

We Manage Local Government Boundaries, Evaluate Municipal Services, and Protect Agriculture

#### Agenda Item 6a (Public Hearing)

TO:	Local Agency Formation Commission	
PREPARED BY:	Brendon Freeman, Executive Officer $\mathcal{BF}$	
MEETING DATE:	April 4, 2022	
SUBJECT:	Sphere of Influence Amendment Request Involving the City of American Canyon, American Canyon Fire Protection District, and 1661 Green Island Road	

## RECOMMENDATION

It is recommended the Commission take the following actions:

- 1) Open the continued public hearing and take testimony;
- 2) Close the public hearing;
- 3) Deny the requested Sphere of Influence Amendment and adopt the Resolution of the Local Agency Formation Commission of Napa County Making Determinations – Sphere of Influence (SOI) Amendments Involving the City of American Canyon, American Canyon Fire Protection District, and 1661 Green Island Road (Attachment 13) denying the requested SOI amendments.

## BACKGROUND

The landowners of 1661 Green Island Road have requested amendments to the SOIs for the City of American Canyon ("the City") and the American Canyon Fire Protection District (ACFPD). The application materials are included as Attachment One and were submitted consistent with the Commission's adopted *Policy on Spheres of Influence*, included as Attachment Two, as well as California Government Code (G.C.) Section 56428, included as Attachment Three.

On December 6, 2021, the Commission was scheduled to consider action on the SOI request as part of a duly noticed public hearing. Prior to the December 6, 2021 meeting and after the agenda had been posted, the applicant requested the Commission continue this item and defer all discussion to the Commission's April 4, 2022 regular meeting. The Commission agreed to accommodate the applicant's request and on December 6, 2021 continued the matter to today's April 4, 2022 Commission meeting.

Margie Mohler, Vice Chair Councilmember, Town of Yountville

Mariam Aboudamous, Commissioner Councilmember, City of American Canyon

Beth Painter, Alternate Commissioner Councilmember, City of Napa Diane Dillon, Chair County of Napa Supervisor, 3rd District

Brad Wagenknecht, Commissioner County of Napa Supervisor, 1st District

Ryan Gregory, Alternate Commissioner County of Napa Supervisor, 2nd District Kenneth Leary, Commissioner Representative of the General Public

Eve Kahn, Alternate Commissioner Representative of the General Public

> Brendon Freeman Executive Officer

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# SUMMARY

The application includes a vineyard report, soils analysis, an economic viability report, and the opinions of soils and viticulture experts Paul Anamosa, Hal Huffsmith, and Robert Steinhauer. The application also includes letters of support from former City of Napa Mayor Ed Henderson and former City of American Canyon Mayor and LAFCO Commissioner Lori Luporini.

The affected territory is located on one unincorporated parcel totaling 157.15 acres in size and identified as Assessor Parcel Number 058-030-041. The affected territory is currently used as a commercial vineyard. The application materials include a vineyard report and soils analysis indicating the vineyard is no longer viable due to saltwater intrusion.

Surrounding lands to the west and south comprise wetlands owned by the State of California and are unincorporated. Lands to the north and east are predominantly within the City's jurisdictional boundary and comprise industrial and warehouse uses.

The application suggests the SOI amendments would be appropriate because they will promote the orderly expansion of the City in a manner that ensures the protection of the environment and agricultural and open space lands while also ensuring the effective efficient and economic provision of essential public services.

The application states it is not plausible for Napa County to provide public services to the affected territory given it is situated in the midst of American Canyon, and that inclusion within the City would ensure the affected territory pays its fair share of the costs of planned infrastructure upgrades for Green Island Road as part of a community facilities district.

Staff recommends the Commission deny the SOI request based on the factors described under the "Discussion" section of this report. This includes an evaluation of the mandatory factors under G.C. Section 56425, included as Attachment Four, as well as several other relevant considerations related to the affected territory. However, it may be appropriate for the Commission to approve the SOI request based on the additional key considerations that are summarized on pages 13 through 15 of this report. With this in mind, the Commission may consider any of the alternative actions identified on page 16 of this report.

Maps of the affected territory and further discussion of the SOI request follow.

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The following vicinity map shows the affected territory along with the jurisdictional boundaries and SOIs of the City and ACFPD.



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The following map shows an aerial view of the affected territory along with the jurisdictional boundaries and SOIs of the City and ACFPD.



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The following map shows the affected territory and the City's urban limit line (ULL).



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The following map shows the County of Napa's General Plan land use designations for the affected territory and surrounding areas.



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The following map shows the County of Napa's zoning assignments for the affected territory and surrounding areas.



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# DISCUSSION

## Agreement Between the City and County

In 2008, the City entered into an agreement with the County of Napa related to the City's SOI and ULL, included as Attachment Five. The agreement is intended to recognize the importance of preserving agricultural and open space lands in the County to maintain a viable agriculture-based economy, preserve open space, prevent urban sprawl, and direct growth and development into already urbanized areas. The agreement designates a mutually agreed upon ULL to serve as the City's ultimate growth boundary until at least 2030. The parties agree the City's jurisdictional boundary and SOI shall not expand beyond the ULL prior to 2030 unless the citizens of the City first approve an expansion of the line.

LAFCO and the applicant are not parties to the agreement and therefore aren't bound to the terms of the agreement. The Commission retains discretion to approve or disapprove SOI requests irrespective of their consistency with the agreement. However, staff recommends the Commission give considerable weight to the agreement given that it designates a mutually agreed upon urban growth boundary for the City through 2030.

