



FOR IMMEDIATE RELEASE
Friday, May 22, 2009

CONTACT: Karie Reuther
(951) 304-9283

Temecula's Land Grab Comes with Heavy Price Tag
Fiscal impact report finds City's proposed annexation would further drain badly needed tax dollars

TEMECULA – The City of Temecula's bid to seize nearly 5,000 acres of undeveloped land would cost taxpayers, siphoning off money from City coffers already depleted by plummeting tax revenues, according to a report released and submitted Thursday to the Local Agency Formation Commission.

The fiscal impact report by David Taussig & Associates, Inc. found multiple flaws in the City's own fiscal analysis and squarely debunked Temecula's claim that annexation would generate a surplus for the city. In reality, providing services to the steep and remote terrain would cost the City almost \$300,000 annually, including new fire protection expenses, according to the new report.

The findings undercut the City of Temecula's bid for the property, 85% of which is already permanently protected open space. Additionally, 70% of the private property owners within the annexation area are opposed to Temecula's proposal to annex their land.

The report further demonstrates that the City of Temecula's land grab is merely an attempt to stop the County from completing the environmental review of the proposed Liberty Quarry project. There is no fiscal benefit to the City.

"This report proves that the City of Temecula is trying to mislead its own taxpayers when it claims this land grab would actually generate money for the city. In fact, the annexation would hurt Temecula residents, who can't afford any increased burden," said Gary Johnson, aggregate resource development manager for Granite Construction.

"Clearly the City of Temecula is willing to twist the facts to try to kill the quarry, which would generate more than \$1 million annually in tax revenue for Riverside County and provide badly needed jobs for the area," he said.

more

The City of Temecula's annexation bid will be heard June 4 by the Riverside County Local Agency Formation Commission. As part of their application to LAFCO, the City of Temecula had its own fiscal impact report prepared two years ago.

The City's report failed to take into consideration hefty firefighting costs for the area and hinged on the development of up to 81 homes. There is no water supply, sewage system or access roads to the land in question and providing such municipal services is extremely expensive given the lack of existing infrastructure and the location of the land relative to Temecula's existing city limits.

The new fiscal impact report commissioned by Granite Construction Co. said the likelihood that the 81 homes would be built is "extremely low." With or without new homes, adding those eight square miles to the 30-square-mile City of Temecula would cost taxpayers money, according to the report.

"This annexation makes no sense. The majority of the land is already protected open space, the private land owners are mostly opposed, the City would have a very tough time providing municipal services to the area, and now we find out they want to stick residents with a bill they can't afford. Temecula taxpayers should be outraged." said O.B. Johnson, a Murrieta resident and member of Friends of Liberty, a community organization that opposes the annexation.

Even if those homes were built, they would not be able to generate enough revenue to compensate for the steep rise in costs to the city. Fire expenses alone would be \$106,441 a year because the City would need to contract with Cal-Fire to avoid being charged millions of dollars should a wildfire occur within the annexation area. Police services for the area would boost that annual public service tab by \$219,731, according to the report.

The new fiscal report found that the costs to Riverside County associated with Liberty Quarry would be less than \$30,000 a year while the project would generate nearly \$1.2 million in tax revenue for the County. The report's findings make clear that this land would be better left in Riverside County's jurisdiction for the benefit of taxpayers.

###