CALIFORNIA
PLANNING & DEVELOPMENT
REPORT

April 1990 | William Fulton, Editor & Publisher | Vol. 5, No. 4

L.A. County Cities Fight Airport Land-Use Law

Many cities in Los Angeles County are rebelling against a new state airport land-use law, which apparently requires them to submit all development projects and other land-use actions near airports to the county Regional Planning Commission for review.

SB 255, sponsored last year by Senate Local Government Committee Chair Marian Bergeson, R-Newport Beach, was intended to force local governments around the state to complete their long-overdue airport land-use plans. Under state law, a land-use plan for the area around each public airport must be prepared, taking into account not only the requirements of local governments but also the special needs of aviators. The Bergeson bill imposed a 1991 deadline for completion of the airport plans — but also required that, in the meantime, cities submit all land-use regulations and permits to their local airport land-use commission for review.

Both the Legislative Counsel and the L.A. County Counsel's Office have concluded that in L.A. County — where more cities are affected than anywhere else in the state — previous legislation designated the L.A. County Regional Planning Commission as the airport land-use commission for the county.

But cities are livid that the Bergeson bill appears to have compromised their independence on land-use issues. So far at least nine cities have refused to submit *Continued on page 2*

Localities Fall Far Short Of State Housing Goals

Local government efforts are meeting only 16% of California's affordable housing needs, according to a new report from low-income housing advocates. And while new figures from the state Department of Housing and Community Development suggest that state review helps local governments comply with housing requirements, the two studies taken together provide only mixed evidence that better local housing plans actually lead to the construction of more low- and moderate-income housing.

A report from the California Coalition for Rural Housing found that local governments produced about 100,000 units of housing for the years 1986-1990. But that figure represents only about 16% of the statewide need of 600,000. Using HCD figures, the Coalition for Rural Housing also found that 24% of California's communities produced no affordable housing in 1989, while only 11% of the communities met or exceeded their share of regional need.

Meanwhile, HCD's own annual report on local housing plans once again revealed that state review of draft housing elements (a required part of every local general plan) actually improves the likelihood that local governments will produce housing elements that comply with state requirements. Leaving aside housing elements that HCD has received but not yet reviewed, the state found that only 23.6% of *Continued on page 5*

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their land-use actions to the county, relying on city attorney opinions that there is no airport land-use commission in L.A. County. "There is language in the Public Utilities Code which exempts L.A. County from the applications elsewhere," said William B. Rudell, a lawyer with Richards, Watson & Gershon who represents several of the cities. "The Regional Planning Commission merely coordinates and mediates."

The cities are supporting a bill by Sen. Robert Beverly, R-Redondo Beach, that would exempt L.A. County cities from the provisions of SB 255 until 1992. But in the meantime, the rebellious cities are suffering no pain, because the L.A. County Regional Planning Commission will not — or cannot — force them to comply with the law.

Under state law, each county with at least one public airport must create an "airport land-use commission," which is responsible for preparing a land-use plan for each public airport in that county. Because the law contained no deadlines, however, only 43% of the plans had been completed as of last year, and none of the 17 plans required in L.A. County had been done.

SB 255 established a deadline of June 30, 1991, for completion of all airport land-use plans in the state. The law also specified that until 1991, all development decisions within a two-mile radius of public airports had to be forwarded to the local airport land-use commission for review. (The airport land-use commission could establish different distance limits if such limits were supported by technical information such as noise contours.) The law also granted local governments immunity from legal challenges based on airport land-use issues until after 1991.

In most counties, the airport land-use commission is made up of two county representatives, two representatives of the county's cities, two aviators, and a public member selected by the other six. In San Diego and Sacramento, local officials have designated the council of governments (SACOG in Sacramento, SANDAG in San Diego) as the airport land-use commission. But the controversy in L.A. County stems from the question of whether the county Regional Planning Commission serves as the airport land-use commission there.

L.A. County is exempt from certain portions of the airport land-use law that govern the procedure for establishing the airport land-use commission. Rather, the law designates the L.A. County Regional Planning Commission as the agency which "has the responsibility for coordinating the airport planning of public agencies within the county." The law also states that Regional Planning may hear appeals from "any public agency" on an airport land-use planning question, but also specifies that Regional Planning's decision may be overridden by a four-fifths vote of the city where the appeal originated.

