg. 175 |
| C.7 | Discussion of Potential Future Presentations/Programs for either MMAC, MCSD or Both (7:45-8:00 pm) | Pg. 177 |

D. ADJOURNMENT

Posted 5:00 pm on November 3, 2023

Pursuant to California Government Code Section 54957.5, this agenda and complete Board packet are available for public inspection on the web at McKinleyvillecsd.com/minutes or upon request at the MCSD office, 1656 Sutter Road, McKinleyville. A complete packet is also available for viewing at the McKinleyville Library at 1606 Pickett Road, McKinleyville. If you would like to receive the complete packet via email, free of charge, contact the Board Secretary at (707)839-3251 to be added to the mailing list.

McKinleyville Community Services District will, on request, make agendas available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. Individuals who need this agenda in an alternative format or who need a disability-related modification or accommodation in order to participate in the meeting should contact the Board Secretary at (707) 839-3251. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements for accommodations.

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MCSD/MMAC Joint Meeting

BOARD OF DIRECTORS

November 8, 2023

TYPE OF ITEM: **INFORMATIONAL**

ITEM: C.1 **Discussion of County Roads Projects in McKinleyville including Central Avenue, Washinton Avenue, McKinleyville Avenue, Ocean Drive & the Multimodal Study**

PRESENTED BY: **Patrick Kaspari, MCSD General Manager**

TYPE OF ACTION: **None**

Recommendation:

Staff recommends that the Boards review the information provided, discuss, take public comment and participate in the presentation.

Discussion:

There are several County Roads projects in McKinleyville that are in the works. These include:

1. Changes as part of the Town Center Ordinance process
2. Revised bike lanes on Washington Avenue
3. Connection of McKinleyville Avenue to School Road via Santos Subdivision
4. Improvements to Ocean Avenue

There are several other Multimodal projects throughout McKinleyville that are also being discussed. The intent of this agenda item is to provide an update on these projects. There likely will not be sufficient time to discuss and analyze each project in depth, however Staff will provide information for the Public to provide additional public comments.

Town Center

The Draft Town Center Ordinance has been approved by the McKinleyville Municipal Advisory Committee (MMAC). The next step in the process is the preparation of an Environmental Impact Report (EIR) on the Ordinance. The County is in the process of selecting a consultant to prepare the EIR. As part of the EIR, a Traffic Study will be conducted.

Section 4. Connectivity of the Draft Town Center Ordinance is included as **Attachment 1** to the Staff Note along with Maps 2 & 3 and Exhibits 1 & 2. It should be noted, as part of the Ordinance approval process, Map 2 was edited to change Nursery Way to be Street Type 1 from Hiller to Heartwood. As noted on the Exhibits, these cross sections of Central Avenue and Hiller Road are subject

to change as part of the EIR process. The intent is to use Section 4 and the rest of the Draft Town Center Ordinance as the Project Description for the EIR, obtain the results of the Traffic Study, assess the proposed Central Avenue and Hiller modifications and possible mitigation measures, and bring the EIR with these details back to the Public for consideration and comment. This will likely be a robust discussion at a future date.

Washington Avenue Revised Bike Lanes and No Parking Zones

The existing Mid-Town Trail travels north/south through the Heartwood Subdivision but generally ends at the intersection with Washington Avenue on the South end. The County has proposed improved bike lanes on Washington Avenue to increase safety of bikes and pedestrians along this route. A proposed bike lanes and no parking zone informational mailer was sent to impacted residents in September 2023, comments were received by the County, and a revised mailer was recently resent to residents and is included as **Attachment 2** to this Staff Note. Although the mailer states that the County would like to receive comments by November 7th, they will continue to accept comments through November 13th.

Connection of McKinleyville Avenue to School Road

The connection between the School Road roundabout and McKinleyville Avenue was always planned to be completed as part of the Santos Subdivision construction. Unfortunately, it was not part of the first phase of the construction. The Subdivision permit had expired, and the Planning Commission re-heard and reapproved the Subdivision permit in February of 2023 (see **Attachment 3** for the approved Tentative Map). One of the new permit requirements is that this connection be constructed as part of the next phase of construction. There has been no notification of the proposed construction schedule, so it is still unknown when any construction may occur.

Ocean Drive Walkability Project

Last year, the County had proposed improvements for Ocean Drive and held informational sessions with the neighborhood. Unfortunately, the proposed improvements were not approved by the neighbors. The County continues to research options and funding.

McKinleyville Multimodal Plan

The County completed a Multimodal Connections Project for the central portion of McKinleyville. Mark Thomas, a transportation consulting firm, conducted walking tours and public outreach sessions to assess multimodal access along Central, Hiller, McKinleyville Ave, and other areas. Mark Thomas then prepared a report with recommended improvements to these areas. The Recommendations section of the Report is included as **Attachment 4**. The County continues to work with Mark Thomas, the MMAC subcommittee and others to obtain funding to implement these recommendations.

The County has also put in funding request to the Humboldt County Association of Governments for an overlay and shoulder improvements to Central Avenue from Grange Road to Clam Beach. They are also working on applying to the highway safety program this spring for pedestrian flashers to install at a crosswalk on Washington.

Alternatives:

Take Action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – Section 4 of the Draft Town Center Ordinance
- Attachment 2 – Washington Avenue Bike Lanes & Parking mailer
- Attachment 3 – Santos Subdivision Tentative Map
- Attachment 4 – Recommendations Section of the McKinleyville Multimodal Transportation Plan

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MCKINLEYVILLE TOWN CENTER Q-ZONE



Draft

September 27, 2023

Final MMAC Review Draft

4. CONNECTIVITY

4.1 Objectives

Pedestrian, bicycle, transit, and vehicular improvements are required components of the Town Center. The connections below shall be designed and constructed as part of development. Improvements shall be designed and constructed at the earliest practical stage of development or as specified below.

4.1.1 Town Center Thoroughfares. There are two primary thoroughfares within the Town Center, Central Avenue and Hiller Road.

4.1.1.1 Central Avenue will continue to serve as a primary north/south four lane arterial street *but with traffic calming modifications that increase bike and pedestrian safety and multimodal use*. OR

4.1.1.1 Central Avenue will transition into a core component of the Town Center subject to the Building Form requirements of 3.2 above and with a street cross section shown on Exhibit 1. Funding for the improvement of Central Avenue shall be from a source other than development along Central Avenue.

4.1.1.2 Hiller is intended to be the focal entry of the Town Center subject to the Building Form requirements of 3.2 above and with a street cross section shown on Exhibit 2. ~~This cross section may be modified to account for Residential development, in which case all parking shall be located on one side of the street.~~

4.1.2 Local Streets The are several local streets as shown on Map 2 including two new connections:

4.1.2.1- Nursery Way Extension to Hiller Road.

4.1.2.2 Connection from either Railroad across the site to Hiller Road or to the extension of Nursery Way north of Hiller.

4.1.3 Bicycle and Pedestrian Connections. Map 3 shows on-street and off-street bicycle trails and pedestrian connections including:

4.1.3.1 East-West Trail linking McKinleyville Avenue on the west with Pierson Park on the east, running through the existing shopping center and crossing Central at Gwin. This will connect the open space on the west with the park on the east.

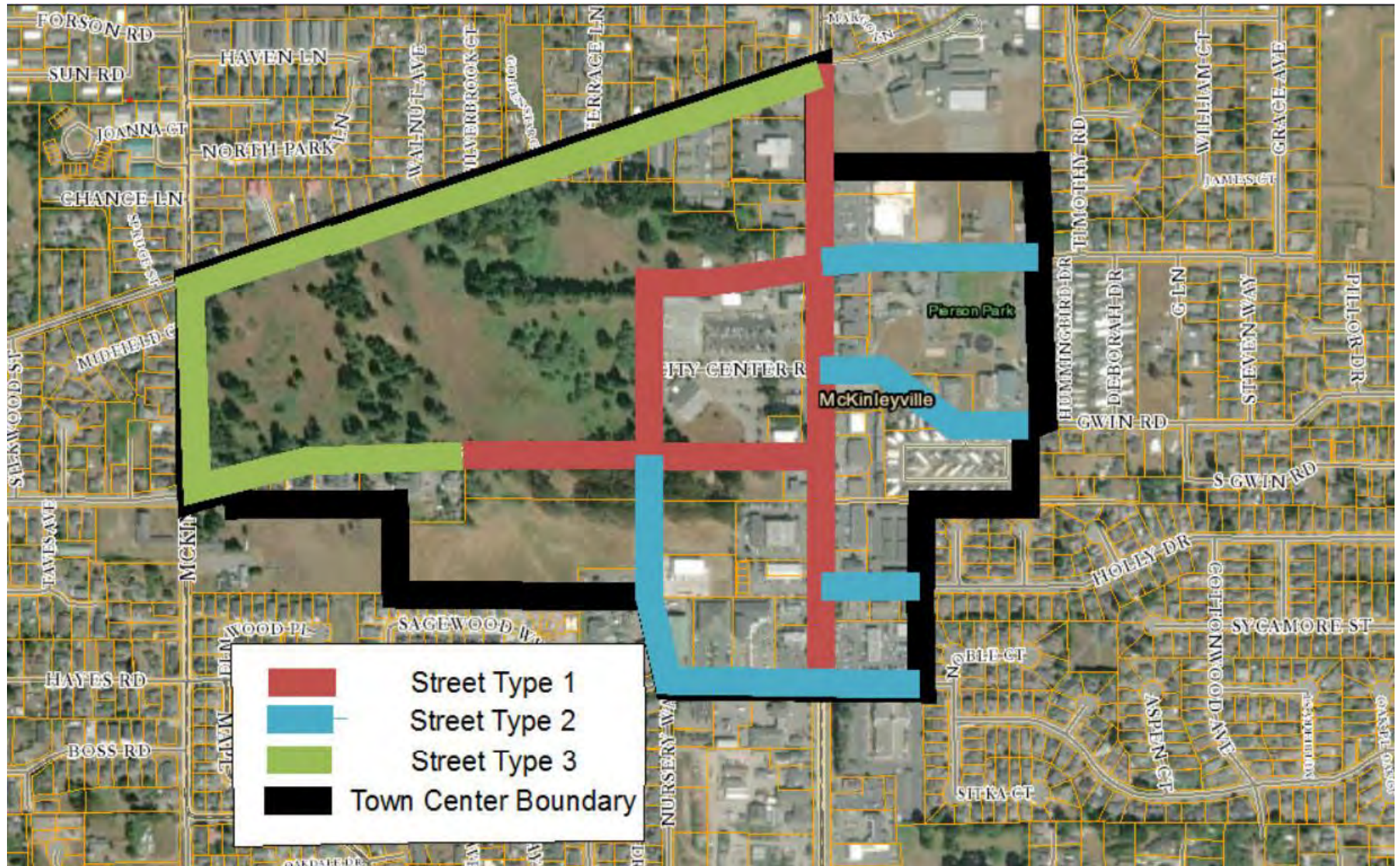
4.1.3.2 North-South connector linking the Mid-Town trail.

4.1.3.3 Class I bicycle path along Hiller connecting McKinleyville Ave and Central.

These bicycle/pedestrian connections shall be constructed as part of subdivision improvements, site improvements associated with development or shall be completed prior to 25% of the currently undeveloped portion of the Town Center area is developed.

4.1.4 Transit Facilities. There shall be an enhanced transit facility located with convenient access to Central Avenue providing simultaneous loading space for multiple buses, bike lockers, and if grant or other funding is available space for park and ride. This shall be constructed and operational before 50% of the buildable town center area is developed.

Map 2 – Frontage Types



Map 3: Bike and Pedestrian Connections

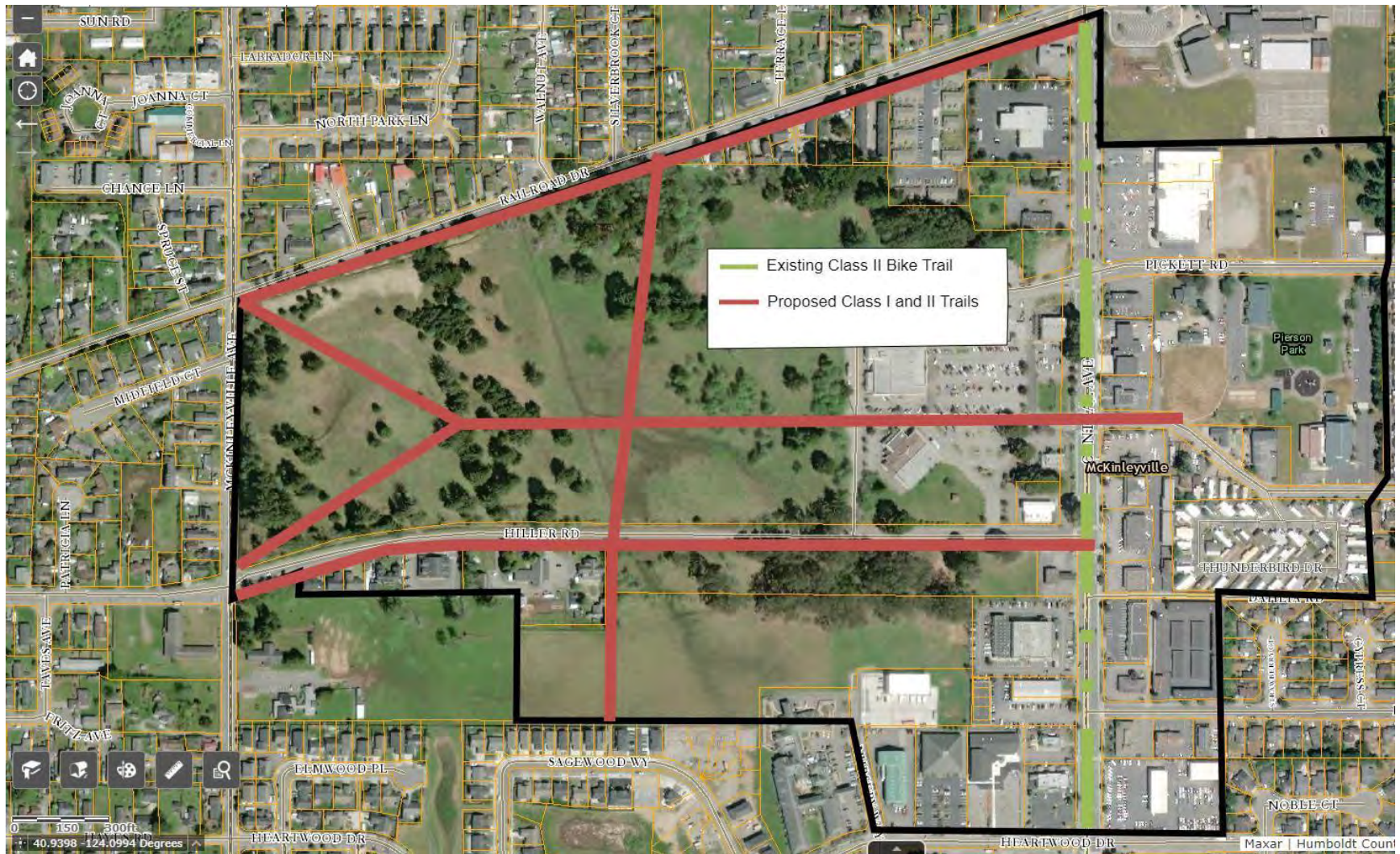
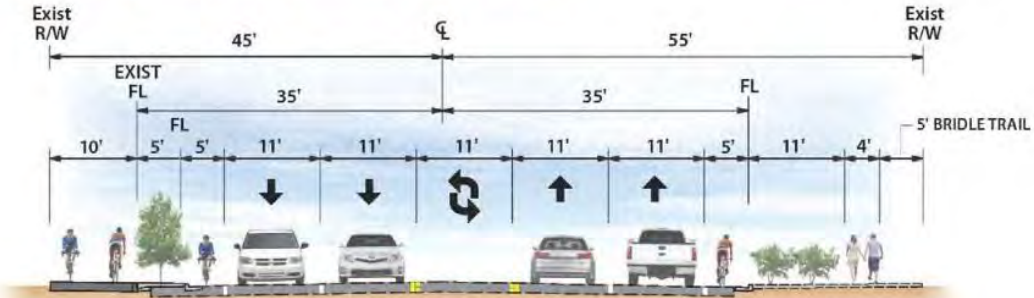


Exhibit 1 Central Cross Section (Taken from McKinleyville Multimodal Connections Project)

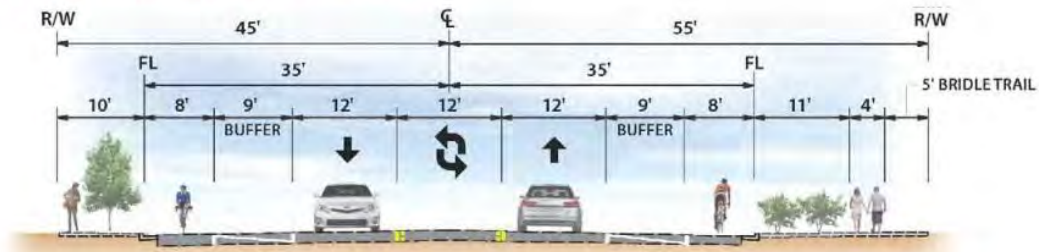
West-Side Multi Use Trail Cross Section



CENTRAL AVENUE - PROPOSED ALTERNATIVE 1
Bella Vista Avenue to Railroad Drive

Sidewalks need to be minimum of 5 feet. Steet cross section subject to change as part of EIR Analysis

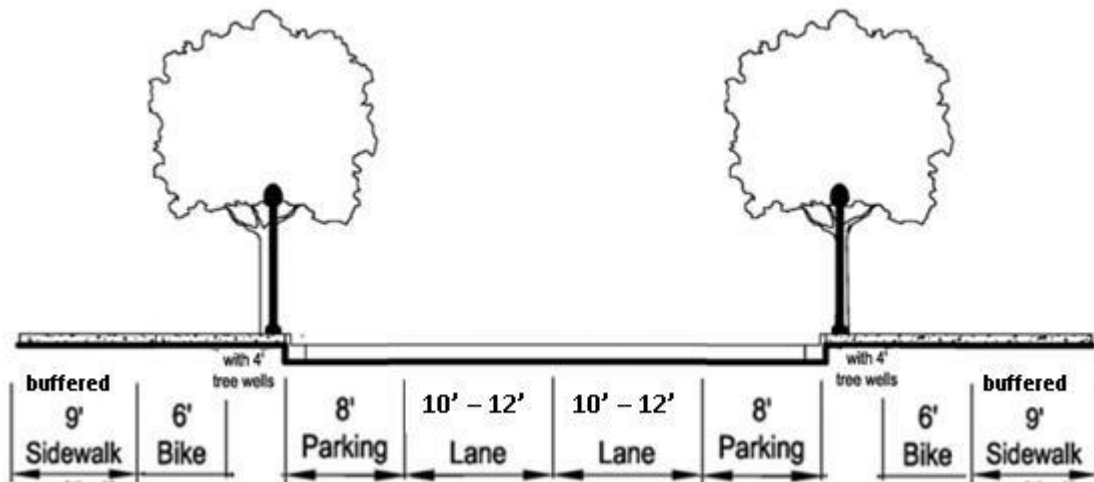
Lane Reduction Cross Section



CENTRAL AVENUE - PROPOSED ALTERNATIVE 2

Exhibit 2 Hiller Road

This drawing needs to be modified to include a center median.



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On-line

Web: humboldt.gov

DEPARTMENT OF PUBLIC WORKS
COUNTY OF HUMBOLDT
MAILING ADDRESS: 1106 SECOND STREET, EUREKA, CA 95501-0579
AREA CODE 707

Public Works Building
 Second & L St., Eureka
 Fax 445-7409

Clark Complex
 Harris & H St., Eureka
 Fax 445-7388

Administration	445-7491	Natural Resources	445-7741	Land Use	445-7205
Business	445-7652	Natural Resource Planning	267-9542		
Engineering	445-7377	Parks	445-7651		
Facility Management	445-7621	Roads	445-7421		

10/20/2023

RESIDENT

3390 Barnett Avenue
 McKinleyville, CA 95519

RE: WASHINGTON AVENUE
10/19/2023 REVISED BIKE LANES AND NO PARKING ZONES PLAN

The Public Works Department received numerous comments on the Department's September 8, 2023 proposed Class II Bike Lane and no parking zone plan. Based upon the comments, the Department has revised the proposed bike lane and no parking zone plan. Attached for your review and comment is the updated and revised plan dated 10/19/2023.

The Department would like your input in regard to the updated and revised plan. Please complete the attached questionnaire and mail it back to the Department by **Tuesday, November 7, 2023**, or scan and email to: publicworkspermits@co.humboldt.ca.us. Should the Department decide to recommend the installation of bike lanes, the Department can notify you of the date and time of the public hearing when the "no parking" ordinance will be considered by the Board of Supervisors.

In addition, the Department will be presenting the updated and revised plan to the McKinleyville Municipal Advisory Committee at their meeting on October 25, 2023. This is an advisory committee that does not have the authority to approve the plan. The plan can only be approved by the Board of Supervisors.

McKinleyville Municipal Advisory Committee Meeting

Wednesday, October 25, 2023 at 6:00 PM

McKinleyville Middle School
 2285 Central Avenue
 McKinleyville, CA

Thank you for your time and input. If you have any questions, please feel free to call me at (707) 445-7205.

Sincerely,

Kenneth Freed
 Assistant Engineer II
 Land Use Division
 3015 H Street, Room 124
 Eureka, CA 95501



**DEPARTMENT OF PUBLIC WORKS
COUNTY OF HUMBOLDT**
MAILING ADDRESS: 1106 SECOND STREET, EUREKA, CA 95501-0579
AREA CODE 707

On-line
Web: humboldt.gov

	Public Works Building Second & L St., Eureka Fax 445-7409			
Administration	445-7491	Natural Resources	445-7741	
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Clark Complex
Harris & H St., Eureka
Fax 445-7388
Land Use 445-7205

**RE: WASHINGTON AVENUE
10/19/2023 REVISED BIKE LANES AND NO PARKING ZONES PLAN**

1260 Washington Avenue, McKinleyville, CA 95519

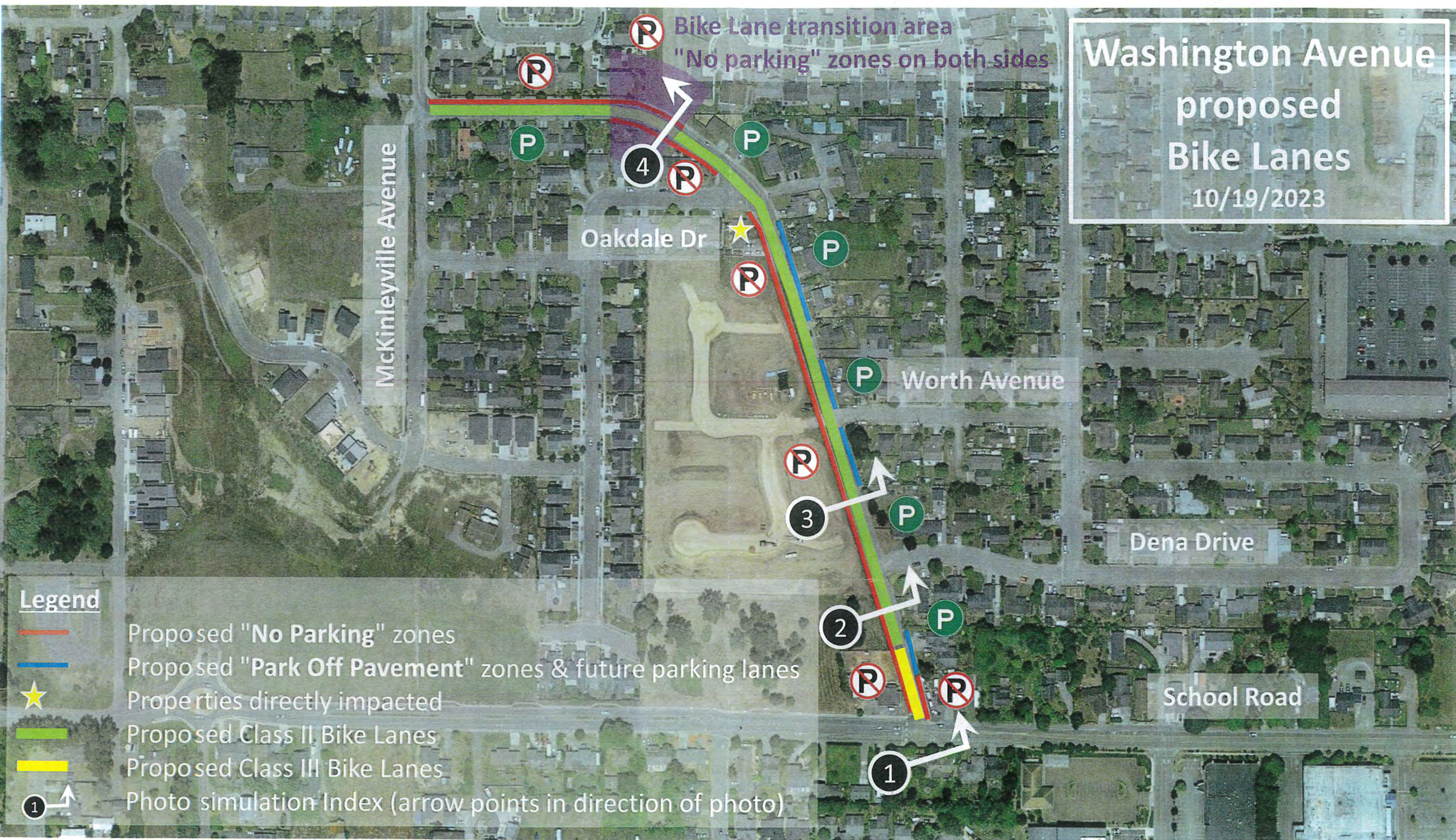
<input type="checkbox"/>	I/We support the proposed "no parking" zones shown on Diagram 1.
<input type="checkbox"/>	I/We oppose the proposed "no parking" zones shown on Diagram 1.
Comments: _____	

<input type="checkbox"/>	Please notify me of the date and time of the public hearing when the "no parking" ordinance will be considered by the Board of Supervisors.
Printed Name: _____	
Signature: _____	

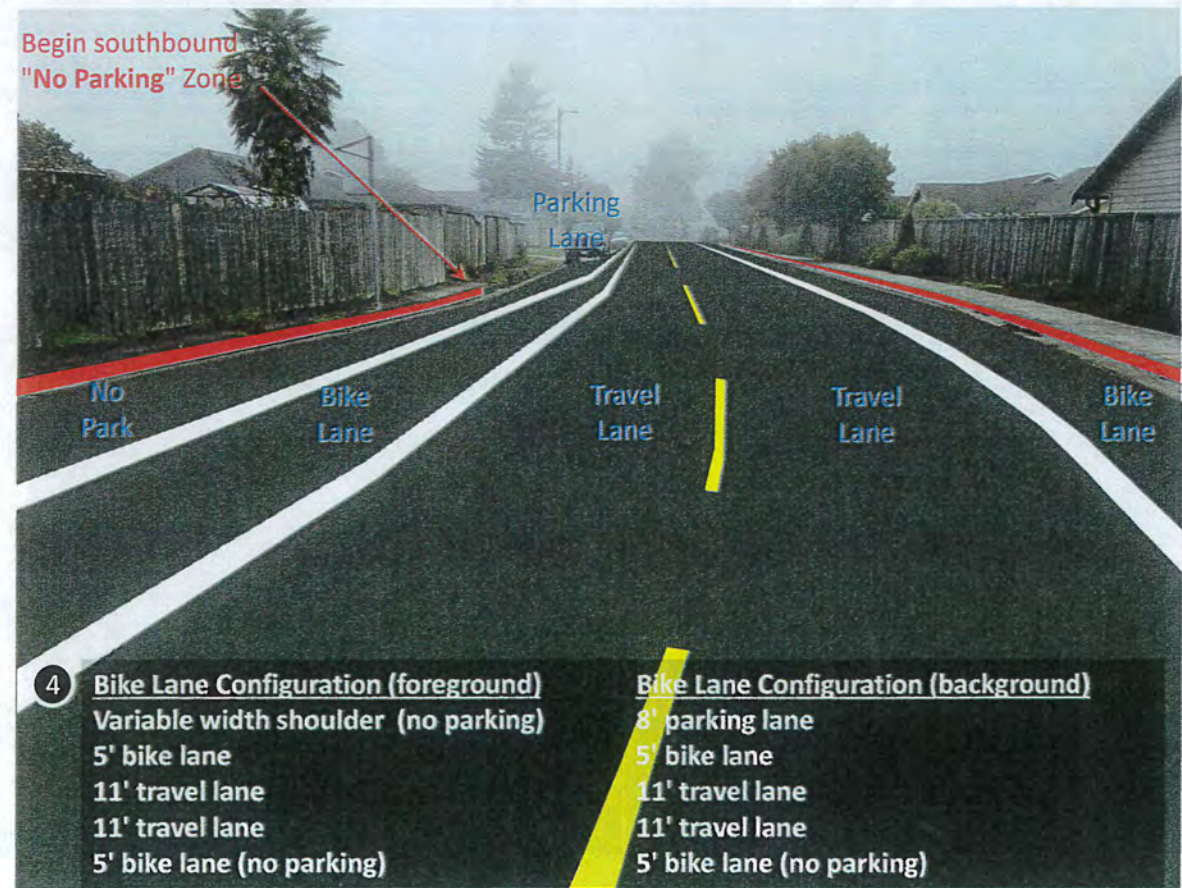
Thank you for taking to comment on the proposed plan.

Please return by Tuesday, November 7, 2023, in the enclosed self-addressed stamped envelope or scan and email to: publicworkspermits@co.humboldt.ca.us.

**Washington Avenue
proposed
Bike Lanes**
10/19/2023



- Legend**
- Proposed "No Parking" zones
 - Proposed "Park Off Pavement" zones & future parking lanes
 - ★ Properties directly impacted
 - Proposed Class II Bike Lanes
 - Proposed Class III Bike Lanes
 - ① ↗ Photo simulation Index (arrow points in direction of photo)

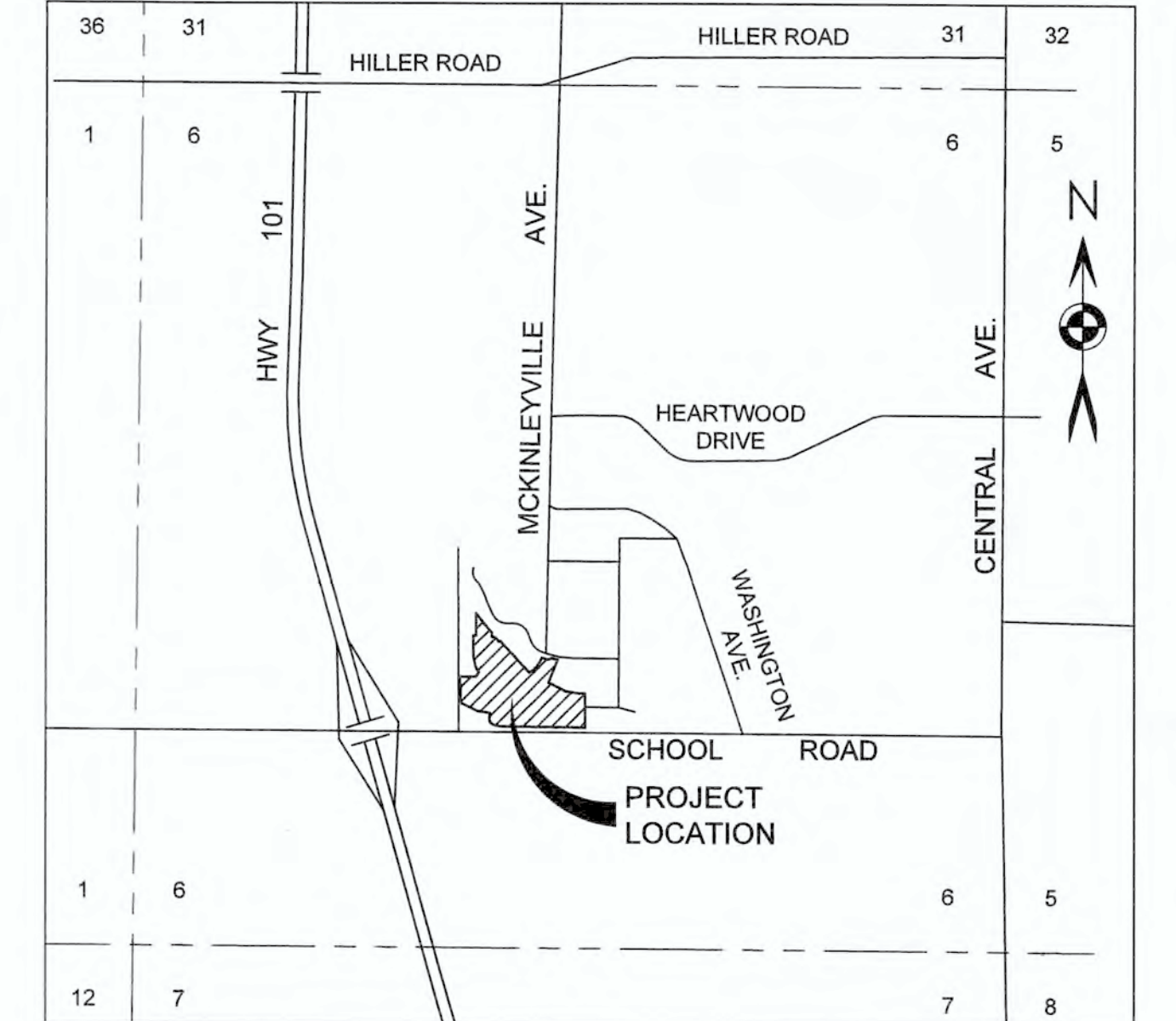


STORM DRAINAGE NOTES

- LOTS 10 - 16, LOTS 17 - 21, A PORTION OF LOT 20 AND 45, AND A PORTION OF DUCHESS ROAD WILL DRAIN TOWARD MID-BLOCK STORMWATER PLANTER SYSTEMS, WITH OVERFLOW INTO THE STORM DRAIN SYSTEM.
- LOTS 4 - 9, LOTS 22 - 28, A PORTION OF LOT 20, AND A PORTION OF DUCHESS ROAD WILL DRAIN TOWARD A CORNER STORMWATER PLANTER SYSTEM, WITH OVERFLOW INTO THE STORM DRAIN SYSTEM.
- MCKINLEYVILLE AVENUE IMPROVEMENT DRAINAGE WILL BE COLLECTED WITH NEW DRAINAGE INLETS AND PIPING AND FLOW CONVEYED TO THE EXISTING DETENTION BASIN LOCATION (EX. PARCEL "O") ON THE SOUTH WEST SIDE OF THE SITE.
NOTE: THE DETENTION BASIN WILL BE EXPANDED INTO WINDSOR AVENUE TO ACCOMMODATE THIS DEVELOPMENT & WINDSOR AVENUE WILL BE CLOSED TO VEHICLES BETWEEN SCHOOL ROAD AND DUCHESS ROAD.
- LOTS 1 - 3, LOTS 27 - 30, AND A PORTION OF DUCHESS ROAD WILL DRAIN TOWARD A CORNER STORMWATER PLANTER SYSTEM, WITH OVERFLOW INTO THE STORM DRAIN SYSTEM.
- LOTS 31 - 39, LOTS 40 - 44, AND A PORTION OF CAITLIN PLACE WILL DRAIN TOWARD MID-BLOCK STORMWATER PLANTER SYSTEMS, WITH OVERFLOW INTO THE STORM DRAIN SYSTEM.
- A PORTION OF LOT 45 WILL DRAIN NORTH OF THE SITE INTO THE EXISTING NETWORK OF DRAINAGE INLETS AND PIPING ALONG CHELSEA WAY THAT WAS CONSTRUCTED DURING SANTOS SUBDIVISION PHASE 1, SO A LOT BASED LID STRATEGY WILL BE USED.
- AT THE TIME OF IMPROVEMENT PLAN PREPARATION A TYPICAL LOW-IMPACT DEVELOPMENT PLAN FOR THE RESIDENTIAL LOTS WILL BE PREPARED TO INCREASE STORMWATER QUALITY BEYOND THE STRATEGIES PRESENTED HEREON. THIS PLAN WILL BE DEVELOPED DURING THE IMPROVEMENT PLAN PHASE AND INCLUDED ON THE SUBSEQUENT PROJECT DEVELOPMENT PLAN. THIS TYPICAL DESIGN MAY BE MODIFIED AS REQUIRED FOR EACH INDIVIDUAL HOUSE PERMIT AS LONG AS THE MINIMUM COUNTY REQUIREMENTS ARE ADHERED TO.

SHEET INDEX		
SHT. No.	DESIGNATION	DESCRIPTION
1	T-1	PROJECT OVERVIEW
2	T-2	EXISTING & PROPOSED EASEMENTS
3	T-3	TYPICAL SECTIONS & DETAILS

- LEGEND**
- BOUNDARY LINE OF SUBJECT PROPERTY
 - LOT LINES OF ADJACENT LOTS
 - PROPOSED LOT LINES
 - PROPOSED EASEMENT LINES
 - EXISTING EASEMENT LINES
 - PROPOSED BUILDING SETBACKS
 - EXISTING STORM DRAIN INLET & LINE
 - PROPOSED STORM DRAIN SYSTEM
 - PROPOSED STORM DRAIN MANHOLE
 - EXISTING SANITARY SEWER LINE
 - PROPOSED SANITARY SEWER LINE
 - * PROPOSED SANITARY SEWER LATERAL
 - EXISTING SANITARY SEWER MANHOLE
 - PROPOSED SANITARY SEWER MANHOLE
 - EXISTING WATER LINE
 - PROPOSED WATER LINE
 - * PROPOSED WATER METER / SERVICE
 - PROPOSED FIRE HYDRANT
 - EXISTING OVERHEAD ELECTRICAL
 - MAD-RIVER FAULT GEOLOGIC SETBACK LINE
 - STORMWATER PLANTER AREA (BIO-RETENTION)
- * NOTE: SERVICE LATERALS FOR SEWER AND WATER EXTEND TO MAINS IN STREET, LINEWORK TRIMMED ON MAP FOR CLARITY, TYP.



VICINITY MAP SCALE: 1" = 1000'

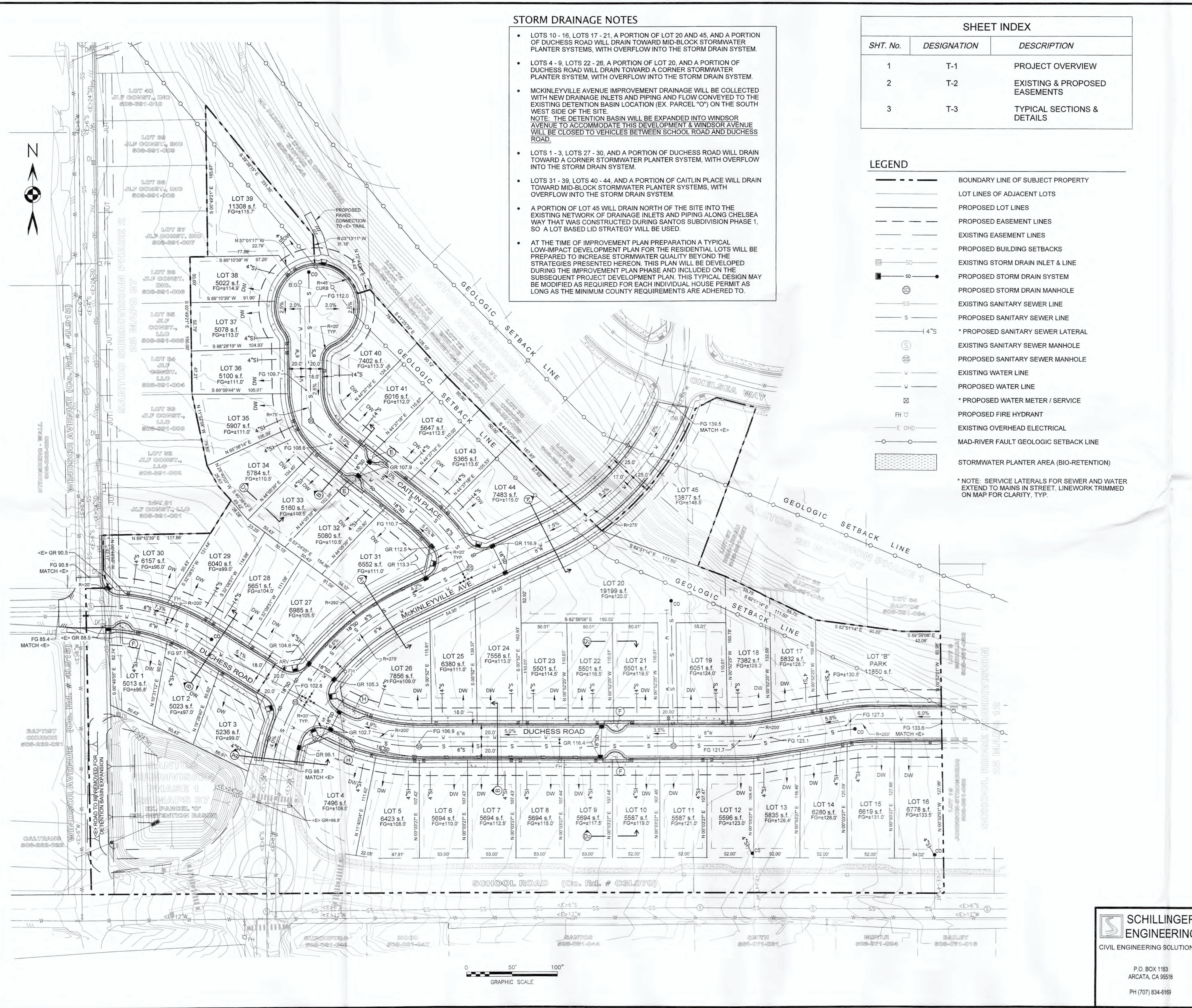
PROJECT NOTES

- THIS TENTATIVE MAP REPRESENTS A SUBDIVISION OF THE LANDS DESCRIBED AS PARCEL 3 UNDER EXHIBIT A-12 IN DOCUMENT #2017-007360 INTO 45 SINGLE FAMILY RESIDENTIAL PARCELS.
- THE SUBJECT SITE WAS PART OF A PREVIOUSLY APPROVED TENTATIVE MAP FOR A MULTI-PHASE MASTER PLANNED SUBDIVISION WITH THE FIRST TWO PHASES COMPLETED. AS THE PREVIOUS TENTATIVE MAP EXPIRED THIS PROJECT SEEKS TO DEVELOP THE REMAINDER.
- THE PROPOSED USE IS SINGLE FAMILY RESIDENTIAL. THE EXISTING USE ON SURROUNDING PROPERTIES IS RESIDENTIAL AND THE PROPERTY IS FRONTED BY SCHOOL ROAD TO THE SOUTH.
- EXCESS OVERBURDEN FROM ROADWAY CONSTRUCTION TO BE USED AS FILL IN THE LOTS TO PROVIDE FOR POSITIVE DRAINAGE TOWARD THE STREET OR DRAINAGE IMPROVEMENTS. ESTIMATED EXCAVATION AND GRADING (CUT & FILL) IS APPROXIMATELY 28,000 CUBIC YARDS.
- ALL EASEMENTS OF RECORD AND PROPOSED EASEMENTS SHOWN ON THE TENTATIVE MAP WILL BE SHOWN ON THE FINAL MAP. SEE SHEET 2 FOR EXISTING AND PROPOSED EASEMENTS.
- TOPOGRAPHY SHOWN IS AT 1 - FOOT CONTOUR INTERVALS, BASED ON A SURVEY BY EDWARD SCHILLINGER ENGINEERING IN JUNE 2010.
- PROPERTIES SHOWN ARE IN A MINIMAL FLOODING HAZARD AREA PER FEMA FIRM PANEL 06023 C0690F.
- AN ALQUIST-PRIOLO FAULT ZONE CROSSES THE PROJECT SITE. SEE FAULT RUPTURE HAZARD EVALUATION REPORT BY SHN CONSULTING ENGINEERS & GEOLOGISTS, DATED OCTOBER 2006 FOR MORE INFORMATION.
- ONSITE PARKING FOR EACH LOT INCLUDES SPACE FOR 4 VEHICLES (2 IN GARAGE & 2 IN DRIVEWAY), TYPICAL.
- EXISTING UTILITIES & OWNER:

WATER & SEWER	-	M.C.S.D
CABLE TV	-	SUDDENLINK
ELECTRIC & GAS	-	PG & E
TELEPHONE	-	AT&T
- ⊙ = CROSS SECTION OR DETAIL SHOWN ON SHEET 3.