# **Previous SOI Request**

In 2018, as part of the Commission's *South County Region Municipal Service Review and Sphere of Influence Updates* ("2018 MSR/SOI"), the City and ACFPD jointly requested amendments to their SOIs to include the affected territory. The 2018 MSR/SOI is available online at: <u>https://www.napa.lafco.ca.gov/uploads/documents/SouthCountyRegion\_MSR-SOI\_FinalReport\_12-3-18.pdf</u>. The 2018 MSR/SOI includes the following relevant text:

The City and ACFPD have jointly submitted a formal request to the Commission for an SOI expansion involving a vineyard property located at 1661 Green Island Road (APN 058-030-041) that is located to the immediate west of the City's jurisdictional boundary, SOI, and ULL. The request is included as Appendix D. A map of the requested SOI amendment is provided as Exhibit 6-2. This property is currently planted with a vineyard and designated as Agriculture, Watershed, and Open Space in the County General Plan. In order to annex APN 058-030-041, the City would first have to amend the ULL with agreement from the County and voter approval. Further, Napa LAFCO policies direct the Commission to designate SOIs to guide orderly urban development in a manner that prevents the premature conversion of agricultural lands. Finally, correspondence from the Napa County Farm Bureau is included as part of Appendix B, which communicates opposition to the potential annexation of the subject parcel to the City. With all of this in mind, it would be appropriate to defer consideration of an expansion to the City's SOI to include APN 058-030-041 until after the parcel has been included within the ULL. This process would also involve the City or the County serving as lead agency to address the requirements of CEQA for the potential SOI expansion and annexation.

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# Statutory Factors

In determining the SOI of each agency, the Commission is required to consider five specific factors consistent with G.C. Section 56425. A summary of the statutory factors as they relate to the SOI request follows.

1) Present and planned land uses in the area, including agricultural and open-space lands

The County General Plan assigns the affected territory a land use designation of *Agriculture, Watershed, and Open Space* and zoning standard of *Agricultural Watershed: Airport Compatibility*. These land use characteristics prescribe a minimum lot size of 160 acres. Actual land uses within the affected territory are currently limited to a commercial vineyard. There are no other planned land uses for the affected territory at this time. However, the discontinuation of existing vineyard operations is planned.

2) Present and probable need for public facilities and services in the area

The affected territory currently receives outside water service from the City through a grandfathered agreement consistent with G.C. Section 56133. This includes potable water during the summer months for the vineyard's frontage road located on Jim Oswalt Way. In addition, the City provides potable and reclaimed water for irrigation of the vineyard, with City meters historically showing very little potable use for this purpose. The affected territory also receives fire protection and law enforcement services from the County. Based on current and planned land uses, there is no need for additional public facilities or services within the affected territory at this time.

3) Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide

Based on the 2018 MSR/SOI, the City and ACFPD have established adequate capacity to provide a full range of municipal services to the affected territory based on the current land use as a commercial vineyard.

4) Existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency

There are no social or economic communities of interest that are relevant to any potential SOI amendments involving the affected territory.

5) Present and probable need for public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence

There are no disadvantaged unincorporated communities within the City's SOI or ACFPD's SOI.

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# **Policy Considerations**

Staff reviewed the SOI request as it relates to the Commission's *Policy on Spheres of Influence*. A summary of relevant policy considerations follows.

• Section III states: It is the intent of the Commission to determine appropriate SOIs that promote the orderly expansion of cities, towns, and special districts in a manner that ensures the protection of the environment and agricultural and open space lands while also ensuring the effective, efficient, and economic provision of essential public services, including public water, wastewater, fire protection and emergency response, and law enforcement.

<u>Staff response</u>: The SOI request would not ensure the protection of agricultural lands given it would allow for annexation to the City, thereby facilitating the future conversion of existing agricultural lands to an urban use. However, it should be noted the long-term viability of the existing agricultural land use is in question as described in the vineyard report and soils analysis included with the application materials. Notably, it appears the vineyard is decaying due to saltwater intrusion. The soils analysis suggests there are few viable agricultural products that could potentially replace the vineyard for long-term use. In the future, it may be appropriate for the affected territory to be converted to a use that is compatible with agricultural lands elsewhere in Napa County. With this in mind, the SOI request could be consistent with Section III if appropriate planning activities occur. This would likely involve the City and the County amending their respective General Plans along with an expansion of the City's ULL.

• Section V(A)(1) states: Land defined or designated in the County of Napa General Plan land use map as agricultural or open space shall not be approved for inclusion within any local agency's SOI for purposes of new urban development unless the action is consistent with the objectives listed in Section III of this policy.

<u>Staff response:</u> The County General Plan land use map designates the affected territory as *Agriculture, Watershed, and Open Space*. As noted above, the SOI request could be consistent with Section III in the future if appropriate planning activities occur. However, based on current conditions and circumstances, staff believes the SOI request is inconsistent with Section III of this policy.

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• Section V(A)(3) states: The Commission will consider the Agricultural Preserve and intent of voters in passing Measure J and Measure P in its decision making processes to the extent they apply, prior to taking formal actions relating to SOIs.

<u>Staff response</u>: The affected territory is subject to Measure P. Changing the land use designation in the County General Plan to non-agriculture requires approval by Napa County voters. It is important to note SOI amendments and annexations do not require Measure P votes.

• Section V(A)(6) states: A local agency's SOI shall generally be used to guide annexations within a five-year planning period. Inclusion of land within an SOI shall not be construed to indicate automatic approval of an annexation proposal.

<u>Staff response:</u> The City must prezone the affected territory prior to its annexation. There is currently no indication of whether the affected territory will be planned for annexation by the City, which would include prezoning. It appears unlikely these planning efforts will occur in the next five years.

- Section V(A)(8) states: A local agency's SOI should reflect existing and planned service capacities based on information collected by, or submitted to, the Commission. This includes information contained in current MSRs. The Commission shall consider the following municipal service criteria in determining SOIs:
  - a) The present capacity of public facilities and adequacy of public services provided by affected local agencies within the current jurisdiction, and the adopted plans of these local agencies to address any municipal service deficiency, including adopted capital improvement plans.

<u>Staff response:</u> Based on the 2018 MSR/SOI and planned capital improvements, the City and ACFPD have established adequate capacities to serve their current jurisdictions and accommodate growth.

b) The present and probable need for public facilities and services within the area proposed or recommended for inclusion within the SOI, and the plans for the delivery of services to the area.

<u>Staff response:</u> The affected territory presently receives outside water service from the City. However, the current land use appears to be unsustainable due to saltwater intrusion coupled with the use of recycled water from the City that is high in salinity. There are currently no plans for delivery of additional services to the affected territory.

