

November 1, 2009

Dear Fellow Sunset Beach Citizens,

As we all well know, Sunset has been placed under the Sphere of Influence of Huntington Beach in July. Because of our small size, less than 150 acres, our own citizens don't get a vote in the matter. By state law, a favorable vote of the seven-member Huntington Beach City Council to annex Sunset Beach is all that would be required. The Community Association voted to hire the Irvine based Sheppard, Mullin law firm to assure we would be treated fairly.

Based on over a 10 to 1 citizen preference that Sunset Beach people would be more comfortable being annexed by Seal Beach and an April letter to Orange County LAFCO from Seal Beach stating that the City Council was favorably disposed towards Sunset Beach, the Community Association attempted to work out an annexation plan with Seal Beach. Well, a number of vocal citizens of Seal Beach expressed their displeasure at Seal annexing Sunset and the Seal Beach City Council rejected annexing Sunset at a formal meeting in August.

That left us with the option of attempting to incorporate as our own city or annexation by Huntington Beach. It was known that incorporation would not be easy. It would take \$100,000 to \$150,000 in front-end money to fund preliminary fiscal studies, LAFCO processing fees and a state required Comprehensive Fiscal Analysis. If successful, Sunset would be Orange County's 35th and smallest (at 1247 population) city. Villa Park is the County's next smallest city (at 5500 population), however revenues generated from property taxes are approximately equal.

Meanwhile, the Community Association hosted a Town Meeting and invited HB Mayor Keith Bohr and City Manager Fred Wilson to tell us about the virtues of Huntington Beach (population 196,000). A list of 13 key transfer items was drawn up which outlined Sunset's desire to continue as a semi-independent beach community if annexation proved inevitable. The 13 items would constitute a "Specific Plan" for the Sunset Beach area. Hopefully, HB will wait until we complete our citizen-funded incorporation feasibility study before taking an annexation vote. Gretchen Hoad stands ready with a no-annex plan if they don't.

A Community Association committee circulated a mail-in survey to determine community preference. There was a very high response rate to the survey. People who made a choice, favored incorporation over annexation by more than a three-to-one margin. 35% percent remained "undecided". Even more important, the people of Sunset Beach backed their preference by donating over \$30,000 toward exploring incorporation further. Some undecided people also contributed, as well as one couple from Huntington Beach. An incorporation Business Plan was drafted. A Committee on Future Governance was formed. The Community Association voted

to apply the donated money toward hiring a consultant to perform a Preliminary Fiscal Analysis to unbiasedly determine if Sunset had a favorable enough income versus expenses balance sheet to become a city.

The Future Governance Committee is in the process of interviewing financial consultants. If it turns out that incorporation is feasible, major fund raising efforts will be undertaken to raise the balance of the front-end funding required. An outline of the incorporation process is included in this package. Future Governance Committee members are: Jack and Leslie Markovitz, Scot and Diana Dodson, Bill Sebring, Julie Lurie, Neal Frank, Kim Henry, Debbie Culling, Gretchen Hoad, Lyman Lokken, and Bob Campregher.

If there is one thing that stands out throughout this on-going ordeal imposed by the County, it is the determination and dedication of the citizens of Sunset Beach to stand up and work for a cause in which they believe. It never ceases to amaze me how much a multi-talented, 100% volunteer organization has accomplished and can accomplish on this issue and also on the traditional committees, programs and fund raising of the Community Association.

**Greg Griffin
President. Sunset Beach Community Association**