But the county and the cities disagree over whether this law actually designates the Regional Planning Commission as the airport land-use commission for L.A. County. Last year, when SB 255 was being debated in the legislature, L.A. County remained on the sidelines because county lawyers, citing the exemption, said it would not be affected by the bill. Earlier this year, however, the Legislative Counsel issued an opinion saying that Regional Planning was indeed designated as the airport land-use commission and was not exempt from SB 255. Subsequently, county lawyers issued an informal ruling reaching the same conclusion.

So far, however, only two of the 39 affected cities in L.A. County — San Dimas and Torrance — have submitted development permits to the county for review. Nine others have refused to submit permits, and the remaining 28 have issued no stated position. The nine that have refused to submit plans argue that the legislative provisions regarding L.A. County indicate that the legislature wanted *no* airport land-use commission in the county — only an appeal procedure involving Regional Planning.

Ironically, even though the county's lawyers have concluded officially that Regional Planning should serve as the airport land-use commission, the agency does not plan to force cities to comply with the law. "The law doesn't require the airport land-use comission to go out and be a policeman," said John Huttinger, the county's assistant administrator for community planning. "That responsibility is on the city." Since SB 255 bars lawsuits until 1991, it's questionable whether L.A. County could muster the legal power to force the cities to comply anyway.

Many L.A. County cities — including Torrance, which is complying with the law — are supporting Beverly's SB 1288. Most important from the cities' point of view is that the bill would exempt them from submitting their land-use actions to Regional Planning for the time being. The bill would also extend the time period for airport land-use plans to be completed until January, 1, 1992, and also remove the immunity provisions. If airport land-use plans are not completed by 1992, then cities would have to submit land-use actions to the airport land-use commission.

Contacts: John Huttinger, L.A. County Regional Planning, (213) 893-0371.
William Rudell, lawyer for cities, (213) 626-6464.

BRIEFS

Mello-Roos Totals Skyrocket Again

Mello-Roos bonds have overtaken assessment bonds as the most popular method of financing infrastructure in California, according to the California Debt Advisory Commission.

Mello-Roos bond volume rose 64% in 1989, topping the $1 billion mark for the first time. But special assessment bond volume dropped 24%, from $935 million in 1988 to $708 million in 1989. Meanwhile, revenue bonds dropped slightly, though the overall total remained high ($4.23 billion in '89, $4.26 billion in '88.)

Overall, local governments issued $15.4 billion in debt in 1989, up 7.8% from 1988. Of that total, about $9 billion was bonds, an 11% increase from 1988.

CALIFORNIA PLANNING & DEVELOPMENT REPORT

is published monthly by
Torf Fulton Associates

1275 Sunnycrest Avenue
Ventura, California 93003
(805) 642-7838

Subscription price: $179 per year

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ISSN No. 0891-382X

Fresno County Strikes Annexation Deal With Coalinga

Breaking from a unified negotiating strategy with 15 other cities, the City of Coalinga has signed a comprehensive tax-sharing and annexation agreement with Fresno County.

The agreement with Coalinga represents a victory for Fresno County in its ongoing battle with the county's 15 cities over annexation, development, and tax revenue. Prior to the Coalinga deal, the cities had been negotiating with the county as a group, and the two sides had reached an impasse over redevelopment funds.

Now the county is negotiating with the other 14 cities individually. In the meantime, all those cities — including the City of Fresno itself — are still prohibited from annexing territory because they don't have tax-sharing agreements with the county. At least one local politician is trying to use the dispute as a political football in a race for county supervisor. Selma City Council Member Dennis Lujan, who is running against incumbent Supervisor Vernon Conrad, complains that his city lost a factory outlet center worth $500,000 a year in sales tax revenue because of the city's inability to annex 25 acres of land.

Annexations cannot be implemented unless cities and counties reach agreement on how the taxes in the annexed area will be split. Most counties have a master agreement with each city that outlines how property taxes will be split. The formulas can be difficult to calculate, but generally speaking counties receive a smaller share of property taxes after annexation. Counties also receive little or no sales tax from the annexed areas.