PROJECT DATA

OWNER / APPLICANT:	DOMINGO SANTOS
APN:	508-391-045
SITE ADDRESS:	SCHOOL ROAD MCKINLEYVILLE, CA 95519
AGENT:	JAKOB SCHILLINGER SCHILLINGER ENGINEERING
TOTAL PARCEL AREA:	10.51 ACRES (GROSS ON APN ABOVE), 7.95 ACRES (**NET)
GENERAL PLAN:	RL, RL-1.7 (MCCP) RESIDENTIAL LOW DENSITY
ZONING:	R-1-N, RS-5/6 RESIDENTIAL SINGLE FAMILY
BUILDING SETBACKS:	FRONT 20' FROM 'BSW @ GARAGE 10' FROM 'BSW INTERIOR SIDE 5' EXTERIOR SIDE 5' REAR 10'
	*BSW = BACK OF SIDEWALK **EXCLUDING ALL EASEMENTS



<p>SCHILLINGER ENGINEERING CIVIL ENGINEERING SOLUTIONS</p> <p>P.O. BOX 1183 ARCATA, CA 95521 PH (707) 834-6169</p>	<p>DOMINGO SANTOS</p> <p>SANTOS MAJOR SUBDIVISION - PHASE 3</p> <p>APN 508-391-045</p> <p>TENTATIVE MAP</p> <p>PROJECT OVERVIEW</p>	<p>DATE JULY 8, 2022</p> <p>SHEET 1 OF 3</p> <p>T-1</p>
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MCKINLEYVILLE MULTIMODAL CONNECTIONS PROJECT

October 2022



PREPARED FOR
County of Humboldt



MARK THOMAS

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- Appendix F: Central Avenue South Long-Term Alternative Alignment Cost Estimates

Project Needs and Recommendations

Public feedback collected throughout Phase 1 of the engagement process helped focus the project on areas within McKinleyville that the community prioritized for multi-modal enhancements including transit access improvements. A total of nine corridors within the project area were identified for focused transportation improvements. A needs analysis was performed for each of the corridors to review detailed existing conditions, collision histories, and opportunities for improvements. Feedback from the public and PTF collected in Phase 2 of the engagement process helped refine the recommendations for the nine corridors. The following section details existing conditions and recommendations for the nine Project Area Focus Corridors.

Project Area Focus Corridors

1. Azalea Avenue
2. Central Avenue
3. Hiller Road
4. Mad River Road, Miller Lane, and Heindon Road
5. McKinleyville Avenue
6. North Bank Road
7. Ocean Avenue
8. School Road
9. Washington Avenue





Azalea Avenue


Existing Conditions

Azalea Avenue is a two-lane local road that connects to Cochran Road to the north and North Bank Road to the south. It is primarily fronted by single-family residential driveways and provides access to Azalea State Natural Reserve near North Bank Road. The corridor is characterized by street trees, vertical and horizontal curves, a steep elevation change between Hewitt Road and North Bank Road, and a lack of pedestrian and bicycle facilities.


On-street parking is prohibited along Azalea Avenue, and intermittent access to grass pathways fronting property lines is the informal walking facility. The lack of separated bike facilities requires bicyclists to travel in the motor vehicle lanes, and the parking lot for Azalea State Natural Reserve is

separated from the reserve’s trailheads by Azalea Avenue. Access between the reserve parking lot and trails is provided by one marked pedestrian crossing with advanced warning signs north of the parking lot.


While no collisions involving pedestrians or bicyclists have been reported on the corridor, Azalea Avenue has been frequently cited in both public feedback and in meetings with the Project Task Force as a corridor for improvement. There is an opportunity to enhance bicycle and pedestrian travel along and crossing the corridor.




0.8
Miles



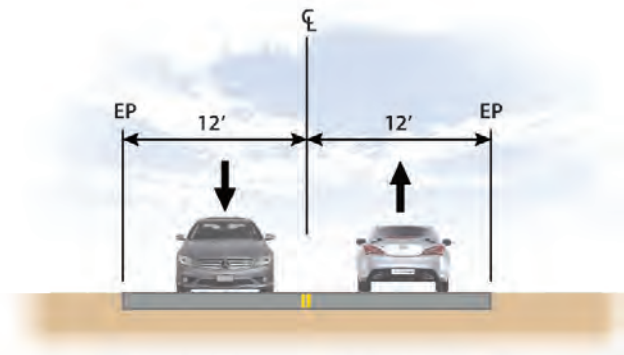
1
Parks



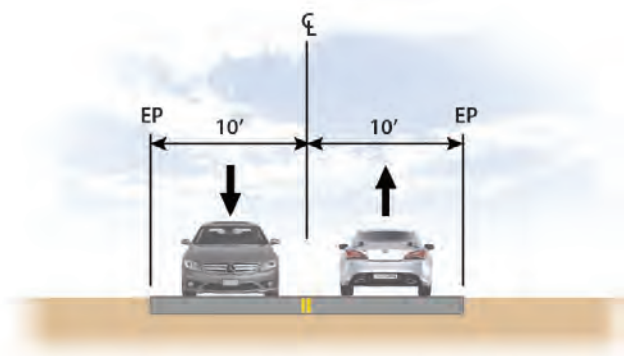
Local Road



3
Trail Access Points



AZALEA AVENUE - EXISTING
Cochran Road to Hewitt Road



AZALEA AVENUE - EXISTING
Hewitt Road to North Bank Road

Azalea Avenue

Recommendations

The Azalea Avenue corridor was first identified in Project Task Force meetings to discuss focused corridors in the study area. Throughout the community engagement process, public comments were submitted related to Azalea Avenue specifically at the corridor connection to Sutter Road and near the Azalea Avenue Cochran Road intersection.

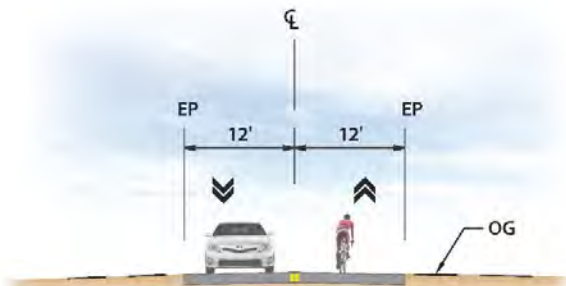
*** Cost Estimate: \$4,874,000**

* Cochran Road to Hewitt Road

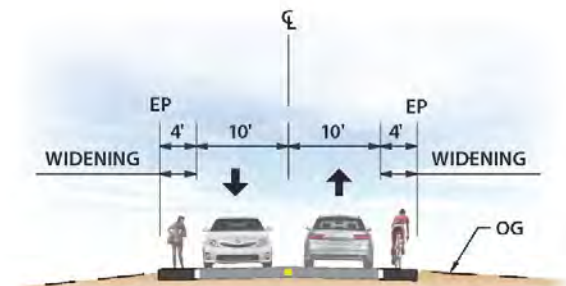
This segment focuses on improving bicycle signing and striping within the existing right of way. Recommendations include Class III bikeway sharrows and R4-11 signs (bicycle may use full lane) where the roadway is mostly flat and without curves.

* Hewitt Road to North Bank Road

This segment focuses on improving bicycle infrastructure between Hewitt Road and North Bank Road. Recommendations include shoulder widening where the roadway descends and features curves. The 4 feet wide shoulder will provide north-south travel paths for bicyclists and pedestrians on both sides of Azalea Avenue.



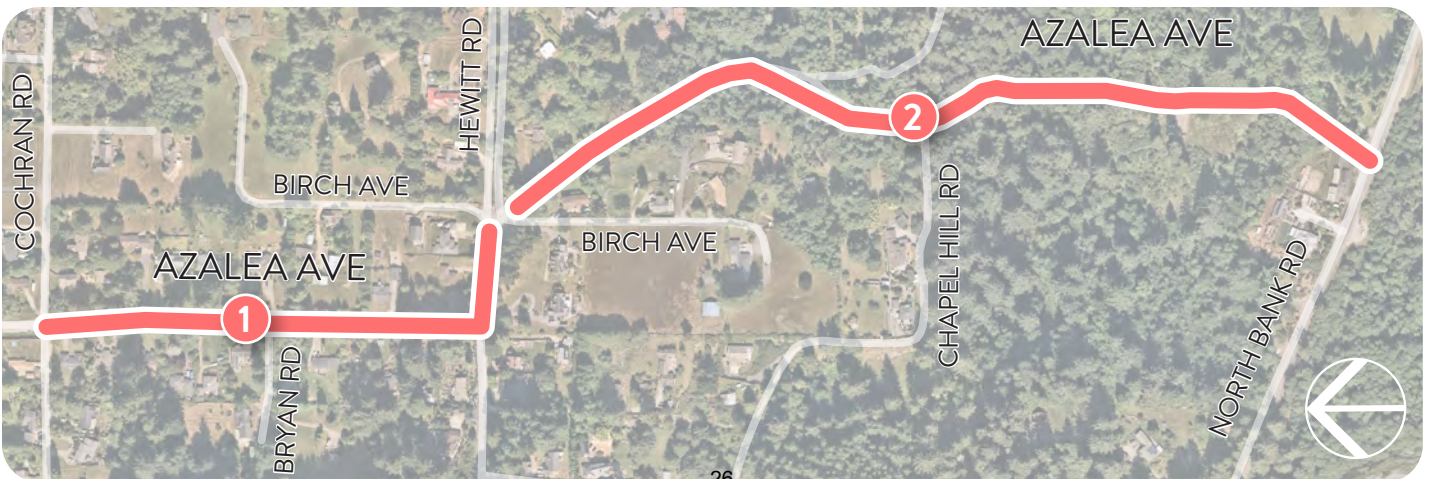
AZALEA AVENUE - PROPOSED
Cochran Road to Hewitt Road



AZALEA AVENUE - PROPOSED
Hewitt Road to North Bank Road



- 1 Class III Bikeway
- 2 Shoulder Widening





Central Avenue

Existing Conditions

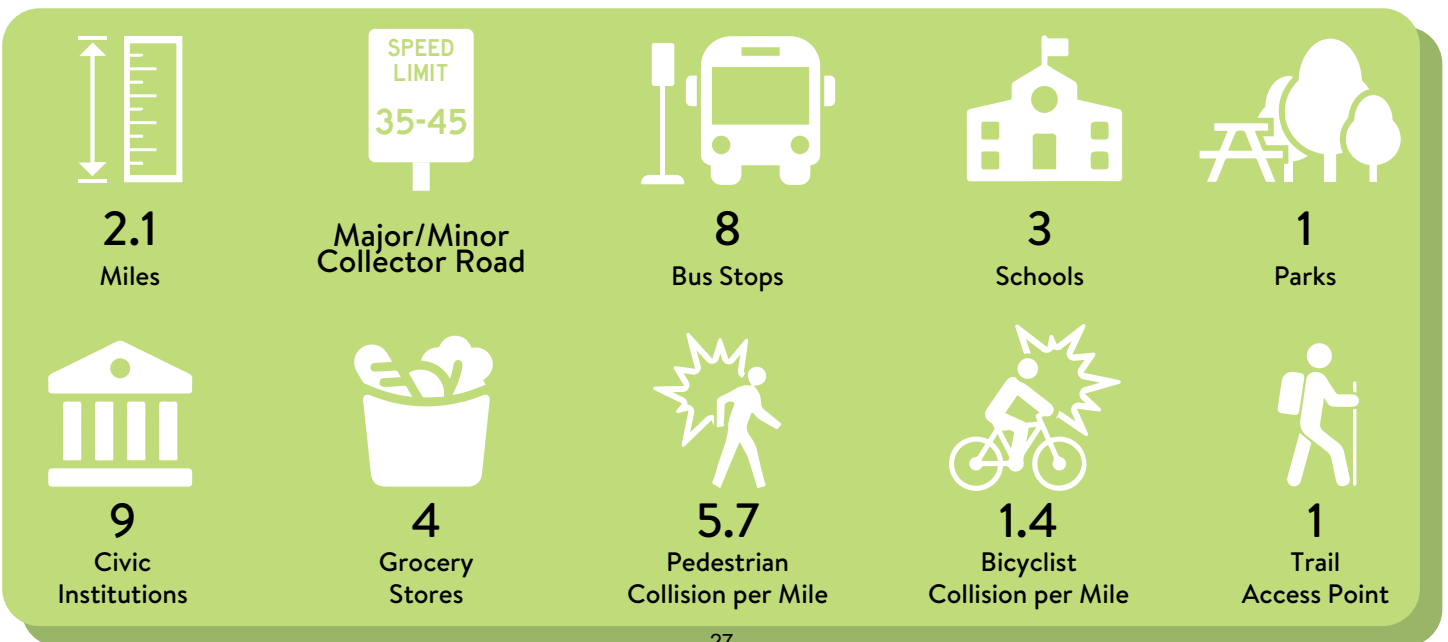
Central Avenue is a five-lane major minor collector road that provides a connection between Clam Beach to the north and North Bank Road to the south while serving as a primary access route to Highway 101 to the south. The corridor is primarily fronted by commercial land use with access to six transit stops serving the Redwood Transit System operated by Humboldt Transit Authority. The Bridle Trail on the roadway's easterly side provides a semi-separated multi-use pathway intended for people walking and on horseback. Central Avenue provides access to schools, civic institutions, community centers, and shops, restaurants, and other retail destinations.

Class II bicycle lanes with green paint and accessible sidewalks are available between Hiller Road and Anna Sparks Way on both sides of the roadway. At the five signalized intersections within this segment, pedestrian crossing facilities include continental crosswalks and ADA accessible curb ramps, and mid-block crossings between Hiller Road and Bartow Road provide RRFB's, pedestrian refuge islands, continental crosswalks, and signage. The 0.3 mile segment between Bartow Road and Bella Vista Drive is a two-lane roadway with shoulders on both sides of the roadway. The lack of pedestrian and bicycle facilities south of Bartow Road prompts pedestrians and bicyclists to use the road shoulder as informal walking and bicycling facilities.

Between 2015 and 2019, eight pedestrian collisions and three bicycle collisions were reported along Central Avenue, and of these eleven collisions, eight were concentrated between Heartwood Drive and Anna Sparks Way where there is a higher density of surrounding retail land uses. The retail uses introduce multiple driveways and higher people movement thus increasing interactions and conflict points between vehicles and active transportation users. There is an opportunity to extend walking and bicycling facilities south of Anna Sparks Way and improve the visibility of pedestrians and bicyclists along Central Avenue.

Public commenter input:

"The addition of bike lanes along Central Ave a few years ago was great. I would feel safer having my children ride their bikes in the bike lane if there was a barrier between the bike lane and the car lane."



Central Avenue

Recommendations

The Central Avenue Corridor was first identified in Project Task Force meetings to discuss focused corridors in the study area. Throughout the community engagement process, public comments were submitted related to Central Avenue specifically at the Central Avenue/Railroad Drive intersection, in the core retail area, and near McKinleyville Middle School. While the complete corridor extends from Railroad Drive to Bella Vista Drive, improvements are categorized in segments due to the future Town Center Development Project.

* Railroad Drive to School Road

This project is anticipated to be conditioned by the future Town Center Development Project or otherwise completed by the County of Humboldt. Three concepts were presented to the public and project task force for the segment between Railroad Drive and School Road including a lane reduction, buffered bike lanes, and a multi-use trail on the roadway's westerly side. Based on public feedback, the preferred concept was the multi-use trail. Implementation provides pedestrians and bicyclists with a 10 feet wide, physically separated path for north-south travel on Central Avenue's westerly side. The lane reduction alternative will be further evaluated in conjunction with the Town Center project.

* Cost Estimate: \$4,830,000

- 1 Rectangular Rapid Flashing Beacon
- 2 Shoulder widening
- 3 Roadway Restriping (Northbound)
- 4 Paved Pedestrian and Bicycle Path
- 5 Multi-Use Widened Sidewalk Trail

* School Road to North Bank Road/ Reserve Road

A series of interim pedestrian and bicycle improvements are recommended between School Road and Bella Vista Drive. Implementation of a buffer treatment between northbound travel lanes and the shoulder bike lanes, where feasible, would provide separated walkways and bikeways along Central Avenue. Additional supportive infrastructure includes paving pedestrian and bicycle travel paths on the shoulder between School Road and Bartow Road where the existing footpath is well defined. Improvement to Central Avenue/Bella Vista Drive includes the consideration of roadway restriping to remove the second northbound through lane. On the corridor's southern terminus, pedestrian improvements include an RRFB crosswalk and other enhancements at Reserve Road/North Bank Road where frequent crossing occurs; it also includes shoulder widening south of Henry Lane to provide a 4 to 5 feet travel path. Additional improvements include landscaping maintenance to prevent plant overgrowth into the shoulder to maintain visibility and usable space. Additional long-term improvements are recommended for consideration in this report.

Public commenter input:

"There should be a sidewalk or footpath installed along Central Avenue between Bella Vista Avenue and the Mill Creek Shopping Center."

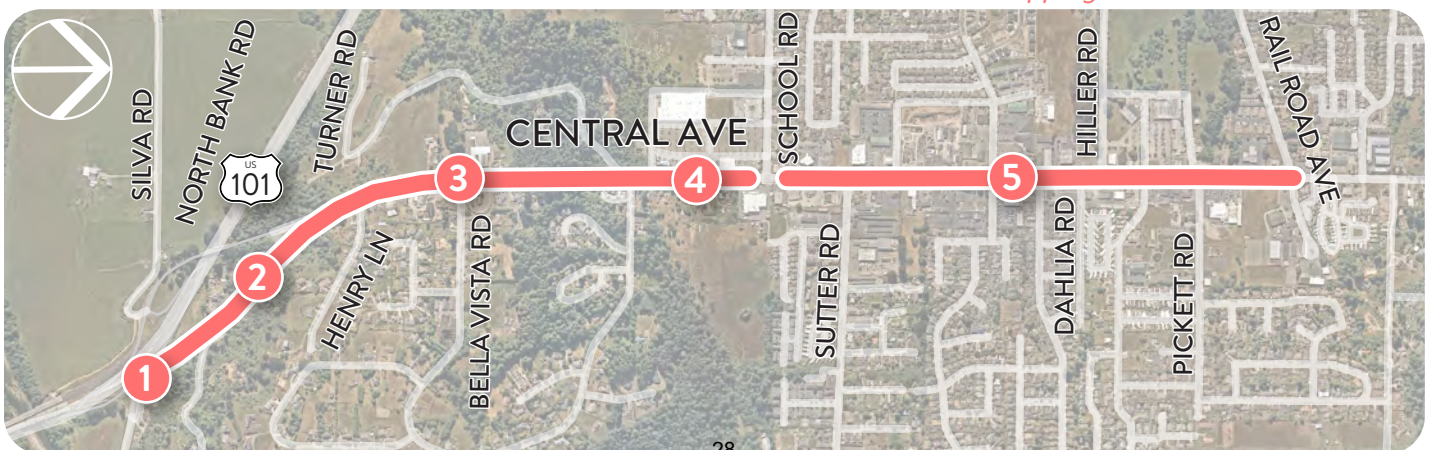
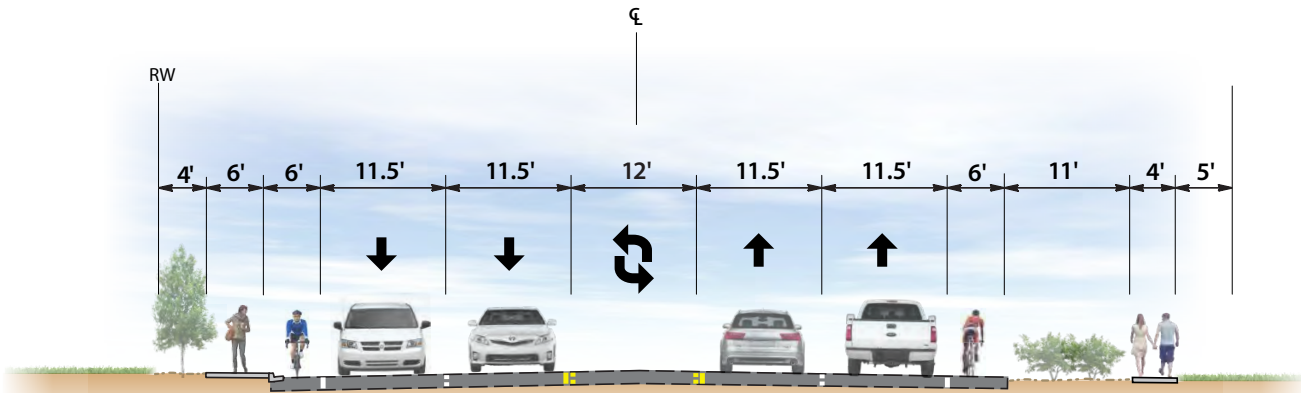


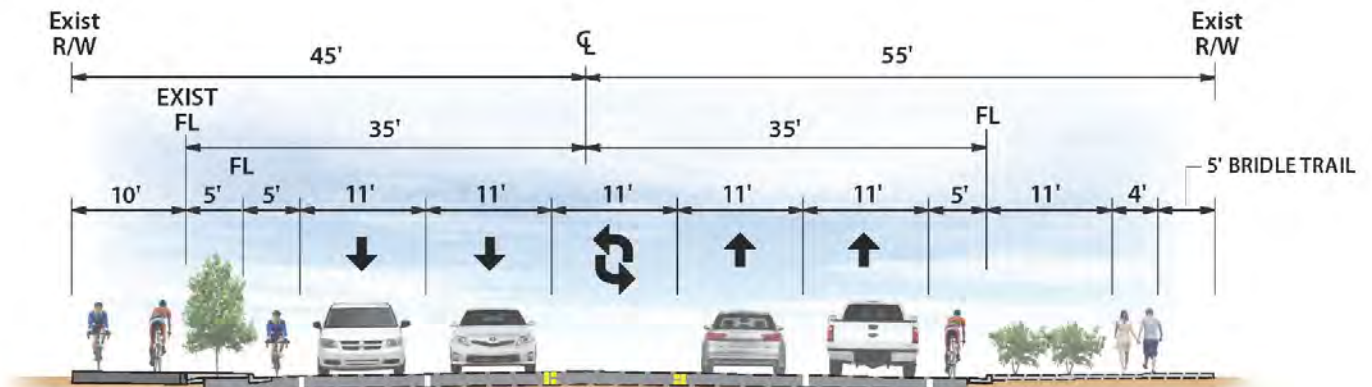
Figure 11 Central Avenue Cross Section Options

Existing Cross Section



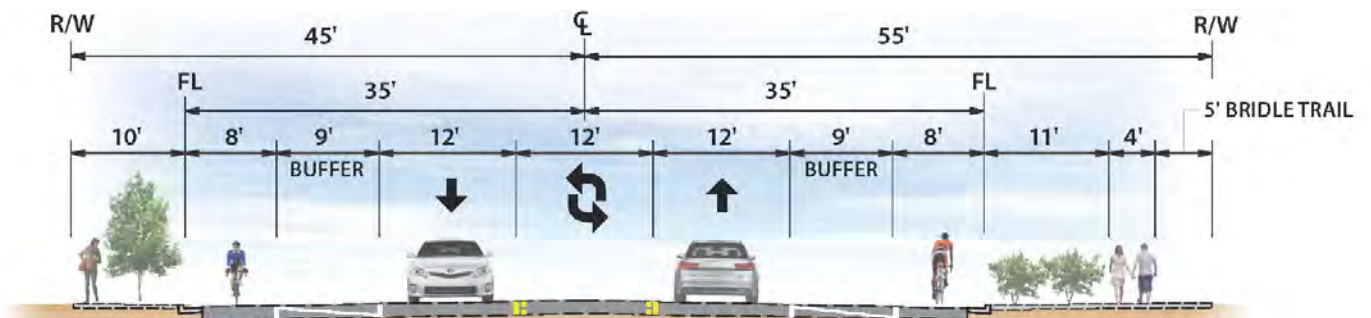
CENTRAL AVENUE - EXISTING
Railroad Drive to School Road

West-Side Multi Use Trail Cross Section



CENTRAL AVENUE - PROPOSED
Railroad Drive to Bella Vista Avenue

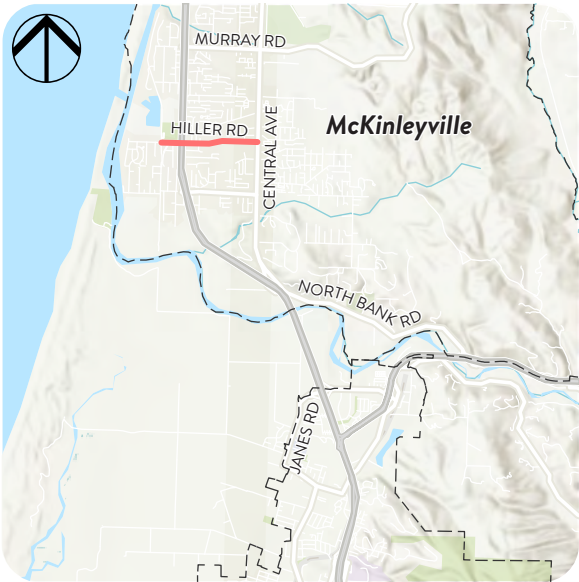
Lane Reduction Cross Section



CENTRAL AVENUE - ALTERNATIVE CONCEPT

Railroad Drive to Bella Vista Avenue

* Alternative concept subject to further public engagement and Town Center Development



Hiller Road

Existing Conditions

Hiller Road is a two-lane local road providing connections between residential and park land uses on the west to retail and schools to the east. Hiller Road is primarily fronted by residential homes with street-facing private driveways. Hiller Road connects to recreational and commercial destinations such as Hiller Park, Hammond Trail, and the future Town Center development.

While on-street parking is available on both sides of the roadway throughout the corridor, the corridor is characterized by intermittent sidewalk availability; this prompts pedestrians and bicyclists to walk and bicycle in on-street shoulders and cross Hiller Road at undesigned mid-block crossings to access supportive facilities. For

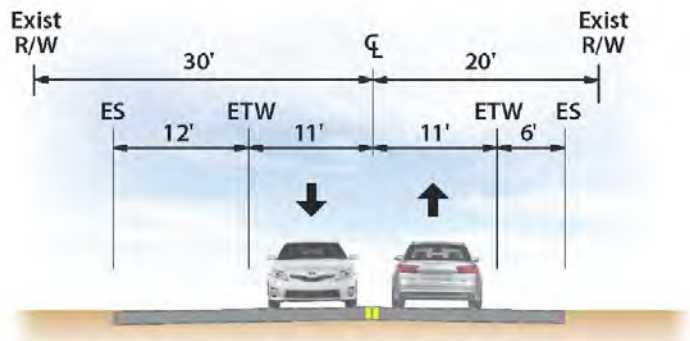
example, the Highway 101 overpass provides a narrow sidewalk shared by pedestrians and bicyclists but only on the facility's northerly side. Pedestrians and bicyclists on the southerly side must cross Hiller Road to access the Highway 101 overpass sidewalk for a path separated from vehicles.

Between 2015 and 2019, two pedestrian and bicycle collisions have been reported along Hiller Road at the intersections of Hiller Road/Walker Avenue and Hiller Road/McKinleyville Avenue. The corridor offers a total of 0.20 miles of sidewalk. There is an opportunity to provide sidewalk gap closures and marked crosswalks at stop-controlled intersections.

- 1.0 Miles
- Local Road
- 1 Grocery Stores
- 1.0 Pedestrian Collision per Mile
- 1.0 Bicyclist Collision per Mile
- 1 Parks
- 1 Trail Access Point

Public commenter input:

"The bike lane is okay on Hiller, but the intersection at Hiller Rd and McKinleyville Ave is too large, with no crosswalks. Redesigning this intersection should be a high priority."



HILLER ROAD - EXISTING
Fischer Avenue to US-101

Hiller Road

Recommendations

The Hiller Road corridor was first identified in Project Task Force meetings in order to discuss focused corridors in the study area. Throughout the community engagement, public comments were submitted related to Hiller Road specifically near Hiller Park and the uncontrolled crossing at Fisher Road. While the full corridor includes Fisher Road to Central Avenue, recommendations vary east and west of McKinleyville Avenue due to the future Town Center Development Project which influences recommendations east of McKinleyville Avenue.

* McKinleyville Ave/Hiller Intersection

This segment enhances pedestrian and bicycle crossings at the McKinleyville Avenue/Hiller Road intersection. The treatment includes intersection narrowing to reduce pedestrian and bicyclist exposure to motor vehicles by shortening the crossing distance. Implementation would reconstruct the intersection to narrow motor vehicle lanes while still accommodating intersection left-turn lanes.

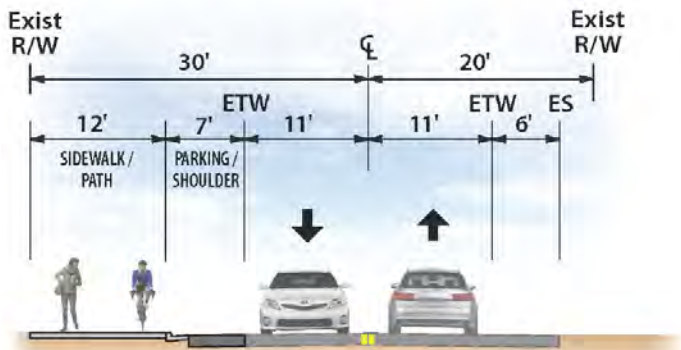
* Fisher Road to Highway 101

This segment focuses on improving pedestrian and bicycle infrastructure within the existing right of way. Improvements include installing a mixed-use widened sidewalk trail on the roadway's northerly side. The proposed 12 feet wide facility will provide a separated area for people to walk and bicycle. The project will retain a parking/shoulder on the roadway's northerly side.

* McKinleyville Road to Fisher Road

This segment is anticipated to be conditioned by the future Town Center Development Project or otherwise completed by the County of Humboldt. Recommendations include a sidewalk gap closure and a one-way cycle track in both directions.

* Cost Estimate: \$6,211,000



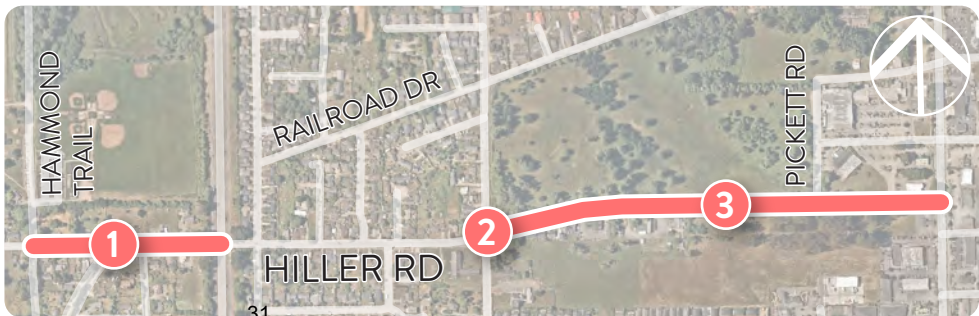
HILLER ROAD - PROPOSED
Fischer Avenue to US-101

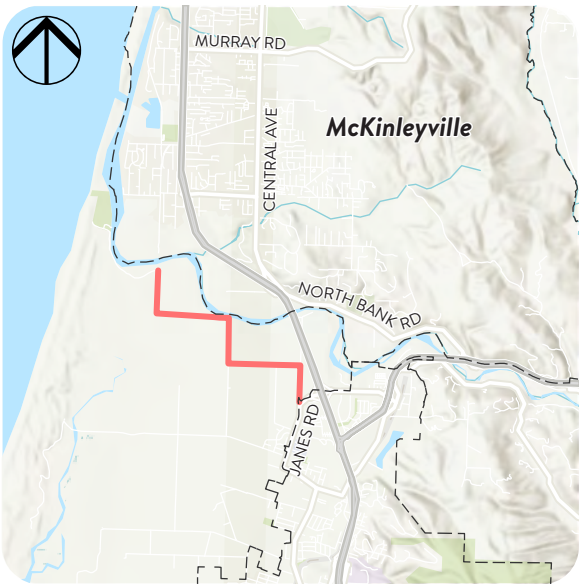
- 1 Mixed-Use Widened Sidewalk Trail
- 2 Intersection Narrowing
- 3 Sidewalk Gap Closure and Cycletrack



Public commenter input:

"Better signage on Hiller for the Hammond Trail. Easy to miss the connection. Better, fill the gap!"





Mad River Road, Miller Lane, Heindon Road

Existing Conditions

The corridor consists of three roadways which are commonly used as bicyclist's and equestrians' routes to travel between McKinleyville and the City of Arcata: Mad River Road, Miller Lane, and Heindon Road. Mad River Road and Heindon Road are striped for two travel lanes while Miller Lane does not have a centerline stripe yet functions as a bidirectional roadway. The corridor is primarily fronted by agricultural land uses and frequently used by motor vehicle farming equipment such as tractors and heavy trucks. The corridor connects to the Hammond Trail, Mad River County Park, and the Mad River Beach.

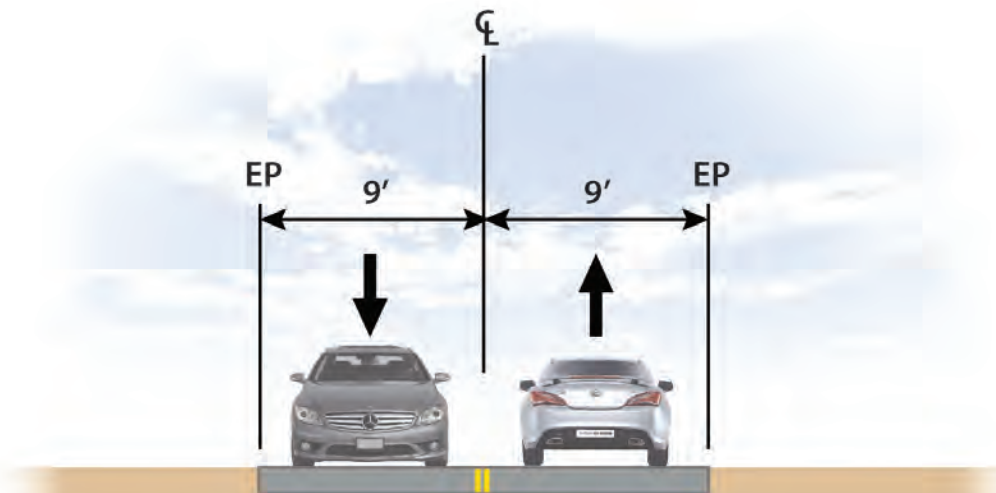
The corridor is characterized by narrow roadways (20-feet, 15-feet, and 25-feet wide, respectively) and a scenic farmland drive and contains no on-street parking or shoulders. The lack of walking facilities along Mad River Road, Miller Lane, and Heindon Road prompts pedestrians to walk on the roadway or on adjacent unpaved pathways. Bicyclists are required to travel in the motor vehicle travel lanes.

Between 2015 and 2019, one bicycle collision occurred on Miller Lane. There is an opportunity to provide a formalized route for pedestrians, bicyclists, and equestrians who currently use the corridor and encourage the use of others by enhancing visibility of multi-modal users throughout.

-  1.8 Miles
-  SPEED LIMIT 25
- Local Road
-  1 Trail Access Point
-  0.4 Bicyclist Collisions per Mile

Public commenter input:

"The southbound shoulder needs to open up to Heindon Rd S of the Mad River for those who must walk against traffic and bicycles that travel with the flow of traffic southbound."



MAD RIVER ROAD, MILLER LANE, AND HEINDON ROAD - EXISTING

Mad River Road, Miller Lane, Heindon Road

Recommendations

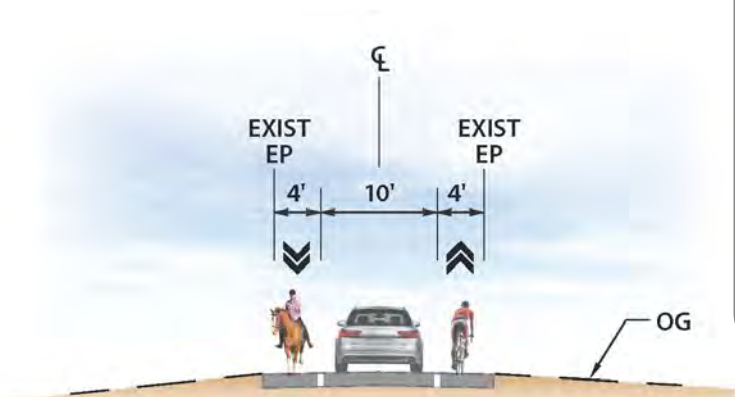
The Mad River-Miller Lane-Heindon Road corridor was identified in a public survey and at the community workshop to discuss priority corridors in the study area. Throughout the community engagement process, public comments were submitted related to the corridor specifically near Mad River Bridge, the connection to the Hammond Trail, and at the Heindon Road connection to the City of Arcata.

This project focuses on improvements to bicycle, pedestrian, and equestrian infrastructure within the existing right of way. Two concepts were presented to the public and project task force including advisory lanes and Class III bike routes with the preferred concept based on public feedback were advisory lanes. Implementation would reconfigure roadway striping to create one bi-directional travel lane and useable shoulders on a roadway that is otherwise too narrow to accommodate bicyclists, pedestrians, and equestrians. The shoulder would be 4 feet wide and delineated by pavement marking. Motorists may only enter the shoulder when no other users are present and must overtake these users with caution. With these improvements, bicyclists, pedestrians, and equestrians will have a safer space further removed from motorists.

*** Cost Estimate: \$428,000**

Public commenter input:

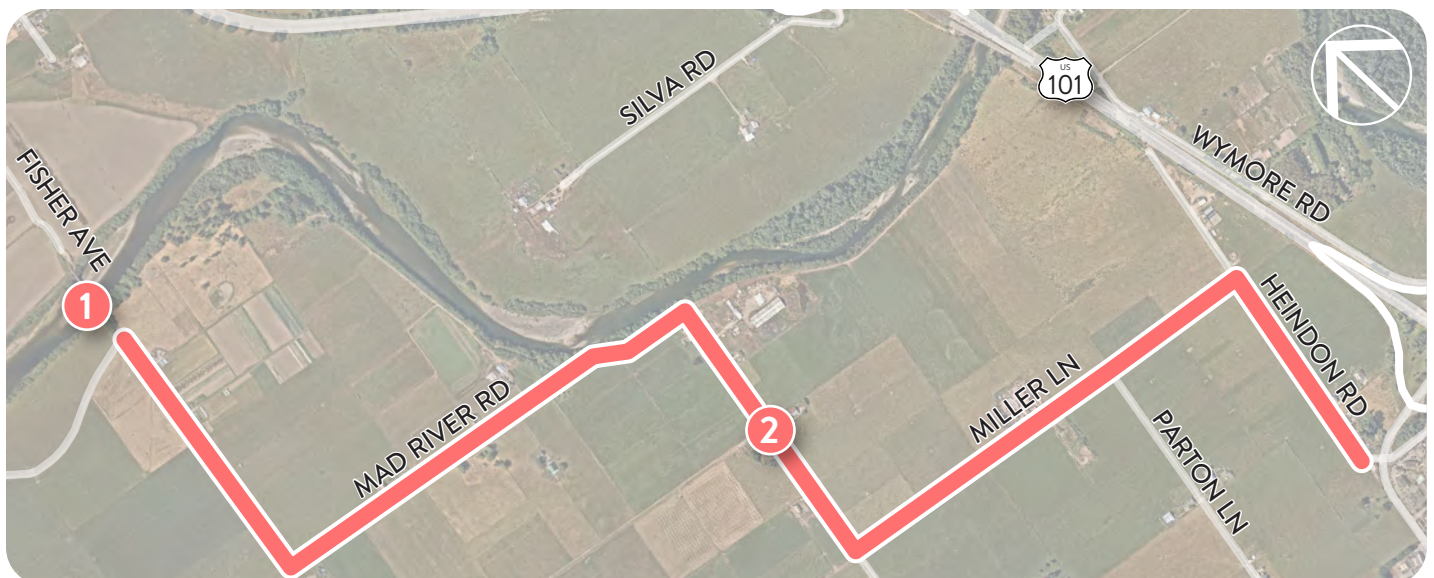
"The Hammond trail south of the Mad River Bridge needs improvements instead of being part of a country road."

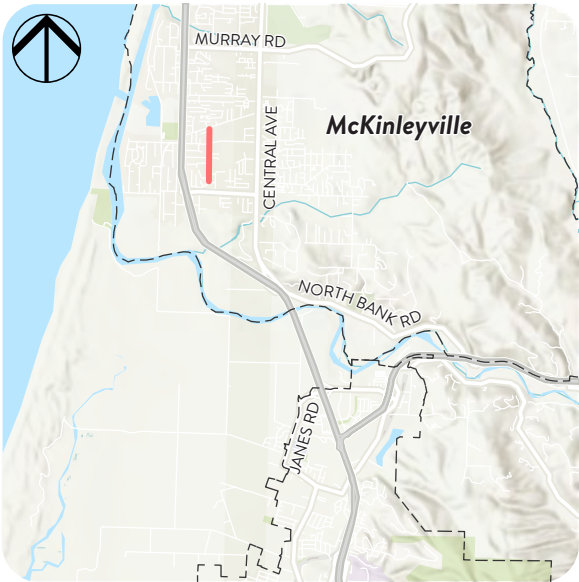


MAD RIVER ROAD, MILLER LANE, AND HEINDON ROAD - PROPOSED

Hammond Trail Bridge to Giuntoli Lane

- 1 Hammond Trail Bridge
- 2 Advisory Lanes





McKinleyville Avenue

Existing Conditions

McKinleyville Avenue is a two-lane minor collector road, primarily fronted by residential properties, that provides connections to residential neighborhoods east of Highway 101. McKinleyville Avenue supports connections to nearby destinations such as Morris Elementary School, McKinleyville High School, segments of the Mid-Town Trail, and two religious institutions.

On-street parking is available between Railroad Drive and Hiller Road on the roadway's westerly side. Although parking is not prohibited by signage between Hiller Road and Heartwood Drive on the roadway's easterly side, the right-of-way is too narrow to accommodate on-street parking. Class II bicycle lanes exist on both sides of the roadway between Railroad Drive and Hiller Road, and there are no bikeway facilities on McKinleyville Avenue south of Hiller Road. A sidewalk is provided on the west side of the roadway between Railroad Drive and Hiller Road and intermittently on both sides of the roadway between Hiller Road and Chelsea Way.

Between 2015 and 2019, two pedestrian and bicycle collisions were reported along McKinleyville Avenue at the intersections of Railroad Drive/McKinleyville Avenue and Hiller Road/McKinleyville Avenue. Bicyclists must travel in the motor vehicle lane or in on-street parking lanes due to the lack of continuous bicycling facilities. There is an opportunity to extend the Class II bicycle lane from Hiller Road to Chelsea Way, improve sidewalk gap closure, and provide marked crosswalks at all stop-controlled intersections.

Between 2015 and 2019, two pedestrian and bicycle collisions were reported along McKinleyville Avenue at the intersections of Railroad Drive/McKinleyville Avenue and Hiller Road/McKinleyville Avenue. Bicyclists must travel in the motor vehicle lane or in on-street parking lanes due to the lack of continuous bicycling facilities. There is an opportunity to extend the Class II bicycle lane from Hiller Road to Chelsea Way, improve sidewalk gap closure, and provide marked crosswalks at all stop-controlled intersections.

0.6 Miles

Minor Collector Road

SPEED LIMIT 25

1.8 Bicyclist Collisions per Mile

1.8 Pedestrian Collisions per Mile

Public commenter input:

"There is also a lot of vegetation encroaching on the sidewalks on McKinleyville Avenue that should be trimmed."

Public commenter input:

"There is a field on the East side of McKinleyville Ave that would be great for a separate bike/walk path."

McKinleyville Avenue

Recommendations

The McKinleyville Avenue corridor was identified in a public survey and at the community workshop regarding priority corridors in the study area. Throughout the community engagement, public comments were submitted related to McKinleyville Avenue specifically near Morris Elementary and at the stop-controlled Hiller Road/McKinleyville intersection. While the complete corridor is from Railroad Drive to Chelsea Way, improvements are categorized in segments due to the future Town Center Development Project which influences recommendations north of Hiller Road.

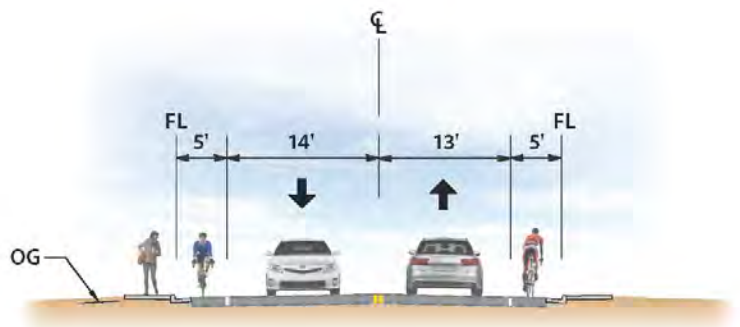
* Hiller Road to Chelsea Way

This segment focuses on improving bicycle facilities from Hiller Road to Chelsea Way. Two concepts were presented to the public and project task force including Class II bicycle lanes and Class III bike routes. Based on public feedback, the preferred concept was Class II on-street bicycle lanes. Implementation would provide 5 feet-wide bicycle lanes and require the removal of up to 17 on-street parking spaces on the roadway's westerly side limiting vehicular parking facilities which would simultaneously create space for bicyclists and support more bicycling.