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- Section V(A)(9) states: The Commission shall consider, at a minimum, the following land use criteria in determining SOIs:
  - a) The present and planned land uses in the area, including lands designated for agriculture and open-space.

<u>Staff response</u>: The present and planned land use in the affected territory is agriculture.

b) Consistency with the County General Plan and the general plan of any affected city or town.

<u>Staff response:</u> The County General Plan designates the affected territory as *Agriculture, Watershed, and Open Space*. The City General Plan does not assign any land use designations for the affected territory.

c) Adopted general plan policies of the County and of any affected city or town that guide future development away from lands designated for agriculture or open-space.

<u>Staff response:</u> The County General Plan includes the following relevant land use policies:

- <u>Policy AG/LU-126:</u> "...the County will work collaboratively with LAFCO in its reviews of spheres to encourage orderly, city-centered growth and development in Napa County and the preservation of agricultural land."
- Policy AG/LU-126.5: "The County seeks to engage incorporated jurisdictions and other agencies in collaborative planning efforts, particularly efforts aimed at ensuring adequate infrastructure capacity, vibrant city-centers, sufficient housing and agricultural lands and natural resource protection."
- Policy AG/LU-127: "The County will coordinate with the cities and town to establish land use policies for unincorporated lands located within their respective spheres of influence and will do likewise for unincorporated lands within any locally-adopted urban growth boundaries."
- Policy AG/LU-130: "The County recognizes the growth boundary for the City of American Canyon shown in Figure LU-5 and will support the City's annexation of unincorporated land located within the boundary..."

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d) Adopted policies of affected local agencies that promote infill development of existing vacant or underdeveloped land.

<u>Staff response:</u> The affected territory is currently developed with a vineyard and therefore not considered vacant or underdeveloped.

e) Amount of existing vacant or underdeveloped land located within any affected local agency's jurisdiction and current SOI.

<u>Staff response</u>: The City does not maintain an inventory of vacant land within its jurisdiction. However, the 2018 MSR/SOI states most of the City's SOI is already built out, suggesting there is minimal vacant or underdeveloped land available for infill purposes.

f) Adopted urban growth boundaries by the affected land use authorities.

<u>Staff response</u>: The City's ULL is its urban growth boundary, which is consistent with the City's agreement with the County adopted in 2008. The agreement states the City and County agree there will be no expansions to the City's ULL or SOI prior to 2030. The affected territory is located outside the City's ULL.

## Additional Key Considerations

Staff recommends the Commission consider the following additional facts that are described further in the application materials and other attachments to this report:

- The affected territory is presently in agricultural land use as a grape vineyard. However, the application materials include soils analysis that shows the subject property soil is experiencing increased salinity that is toxic to agricultural use. The salinity of the soil jeopardizes the continued agricultural use of the property. Consequently, the landowners have already removed approximately 65 acres of vineyard from production, has no plans to replant that acreage, and expects to remove the remaining vineyards from production in the foreseeable future.
- Scientific analysis and the marketplace render the affected territory unsuitable for agricultural use. There has been minimal interest in a purchase of the property.
- There is no current project or plan for the future use of the affected territory. Surrounding lands are increasingly used for industrial and warehouse purposes. A similar use for the affected territory under the City's land use authority and with entitlements to services provided by the City may be appropriate in the future.

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- If the struggling vineyard continues to be irrigated with a mix of potable and recycled water from the City, it would represent an inefficient use of water resources at a time when all water customers throughout Napa County are subject to varying levels of water conservation restrictions.
- Approval of the SOI request could potentially contribute to Napa County's industrial and warehouse land use inventory, thereby reducing the pressure to develop near prime agricultural land elsewhere throughout the County. Toward this end, the affected territory's agricultural use is arguably incompatible with surrounding industrial and warehouse uses to the north and east. Further, the affected territory may eventually be needed to improve traffic circulation given its proximity to Devlin Road and Green Island Road.
- G.C. Section 56016 defines "agriculture" for purposes of LAFCO law to mean "land currently used for the purpose of producing an agricultural commodity for commercial purposes, land left fallow under a crop rotational program, or land enrolled in an agricultural subsidy or set-aside program." The affected territory currently meets this definition of "agriculture" but will cease to meet the definition upon the anticipated discontinuation of vineyard production.
- G.C. Section 56064 defines "prime agriculture" for purposes of LAFCO law based on Storie index ratings and United States Department of Agriculture's Natural Resources Conservation Service land use capability classifications. The affected territory does not qualify as "prime agriculture" under this definition primarily due to poor soil quality ratings.
- The California Farm Bureau Federation and the Napa County Farm Bureau collectively submitted a letter opposing the SOI request, included as Attachment Six. The letter suggests the property can be used for other agricultural purposes or open space, and the SOI request would set a bad precedent in Napa County.
- The County of Napa submitted a letter opposing the SOI request, included as Attachment Seven. The letter states the SOI request is in direct conflict with the City General Plan, County General Plan, adopted agreement on growth boundaries between the City and County, and LAFCO's *Policy on SOIs*.
- The Napa Valley Grapegrowers submitted a letter opposing the SOI request, included as Attachment Eight. The letter states approval of the SOI request would set a risky precedent that could lead to more attempts to annex and convert agricultural land throughout Napa County.

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- The Napa Valley Vintners submitted a letter opposing the SOI request, included as Attachment Nine. The letter recognizes the unique circumstances surrounding the affected territory. However, the letter states agricultural lands should be preserved, whether in the Agricultural Preserve, or in the Agricultural Watershed. The letter also recommends any change in land use should go through the existing process with Napa County, including a vote from the people.
- ACFPD submitted a letter supporting the SOI request, included as Attachment 10. The letter states ACFPD has been continuously serving the affected territory since 1957, including fire suppression and prevention, hazardous materials response, and emergency medical services.
- The City has not taken a formal position on the SOI request. Toward this end, the City submitted a "no position" letter, included as Attachment 11. If the Commission is considering approving the SOI request, staff recommends the Commission at a minimum require an official position from the City.

# CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

If the Commission chooses to amend the City's SOI and ACFPD's SOI to include the affected territory, the action would be exempt from further review under CEQA pursuant to California Code of Regulations Section 15061(b)(3). The applicant submitted a letter related to CEQA, included as Attachment 12, with which staff and legal counsel concur. Notably, the proposed SOI amendments would not cause the direct, or reasonably foreseeable indirect, physical change in the environment and does not have the potential for causing a significant effect on the environment, as no new land use or municipal service authority would be provided. Further, the SOI amendments do not commit any local agency to take any definite course of action or to approve any specific project. Any future prezoning by the City or annexation of the affected territory would require environmental analysis to be performed by the appropriate lead agency. The staff recommendation to deny the SOI requires no CEQA related action by the Commission.

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# ALTERNATIVES FOR COMMISSION ACTION

The Commission may take any of the following actions as part of this item:

- Deny the SOI request as recommended by staff by adopting the draft resolution included as Attachment 13. It is also recommended the Commission direct staff to request the City of American Canyon and the County of Napa discuss the SOI request in good faith and negotiate matters that include, but are not limited to, future land use, agricultural mitigation, transfer of regional housing needs allocations, and property tax exchange for future annexation.
- Approve the SOI request by adopting the draft resolution included as Attachment 14. This alternative would require the Commission to file a Notice of Exemption upon the receipt of the appropriate Commission fee in compliance with CEQA.
- 3) Continue the public hearing to a future Commission's meeting. If this alternative is selected, it is also recommended the Commission direct staff to request the City of American Canyon and the County of Napa discuss the SOI request in good faith and negotiate matters that include, but are not limited to, future land use, agricultural mitigation, transfer of regional housing needs allocations, and property tax exchange for future annexation.

## **PROCEDURES FOR CONSIDERATION**

This item has been agendized as a noticed public hearing. The applicant has requested an opportunity to make a presentation to the Commission as part of this item. The following procedures are recommended with respect to the Commission's consideration of this item:

- 1) Receive verbal report from staff;
- 2) Commission initial questions to staff;
- 3) Open the public hearing and receive presentation from applicant;
- 4) Receive public comments;
- 5) Close the public hearing; and
- 6) Discuss item and consider action on the SOI request.

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# ATTACHMENTS

- 1) Application Materials
- 2) LAFCO Policy on SOIs
- 3) Government Code Section 56428
- 4) Government Code Section 56425
- 5) Agreement Between the County of Napa and the City of American Canyon
- 6) Opposition Letter from the California Farm Bureau Federation and Napa County Farm Bureau
- 7) Opposition Letter from the County of Napa
- 8) Opposition Letter from the Napa Valley Grapegrowers
- 9) Opposition Letter from the Napa Valley Vintners
- 10) Support Letter from American Canyon Fire Protection District
- 11) No Position Letter from the City of American Canyon
- 12) CEQA Letter from Applicant
- 13) Draft Resolution Denying the SOI Request
- 14) Draft Resolution Approving the SOI Request

Local Agency Formation Commission of Napa County 1754 Second Street, Suite C Napa, California 94559 (707) 259-8645 Telephone http://www.napa.lafco.ca.gov

#### **Questionnaire for Amending a Sphere of Influence**

1. Applicant information:

Name:	GIV, LLC (Will Nord, Ed Farver and David B. Gilbreth, Managers)			
Address:				
7 Iuur 055.		Douglas Straus, Attorney	un oungon,	David B. Gilbreth Manager
Telephone Number:		<u>415 227-3553</u> (P	rimary)	<u>707 337-6412</u> (Secondary)
E-Mail Address:		dstraus@buchalter.com;	; davidgnapa	a@icloud.com

2. What is the purpose for the proposed sphere of influence amendment?

See Attachment #2

3. Describe the affected territory in terms of location, size, topography, and any other pertinent characteristics.

See Attachment #3.

4. Describe the affected territory's present and planned land uses.

See Attachment #4.

5. Io te	. Identify the current land use designation and zoning standard for the affect territory.		
_	The la	nd is designated as Agriculture, Watershed and Open Space.	
_			
6. ls	the affectopy of the	cted territory subject to a Williamson Act contract? If yes, please part of contract along with any amendments.	rovide a
	NO		
7. If m	applical	ble, identify the governmental agencies currently providing the services to the affected territory.	e listed
	Water:	City of American Canyon	
	Sewer:	City of American Canyon	
	Fire:	City of American Canyon Fire Protection District	
	Police:	City of American Canyon	
Print 1	Name:	Will Nord, Manager	
Date:		September <u>5</u> 2021	
Signat	ture:	4 the floor	
Print N	Name:	David B. Gilbreth, Manager	
Date:	-	September 39 2021	
Signatu	ure: _	Die B. Hillich Di C	
Print N	lame: _	Ed Farver, Manager	
Date:	-	September 3_2021	
Signatu plication M	ure: Naterials for	1661 Green Istand Road Softwaguest	Page 2 d

## ATTACHMENTS TO QUESTIONNAIRE FOR AMENDING A SPHERE OF <u>INFLUENCE</u> <u>GIV, LLC</u> LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

## Attachment #2

The applicant property owner seeks this proposed sphere of influence amendment to bring the subject property within the City of American Canyon and American Canyon Fire Protection District spheres of influence pursuant to Local Consideration V(A)(2) in Napa County LAFCO's 6-7-21 policy on spheres of influence. Such an amendment is appropriate because it will promote the orderly expansion of the City of American Canyon in a manner that ensures the protection of the environment and agricultural and open space lands while also ensuring the effective efficient and economic provision of essential public services.

The subject property receives almost all essential public services (fire, water, sewer and police from the City of American Canyon or the American Canyon Fire Protection District. The subject property is bordered on three sides by the City of American Canyon. The fourth property boundary is the Napa River. It is not plausible for Napa County to provide public services to this "island" of County land situated in the midst of American Canyon.

The properties adjoining and near the subject property are being used for industrial and warehouse purposes. The City of American Canyon has plans to upgrade Green Island Road and Devlin Road, other roads in the vicinity of the subject property. Moving the subject property into the City of American Canyon's sphere of influence would give the City of American Canyon the ability to address land use planning for the property and ensure that the subject property pays its fair share of the costs of these infrastructure upgrades by including the property in the appropriate Community Facilities District.

