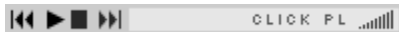




Inland News

Wildomar's vote on cityhood delayed over fiscal concerns



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The Press-Enterprise

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WILDOMAR - After five years of countless fundraisers and meetings, Wildomar residents had hoped to learn Thursday if they would get a chance to vote on their own cityhood.

But that decision has been delayed again.

A Wildomar resident has requested that the state review an economic study that assessed the unincorporated community's ability to become a city by the 2008-09 fiscal year.

At the same time, George Spiliotis, executive director of the Local Agency Formation Commission, the county agency that reviews incorporation requests, has issued a staff report raising red flags on the same issue.

One of the main issues is how the new municipality and Riverside County would share the costs of operating a fire station that would be built east of Interstate 15.

Proponents of making Wildomar a city said the late delay surprised them but it won't stop their efforts.

"It is the right time right now," said Bob Cashman, director of Wildomar Incorporation Now. "There is sort of a lull in all the frantic development activity. It's a good time for us to put together a plan for a new city of Wildomar."

Last week, Wildomar resident Gerard Ste. Marie paid \$25,000 to the state controller's office for the economic study review. Ste. Marie said he did not want to comment on why he requested the review until the controller makes a ruling.

The office has 45 days to complete the review, Spiliotis said. LAFCO can't take any action until the

review is finished because it would factor into its staff report, he added.

In Ste. Marie's filing, which was a part of the report, the resident raised concerns about a cost-sharing agreement that would allow a second fire station to be operated on the east side of I-15 if Wildomar is incorporated.

Spiliotis emphasized the same issue in his staff report, stating that the county has not committed to any specific amount to operate a fire station, which is estimated to run about \$1.3 million a year.

Riverside County Supervisor Bob Buster, who represents Wildomar, said Tuesday that it's impossible to commit a dollar amount because of the uncertainty of the situation. He said a commitment to a cost-sharing arrangement, without a specific dollar amount, is the best the Board of Supervisors can now offer.

Cashman said he wasn't surprised by Spiliotis' view on the fire station issue.

"He is being conservative," Cashman said. "It just seems to me that if the Board of Supervisors says, 'We will do something,' we should be able to count on it."

For proponents of incorporation, it's another hurdle to clear after receiving good news in March. A fiscal analysis said then that the community could become a city without the need for new fees or taxes.

The proposed city would cover about 24 square miles between Murrieta to Lake Elsinore. About 27,000 people now live in the unincorporated area, and the median household income is \$57,000.

Residents have talked about incorporation for more than a decade, but proponents started meeting in earnest only shortly after a small group of homeowners on the southern side requested that Murrieta annex a portion of Wildomar. That annexation drive eventually fell apart.

The study said the city would bring in about \$11.8 million from property taxes, sales taxes and other fees. The city would need to spend about \$11.7 million during its first year, starting in July 2008. Now that startup date could be significantly delayed.

By 2016, the city would have a budget of \$18 million and generate revenue of about \$20 million, the study said.

The study was in stark contrast to a 2004 analysis that said incorporation was not economically feasible because of the state's budget troubles.

Last autumn, new legislation redirected funds that would give Wildomar \$1.3 million to \$3.4 million each year. The community would get extra money in its first five years by over-counting population numbers. The law is designed to give communities help in incorporating.

Spiliotis' staff report states that it might not be enough.

He raised concerns that sales tax projections rely on 475,000 square feet of retail commercial space, with more than half of that space coming from the construction of a Wal-Mart Supercenter store. Spiliotis said in his report that if there were any delays, it would "likely have dire consequences for the fiscal health of the new city."

Cashman said the analysis is extremely conservative and that the commercial development will occur.

He said Wildomar residents are in a position to determine their community's future course if LAFCO allows the vote to go forward.

"At the end of it all, the question is, will the community look like one you planned or look like it just happened," he said. "It's time for us to step in and shape the future of how we will look."

Some Wildomar residents still plan to attend the LAFCO hearing Thursday at 9:30 a.m. at the County Administrative Center, 4080 Lemon St. in Riverside, to oppose the annexation of a small part of Wildomar to Lake Elsinore for a housing development.

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Does it add up?

A study projects that Wildomar would have little fiscal breathing room during its first years, but that the difference between income and expenses event

ually would widen.

Fiscal Year	2008/09	2012/13	2016/17
Revenues (millions)	\$11.76	\$15.73	\$19.73
Expenses (millions)	\$11.73	\$15.24	\$17.9

Source: GST Consulting