* Railroad drive to Hiller Rd

This segment is anticipated to be conditioned by the future Town Center Development project or otherwise completed by the County of Humboldt. There are recommendations to improve pedestrian and bicycle facilities including sidewalk gap closures, enhanced signing, roadway striping, and street crossings. These improvements will not only develop walking and bicycling capabilities throughout the corridor but will also bolster nighttime visibility making it easier for all users to navigate throughout this space.

* Cost Estimate: \$1,968,000



MCKINLEYVILLE AVENUE - CLASS II BIKEWAY

Hiller Road to Heartwood Drive

1 Class II Bike Lanes

1 Sidewalk Gap Closure, Signing, and Striping





North Bank Road

Existing Conditions

North Bank Road is a two-lane, East-West Caltrans-owned facility (State Route 200) connecting to State Route 299 freeway to the east and Central Avenue/Highway 101 to the west. The corridor runs along the north bank of the Mad River and is primarily fronted by residential and agricultural land use. North Bank Road connects to recreational destinations such as the 101 Mad River Bridge Bike Path and Azalea State Reserve.

The corridor is characterized by white edgelines, solid double yellow centerline stripe, and a lack of shoulders. While intermittent access to turnouts is available on roadway's southerly side allowing for motor vehicle passing, the corridor lacks formal pedestrian and bicycling facilities, and the lack of shoulders require bicyclists to travel in the motor vehicle travel lane.

Between 2015 and 2019, one fatal pedestrian collision occurred at the interchange of Central Avenue/Highway 101 and North Bank Road. The at-grade intersection lacks crossing facilities for pedestrians and bicyclists to travel from the 101 Mad River Bridge Bike Path to the northerly side of North Bank Road and Central Avenue. There is an opportunity to provide supportive facilities for bicyclists and pedestrians along North Bank Road and to enhance pedestrian and bicycle crossings from the 101 Mad River Bridge Bike Path.

Between 2015 and 2019, one fatal pedestrian collision occurred at the interchange of Central Avenue/Highway 101 and North Bank Road. The at-grade intersection lacks crossing facilities for pedestrians and bicyclists to travel from the 101 Mad River Bridge Bike Path to the northerly side of North Bank Road and Central Avenue. There is an opportunity to provide supportive facilities for bicyclists and pedestrians along North Bank Road and to enhance pedestrian and bicycle crossings from the 101 Mad River Bridge Bike Path.



2.1
Miles



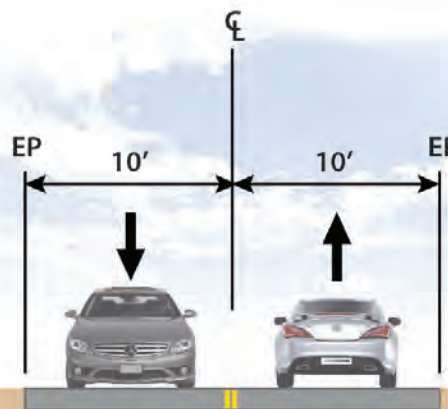
Major
Collector



1
Parks

Public commenter input:

“North Bank Road going north towards Central Avenue and the Central Avenue Exit off the 101 intersections are both concerns. There are often near misses with pedestrians making a right turn onto the hill going to Central Avenue.”



NORTH BANK ROAD - EXISTING

Highway 101 to SR 299

North Bank Road

Recommendations

The North Bank Road corridor was identified in a public survey and at the community workshop to discuss priority corridors in the study area. Throughout the community engagement process, public comments were submitted related to North Bank Road specifically at the Central Avenue/North Bank Road/Highway 101 intersection and at the corridor connection to Azalea Avenue.

*** Cost Estimate: \$13,094,000**

* Central Ave/Hwy 101 intersection to Azalea Avenue

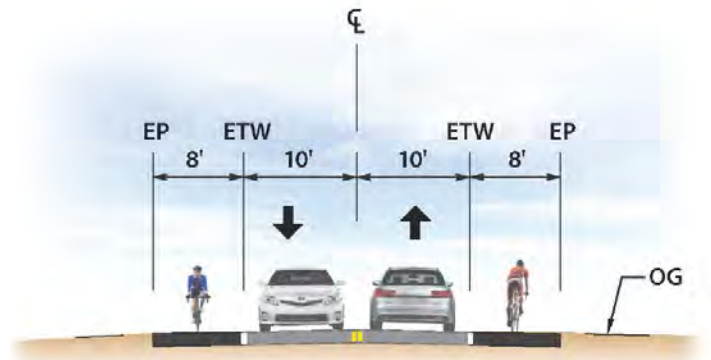
This project focuses on enhancing support facilities such as shoulder widening between Central Ave/Hwy 101 intersection and Azalea Avenue. The recommended 8 foot wide shoulders will provide east-west travel paths for bicyclists and pedestrians on both sides of North Bank Road.

* Azalea Avenue to State Route 299

The segment of Azalea Avenue to State Route 299 is outside of the project area which requires a separate study to evaluate the potential of a phase 2 project. Implementation of a phase 2 project could extend shoulder widening improvements along North Bank Road east to State Route 299.

Public commenter input:

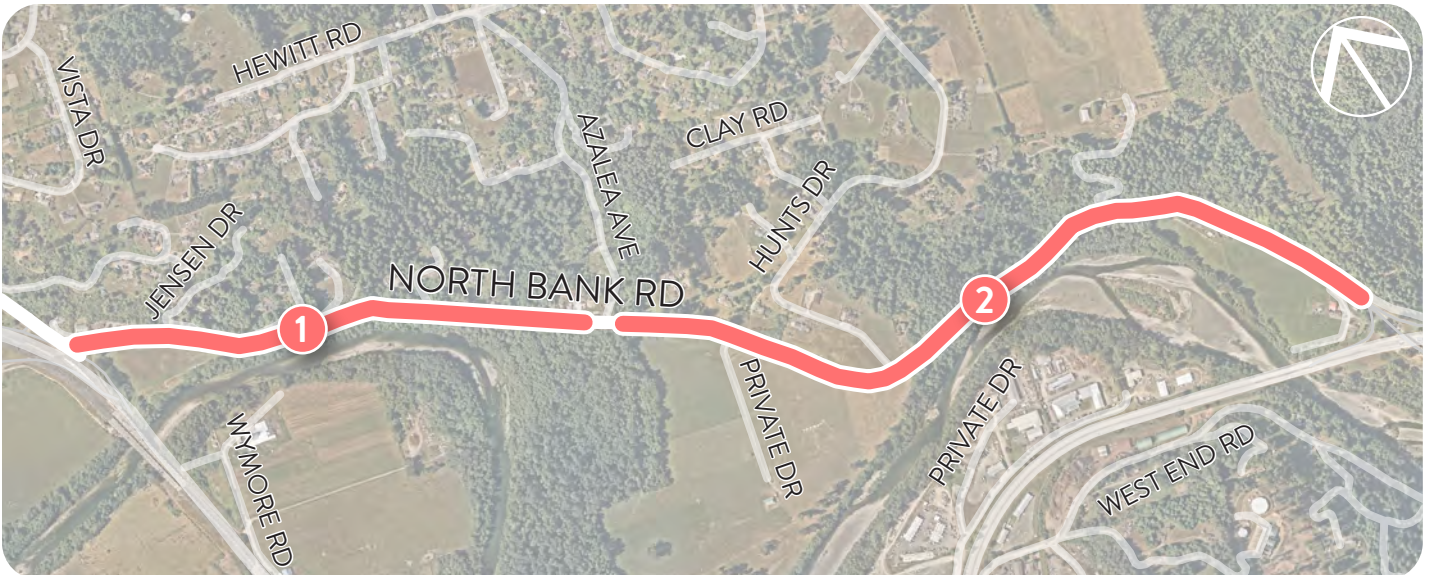
"Need for better lighting (corner of North Bank Road and Azalea Rd.)"



NORTH BANK ROAD -PROPOSED

US-101 to SR-299

- 1 Roadway Widening (Phase 1)
- 2 Roadway Widening (Phase 2)





Ocean Drive

Existing Conditions

Ocean Drive is a two-lane local road, primarily fronted by residential homes with street-facing private driveways, connecting to Hiller Road to the north and School Road to the south. The corridor provides access to the Mad River Access and Mad River Bluffs recreational trails and the Hammond Trail and it is characterized by intermittent accessible sidewalks and on-street parking.

On-street parking is permitted on both sides of the roadway where the right-of-way is wide enough to support parking facilities. Sidewalk availability is intermittent throughout corridor requiring pedestrians to use gravel or grass pathways as the informal walking facility. The lack of bicycle facilities prompts bicyclists to travel in the motor vehicle lanes which are not marked as Class III bike routes.

While no collisions involving pedestrians or bicyclists have been reported on along Ocean Avenue, there is an opportunity to enhance travel for multi-modal users to support recreational access throughout the corridor.

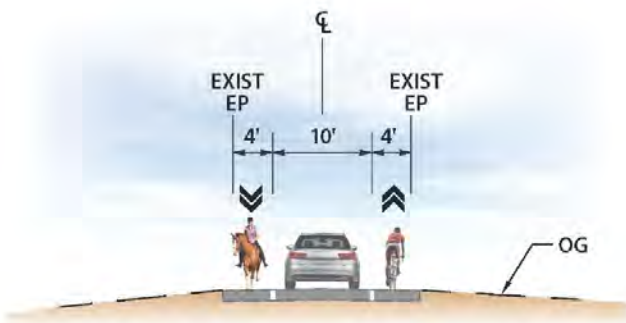
Recommendations

The Ocean Drive corridor was identified in a public survey and at the community workshop to discuss priority corridors in the study area. Throughout the community engagement process, public comments were submitted related to Ocean Drive specifically near the School Road/Ocean Drive intersection.

*** Total Cost: \$441,000**

* Hiller Road to School Road

This segment focuses on improvements to bicycle, pedestrian, and equestrian infrastructure within the existing right of way. The recommendation includes advisory lanes which would reconfigure roadway striping to create one bi-directional travel lane and useable shoulders on a roadway that is otherwise too narrow to accommodate bicyclists, pedestrians, and equestrians. The shoulder would be 4 feet wide and delineated by pavement marking and optional pavement color. The center lane is dedicated to two-way motor vehicle traffic and motorists may only enter the shoulder when no other users are present and must overtake these users with caution. Similar to developments along Mad River Road to Heindon Road, these improvements will encourage various active transportation modes and create a safer space bicyclists, pedestrians, and equestrians as they are further removed from motorists.



OCEAN DRIVE - PROPOSED
Hiller Road to School Road

0.6	1	25	2
Miles	Parks	Local Road	Trail Access Points



School Road

Existing Conditions

School Road is a three-lane minor collector road that links residential areas west of US-101 to Central Avenue commercial corridor to the east. The roadway is primarily fronted by residential driveways and connections to neighborhood streets. The corridor is characterized by Class II bicycle lanes on both sides of the roadway, intermittent accessible sidewalk connectivity, and the sidewalk parkways.

On-street parking is permitted on the roadway's southerly side throughout the corridor and is prohibited on the northerly side between US-101 and Washington Avenue. The roundabout at School Road/Salmon Avenue/McKinleyville Avenue includes splitter islands, continental crosswalks, and sidewalks. Due to gaps in the sidewalk, pedestrians travel in the shoulder in some segments between US-101 and Central Avenue.

Between 2015 and 2019, three pedestrian and bicycle collisions were reported along School Road, two of which occurred at the intersection of School Road and Central Avenue. There is an opportunity to enhance bicycle facilities at signalized intersections and improve sidewalk gap closure.

Recommendations

The School Road corridor was identified in a public survey and at the community workshop regarding priority corridors in the study area. Throughout the community engagement, public comments were submitted related to School Road specifically east of Highway 101 and near the roundabout.






*** Cost Estimate: \$3,379,000**

* Anderson Avenue to Salmon Avenue

This segment focuses on enhancing pedestrian facilities including sidewalk gap closure on the roadway's northerly side from Anderson Avenue to the roundabout at Salmon Avenue. This improvement will enhance the area's walkability, make it more accessible for all users, and thus encourage walking throughout the area.

* Roundabout at Salmon Avenue

This segment focuses on modifying the roundabout to include pedestrian and bicycle support facilities such as an off-street trail/widened sidewalk to allow cycling outside of the circulating vehicular traffic for less confident bicyclists.

				
0.6 Miles	Minor Collector Road	1 Grocery Store	1.7 Bicyclist Collisions per Mile	1 Trail Access Point

- 1 Roundabout Modification
- 2 Sidewalk Gap Closure



Washington Avenue



Existing Conditions

Washington Avenue is a two-lane minor collector road that connects between McKinleyville Avenue and School Road and serves single-family homes. The corridor provides access to an existing segment of the Mid-Town Trail, with off-street connection to Heartwood Drive, Elmwood Place, and Sagewood Way.

The section between McKinleyville Avenue and 3 Cabins Lane is characterized by accessible sidewalks and ADA ramps on the northerly side of the roadway. There are four one-way stop-controlled T-intersections between McKinleyville Avenue and Dena Drive, with a total of three ADA-accessible curb ramps, and no marked crosswalks. A land development project has been conditioned to

construct sidewalks on the westerly side of Washington Avenue north of School Road, consisting of 10-foot wide sidewalk and 5-foot wide sidewalk parkway. No collisions involving pedestrians or bicyclists were reported on Washington Avenue between 2015 and 2019.

Recommendations

Washington Avenue has been cited by the community during the public engagement process as a corridor needing improvements for pedestrian and bicycle facilities. In the concept development phase of this project, community feedback identified sidewalk gap closure and Class II Bike Lane improvements as preferred treatments. In 2022 the county conditioned a land development project to add Class II Bike Lanes and sidewalks along the project frontage north of School Road. Sidewalk gap closure is recommended on the east side of Washington Avenue between School Road and Oakdale Drive. If the planned land development does not complete sidewalk gap fill on the west side of Washington Avenue, the improvements are recommended to be completed by the County of Humboldt.

*** Cost Estimate: \$1,043,000**

1 Trail Access Point

0.4 Miles

SPEED LIMIT 25 Minor Collector Road



Transit Access Improvements

Based on collaborative discussions with HTA, improvements to transit stops are recommended. HTA operates the Redwood Transit System (RTS) which is a fixed-route bus route that serves the McKinleyville community. The RTS route travels primarily on Central Avenue with a segment on McKinleyville Avenue traveling adjacent Morris Elementary School and McKinleyville High School. This study recommends pursuit of transit stop improvements to include the following during capital projects led by the County, MCSD, Caltrans, or other applicable agencies:

- All-weather paved loading zone measuring at least 8-feet wide and 5-feet deep with 2% slope or less.
- A desired transit loading zone would measure 10-feet wide and 5-feet deep and meet ADA standards.
- Consider green infrastructure and hardscape improvements to highlight the transit stop.
- Provision of seating, trash receptacles, shelter, bicycle parking, and passenger information and wayfinding.
- Consider other amenities such as real-time transit arrival information.

Subject to advancement the Town Center Development project, HTA will evaluate potential route modification of RTS and potentially consider routing along Hiller Road with transit stops serving the new land use and potential transit riders.



Central Avenue South Long-Term Alternative Alignments

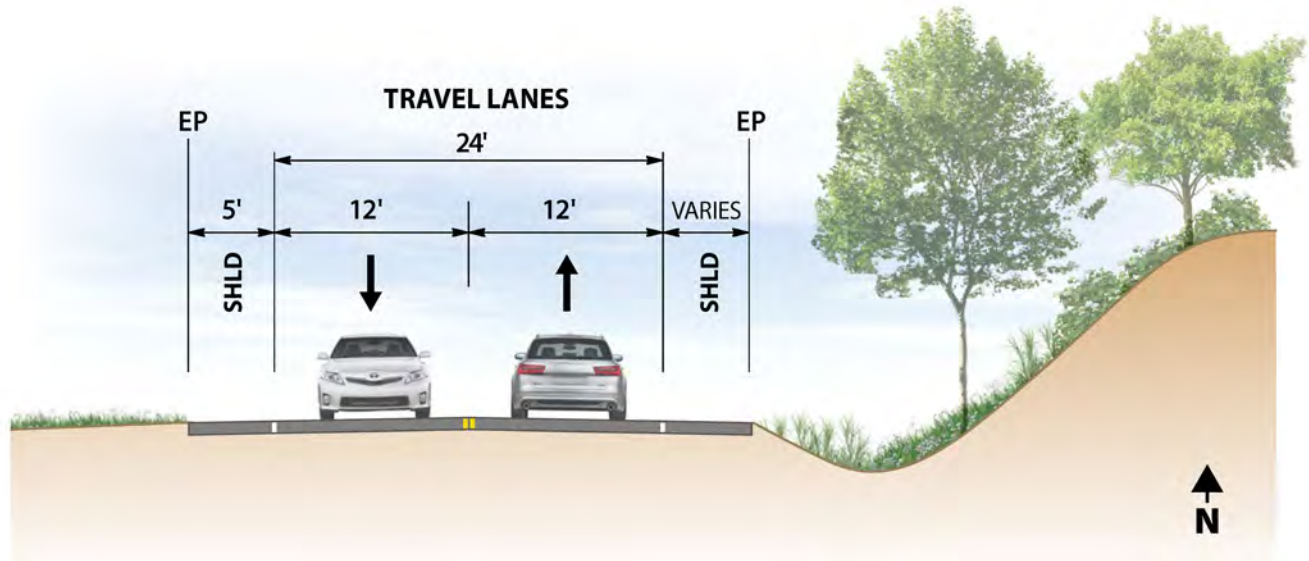
Throughout development of the MMCP, the need to provide bicycle and pedestrian connection to the 101 Mad River Bridge Bike Path was repeatedly raised as a need during community engagement. The existing route on Central Avenue, south of School Road, is direct yet challenging and not a comfortable solution for active transportation users of all ages and abilities. Contra flow walking and cycling often occurs given the complexity of the Central Avenue couplet and crossings near North Bank Road. Crash history between 2015 and 2019 show five fatalities involving a pedestrian or a bicyclist on Central Avenue between School Road and the 101 Mad River Bridge Bike Path.

Central Avenue between School Road and North Bank Road is managed by Caltrans for approximately 2,500-feet north of North Bank Road and managed by the County of Humboldt for the rest of the roadway to the north.

Interim or near-term solutions have been presented in this report to improve conditions along Central Avenue between School Road and North Bank Road. The interim improvements identified earlier in this report include items such as shoulder widening and paving an off-street path where possible. Parallel with the interim improvements, this report recommends advancing a long-term solution to provide a high quality/high comfort facility for people walking and cycling along Central Avenue between School Road and North Bank Road as discussed below.

As shown on Figure 13, the project team, in coordination with key project stakeholders, identified a series of seven alternatives along existing and potential right-of-way. All seven routes were conceptualized to connect between the intersection of Central Avenue/School Road and the US-101 Mad River Bridge Bike Path for comparative analysis using a uniform set of evaluation metrics.

Figure 12 Central Avenue Between Henry Lane and North Bank Road - Existing Conditions Cross Section



Alternative 1

Alternative 1 is a 3.0-mile route that diverts east of Central Avenue to travel through low density residential areas. The route would be a combination of bikeway facilities along Central Avenue, Bartow Road, Cochran Road, Azalea Avenue, and North Bank Road.

The detailed alignment for Alternative 1 is as follows: Class I off-street shared-use path on the easterly side of Central Avenue traveling south toward Bartow Road. Along Bartow Road the facility continues east as a Class III bikeway, continues east along Cochran Road, and continues south along Azalea Avenue to the Azalea Avenue/Hewitt Road intersection. From here the facility transitions to Class II bike lanes continuing south on Azalea Avenue toward North Bank Road. At the Azalea Avenue/North Bank Road intersection an RRFB (or similar) would be installed to facilitate crossing to the southerly side of North Bank Road. A Class I off-street shared-use path would be constructed along the southerly side of North Bank Road connecting westerly to the 101 Mad River Bridge Bike Path.

Alternative 2

Alternative 2 is a 1.2-mile route travelling along the easterly side of Central Avenue. The facility would be a Class I off-street shared-use path along the easterly side of Central Avenue and continue along the northerly side of North Bank Road to the North Bank Road/Reserve Road intersection. An RRFB (or similar) would be installed at the North Bank Road/Reserve Road intersection to facilitate crossing to the southerly side of North Bank Road to connect to the 101 Mad River Bridge Bike Path.



Alternative 3

Alternative 3 is a 1.5-mile route travelling along the westerly side of Central Avenue. The facility would be a Class I off-street shared-use path along the westerly side of Central Ave. A new bridge facility would be constructed adjacent to the existing southbound Central Avenue bridge over US-101 to facilitate crossing to the southerly side of US-101 to reach Silva Road. A new underpass facility would be constructed to facilitate connection between Silva Road to the easterly side of US-101 and connect to the 101 Mad River Bridge Bike Path.

Alternative 4

Alternative 4 is a 2.0-mile route that diverts west of Central Avenue along Mill Creek and along US-101. The facility would be a Class I off-street shared-use path along the northerly side of Mill Creek and connect to the northerly side of US-101. An overpass would be constructed at the US-101/Mill Creek junction to facilitate crossing to the southerly side of US-101. The Class I would continue south along the southerly side of US-101 to Silva Road. A new underpass facility would be constructed to facilitate connection between Silva Road to the easterly side of US-101 and connect to the 101 Mad River Bridge Bike Path. The Mill Creek crossing could include joint improvements to the creek that travels underneath US-101.

Alternative 5

Alternative 5 is a 2.5-mile route that diverts west of Central Avenue to travel on existing bicycle facilities and along US-101. The facility would utilize the existing Class II bike lanes on School Road, then travel along Class III along local roads including Salmon Avenue and Griffith Road, and Class I off-street shared-use path along US-101 with a crossing at Mill Creek. The Mill Creek crossing could include joint improvements to the creek that travels underneath US-101.

The detailed alignment for Alternative 5 is as follows: Utilize existing Class II bike lanes on School Road westbound to the roundabout at School Road/Salmon Avenue intersection. At this location, the facility transitions to a Class III bike route continuing south along Salmon Avenue then west along Griffith Avenue. Right of way would be acquired to connect the facility from the terminus of Griffith Avenue to the easterly side of US-101. From this location, a Class I off-street shared-use path would be constructed along the easterly side of US-101 to the US-101/Mill Creek junction. An overpass would be constructed at the US-101/Mill Creek junction to facilitate crossing to the southerly side of US-101. The Class I would continue south along the southerly side of US-101 to Silva Road. A new underpass facility would be constructed to facilitate connection between Silva Road to the easterly side of US-101 and connect to the 101 Mad River Bridge Bike Path.

Alternative 6

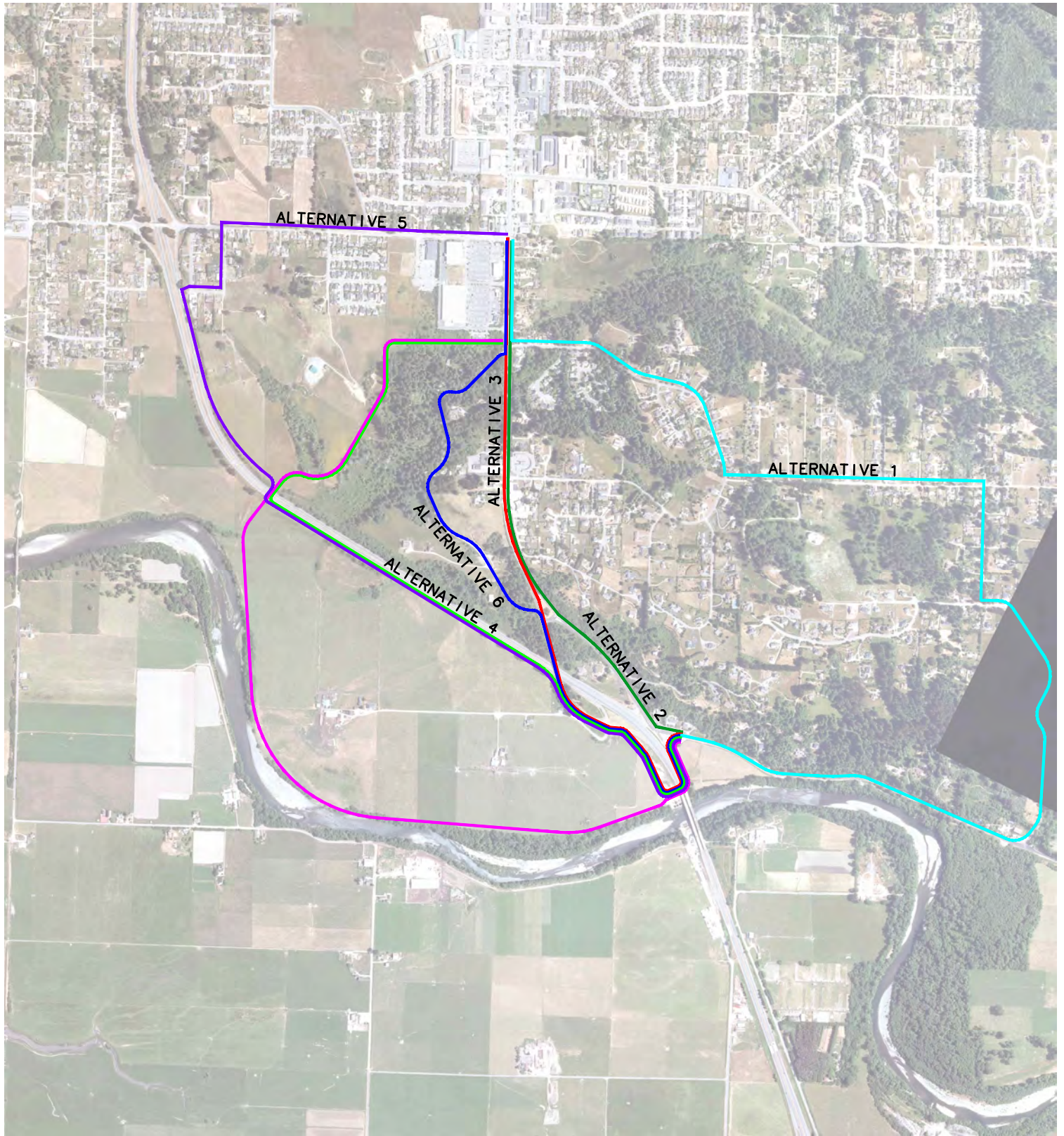
Alternative 6 is a 1.6-mile route that diverts west of Central Avenue to travel through low density residential areas along Turner Road. The facility would be a Class I off-street shared-use path along the westerly side of Central Avenue and transition to a Class III bike route continuing south along Turner Road. Right of way would be acquired to connect the facility from the terminus of Turner Road to the westerly side of southbound Central Avenue. A new bridge facility would be constructed adjacent to the existing southbound Central Avenue to facilitate crossing to the southerly side of US-101 to reach Silva Road. A new underpass facility would be constructed to facilitate connection from Silva Road to the easterly side of US-101 and connect to the 101 Mad River Bridge Bike Path.

Alternative 7

Alternative 7 is a 2.3-mile route that diverts west of Central Avenue along Mad River and Mill Creek. The facility would be a Class I off-street shared-use path constructed along the northerly side of Mill Creek and connect to the northerly side of US-101. An overpass would be constructed at the US-101/Mill Creek junction to facilitate crossing to the south side of US-101. The Class I facility would continue south until reaching Mad River. The facility would continue as a Class I off-street shared-use path eastbound along Mad River until reaching the US-101 Mad River overpass. A new underpass facility would be constructed to facilitate movement to the easterly side of US-101 and connect to the 101 Mad River Bridge Bike Path. The Mill Creek crossing could include joint improvements to the creek that travels underneath US-101. Additionally, the project could align with needed levee improvements along the north side of Mad River.



Figure 13 Central Avenue South Long-Term Alternative Alignments



ALTERNATIVE 1		3.0 MI
ALTERNATIVE 2		1.2 MI
ALTERNATIVE 3		1.5 MI
ALTERNATIVE 4		2.0 MI
ALTERNATIVE 5		2.5 MI
ALTERNATIVE 6		1.6 MI
ALTERNATIVE 7		2.3 MI

SCALE: 1" = 1500'

**CENTRAL AVENUE SOUTH LONG-TERM
ALTERNATIVE ALIGNMENTS**



Central Avenue South Long-Term Alternative Alignments Evaluation

Evaluation metrics were developed to compare the Central Avenue South Long-Term Alternative Alignments in a prioritization matrix. The PTF and the County met to identify evaluation metrics for the seven alternative alignments. Input received helped refine the metrics and determining evaluation weighting, including capital cost, bicycle level of stress, route directness, intersection crossings, operations and maintenance, right-of-way, and topography change. Descriptions of the metrics and the final weight assigned are shown in Table 1, below.

Table 1 Central Avenue South Long-Term Alternative Alignments Evaluation Metrics and Weighting

Metric	Description	Weight
Capital Cost	Capital construction costs to build alignment (bridges, asphalt, etc.) Environmental Impacts (potential impacts to environment to construct.) Engineering Design Complexity (measure complexity of design plans and challenges to overcome.)	1.7
Bicycle Level of Stress	Review if route is adjacent high volume/high speed traffic or not.	1.7
Route Directness	Review if out of the way travel is needed; reducing attractiveness of route.	1.6
Intersection Crossings	Complexity and volume of car traffic that bicycle and pedestrian users need to cross.	1.4
Operations & Maintenance	Costs for labor and materials to maintain high quality facility.	1.4
Right of Way / Easements	Need to secure property rights or easements to advance alignment.	1.2
Topography	Steepness of the route, in which a greater slope would present more burden on bicycle and pedestrian users.	1.0

Each corridor was independently evaluated to assign a score of 1 (low), 2 (medium), or 3 (high) with higher numbers reflecting higher performance per metric. Weighting was then applied to each score to develop a composite result for each of the seven alternatives. The results of the prioritization matrix are illustrated in Figure 14, where greater sum values indicate greater performance.

The top three performing corridors in order of best performance were Alternative 2, Alternative 6, and Alternative 3. We recommend the County advance to a preliminary design and environmental documentation in collaboration with local partners and the public to determine right-of-way needs, probable construction costs, and identification of key items needed for future implementation. Given the engineering complexity, potential right-of-way acquisition needs, and availability of funding, this is expected to have a long-term schedule for implementation.

Figure 14 Central Avenue South Long-Term Alternative Alignments – Evaluation Results

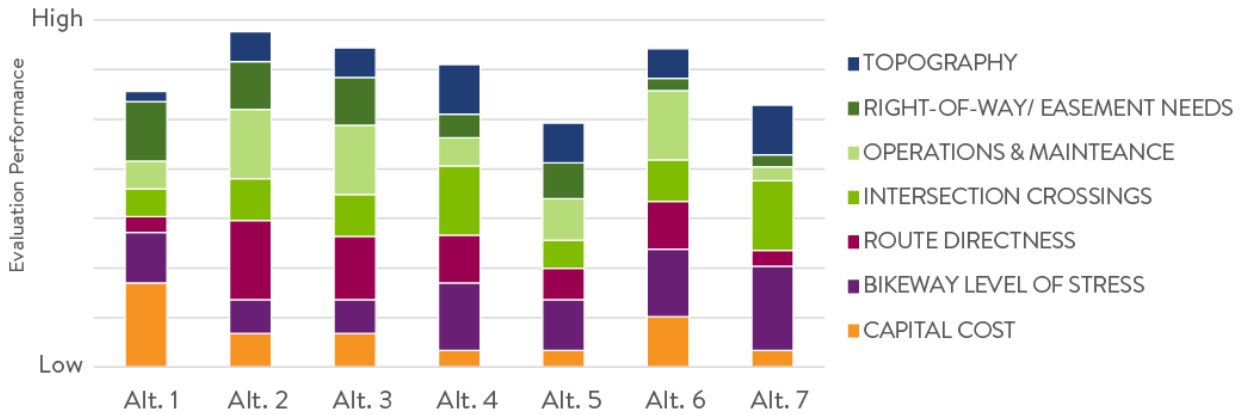
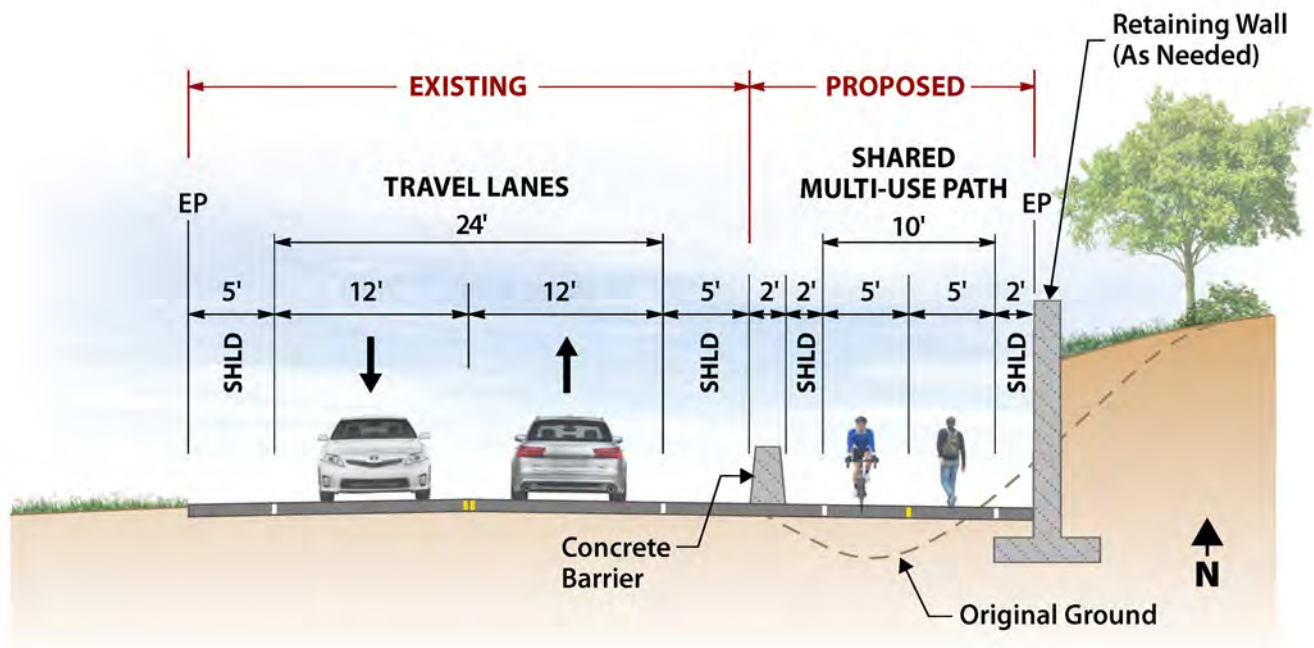


Figure 15 Central Avenue Between Henry Lane and North Bank Road – Alternative Alignment 2 Cross Section



Connectivity to North Arcata

The McKinleyville area is physically separated from North Arcata via the Mad River which travels east-west, with two well-established connections crossing the Mad River:

1. Hammond Trail bridge over Mad River west of US-101 (former railroad trestle)
2. US-101 Mad River Bridge Bike Path (serving both bicycle and pedestrian traffic)

The following additional project recommendations are provided to enhance connectivity to North Arcata:

1. Provide Class III bike route improvements along Wymore Road between the southern terminus of the US-101 Mad River Bridge Bike Path and Caltrans planned Boyd Draw connection under US-101.
2. Provide Class III bike route improvements along Wymore Road between Caltrans planned Boyd Draw and Giuntoli Lane.
3. Provide Class III bike route improvements along Heindon Road between Boyd Draw and Giuntoli Lane.
4. Improve Fischer Avenue with paved Class III bike route or advisory bike lanes improvements between School Road and the existing the Hammond Trail bridge over Mad River.
5. Reconstruct and widen the Hammond Trail bridge over Mad River consistent with preliminary design funding secured by County of Humboldt.
6. Provide Class III bike route or advisory bike lanes improvements along Mad River Road, Miller Lane, and Heindon Road to Giuntoli Lane.

Benefits to Disadvantaged Communities

The project recommendations benefit disadvantaged and historically underserved communities in the project area. Per statewide mapping, the McKinleyville area is designated as a low-income community. Per Assembly Bill 1550 (2016), low-income communities and households are defined as the census tracts and households, respectively, that are either at or below 80 percent of the statewide median income. Census Tracts 6023010501 and 6023010502 both are identified as low-income communities and encompass the project study area north of the Mad River. Therefore, the recommended project improvements will benefit disadvantaged community members.

Recommended Phasing

Conceptual projects developed for the MMCP range from low-cost improvements, such as signing and striping, to high-cost capital projects, such as bridge structure construction. The County of Humboldt can phase implementation of projects throughout McKinleyville to continue momentum towards improvement to the transportation network. Projects have been divided into three phasing categories based on estimated time to complete:

1. Near-Term (0-2 Years)
2. Medium-Term (2-5 Years)
3. Long-Term (5+ Years)

Table 2 summarizes recommended project concepts, likely phasing, and estimated engineering construction cost. The concepts preferred in community engagement are highlighted in green.

Table 2: Recommended Project Phasing and Estimated Cost

#	Corridor	Recommendation	Phasing	Estimated Cost
1	Azalea Avenue	Class III Bikeway	Near-Term	\$314,000
2	Azalea Avenue	Shoulder Widening	Medium-Term	\$4,560,000
3	Central Avenue	Widened Sidewalk Trail	Long-Term	\$4,830,000
4	Central Avenue	Lane Reduction	Medium-Term	\$1,024,000
5	Central Avenue	Buffered Bike Lanes	Near-Term	\$1,024,000
6	Hiller Road	Widened Sidewalk Trail	Medium Term	\$1,153,000
7	Hiller Road	Sidewalk Gap Closure/Cycletracks	Medium-Term	\$4,488,000
8	Hiller Road/McKinleyville Avenue	Intersection Narrowing	Medium-Term	\$570,000
9	Mad River/Miller/Heindon	Advisory Lanes	Medium-Term	\$428,000
10	Mad River/Miller/Heindon	Class III Bikeway	Near-Term	\$385,000
11	McKinleyville Avenue	Class II Bike Lane s	Near-Term	\$1,124,000
12	McKinleyville Avenue	Class III Bikeway	Near-Term	\$1,067,000
13	McKinleyville Avenue	Sidewalk Gap Closure/Signing/Striping	Medium-Term	\$844,000
14	North Bank Road	Shoulder Widening (Phase 1)	Long-Term	\$7,598,000
15	North Bank Road	Shoulder Widening (Phase 2)	Long-Term	\$5,496,000
16	Ocean Drive (Hiller Road to School Road)	Advisory Lanes	Medium-Term	\$441,000
17	School Road	Roundabout Modification	Medium-Term	\$608,000
18	School Road	Sidewalk Gap Closure	Medium Term	\$2,771,000
19	Washington Avenue	Sidewalk Gap Closure	Medium-Term	\$1,043,000
20	Central Avenue Interim Improvements	Multiple Recommendations	Near-Term	\$975,000
21	Central Avenue South Long-Term Alternative 1	See Alternative 1 description	Long-Term	\$2,191,000
22	Central Avenue South Long-Term Alternative 2	See Alternative 2 description	Long-Term	\$1,715,000
23	Central Avenue South Long-Term Alternative 3	See Alternative 3 description	Long-Term	\$3,225,000
24	Central Avenue South Long-Term Alternative 4	See Alternative 4 description	Long-Term	\$9,060,000
25	Central Avenue South Long-Term Alternative 5	See Alternative 5 description	Long-Term	\$8,878,000
26	Central Avenue South Long-Term Alternative 6	See Alternative 6 description	Long-Term	\$1,872,000
27	Central Avenue South Long-Term Alternative 7	See Alternative 7 description	Long-Term	\$9,579,000

Next Steps

The County will continue partnership with stakeholders and public engagement to advance conceptual project designs to enhance multi-modal connectivity throughout McKinleyville.

Near-Term Projects

The County of Humboldt will coordinate among departments and local organizations as needed to program conceptual project elements into annual maintenance and capital improvement programs.

Medium-Term and Long-Term Projects

The County of Humboldt will coordinate among departments, organizations, and local, regional, and state agencies as needed to apply or co-apply for funding resources or grant opportunities. Funding may be required to complete preliminary and final design, environmental review, right-of-way acquisition, permitting, and construction.

Conclusion

The McKinleyville Multimodal Connections Project developed network recommendations to enhance multimodal connectivity based on feedback from the public, community stakeholders, project task force, and the County of Humboldt during an eighteen-month long engagement process. A total of twenty-seven conceptual projects and cost estimates have been developed for nine corridors within the project study area. The conceptual projects have been prioritized based on feedback and evaluation metrics.

The estimated total cost to construct prioritized conceptual projects is \$38 million. Next steps for the County of Humboldt and project partners includes confirming or refining conceptual projects and moving toward implementation. There is an opportunity to implement low-cost projects through coordination with the County's recurring roadway maintenance programs, such as projects involving signing and striping. Larger projects may be submitted to State and Federal grant programs with match funding from the County to receive funds for design and construction.

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MCSD/MMAC Joint Meeting

BOARD OF DIRECTORS

November 8, 2023

TYPE OF ITEM: **INFORMATIONAL**

ITEM: C.2 **Discussion of the Exploration of Incorporation of McKinleyville**

PRESENTED BY: **Kevin Jenkins, Chair of McKinleyville Incorporation Exploration Subcommittee of MMAC**

TYPE OF ACTION: **None**

Recommendation:

Staff recommends that the Boards review the information provided, discuss, take public comment and participate in the presentation.

Discussion:

The MMAC established a McKinleyville Incorporation Exploration Subcommittee (MIESC) earlier this year with the goal of providing a non-biased exploration of what it would take for McKinleyville to incorporate as a city. Since that time, the MIESC has been meeting monthly to attempt to gather cost and technical information to be used to educate the subcommittee and public around incorporation. The MIESC has made important progress along these lines. The subcommittee has worked closely with Colette Sanche, the Director of Humboldt County Local Agency Formation Committee (LAFCo), to understand the steps in the process towards incorporation. The MIESC has also worked closely with Josh Zedner at CalPoly to perform an initial study of incorporation advantages and disadvantages, and the finances of similar sized cities in California. Draft maps of potential city boundaries are included as **Attachment 1**, and the Cal Poly report is included as **Attachment 2** to this Staff Note.

The initial work associated with the MIESC has been completed, but the next task that remains to further assess the feasibility of incorporation is the preparation of a Preliminary or Initial Feasibility Analysis which would included a more detailed analysis of costs and feasibility of an incorporated McKinleyville. The Initial Feasibility Analysis would also be necessary to accompany an application for incorporation to be submitted to LAFCo. CalPoly believes there may be State and Federal grant funding available to complete the Initial Feasibility Analysis and would be willing to assist is securing this funding.

At the October 25,2023 MMAC Board Meeting, the Board adopted the following:

- In order to support the development of an Initial Feasibility Analysis, the MMAC will establish an Ad Hoc Committee per the recommendations of the Humboldt County Civil Grand Jury and Humboldt LAFCo. This ad hoc committee is to be made up of affected agencies such as MCSD, LAFCo,

Arcata Fire Protection District, CalPoly Humboldt, and will include the fifth District Supervisor, and other interested parties, including members of the Public at large. The goal of the ad hoc committee will be a neutral evaluation of whether incorporation is economically feasible and in the best interest of the community. The ad hoc committee will identify funding to support the Initial Feasibility Analysis; develop a draft solicitation (e.g., scope of work, budget, and selection criteria); and ultimately determine the appropriate entity to enter into a contract with an experienced consulting firm to prepare the Initial Feasibility Analysis.

- The ad hoc committee will work with an appropriate entity on planning community engagement and education of the incorporation process.

It is anticipated that the ad hoc committee will be formed and continue this important work in early 2024.