This request for an amendment to the sphere of influence is *not* being brought by either the City of American Canyon or the American Canyon Fire Protection District—although property owner Green Island Vineyards, LLC ("GIV") anticipates that both government agencies may support this request. Thus, if there are any potential restrictions on the right of either of these government entities to seek sphere of influence amendments or changes to the Urban Limit Line, those restrictions do not prevent GIV from making this application. Nor do they prevent LAFCO from approving the request.

## Attachment #3

The subject property is located at 1661 Green Island Road, American Canyon, California, 94503, APN 058-030-041. It is roughly 157 acres total. The subject property soil is experiencing increased salinity that is toxic to agricultural use.

Historically, the subject property has been used for vineyard purposes. However, the salinity of the soil precludes the possibility of continued agricultural use of the subject property. Consequently, the owner has removed 65 acres of vineyard from production, has no plans to

replant that acreage and expects to remove the remaining vineyards from production in the near future. The intolerably high level of salinity in subject property soil precluding future agricultural use is also confirmed by the reports of Vineyard Soil Technologies dated September 29, 2021 attached hereto as Exhibit A.

Vineyard Soil Technologies confirms that the vineyards on the property have entered a "death spiral" from which they will not recover. Vines are both stunted and blighted. These conditions are only going to get worse. As Vineyard Soil Technologies concludes, "the soils are unsustainable for wine grapes as a result of excessive accumulation of salts in the rootzones of the vines." This report explains that this problem impacts all vineyard lands on the property.

Scientific analysis has confirmed that the subject property is no longer suitable for agricultural use. So has the marketplace. GIV has been marketing the property as agricultural land since 2012. *See* the letter from GIV Managers Will Nord and Ed Farver attached here as Exhibit B. GIV has used multiple brokers in its efforts to market the property, including some of the most experienced and successful vineyard brokers in Napa County. Only once has anyone expressed interest in acquiring this property.

And that prospective purchaser decided not to purchase the property due to concerns about excessive soil salinity. *See* the September 30, 2021 letter from Erik Roget at UBS Farmland Investors LLC attached hereto as Exhibit C. As Mr. Roget explains, UBS Farmland LLC declined to purchase the property after spending thousands of dollars on due diligence because of concerns including "that the vineyard was not likely to be viable in the future due to saline toxicity..."

The subject property is no longer suitable for agricultural use as vineyard land or otherwise. The current characteristics of this property make it suitable for including in the City of American Canyon and American Canyon Fire Protection District spheres of influence.

#### Attachment #4

The subject property is presently partially fallow land and partially failing vineyard land. As already noted, the portion of the property used for vineyard purposes is decreasing in size. In a very few years the property will be entirely unsuitable for agricultural uses.

There is no current specific project or plan for the future use of the subject property. The properties adjoining the subject property are increasingly used for industrial and warehouse purposes. It seems likely that a similar use for the subject property might be appropriate at some point, which should be determined by the City of American Canyon at the appropriate time given the property's address within the City of American Canyon and the City's current provision of services to the site.

Placing this property into the sphere of influence is entirely consistent with Objective III and Local Consideration V(A)(1) in Napa County LAFCO's 6-7-21 policy on spheres of influence because the subject property is no longer suitable for agricultural use and inclusion in the sphere of influence helps promote effective, efficient and economic provision of essential public

services by harmonizing the subject property with surrounding lands and increasing the revenue base for relevant Community Facilities Districts.

Local Consideration V(A)(5) in Napa County LAFCO's 6-7-21 policy on spheres of influence supports this request because the City of American Canyon has very little vacant or underutilized land available for infill purposes. See Final Report, Napa County LAFCO, South County Region Municipal Service Review and Sphere of Influence Updates, December 3, 2018, Section 6-3 ["Most of the area within the City [of American Canyon]'s SOI is built out."]. Realistically, the only way for this relatively new city to grow is through appropriate expansion of its borders via annexation.

Local Consideration V(A)(5) in Napa County LAFCO's 6-7-21 policy on spheres of influence further supports this request as does Local Consideration V(A)(8) because no extension of urban facilities, utilities and services are required for the subject property. The subject property is already serviced by the City of American Canyon and the Fire District.

Of course, as noted in Local Consideration V(A)(6) in Napa County LAFCO's 6-7-21 policy on spheres of influence, granting the request to amend the sphere of influence to include the subject property is no guarantee of approval of annexation.

BN 47126236v1

# **EXHIBIT** A



September 29, 2021

David Gilbreth, Manager Ed Farver, Manager Will Nord, Manager Green Island Vineyard LLC

#### Site Visit Report Green Island Vineyard Project 21-178

The objective of the site visit was to qualify the current condition of the Green Island vineyard in light of the passage of time since the submission of the report regarding the irrigation water chemistry and soil chemistry of the vineyard: Anamosa-Gilbreth-Ghisletta-GIV-Geoff-Monk-CCA-15-179-Soil-Water-Chemistry-Review-June- 2018-Proj-18-136.

In summary, it is my professional opinion as a result of my analysis of the irrigation water chemistry, soil chemistry and condition of the vineyard, that the vineyard is continuing in death spiral and the soils are unsustainable for wine grapes as a result of excessive accumulation of salts in the rootzones of the vines. Consequently, as generally anticipated based on the data presented in my 2018 report, in 2021 the vineyard owners removed one-half of the most severely affected vineyard blocks. An additional one-quarter of the blocks will be removed at the termination of this season, and the remaining blocks will be removed in the very near future. The review of the ACRW indicates it is unsuitable for winegrapes. It is probably the repeated use of the ACRW on this vineyard that has caused the salinity, sodium, and chloride problems in the vineyard.

#### Introduction

Soil salinity issues with grapevines is not common in the North Coast California viticultural areas, but are becoming more common as continued pumping of ground water in the periphery of San Pablo Bay has caused saltwater intrusion into the ground water system, and vineyards have continued to use the ever increasingly salty water on vineyard. Much of scientific research and development of scientifically based "best practices" for management of vineyards with salinity, sodium, and chloride problems has been done in Australia. Shown below are photos provided in several Australian extension education bulletins for growers to identify and manage salt issues in vineyards. I am showing these photos to provide a baseline of the symptoms of winegrapes grown on soils with high salt accumulations.