The agreement will permit Coalinga to proceed with the first annexations in Fresno County in more than a year. All annexations — and, as a result, many development projects — have been stymied since the county terminated master tax agreements with all Fresno County cities in April of 1989.

The county cut a separate deal with Coalinga after several months of stalemated negotiations with the Fresno County Cities Association, a group representing all 15 cities in the county. The county and the cities association reached an agreement last August on sharing property and sales taxes, but they have been stalled ever since on the subject of redevelopment revenues.

The county has demanded 100% of tax-increment revenues from all future redevelopment projects — a concession Coalinga was willing to make because virtually the entire city is already located inside a redevelopment project area. Coalinga drew the generous redevelopment boundaries after a destructive earthquake in 1983.

The county and Coalinga will divide sales and property taxes according to the same terms agreed to last summer by the county and the cities association. The county will receive 56% of all property tax revenues from Coalinga and a small percentage of the city's sales tax revenues. The figure will rise from 0.5% the first year of the deal to 5% in the 10th year. In addition, Coalinga agreed to hold the county harmless anytime the city annexes any property which currently generates $4,000 annually in sales tax revenue. The overall deal with Coalinga is expected to bring the county $46,000 in additional revenue by the 10th year.

The annexation dispute between Fresno County and its cities — especially the City of Fresno — has been simmering for more than three years. In 1987, county officials estimated that the county was losing $800,000 a year in taxes because of city redevelopment projects, while annexations were costing the county $3 million a year in sales taxes and more than $500,000 in property taxes. (According to the county 's figures, the county government receives only $6 million of the $47 million in sales tax generated in the county each year.) These estimates led the county to terminate its "master" property-tax sharing agreement with the City of Fresno in late 1987. (*CP&DR*, August 1989 and January 1990.)

Between the fall of 1987 and the spring of 1989, some 16 Fresno city annexation proposals were put on hold while city and county officials tried to negotiate a new tax-sharing agreement. Meanwhile, several other annexations in the county move forward. In April of 1989, however, the Board of Supervisors terminated the master tax-sharing agreements with all cities in the county — essentially halting all annexation activity, and therefore a great deal of development, in the county.

Speaker Introduces Far-Reaching Regional Planning Bill

Assembly Speaker Willie Brown has introduced a controversial bill calling for a radical reorganization of regional government. And, in an unusual joint effort, four legislative committees are conducting hearings on the Brown bill and three other pieces of legislation dealing with regional governance.

Brown's bill, AB 4242, would abolish virtually all current regional agencies and replace them with regional "development and infrastructure agencies" for each of seven different regions of the state. The new agencies would take over the budgets and responsibilities of air pollution control districts, regional transportation planning agencies, councils of governments, regional water quality control boards, and local agency formation commissions. Although Brown is on the record as stating he hopes to push the bill through the legislature this year, resistance to such broad-based governmental reorganization is always strong, especially from local governments.

The seven regions where such agencies would be established would be six-county Greater Los Angeles (the current boundaries of the Southern California Association of Governments), the Bay Area, the Sacramento Valley, San Diego, the Central Valley (stretching from San Joaquin County to Kern County, largely for air-pollution reasons), the North Central Coast (Monterey, Santa Cruz, and San Benito counties), and the South Central Coast (San Luis Obispo and Santa Barbara counties).

The regional agencies would be controlled by a governing body including both elected and appointed officials. Six of the 11 voting members of each agency's governing board would be elected directly. The other five voting members would include two representatives from among county supervisors, two from city council members in the region, and one from special districts. In addition, the governor, the Assembly speaker, and the Senate Rules Committee each would appoint one non-voting member to the board.

In addition to assuming current responsibilities, the regional agencies would review local general plans to make sure they are consistent with regional resource and infrastructure plans. The regional agencies would also have final authority in siting controversial projects, such as low-income housing and solid-waste disposal facilities.