Alternatives:

Take Action

Fiscal Analysis:

Not applicable

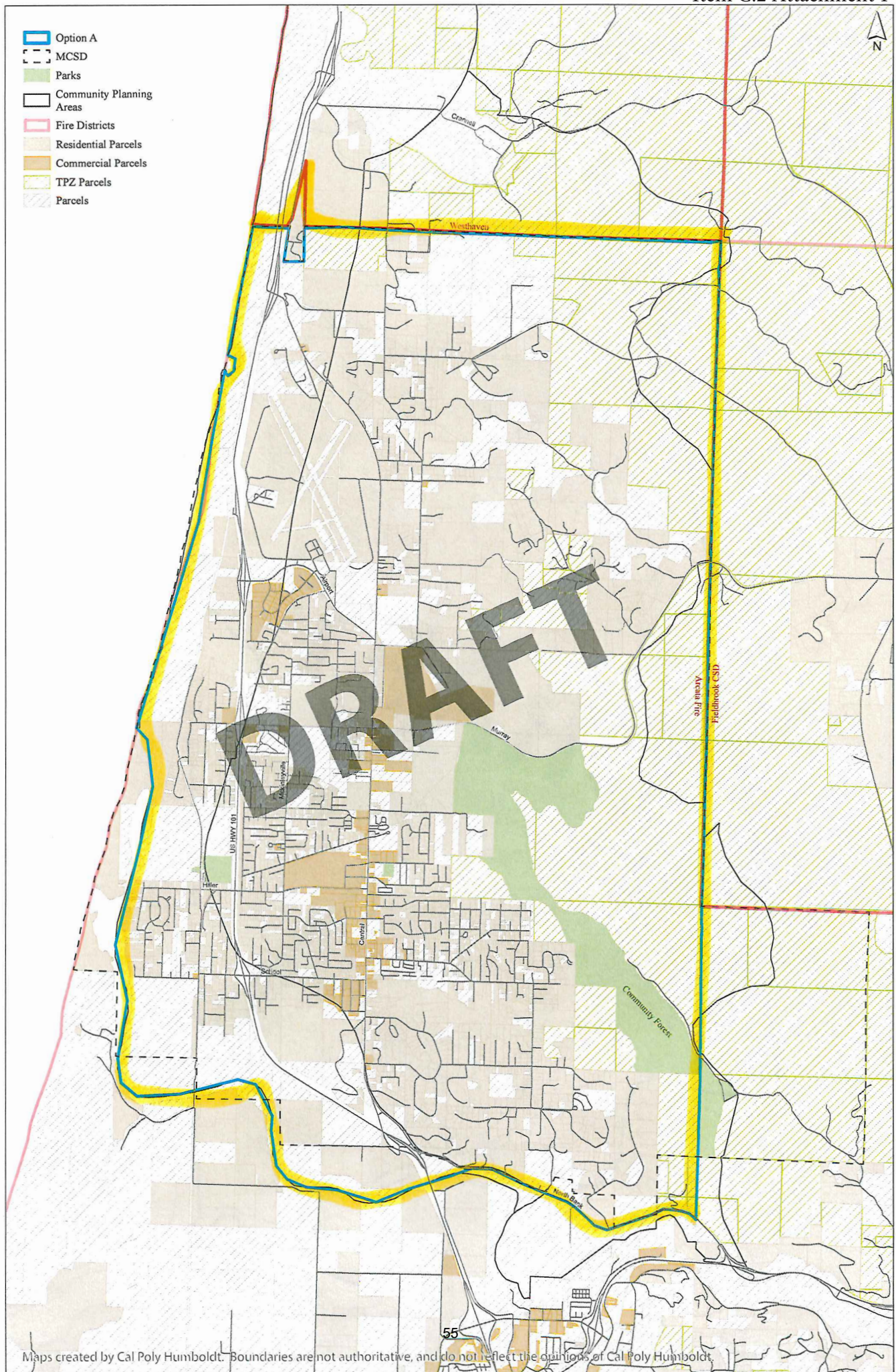
Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – Draft Alternative Boundary Maps for City of McKinleyville
- Attachment 2 – Cal Poly Incorporation Report

-  Option A
-  MCSD
-  Parks
-  Community Planning Areas
-  Fire Districts
-  Residential Parcels
-  Commercial Parcels
-  TPZ Parcels
-  Parcels





Cal Poly
Humboldt.

**Local
Government
Data to Inform
Decision-
Making:**

**Report to the
McKinleyville
Incorporation
Exploration
Committee**

Josh Zender, Ph.D., CPA

Elizabeth Redfern

William LeFils

West Modafferi

April 2023

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EXECUTIVE SUMMARY



Executive Summary

This research study was requested by members of the McKinleyville Incorporation Exploration (MIE) board, a subcommittee of the McKinleyville Municipal Advisory Committee (MMAC). The MMAC was established on May 1, 2012 by the County of Humboldt (Resolution No. 12-27) to provide advice and recommendations to the County on local issues affecting the McKinleyville community. In September 2022, the MMAC voted to form the MIE to conduct research and outline current findings to inform the MMAC and the community about the feasibility of incorporation. The MIE conducts business via publicly noticed meetings in accordance with MMAC bylaws.

Cal Poly Humboldt was invited by members of the MIE to prepare this initial fact-finding study earlier this year. The purpose of this study is to help inform the merits of further studying the question of incorporation. Additional technical planning will be necessary for the MIE to gain eligibility to petition to become a city with Local Agency Formation Commission (LAFCo) approval. The legal steps that will still need to be performed in the approval process include conducting a preliminary feasibility study, establishing logical boundaries, obtaining petition signatures from at least 25% of registered voters or via a county board resolution, conducting a comprehensive fiscal analysis demonstrating revenue neutrality, and achieving voter approval by most residents. If the community were to incorporate, it would need to establish its own local government, raise revenue through taxes, and deliver a range of public services.

The possibility of McKinleyville becoming a city is still years away, yet this study seeks to help inform the public before any formal pre-initiation efforts are undertaken. The report is structured to help inform awareness around the following questions:

- Drawing from the experiences of other local communities and academic research, what are the benefits and drawbacks of incorporation?
- What has been the incorporation experience of other recently created California cities?
- Who is currently responsible for providing services to residents of the McKinleyville community?
- What services would be most appropriate for the City of McKinleyville to assume?
- Is the existing tax base sufficient to support these municipal services?

To gather information on these questions the research team relied predominantly upon publicly available secondary data from state and local governments, as well scholarly and internet sources. Input and feedback were also solicited from board members of the MIE, County staff, and LAFCo in the Spring 2023 academic term. One of the major aims of the research team was to strive to collect information so the community could make an informed decision on the issue of incorporation. As a research team, we do not view our role as being advocates for incorporation, nor proponents opposing such efforts. Our goal is simply to collect, compile, and present publicly available information in an unbiased manner.

This report has five major sections:

- **Section I Introduction** - this section provides a brief summary of the incorporation movement within McKinleyville, as well as the legal steps the community would need to undertake to incorporate. We survey the extensive array of academic research published on

the topic of municipal incorporation and identify several broad themes. The literature suggests the community should expect both start-up and on-going expenses to support city operations, which would need to be financed through a combination of new taxes, debt, or existing tax revenue shared with the County of Humboldt. The transition to becoming a city is not always smooth and can give rise to interjurisdictional conflicts. However, if McKinleyville were to incorporate, residents are likely to see improvements in public services through greater local representation and control. The community would have greater capacity to protect natural and cultural resources. The literature suggests that property values and other economic activities are likely to increase.

- **Section II Incorporation Experiences in California** – the research team analyzed the economic and financial outcomes of four recently incorporated cities in California, namely Wildomar, Menifee, Eastvale, and Jurupa Valley. Our team examined various indicators such as tax revenue, job growth, municipal expenditures, and population changes to evaluate the cities’ economic and financial performance. We find that all four cities experienced significant economic growth and revenue gains after incorporation. All newly formed cities emerged successfully with sustained job growth and healthy municipal finances.
- **Section III The Current State of McKinleyville** – in this section we analyze the current special districts and other governments that provide services in McKinleyville. For example, we briefly examine the services provided by the McKinleyville Community Services District (MCSD), the Arcata Fire District (AFD), and County of Humboldt, among others. We organize relevant demographic and economic data about the community, such as population trends, income levels, and tax revenue sources to assess the community’s economic health. The data is aimed to provide a comprehensive understanding of the services currently available to the community and the potential impact of incorporation on service delivery and fiscal sustainability.
- **Section IV Financial Data and Estimates** - to assess the financial capacity of McKinleyville to support incorporation, the research team conducted a comparative analysis of the revenues and expenditures cities with similar population sizes. We examined various financial metrics such as per capita tax revenue and per capita operating expenditures to determine a possible operating budget for a theoretical city of McKinleyville. Based on population growth and other factors, the team concluded that McKinleyville has the financial capacity to support a limited scope city. However, we caution readers that our findings are not to be confused with or replace the need to perform a comprehensive fiscal feasibility study as required under California law before incorporation. Additional financial and community data will need to be collected to gain a comprehensive understanding of the financial feasibility of incorporating McKinleyville.
- **Appendix** - The appendix of the research report contains additional information about the incorporation process and provides more detailed financial data on the recently incorporated cities. The appendix also includes select financial data for Arcata and Fortuna, which are considered the two most appropriate local comparators for McKinleyville. These cities’ financial data provide more insight into the potential revenues and expenditures of a newly incorporated city in the area. Additionally, the appendix contains more details about the potential sources of revenue available to support municipal services, such as property taxes, sales taxes, and other fees. The information in the appendix can help readers gain a more comprehensive understanding of the financial implications of incorporation for McKinleyville.

SECTION I
INTRODUCTION



I. Introduction

Scope of this Study

Cal Poly Humboldt has been invited by members of the MIE to prepare an initial fact-finding study. The purpose of this study is to establish a baseline for which decisions could be made around the merits of pursuing additional technical planning that would be necessary for the McKinleyville unincorporated area to petition to become a city with Local Agency Formation Commission (LAFCo) approval. Our research team consists of individuals with expertise in public policy, business, and economics. During spring semester, 2023, two graduate students in the Master of Business Administration program and one undergraduate student in the Economics Department, under the direction of Dr. Josh Zender, assembled much of the descriptive and fiscal data used in this report.

History of Incorporation Efforts

After World War II, McKinleyville experienced rapid growth and development as the population of Humboldt County increased and the demand for housing and commercial space increased. To gain more local control of public services and land use planning in the area, a group of citizens took the necessary steps in the 1960s to attempt to incorporate McKinleyville:

Incorporation of McKinleyville was put to a vote in 1966 and defeated. Joe Vukonich was quoted in the Times-Standard, Feb. 9, 1991 as recalling, “In 1966 we had no one out here. A farmer doesn’t like cities and we were a farming community.” Critics of incorporation cited an inadequate tax base and the threat of increasing taxes as reasons not to incorporate. In addition, disputes over boundary lines for incorporation contributed to the measure’s defeat.

In 1981, the Local Agency Formation Commission (LAFCO) recommended, “the McKinleyville Community Services District should be urged to begin preparation of a detailed study of the feasibility of incorporation for the community.” [McKinleyville Community Services District and Patrick Creek Community Services District Sphere of Influence Report, April, 1981] Discussion of incorporation continued. In the fall of 1997, the McKinleyville Chamber of Commerce formed a volunteer committee to investigate the pros and cons and feasibility of incorporation and an initial report was made to the Chamber in the spring of 1998. A few members of this committee, acting voluntarily and independent of the Chamber, continued to collaboration with three HSU graduate students in the MBA Program and their Project Director. The students presented a portion of their work at a McKinleyville Chamber of Commerce meeting in early spring, 1999, and later submitted their report to the volunteer study group. The volunteer study group discontinued meeting for more than a year and began holding public meetings again in fall, 2000 (Incorporation Study, 2000).

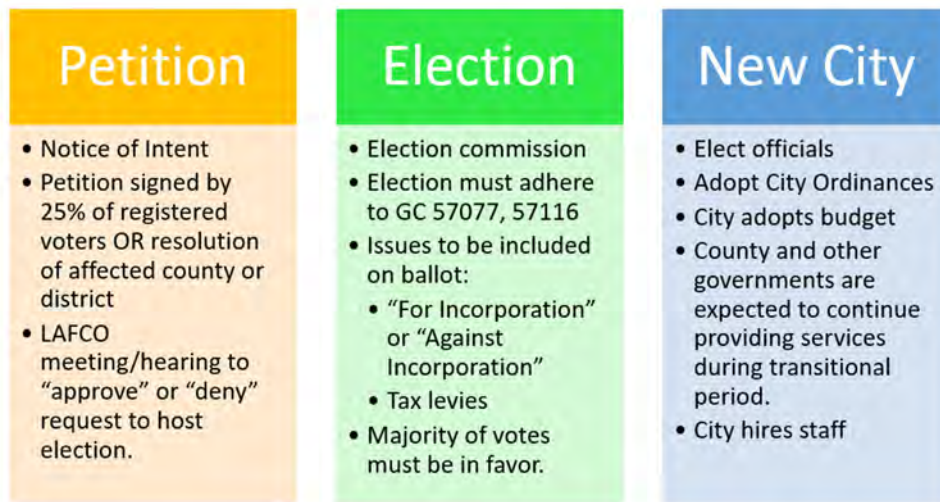
McKinleyville Municipal Advisory Committee (MMAC) was established on May 1, 2012 by the County of Humboldt (Resolution No. 12-27) to provide advice and recommendations to the County on local issues affecting the McKinleyville community. MMAC is an advisory body that provides

recommendations to the county board of supervisors on local issues within the unincorporated community it serves. The MMAC provides a forum for residents to express their views and concerns on local issues and helps to ensure that the County is aware of the needs and priorities of the McKinleyville community.

In September 2022, the MMAC voted to form the McKinleyville Incorporation Exploration (MIE) sub-committee to conduct research and outline current findings to inform the MMAC and the community about the feasibility of incorporation. The Subcommittee meets and conducts business in accordance with MMAC bylaws that include publicly noticed and publicly held meetings. The purpose of the MIE is to explore the possibility of incorporating McKinleyville, California as a city. The committee will explore the potential benefits and drawbacks of incorporating and make recommendations to the community on whether to proceed with the incorporation process. As of April 2023, this committee is composed of the following volunteers: Lisa Dugan, Kevin Jenkins, Pat Kaspari, Mary Burke, Tom Boyer, and Tom Sheets. The MIE is expected to assess a range of factors, such as the local economy, population growth, infrastructure needs, and financial considerations, to determine the viability of incorporation. The committee also intends to engage in community outreach and engagement activities to gather input from residents and other stakeholders on the issue of incorporation. Ultimately, the goal will be to provide a comprehensive analysis of recommendations to the community.

If the committee determines that incorporation is feasible through further research studies and in the best interest of the community, the MMAC could initiate the formal process of incorporation, which typically involves obtaining signatures from registered voters, submitting a petition to the county, and holding a vote to approve the incorporation (see Figure 1).

Figure 1: Steps to Incorporation



As reflected in Figure 1, the initiation of the incorporation process typically begins with the filing of a “Notice of Intent” to circulate a petition with the Local Agency Formation Commission (LAFCo) Executive Officer. This notice serves as a draft petition and is a crucial first step in the process of incorporating a community. Once the notice has been filed, the next step is to gather signatures from registered voters or landowners within the boundaries of the proposed incorporated area. To be considered for incorporation, a petition must be signed by at least 25% of registered voters or

landowners within the proposed boundaries. Alternatively, the initiation of the incorporation process could also be initiated by a resolution of an affected local agency, such as a county or community services district (CSD). In this scenario, the local agency would submit a resolution expressing its support for the incorporation of the community. Regardless of the method of initiation, the process should be transparent and involve the active participation of the community. Commissioning this study serves as an example of the careful consideration that will need to be undertaken to assess the potential benefits and challenges, as well as the costs and responsibilities associated with establishing a local government. The MIE appears to be taking the appropriate initial steps to engage in a comprehensive and inclusive planning process that involves residents, businesses, and other stakeholders in the decision-making process. For more information about the incorporation process and benefits of becoming a charter city, please refer to Appendix 1.

Academic Research

Since 1950, the United States has witnessed the incorporation of more than 3,310+ new municipalities (Rice, Waldner, and Smith, 2014), especially within the South (Smith and Debbage, 2006). However, Martin and Wagner (1978) find that the creation of the LAFCO, resulted in a 42% reduction in city formations within the State of California. While the pace of new incorporations has slowed significantly in the past decade (Waldner et al, 2013), scholars have taken an interest in studying this topic. Several academic research studies have been published that could help inform the MIE's decision-making. We attribute key findings associated with these studies throughout our report and a complete listing of this research can be found in the references section. In general, the research in this field can be grouped into the following themes:

- **Economic impact studies:** analyze the economic impact of municipal incorporation on the community, including effects on local businesses, property values, taxes, and government revenue. Additionally, these studies focus on conditions that give rise to incorporation (e.g., Leon-Moreta; Patrick & Mothorpe; Hodges & Stephens)
- **Case studies based in California:** examining the experiences of communities that have gone through the process within the State of California and corresponding outcomes (e.g., Martin and Wagner; Miller; Musso; Hogen-Esch; Zerunyan).
- **Comparative studies:** examine the benefits and drawbacks of municipal incorporation with other forms of local government, such as county government or special districts. These studies explore the interjurisdictional issues between county and cities (e.g., Anderson; Foster; Marando; and Glasze).
- **Legal studies:** focus on the legal and procedural requirements of municipal incorporation, including the process of incorporation, legal issues related to incorporation, and the impact of incorporation on the legal framework of the community (e.g., Lazega and Fletcher; Bentlyewski; Martin and Wagner).
- **Political studies:** examine the political dynamics of municipal incorporation, including the motivations of residents and stakeholders to support or oppose incorporation, the role of interest groups in the process, and the impact of incorporation on local politics (e.g., Zerunyan; Fleischmann; Burns).
- **Impact studies:** analyze the social and fiscal feasibility of municipal incorporation on the community, including effects on economic activity, public services, and quality of life (e.g., BJM Consulting, Pahrump).

- **Meta or trend analysis studies:** focus on the historical trends of municipal incorporation, patterns of proliferation, examining the motivations for incorporation and the outcomes they have achieved (e.g., Rice, Waldner, and Smith; Ingalls and Rassel; Smith).

By analyzing and synthesizing research studies from different categories, researchers and policymakers can develop a comprehensive understanding of the benefits and drawbacks of municipal incorporation, as well as the conditions under which it may be most effective. For instance, the research suggests that wider income heterogeneity, own-source revenue per capita, rising growth among unincorporated regions within a county area raises the probability of incorporation; meanwhile, restrictive legal requirements for local government autonomy lower the probability of incorporation (Musso, 2001; Hogen-Esch, 2011; Leon-Moreta, 2014). The research remains mixed as to whether population growth drives incorporation, but recent research does suggest a relationship between municipal incorporation and county's population growth rate (Ingalls and Rassel, 2005; Smith, 2011). Addressing the question of whether McKinleyville should incorporate is as much a value-based question as it is a technocratic question. Residents supporting or opposing such an initiative are most likely to be persuaded based in part on their political preferences, understanding of facts, and perception of how the decision will impact their lives. Before moving into the technical analysis, we outline some of the benefits and drawbacks to municipal incorporation as informed by peer-reviewed academic literature and experiences of other communities.

Probable Benefits of Incorporation

When conducting a content analysis of the reasons cited for municipal incorporations between the period 1997 to 2007, Rice, et. al. (2014), find the top eight explanations for municipal incorporations across the United States to be: 1) to defend a given community against annexation threat from a neighboring city, 2) to fight undesirable growth or land use proposals, 3) to preserve rural character, 4) to enhance public services, 5) to allow the community to control local revenue, 6) dissatisfaction with County government, 7) gain eligibility for federal or state grant funding, 8) to attract economic development and growth. In this section, we go into detail into the research findings supporting the following benefits of municipal incorporation in the following broad areas:

- **Local Control:** Incorporation allows a community to have control over its own local government, making decisions on important issues such as land use planning, public and private investment, taxes, and public services which all play a role in enhancing the physical character, community identity and quality of life in the McKinleyville area.
- **Local Representation:** Incorporation provides residents with a direct voice. In the case of McKinleyville, gaining municipal status would result in the local election of city council members, compared to the vast area of the Fifth District of the Board of Supervisors. Community members have also expressed concerns that McKinleyville is not adequately represented on other regional planning committees as a consequence of lacking municipal status. At the moment, the community only has 1/5th vote on matters within the County of Humboldt sphere of control. Without the support of other Board of Supervisors, the interests of the community are often overlooked. Local representatives would provide immediate community leadership and accountability for governmental decisions affecting McKinleyville residents.

- **Enhanced Public Services:** Consolidating responsibilities for public services (currently distributed between the County and MCSD) under a single local governing body could provide a higher or more responsive level of services to residents.
- **Economic Development:** Incorporation can create a favorable environment for business and economic development, attracting grant funds, investment and creating jobs. Local leadership could enhance the McKinleyville area's ability to compete for economically diverse businesses and increase existing property values.
- **Protection of Natural and Cultural Resources:** Local decision-making provides a mechanism for preserving important natural and cultural resources, such as parks and public lands.

Local Control

The creation of a city would allow the community to have more control over its own local government and decision-making processes (Advisory Commission on Intergovernmental Rights, 1987). By incorporating, a community can form its own local government, such as a city council, which would be responsible for making decisions on important issues affecting the community, including land use, taxes, and services (Fischel, 2001; Sokolow, et al., 1981). Incorporation also provides a community with more autonomy and independence, as decisions are made by local elected officials who are accountable to the community rather than being controlled by a county or state agency. Research suggests this model of government can potentially enhance citizen participation (Tiebot, 1956; Lowery and Lyons, 1989; Ostrom, et al, 1961; Buchanan, 1971; Peterson, 1981; Stein, 1987). This can result in more responsive and effective government that is better able to meet the needs of the community, rather than relying on a county or the state government to provide these services.

Local Representation

Local governments provide residents with a direct voice and a means to hold elected officials accountable for their actions (Porter, 1922). Residents can participate in the political process by voting in elections, attending council meetings, and speaking out on issues that are important to them. Having a direct voice in local government can increase resident engagement and empowerment, as residents can shape the future of their community by participating in the political process and advocating for their needs and interests. Musso (2001) found that incorporation proposals were more likely to achieve voter support in counties experiencing rapid growth. Moreover, several studies have found that the impetus for incorporation is to stave off the threat of annexation from other cities (Stauber, 1965; Miller, 1981; Fleishmann, 1986; Burns, 1994; Smith, 2007).

Improved Public Services

Municipal incorporation often leads to improved public services, infrastructure, and a higher quality of life, which can increase property values and benefit residents.¹ By incorporating, a community

¹ Previous studies of McKinleyville Incorporation identified the following resident's needs: (1) improved police protection; (2) improved land use planning and zoning including the ability to guide the density and timing of development, ordinance enforcement, and accountability; (3) community planning for economic development with adequate staff to pursue grants and provide economic incentives for businesses considering relocation; McKinleyville needs more employment opportunities; (4) agencies readily accessible and capable of immediate response.

can raise revenue through taxes and invest in essential services, such as police protection, firefighting, trash collection, street maintenance, and others. These services can improve the quality of life in the community and make it a more attractive place to live (Tiebot, 1956). By investing in its infrastructure and services, a community can create a more desirable and livable environment for residents and attract more investment into the community (Stauber, 1965; Teaford, 1979).

Economic Development

Incorporation can create a favorable environment for business and economic development, as this demonstrates a commitment to growth and development and provides a stable and predictable environment for investment (Miller, 1981; Musso, 2011). Improving public services, infrastructure, and public spaces can increase property values. For instance, through local leadership, land use planning and development, and cooperation of city government and private business, incorporated cities can attract new businesses to the area. In the case of McKinleyville, proximity to Cal Poly supports relocation of high technology research and development businesses to the area. Incorporation can also benefit adjacent communities. With improved economic development planning, more services can be made available and accessible to neighboring residents. In the case of McKinleyville, this might include indirect benefits to residents of Trinidad, Blue Lake, Fieldbrook, and Arcata, who mostly rely on Eureka for retail and service offerings.

Protection of Natural and Cultural Resources:

Newly formed local governments can help direct decisions about the use of land and other resources within its boundaries. This can include decisions about development, zoning, and land use, as well as the protection and preservation of important resources, such as parks, open space, and historic sites. Having a local government with control over these resources can ensure that they are protected and preserved for future generations, as well as provide current residents with access to and enjoyment of these resources. This can contribute to the overall quality of life in the community and help to maintain its character and sense of place. Rice, et al. (2014) find that growth control, land-use, preservation of rural characteristics, and environmental concerns emerge as the most important factor of municipal formation.

Possible Downsides of Incorporation

While there are potential benefits to municipal incorporation, there can also be drawbacks that should be considered. This section details potential disadvantages to municipal incorporation, including:

- **Increased Taxes:** Cities require tax revenue to support local government administration and services, often leading to higher taxes for residents.
- **Increased Debt:** Cities may take on debt to pay for infrastructure, facilities, and services, which can increase financial burdens on residents.
- **Limited Capacity:** Newly formed incorporated municipalities may have limited resources, including staff, funding, and expertise, to effectively address complex issues and challenges in the early years of operation.
- **Jurisdictional Authority Conflicts:** Incorporation may increase political tension and conflict with neighboring communities and governments over issues such as land use, taxes, and services, especially as County services are transitioned to the City.

- **Bureaucratic Challenges:** Incorporating a community can also lead to more bureaucracy, such as red tape and overlapping regulations, which can be frustrating for residents to navigate.

Increased Taxes

One of the main challenges of incorporation is the cost associated with establishing and maintaining a local government. This can result in increased taxes for residents and businesses, as well as increased fees for services. This can be a burden for individuals and families, as well as for businesses operating in the community. Dowding, John, and Biggs (1994) found that wealthier households may move to avoid taxation. Some studies have suggested that incorporation could be a tool to shelter a community from higher taxes without representation, especially when under the threat of annexation (Miller, 1981; Carruthers, 2003; Tkacheva, 2008). Exploratory committees should consider the potential impact on taxes, as well as the services and benefits that would be provided in return for these increased taxes. For instance, are residents willing to pay higher taxes in exchange for improved services, such as better police protection or better streets? Carruthers (2003) found that increased property taxes is a relatively insignificant factor, given the trade-off of better public goods and services within most communities.

Increased Debt

Another potential drawback of municipal incorporation is the debt burden. Incorporated municipalities often take on debt to pay for infrastructure, facilities, and services, which can increase financial burdens on residents. For example, a municipality may need to borrow money to pay for road improvements, construct buildings, or complete other major infrastructure projects. Some studies have suggested groups have advocated for municipal incorporation to transfer private liabilities to the public (Le Giox, 2006). While debt is a tool that can be used to finance needs of the community, these monies must be eventually repaid over time through taxes or other sources of revenue. Some cities may have higher debt burdens than others, depending on factors such as population size, economic conditions, and infrastructure needs. As of 2021, the average municipal debt per capita in California is approximately \$2,490 (\$7,227 per household). This includes all types of debt issued by cities, counties, and special districts, including general obligation bonds, revenue bonds, and other types of debt. Overall, the extent of municipal debt that would need to be raised to support incorporation should be closely monitored.

Limited Capacity

During the initial years in which the city is being planned and operated, the city would likely have limited resources, including staff, funding, and expertise, to effectively address complex issues and challenges. For example, there may be challenges attracting or retaining qualified staff and a lack of institutional knowledge. Operating a “low cost” town, regardless of how plausible at the outset, is difficult to achieve (BBC Research and Consulting, 2010). This can create challenges for the community and limit the city’s ability to effectively address important issues. There would likely be a period of several years where the local city would still be reliant upon the County and other governments to provide services to residents. Miller (1981) found that city-county service contracting can help ease this burden.

Jurisdictional Authority Conflicts

Disagreements over issues such as land use, taxes, and services, could arise with neighboring unincorporated communities and governments. For example, a newly incorporated municipality may impose zoning regulations or taxes that are different from those in surrounding communities, which can create conflict, tensions, and impediments to regional governance (Oakerson and Parks 2011). These political tensions can create challenges for the community and limit its ability to effectively address important issues. In essence, issues are simply transferred to a different platform (BBC Research and Consulting, 2011). For instance, some studies suggest potential racial and socioeconomic segregation can arise through incorporation (Burns, 1994; Smith and Debbage, 2011). When several cities incorporate within an urban county, this often leads to metropolitan fragmentation and sprawl (Cox and Jonas 1993; Ingalls and Rassel 2005; Hogen-Esch 2001; Carruthers and Ulfarsson 2002; Carruthers 2003).

Bureaucratic Challenges and Fragmentation

With the establishment of a local government, there can be more paperwork, regulations, and red tape to navigate, which can lead to frustrations for residents and businesses. Curran (1963) cites fragmentation as one contributing factor for failure to solve area wide problems. A more complex and multi-layered government system, with different departments, agencies, and committees, each with their own set of rules and regulations can make it difficult for residents and businesses to understand who is responsible for what, and how to access the services and support their needs. Barrow (1981) notes fragmentation can result in equity problems. The committee is advised to consider how incorporation might streamline government processes, simplify regulations, and provide clear and accessible information and support for residents and businesses.

Startup Costs Associated with Incorporating

The costs of incorporating a municipality can be significant. One study found that incorporation can spur a dramatic redistribution of local revenues leaving the remaining County scrambling to fill revenue losses (Lazega and Fletcher, 2018). As such, communities should carefully consider the costs and benefits of incorporation before proceeding with the process. The initial costs of incorporation can vary depending on the size, complexity, and level of controversy surrounding the incorporation effort. MIE is encouraged to continue to engage in open and transparent communication and decision-making, seek to build consensus on important issues, and work to resolve disputes in a fair and equitable manner. Continue to seek professional assistance on project tasks, where appropriate.

SECTION II

INCORPORATION EXPERIENCE IN CALIFORNIA



II. Incorporation Experience in California

This section provides an analysis of recent municipal incorporations in California. The purpose of this content is to give a sense of what to anticipate, as well as highlight economic changes and patterns following incorporation. The communities in question vary significantly from McKinleyville in terms of geography, median household incomes, proximity to major urban centers, and other factors. Nonetheless, these new cities' story may help inform the MIE. Key financial and economic data can help with projections around population growth, property value adjustments, and sales tax revenues.

In the past 15 years, California has gained four new municipalities, all of which are in Riverside County east of Los Angeles. According to the U.S. Census Bureau, the fastest growing county in California from 2010 to 2020 was Riverside County - with a population increase of 350,057 or 16.5%. This growth rate is much higher than the 2nd and 3rd fastest growing counties in California, San Joaquin County (9.1%) and San Bernardino County (8.2%). The population growth rate in Riverside County is higher than both the state of California's population growth rate of 6.1% and the national population growth rate of 7.4% over the same period. Consequently, the growth rate of this area is like that of the McKinleyville CDA, which was about 14% over this same period. Riverside County's population increased from 2,189,641 in 2010 to 2,539,404 in 2020.

Wildomar, Menifee, Eastvale, and Jurupa Valley were incorporated between 2008 and 2011. Research found that all four cities experienced rapid increases in population growth and property values in the years following incorporation. Menifee and Jurupa Valley are nearly equivalent in both size (46 sq mi and 43 sq mi, respectively) and population (99,686 and 108,097, respectively, as of FY 2021). These recently incorporated cities saw large percentage increases in several sources of tax revenues. Sales tax revenues increased within these cities by, on average, 478% between 2012 and 2021. Franchise tax revenues saw an average increase of 143%. While the first few years after incorporation were financially challenging for these cities, they were able to stabilize and improve their financial positions with the passage of SB 130 (2017), which granted the cities access to millions of dollars per year from California's motor vehicle license fees funds (VLF).² In the next section, we highlight the journey of each new city.

Wildomar (2008)

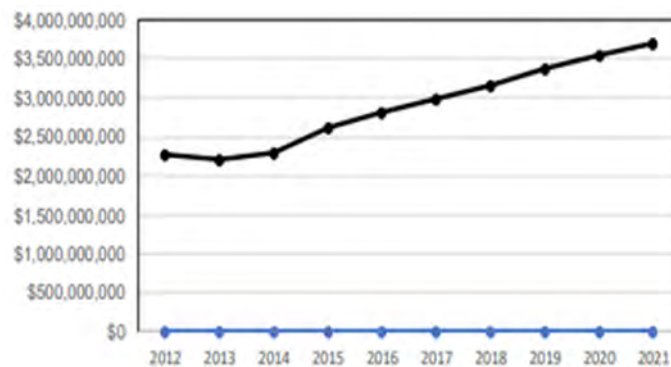
Wildomar area was originally inhabited by Native American tribes and was used for agriculture and cattle grazing in the late 19th and early 20th centuries. The area had been an outpost for the pony express for the Butterfield Stage, and in the early part of this century, a stop for the Southern California Railroad. Construction of the I-15 freeway brought urban-type growth to Wildomar, which led to the mixture of urban and rural. Wildomar Incorporation Now, commonly known as WIN, led the effort to incorporate (City of Wildomar History, online). As reported by the Valley News, the incorporation effort was said to give more control over land use decisions. Supporters argued that a city government would be better able to regulate development and protect the community's character and natural resources.

² Newly incorporated cities are not eligible for the bulk of this funding in accordance with SB 89 (2011), requiring state legislature action for any prospective city to gain access to this source of funding.

According to a news article from the period, supporters of incorporation believed that becoming a city would allow Wildomar to preserve its unique identity and character. They argued that a city government would be more responsive to local concerns and would be better equipped to maintain the community’s distinctive character (McAlister, 2011). Proponents of incorporation also believed that the city government could provide improved emergency services, such as quicker response times for police and fire departments. Some residents were concerned about the potential for increased taxes and fees to pay for these services. Incorporation was expected to increase the cost of local government for residents, including the costs of providing services such as police and fire protection, road maintenance, and park development. Despite these challenges, the city was ultimately successful in incorporating and establishing its own local government.

Since its incorporation in 2008, Wildomar has demonstrated consistent and stable growth. As of FY 2021, the city’s median age is 34 and the per capita income is \$27,332, which represents a noteworthy 7.9% increase from FY 2020 despite the challenges posed by the COVID-19 pandemic. The city’s population has grown 13% (to 37,013) since FY 2012. Property values have seen a 4.4% increase from the previous fiscal year (up 64% since 2012), and the city continues to benefit from both property and retail sales taxes generated by the Wildomar Square Shopping Center. To further foster economic development, Wildomar has engaged consultants to attract new businesses to the city and has implemented new and revised planning ordinances to encourage responsible growth and development. Figure 2 highlights the growth rate in assessed property values within the community.

Figure 2: Wildomar Taxable Property Net Assessed Value



Source: Wildomar ACFR 2021

Figure 3: Wildomar Economic Characteristics Data

	2020	2021
Population	36,917	37,189
Per Capita Income (dollars)	\$28,962	\$31,860
Labor Force Participation Rate	61.3%	60.1%
Unemployment Rate	3.90%	8.30%
Mean travel time to work (minutes)	38.4	38.1
Food Stamp/SNAP recipients in the past 12 months	9.40%	8%
% of 18+ year olds below the poverty level	9.20%	9.10%
Median Household income (dollars)	\$76,791	\$81,622

As seen in Figure 3, only the past two years of statistical data is reflected, due limited availability on the Census Bureau website for the Wildomar community. Nonetheless, the data suggests the mean travel time to work is relatively similar with other cities. While the population of Wildomar is the smallest of the four cities examined, the city has higher per capita income than Jurupa Valley, and is comparable to the other two cities. The unemployment rate increased by about 5% between 2020 and 2021 but this is most likely attributed to the economic impact of COVID-19.

Menifee (2008)

The area was originally inhabited by the Luiseno and Pechanga Indian tribes, and in the 1700s, the area fell under the rule of the Spanish empire. Mining activities began in the early 1880s with the discovery of a significant quartz lode. Menifee derived its name from that mining operation. Early development of the City of Menifee began with Sun City in the early 1960s as the concept of an active retirement community and the area continues to be one of the fastest growing communities in California. According to a report by the Los Angeles Times, one of the major arguments for incorporation was that it could result in cost savings for Menifee residents. Proponents argued that a city government could be more efficient and cost-effective than the county government, which was previously responsible for providing services. Menifee also faced competition from neighboring cities for resources and funding. On June 3, 2008, the residents of the communities encompassing the City of Menifee voted to incorporate Menifee into Riverside County’s 26th city. The new City of Menifee was officially established on October 1, 2008 (City of Menifee History, online).

Once the city incorporated, has become one of the fastest growing cities in both California and the United States. Menifee spans an area of approximately 46 square miles and the city is responsible for a broad range of services, including planning, building, public works, engineering, parks and recreation, police, and general administrative activities. The city’s population increased 24% between FY 2012 and FY 2021 (to 99,686). Property values have seen a 67% increase in the same period. A contributing factor to Menifee’s growth is the city’s significant investment in infrastructure, which has surpassed \$200 million and resulted in a substantial increase in asset value. Figure 4 highlights the sources of revenue for the community. The city’s assets and deferred outflows of resources currently exceed its liabilities and deferred inflows of resources, with a net positive amount of \$366.1 million as of June 30, 2021. Of this amount, \$54.9 million is reserved for public works, debt service, and future capital projects. The COVID-19 pandemic has impacted Menifee’s economy, reflected by the rise in unemployment from 4.0% to 10.1%. However, new construction has led to a rise in assessed valuations, with building permits increasing by 10.27% and planning applications increasing by 12.93%.

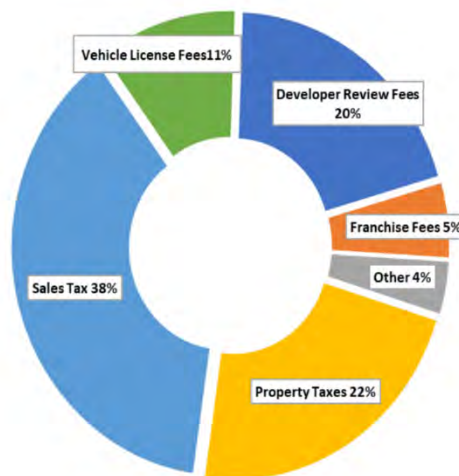


Figure 4: Menifee Revenues by Source (FY 2021)

Source: Menifee ACFR

Population has grown steadily in line with the median household income (see Figure 5). Per capita income has increased, but not as substantially. The unemployment rate has decreased while the labor force participation rate has increased. Those with an income within the past 12 months lower than the poverty level hit a high during 2015 at 14.6% and showed an overall increase over the 11 years considered. The increase of recipients of food stamps and those with income below the poverty level within the past 12 months is a negative indicator following incorporation.

Figure 5: Menifee Economic Characteristics Data

	2010	2015	2021
Population	78,115	86,563	106,401
Per Capita Income (dollars)	\$22,629	\$24,264	\$38,212
Labor Force Participation Rate	54.5%	54.1%	58.8%
Unemployment Rate	16.7%	8.7%	9.1%
Mean travel time to work (minutes)	40.5	39.4	42.5
Food Stamp/SNAP recipients in the past 12 months	3.8%	10.3%	9.3%
% of 18+ year olds below the poverty level	7.8%	14.6%	8.9%
Median Household income (dollars)	\$52,739	\$57,204	\$85,175

Source: US Census Bureau

Eastvale (2010)

Eastvale was once primarily used for agriculture. In the early 2000s, as the Inland Empire region of Southern California continued to experience rapid growth, the area was identified as one suitable for residential and commercial development. In the spring of 2007, five individuals were tasked by residents to explore incorporating Eastvale. These five residents formed the Eastvale Incorporation Committee. After the first election, two of the five incorporation committee members represented the community on the City Council. In 2010, Eastvale was officially incorporated as a city, and over the next several years, the city experienced rapid growth, attracting new residents, businesses, and retail development (City of Eastvale History, online).

Based on news reports, supporters of incorporation argued that Eastvale needed its own government to have more control over its finances and development. They also argued that having a local government would allow Eastvale residents to have more representation in decisions that affect their community. They also believed that a city government could more effectively manage funds and prioritize infrastructure improvements. In the early years, Eastvale faced a challenge in finding ways to generate revenue as a new city. The newly proposed city struggled with establishing an appropriate revenue share within the County (Stephens, 2010). In fact, to this day the City relies much more heavily on Sales Tax revenues to support city operations than its counterparts (see Figure 6, Eastvale ACFR).

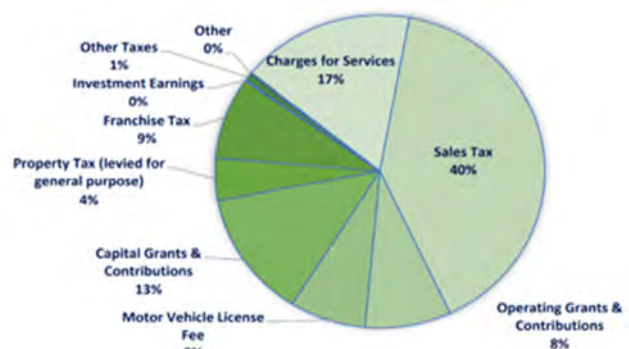


Figure 6: Eastvale Revenues by Source (FY 2021)

From FY 2012-2021, the population grew nearly 22%, reaching over 67,000. Property values increased by over 80% during this period. The city of Eastvale is in great financial health, with revenues exceeding costs of all programs and services by a large amount (\$70 million in revenues compared to \$39 million in expenses). Revenues increased by over \$21 million from the previous year, primarily due to a change in sales tax reporting by a large fulfillment center located in the city (comprising \$17.8 million of this increase). Figure 7 a summary of key economic changes experienced within the city this past decade.

Figure 7: Eastvale Economic Characteristics Data

	2010	2011	2021
Population	53,958	55,088	71,375
Per Capita Income (dollars)	\$30,821	\$32,263	\$39,679
Labor Force Participation Rate	72.2%	72.2%	69.9%
Unemployment Rate	9.9%	9.6%	6.9%
Mean travel time to work (minutes)	38.9	39.9	38
Food Stamp/SNAP recipients in the past 12 months	2%	3%	5%
% of 18+ year olds below the poverty level	4%	3%	5%
Median Household income (dollars)	\$105,894	\$115,025	\$141,827

Source: US Census Bureau

Note. The data for the unemployment rate is from the *Bureau of Labor Statistics Data Finder 1*.³

Eastvale differs from the other newly formed cities in that the percentage of recipients of food stamps, as well as the percentage of individuals below the poverty line, increased between the year of incorporation, 2010 and 2021. Mean travel time to work has been included to observe the number of employed people within cities that have to travel outside of their city for work. While the mean travel time to work remained relatively constant, other economic factors show negative economic aspects of Eastvale post-incorporation. Meanwhile, while per capita income increased, it only increased about \$6,500 in 12 years. This is a relatively low rate of increase. The median household income is within six figures on all three years considered, at a high during 2021 at \$141,827. This is much higher than other cities newly formed cities.

Jurupa Valley (2011)

Jurupa Valley has a long history dating back to the late 19th century when the area was primarily used for agriculture and cattle grazing. In the mid-20th century, the population of the area began to

³ Note. The data for the unemployment rate is from the Bureau of Labor Statistics Data Finder 1.1 (<https://beta.bls.gov/dataQuery/search>). Data for population, per Capita income, labor force participation rate, mean travel time to work, food stamps/SNAP benefits in the past 12 months, percentage 18 years and over whose income in the past 12 months was below the poverty level and median household income are all retrieved from DPO3: Selected Economic Characteristics from the Census Bureau (<https://data.census.gov/table?q=economic&tid=ACSDP1Y2021.DP03>).

grow, and the residents of the area began to explore the possibility of incorporating it as a city to have more control over local government and services. In 2011, Jurupa Valley was officially incorporated as a city, becoming the 47th city in Riverside County. According to a report by The Press-Enterprise, supporters of incorporation argued that becoming a city would bring economic benefits, such as increased property values, business development, and tourism. They believed that a city government would be better equipped to attract new businesses and investment to the area (Stockley, 2011). However, the City struggled with a skeleton staff of contractors to deliver on the promise of a improved quality of life for Jurupa Valley residents in the initial years (Rojas, 2013). One of the major challenges that Jurupa Valley faced with municipal incorporation was funding. The city had a large budget deficit and was reliant on the state for funding. However, the state had cut funding to the city due to its financial problems, which made it difficult for the city to provide basic services such as police and fire protection, road maintenance, and park development. Jurupa Valley faced challenges with infrastructure, including road maintenance and improvement. Many of the city’s roads were in poor condition, which made it difficult for residents to get around and for emergency vehicles to respond to calls. The city’s police department was initially understaffed and struggled to respond to calls for service (Ghori, 2017).

From FY 2012 to FY 2021, the population increased by 12%, reaching 108,097 and outperforming a 2012 forecast of 7% made by the County of Riverside Transportation and Land Management. While Jurupa Valley had the lowest population growth rate of these four cities, it had the highest population in FY 2012 and retains that distinction as of FY 2021. Local property values increased by 80% and sales tax revenues increased by 426% (see Figure 8)



Figure 8: Jurupa Valley Revenue Sources (FY2021)

Of note in the economic trend data is that the percentage of food stamps/SNAP benefits recipients, as well as those living below the poverty level, declined after incorporation (see Figure 9). Additionally, population, per capita income, and the median household have increased steadily following the incorporation of Jurupa Valley, indicating a positive economic environment for this city post incorporation. The labor force participation rate has stayed relatively constant, with a decrease of 3% over 9 years, while the unemployment rate has decreased by more than half.