Generally, the symptoms of excessive soil salinity are the development of necrotic (brown) tissue along the margin and/or quarter or half-sections of the leaves. The most severe symptom may envelop the entire leaf and all leaves on the vine. Severe necrotic leave tissue damage will frequently weaken the vine for the following year due to the lack of carbohydrate storage into the roots and trunk for the next season's growth. Some vine may die and will not push buds the following season.



Figure 1. Highly salinity water damage to winegrapes (Best Management Practices for Irrigation Water Salinity and Salt Build-up in Vineyard Soils, Limestone Coast Grape and Wine Council, Government of South Australia, 2017.)





Figure 3. Managing Salinity in the Vineyard Factsheet; Rob Walker; CSIRO Plant Industry, Adelaide, Australia.

Figure 2. Highly salinity water damage to winegrapes (Best Management Practices for Irrigation Water Salinity and Salt Build-up in Vineyard Soils, Limestone Coast Grape and Wine Council, Government of South Australia, 2017.)

The general symptoms of salinity, will usually occur prior to the toxicity symptoms of either sodium or chloride, because in order to get to the toxic levels for sodium and/or chloride, the salinity is already above the minimally problematic value of 1.5 dS/m. The moderate to severe salinity toxicity symptoms occur around 2.0 to 2.5 dS/m and vine death is typical at 3.5 to 4.0 dS/m. Since the soil salinity impact on the vine is osmotic, only a few roots must be in soil with toxic salinity levels for the vine to become dehydrated and show symptoms. Osmosis is the movement of water from an area of low solute concentrations to an area of high solute concentration through a semi-permeable membrane. In the vineyard setting the semi-permeable membrane is the cell membrane in the root. So as the soil salinity increases water flows from the roots to the soil, instead of the preferred flow from the soil into the root. Even if the soils are quite wet, the water will not flow into the roots. This causes the vines leaves to dehydrate and leaf cell death starting around the periphery of the leaf even in the presence of moist soil.

#### Site Visit Protocols

A Site Visit to the Green Island Vineyard (GIV) was conducted on September 10, 2021.

**Vineyard Layout:** The vineyard is planted on 7-foot rows with 6 feet between vines. The vines are trained on bilateral cordon on a vertical trellis. The trellis has a drip hose wire, a fruiting wire, and two sets of two fruiting wires that vary by block in distance above the fruiting (cordon) wire 12-14 inches and 24-30 inches. Although the end-post and stakes are sufficiently tall, there is not a set of fruiting wires that would typically be found around 36" above the cordon. Many vineyard managers construct the trellis as needed, meaning that they add the drip, fruiting (cordon) and first set of foliage catch wires when the vines are planted, and then add additional wires if needed as the vineyard matures. The fact that this vineyard did not install the typical foliage catch wires at 36" above the cordon, indicates that the vines did not grow sufficiently to warrant the wires, and their consequent expense. Vines with shoots only to the 2nd wire are considered stunted

The qualitative evaluation of each block will be provided in the following parameters:

- **PV2W** Percentage of vine shoots not reaching the second fruiting wire (24 to 30"). The lower the value, the more shoot growth there has been.
- **PLN** Percentage of leaf area with necrosis. The higher the value, the more necrotic leaves there are.

Blocks A1, B5, B4-south, C1, C2, D3 and D4 have been pulled out and are fallow. These blocks were most affected, and vine growth and yields were well below economic profitability.

We have attached a block map and a 2017 EVI (Enhanced Vegetative Index) image of the vineyard, as well as our Electromagnetic scanner evaluation to a depth of 5-feet. The EVI image show the relative photosynthetic capacity of the vines. Those area repented by Blocks A3, B2, B3, and the eastern portion of D2 and D3, show the highest vigor. The areas represented by A1, A2 (young vines in 2016), B4-south, B-5, D3, D4 showed the lowest vigor and a but A2 have been pulled.

The map of the Electromagnetic Scanner (EM) shows patterns across the vineyard very similar to the EVI. Soil sampling has confirmed that those areas where the EM data showed the highest Electrical Conductivity values also have the highest electrical conductivity and salinity. Therefore, the patterns shown across the landscape of the EVI and EM data set have been confirmed by soil analysis.

#### Findings and Discussion

The photos take of vines in each block are attached in the following pages, along with the percentage of vines shoots not reaching the 2<sup>nd</sup> wire, and the percentage of leaf area with necrosis.

- 1. It should be expected that continued use of the high salt content ACRW will continue to accumulate in these soils and render the vineyard area unsuitable for continued vineyard operations in the upcoming years. It is just a matter of time, that the land is sufficiently toxified to kill the remaining vines if they are not pulled out first.
- 2. We have had two years (2020, and 2021) of lower than average rainfall that has reduced the leaching of salts, and an additional two years of application of water that is unsuitable for the irrigation of winegrapes. Even with near-normal rainfall, there will be inadequate leaching of salts to overcome the current salt load in the soil and the anticipated addition of more salts in the irrigation water that will be required to continue farming this vineyard.
- 3. These vineyard blocks are 20+ years old and cordon trained. They are also exhibiting fungal disease indicative of Eutypa (and similar canker wood rot diseases). The symptoms of this disease appear as dead spur positions, dead cordons and eventually vine death. Vine death typically starts to occur once the vines are 20 to 40 years old. Although, some vine death may be occurring due to Eutypa, the cluster of dead vines along the western boundaries of Blocks C3, D1 and D2 are neighboring vines with severe toxic salinity symptoms. Therefore, even though Eutypa is present in this vineyard, it is most certainly not the cause of the majority of vine death in the most salt affected areas.
- 4. Only Block A3 (young vines) and the western portions of Blocks B2 and B3 showed minor damage.
- 5. All other blocks showed moderate to severe damage especially the western sides of Blocks C3, D1 and D2. These blocks showed upwards of 60% to 80% necrotic leaf area, and many dead vines.
- 6. The vines growing in the Green Island Vineyard are showing minor to severe toxicity symptoms from high salinity soils. Only a small portion of the south-central regions of the vineyard (west side of Blocks B2 and B3) are showing minor impact from the salinity. The rest of the blocks including the eastern sides of Blocks B2 and B3 are showing moderate to severe toxic symptoms from high salinity soil. The vines are showing the symptoms of high salts in the soil indicated by short shoot growth and necrotic tissue starting on the leave margins and may affect much of the leaf area. Vines showing 60% to 80% salinity damage are in a death spiral due to the inability to manufacture and store late season carbohydrates for the next season's bud-break. Therefore, increased rate of vine death should be expected, especially in those areas that are currently most severely affected by the high salt damage.
- 7. The American Canyon Recycled Water (AMCR) that is used to irrigate the vineyard is unsuitable for the irrigation of vineyards, and the salts in that water have been accumulating in the soils for many years. This salt accumulation has degraded the condition of the vineyard and will continue to do so into the future. Due to the proximity of the vineyard to San Pablo Bay it is unlikely that on-site well water would be an improvement over the ACRW.