In early April, AB 4242 was one of four bills reviewed in an unusual joint public hearing by four committees: The Senate and Assembly Local Government Committees, the Senate Select Committee on Planning for California's Growth, and the Assembly Select Committee on Regional Government. The four committees also reviewed three other bills dealing with regional government, including:

- AB 4235 (Cortese), which would remove the planning functions from the Governor's Office of Planning and Research and establish a separate state planning agency.
- SB 1332 (Presley), which would encourage the creation of subregional planning boards.
- SB 969 (Bergeson), which would reorganize the Southern California Association of Governments.

COURT CASES

Brisbane Zone Change Not Subject to Referendum, Judge Rules

A referendum on a Brisbane zone change has been removed from the ballot by a San Mateo judge who said the zone change was an administrative action, not a legislative act.

Most zone changes in California are subject to initiative and referendum. But San Mateo County Superior Court Judge Thomas Jenkins ruled that a change in zoning boundaries on San Bruno Mountain is administrative because it is designed to implement a federal action — in this case, a change in the habitat conservation plan for an endangered species in the area.

The referendum had been scheduled for April 17. In January, the Brisbane City Council had placed the measure on the ballot after receiving 1,100 signatures collected by the Bay Area Mountain Watch, which had sought the referendum.

The referendum skirmish is the latest incident in the long history of the San Bruno Mountain Habitat Conservation Plan, which is designed to protect a rare butterfly from extinction. Under the federal Endangered Species Act, the federal government can halt development in an area if that development threatens the habitat of any species listed on the federal endangered species list. However, in recent years, developers and government agencies have worked together to set aside habitats that will protect the species and still permit some development to proceed. Such a habitat conservation plan is now being prepared in Riverside County for the Stephens' kangaroo rat. (See *Special Report: Environmental Laws, CP&DR*, May 1989.)

In the early 1980s, developers and government officials in the San Bruno area worked together to prepare the habitat conservation plan there, which has served as a model for the entire nation. While that plan was being prepared, however, proposed development plans changed for the Northeast Ridge area of the mountain. The 228-acre parcel had been optioned by Cadillac Fairview and, later, by a successor company, Irvine-based Southwest Diversified Inc. After the initial habitat agreement, however, the City of Brisbane changed its city planning documents to require some single-family homes on the Northeast Ridge, rather than the all-condominium project originally envisioned. According to lawyers for Southwest Diversified, this proposed change actually enhanced the butterfly habitat. Thus, the habitat plan was changed, which then created the need for the zone change. The project now calls for 578 housing units.

Zone changes are typically legislative in nature under California case law, meaning they are subject to initiative and referendum. Furthermore, the California courts have been extremely reluctant over the years to remove any initiative or referendum from the ballot prior to a scheduled election, preferring to let the election take place and sort out the legal difficulties afterward. Generally speaking, the courts will remove an issue from the ballot only when an initiative or referendum is invalid on its face.

But in *W.W. Dean & Associates v. City of South San Francisco*, 190 Cal.App.3d 1368 (1987), another case involving the San Bruno Mountain habitat, the Court of Appeal in San Francisco ruled that a local action occasioned by a change in the federal habitat plan was an administrative action, not a legislative act. Judge Jenkins relied on the *W.W. Dean* ruling in knocking the Brisbane referendum off the ballot.

Contact: Karen Lee, lawyer for Southwest Diversified, (714) 752-8600.

State Supreme Court Agrees to Hear Goleta Case

The California Supreme Court has agreed to hear another important land-use case — this time a controversial Court of Appeal ruling from Santa Barbara, which requires environmental impact reports to examine alternative locations even for private development projects.

Citizens of Goleta Valley v. Board of Supervisors represents the second important land-use case the court has agreed to hear this year. In January, the Supreme Court agreed to hear an appeal of *Lesher Communications Inc. v. City of Walnut Creek*, 213 Cal.App.3d 1287 (1989), a challenge to Walnut Creek's 1985 growth control initiative.

The *Goleta* case will give the court an opportunity to clarify case law regarding what type of alternatives analysis is required under the California Environmental Quality Act. CEQA requires environmental impact reports to examine alternatives to the development project proposed, and places the responsibility on local governments to select an alternative if it is less environmentally harmful than the proposed project.