Figure 9: Jurupa Valley Economic Characteristics Data

	2012	2016	2021
Population	97,692	102,540	106,941
Per Capita Income (dollars)	\$16,939	\$19,565	\$26,603
Labor Force Participation Rate	66%	63%	63%
Unemployment Rate	18.4	9.7	8.4
Mean travel time to work (minutes)	30	33.6	29.8
Food Stamp/SNAP recipients in the past 12 months	16.5%	15.1%	10.6%
% of 18+ year olds below the poverty level	18.7%	14.8%	12.9%
Median Household income (dollars)	\$50,884	\$61,800	\$81,052

SECTION III
THE CURRENT STATE OF MCKINLEYVILLE



III. The Current State of McKinleyville

History of McKinleyville

Figure 10: McKinleyville Area



McKinleyville, California (see Figure 10) is a census-designated place (CDP)⁴ located in Humboldt County, California known for its beautiful natural setting, including access to the Pacific Ocean and the nearby Redwood National and State Parks. The Wiyot and Yurok people were the original inhabitants of the area. In the late 1800s and early 1900s, settlers arrived drawn to the promise of making a livelihood off the areas rich natural resource offerings from fishing to agriculture to forestry. Two small communities, Minor and Calville, were predecessors to what would eventually be consolidated into the current CDP. The community adopted its name after the assassination of President William McKinley in 1901 (Coast Oregon, Online). During the 20th century, the timber industry was a major player in the local economy with trees harvested in nearby forests transported to sawmills in Arcata and Eureka. Many residents were employed in timber and farming industries during this period. In recent decades,

McKinleyville's economy has shifted towards more service-based industries, including retail, education, and tourism. The town is now home to several restaurants and shopping centers that cater to both residents and tourists visiting the region. McKinleyville is a vibrant community that offers a high quality of life for its residents as marketed by the Chamber of Commerce:

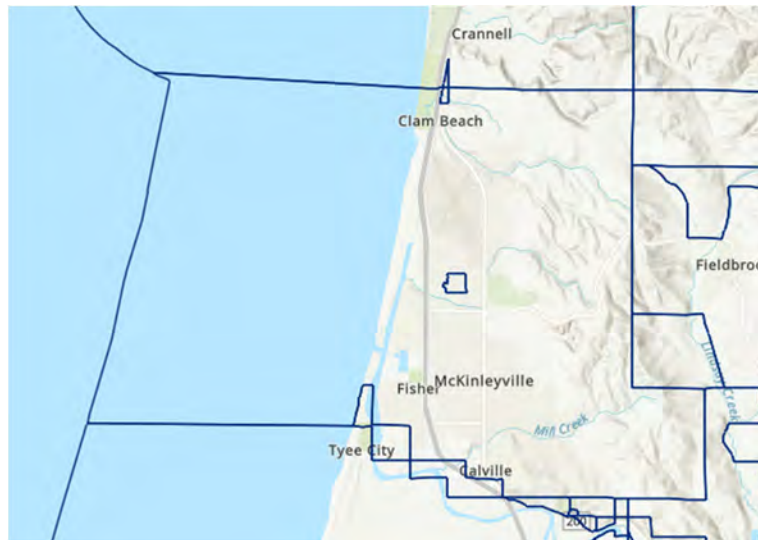
A picturesque community, situated on a bluff overlooking the Pacific Ocean with a backdrop of tree covered mountains. This modern day town, surrounded by rural beauty, has kept its leisurely-paced atmosphere, which makes McKinleyville unique. We offer something for everyone, whether you are: an outdoor enthusiast, looking for a quiet getaway, taking the family on a tour of Northern California or looking to relocate, take a walk or ride your bike on the scenic Hammond Trail, a paved trail that runs parallel to the coast from one end of McKinleyville to the other. Visit local beaches to spend the day kayaking, surfing, fishing or taking a leisurely stroll looking for treasures. Many outdoor adventures are just minutes away; bird watching, hiking and camping in State Parks and forests, some of the best river fishing in the world, whitewater rafting trips, horseback riding or taking photos of Roosevelt elk in their natural habitat. Attend a variety of festivals all over Humboldt, including our very own Pony Express Days (McKinleyville Chamber, Online).

⁴ CDPs are defined as a concentration of population, essentially the statistical counterpart of an incorporated place or municipality.

Current Service Providers

Public services within McKinleyville are currently provided by a patchwork of special districts, nonprofits, the County of Humboldt, State government agencies, and private businesses. There are currently eight special districts with taxing authority, as well as a road special assessment. Two tax rate areas (TRAs) cover the majority of McKinleyville households (see Figure 11).

Figure 11: McKinleyville Tax Rate Area⁵



Source: [BOE Tax Rate Area Maps \(ca.gov\)](http://BOETaxRateAreaMaps.ca.gov)

In the absence of a municipal services, the following special districts offer vital resources to the community of McKinleyville:

1. **McKinleyville Community Services District:** provides water, sewer, street lighting (approx. 400+), and parks and recreation services to the residents of McKinleyville.
2. **Arcata Fire Protection District:** provides fire protection and emergency medical services to the residents of McKinleyville and Arcata.
3. **McKinleyville Union School District:** operates elementary and middle schools in McKinleyville, providing education to students in kindergarten through 8th grade.
4. **Northern Humboldt Union High School District:** operates the high school in McKinleyville, as well as Arcata High School and Six Rivers Charter School.
5. **Humboldt Bay Municipal Water District:** While not specifically serving McKinleyville, this special district provides water service to areas in the region, including parts of McKinleyville.

⁵ A tax rate area (TRA) is a geographic area within the jurisdiction of a unique combination of cities, schools, and revenue districts that utilize the regular city or county assessment roll, per Government Code 54900. Each TRA is assigned a six-digit numeric identifier, referred to as a TRA number. The map below depicts the TRA boundaries and TRA numbers for the specified assessment roll year. Zoom in on the map to show a TRA number for an area. Use the map search bar to zoom to a known address. Click on a polygon to open a pop-up box containing the TRA number. The downloadable data includes a copy of this shapefile, a change polygon shapefile, and a data table of TRA numbers with their respective districts.

6. **College of Redwoods:** a public community college located in Eureka, California, with additional campuses in Crescent City and Fort Bragg.
7. **Humboldt County Flood Control:** is an organization that works to reduce the risk and impact of flooding within Humboldt County.
8. **The Humboldt Bay Harbor, Recreation and Conservation District:** is responsible for managing the harbor and port facilities at Humboldt Bay.

As an unincorporated community, McKinleyville also relies on several county services. Some of the services that Humboldt County offers to McKinleyville residents include:

- **Law enforcement services:** The Humboldt County Sheriff's Office provides law enforcement services to McKinleyville, including responding to emergencies, investigating crimes, and maintaining public safety.
- **Building and planning services:** The county provides building and planning services to McKinleyville residents, including issuing building permits, conducting inspections, and overseeing land use planning.
- **Environmental health services:** The county's environmental health department provides services to ensure that food, water, and the environment are safe for residents of McKinleyville and surrounding areas.
- **Public Works:** The county's public works department provides street and highway, solid waste disposal maintenance activities to McKinleyville and the surrounding area.
- **Public health services:** The county's public health department provides a range of services to promote and protect the health of residents of McKinleyville, including immunizations, health education, and disease prevention programs.
- **Senior services:** The county offers a variety of programs and services to support older adults in McKinleyville and surrounding areas, including senior centers, meal programs, and transportation services.
- **Redwood Transit System:** offers public transportation services to the community, including bus routes and paratransit services.
- **Parks and recreation:** operates land and facilities near McKinleyville.
- **Airport:** The Arcata-Eureka Airport is operated by the Humboldt County Department of Aviation and located in McKinleyville.
- **Social services:** The county provides a range of social services to support individuals and families in need, including child welfare, mental health services, and assistance with food, housing, and employment.

Additional public utilities are provided by nonprofit organizations and private sector businesses, most notably:

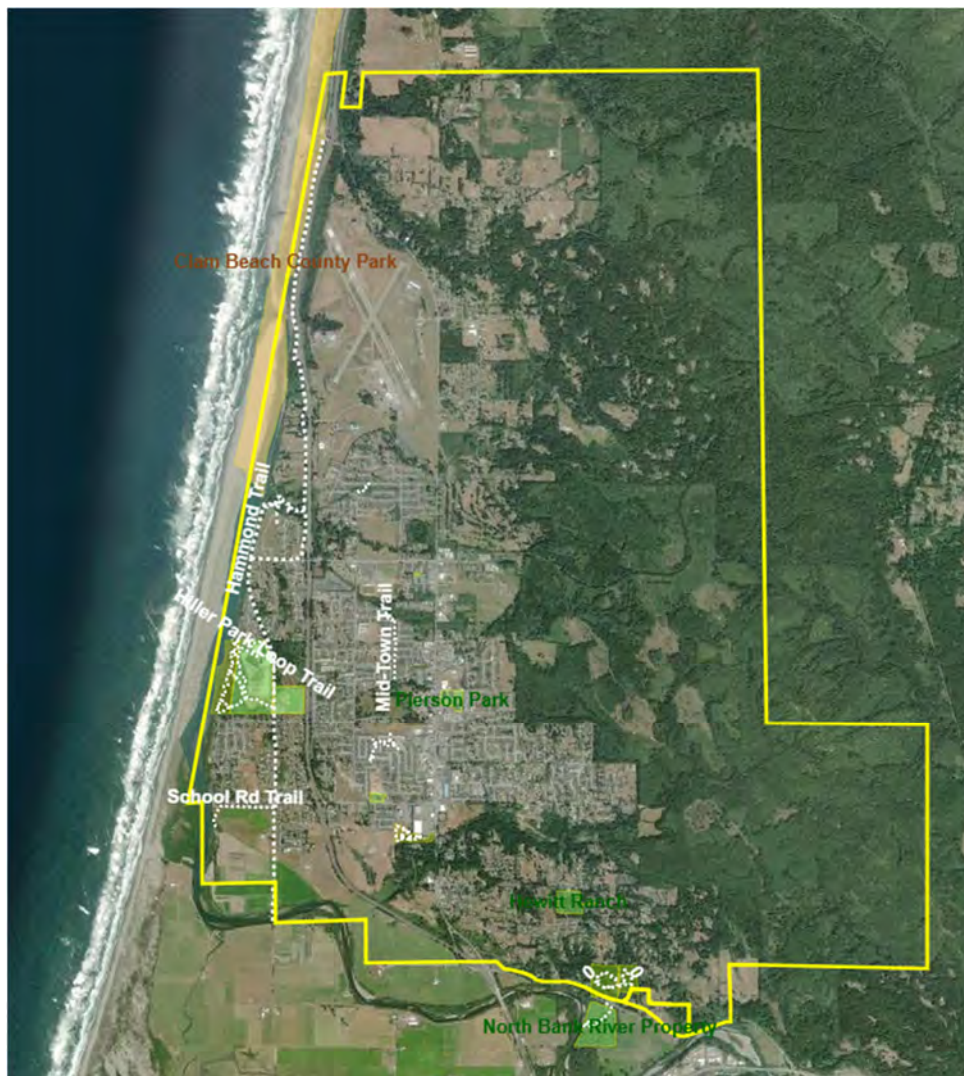
- **Pacific Gas and Electric (PG&E):** PG&E provides natural gas and electricity services to McKinleyville.
- **Redwood Energy Authority:** a local, not-for-profit government agency that procures electricity.
- **AT&T and Optimum:** These two companies are the primary providers of internet, phone, and cable TV services to McKinleyville.

- **Humboldt Sanitation:** is a garbage and recycling company responsible for providing residential and commercial garbage collection services, as well as curbside recycling and yard waste pickup in McKinleyville.

While all these service providers play an important role in maintaining a vibrant community, the McKinleyville Community Service District is the only special district exclusively dedicated to the McKinleyville CDA area.

McKinleyville CSD is the largest district of its type in Humboldt County, covering roughly 12,600 acres, or approximately 19.7 square miles (see Figure 12). When formed, the district had a land area of 19 square miles or 12,160 acres. The Azalea Park Annexation in 1973 added approximately a half square mile or 320 acres (MCSO Resolution No. 89), and the Hunt Annexation in 1986 added approximately 30 acres along Hunts Drive in southern McKinleyville (LAFCo Resolution No. 86-5).

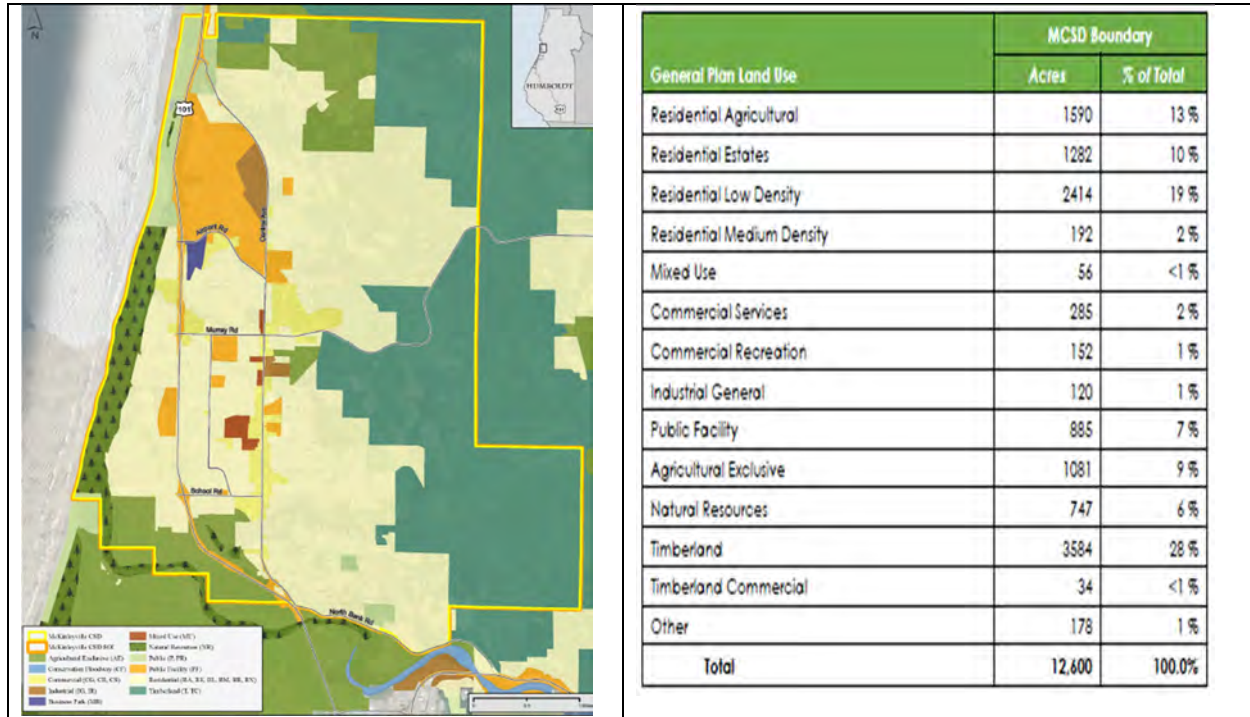
Figure 12: McKinleyville Community Service District Service Area



Source: <https://www.mckinleyvillecsd.com/service-area-map>

Under the Humboldt County General Plan, land uses within the District are primarily Residential Agriculture (RA), Residential Low Density (RL), and Timberland (T). Other land uses include Agricultural Exclusive (AE), Commercial Services (CS), Commercial Recreation (CR), Public Facility (PF), Residential Estates (RE), Residential Medium Density (RM), Mixed Use (MU), Natural Resources (NR), Timberland Commercial (TC), and Industrial General (IG).⁶ The surrounding area is predominantly AE and T which are both low density, growth limiting designations. As reflected in Figure 13, Land uses within the CDA are primarily Timberland (28%), Residential Low Density (19%), Residential Agricultural (13%), and Residential Estates (10%).

Figure 13: McKinleyville CSD Land Use Designations



The MCSO also maintains parks and supports a range of community and recreational services (see Figure 14 & 15).

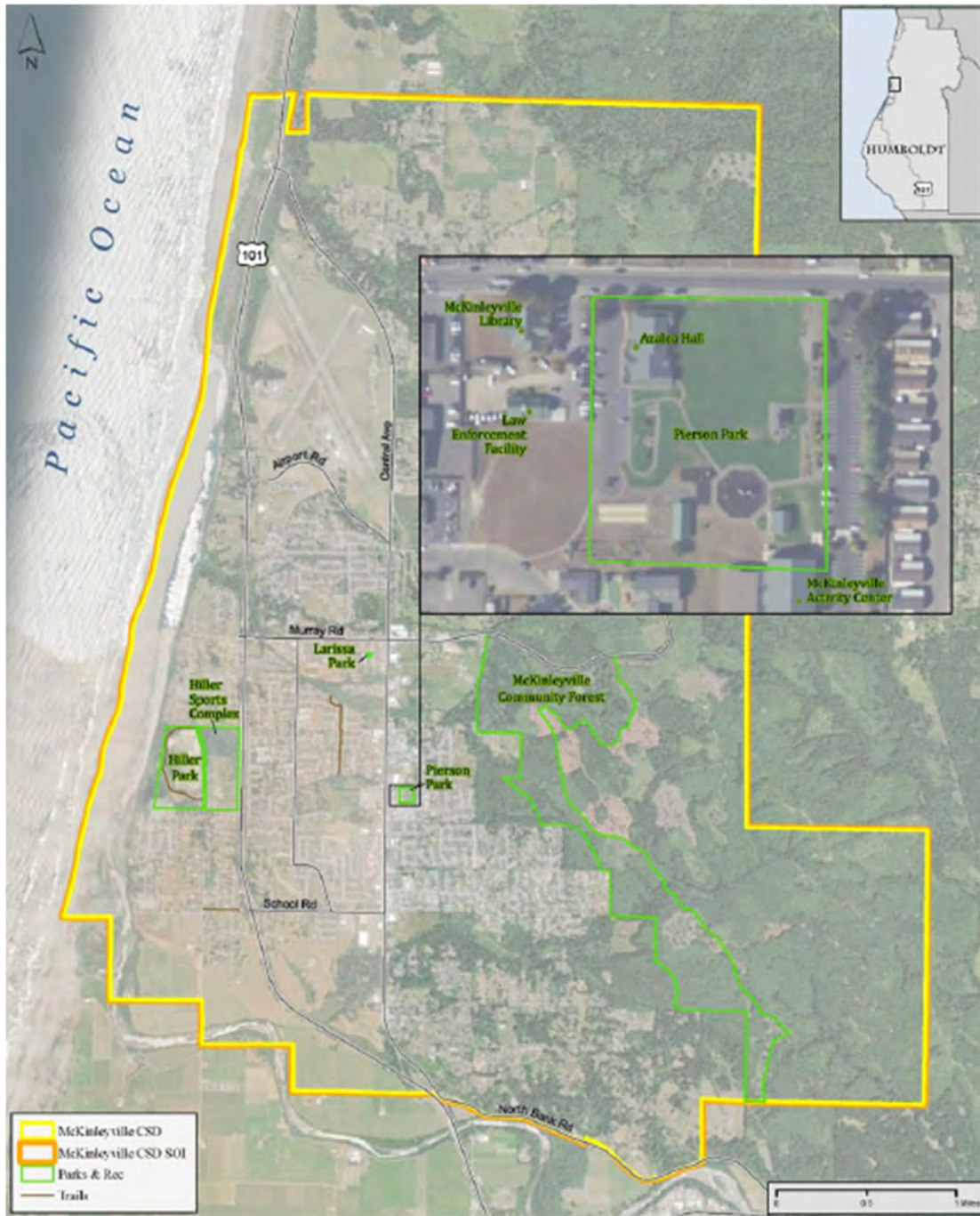
Figure 14: McKinleyville Parks, Facilities, Trails, and Programs

Parks	Facilities
<ul style="list-style-type: none"> Hiller Park Hiller Sports Complex Pierson Park Larissa Park 	<ul style="list-style-type: none"> Azalea Hall McKinleyville Activity Center McKinleyville Teen & Community Center McKinleyville Library Law Enforcement Facility
Trails	Programs
<ul style="list-style-type: none"> Hiller Park Loop Trails Mid Town Trail School Road Trail 	<ul style="list-style-type: none"> Summer Kids Camp Paint Classes Birthday Parties Chalk the Town School Break Camps Youth Sports Virtual Recreation and Wellness

Source: 2021 MSR & SOI Update, p. 12-14, 24

⁶ Humboldt County Web GIS, Jurisdiction Boundaries & Land Use, Planning Layers, Current General Plan Land Use. Accessed January 14, 2021.

Figure 15: MCSO Recreational Facilities

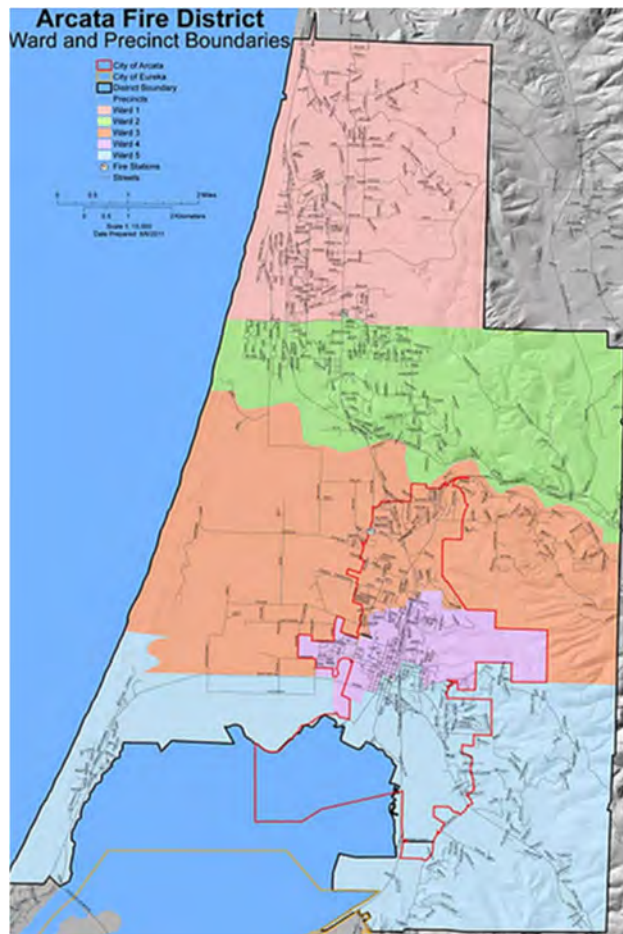


Source: MSR & SOI Update, 2021, p. 25

In addition to general parks and recreation facilities, the District owns the McKinleyville Library and Law Enforcement Facility. These buildings were constructed using private donations from the community. The library is home to the McKinleyville branch of the Humboldt County Public Library system. The county operates the library while the District maintains the building and grounds. The Law Enforcement Facility is located adjacent to the library and is operated by the Humboldt County Sheriff's Department (MSR & SOI Update, 2021, p. 24).

Meanwhile, some of the special districts service area is shared between the McKinleyville area and City of Arcata. For example, the Arcata Fire District is a special district that provides fire protection and emergency medical services to the communities of Arcata, McKinleyville, Bayside, Jacoby Creek, Manila, and portions of Cal Poly Humboldt. The district covers an area of approximately 66 square miles in Humboldt County, California. The Arcata Fire District operates four fire stations, which are staffed 24/7 by a team of professional firefighters and emergency medical technicians. The district's services include fire suppression, emergency medical services, hazardous materials response, urban search and rescue, and public education and outreach. The Arcata Fire District also partners with other local agencies to provide mutual aid and support in emergency situations. The district has mutual aid agreements with neighboring fire departments and works closely with the Humboldt County Office of Emergency Services to coordinate emergency response efforts. As reflected in Figure 16, the Arcata Fire Districts 2nd and 4th ward falls within the McKinleyville area with one of the three fully staffed fire stations centralized in the McKinleyville area.

Figure 16: Arcata Fire District



Source: <https://www.arcatafire.org/district-map>

Understanding the overlapping jurisdictions of various service providers is important because these organizations are funded primarily by property taxes collected within McKinleyville, as well as from residents of other jurisdictions they serve. Figure 17 provides a summary view of the various types of services offered within the McKinleyville area, as well as the government or private sector provider.

Figure 17: McKinleyville Current Service Providers

	County of Humboldt	McKinleyville Community Service District	Other - Government Entity	Private Sector Business
General Government				
City Administration	X			
Public Protection				
Accident Investigation			X (1)	
Animal Control	X			
Law Enforcement (Police)	X			
Fire Protection			X (2)	
Traffic Control			X (1)	
Community Development				
Building Inspection	X			
Planning, Zoning, &	X			
Community Services				
Activity Center		X		
Cemetery			X	
Library	X			
Parks		X		
Public Transportation			X	
Public Works / Utilities				
Electricity				X (3)
Gas				X (3)
Refuse & Sanitation				X (3)
Solid Waste & Recycling	X			
Street Lighting		X		X (3)
Streets & Highways	X			
Wastewater Treatment		X		
Water		X		
Social Services				
Healthcare	X			
Judicial Services				
Correctional Facilities	X			
District Attorney	X			
Probation	X			
Superior Court	X			
Education				
K-8 Schools				X (4)
High School				X (4)
Aviation				
Arcata-Eureka Airport	X			

(1) California Highway Patrol

(2) Arcata Fire District

(3) Redwood Energy Authority / Pacific Gas and Electric / Humboldt Sanitation and Recycling

(4) McKinleyville Union School District / Northern Humboldt Union High School District

Selective Demographic & Economic Data

In this section, we provide a brief overview of the population and other demographic trends in the area. To conduct these analyses, we gathered data from a variety of sources, including government agencies, census records, and other public records. By studying these factors, one can gain insights into the needs, preferences, and behaviors of the population, which can be useful for a wide range of purposes, from urban planning to public policy decision-making.

According to the U.S. Census Bureau, the population of Humboldt County, California, grew by 3.3% from 2010 to 2020. The population increased from 134,623 in 2010 to 139,223 in 2020. This population growth rate is lower than both the state of California's population growth rate of 6.1% and the national population growth rate of 7.4% over the same period. The fastest growing census designated areas (CDAs) in Humboldt County, California, based on population increase from 2010 to 2020 are:

1. **McKinleyville CDP - with a population increase of 1,702 or 13.6%**
2. Willow Creek CDP - with a population increase of 111 or 9.8%
3. Redway CDP - with a population increase of 29 or 2.2%
4. Blue Lake CDP - with a population increase of 25 or 1.5%
5. Trinidad CDP - with a population increase of 18 or 0.9%

The fastest growing cities in Humboldt County, California, based on population increase from 2010 to 2020 are:

1. Fortuna - with a population increase of 1,314 or 7.9%
2. Rio Dell - with a population increase of 345 or 6.3%
3. Arcata - with a population increase of 192 or 0.9%
4. Eureka - with a population increase of 126 or 0.2%
5. Ferndale - with a population decrease of 28 or -1.1%

McKinleyville outpaced all cities and CDAs in Humboldt County; therefore, the area represents the fastest growing region in Humboldt County. Growth rates and population numbers are impacted by a variety of factors, such as economic conditions, housing availability, and migration patterns. With an estimated growth rate of 0.74%, there could be 18,400 residents in the district by 2030 (MSR & SOI Update, 2021, p. 33).

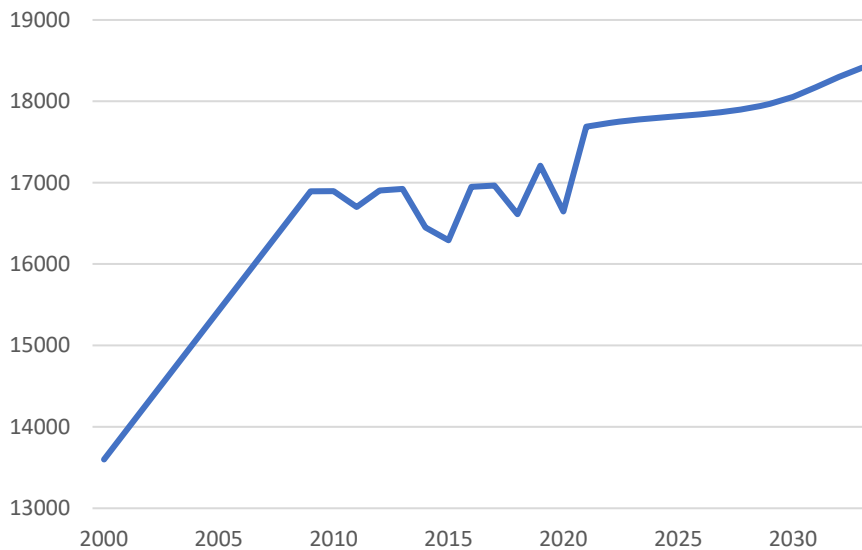
Figure 18 represents the population counts of the largest cities and densely populated census designated areas within Humboldt County. As reflected in the chart, the population of McKinleyville is estimated to be 16,645. This makes the area the 3rd largest population area in Humboldt County. The next largest CDA, Hoopa, only has a population of 3,348. As opposed to experiencing stagnant or declining population growth like some of the neighboring cities, McKinleyville has gradually increased its population since 2010 (see Figure 19). When using Excel to create a forecast, predictions of future values are created by using existing data and the AAA version of the Exponential Smoothing (ETS) algorithm. Populations from 2000 to the most current population count were used for the formula which forecasts future population counts. This method was used and carried out through 2030 as seen in Figure 19.

Figure 18: 2020 Humboldt County Municipal Populations & Census Designated Areas (CDA)

Location	Pop.	%
Eureka	26,699	19.8%
Arcata	17,963	13.3%
McKinleville CDA*	16,645	12.3%
Fortuna	12,123	9.0%
<i>Hoopa CDA</i>	<i>3,348</i>	<i>2.5%</i>
Rio Dell	3,287	2.4%
Ferndale	1,382	1.0%
<i>Garberville CDA</i>	<i>1,361</i>	<i>1.0%</i>
Blue Lake	1,277	0.9%
<i>Willow Creek CDA</i>	<i>1,241</i>	<i>0.9%</i>
<i>Hydesville CDA</i>	<i>1,051</i>	<i>0.8%</i>
<i>Shelter Cove CDA</i>	<i>863</i>	<i>0.6%</i>
<i>Loleta CDA</i>	<i>599</i>	<i>0.4%</i>
<i>Scotia CDA</i>	<i>490</i>	<i>0.4%</i>
<i>Orick CDA</i>	<i>346</i>	<i>0.3%</i>
Trinidad	337	0.2%
Remaining Unincorporated Area	45,965	34.1%
Humboldt County	134,977	100%

Source: US Census (2020)

Figure 19: McKinleyville Population Projections through 2030



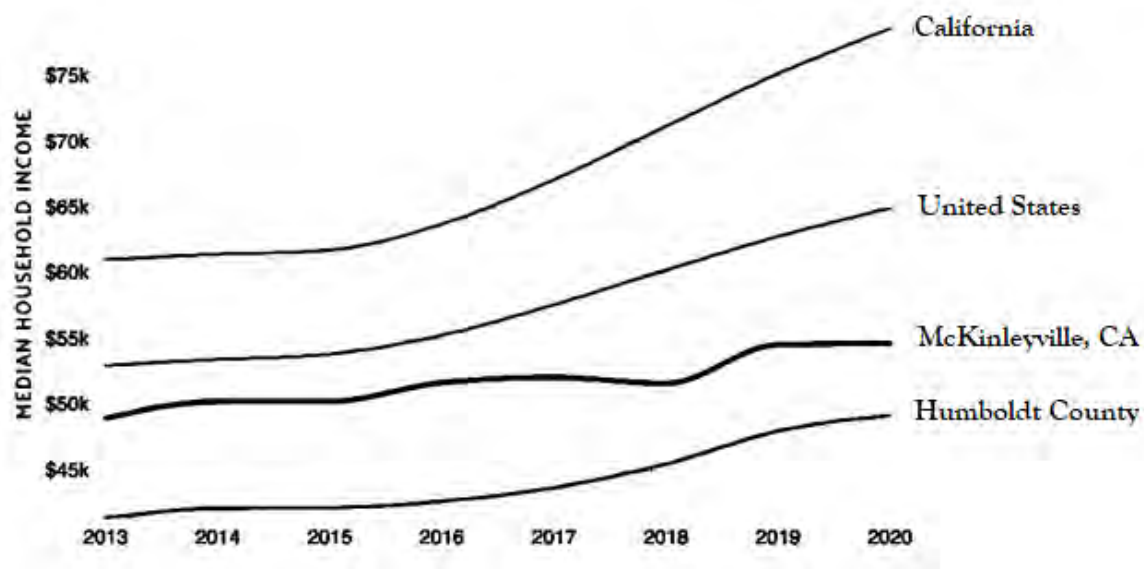
Note. The data for total population of McKinleyville was retrieved from the *United States Census Bureau* (<https://data.census.gov/table?q=economic>). The trendline for McKinleyville was estimated for the years 2001-2010 due to lack of available data among those years, with reported populations of 2000 and 2010 as reference. <https://datacommons.org/place/geoId/0644910>

The economy of McKinleyville, CA employs approximately 7,100 people. The largest industries in McKinleyville, CA are Retail Trade (1,058 people), Health Care & Social Assistance (946 people), and Accommodation & Food Services (664 people), and the highest paying industries are Professional, Scientific, & Technical Services (\$74,444), Public Administration (\$66,900), and Utilities (\$52,473). The median household income is \$54,697 in McKinleyville, ₣5,706. The one year growth rate of McKinleyville is 0.152%. Per capita income in 2020 for McKinleyville was equal to \$52,500 (see Figure 20). There was a one year decline in employment rate of -5.15% in McKinleyville from 2019-2020 (DataUSA, 2023). In March 2023, the State of California Employment Development Department reported an unemployment rate of 3.1% in McKinleyville (Humboldt County’s unemployment rate was 4.7%).

McKinleyville’s economic base is primarily that of a residential “bedroom community” with local and some regional commercial services along a centralized strip. Limited agricultural production, including timber production, and light manufacturing is also pursued in the area. McKinleyville is the site of the County’s only regional airport facility, the California Redwood Coast – Humboldt County Airport (ACV). The adjacent Airport Business Park encompasses an approximate 53 acre site. The Business Park provides land for light manufacturing, regional visitor serving facilities, and commercial-industrial opportunities for the community.⁷

McKinleyville has three primary economic development zones, the Town Center, the east side of Central Avenue, and the Airport Business Park. The Airport Business Park (ABP) is zoned for light industrial/commercial including high technology businesses. The ABP is separated from the Town Center and connecting pedestrian/bicycle corridors.

Figure 20: McKinleyville Per Capita Income⁸

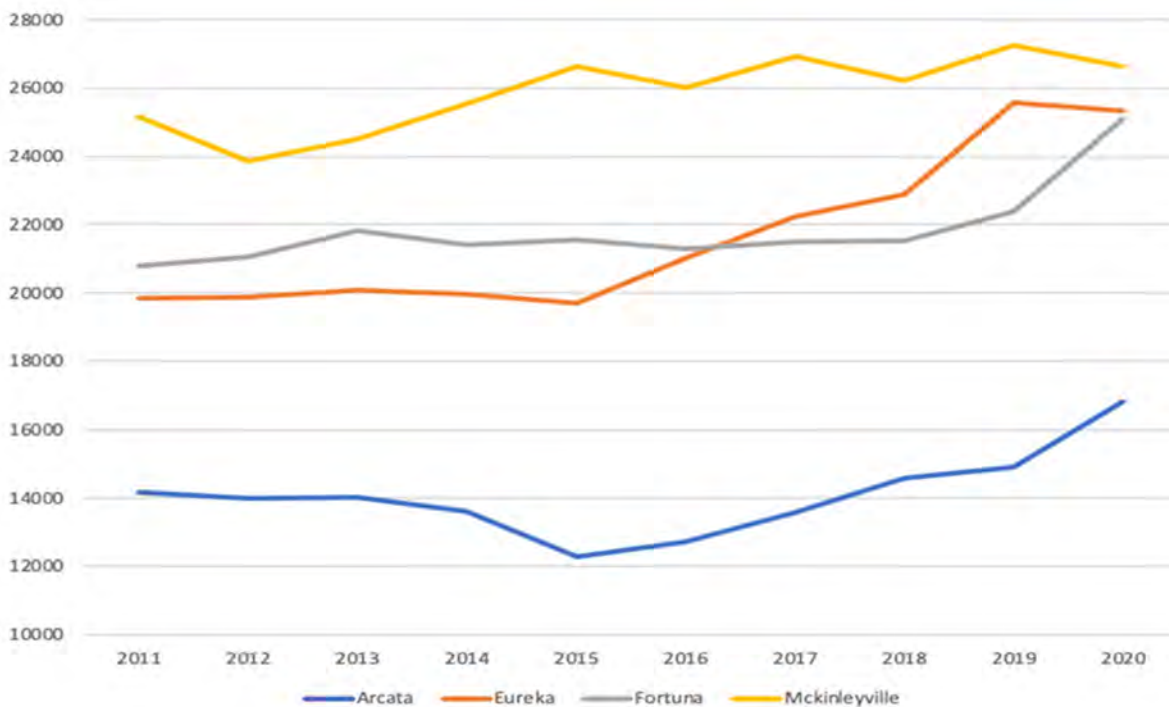


Source: US Census

⁷ Humboldt County General Plan – Community Area Plans: McKinleyville Community Plan. Adopted December 10, 2002 and amended October 23, 2017 by Resolution 17-96.

While McKinleyville is designated as a disadvantaged unincorporated community under state law⁹, the residents are generally more affluent than many of the neighboring cities in the County. Between the years 2010 and 2020, the McKinleyville per capita income increased 34.59%, from \$23,902 to \$32,170 (note: Figure 20 reflects household income). As reflected in Figure 21, the annual median income of residents has exceeded Arcata, Fortuna, and Eureka for the past decade. The median household income has also increased over the decade, from \$46,696 in 2011 to \$59,327 in 2021. However, this increase may not have been enough to keep pace with the rising cost of living in the region. Meanwhile, the population increase of 14% for McKinleyville is relatively significant when considering Humboldt County only grew by 3% during this same period. This may indicate positive economic conditions with the population growing in McKinleyville over a ten year period, relative to the rest of Humboldt County.

Figure 21: McKinleyville Annual Median Income



Source: datacommons.org

Figure 22 provides a snapshot of economic indicators for McKinleyville. When examining the unemployment rate, McKinleyville has lower percentages than Humboldt County between 2010 and 2020. Per capita, Arcata has the highest below poverty population among the four cities, consistently for the past 10 years. Conversely, McKinleyville has had the lowest per capita below poverty levels, except for the period 2017-2019. The labor force participation rate declined over the decade, from 53% in 2011 to 43.8% in 2021. This suggests a decrease in job opportunities or a shift in demographics towards an ageing population. The unemployment rate also declined over the decade, from 7.95% in 2011 to 6.3% in 2021. As such, the job market in McKinleyville has improved, even as the labor force participation rate has declined.

⁹ DUCs are inhabited territories (containing 12 or more registered voters) where the annual median household income is less than 80 percent of the statewide annual median household income. The estimated 2019 MHI for McKinleyville CDP is \$54,614.12. This is 77 percent of the estimated California MHI of \$71,22813.

Average travel time to work has remained relatively stable over the decade, with a slight increase from 17.6 minutes in 2011 to 18.3 minutes in 2021. Transportation infrastructure in the region has remained adequate to handle the growth in population and workforce. The percentage of people receiving food stamp/SNAP benefits in the past 12 months increased from 6.7% in 2011 to 8.9% in 2021. This suggests a possible increase in poverty or a decrease in the availability of well-paying jobs in the area. The percentage of the population below the poverty level has increased from 10.7% in 2011 to 16.6% in 2021, suggesting a greater need for social services and support.

Overall, the economic data for McKinleyville suggests a complex economic and social landscape with both positive and negative trends. The CDA has experienced moderate population growth, rising incomes, and declining unemployment rates. However, there are also signs of increasing poverty and a decrease in the labor force participation rate. These trends may have implications for the need for social services, job creation, and economic development in the region.

Figure 22: McKinleyville Selective Economic Data

	2011	2016	2021
Labor Force Participation Rate	53%	48.6%	43.8%
Unemployment Rate	7.95%	7.5%	6.3%
Mean travel time to work (minutes)	17.6	19.7	18.3
Food Stamp/SNAP benefits in the past 12 months	6.7%	9.3%	8.9%
Percentage 18 years and over whose income in the past 12 months below the poverty level	10.7%	13.9%	16.6%
Median Household income (dollars)	\$46,696	\$51,727	\$59,327

Source: US Census

SECTION IV
FINANCIAL DATA AND ESTIMATES



IV. Financial Data and Estimates

Methodology

When assessing financial viability of municipal incorporation, one of two methodologies are commonly used: 1) a municipal financial comparison, which assumes that the proposed city will have operating costs and tax revenues in the same proportion to similarly populated communities that have already incorporated; or 2) a detailed approach, which forecasts a municipal budget based on actual revenues and costs incurred of serving the existing community, as well as projected needs. While we strongly encourage the MIE to utilize a detailed approach to determine financial feasibility, the timely release of data prevented our research team from using the second approach. At the time of this publication, the County of Humboldt had yet to produce audited financial statements for recent fiscal periods, 2021-2023¹⁰, as such any reliable cost allocation data relating to the public services rendered to the McKinleyville community was unavailable. Further, the research team would require more information from planning committees in terms of the taxes and rates being proposed. We would also need more details about the proposed service levels (aka staffing levels), property, plant, and equipment requirements of the proposed municipality, and initial startup costs. Identifying key points of contact within the County to help coordinate data collection efforts and identifying an independent financial professional to lead the financial feasibility study is encouraged.

Among all cities within California, 57 were selected for comparison to McKinleyville because their populations ranged between 12,000 to 20,000 residents, which is expected to be within approximate range of the City of McKinleyville once the community establishes a political boundary. We draw financial data for the fiscal year 2020 from the State of California local government database. These 57 cities were grouped into three categories based the designation made by the U.S Census Bureau:

- **Rural:** California cities within the population parameters residing in rural counties (or codes 4-9 according to the US Census Bureau). The Census does not define “rural.” They consider “rural” to include all people, housing, and territory that are not within an urban area. In essence, any area that is not urban is rural. Cities in this cohort were found in 6 counties: Humboldt, Nevada, Lassen, Tehama, Lake, Mendocino.
- **Urban 2:** California cities within the population parameters residing in urban code 2 counties as defined by the US Census Bureau. These are counties characterized as having metropolitan areas with populations between 250,000 to 1 million. Cities in this group were found in 16 counties: Butte, Fresno, Imperial, Kern, Kings, Madera, Merced, Monterey, San Joaquin, San Luis Obispo, Santa Barbara, Solano, Sonoma, Tulare, Ventura, Yuba.
- **Urban 1:** California cities within the population parameters residing in urban code 1 counties as defined by the US Census Bureau. These are counties characterized as having metropolitan areas with a population of 1 million or more. Cities in this group were found in 10 counties: Marin, Alameda, San Bernadino, San Mateo, Los Angeles, San Diego, Placer, Orange, Contra Costa, Riverside.

¹⁰ A former Humboldt County Auditor-Controller has faced criticism for the handling of the county’s financial reporting processes. In particular, the county’s failure to produce audited financial statements for several years led to concerns among residents and public officials about the county’s financial management. The former official has been accused of financial mismanagement and fraud by the county’s District Attorney’s Office. The challenges faced by Humboldt County in producing audited financial statements and the issues surrounding the tenure of the Auditor-Controller have adversely impacted all users of the County financial reports; therefore, necessitated the use of alternative procedures for this study.

Rural Cohort

Looking at selective financial data for the Rural cohort (see Figure 23), we can make the following observations. The populations of the cities in this cohort range from 12,123 to 17,963. Arcata has the highest population of 17,963. The total assets of the cities vary widely, ranging from \$7,147,320 to \$94,184,243. Truckee has the highest total assets, while Susanville has the lowest. The total governmental revenue of the cities range from \$9,771,462 to \$45,522,653. Ukiah and Truckee have the highest revenues, while Susanville has the lowest. The total governmental expenses of the cities range from \$12,221,615 to \$49,694,526. Truckee has the highest expenses, while Fortuna has the lowest.

From the Figure 26, we can see that Truckee has the highest revenue per capita, followed by Ukiah and Grass Valley. However, Ukiah, Truckee, and Grass Valley also have the highest expenses per capita, indicating that they may be spending more than other cities. Susanville has the lowest revenue per capita. Meanwhile, Red Bluff has the lowest expenditures per capita indicating that they may have a more conservative approach to spending. Other factors, such as local economic activity and the demographics of the population, can also impact these figures. Differences in spending levels are also likely a reflection of the fact that some municipalities elect to assume responsibility for more public services. In essence, full-service versus limited scope municipalities. Overall, the revenue and expenditure per capita figures can give us a sense of how efficiently each city is using its resources to provide services to its residents.

Data reported within all the following tables reflects financial data for fiscal year 2020, as reported to the State of California by the City and reflected within the Governmental Fund Financial Statements. This information is presented on a modified accrual basis and could be subject to accounting adjustments since it was reported nearly three years ago.