#### **Conclusion**

In conclusion, it is my professional opinion as a result of my analysis of the irrigation water chemistry, soil chemistry and condition of the vineyard that the vineyard is continuing in death spiral and the soils are unsustainable for wine grapes as a result of excessive accumulation of salts in the rootzones of the vines.

Paul R. Anamora

Paul R. Anamosa, Ph.D. Soil Scientist & Viticulturist Block A2 PV2W: 80% PLN: 40%



Upper Left: Vines with most shoots below 2<sup>nd</sup> wire. Upper Right: Readily visible 2<sup>nd</sup> wire with few shoots touching Lower Left: Vines with 20% shoots above wire, and 30% to 40% leaf area necrosis. Lower Right: Outline of white salts evaporation ring around beneath the emitter. Green Island Vineyard – Site Visit Page 6 of 15

Block A3	
PV2W:	60%
PLN:	20%



Left: Notice tape measure draped over netting showing second wire at about 20" above cordon. 60% of shoots below this wire.

Minor leaf damage.



Block A3 had many short shoots, but showed only minor leaf necrosis salinity symptoms. Green Island Vineyard – Site Visit Page 7 of 15

Block B1 PV2W: 20% PLN: 30%



Upper Left: This block shows the wire installed at 36" above the cordon. Only 20% of shoots were below the 2<sup>nd</sup> wire and most were between the second ant the third wires.

Upper Right: Showing the impact of the necrosis equally on all of the vines down the rows.

Lower Left: Close up of leaf necrosis (40%) on leaf at  $3^{rd}$  wire.

Lower Right: Vine with nearly 90% necrotic tissue next to vines with 30% necrotic tissue.

## Block B2 PV2W: 40% PLN: 50%





Upper Left: Vines showing marginal leaf necrosis across rows.

Upper Right: Vine with about 60% of shoots above  $2^{nd}$  wire, 30% leave necrosis.

Lower Left: Down the row showing consistent green leaves and moderate leave necrosis.

Block B3-1 Pinot Noir PV2W: 20% PLN: 20%



Left: Vines with only 20% of shoots less than 24" and about 20% greater than 24". Leaf necrosis was only about 20%.

Strongest part of vineyard.



Left: More vines with only 20% shoots less than 24" length and many over 24, but all less than 36"

Leaf area necrosis is between 10% and 20%.

Block B3-2 Malbec PV2W: 60% PLN: 80%



Left: Vines with short shoots and nearly all leaves necrotic. Some vines in neighboring rows with less necrosis.

Among the worst salinity damage on the vineyard.



Left: Vines far down the rows with 60 to 100% necrotic leaves.

Some of these vines may not make it to next season due to lack of leaves to power carbohydrate storage for next season's budbreak. Block B3-3 Merlot PV2W: 20% PLN: 30%



Left: This block has the 3<sup>rd</sup> wire at 36". \*0% of wires at or above 26" wire, and 20% at or above 36" wire.

Longer shoot growth, but still 30% of leaf surface area has necrosis.



Left: This portion of B-3-3 Merlot has shorter shoots and 40% to 60% leaf area necrosis.

# Block B-4 PV2W:

PV2W:	40%
PLN:	20%



Left: 40% of short shoot not above 2<sup>nd</sup> wire.

About 20% to 30% leaf area necrotic.



# Block C3 PV2W:

PVZVV:	40% to 100
PLN:	10% to 100



Left: 40% short shoot not up to  $2^{nd}$  wire at 26", but only about 10% to 20% leave area necrosis. This is from the east side of the blocks

One of the least affected areas.



Upper Left: Vines along the western block boundary at low elevations. Most vines with 80% to 100% necrosis.

Many dead vines from previous season with no leaves (no-budbreak).

Upper Right: Mid-way between east and west block boundary. About 40% to 50% leave necrosis. Many short shoots.
#### Block D1 PV2W: 60% PLN: 20%

PLN:	20%
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Left: Close up of leaf necrosis with some shoots above  $2^{\text{nd}}$  wire.



Left: Most vines with less than 60% of shoots up to 2<sup>nd</sup> wire. 20% to 30% leaf area necrosis.

# No. C1 5.37 A1 19.38 С2 8-19 A2 8.49 C3 8.60 A3 8.01 116 Clear Lake clay, o \*\*\*\* TONen D **B1** 10.78 loam D1 9.60 146 Haire Ioam, 2-9% slopes <u>B2</u> 7.9 age 21 of 62

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Application Materials for 1661 Green Island Road SOI Request