Traditionally, EIRs examined only alternatives in scale — a variety of smaller-sized projects to the one being proposed, as well as the alternative of not building the project at all. However, in *Laurel Heights Homeowners Assn. v. Regents of the University of California*, 47 Cal.3d 376 (1988), the Supreme Court ruled that, at least on public building projects, alternative *sites* must also be examined in the EIR. *Laurel Heights* was the first important CEQA case decided by the post-Rose Bird California Supreme Court. (*CP&DR*, December 1988.)

Prior to the *Laurel Heights ruling, however,* the Second District Court of Appeal panel in Ventura had extended the concept of alternative sites to apply to private projects. In the first *Goleta Valley* ruling, sometimes known as *Goleta I*, the appellate court struck down a Santa Barbara County EIR because its failed to deal with alternative sites. (*CP&DR*, February 1988.) The EIR dealt with a proposed Hyatt Hotel in Goleta. Subsequently, the same court struck down the EIR a second time, saying that the alternative sites analysis was insufficient. (*CP&DR*, October 1989.)

In the supplemental EIR, the county anaylzed only one alternative site, a nearby parcel. Several other alternatives sites were mentioned but not analyzed because the local coastal plan, as well as two sets of administrative findings by the coastal commission, stated that they were inappropriate for commercial use. Santa Barbara County had argued that the EIR "scoping" process had revealed all other sites to be "remote and speculative." However, the appellate court ruled, the state's guidelines for CEQA, which carry the force of law, "do not permit the use of scoping to by pass current study and discussion in the EIR of a reasonable range of potentially feasible alternatives to the proposed location of a project."

Localities Fall Far Short of State Housing Goals

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draft housing elements complied with state law, while 43.6% of the final, adopted housing elements were in compliance.

By contrast, 53.2% of draft elements were out of compliance, compared with only 30.4% of the final housing elements. About 19% of draft housing elements were classified as obsolete, compared with about 26% of the final, adopted housing elements. Under state law, HCD must comment on draft housing elements and local governments must take those comments into consideration. However, HCD has no review power over local housing elements once they are adopted.

Taken together, however, the two reports do not prove a conclusive relationship between the status of a locality's housing element and that locality's efforts in actually constructing low- and moderate-income housing. A cross-tabulation of the two studies by *California Planning & Development Report* — using a sample of 80 cities in Los Angeles County — did find that cities constructing a large number of affordable units are four times more likely to have a housing element in compliance with state law than cities which are constructing no affordable units. However, the cross-tabulation also found that 60% of the cities with a major commitment to affordable housing do *not* have housing elements in compliance with state law — the same percentage as cities constructing no affordable housing at all.

For example, *CP&DR*'s cross-tabulation found four cities in Los Angeles County with state-approved housing elements that produced more than 100% of their fair-share of affordable housing between 1986 and 1990: Commerce, Huntington Park, Lomita, and South Gate. But the cross-tabulation also found three cities whose housing elements don't comply with state law — yet still produced more than their fair share of affordable housing: Bellflower, Inglewood, and Paramount. By the same token, two cities — Monterey Park and South Pasadena — were found to have housing elements in compliance with state law, even though they produced no low- and moderate-income housing units between 1986 and 1990. The Southern California Association of Governments target was 160 units for Monterey Park and 131 for South Pasadena.

For the purposes of this cross-tabulation, cities with housing elements that were either obsolete or unreviewed by HCD were classified according to the status of their last previous housing element. Thus, some cities were classified as "in" or "out" of compliance even if they missed the most recent deadline for submission to HCD, or if HCD had not reviewed their new elements yet.

The local housing element is the state's principal public policy instrument for addressing the issue of affordable housing. Although housing elements are really part of each city's and county's general plan, the state has declared affordable housing to be a matter of statewide interest, and therefore has laid out much more specific requirements for housing elements than for the other six required elements of local general plans. Each locality must identify the need for affordable housing within its boundaries and lay out a strategy for meeting that need.

The regional "fair share" affordable housing figures used in the Coalition for Rural Housing's report are based on the regional allocation of housing need as determined by SCAG, the Association of Bay Area Governments, and other councils of governments around the state. Under state law, cities and counties must take these estimates into account, but they may reach different conclusions about their own estimates of housing need.