Figure 23: Rural Cohort Selective Financial Data

City	County	Population	Total Assets	Total Governmental Fund Revenue	Total Governmental Fund Expenditures
Fortuna	Humboldt	12,123	29,211,050	13,009,095	13,450,437
Grass Valley	Nevada	12,865	28,330,344	22,677,729	41,431,993
Susanville	Lassen	13,717	7,147,320	9,771,462	14,013,897
Red Bluff	Tehama	14,245	19,673,765	12,847,338	12,221,615
Clearlake	Lake	14,297	20,087,534	11,666,848	14,710,212
Ukiah	Mendocino	16,061	25,961,020	28,915,072	28,710,701
Truckee	Nevada	16,228	94,184,243	45,522,653	49,694,526
Arcata	Humboldt	17,963	46,017,653	19,796,925	20,116,534
AVERAGE		14,687	33,826,616	20,525,890	24,293,739

Figure 24: Rural Cohort Revenue Per Capita

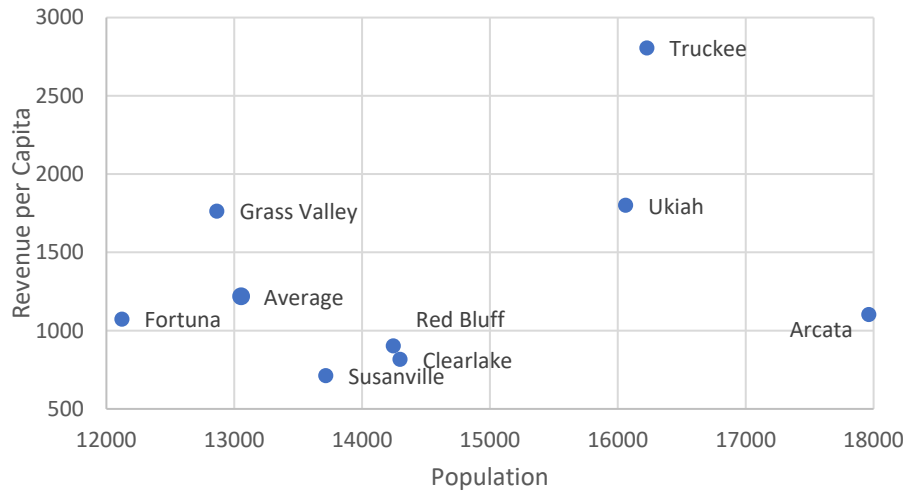


Figure 25: Rural Cohort Expenditures Per Capita

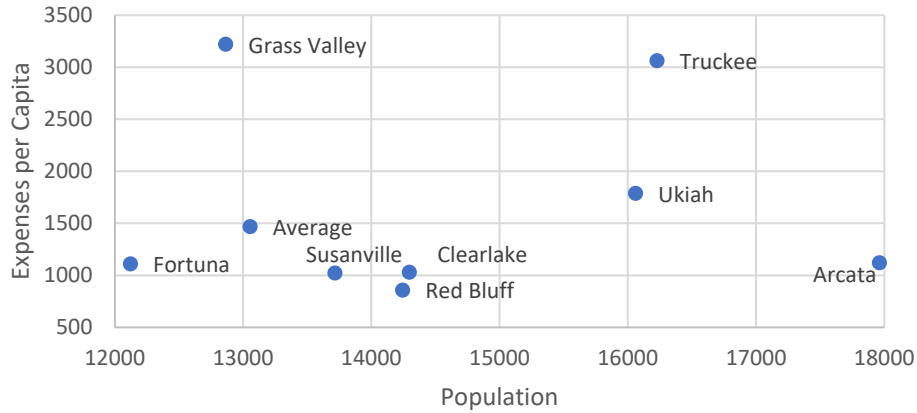


Figure 26: Rural Cohort Variance Per Capita

County	Revenue per Capita	Expenditures per Capita	Variance per Capita
Red Bluff	903.24	858.02	45.22
Ukiah	1,799.94	1,785.04	14.90
Arcata	1,100.85	1,118.61	(17.76)
Fortuna	1,073.77	1,109.58	(35.81)
Clearlake	816.38	1,026.56	(210.18)
Truckee	2,804.51	3,060.49	(255.98)
Susanville	709.45	1,017.12	(307.67)
Grass Valley	1,761.68	3,221.54	(1459.86)
AVERAGE	1,371.23	1,649.62	(278.39)

Urban 2 Cohort

Figure 27 highlights information on various cities in the Urban 2 Cohort, including their population, total assets, total governmental fund revenue, and total governmental fund expenditures. The average population of the cities in this dataset is 15,330, with a minimum population of 12,089 and a maximum population of 19,972. The average total assets of these cities are \$28,256,791, with a minimum of \$7,321,426 and a maximum of \$97,552,179. The average total governmental fund revenue is \$16,061,371, with a minimum of \$6,777,427 and a maximum of \$38,746,653. Finally, the average total governmental fund expenditures are \$15,491,829, with a minimum of \$5,706,071 and a maximum of \$32,997,997. One observation that stands out is California City, which has a significantly higher total assets value compared to the other cities in the dataset, at \$97,552,179. Dixon also stands out, as it has the highest total governmental fund revenue and expenditures, at \$38,746,653 and \$32,997,997, respectively.

Meanwhile, Figure 28 analyzes the financial performance of the Urban 2 cohort in terms of revenue per capita, expenditures per capita, and the variance:

- On average, the cities in this cohort generate more revenue per capita than they spend, with an average revenue per capita of \$1,040 and an average expenditure per capita of \$1,021.
- Pacific Grove has the highest revenue per capita (\$1,823) and Healdsburg the highest expenditure per capita (\$2,103).
- On the other hand, McFarland has the lowest revenue per capita (\$471) and Mendota the lowest expenditure per capita (\$455), suggesting that it has limited resources to provide services to its residents.
- The cities with the highest variance between revenue and expenditures per capita (aka budgetary surplus) are Oroville (\$474), Dixon (\$288), and Fillmore (\$243), indicating that they have a higher level of financial instability compared to other cities in the dataset.
- Marysville has the highest negative variance, with expenditures per capita exceeding revenue per capita by \$619. This suggests that the city may have financial challenges that need to be addressed.
- The average variance between revenue and expenditures per capita is relatively small at \$19, indicating that most cities are managing their finances well.

Overall, these datasets can provide valuable insights into the financial performance of the Urban 2 cohort. A financially healthy city would have a high revenue per capita, low expenditures per capita, and a high budgetary surplus per capita. Based on these factors, the top 5 most financially healthy cities in this dataset are:

- Oroville
- Dixon
- Fillmore
- Kerman
- Kingsburg

Figure 27: Urban 2 Cohort Selective Financial Data

City	County	Population	Total Assets	Total Governmental Fund Revenue	Total Governmental Fund Expenditures
Dixon	Solano	19,972	45,745,415	38,746,653	32,997,997
Imperial	Imperial	19,907	17,509,755	12,602,856	14,073,190
Oroville	Butte	19,440	91,445,498	33,092,732	23,873,836
Greenfield	Monterey	18,284	35,077,166	15,902,891	12,951,405
Chowchilla	Madera	18,196	40,648,828	12,286,611	9,904,757
Arroyo Grande	San Luis Obispo	17,687	26,522,379	22,830,317	23,536,675
Coalinga	Fresno	17,199	21,967,727	14,360,806	11,899,220
Kerman	Fresno	15,950	11,914,782	11,642,288	8,129,318
Ripon	San Joaquin	15,930	45,322,667	18,639,726	17,636,638
Parlier	Fresno	15,890	25,300,188	10,755,650	8,757,828
Fillmore	Ventura	15,566	27,254,276	13,822,323	10,046,538
Pacific Grove	Monterey	15,265	22,648,763	27,821,491	30,729,011
Livingston	Merced	15,052	15,127,808	10,882,888	11,022,755
King City	Monterey	14,797	7,321,426	10,883,675	11,046,294
McFarland	Kern	14,388	12,263,238	6,777,427	9,699,477
California City	Kern	14,161	97,552,179	14,189,550	16,148,531
Carpinteria	Santa Barbara	13,335	20,772,019	21,966,863	20,191,684
Grover Beach	San Luis Obispo	13,214	19,197,550	18,903,745	21,310,408
Avenal	Kings	13,189	25,196,371	9,678,687	10,792,883
Lindsay	Tulare	13,154	20,651,326	9,413,015	7,877,665
Kingsburg	Fresno	12,883	17,559,911	13,348,144	11,032,782
Tehachapi	Kern	12,758	16,716,131	11,942,800	11,533,475
Mendota	Fresno	12,514	8,940,296	7,047,269	5,706,071
Marysville	Yuba	12,424	9,964,789	13,285,153	20,974,370
Healdsburg	Sonoma	12,089	23,799,286	20,710,708	25,422,927
AVERAGE		15,330	28,256,791	16,061,371	15,491,829

Figure 28: Urban 2 Cohort Revenue Per Capita

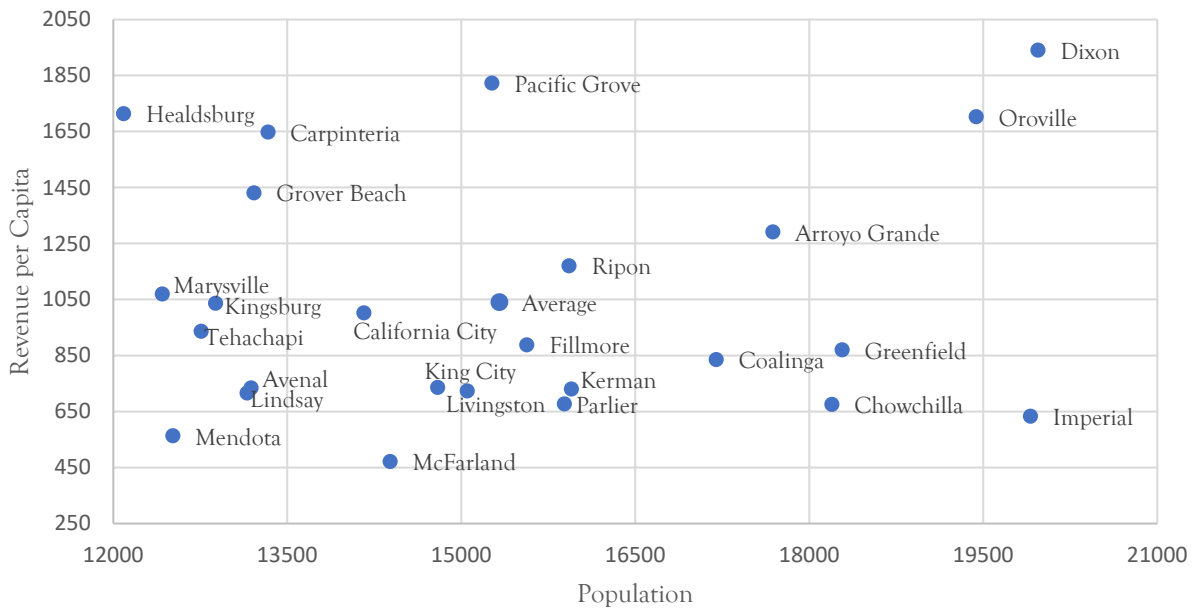


Figure 29: Urban 2 Cohort Expenditures Per Capita

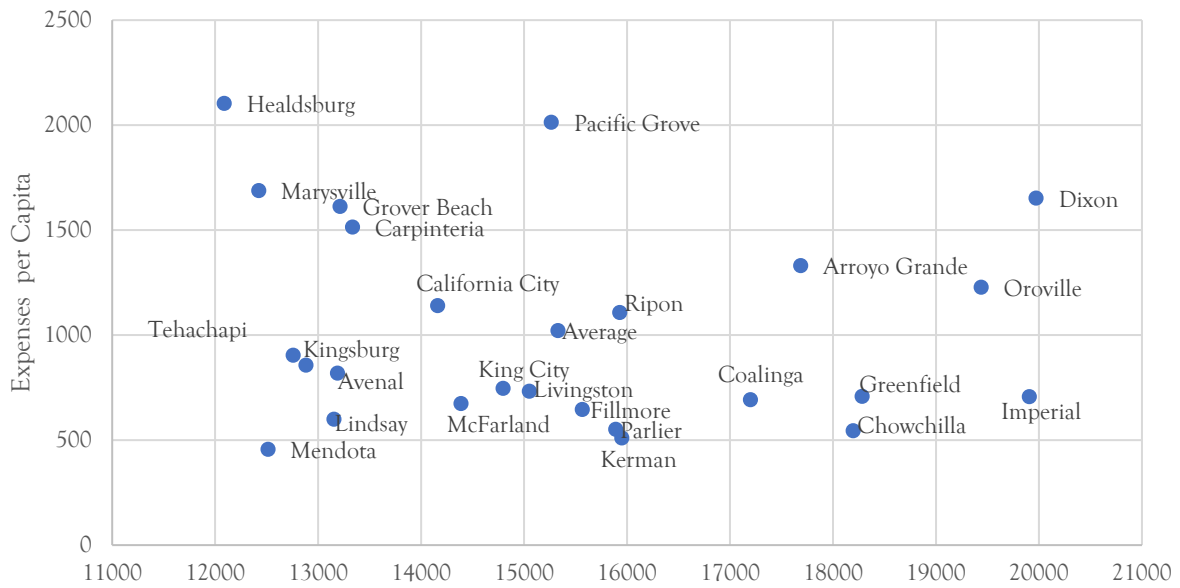


Figure 30: Urban 2 Cohort Variance Per Capita

City	Revenue Per Capita	Expenditures Per Capita	Variance
Oroville	1,702.30	1,228.08	474.22
Dixon	1,940.05	1,652.21	287.84
Fillmore	887.98	645.42	242.57
Kerman	729.92	509.68	220.25
Kingsburg	1,036.11	856.38	179.72
Greenfield	869.77	708.35	161.42
Coalinga	834.98	691.86	143.12
Carpinteria	1,647.31	1,514.19	133.12
Chowchilla	675.24	544.34	130.90
Parlier	676.88	551.15	125.73
Lindsay	715.60	598.88	116.72
Mendota	563.15	455.97	107.18
Ripon	1,170.10	1,107.13	62.97
Tehachapi	936.10	904.02	32.08
Livingston	723.02	732.31	(9.29)
King City	735.53	746.52	(10.99)
Arroyo Grande	1,290.80	1,330.73	(39.94)
Imperial	633.09	706.95	(73.86)
Avenal	733.85	818.32	(84.48)
California City	1,002.02	1,140.35	(138.34)
Grover Beach	1,430.58	1,612.71	(182.13)
Pacific Grove	1,822.57	2,013.04	(190.47)
McFarland	471.05	674.14	(203.09)
Healdsburg	1,713.19	2,102.98	(389.79)
Marysville	1,069.31	1,688.21	(618.90)
AVERAGE	1,040	1,021	19.06

Urban 1 Cohort

The Urban 1 cohort consists of 22 cities in California. The data suggests that cities vary significantly in terms of their financial health, with some having higher levels of assets, revenue, and expenses than others. Key observations include:

- The population of these cities ranges from 12,253 to 19,614, with an average population of around 15,000.
- The total assets of these cities range from \$7 million to almost \$193 million, with an average of around \$44 million.
- The total governmental revenue ranges from \$7.6 million to over \$84 million, with an average of around \$30 million.
- The total governmental expenses range from \$7.3 million to over \$79 million, with an average of around \$28 million.
- Emeryville has the highest total assets among the listed cities, while Blythe has the lowest.
- Laguna Wood has the lowest total governmental revenue and expenses among the listed cities, while Santa Fe Springs has the highest.

Despite having a relatively small population, some of these cities have high total assets and/or total governmental revenue and expenses, indicating that they may be financially strong and/or have a high tax base. A financially healthy city would have a high revenue per capita, low expenditures per capita, and a high budgetary surplus per capita. Based on these factors, the top 5 most financially healthy cities in this dataset are:

- Pinole
- Santa Fe Springs
- Emeryville
- Hawaiian Gardens
- Albany

Figure 31: Urban 1 Cohort Selective Statistical Data

City	County	Population	Total Assets	Total Governmental Fund Revenue	Total Governmental Fund Expenditures
Larkspur	Marin	12,253	49,580,374	31,762,664	54,080,078
Emeryville	Alameda	12,298	192,993,617	71,477,170	65,225,910
Grand Terrace	San Bernadino	12,426	12,796,633	7,997,798	7,332,053
Half Moon Bay	San Mateo	12,431	57,825,778	18,770,648	29,866,615
San Anselmo	Marin	12,757	11,126,613	24,239,584	22,931,482
Commerce	Los Angeles	12,868	102,212,821	70,736,600	72,029,824
San Marino	Los Angeles	13,087	40,439,170	31,155,365	28,889,910
Palos Verdes	Los Angeles	13,190	28,376,395	22,233,824	21,045,068
Solana Beach	San Diego	13,838	34,520,490	24,589,176	22,166,231
Auburn	Placer	14,594	14,579,108	19,936,106	20,703,015
Hawaiian Gardens	Los Angeles	14,649	29,883,978	20,392,529	23,409,252
Mill Valley	Marin	14,674	25,094,033	47,361,609	47,285,862
La Palma	Orange	15,492	34,679,858	13,511,677	12,719,698
Laguna Wood	Orange	16,243	12,975,599	7,612,004	7,337,275
Artesia	Los Angeles	16,490	11,135,972	12,015,460	15,170,489
El Segundo	Los Angeles	16,777	62,577,864	82,707,663	79,840,211
Moraga	Contra Costa	16,946	18,431,477	17,213,298	18,791,327
Santa Fe Springs	Los Angeles	18,295	110,940,608	84,114,330	71,068,610
Albany	Alameda	18,937	34,312,697	31,262,321	28,614,603
Orinda	Contra Costa	19,009	36,205,280	27,382,211	33,082,285
Rancho Mirage	Riverside	19,114	114,226,088	46,315,200	50,098,884
Blythe	Riverside	19,255	7,059,281	10,848,919	11,048,534
Pinole	Contra Costa	19,505	56,164,662	25,786,373	23,093,464
Hermosa Beach	Los Angeles	19,614	40,646,247	45,325,482	44,284,412
AVERAGE		15,614	47,449,360	33,114,500	33,754,796

Figure 32: Urban 1 Cohort Revenue Per Capita

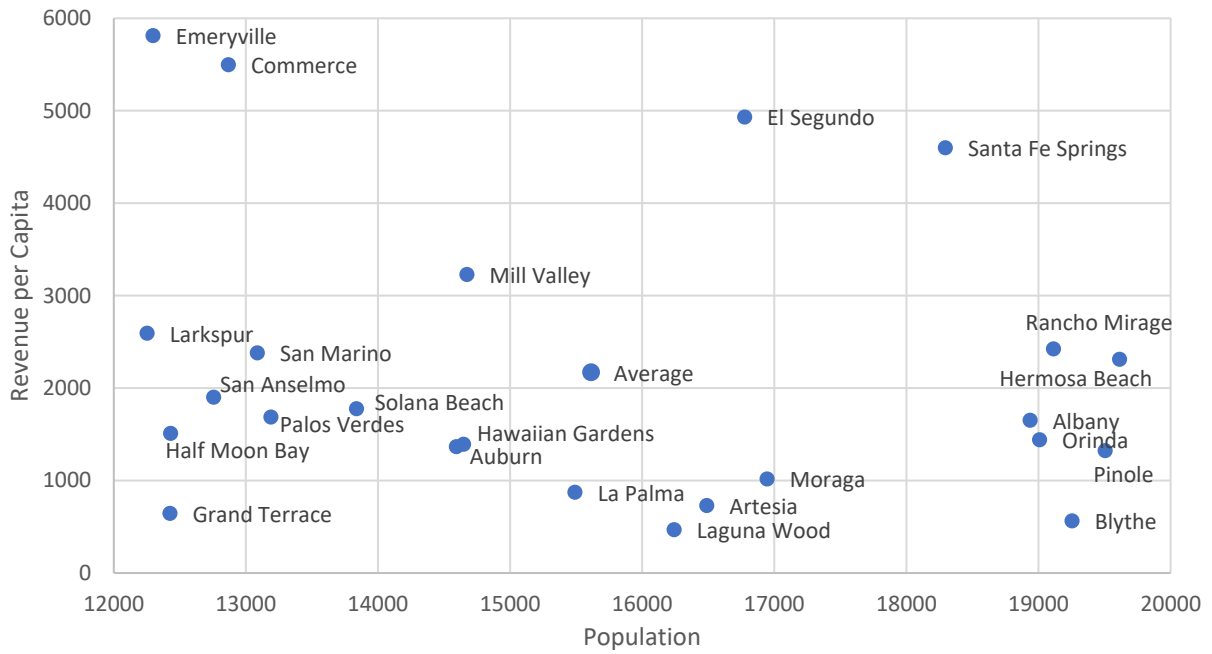
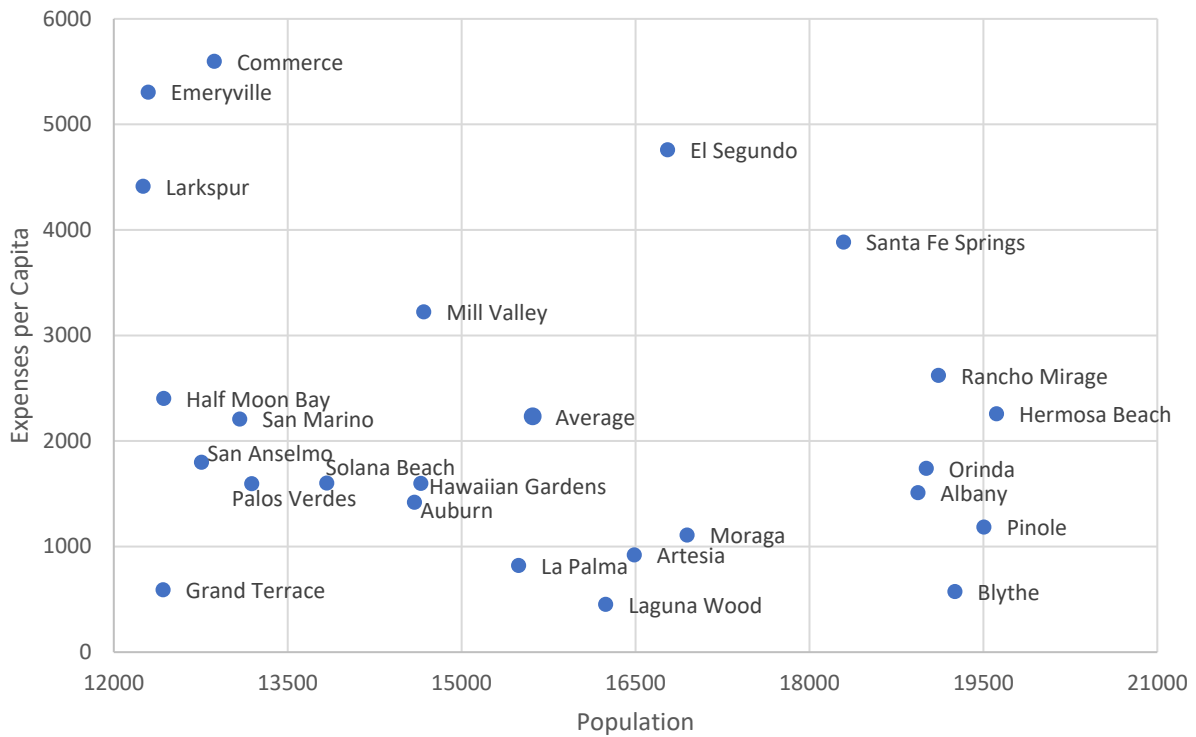


Figure 33: Urban 1 Cohort Expenditures Per Capita



Looking at Figure 34, it appears that Emeryville has the highest revenue and expenses per capita. This is likely due to the city being a popular location for businesses and having a significant amount of commercial property. In contrast, Laguna Wood has the lowest revenue and expenses per capita, which could be attributed to its relatively small size and lower revenue base. Overall, analyzing revenues and expenses per capita can provide insight into the financial health of a city. The variance column indicates whether each city is operating at a surplus or deficit. A negative variance means the city is spending more than it is taking in, while a positive variance means it is taking in more than it is spending. Some cities, such as Pinole and Santa Fe Springs, have significant surpluses, while others, such as Half Moon Bay and Larkspur, are operating at a deficit.

Figure 34: Urban 1 Cohort Variance Per Capita

City	Revenue per Capita	Expenditure per Capita	Variance
Pinole	\$2,876	\$1,182	\$1,694
Santa Fe Springs	\$4,591	\$3,878	\$713
Emeryville	\$5,853	\$5,307	\$546
Hawaiian Gardens	\$2,040	\$1,597	\$443
Albany	\$1,811	\$1,512	\$299
El Segundo	\$4,935	\$4,755	\$180
Solana Beach	\$1,776	\$1,602	\$174
San Marino	\$2,377	\$2,210	\$167
San Anselmo	\$1,898	\$1,795	\$103
Palos Verdes	\$1,684	\$1,594	\$90
Orinda	\$1,808	\$1,740	\$68
Grand Terrace	\$644	\$591	\$53
La Palma	\$872	\$820	\$52
Laguna Wood	\$470	\$451	\$19
Mill Valley	\$3,223	\$3,221	\$2
Blythe	\$562	\$574	(\$12)
Auburn	\$1,365	\$1,420	(\$55)
Moraga	\$1,017	\$1,108	(\$91)
Hermosa Beach	\$2,069	\$2,251	(\$182)
Artesia	\$729	\$920	(\$191)
Rancho Mirage	\$2,421	\$2,617	(\$196)
Commerce	\$5,312	\$5,597	(\$285)
Half Moon Bay	\$1,510	\$2,402	(\$892)
Larkspur	\$2,590	\$4,413	(\$1,823)
AVERAGE	\$2,268	\$2,232	\$37

Averaged Cohort Fund Totals

The following tables represent the financial averages of all cities within a particular cohort. The purpose is to provide a summary of the financial performance of cities in that group. Cohorts are groups of cities that have been classified based on their shared characteristics, such as population size and designation by the US Census Bureau. By calculating the averages of various financial indicators for all cities within a cohort, it is possible to compare the financial performance of different groups of cities and identify trends or patterns that may exist. These figures can be used to make informed decisions about the assumptions used in a financial feasibility study.

Figure 35 shows the average total tax revenues for three different cohorts: Rural, Urban 2, and Urban 1. The Urban 1 cities have the highest total tax revenue of \$22,544,480, while the Urban 2 cities have the lowest \$9,730,312. Sales and Use Tax Revenue is the largest contributor to the tax revenue for all three cities. The sales and use tax revenues are highest for Urban 1, followed by Rural and then Urban 2. Property Taxes are the second-largest tax revenue source for all cohorts. For secured and unsecured property tax revenues, Urban 1 has the highest amount, followed by Rural and then Urban 2. Property tax in-lieu of vehicle license fees revenue is relatively similar across all regions. Transient occupancy tax revenues are highest for Urban 1, followed by Rural and then Urban 2. Real property transfer tax revenues are highest for Urban 1, followed by Rural and then Urban 2. Franchise taxes revenue and business license taxes revenue are highest for Urban 1, followed by Rural and then Urban 2. Other taxes revenue are highest for Urban 1, followed by Urban 2 and then Rural. Overall, it appears that Urban 1 has the highest tax revenues across most categories, while Urban 2 has the lowest tax revenues across most categories.

Figure 35: General Tax Revenues of Cohorts

Revenue Source	Rural	Urban 2	Urban 1
Sales and Use Tax	\$5,261,499	\$2,533,400	\$5,533,400
Secured and Unsecured Property Tax	2,641,843	1,530,289	5,435,477
Property Tax In-Lieu of Vehicle License Fees	1,478,598	1,468,890	1,743,110
Transient Occupancy Tax	1,197,893	751,387	2,111,307
Real Property Transfer Tax	88,434	60,561	543,969
Franchise Taxes	699,766	476,393	1,064,857
Business License Taxes	215,452	128,655	1,761,829
Other Taxes	2,289,278	2,780,737	4,350,531
Total Tax Revenues	\$13,872,763	9,730,312	\$22,544,480
<i>Per Capita</i>	<i>\$945</i>	<i>\$635</i>	<i>\$1,444</i>

In terms of Homeowners Property Tax Relief, Rural cities generate the lowest revenue with \$24,140, whereas Urban 2 areas generate the highest revenue with \$34,817. Urban 1 cities generate slightly

less revenue than Urban 2 with \$33,009. When it comes to the Gasoline Tax category, Rural cities generate the highest revenue with \$870,045, followed by Urban 1 cities with \$620,735, then Urban 2 cities with \$597,946. Finally, in the Other State Grants category, Rural cities generate the highest revenue with \$1,720,029, followed by Urban 2 cities with \$756,075 and Urban 1 cities with \$752,286. Overall, Rural cities generate the highest revenue in two out of three categories (Gasoline Tax and Other State Grants), while Urban 1 cities generate the highest revenue in the remaining category (Homeowners Property Tax Relief). Urban 2 cities fall in the middle for all three categories.

Figure 36: State Intergovernmental Revenues of Cohorts

Revenue Source	Rural	Urban 2	Urban 1
Homeowners Property Tax Relief	\$24,140	\$34,817	\$33,009
Gasoline Tax	870,045	597,946	620,735
Other State Grants	1,720,029	756,075	752,286
Total Intergovernmental Revenues	\$2,614,214	\$1,388,838	\$1,406,030

Figure 37 shows the amounts of Community Development Block Grant and Other Federal Grants received by Rural, Urban 2, and Urban 1 cities. Rural cities received the least amount of both grants, with only \$59,517 in Community Development Block Grant and \$480,306 in Other Federal Grants. Urban 1 cities received the highest amount of Other Federal Grants with \$787,282, while Urban 2 cities received the highest amount of Community Development Block Grant with \$484,122. Overall, Urban 2 cities received the highest total amount of Intergovernmental Federal Revenues with \$1,131,854, followed by Urban 1 cities with \$876,118 and Rural cities with \$539,823. The differences in the amounts of grants received may be due to factors such as population, economic development, and specific needs and priorities of each area.

Figure 37: Federal Intergovernmental Revenues of Cohorts

Revenue Source	Rural	Urban 2	Urban 1
Community Development Block Grant	\$59,517	484,122	88,836
Other Federal Grants	480,306	647,732	787,282
Total Intergovernmental Federal Revenues	\$539,823	\$1,131,854	\$876,118

As reflected in Figure 38, the Rural cities generated the least revenue from charges for services, with a total of \$815,907. This is followed by Urban 2 with \$992,616, and Urban 1 with the highest revenue of \$2,953,588. The highest revenue-generating service fees (other than miscellaneous) in each region are as follows:

- Rural: Parks and Recreation fees with \$168,441
- Urban 2: Plan Checking fees with \$205,136
- Urban 1: Planning fees with \$596,901

Overall, much of the revenue from charges for services in all three regions comes from Other Miscellaneous Services fees, which generated \$1,812,504 in total revenue. Planning fees and Parks and Recreation fees and Planning fees are the next highest revenue-generating services, with total revenues of \$964,032 and \$884,514, respectively.

Figure 38: Charges for Services of Cohorts

Revenue Source	Rural	Urban 2	Urban 1
Zoning and Subdivision fees	\$135,426	\$55,858	\$171,038
Special Police Department Service fees	126,089	81,622	209,673
Planning fees	82,477	205,136	596,901
Engineering and Inspection fees	104,310	132,377	256,817
Parks and Recreation fees	168,441	186,797	608,794
Other Miscellaneous Services fees.	371,313	330,826	1,110,365
Total Charges for Services	\$988,056	\$992,616	\$2,953,588

In looking at Figure 39, we can observe that: Urban 1 has the highest values for investment earnings, rents and concessions, other fines, and use of money and property categories. Urban 2 has the lowest values for all categories except for fines and forfeitures. In terms of total fines and penalties, Urban 1 has the highest value, followed by Rural and then Urban 2. Overall, we can see that Urban 1 has the highest values for most categories.

Figure 39: Fines and Penalties Revenues of Cohorts

Revenue Source	Rural	Urban 2	Urban 1
Fines and Forfeitures	\$23,750	\$42,375	\$140,055
Investment Earnings	585,511	391,609	1,148,202
Rents and Concessions	255,019	160,926	411,833
Other Fines	87,103	20,753	110,873
Use of Money and Property	920,856	552,783	1,532,581
Total Fines and Penalties	\$1,872,239	\$1,168,446	\$3,343,544

In terms of revenue generation (see Figure 40), Urban 1 generates the most revenue from licenses and permits with a total of \$835,978. Urban 2 generates \$624,802, which is significantly higher than Rural, which generates only \$285,050. When we look at the individual categories, Construction Permits generate the most revenue in all three regions. Urban 1 generates the most revenue from Construction Permits, which is \$717,896, followed by Urban 2 with \$334,071, and then Rural with

\$220,142. Other Licenses and Permits generates the second most revenue in Urban 2 with \$283,638, followed by Rural with \$45,132, and then Urban 1 with \$105,147. Lastly, Animal Licenses generate the most revenue in Rural with \$19,777, followed by Urban 1 with \$12,935 and then Urban 2 with \$7,093.

Figure 40: Licenses and Permits Revenues of Cohorts

Revenue Source	Rural	Urban 2	Urban 1
Animal Licenses	19,777	\$7,093	12,935
Construction Permits	220,142	334,071	717,896
Other Licenses and Permits	45,132	283,638	105,147
Total Licenses and Permits	\$285,050	\$624,802	\$835,978

Reflected in Figure 41 is the Miscellaneous Revenues which are relatively small and uniform across all three cities. However, in the Miscellaneous Functional category, there is a large discrepancy between the rural area and the two urban cities, with the urban cities having significantly higher revenues in this category. The Development Impact Fees are highest in the Urban 2 area, with over \$600,000 in revenue, while the Rural and Urban 1 cities have relatively low revenue in this category. Contributions from Nongovernmental Sources are highest in the Urban 2 area, with over \$300,000 in revenue, while the Rural and Urban 1 cities have significantly lower revenue in this category. The Other Miscellaneous category is highest in the Rural area, with over \$1 million in revenue, while the Urban 2 and Urban 1 cities have lower revenue in this category. Overall, the Miscellaneous Revenues category is highest in the Urban 2 area, with over \$3.3 million in revenue, while the Rural and Urban 1 cities have lower revenue in this category.

Figure 41: Other Fees and Miscellaneous Revenues of Cohorts

Revenue Source	Rural	Urban 2	Urban 1
Total Miscellaneous General	674,467	268,909	252,396
Total Miscellaneous Functional	502,425	1,210,902	790,477
Development Impact Fees	23,348	644,676	105,227
Contributions from Nongovernmental Sources	49,641	330,812	243,628
Other Miscellaneous	1,103,902	881,963	815,607
Total Miscellaneous Revenues	\$2,353,783	\$3,337,262	\$2,207,335

Figure 42: Redacted

Figure 43: Debt per Capital by Cohort

Element	Rural	Urban 2	Urban 1
Principle Payable, Beginning of Fiscal Year	\$1,738	\$656	\$743
Principal Paid in Current Fiscal Year	1,032	38	92
Principal Payable, End of Fiscal Year	1,625	635	772
Principal Payable, Current Portion	79	41	37
Interest Paid in Current Fiscal Year	77	31	29

Based on the previous data tables (Figures 35-43), the Urban 1 cohort is in the strongest financial condition. Cities in this cohort have the highest total revenues across most categories, including Taxes, Charges for Services, Fines and Penalties, Licenses and Permits, and Miscellaneous Revenues. Additionally, the cohort has the highest assets and fund balances, indicating a strong financial position. Overall, the combination of higher revenues, lower expenses, higher fund balances, and lower debt suggests that Urban 1 cohort cities to be the strongest, followed by the Rural cohort.

Achieving a Balanced Budget

While this study was not intended to be a comprehensive financial feasibility study as required by state law, the municipal financial comparison approach can provide a preliminary estimate of operating costs and revenues for a new city in McKinleyville by using relevant cost and revenue data from other communities with similar characteristics. Our methodology entailed using data from the audited financial statements to identify average operating costs and revenue per capita. We did not verify the accuracy or completeness of the information used from these secondary sources. We do not express an opinion or a conclusion on the financial statements of other local communities.

Although any single data point may be misleading, we believe the collective data approach from a sample of representative communities can provide general sense of the likely costs and revenues if the City of McKinleyville were to have theoretically existed in 2020. While this approach can help assess whether McKinleyville might achieve a balanced budget given existing revenue capacity, actual operating costs and revenues are likely to vary from our estimates for several reasons:

- The size and scope of the proposed City remains largely unknown;
- Changes in local, state, and national economic conditions will occur impacting municipal budgets either favorably or unfavorably;
- Our analysis is a reflection of California law affecting local governments beginning on July 1, 2020 and ending on April 1, 2023 major changes affecting intergovernmental finance in California are likely to occur in the coming years, and
- Insufficient audited financial data from the County currently exists to deploy the detailed financial analysis approach.

While the full scope of services of a potential City of McKinleyville would be determined through further public deliberations and technical studies, members of the MIE have preliminarily identified

key services they believe would be performed by the new municipality. As a general rule, members consulted for this portion of the study envisioned a limited, as opposed to a full-service, city.¹¹ A limited service municipality typically provides only a few essential services to its residents, such as police protection, planning services, and perhaps some basic recreational facilities. Often these cities rely on neighboring municipalities, special districts, or the county for other services like water and sewer, public transportation, and other social services. With that said, there is still debate within the MIE as to what the City would be responsible for. For instance, the City may be mandated to manage animal control. Some on the committee felt that administrative efficiencies might be gained by consolidating all MCSD services into the new City. To advance our study, we relied on the Chair of the committee to outline the preliminary scope of municipal services in the early Spring.

As reflected in Figure 44, one initial vision for the City of McKinleyville sees the city responsible for public protection with respect to accident investigations, traffic control, and other law enforcement activities.¹² The City would also assume all community planning activities including the establishing of building codes and enforcements, as well as enacting local zoning and land use rules. Park grounds and recreation facilities would be transferred from the MCSD to the new City. Additionally, the City would assume Street Lighting from MCSD under this plan as well. Ownership and maintenance of public roads within the jurisdictional area would be transferred from the County to the new City. Several roads found in McKinleyville are privately owned and operated and would continue to maintain that status after incorporation, unless addressed directly through policy action of the city council. Activities would be planned and managed through the establishment of a new City Hall.

Our fiscal analysis assumes other public services offered within the community would remain with their existing provider. For instance, the MCSD would continue to manage water and wastewater services. The County would continue to handle the judicial system, the Redwood airport, and the library. The County would also carry on offering social services including senior services, public health including hazardous materials monitoring and disposal, and food permits and inspections. Fire Protection would stay with the Arcata Fire District and the existing school districts would still be responsible for education. Sanitation, gas, internet, and electric services would continue to be provided by private businesses. In summary, the city in conjunction with other service providers would provide at least the same level of service available to residents of the unincorporated area prior to incorporation. Some city services may need to be initially contracted with the County or neighboring cities to allow for the most efficient, cost-effective transition.

The services offered of the new city are highly relevant to financial analysis because they directly impact the revenue and expenditure of the city. In contrast, services provided by other governments, such as neighboring municipalities or the county, may not be as relevant to financial analysis, as they are outside the control of the new city and do not directly impact its revenue or expenditure. However, it is important for the new city to consider these external services when developing its own service offerings, as they have an impact on the city's residents and its overall financial health.

¹¹ Limited service municipalities are often found in rural areas or small towns with a low tax base and limited resources. In contrast, a full-service municipality provides a wide range of services to its residents, including water and sewer, schools, parks and recreation, public transportation, libraries, and more. Full-service municipalities are typically found in urban areas and have a higher tax base, greater resources, and more complex administrative structures.

¹² The size, scope, and general approach of the police unit would be determined through further public meetings.

Figure 44: City of McKinleyville Proposed Service Providers

	City of McKinleyville	County of Humboldt	McKinleyville Community Service District	Other - Gov't Entity	Private Sector Business
General Government					
Administration	X				
Public Protection					
Accident	X				
Animal Control		X			
Law Enforcement	X				
Fire Protection				X (2)	
Traffic Control	X				
Community Development					
Building	X				
Zoning/Land Use	X				
Community Services					
Activity Center	X				
Cemetery				X	
Library		X			
Parks	X				
Transportation				X	
Public Works / Utilities					
Electricity					X (3)
Gas					X (3)
Sanitation					X (3)
Waste & Recycling		X			
Street Lighting	X				X (3)
Streets/Highways	X				
Wastewater			X		
Water			X		
Social Services					
Healthcare		X			
Education					
Correctional		X			
District Attorney		X			
Probation		X			
Superior Court		X			
Aviation					
Arcata-Eureka		X			

(1) California Highway Patrol

(2) Arcata Fire District

(3) Redwood Energy Authority / Pacific Gas and Electric / Humboldt Sanitation and Recycling

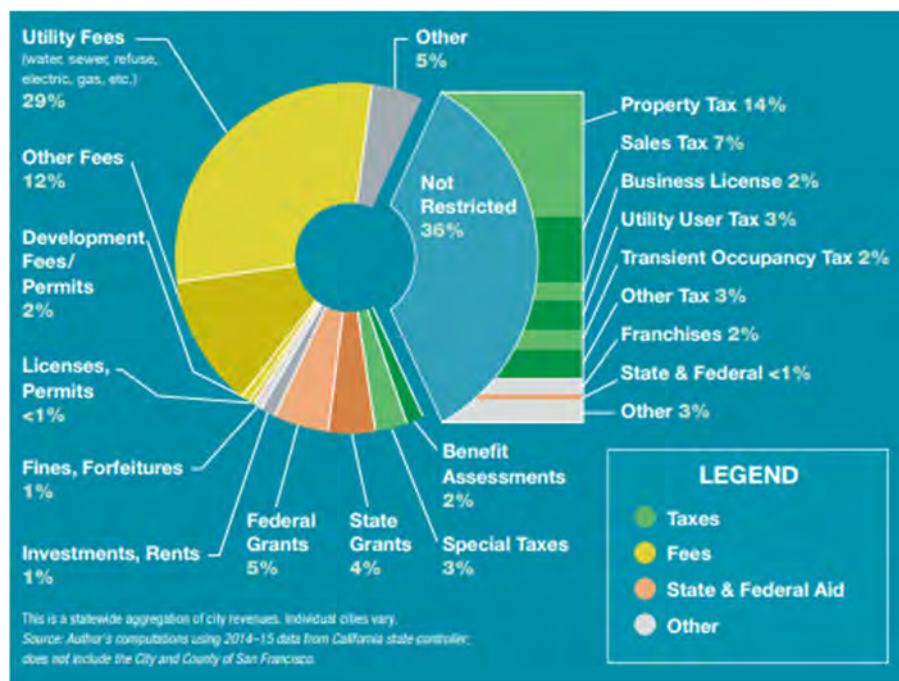
(4) McKinleyville Union School District / Northern Humboldt Union High School District

Revenue and Expenditure Forecast

Our approach to utilizing the municipal financial comparison technique entailed focusing on materiality and relevance. Materiality refers to the concept that information presented in financial statements is considered “material” if it has the potential to impact the decision-making of users of those statements. In other words, materiality is the threshold at which an item or event is significant enough to influence the economic decisions of the users of the financial statements. If an item is material, it must be disclosed so that users can make informed decisions. Conversely, if an item is immaterial, it need not be disclosed. The materiality threshold may differ depending on the circumstances, such as the size and complexity of the organization and the needs of its users. Applying the materiality concept to this section of the study meant focusing on the largest potential sources of tax revenue, as opposed to other insignificant resource inputs. For instance, property and sales tax collectively represent nearly 60% of non-restricted revenues of local governments and were therefore considered material to our study (see Figure 45). While other sources of revenues, such as permits, fees or fines estimates, are unlikely to have a material impact on the municipal budget.

The concept of relevance is an important tool for decision-making. Relevant costs and revenues are those costs and benefits that are directly affected by a decision and are therefore important to consider when planning. For example, when deciding to incorporate a city, the relevant costs and benefits would include the costs associated with the specific public services within city managers control, as well as the eligible revenue sources to support those programs. By considering only the relevant costs and benefits, the committee can make more informed decisions. Figure 46 highlights costs we deemed irrelevant when building our forecast.

Figure 45: State of California Aggregation of City Revenues



Source: Auditor's computations using 2014-15 from California State Controller; Hudson, League of Cities, 2016

Several services provided by other local cities are not anticipated to be provided by the City of McKinleyville after the proposed incorporation, and these revenues and expenses have not been included in the City’s forecasts. Specific services in this category include fire protection, animal control, library services, public transportation, water, wastewater treatment and disposal, solid waste disposal, and refuse collection and sanitation. These services will continue to be provided by the County, McKinleyville Community Services District, or other current providers.

Figure 46: Irrelevant Costs to this Study and Justification

Cost Element	Justification
Fire Protection	Fire protection will continue to be offered by Arcata Fire District (AFD) and spread across multiple jurisdictions. (see Figure 52 for AFDs operating revenues and costs)
Education	School districts serving the McKinleyville community will remain independently governed by their own boards.
Water and Wastewater	These public services will continue to be managed by the MCSD (see Figure 49 and 50 for AFDs operating revenues and costs)
Parks & Recreation	The costs and revenues associated with these activities are already known through the MCSD and do not need to be estimated.
Electricity, Gas, and Sanitation	No change in the status quo. These services will stay with private sector providers and costs recovered via user fees.
Streets and Highways	All comparators used in this city were reimbursed for these costs in full through capital/operating grants or restricted revenue sources, as opposed to unrestricted general tax revenues. We assume these operating costs would be scaled with earmarked revenues, such as PILVLF and capital grants.
Arcata-Eureka Airport	These public services will continue to be provided by the County of Humboldt (see Figure 53 for the County’s operating revenues and costs)
Social Services	These public services will continue to be provided by the County of Humboldt (see Figure 53 for the County’s operating revenues and costs)
Judicial Service	These public services will continue to be provided by the County of Humboldt (see Figure 53 for the County’s operating revenues and costs)

Figures 47 and 48: Estimated Revenues and Expenditures for City of McKinleyville (per capita) displays average annual general fund expenditures per citizen for similarly sized California communities (between 12,000 and 20,000 citizens). Expenditures are for governmental fund services. As noted previously, the costs of utility services (water and sewer) and fire were excluded because they’re being delivered by other service providers. Based on the scope of services envisioned by the MIE, we find that the City of McKinleyville’s general tax revenues, excluding grants and other revenues sources, would largely need to offset operating costs related to general government and police protection. General government expenditures include staffing for City Administration, Planning, Building, Inspection, Zoning, and Land Use activities. Overall, the comparison research suggests that there is a correlation between the level of urbanization and expenditure on general government and police. Cities near urban areas have higher levels of economic activity and tend to spend more on these services than rural areas. If the City of McKinleyville were to have existed in the year 2020, we project that expenditures for these two major functional activities may have ranged from a minimum of \$6.7 million to a maximum of \$13.3 million dollars. However, expenditures were most likely to come closer to “Rural” cohort average of \$11.4 million.