Here are some other results of *CP&DR*'s cross-tabulation of the two studies for Los Angeles County cities:

- More cities produced absolutely no low/mod housing at all (30) than produced at least half of their regional fair-share need (20).
- Of the cities that did produce at least half of the regional fair-share need, 30% had housing elements in compliance with state law, compared with only 7% of those cities that produced no housing.
- However, there was no difference between those two groups of cities in the percentage whose housing elements were out of compliance with state law. The figure was 60% for both.
- Almost half of the cities whose housing elements were in compliance with state law (7 of 17) produced less than half of the low/mod housing target. In addition to Monterey Park and South Pasadena, which produced none at all, these cities included Glendale (26%), Culver City (21%), San Gabriel (14%), Norwalk (10%), and Pasadena (8%).

Here are some other highlights of the Coalition for Rural Housing's report on low/mod housing construction statewide:

- Despite the above figures, the Los Angeles region did a better job of meeting the regional housing targets (33%) than any other major metropolitan area in the state. Fresno County was last with only 5%.
- Low/mod housing is a particular problem in large communities. Almost a third of smaller communities have met or exceeded their low/mod housing needs, compared with only 3% of large communities.

"Local Progress in Meeting the Low-Income Housing Challenge: A Survey of California Communities' Low-Income Housing Production" is available from the California Coalition for Rural Housing, (916) 443-5128.

"Status of Local Housing Elements" is available from the HCD Division of Housing Policy Development, (916) 323-3176.

Low/Mod Housing Constructed, Large Counties, 1986-1990

County	Target	Constructed	Percentage
Los Angeles	67,745	22,425	33%
Alameda	20,284	6,141	30
Orange	40,202	9,465	24
Riverside	31,931	5,465	17
San Bernardino	34,970	5,352	15
Contra Costa	20,593	3,031	15
San Diego	38,648	4,281	11
Sacramento	34,357	3,644	11
Santa Clara	27,942	2,957	11
Fresno	51,118	2,670	5
State Total	**599,403**	**97,424**	**16**

Performance of Los Angeles County Cities Status of State Housing Elements

	In Compliance	Out of Compliance	Obsolete
Total	21%	65%	13%
Cities hitting 50% or more of target	30%	60%	10%
Cities that built 0 low/mod units	10%	60%	23%

DEALS

Follies of Sport: Santa Ana, Anaheim Race to Construct Arenas

The French have a phrase for it: *folie a deux* — a piece of foolishness engaged in by two parties who spur each other on to greater folly. Such a phrase seems appropriate to describe the competition currently raging between the neighboring Orange County cities of Anaheim and Santa Ana to build virtually identical arena projects. It's foolish, because the conventional wisdom holds that the market can support only one arena — and possibly attract only one sports franchise that can turn the arena into a golden goose of revenues. No sports franchise, however, has signed in either city, even though the developers and their arena-operating partners have been sending out feelers for months. Notwithstanding, the spirit of competition is prevailing over normal bureaucratic caution. Both projects are speeding toward construction.

Franchise-mania currently convulses California cities. No fewer than seven metropolises are currently pursuing stadium or arena projects. The biggest, of course, is the $660 million package currently on the table between the City of Oakland and those economic-development heartbreakers, the Los Angeles Raiders. Although smaller in scale, the twin projects in Anaheim and Santa Ana are notable because they are in direct competition with one another. The two cities are playing a dangerous game, because only one team is likely to win — and both could lose.

"As much as I am for the arena and as big a sports fan as I am, I am not sure the (Anaheim) arena is worth the risks we have to take," says Anaheim City Councilman Irv Pickler, who has cast the only dissenting vote in several arena decisions. He adds, "Even if you get a franchise, who says you're going to fill the stadium? And if you will stop to consider the sorts of demands that sports teams can make on cities, it makes you wonder if there aren't better uses for the money."

Both cities find themselves in an identical quandary. Sports franchises, in general, do not sign deals in cities without arenas. Major-league sports teams looking for new venues are likely to be courted by multiple cities, often pitting cities against one another, as Raiders owner Al Davis has demonstrated so brilliantly. And, of course, as more cities build arenas, each city has correspondingly slimmer odds of landing a team.

The Anaheim and Santa Ana proposals are remarkably similar. Both cities want to build a 20,000-seat arena, which is an appropriate size for basketball and/or hockey. In Anaheim, a partnership led by New York-based Ogden Group and Spectacor Management Group is proposing a $94 million stadium that city officials originally hoped would be completed by as early as May 1991. In Santa Ana, a partnership of Newport Beach developer King-Guanci, arena operators Spectacor Entertainment Group, and booking agency MCA Entertainment is proposing a $75 million project. Without snags, the Santa Ana arena could be finished by September 1992.

Both cities are currently negotiating their financial packages with developers, but neither city has publicly revealed what type of financial participation it will have in the project. The Anaheim city manager's office says that the arena, without a sports franchise, is worth $40 million annually in economic benefits to the community; with a team in tow, that sum nearly doubles to $78 million. An economic feasibility study prepared for Santa Ana by Economic Research Associates says that the economic impact of arena construction would be $200.9 million to the city, and an annual $69 million thereafter. The presence of a sports franchise is not mentioned in the study, but apparently is assumed. And the two cities are offering similar subsidies to the arenas: $1.5 million a year for 10 years in Anaheim, $1 million a year for up to 10 years in Santa Ana.

subsidies to the arenas: $1.5 million a year for 10 years in Anaheim, $1 million a year for up to 10 years in Santa Ana.

Until very recently, Anaheim was the frontrunner in the arena race. With almost unanimous backing from the mayor and city council, the city spent $17 million to buy three parcels and is negotiating for three more worth $3 million. To raise the capital for the land purchases, the city floated an $18.7 million bond and increased the bed tax to 11% to pay it off.

Anaheim also demonstrated its zeal through a creative act of site assembly involving a four-way land swap involving the city, a German social club, and the Sanderson J. Ray development company. In December, the Council approved the environmental impact report for the resulting site near Anaheim Stadium, and the city originally planned to start construction last January 1990.

Those plans quickly fell away, however, after the city was hit by several lawsuits contesting the EIR. The owners of a mobile-home park which the city had intended to condemn have filed suit. Perhaps more significantly, the Los Angeles Rams — a prominent tenant of the existing Anaheim Stadium — and a real estate company affiliated with the Rams ownership, Anaheim Stadium Associates, both filed suit against the city's traffic findings in the EIR. The suit alleged that arena events could squeeze parking at the stadium when sports events coincide, and also crowd the parking lots of office buildings planned for the stadium parking lot. In January, an Orange County Superior Court judge issued a temporary restraining order preventing Anaheim from moving forward on the project. Meanwhile, another disgruntled stadium tenant, the California Angels baseball franchise, is currently holding separate negotiations with the city over similar parking concerns, according to Angels Vice President Michael Schreter. Although all the lawsuits were still pending at the end of March, the city still planned to start construction during April.

If those cases delay the hare-like Anaheim further, however, the tortoise-like Santa Ana may take the lead in the arena race. Although Santa Ana has not yet purchased its intended site, the land deal is not likely to be complicated. In contrast to the Anaheim project, which involved assembling multiple sites, the 17-acre Santa Ana site is slated for a single parcel in a master-planned business park owned by Santa Fe Pacific Realty. (The current architectural scheme for the Santa Ana project resembles an office building.) Other than a zoning variance, the project needs little more than a formal transfer of ownership. In February, the Santa Ana City Council approved the EIR; a dispute over traffic mitigation with the neighboring City of Tustin was already resolved before the vote.

Meanwhile, both cities seem to be steeling their nerves for a winner-take-all confrontation. But the question in Orange County now is: What, exactly, will the winner win? Because even though Santa Ana and Anaheim are intensely interested in building arenas and attracting teams, nobody else seems to care. In February, a *Los Angeles Times* poll indicated that 57% of county residents did not support the acquisition of a new sports team, and only 12% supported the expenditure of public funds to attract a franchise. Needless to say, that does not bode well for either a franchise or an arena. Maybe the French have a phrase for that as well.

Morris Newman