Figure 47: Major Expenditures by Relevant Functional Area of Cohorts

Expenditure	Urban 2 (Low)	Rural (Medium)	Urban 1 (High)
General Government (GG)	1,997,467	4,384,405	5,128,179
<i>Per Capita</i>	\$130.30	\$298.52	\$328.43
Police (POL)	4,197,392	5,681,981	7,304,493
<i>Per Capita</i>	\$273.80	\$386.87	\$467.82
Total (GG + POL)	6,194,859	10,066,386	12,432,672
<i>Per Capita</i>	\$404.10	\$685.39	\$796.25
McKinleyville Projection*	\$6,726,251	\$11,408,388	\$13,253,607

*Based on US Census population count of 16,645 in 2020

To offset these operating costs, the City would have to reallocate a portion of property taxes currently going to the County of Humboldt and generate new sources of revenue, such as imposing a City sales tax. Figure 48 documents typical revenue sources and the degree of reliance on individual revenue sources from the same rural California community database used in the above expenditure diagram. We do not speculate on the amount of nonmajor tax revenue sources, fees, penalties, or grant revenues the city might cultivate. We assume public works costs would be offset by these other sources of earmarked revenue not reflected in Figure 48, as is customary within other municipalities. For instance, PILVLF revenue must be spent in accordance with the restrictions imposed by California state law. The state law requires that a minimum of 90% of PILVLF revenue be spent on transportation-related purposes, such as road maintenance and repair, traffic management, and transit services. The remaining 10% can be used for any governmental purpose; therefore, we use 10% of the average PILVLF revenues for general government programs.

If the City of McKinleyville were to exist in the year 2020, we estimate that the city would have raised between \$7,614,403 to \$17,537,096 depending upon the mixture of taxes and corresponding rates that may have been enacted by a city council. However, revenues were most likely to be like the Rural cohort projection of \$11.6 million. As stated previously, this assumption is based on average tax revenues derived by cities of a similar population to McKinleyville within the State of California. It is important for readers of this report to understand that these are merely projections without knowing the tax policies that will be ultimately established by local leadership. Appropriate taxation levels within the community will be determined by a number of key factors largely left unknown at the time of this publication. For instance, what will the revenue share between the County and City be with respect to property taxes (e.g., 50/50, 60/40, etc.)? Would the City continue to maintain public services at their current level or seek to enhance these services? What will be the one-time administrative cost associated establishing the new City?¹³

¹³ Including costs associated with incorporation process, e.g., LAFCO feasibility study, EIR, and other start-up costs

Figure 48: Estimated Revenues City of McKinleyville (per capita)

Revenue Source	Urban 2 (Low)	Rural (Medium)	Urban 1 (High)
Sales and Use Tax	\$3,426,409	\$5,261,499	\$5,533,400
Secured and Unsecured Property Tax	1,868,856	2,641,843	5,435,477
Property Tax In-Lieu of Vehicle License Fees (PILVLF)	164,189	147,860	174,311
Transient Occupancy Tax	888,494	1,197,893	2,111,307
Real Property Transfer Tax	59,752	88,434	543,969
Franchise Taxes	484,193	699,766	1,064,857
Business License Taxes	120,952	215,452	1,761,829
Total General Tax Revenues (Comparators)	\$7,012,845	\$10,252,747	\$16,625,150
<i>Per Capita</i>	<i>\$457</i>	<i>\$698</i>	<i>\$1,065</i>
McKinleyville Projection*	\$7,614,403	\$11,619,594	\$17,722,917

*Based on US Census population count of 16,645 in 2020

By creating three financial scenario models incorporating 57 cities that are comparable, we have discovered that McKinleyville’s local population could potentially support the scope of municipal services proposed by the MIE if the town were to implement similar tax policies of these other 57 cities included in the sample. All three models suggest the achievement of a balanced budget; whereby, revenues are likely to exceed operating expenditures.

The Rural cohort appears most representative of the likely operating costs of the City of McKinleyville if it were to have existed in 2020. Further, we can see that the per capita expenditures of the Rural cohort are similar to the per capita expenditures of the City of Fortuna and Arcata (see Appendix 3). This suggests that these two cities can be considered as reasonable benchmarks for understanding the financial feasibility of McKinleyville. Fortuna is similar to McKinleyville in that the community has experienced a similar population growth rate. Arcata, meanwhile, is like McKinleyville in total population and shares similarities due to its close geographic proximity to Cal Poly Humboldt. Therefore, the Fortuna and Arcata budgets and organizational structures could be relied upon by the MIE when designing a financial feasibility study. While these cities share similarities, there may be some differences in their spending priorities and needs, which should be taken into consideration when conducting this phase of the study.

Financial Data of Other Direct Service Providers

While not directly impacting the operations of the prospective City of McKinleyville, consideration of the operating costs of other service providers is of relevance to this effort. A limited scope city cannot be viewed in isolation of other service providers in the community because these entities provide services where the city cannot. These public services come with a cost that must be paid for by taxpayers. However, not all government costs are borne equally by all members of a community or region. Some government costs are directly attributed to a particular community, while others are shared across Humboldt County or in conjunction with residents in other cities.

One example of a government cost that is directly attributed to the McKinleyville community is the cost of water and wastewater services. Currently, MCSD delivers these services exclusively within the jurisdictional area contemplated by the MIE; therefore, MCSD costs can be directly traceable to residents of the community. The amount of money needed to maintain this infrastructure is thereby driven by the needs of the community. It was assumed that the MCSD budget is adequate and sound for the services MCSD provides and that no funds in the MCSD budget would be used by the proposed city for anything other than current services provided by MCSD. The total revenue estimate does not include revenues received by MCSD. Figures 49-51 reflect the financial results and condition of the MCSD, denoting any revenues or functional expenses that would likely be transferred to the City of McKinleyville with a “T” (aka Transfer). We also show a growth rate in certain financial accounts.

In contrast, some services delivered within the McKinleyville community are shared across Humboldt County or residents of neighboring cities. One example of this is the cost of an emergency response system. Often, the cost of developing and maintaining such a system is beyond the means of individual municipalities. To ensure that every citizen has access to emergency services, a shared system supported by Arcata Fire District (AFD) is paid for by residents of both McKinleyville, Arcata, and other communities. The financial results reflected in Figure 52 represent revenues and expenses attributed to servicing all regions covered by the AFD.

Similarly, social programs, such as public health initiatives or justice projects, are typically funded through regional or national taxes rather than through individual municipal taxes. The cost of these programs is shared by all citizens of a particular County, regardless of which municipality they live in. These programs aim to improve the overall well-being of all citizens in the region and are seen as a shared responsibility. Figure 53 reflects the most recent financial data available from Humboldt County. As of April 2023, the County had yet to release 2021 or 2022 financial statements. Only a small unknown proportion of these revenues and costs can be attributed to the McKinleyville community. Understanding the difference between indirect versus direct costs is essential to informing tax policy and government spending priorities.

The data presented in the following section is valuable in that it represents audited financial statements, not projections. Audited financial data is important because it represents an independent and objective assessment of an organizational financial health and performance. An audit is a systematic review of a company’s financial records, processes, and controls by a qualified independent auditor. The auditor’s report provides assurance to users of the financial statements that they are reliable, accurate, and compliant with accounting standards. This assurance helps to increase transparency, accountability, and trust in financial reporting.

Figure 49: MCSD Actual Expenses (2020-2022)

	2020	Actuals 2021	2022	Rate 2-year Change
GOVERNMENTAL ACTIVITIES				
Recreation and Culture (T)	1,580,958	1,483,744	1,447,221	-8%
Measure B (T)	141,509	125,972	202,702	43%
Streetlighting (T)	104,705	118,448	103,066	-2%
Total	1,827,172	1,728,164	1,752,989	-4%
BUSINESS-TYPE ACTIVITIES				
Water	3,162,794	3,279,421	3,539,726	12%
Wastewater	3,484,714	3,646,126	3,956,552	14%
Total	6,647,508	6,925,547	7,496,278	13%

Source: MCSD Audited Financial Statements 2020-22

Figure 50: MCSD Actual Revenues (2020-2022)

	2020	Actuals 2021	2022	Rate 2-year Change
GOVERNMENTAL ACTIVITIES				
Property Tax	677,798	671,671	729,263	8%
Special Assessments	212,622	217,031	216,405	2%
Fees from Parks & Recreation (T)	389,341	303,030	446,471	15%
Fees from Street Lighting (T)	97,892	100,455	105,640	8%
Investment Earnings	95,418	39,754	-50,303	-153%
Gains on Disposal of Capital Assets	0	4,601	7,501	100%
Other Income	43,762	51,204	20,548	-53%
Operating Grants - Parks & Recreation (T)	40,116	5,326	14,773	-63%
Operating Grants - Street Lighting (T)	32			
Capital Grants - Parks & Recreation (T)	23,980	10,040	0	-100%
Total	1,580,961	1,403,112	1,490,298	-6%
BUSINESS-TYPE ACTIVITIES				
Charges for Services - Water	3,787,070	4,132,533	3,996,822	6%
Charges for Services - Wastewater	3,774,876	4,056,427	4,143,976	10%
Capital Grants - Water	331,850	520,172	274,561	5%
Capital Grants - Wastewater	639,958	1,173,992	1,293,274	47%
Gains on Disposal of Capital Assets	7,901	212	400	-4%
Investment Earnings	405,116	101,584	-238,030	-205%
Total	8,946,771	9,984,920	9,471,003	6%

Source: MCSD Audited Financial Statements 2020-22

Figure 51 represents the overall change in net position for the MCSD. This is a key financial indicator presented on government financial statements. This metric refers to the difference between the beginning and ending net position for a particular period. A positive change in net position indicates that the government’s financial position has improved, while a negative change in net position indicates that the government’s financial position has deteriorated. There are several factors that can contribute to a change in net position on government financial statements. These include changes in revenue and expenses, changes in asset values, changes in liabilities, and changes in non-financial factors such as the economy, demographics, or public policies.

Figure 51: MCSD Change in Net Position

GOVERNMENTAL ACTIVITIES	Actuals			Rate
	2020	2021	2022	2-year Change
Total Revenues	1,580,961	1,403,112	1,490,298	-6%
Total Expenses	1,827,172	1,728,164	1,752,989	-4%
Change in Net Position	-246,211	-325,052	-262,691	-7%
BUSINESS-TYPE ACTIVITIES				
Total Revenues	8,946,771	9,984,920	9,471,003	6%
Total Expenses	6,647,508	6,925,547	7,496,278	13%
Change in Net Position	2,299,263	3,059,373	1,974,725	-14%
Overall Change in Net Position	2,053,052	2,734,321	1,712,034	-17%

Source: MCSD Audited Financial Statements 2020-22

Figure 52 highlights the change in net position for the Arcata Fire District. It is important for governments to monitor and analyze changes in net position over time, as it can provide insights into the organization’s financial health and help identify cities where improvements can be made.

Figure 52: Arcata Fire District

	2020	2021	2-year Change
Revenues			
Property Tax	4,104,737	4,244,426	3%
State Timber Tax	984	890	-10%
Program Revenues	60,042	60,389	1%
Investment Earnings	33,006	36,217	10%
Other Income	379,973	397,097	5%
Operating Grant	117,868	145,559	23%
Total	4,696,610	4,884,578	4%
Expenses			
Fire Protection	5,314,206	4,843,598	-9%
Interest Expense	11,399	3,794	-67%
Total	5,325,605	4,847,392	-58%

Change in Net Position -628,995 37,186

Source: AFD Audited Financial Statements 2020-21

Figure 53: Humboldt County Statement of Activities

	2020	%
GOVERNMENTAL ACTIVITIES		
Revenues		
Property Tax	33,876,672	9%
Sales Tax	16,959,588	5%
Transient Occupancy Tax	2,123,922	1%
Property Taxes in Lieu of Motor Vehicle License Fees	19,719,770	5%
Other	14,812,731	4%
Unrestricted Interest and Investment Earnings	2,373,182	1%
Transfers Out	-717,839	0%
Miscellaneous	4,878,978	1%
Charges for Services	44,588,664	12%
Operating Grants	224,425,257	61%
Capital Grants	2,944,729	1%
Total Revenue	365,985,654	100%
Expenses		
General Government	22,606,068	6%
Public Protection	110,855,696	28%
Public Ways and Facilities	43,114,719	11%
Health and Sanitation	84,453,673	21%
Public Assistance	129,516,588	33%
Education	4,718,658	1%
Recreation and Culture	1,274,526	0%
Interest	332,616	0%
Total Expenses	396,872,544	100%
Change in Net Position	-30,886,890	
Net Position, Beginning	171,173,612	
Net Position, Ending	140,286,722	
 BUSINESS-TYPE ACTIVITIES		
Revenues		
Charges for Services - Aviation	2,841,751	63%
Capital Grants - Aviation	938,546	21%
Transfers In	717,839	16%
Miscellaneous	21,560	0%
Interest	-2,901	0%
Total Revenue	4,516,795	100%
Expenses		
Aviation	4,735,410	
Change in Net Position	-218,615	
Net Position, Beginning	33,730,339	
Net Position, Ending	33,511,724	

Source: Humboldt County Audited Financial Statements 2020

Conclusion

Based on the comparative methodology, the initial assessment suggests that the financial feasibility of municipal incorporation appears promising. After analyzing 57 California cities of a comparable population size, the data suggests that McKinleyville could operate with its own governance and funding structure, especially given its rapid population growth rate. However, more research and analysis are necessary before making any final decisions, and key assumptions such as the scope of the city operations, jurisdictional area, appropriate mixture of taxes and rates, and economic growth projections will need to be documented.

Further, we feel revenue neutrality will be a critical component to determine whether the incorporation of a new municipality will be feasible. The goal of revenue neutrality is to ensure that the transfer of revenues and expenditures between the County and the new municipality is “substantially equal” and that there is no fiscal harm to the County because of the incorporation. This requires determining the calculation methods and coming to an agreement between all parties involved, including the County, affected agencies, and the MMAC. If there is no agreement, the final decision will be made by the LAFCo. The revenue neutrality process can be one of the most important and challenging hurdles of the incorporation process.

In assessing financial feasibility, we encourage the MMAC to consider authorizing a Comprehensive Fiscal Analysis (CFA). This study would help to determine the potential revenues and expenses associated with the proposed incorporation, and whether it is financially feasible. The scope of the analysis will vary depending on the specific needs and parameters established by MMAC planning sessions, such as an analysis of various services, public safety budgets, infrastructure needs, and other impact assessments. The CFA will be an important tool for ensuring that the decision to incorporate is well informed and based on accurate and comprehensive information leveraging data released from the County of Humboldt.

We also encourage the MMAC and related subcommittees to consider community health indicators and related sustainability measures. Municipalities can play a significant role in providing services and infrastructure that impact the health and well-being of all residents, not just the most affluent within the community. Access to healthcare, clean air and water, energy-efficient buildings, safe housing, and public transportation can also have a positive impact on economic growth and community health. By considering and measuring these factors, communities can make informed decisions about how to develop policies and programs that promote the health and well-being of their residents in a sustainable manner. The Cal Poly Humboldt interdisciplinary research team stands ready to assist the MMAC in its sustainability and other planning efforts, assuming the committee elects to proceed with further study of the question of municipal incorporation.

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Appendix 1 – Advantages of Becoming a Charter City

The process of municipal incorporation can be a long and complex one, involving many different steps and agencies. Proponents of incorporation should carefully consider the potential benefits and drawbacks, as well as the financial and administrative responsibilities that come with becoming an incorporated municipality. The process can take several years from start to finish, and requires a significant amount of planning, community engagement, and financial investment. One decision that will need to be made is the type of city to be created.

In California, a charter city is a city that operates under a charter approved by its residents as an alternative to being governed by the state's general laws. A charter city has more local control over its government and affairs than a general law city. The charter acts as the city's constitution, specifying the powers and responsibilities of the city government, as well as the rights of citizens. In California, there are two types of charter cities: those that operate under a council-manager form of government, and those that operate under a mayor-council form of government. Charter cities in California have the power to make their own laws on a wide range of topics, including land use, taxes, and contracts. This allows them to tailor their governance and regulations to the specific needs and priorities of their communities.

To become a charter city, a city must first be incorporated as a general law city and then adopt a charter through a vote of the citizens. The charter must be approved by a majority of the voters in an election and can only be amended through another vote of the citizens. A charter city in California is a city that operates under its own local constitution, known as a city charter, rather than under the state's general laws. This allows the city to have greater local control and flexibility in making decisions regarding its government, finances, and services. In California, charter cities are authorized under the state constitution and have the power to adopt and amend their own charters. There are currently 121 charter cities in California, representing approximately 25% of all cities in the state. In California, a charter city is a city that has chosen to adopt a charter as its basic organizing document instead of following the state's standard laws for cities, known as the "general law." A charter city has more local control and can tailor its rules and regulations to meet the specific needs of its residents.

There are two types of charter cities in California: general law charter cities and home rule charter cities. General law charter cities have limited powers to depart from state law and can only exercise the powers specifically granted to them in their charter. In contrast, home rule charter cities have broad powers to determine their own affairs and can exercise any power that is not explicitly prohibited by the state constitution or laws. Some of the benefits of being a charter city include greater local control, flexibility in governing, and the ability to innovate and respond to the unique needs and concerns of the community. However, the process of becoming a charter city can be complex and time-consuming, and it requires a vote of the city's residents.

Appendix 2 – Select Financial Data on Newly Incorporated Cities

Figure 54: Financial Ratio Analysis for Newly Incorporated CA Cities

Metric	Wildomar			Menifee			Jurupa Valley			Eastvale		
	2021	2012	Percent Change	2021	2012	Percent Change	2021	2012	Percent Change	2021	2012	Percent Change
Population	37,013	32,719	13%	99,686	80,589	24%	108,097	96,745	12%	67,626	55,602	21.63%
Net Taxable Assessed Property Value	3,712,810,278	2,263,770,999	64%	11,270,984,052	6,740,307,322	67%	11,445,232,000	6,352,341,000	80%	10,935,952,000	6,027,728,000	81%
Property Tax Levies and Collections	4,733,300	2,838,098	67%	24,076,949	8,728,216	176%	8,275,352	180,982	4472%	3,023,775	4,619,833	-35%
Sales Tax	6,695,060	1,362,647	391%	27,476,156	4,802,963	472%	22,213,889	4,220,459	426%	28,120,028	3,884,798	624%
Franchise Tax	1,206,707	749,046	61%	3,653,129	2,916,302	25%	4,121,296	1,679,411	145%	5,937,579	1,346,490	341%
Motor Vehicle in Lieu (VLF)	2,837,391	18,450	15279%	73,963	47,163	57%	8,599,695		100%	5,246,642	37,611	13850%
Financial Position: Governmental Activities	23%	-6%	-474%	76%	-413%	-118%	42%	-37%	-214%	157%	31%	399%
Financial Position: General Fund	2%	18%	-90%	73%	15%	382%	49%	83%	-41%	123%	67%	82%
Quick Ratio	2.29	2.93	-22%	3.77	3.58	5%	2.81	4.19	-33%	12.40	10.02	24%
Leverage - Debt to Total Assets	0.16	0.21	-27%	0.15	0.39	-62%	0.28	0.16	82%	0.05	0.09	-43%
Debt per Capita (government-wide, primary government)	\$ 272	\$ 127	115%	\$ 631	\$ 360	75%	\$ 331	\$ 6	5244%	\$ 278	\$ 53	427%
Debt to Assessed Value of Property	0.03%	0.18%	-85%	0.56%	0.43%	30%	0.31%	0.01%	3214%	0.17%	0.05%	252%

Appendix 3 – Select Financial Data for Arcata and Fortuna

Local Incorporated Cities Comparator Analysis

This section examines the two most similar cities to McKinleyville in Humboldt County: Arcata and Fortuna. Research found that both cities experienced population growth, increased property values, and higher sales tax revenues from 2011-2021. While Arcata experienced more population growth than Fortuna, both cities grew more than the state average. This growth trend indicates that the region is experiencing positive economic and demographic changes, which can potentially benefit McKinleyville should it choose to incorporate.

We analyzed the primary revenue sources for both cities, which include grants from various sources such as federal, state, and county, sales and use taxes, property taxes, and motor vehicle license fees received from the state. We also looked at the primary expenses, which were in the categories of law enforcement, streets and highways, and city administration. Additionally, both Arcata and Fortuna are full-service cities that provide a wide range of services and have a more complex revenue and expense structure than McKinleyville would have as a limited-scope city. As a result, a significant portion of their “other” revenues and expenses, such as wastewater, sewer, and transit activities, would not be applicable to the prospective city of McKinleyville.

City of Arcata, CA

Arcata is in good financial health, with a steadily increasing population at a rate of 0.9% annually from 2011-2021, higher than the overall growth rate of California during the same period. Both the inflation-adjusted, per capita income and median household income have seen steady annual increases of 2.6% and 2.2% respectively, while median home values have increased by 0.8% and monthly housing costs have gone up by 3.2%. The city’s quick ratio improved YOY from 2020 to 2021, indicating a more solvent financial position, however, the city’s leverage, debt service to total expenditures, and debt per capita relative to income per capita all increased. The city’s primary sources of revenue are grants, sales and use taxes, and property taxes, while expenditures are primarily focused on law enforcement, streets and highways, and city administration. The city also receives material grants from federal, state, and county agencies. Despite the increase in debt, the city’s total assets exceeded total liabilities by nearly \$109 million in 2021.

Figure 55: City of Arcata Revenues by Source

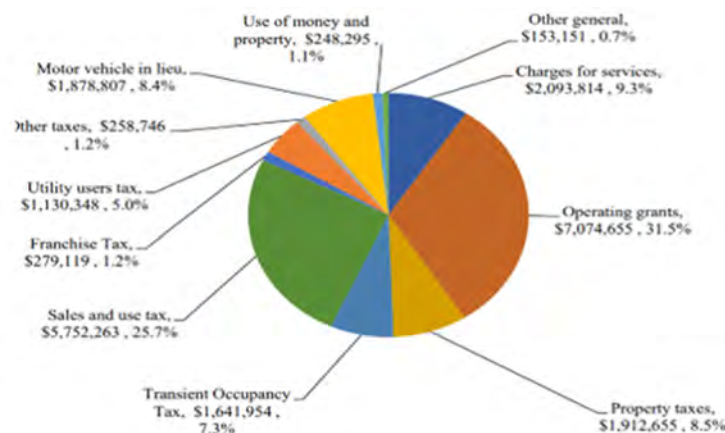


Figure 56: City of Arcata Public Service Providers

	City of Arcata	County of Humboldt	Other Government Entity	Other - Private Sector Business
General Government				
Administration	X			
Public Protection				
Accident	X			
Animal Control	X			
Law Enforcement	X			
Fire Protection			X	
Traffic Control	X			
Community Development				
Building	X			
Zoning/land Use	X			
Community Services				
Activity Center	X			
Library		X		
Parks	X			
Transportation	X			
Public Works/Utilities				
Electricity				X
Gas				X
Sanitation	X			
Solid Waste	X			
Street Lighting	X			
Streets/Highways	X			
Wastewater	X			
Water	X			
Social Services				
Healthcare		X		
Judicial Services				
Correctional		X		
District Attorney		X		
Probation		X		
Superior Court		X		
Education				
K-8 Schools			X	
High School			X	
Aviation				
Arcata-Eureka Airport		X		

Figure 57: City of Arcata Statement of Activities - Vertical Analysis

Vertical Analysis of Revenues		
Category	2021	Percentage of Total Revenues
Property Tax	1,912,655	5.1%
Sales & Use Tax	5,752,263	15.2%
Transient Occupancy Tax	1,641,954	4.3%
Motor Vehicle in-Lieu (VLF)	1,878,807	5.0%
Franchise Fees	279,119	0.7%
Capital Grants	0	0.0%
Operating Grants	7,140,119	18.9%
Other Revenue Sources	19,192,344	50.8%
Total Revenues	37,797,261	100.0%
Vertical Analysis of Expenses		
Category	2021	Percentage of Total Expenses
City Administration	2,629,944	8.4%
Law Enforcement	6,178,044	19.7%
Planning, Building, Inspection, Zoning, and Land Use	1,215,912	3.9%
Parks & Recreation	1,991,205	6.4%
Streets & Highways	3,707,358	11.8%
Other Expenses	15,615,467	49.8%
Total Expenses	31,337,930	100.0%

Figure 58: City of Arcata Statement of Net Position - Vertical Analysis

Vertical Analysis of Statement of Net Position		
Assets	2021	Percentage of Total Assets
Cash and Investments	\$43,677,395	29.5%
Restricted Cash and investments	2,914,895	2.0%
Accounts Receivable	6,688,334	4.5%
Notes and Loans Receivable	27,381,781	18.5%
Non depreciable capital assets	24,888,425	16.8%
Depreciable capital assets	41,836,280	28.3%
Other Assets	561,124	0.4%
Total Assets	147,948,234	100.0%
Liabilities	2021	Percentage of Total Assets
Accounts payable	2,255,374	1.5%
Other accrued liabilities	2,848,459	1.9%
Compensated absences	715,847	0.5%
Noncurrent Liabilities:		
Net pension liability	24,020,249	16.2%
Due within one year	580,362	0.4%
Net OPEB liability	4,494,789	3.0%
Due in more than one year	4,300,790	2.9%
Total noncurrent liabilities	33,396,190	22.6%
Total Liabilities	39,215,870	26.5%

Figure 59: City of Arcata Statement of Activities - Horizontal Analysis

Horizontal Analysis of Expenses			
Category	2021	2020	YOY Change
City Administration	2,629,944	2,720,148	-3.32%
Law Enforcement	6,178,044	6,677,428	-7.48%
Planning, Building, Inspection, Zoning, and Land Use	1,215,912	1,882,606	-35.41%
Parks & Recreation	1,991,205	2,954,561	-32.61%
Streets & Highways	3,707,358	3,320,506	11.65%
Other Expenses	15,615,467	11,170,916	39.8%
Total Expenses	31,337,930	28,726,165	9.1%
Horizontal Analysis of Revenues			
Category	2021	2020	YOY Change
Property Tax	1,912,655	1,790,796	6.8%
Sales & Use Tax	5,752,263	4,905,058	17.3%
Transient Occupancy Tax	1,641,954	1,170,560	40.3%
Motor Vehicle in-Lieu (VLF)	1,878,807	1,803,778	4.2%
Franchise Fees	279,119	275,712	1.2%
Capital Grants	0	3,124,201	-100.0%
Operating Grants	7,140,119	5,615,132	27.2%
Other Revenue Sources	19,192,344	18,887,869	1.6%
Total Revenues	37,797,261	37,573,106	0.6%

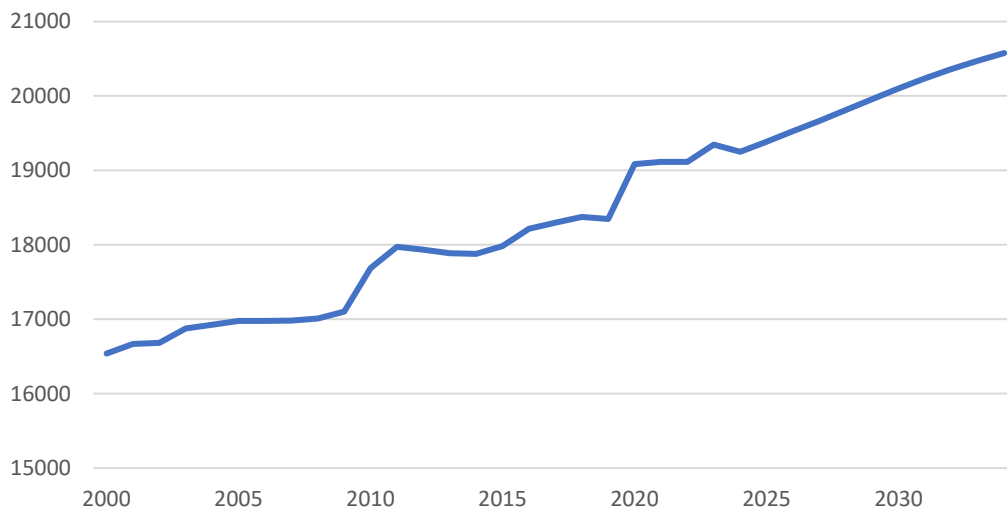
Figure 60: City of Arcata Statement of Net Position - Horizontal Analysis

Horizontal Analysis of Statement of Net Position			
Assets	2021	2020	YOY Change
Cash and Investments	43,677,395	37,914,231	15.2%
Restricted Cash and investments	2,914,895	2,917,886	-0.1%
Accounts Receivable	6,688,334	4,050,314	65.1%
Notes and Loans Receivable	27,381,781	25,897,543	5.7%
Non-depreciable capital assets	24,888,425	24,853,425	0.1%
Depreciable capital assets	41,836,280	41,835,391	0.0%
Other Assets	561,124	564,693	-0.6%
Total Assets	147,948,234	138,033,483	7.2%
Liabilities	2021	2020	YOY Change
Accounts payable	2,255,374	2,658,163	-15.2%
Other accrued liabilities	2,848,459	2,809,078	1.4%
Compensated absences	715,847	736,483	-2.8%
Net pension liability	24,020,249	22,060,360	8.9%
Due within one year	580,362	563,000	3.1%
Net OPEB liability	4,494,789	3,847,939	16.8%
Due in more than one year	4,300,790	3,741,000	15.0%
Total noncurrent liabilities	33,396,190	30,212,299	10.5%
Total Liabilities	39,215,870	36,416,023	7.7%

Figure 61: City of Arcata Select Grant Information

Source	Year		Description
	2021	2020	
Federal Grants			
HUD Block Grant	1,780,496	85,615	Accounts for activities related to housing and the related Community Development Block Grant funding.
ISTEA	238,909	129,476	Accounts for activities related to streets and the related Intermodal Surface Transportation Efficiency Act funding.
FEMA/OES	399,335	-	Accounts for revenues and expenditures associated with grants provided from the Federal Emergency Management Agency and Office of Emergency Services.
COPS	155,206	166,602	Accounts for revenues and expenditures associated with community policing grants.
HOME Grants	107,571	367,018	Accounts for activities related to housing and the related Home Program funding.
Community Development Grants	434,739	-	Non CDBG or HOME Community Development Grants that the City applies for and receives are budgeted and accounted for in this fund
State Grants			
HCD Block Grants	1,806,636	85,614	These funds are received as grants from the State Department of Housing and Community Development, which grants money for specific projects.
STIP Grants	10,164	-	Grants from State Transportation Improvement Program.
County Grants			
School Resource Officer Grant	282,300	247,357	Funds for one School Resource Officer and two Juvenile Diversion Counselors.

Figure 62: Arcata Population Projections through 2030



Note. The data for total population of Arcata was retrieved from the *United States Census Bureau* (<https://data.census.gov/table?q=economic>). Projections of population for Arcata through 2030 were formulated through forecasting current and previous trends of population growth since the year 2000. Arcata population has grown steadily from the year 2000 and 2022 estimates. A projected trendline based on the growth of the Arcata population estimates a population of over 20,000 by 2030.

Figure 63: Arcata Economic Characteristics

	2010	2015	2021
Population	15,301	15,757	17,315
Per Capita Income (dollars)	\$20,938	\$18,426	\$25,475
Labor Force Participation Rate	63.0%	59.0%	65.0%
Unemployment Rate	8.6%	18.7%	14.6%
Mean travel time to work (minutes)	16.2	16.5	17.9
Food Stamp/SNAP benefits in the past 12 months	7.1%	14.7%	16.9%
Percentage 18 years and over whose income in the past 12 months below the poverty level	29.6%	41.4%	35.5%
Median Household income (dollars)	\$32,017	\$42,601	\$39,069

Note. Data figures for all economic characteristics were retrieved via the *United States Census Bureau* (<https://data.census.gov/table?q=economic>). The American Community Survey, DP03: Selected Economic Characteristics for years 2010, 2015, and 2021, is the primary source of information used for this table.

As reflected in Figure 64, between 2010 and 2020, percentages of non-Hispanic or Latino, percentage of population of one race, and white alone have decreased. Conversely, all other factors have increased in their percentage.

Figure 64: Arcata Demographic Data

	2010	2020
Percent Hispanic or Latino	7.12%	10.40%
Percent non-Hispanic or Latino	92.88%	89.60%
Population of one race:	88.81%	80.46%
White alone	82.35%	72.60%
Black or African American alone	0.63%	0.86%
American Indian and Alaska Native alone	4.10%	4.53%
Asian alone	1.35%	1.59%
Native Hawaiian and Other Pacific Islander alone	0.10%	0.12%
Some Other Race alone	0.28%	0.76%

City of Fortuna, CA

Fortuna is also in good financial health. The city's population increased 4.9% from 2011 to 2021, averaging a 0.5% annual growth rate, higher than the state's average. Both the inflation-adjusted, per capita income and median household income have seen steady annual increases of 3% and 3.7% respectively, while median home values have increased by 0.4 per year% and monthly housing costs have gone up by 3.1% annually. The city's primary sources of revenue are grants, sales and use taxes, and motor vehicle in-lieu (VLF) funding from the state; property taxes make up only a small portion of revenues. The city's primary expenditures are in the cities of law enforcement, streets and highways, and city administration. Fortuna has benefitted from the upside of the recovery from the COVID-19 Pandemic. The city continues to remain fiscally conservative, but optimistic, in its projections for the next fiscal year, anticipating continued, stable revenue growth.

Figure 65: City of Fortuna Revenues by Source

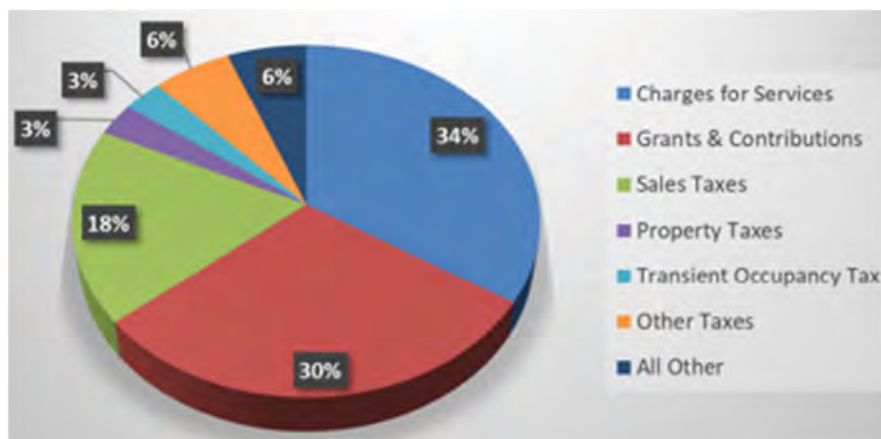


Figure 66: City of Fortuna Share of Property Tax Revenues

<u>Agency</u>	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
City of Fortuna Tax And Fine Trust	0.0733	0.0733								
County of Humboldt General Tax District	-	-	0.1628	0.1552	0.1627	0.1626	0.1626	0.1553	0.1532	0.1671
County Library	0.0302	0.0302	0.0302	0.0302	0.0302	0.0302	0.0302	0.0302	0.0299	0.0326
County School Service	0.0147	0.0147	0.0147	0.0147	0.0147	0.0147	0.0147	0.0147	0.0146	0.0159
ERAF Share of County General Tax District	-	-	0.1585	0.166	0.1585	0.1586	0.1586	0.1659	0.1643	0.1793
ERAF Share of Fortuna General Fund	-	-	0.0265	0.0283	0.0266	0.027	0.027	0.0286	0.0284	0.0305
Fortuna Cemetary District	0.0041	0.0041	0.0041	0.0041	0.0041	0.0041	0.0041	0.0041	0.0041	0.0044
Fortuna Fire Protection	0.0417	0.0417	0.0417	0.0417	0.0417	0.0417	0.0417	0.0417	0.0412	0.045
Fortuna Union High School District	0.2134	0.2134	0.2134	0.2134	0.2134	0.2134	0.2134	0.2134	0.2114	0.2306
Fortuna School District	0.2196	0.2196	0.2196	0.2196	0.2196	0.2196	0.2196	0.2196	0.2297	0.1598
Fortuna General Fund	0.3212	0.3212	0.0467	0.045	0.0466	0.0463	0.0463	0.0447	0.0442	0.0487
	0.0093	0.0093	0.0093	0.0093	0.0093	0.0093	0.0093	0.0093	0.0092	0.0101
Humboldt Bay Harbor Recreation	0.0056	0.0056	0.0056	0.0056	0.0056	0.0056	0.0056	0.0056	0.0035	0.0039
Redwood Junior College District	0.0649	0.0649	0.0649	0.0649	0.0649	0.0649	0.0649	0.0649	0.0643	0.07
Rohner Community Park & Recreation District	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.0021
Total Prop 13 Rate	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
CR 2005 Go Bond	0.012	0.011	0.011	0.013	0.01	0.008	0.008	0.008	0.008	0.005
Fortuna High Go Bonds 2000	0.004	0.003	0.008	0.008	0.02	0.017	0.017	0.016	0.017	0.015
Fortuna Elementary	0.031	0.003	0.031	0.031	0.029	0.033	0.039	0.072	0.064	0.068
Rohnerville School District 2010 Go Bond	0.026	-	-	-	-	-	-	-	-	-
Total Voter Approved Rate	0.073	0.017	0.05	0.052	0.059	0.058	0.064	0.096	0.089	0.088
Total Tax Rate	1.07	1.02	1.05	1.05	1.06	1.06	1.06	1.09	1.09	1.09

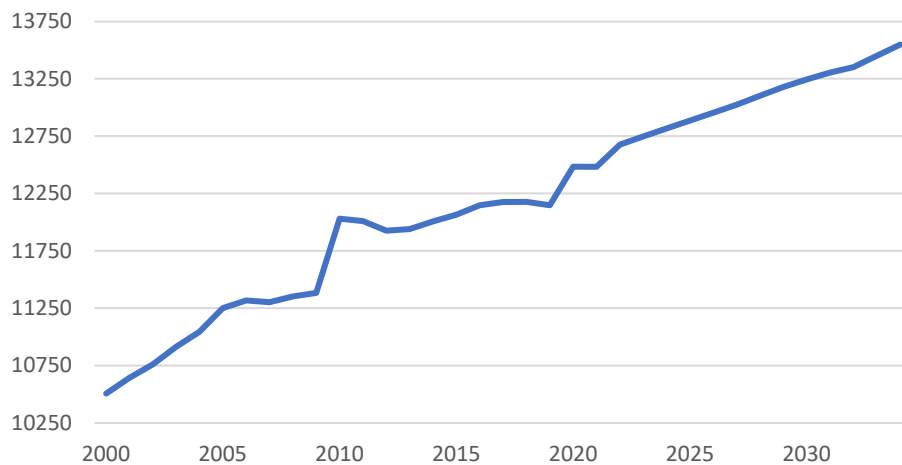
Source: Fortuna ACFR (2021), p. 70

Figure 67: City of Fortuna Share of Property Tax Revenues

City of Fortuna						
Assessed Value and Estimated Actual Value of Taxable Property						
Assessed Taxable Values						
Fiscal Year	Secured	Unsecured	Total	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2012	827,882,000	35,988,000	863,870,000	1.00%	2,121,116,000	40.73%
2013	833,767,000	36,465,000	870,232,000	1.00%	2,136,510,000	40.73%
2014	847,801,000	35,502,000	883,303,000	1.00%	2,170,220,000	40.70%
2015	868,453,000	37,565,000	906,018,000	1.00%	2,224,797,000	40.72%
2016	887,691,000	39,721,000	927,412,000	1.00%	2,275,972,000	40.75%
2017	917,470,000	42,235,000	959,705,000	1.00%	2,354,011,000	40.77%
2018	942,807,000	42,444,000	985,251,000	1.00%	2,417,652,000	40.75%
2019	985,818,000	43,128,000	1,028,946,000	1.00%	2,526,156,000	40.73%
2020	1,047,984,000	53,733,000	1,101,717,000	1.00%	2,696,721,000	40.85%
2021	1,093,129,000	56,232,000	1,149,361,000	1.00%	2,813,154,000	40.86%

Source: Fortuna ACFR (2021), p. 69

Figure 68: Fortuna Population with projections through 2030



Note. The data for total population of Fortuna was retrieved from the *United States Census Bureau* (<https://data.census.gov/table?q=economic>). Projections of population for Arcata through 2030 were formulated through forecasting current and previous trends of population growth since the year 2000.

Figure 69: Fortuna Economic Characteristics

	2000	2010	2021
Population	10,506	12,030	12,482
Per Capita Income (dollars)	\$16,574	\$22,986	\$30,559
Labor Force Participation Rate	58%	39.8%	47.6%
Unemployment Rate	6.80%	5.6%	4.2%
Mean travel time to work (minutes)	18.3	20.3	22.7
Food Stamp/SNAP benefits in the past 12 months	N/A	9.9%	14.7%
Percentage 18 years and over whose income in the past 12 months below the poverty level	14.90%	16.7%	13.8%
Median Household income (dollars)	\$31,129	\$38,712	\$53,526

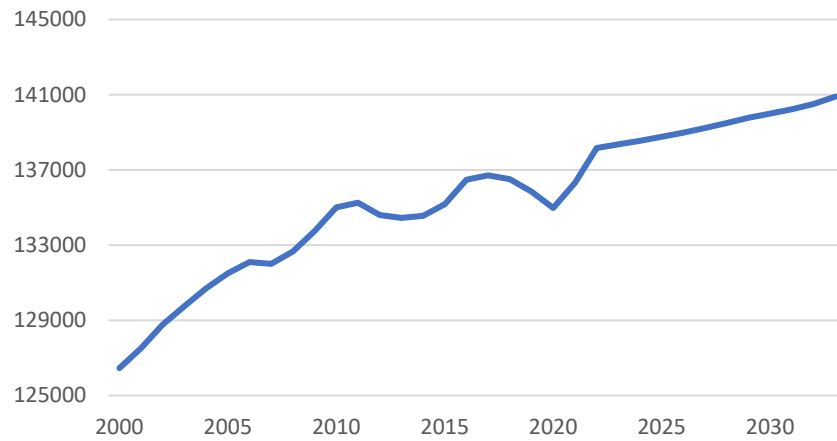
Note. Data figures for all economic characteristics were retrieved via the *United States Census Bureau* (<https://data.census.gov/table?q=economic>). The American Community Survey, DP03: Selected Economic Characteristics for years 2000, 2010, and 2021, is the primary source of information used for this table.

Figure 70: Fortuna Demographic Data

	2010	2020
Population of one race:	95.53%	87.60%
White alone	81.22%	71.98%
Black or African American alone	0.61%	0.69%
American Indian and Alaska Native alone	3.72%	3.71%
Asian alone	0.89%	1.25%
Native Hawaiian and Other Pacific Islander alone	0.08%	0.12%
Some Other Race alone	8.93%	9.86%

Humboldt County

Figure 71: Humboldt County Population Projections through 2030



Note. The data for total population of Humboldt County was retrieved from the *United States Census Bureau* (<https://data.census.gov/table?q=economic>). Projections of population for Arcata through 2030 were formulated through forecasting current and previous trends of population growth since the year 2000.

Figure 72: Humboldt County Economic Characteristics

	2000	2010	2020
Population	126,462	135,010	134,977
Per Capita Income (dollars)	\$17,203	\$23,202	\$29,584
Labor Force Participation Rate	60%	62.8%	59.6%
Unemployment Rate	8.57%	11.5%	9.0%
Mean travel time to work (minutes)	17.8	16.7	18.9
Food Stamp/SNAP benefits in the past 12 months	N/A	8.1%	13.3%
Percentage 18 years and over whose income in the past 12 months below the poverty level	18.40%	17.6%	19.7%
Median Household income (dollars)	\$31,226	\$38,492	\$49,235

Note. Data figures for all economic characteristics were retrieved via the *United States Census Bureau* (<https://data.census.gov/table?q=economic>). The American Community Survey, DP03: Selected Economic Characteristics for years 2000, 2010, and 2021, is the primary source of information used for this table.

Appendix 4 – Forecasting Revenue Sources

This section of the report explores the potential Statement of Activities for the proposed city. It examines three different revenue scenarios that depend on several factors, including the approval of new taxes by voters and the allocation of Vehicle License Fees (VLF) by the state legislature. The scenarios provide a range of revenue outcomes, from a high-end forecast that assumes multiple new taxes and VLF funding, to a low-end forecast with no new taxes and no VLF payments. Understanding these potential revenue streams is critical to evaluating the feasibility of incorporating McKinleyville as a new city in Humboldt County.

The three potential forecasts explore different revenue outcomes for each line item of the Statement of Activities, depending on if these taxes are approved by voters and if the legislature approves VLF funding for the City. The first forecast showcases a high-end revenue outcome, where property taxes are allocated to the City of McKinleyville at Eureka's rate of 9.1%, voters approve several new taxes and a local increase to sales tax up to 9%, and the state legislature approves VLF funding for the City. In the moderate forecast, the City receives 8% of property tax levied within the city limits, voters approve only the sales tax increase to 8.5% (matching other Humboldt County cities such as Arcata and Fortuna, and lower than Eureka), and the City does not receive any VLF payments from the State. In the low-end forecast, the City receives 5% of property tax levied within the city limits, voters do not approve any new taxes or tax increases, and the City does not receive any VLF payments from the State.

For known dollar amounts (such as property taxes), we began with the most recent revenues from the McKinleyville Community Services District. This number was adjusted in each forecast scenario, using the percentage of secured property tax that the cities of Eureka, Arcata, and Fortuna receive as benchmarks for the three possible amounts. For unknown dollar amounts, estimates for most line items were calculated in a different manner. We identified the per-capita revenue and expenses for each local city (Blue Lake, Crescent City, Eureka, Ferndale, Fortuna, Arcata, and Rio Dell). This was calculated by dividing each line item by the population of each city. The resulting per-capita multipliers for each line item on the Statement of Activities were then averaged together. This average number was used to estimate McKinleyville's revenues and expenses for each line item by multiplying the population by the per-capita average.

Property Tax Revenue

Property tax is a tax on real estate that is levied by the local government and used to fund a variety of public services, such as schools, police and fire departments, and road maintenance. The amount of property tax owed is based on the assessed value of the property, which is determined by the local assessor's office. The assessed value is typically a percentage of the property's market value and is used to calculate the property tax owed. Property taxes are calculated by multiplying the assessed value of the property by the tax rate, which is set by the local government. The tax rate is expressed as a percentage of the assessed value and can vary depending on the location and type of property. California has a property tax system that is relatively low compared to other states. This is due, in part, to the state's Proposition 13, which was passed in 1978 and limits the amount by which property taxes can be increased each year. Under Proposition 13, the assessed value of a property can only be increased by a maximum of 2% per year, unless the property is sold, in which case it is reassessed at its current market value.

An important consideration when projecting property tax, is the concept of “revenue neutrality” or a government’s revenues remain unchanged after a change in its tax or fee structure. The proportion of revenue required by a California county to meet revenue neutrality depends on a variety of factors, including the county’s spending needs, its current revenue levels, and the requirements of the state’s budget laws. In California, counties are required to meet revenue neutrality requirements when implementing changes to their local tax or fee structures. In essence, communities are required to ensure that any changes to their tax or fee structures do not result in a net loss of revenue over a specified period of time. To meet this requirement, the county may need to adjust its tax or fee rates, change its revenue-generating activities, or implement other measures to maintain its revenue levels. Revenue neutrality requirements in California are complex and subject to change, and they can have a significant impact on the financial stability of cities and special districts.

When an area, such as the proposed city, incorporates, a property tax entitlement is received from those jurisdictions whose services will be provided by the new city. In the proposed city’s incorporation, jurisdiction that transferred property tax includes Humboldt County and a street lighting district that had previously served some portion of the area that will be incorporated. If responsibility for providing services is assumed in its entirety, then all the property tax revenues available to the jurisdiction will be transferred to the new city’s General Fund. Essentially, the old jurisdiction’s Tax Rate Area (TRA)¹⁴ is assumed by the new city. If only a portion of the services are to be provided by the new city, then only a portion of the property tax revenues previously available to the jurisdiction will be transferred to the new city. The following three steps are required to calculate each TRA:

1. The property tax amount transferred from the Humboldt County General Fund is allocated to each TRA in the new city. This is done based on the proportion of Humboldt County General Fund property tax revenues in each TRA to the sum of the Humboldt County General Fund property tax revenues in all the TRAs in the new city.
2. The amount of property tax revenue to be transferred by the CSA’s whose services will be provided by the new city is calculated. In the case of the TRAs that are wholly incorporated into the new city, the entire amount of property tax received by the CSAs will be transferred to the new TRA.
3. For each TRA, the sum of the property tax revenue from the Humboldt County General Fund and the property tax revenue from the relevant CSAs is used to determine the Tax Assessment Factor (TAF)¹⁵, or Annual Tax Increment factor. While the Government Code §56842 gives clear direction with respect to the derivation of the property tax transfer amount, it is less than succinct, if not completely silent, regarding the calculation of the TAFs

¹⁴ A specific geographic area all of which is within the jurisdiction of the same combination of local agencies and school entities for the current fiscal year. Every year the Humboldt County Assessor measures the change in Taxable Assessed Value (TAV) in each TRA in the County. Under the limits imposed by Proposition 13, one percent of the annual change in TAV represents the total change in property tax that will be shared among the taxing jurisdiction within each TRA. This change in total property tax revenue is referred to as the "Annual Tax Increment in §97 of the Revenue and Taxation Code. The Humboldt County Auditor-Controller has calculated a TAF (or Annual Tax Increment Factor) for each jurisdiction serving a particular TRA.

¹⁵ The TAF for each jurisdiction indicates the percent of total Annual Tax Increment that will be distributed to the jurisdiction. In other words, the TAF’s control the share of the property tax revenues generated from the change in TAV that will be available to each jurisdiction. The property tax revenue a jurisdiction receives in a given year is equal to the total property tax revenue it received in the prior year plus the jurisdiction’s share of the current year’s Annual Tax Increment.

for a new City. The calculation required by \$56842 is very clear, however, and in the case the County of Humboldt could conceivably have negative TAFs for TRAs within the newly incorporated area.

To generate forecasts for the City’s property tax revenue, we first used the most recent McKinleyville Community Service District financial report. During FY 2022, property tax revenues for all McKinleyville TRAs were \$18.4 million. The MCSD received \$729,263 of this property tax revenue as general revenues.

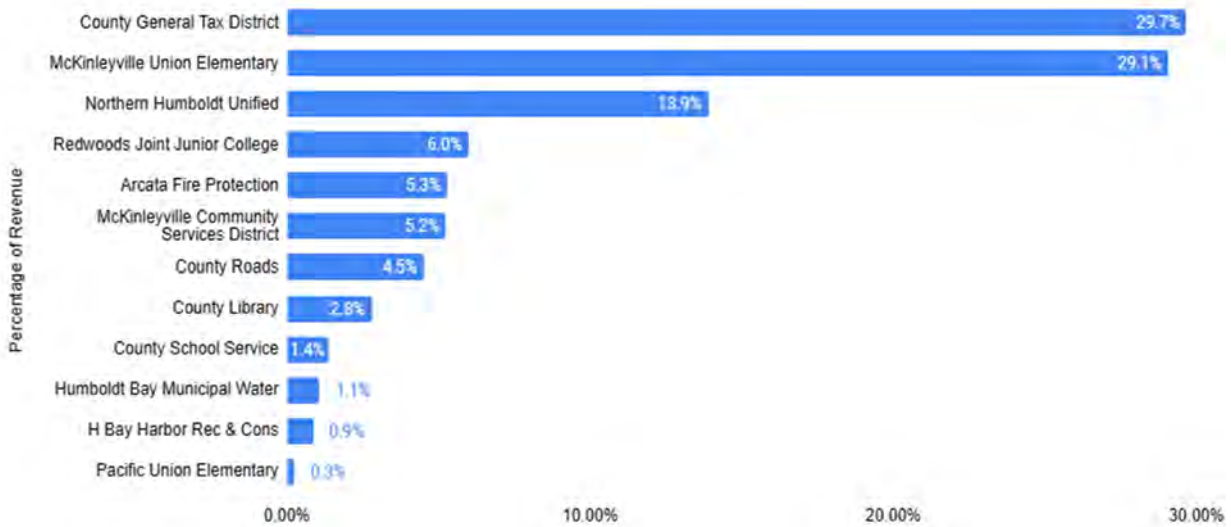
Figure 73: City of McKinleyville Property Tax Revenue Scenarios

Local Cities Property Tax Revenue (2021)		City of McKinleyville Property Tax Revenue		
Arcata	Fortuna	Forecast		
		High (City Receives 8%)	Moderate (7%)	Low (5%)
\$1,912,655	\$ 611,929	\$ 1,474,525	\$ 1,290,209	\$ 921,578
McKinleyville Annual Property Tax Revenue:				\$ 18,431,561
<p>Note: Property tax rates will not increase in these estimates. This table shows the amount of property tax revenue distributed to the county in each forecast, not the amount of tax paid by residents.</p>				

We estimate that due to the prospective City providing more services to residents than the current MCSD, a portion of the property tax revenue currently allocated to the County General Tax District would be reallocated to the City of McKinleyville, as would a percentage of the funding currently allocated to the McKinleyville Community Services District. Other agencies’ shares of revenue, such as McKinleyville Union Elementary, Pacific Union Elementary, and Arcata Fire Protection, will not be affected by these changes. The High-End forecast relies on the City receiving 8% of the TRAs’ property tax revenue, akin to the City of Arcata’s share, the Moderate forecast places this rate at 7%, and the Low-End forecast at 5%, closest to the current MCSD and akin to the City of Fortuna. Arcata City receives 8% of property tax collected. Eureka collects 0.091% of the total assessed value of all taxable property within city limits (9.1% of annual property tax). Fortuna receives approximately 5% of the property tax collected.

Figure 74 provides information on various special districts within the McKinleyville TRA and their projected property tax revenue collections for 2023. The table includes the government name and description, projected revenues, and share of revenue. The total basic revenue projected to be generated is \$18,431,561, and the agencies with the highest revenue shares are the County General Tax District, McKinleyville Union Elementary, and Northern Humboldt Unified. The dataset provides useful insights into the revenue distribution among different agencies and can help stakeholders make informed decisions about resource allocation and funding.

Figure 74: Projected Revenue Share for McKinleyville Special Districts (2023)



Agency	Agency Description	Revenue	Share of Revenue
8000	County General Tax District	5,468,913.13	29.67%
31900	McKinleyville Union Elementary	5,356,571.92	29.06%
33200	Northern Humboldt Unified	2,560,578.51	13.89%
33500	Redwoods Joint Junior College	1,104,702.93	5.99%
10000	Arcata Fire Protection	975,907.63	5.29%
20900	McKinleyville Community Services District	966,601.38	5.24%
08100	County Roads	832,063.33	4.51%
08200	County Library	514,183.76	2.79%
33900	County School Service	250,315.25	1.36%
45100	Humboldt Bay Municipal Water	197,159.03	1.07%
45700	H Bay Harbor Rec & Cons	158,265.54	0.86%
32100	Pacific Union Elementary	46,298.96	0.25%
Total Basic Revenue Generated:		\$18,431,561	100.00%

Source: HdL Companies and Humboldt County Assessor

Sales Tax Revenue

Sales tax is a tax on the sale of goods and certain services. The tax is levied by the state and is used to fund a variety of public services and programs. As of 2021, the average sales tax rate in California is 8.26%. This includes the state sales tax rate of 7.25% plus any local sales tax rates imposed by cities, counties, and special districts. It’s important to note that the actual sales tax rate can vary depending on the location of the sale. Local jurisdictions in California can impose additional sales taxes, which can range from 0.10% to 2.50% in addition to the state sales tax rate. As such, sales tax rate can range from 7.25% to 10.25% depending on the location of the sale. Additionally, some

products and services in California are exempt from sales tax, such as prescription medications and certain types of food. Other products and services may be subject to special sales tax rates, such as gasoline and tobacco products. Overall, sales tax is an important source of revenue for many cities and municipalities in California, and it plays a significant role in funding local government services and infrastructure projects.

Figure 75: City of McKinleyville Sales Tax Revenue Scenarios

Local Cities Sales Tax Revenue (2021)		City of McKinleyville Sales Tax Revenue		
Arcata (8.5%)	Fortuna (8.5%)	Forecast		
		High-End	Moderate	Low-End
\$ 5,752,263	\$ 4,295,714	\$ 5,159,215	\$ 4,422,185	\$ 2,948,123
City-Wide Retail Sales Subject to Tax:				\$ 294,812,314
Note: Voter approval is required to increase sales tax beyond the California-wide rate of 7.25% and the County's 0.50%.				

To develop forecasts for the City's sales and use tax revenue, we examined the dollar amounts of city-wide retail sales subject to sales tax in FY 2021 within both Fortuna and Arcata. These numbers were multiplied by the percent difference in population between the local city and McKinleyville. These estimates were averaged together to create an estimated dollar amount of retail sales subject to sales tax. This number is then multiplied by the share of sales tax revenue that the City is expected to retain (ranging from 1% to 1.75%). The High-End estimate assumes McKinleyville voters approve a 0.75% rate increase (for a combined state, county, and city sales tax rate of 8.5%; this rate is identical to Arcata and Fortuna, and lower than Eureka), the Moderate forecast assumes voters approve a 0.50% rate increase (combined rate of 8%), and the Low-End forecast assumes voters do not approve a sales tax rate increase.

Transient Occupancy Tax Revenue

The Transient Occupancy Tax is a tax that is imposed on the rental of hotel rooms, motels, and similar short-term lodging accommodations. The tax is collected by the hotel or lodging provider and is used to fund local government services, such as tourism promotion and marketing, public safety, and other public facilities and services. The Transient Occupancy Tax rate in California is set by the local government and can vary depending on the location. In some cities, the tax rate can be as high as 15%, while in other cities it may be lower. The exact amount of the tax owed will depend on the rate set by the local government, the length of the stay, and the cost of the room or lodging. It's important to note that the Transient Occupancy Tax is separate from other taxes and fees that may be associated with hotel stays, such as sales tax, resort fees, and service charges. It was assumed that the City will adopt a resolution determining a tax based upon gross receipts of hotel/motels operating within the City.

Figure 76: City of McKinleyville Transient Occupancy Tax Revenue Scenarios

Local Cities Transient Occupancy Tax Revenue (2021)		City of McKinleyville Transient Occupancy Tax Revenue		
		Forecast		
Arcata (10%)	Fortuna (10%)	High-End (10%)	Moderate (8%)	Low-End (0%)
\$ 1,641,954	\$ 755,125	\$ 1,175,507	\$ 940,405	\$ 0-
Note: Voter approval is required to enact or increase the rate of a transient occupancy tax.				

To create forecasts for the City’s transient occupancy tax revenue, we identified the revenue generated for the cities of Arcata and Fortuna during FY 2021. Similar to our sales tax forecasts, we then multiplied these amounts by the percent difference in population between the local city and McKinleyville. These estimates were then averaged, creating an estimated total for the High-End forecast, assuming a 10% transient occupancy tax (as in these two local cities). For the 8% occupancy tax in the Moderate forecast, the previous estimate was multiplied by 0.8. In the Low-End estimate, it is assumed that voters do not approve of a transient occupancy tax, and thus no revenue is collected.

Real Property Transfer Tax

The Real Property Transfer Tax is a tax that is imposed on the transfer of real property, such as land or buildings. The tax is typically paid by the buyer at the time of the property transfer and is based on the value of the property being transferred. This imposed by the state and is calculated as a percentage of the value of the property being transferred. The tax rate is 0.55% of the value of the property, with a minimum tax of \$1.10 and a maximum tax of \$15,000. The exact amount of the tax owed will depend on the value of the property being transferred and the specific terms of the sale.

Franchise Tax

The Franchise Tax is a tax that is imposed on corporations and certain other business entities for the privilege of conducting business in the city. The Franchise Tax is calculated based on either the net income of the business, gross receipts or a minimum tax amount, whichever is greater. We assume that the City might impose a tax based upon the gross receipts of certain businesses franchised to operate within the city. While the actual franchise tax rates that would be imposed would be determined by the City Council, assumptions were made based upon the rates currently charged by Humboldt County.

State Motor Vehicle Fees “in-lieu” (VLF)

Cities receives income from the State of California from motor vehicle licensing fees. The payment to cities is distributed based on city population. However, newly incorporated cities are no longer eligible for this source of funding without action by the California State Legislature.

Other Fines, Forfeitures & Penalties

Fines and forfeitures are collected for violations of local ordinances, criminal violation, and health/safety violations. These revenues were estimated based on a per capita multiplier of \$0.55. The multiplier was derived from an analysis of comparable cities. Vehicle code fines are collected for violations of the vehicle code. This revenue source was estimated using a per capita factor of \$3.25 based on the experiences of comparable cities. It should be noted that due to recent changes at the State level, the County would continue to receive a portion of the vehicle code fine collections from within the City to help offset court costs.

Other Revenue Assumptions

Several significant sources of revenue for other cities are taxes that must be approved by voters, such as cannabis taxes. Additionally, the city staff would likely pursue program and capital grants from the Department of Housing and Community Development, Department of Transportation, and other Federal/State agencies. Figure 77 provides insight into potential utility tax bases that could either benefit the MCSD or City of McKinleyville. Figure 78 lists all tax and fee revenue sources for the City of Arcata for the purpose of identifying other potential revenue sources, both large and small.

Figure 77:Enterprise Fund Comparisons

Sewer Enterprise Fund – Averaged Totals (2020)

	Rural	Urban 2	Urban 1
Total operating revenues	\$5,228,884	\$7,956,292	\$6,937,744
Total Operating Expenses	5,245,894	6,205,732	5,495,913
Operating Income	(17,010)	1,750,560	1,441,831
Total Nonoperating Revenues	1,432,634	425,703	817,832
Total Nonoperating Expenses	796,585	738,750	388,738
Changes in Net Position	5,124,142	976,843	1,544,113
Total Net position	33,071,213	35,531,558	37,057,497

Solid Waste Enterprise Fund – Averaged Totals (2020)

	Rural	Code 1	Code 2
Total Operating Revenues	\$1,922,954	\$947,369	\$2,006,819
Total Operating Expenses	3,056,028	648,008	1,973,354
Operating Income	(1,133,074)	(174,323)	33,465
Change in Net Position	(903,472)	(117,855)	26,891
Total Net Position	(2,720,939)	(435,907)	(205,289)

Water Enterprise Fund – Averaged Totals (2020)

	Rural	Code 1	Code 2
Total Operating Revenues	\$4,043,655	\$9,249,413	\$3,675,877
Total Operating Expenses	3,324,963	8,350,258	2,627,528
Operating Income	718,692	899,154	1,048,348
Total Nonoperating Revenues	548,375	155,422	166,448
Total Nonoperating Expenses	204,443	193,030	142,260
Change in Net Position	1,496,023	400,195	740,936
Total Net Position	16,107,872	14,199,391	9,603,676

Figure 78: City of Arcata Tax & Fee Revenues

Revenue Source	Description	Current Rate	Notes	Relevant Legal Code	Fund
Taxes					
Sales Tax	Applied to most items (not food) sold at the retail level.	7.25%	Combined State, County, and City Sales Tax range from 7.25%-10.75% statewide. City receives 1% of sales tax. Comprised of 7.25% State's sales tax, 0.75% City's additional transactions and use tax, and 0.5% County's additional Transactions and Use tax. Voters must approve any additional sales tax on top of the 7.25% State tax.	CA R&T \$6051- \$6189.	General
Transactions & Use Tax (additional Sales tax approved by local voters)	Approved by voters in November 2010 for a period of 20 years	0.75%	Local city-specific rates range from 0.0% (Blue Lake) to 1.5% (Eureka). Cannot exceed 2% without legislature repeal for specific district. In Arcata, City voters approved Measure G in Nov. 2008, increasing sales tax rate in the City of Arcata by 0.75% over the regular State sales tax.	CA R&T \$7285.9, \$7251.1	General
Motor Vehicle License Fees "In Lieu" Tax (VLF)	The City receives income from the State from vehicle licensing fees.	\$34.65 per capita (1992/1993 est. from State Controller's office, out of date after 2004 "Vehicle License Fee ~ Property Tax Swap" and the 2011 SB 89 (Chapter 35, Statutes of 2011)) Appears to be closer to \$90-100 per capita as of 2021.	81.25% of all vehicle license fees received by the state are allocated 50% to cities and 50% to counties. The payment to cities (i.e. 40.625% of state vehicle licensing fees) is distributed based on the city's population relative to the population of all cities. Newly incorporated cities are not eligible for funding from this source (no cities have incorporated since 2011).	CA R&T \$10701-\$11006	General
Secured Property Tax	Taxes on real property inc. land improvement, mines and mineral rights, and possessory rights.	1%	The City receives approx. 8% of property tax collected; other agencies receive the balance of property tax revenue. Increases in the TAV of a given property may not exceed two percent (2%) per year unless the property	Proposition 13 (1978) limits property taxes to one percent of the Taxable	General

			experiences a change in ownership, or taxable improvements are added to the property. R&T §405	Assessed Value (TAV) of real and personal property.	
Unsecured Property Tax	Tax on property contained within a business such as machinery and equipment, office furniture, tools and supplies, boats, aircraft.	1%	The City receives approx 15% of unsecured property tax collected.	CA R&T §2922	General
Supplemental Roll Property Tax	Interim tax for new buildings and building and land transfers	1%	Rates are prorated	CA R&T §75.50-§75.55	General
Transient Occupancy Tax	Tax imposed by the City on occupants of hotels, motels, and RV Parks. Each hotel, motel, or RV park collects tax at same time as rent and remits tax to City.	10%	There is no legal cap, but any new or increased TOT requires voter approval	CA R&T §7280	General
Utility Users Tax	Tax on electricity, gas, water, wastewater, cable television, and telephone.	3%	No legal cap. Any new or increases UUT requires voter approval.	CA R&T §7284.2	General
Franchise Tax	Tax imposed on certain businesses for the privilege of doing business in the City.		Rates determined by City Council	CA R&T §23153	General
Real Property Transfer Tax	Assessed by County Recorder's Office when property transfer occurs.	County rate is 1.10 per 1000 of assessed value of the property (i.e. \$0.55 per \$500)	Half of this revenue will be distributed to the City after the City adopts an appropriate ordinance.	CA R&T §11901-§11935	General
Homeowners Tax Relief	Homeowners' Property Tax Relief Program is provided for in the State Constitution.	Exempts first \$7,000 of the market value of a homeowner's principal residence from property taxes.	The City is reimbursed by the state for the lost revenue.	CA R&T §170	General
State Gas Tax	Divides into a series of different categories which each have a specific purpose for which they are used. Divided into construction funds, maintenance funds, and engineering funds.			S&H §2105-§2107.5	Special Revenue
State Gas Tax 2106 - Construction	This money is available for any street or road purpose.			S&H §2106	Special Revenue

State Gas Tax 2107 - Maintenance	These funds may be used for any street construction or maintenance purposes	City of Arcata received \$865,108 in 2022.		S&H §2107	Special Revenue
State Gas Tax 2107.5 - Engineering	This money is available for engineering costs and administrative expenses.			S&H §2107.5	Special Revenue
State Gas Tax 2105 - Street Maintenance	This money is available for any street or road purpose.	\$0.539 per gallon		S&H §2105: Per gallon tax per R&T \$7360, \$8651, \$8651.5, \$8651.6, \$60050, \$60115	Special Revenue
Residential Construction Tax	A tax on the value of multi-family structures is levied as a residential construction tax for the purpose of acquisition, improvement, expansion, and maintenance of City public parks.	1%	City of Arcata earned \$61,153 in 2020.	CA R&T \$50, \$401.3, \$441(d)	Special Revenue
Timber Yield Tax	Tax assessed on timber cut within Humboldt County.		Tax allocated to local agencies	CA R&T \$38115	General
Permits and Licenses					
Business Licenses	Issued for all businesses. Fees are intended to raise revenue, not for regulation. Fees set by resolution of City Council, collected by Finance Director.	\$40 per annum + \$10 per annum for first 19 employees + \$5 per annum for each employee in excess of 19 (no additional tax levied for employees in excess of 70)	City of Arcata raised \$136,855 in 2020.	CA R&T \$7284	General
Animal Licenses	The owner of every dog within incorporated cities of the City must pay a license fee per dog.	\$15 if spayed or neutered, \$50 other. \$15 penalty for failure to pay when due.	Annual. No license fee or registration required for any qualified service dog.	CA GOV § 38792	General
Building, Electrical, Gas and Heating, Plumbing Permits	Building and other related permits are issued by City of Arcata	\$136.56 minimum. Permit Issuance \$72.28. Building Permit Fees depend on valuation of		CA PRC § 2705	General

		building, capping at \$8586.18 + \$5.56 for each 1,000 over \$1,000,000 for valuations over one million.			
Drainage Fees	Collected with building permits to finance the construction, maintenance, improvement and enhancement of erosions control and drainage facilities.			CA WAT S 56095	Enterprise
Planning and Zoning Fees	Fees collected to cover City expenses in processing land use application.			CA GOV S 65852.2	General
Bicycle Licenses	Fees are collected by the City through the sale of bicycle licenses.	\$4, penalty of \$5 in addition to any license fee, shall be imposed upon any bicycle owner who fails to comply with Section 3701(a) within (15) days. \$2 renewal fee.	Annual	CA VEH S 39002	Special Revenue
Alarm Fees	Fee collected from people who have alarm systems that, if triggered, automatically dial the Police Department. This fee is for false alarms charged to the property owner to defray costs of the police response to the false alarm. Fees set by City Council resolution.	\$20 for alarm permit. If PD respond to alarm activation at location that does not have a valid permit, and the responsible party fails to obtain an alarm permit within 30 days, they will be assessed a late application fee of \$100. Charge of \$75 levied for false alarms. Charge of \$250 levied for reinstatement of any alarm permit previously revoked by Chief of Police	Annual charge for permit	CA GOV S 53069.4	General

Plan Check Fees	Fees to reimburse for checking plans for compliance with current planning/zoning regulations. Charges for current services are fees paid to the City by a prospective builder for plan check.	65% of Building Permit Fee	Collected at time of application	CA GOV \$65583(a)	General
Off-Highway Motor Vehicle License Fee	The state off-highway motor vehicle license is distributed to the City of Arcata from the State of California.			CA VEH \$38231.5	General
Decal Sales	Income from the sale of the second and third preferential parking permits for neighborhoods surrounding Cal Poly Humboldt. Collected by the Finance Department.			CA VEH \$22507	General
Abandoned Vehicle Abatement	Funds to be received through the Department of Motor Vehicle registration fees.			CA VEH \$ 9250.7	General
Utilities					
Water Service Charges	These charges are set by the Fee Resolution. Sufficient to cover all normal operating expenses, including all maintenance and service expenses such as labor, materials, supplies, and bonds.	Consumption charge of \$6.94/100 cubic ft. A service charge of \$50 for turn-on, reconnection, change of service or other water-account service call during normal working hours.		CA WAT \$527	Enterprise
Water Utility - Change of Service	Change of service charges are set by the Fee Resolution.			CA WAT \$527	Enterprise
Double Check Valves	Double check valves and backflow preventer are used to prevent water from flowing back into the City water supply. Required by the State Health Department.	\$9.00 monthly charge for testing, repairs, and/or replacement of residential backflow prevention devices. For industrial/commercial devices, the charge is \$7.82 per month or		Cal. Code Regs. tit. 17 § 7604	Enterprise

		\$93.75 per year if City tests the device.			
Wastewater Service Charges	These charges are set by the Fee Resolution. Sufficient to cover all normal operating expenses, including all maintenance and service expenses such as labor, materials, supplies, and bonds.	Residential base monthly charge of \$66.54, water consumption of 400 cubic feet is \$9.73 per 100 cubic feet. Low, medium, and high strength commercial usage have base charges of \$69.49 for the first 400 cubic feet and remaining consumption is \$8.47, \$10.30, or \$17.27 per 100 cubic feet, respectively. \$15 for turn-on, reconnection, change of service, or other service call related to wastewater accounts.		CA HSC § 5470-5471	Enterprise
Wastewater Connection Fee	Set by the Fee Resolution. Charges within and outside the limits of the City are payable in advance for the installation of new service and meters, when work is performed by City forces.	\$4598 for typical residential/commercial installation, additional \$1530 for excavations greater than 5', \$931 for installation/replacement of sidewalk for new sewer cleanout		CA HSC § 5474	Enterprise
Integrated Waste Management - AB 939	The State of California mandated the City to manage solid waste within its jurisdiction. The City Council adopted this fee to pay for the management of the program.			Assembly Bill 939	Enterprise

Solid Waste Service Charges	Use charges for garbage pick-up service.			Cal. Pub. Resources Code § 41902	Enterprise
Stormwater Drainage Fees	Charged to property owners based on the square footage of impermeable surface. Fees collected are to be used for stormwater management.	\$12.95 every 6 months. Rate per square foot of impervious surface area: \$0.00515 every 6 months. A drainage development fee of \$0.0120 per sq ft paid for all new impervious surfaces. Stormwater Best Management Practices Review/Inspection is \$61 per hour.		Cal. Const. art. XI § 7	Enterprise
County Assessment	Funds accumulated at the County for Janes Creek Storm Drainage Maintenance District to be used for maintenance projects.			S&H §5301	Enterprise
Private Fire Protection	Private fire protection fee rates are set by the annual Fee Resolution. The rates are for fire-service and water consumed by private, unmetered fire lines used exclusively for fire protections. Charges are based on line size.			CA HSC § 14867	Enterprise
Fines and Penalties					
Parking Fines	Set in accordance with appropriate California Vehicle Code section.		A portion is collected by the City and the balance is remitted to the County. Assumptions per capita based on Comprehensive Fiscal analysis For a Proposed City In The Shasta Dam Area, Appendix Ap.10	CA VEH § 22500 - 22526	General
General Misdemeanor Fines	Collected by County's municipal and superior courts from people who commit			CA GOV § 41803.5	General

	traffic and/or criminal misdemeanors within the City				
P.O.S.T. Reimbursement	The Commission Peace Officer Standards and Training is a state fund accumulates from monies derived from a portion of fines paid by criminals. City sends officers to P.O.S.T. certified courses and receives full reimbursement of costs.			CA PEN § 13523	Special Revenue
Vehicle Code Fines	Fines for traffic violations are allocated to the City and to the County. The City portion is deposited into the traffic safety fund and be used for related expenditures.			VC 21211(b) VC, VC 22500(a) VC - 22523(b), VC 42001	Special Revenue
Police Reimbursement Revenue	Money paid by private citizens for damage to police property				General
DUI Recovery	Program that attempts to recover costs for police services rendered for emergency response to DUI-related expenses	Up to \$1000	Collectable if emergency response is due to negligence of operating a vehicle under influence of alcohol or narcotics.		General
Humboldt County Drug Task Force	Assets connected with drug trafficking are sold through forfeiture process. Funds received are used to support Task Force.		Revenues may only be used to enhance law enforcement efforts		Trust
Special Police Services	Revenue received from a variety of sources, e.g., loud party fees.				General
Bicycle Safety/Awareness	Bicycle traffic violation fees are to be used to fund a bicycle safety program.				Special Revenue
Grants					
HCD Block Grant (Community Development Block Grant)	These funds are received as grants from the State Department of Housing and Community Development, which grants money for specific projects. Includes EPA Brownfields grant and Coastal Commission grant.	City received \$2,649,757 in 2022.			Special Revenue

Community Development Grants	Non CDBG or HOME Community Development Grants including SALC, HEAP, and SB2.				Special Revenue
Transportation					
TDA Funds	Transportation Development Act funds are available for use for public transportation roads and streets, and bikeways and bike paths. Revenues from the Local Transportation Fund are derived from retail sales tax collected statewide.			CA PUC § 99400	Enterprise
State Transit Assistance Funds (STAF)	State Transit Assistance Funds may be used for any transit purpose.			CA GOV § 8879.57	Enterprise
Passenger Fares	Fares received from riders of A&MRTS. Fares are determined by City Council resolution.				Enterprise
Special Fees - CPH	Students of Cal Poly Humboldt pay a reduced fare ride on A&MRTS buses. CPH reimburses A&MRTS the difference.				Enterprise
Passenger Fares - Dial-A-Ride/Dial-A-Life	These services serve Arcata residents who qualify for door-to-door service because of disability or age and cannot use the public transit service.				Enterprise
Bus Advertising	Revenues are received from persons/businesses advertising on the interior of A&MRTS buses.				Enterprise
Other					
Investment Income	The City operates its temporary pooled idle cash investments under the Prudent Man Rule.	~ 3%		CA GOV §53601	General
Rents and Leases - Ball Park, Buildings, and Community Park	The City owns public buildings and sports fields and charges rent and fees for their use.	City of Arcata earned \$50,050 from Ball Park rentals and \$5,083 from	The Fee Resolution contains rental costs.	Cal. Code Regs. Tit. 18, § 1660	General

		the community park in 2020.			
Rents and Leases - Crematory	The City contracts for use of the crematorium by local funeral service companies.				General
Industrial Park Rentals	Rental charges for land rented from the City in the Aldergrove Industrial park.				Special Revenue
Recreation Programs - Other	Fees charged to persons who utilize various recreation programs/facilities offered by the Recreation Department, e.g., gymnastics, youth basketball, preschool.				General
Recreation Program Fees - Self Supporting	Fee charged for contract leisure classes.				General
Recreation Program Fees - Non-Resident Fees	Fees charged to those who do not live, own property, or a business within city limits of Arcata.	15% surcharge of the program fee			General
Central Garage	An internal service fund responsible for the purchase and maintenance of vehicles for the City. Bills each of the City's departments for its services.				Internal Service
Parking Meters	Fee for parking in designated meter zones is determined by a City Council resolution.	\$0.75	Hourly	VEH § 22508, Arcata Municipal Code 3512	General
FEMA & OES Reimbursement	Funds received by the City from FEMA and OES for disaster related reimbursements.			Project Roomkey	Special Revenue
State-Mandated Cost Reimbursement	City is reimbursed by the State for mandated State programs. State reimburses City for mandated costs if the funds are budgeted by the State.			CA Proposition 4 (1979), Article XIII B, California Constitution	Special Revenue

Successor Agency/Redevelopment	The City's Redevelopment Agency was established in 1982 to fund redevelopment projects. The Successor Agency is tasked with winding down the affairs of the Redevelopment Agency. The funds are used for redevelopment projects including rehabilitation, bond debt service, public improvements, major street improvements, planning and design. Law requires the Agency to use 20% of its funds for low and moderate income housing needs. Due to State actions, the Agency was eliminated by statute in 2011.		The Redevelopment Agency receives approximately 60% of property tax increment revenue generated. The remaining 40% is apportioned to the County and other agencies.	Cal. Health & Saf. Code § 34177.5	Sucessor Agency
Successor Housing Agency	The Housing activities of the former Redevelopment Agency have been transferred to the Successor Housing Fund for the development of low and moderate income housing needs.				Sucessor Agency
Prison Extradition Refunds	Reimbursements from the State when the police must go out of state to extradite a fugitive for trial.			CA PEN § 4750	
Sidewalk Repairs	Fees charged to the property owner by the City for repairs.			CA SHC § 5610	Special Revenue
Forest Revenue-Timber Sales	Funds received for logs harvested from City-owned forest properties.			CA R&C § 38101-38110	Special Revenue
Parkland-In-Lieu	Fee collected from subdividers for the purpose of acquiring necessary land and developing new or rehabilitation of parks and recreational facilities reasonably related to serving the subdivision.		Where a fee is required to be paid in lieu of parkland dedication for a subdivision, the amount shall be based upon the current fair market value of the amount of land which would otherwise be required to be dedicated.	CA GOV § 66477	Special Revenue
Special Assessment Districts	Two districts, Windsong Landscaping and Janes Creek Meadows were formed to fund the installation and maintenance of open spaces in these subdivisions.			CA GOV §53930-53937	Special Assessment

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In January of 2023 the District began reaching out to McKinleyville residents to collect feedback and input on Parks and Recreation priorities for the community. A survey of 300 property owners was conducted by Godbe Research and a less formal survey was distributed to the community at large in order to collect input on community priorities. Throughout June and July of this year District staff conducted several presentations to community groups, service clubs and business owners providing information about the Parks & Recreation Department and collecting feedback from the community regarding the work of the Parks & Recreation Dept. The top priorities identified by community residents and property owners through these outreach efforts include:

- Maintaining the facility housing the Sheriff in McKinleyville
- Keeping park restrooms open and clean
- Keeping the Senior Center open and maintained
- Maintaining Azalea Hall, the Library, our Teen & Community Center and Activity Center
- Maintaining playfields and playgrounds in all parks

On November 1st McKinleyville property owners passed a reauthorization and increase of the Measure B Assessment. MCSD is very grateful to the McKinleyville Community for supporting this assessment and valuing the services and opportunities that Parks & Recreation provide to residents. The reauthorized assessment will be levied on the county tax rolls beginning with fiscal year 2024/2025.

Alternatives:

Take Action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 -

appraisal has been updated and the preliminary title report is complete. District staff are currently working with both Green Diamond and the Trust for Public Land to finalize the “Donation Agreement” for the transfer of the property into MCSD ownership, as well as the “Assignment and Assumption of the Grant Agreement” which transfers the grant agreement between TPL and the California Natural Resources Agency to MCSD and the Natural Resources Agency.

MCSD staff is working with GDRC to ensure that the property is in good condition before the title is transferred. A Phase I Environmental Site Assessment has been completed, existing dump sites have been identified and GDRC is in the process of cleaning up the debris, and MCSD and GDRC will perform a final site assessment prior to the property changing hands.

The McKinleyville Community Forest will be managed for multiple purposes including public access, outdoor recreation, timber production, fish and wildlife habitat, carbon sequestration, education and research and soil and watershed conservation. Once the property ownership transfer is complete, MCSD will develop a standing committee consisting of MCSD Board members, District Staff, McKinleyville residents, Forestry professionals and tribal members for the purpose of stewarding the development and management of the Community Forest over time. It is anticipated that this Committee will be formed in the first half of 2024.

Alternatives:

Take Action

Fiscal Analysis:

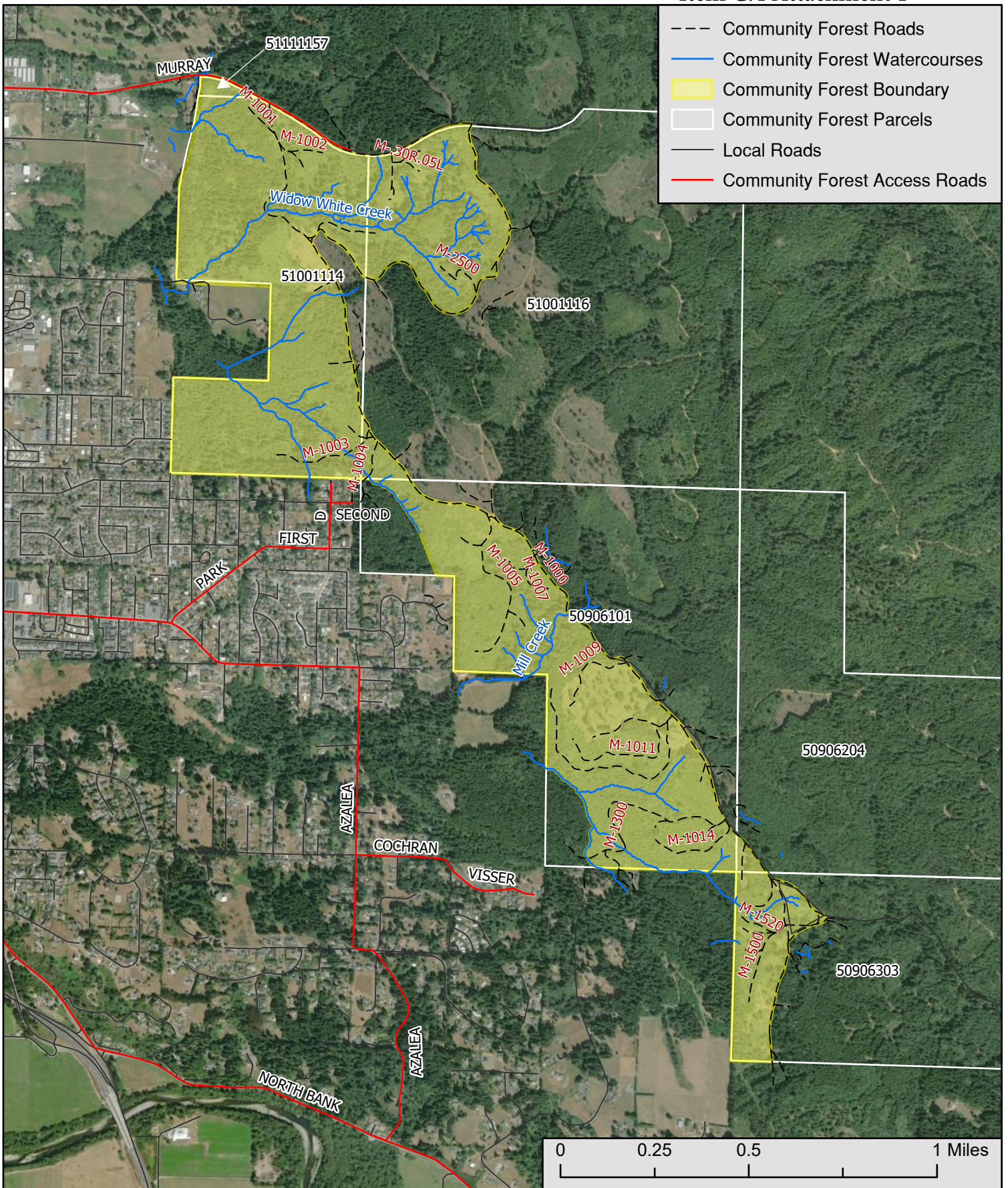
Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – Map of Proposed McKinleyville Community Forest Property



McKinleyville Community Forest



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McKinleyville Community Services District

BOARD OF DIRECTORS

November 8, 2023

TYPE OF ITEM: **INFORMATION**

ITEM: C.5 **Discussion of Bringing McKinleyville’s Voice to County Issues**

PRESENTED BY: **Lisa Dugan, Chair, MMAC**

TYPE OF ACTION: **None**

Recommendation:

It is recommended that the MCSD Board of Directors and members of the MMAC engage in a discussion on bringing McKinleyville’s voice to county issues. This item has been scheduled for a length of 15 minutes.

Discussion:

As the MMAC and MCSD board are aware, McKinleyville is the third largest community in Humboldt County. With a population of roughly 17,000, McKinleyville makes up over 12% of the county’s population. McKinleyville is an unincorporated, census designated place, and many public services are under the County’s purview (building and planning, roads, stormwater management, law enforcement etc.)

Considering large incoming projects that will have county-wide implications (offshore wind, Nordic Aquafarms, Cal Poly Humboldt, etc.), a rapidly changing economy, and McKinleyville specific issues involving County oversight (consideration of incorporation, McKinleyville Town Center, traffic circulation, etc.) it is critical that the McKinleyville community be heard at the County level.

What role can MMAC and MCSD play together to ensure McKinleyville’s voice is heard?

Alternatives:

Take Action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments:

None

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McKinleyville Community Services District

BOARD OF DIRECTORS

November 8, 2023

TYPE OF ITEM: **INFORMATION**

ITEM: C.6 **The Role of MMAC and the Relationship Between MMAC and MCSD in Governance of McKinleyville**

PRESENTED BY: **Greg Orsini, President, MCSD Board of Directors**

TYPE OF ACTION: **None**

Recommendation:

It is recommended that the MCSD Board of Directors and members of the MMAC engage in a discussion on how to work together cooperatively in the governance of McKinleyville. This item has been scheduled for a length of 10 minutes.

Discussion:

The McKinleyville Community Services District's mission is to provide McKinleyville with safe and reliable water, wastewater, lighting, open space, parks and recreation, and library services in an environmentally and fiscally responsible manner.

Per section 5 of the McKinleyville Municipal Advisory Committee's Rules, Regulations and Procedures, McKinleyville Municipal Advisory Committee (MMAC) is tasked with gathering input from the community and providing advice on matters which relate to services which are or may be provided to the McKinleyville Community Planning Area by the County or other local governmental agencies. The advice to be provided by the MMAC includes but is not limited to advice on matters of public health, safety, welfare, public works, public financing, and proposed annexation that may affect the local area covered by the MMAC.

A cooperative relationship between the two bodies and clear understandings of each other's roles is essential for planning and serving the community of McKinleyville.

Alternatives:

Take Action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments:

None

McKinleyville Community Services District

BOARD OF DIRECTORS

November 8, 2023

TYPE OF ITEM: **INFORMATION**

ITEM: C.7 **Discussion of Potential Future Presentations/Programs for either MMAC, MCSD, or Both**

PRESENTED BY: **Greg Orsini, President, MCSD Board of Directors**

TYPE OF ACTION: **None**

Recommendation:

It is recommended that the MMAC and MCSD Board of Directors brainstorm potential future presentations or programs they would like to see at future MMAC meetings or MCSD Board of Directors meetings. This item has been scheduled for 15 minutes.

Discussion:

Both the MMAC and the MCSD Board of Directors meetings have previously been a forum for presentations by community organizations, County staff, and others.

There are several benefits to presenting to the MMAC or MCSD Board of Directors. Special presentations can help to:

- Increase awareness of important issues affecting the McKinleyville community
- Generate support for new initiatives or programs.
- Get input from community members on proposed changes to policies or regulations.
- Build relationships with key decision-makers.

The purpose of this item is for the MMAC and MCSD Board of Directors to identify future presentation topics of mutual interest.

Alternatives:

Take Action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments:

None