# ve EVI









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Appendix Table A4 - 1

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2	2M	15	30	64	6.4	0.8	2.4	2.2	3.7	2.4	0.03	5.4	4.0	0	3.6	2		154	0.3		2.2	37.1	49	42	1.1	3.5	4
3	3M 1E	30	43 17	41	6.5 7.0	1.1	4.3 7.4	4.4 1.6	8.7 3.3	4.1 1.6	0.02	7.4	4.3 1.5	Low	3.4 4.6	12		150 200	0.3		1.8 0.6	35.9 13.5	48 82	44 12	3.8	0.6 2.6	0
3	1M	0	17	39	6.8	0.6	4.2	0.9	0.9	0.5	0.12	3.5		0	<u>3.0</u>	9		154	1.0		0.7	12.9	85	11	3.1	0.9	0
3	2M 3M	17	29 40	72	5.7	0.9	3.6	2.4	3.3	1.9	0.03	7.7	24	0	1.6	2	3	163 155	0.3		0.5	29.1 29.4	56 50	32	1.4	2.9	8
4	1E	0	15	42	6.8	1.2	4.2	2.1	6.6	3.7	0.41	7.5	2.5	Low	1.9	25	-	171	1.9		0.8	13.8	68	22	3.2	6.2	0
4	1M	0	15	38	6.1	0.6	2.7	1.5	2.1	1.4	0.18	3.5		0	4.2	8		120	1.1		1.2	12.2	59	22	2.5	2.2	14
4	2M 3M	15 	29 40	43 85	5.3 4.2	0.6	1.8 2.4	1.5 <u>3.0</u>	2.5 7.5	2.0 4.6	0.11 0.03	3.9 7.4	4.5	0	1.3	3	3	70 140	0.2	283	0.8 4.0	12.0 35.1	45 - 30	31 43	1.5	3.4 7.5	18 19
5	1E	0	25	38	7.3	0.6	3.6	1.1	2.0	1.3	0.18	2.7		Low	2.3	37		<mark>2</mark> 45	3.1		1.2	14.1	80	13	4.5	1.8	0
5	1M 2M	0	25 35	36	6.7 5.7	0.5	2.8	1.2	1.4	1.0	0.08	2.7		0	2.3	6	1	70	0.6		1.7	12.9	78 40	19 37	1.4	1.6	0
5	3M	35	43	49	5.7	1.0	2.2	2.2	4.2 5.5	3.6	0.02 0.02	7.0	1.9	0	1.6	2	2	140	0.3		2.4 1.7	29.9	48	37 38	0.9	<del>5.3</del>	7
6	1E	0	20	38	7.4	1.2	5.2	1.8	5.0	2.6	0.31	5.9	2.2	Med	5.3	65		338	7.9		1.0	14.3	75	15	6.0	3.7	0
6	1M 2M	20	20 36	35 62	6.2 5.8	0.6	2.6	1.4 1.7	6.0	1.6	0.18	3.5 6.1		0	3.7	2	3	142	1.5 0.3		2.3	12.2 31.9	63 45	21 40	1.5	2.5 6.4	13 8
6	ЗМ	36	52	38	5.7	0.8	1.4	1.4	5.1	4.4	0.04	4.3		0	1.7	1	1	69	0.2		1.1	27.3	47	41	0.6	5.6	6
7 7	1E 1M	0	19 10	38 ⊿∩	7.4 6.4	1.2 1.5	6.5 10 5	1.6 3.2	4.7 5.0	2.3 1 0	0.35 0.28	6.2 13 /	2.6 1 8	High റ	2.1 2 3	33 10		142 81	3.5 1 8		0.5 1 0	13.2 13.6	81 73	13 14	2.8 1.5	3.5 3.2	0 8
γApp 7	olication 2M	Materi 19	als for 29	1661 G 78	Green Is	sland F 2.4	Road So 6.3		uest 12.5	4.9	0.05	15.6	8.4	0	1.6	1	2	150	0.5		0.5	35.7	40	41	Pag 1.1	je 29 o' 8.6	i 62 9
7	ЗM	29	42	84	4.9	4.3	12.6	16.9	22.8	5.9	0.02	30.5		0	1.2	1	1	153	0.4	30	0.4	43.5	38	43	0.9	11.1	8



Appendix Table A4 - 1

### Appendix Table A4

Date	23-Aug-2019
For	Vineyard Soil Technologies
Client	ED FARVER
Property	GREEN ISLAND VINEYARD
Project Number	19-142



Log In #	398610
Date Sampled	9-Aug-19
Date Submitted	14-Aug-19
Date Reported	23-Aug-19

			ļ			E	Extracta	ble Cat	ions			%	%		tons/acre-f	t			PARTI	CLE SIZE ANALYSIS	tons/	acre per
				S-5.10	S-5.10	S-5.10	S-5.10	estm.	S-6.10	S-6.10	S-6.10	S-9.10		S2	2.50	Gypsum					laye	r deptn
		Sam	ole	mg/kg	mg/kg	mg/kg	mg/kg	mg/kg	mg/kg	mg/kg	mg/kg	Organic	Active	Lime	Req.	to 60% of	%	%	%		Lime	Gypsum
Profile	Layer*	Depth	(in)	Ca	Mg	к	Na	н	Mn	Fe	Cu	Matter	Lime	(pH 5.5)	(pH 6.0)	CEC	Sand	Silt	Clay	Classification	(pH6)	(60%)
1	1E	0	15	4934	1172	348	253	0	4.4	30	2.4	2.6	1									
1	1M	0	15	3823	1971	169	149	22	5.8	56	2.9	1.6				6.8						8.4
1	2M	15	30	3188	2238	152	367	20	4.9	48	2.6	1.2				11.8						14.7
1	3M	30	44	2989	2367	153	805	18	3.3	33	2.4	0.9				15.2	15	29	56	Clay		17.7
2	1E	0	15	4591	1376	207	253	0	5.5	28	2.4	2.4	1									
2	1M	0	15	3934	1771	154	140	20	4.6	40	2.6	1.4				4.5	15	33	52	Clay		5.5
2	2M	15	30	3637	1916	154	295	15	4.9	34	2.5	1.2				6.9						8.6
2	3M	30	43	3468	1926	150	541	0	3.6	32	2.4	1.1				7.1						7.6
3	1E	0	17	2207	192	200	81	0	6.4	27	1.3	2.1	0									
3	1M	0	17	2201	172	154	28	0	6.7	32	1.4	2.1										
3	2M	17	29	3246	1150	163	196	22	4.5	32	1.4	0.7			0.5	2.1	19	33	48	Clay	0.5	2.1
3	3M	29	40	2965	1294	155	311	22	7.6	43	2.1	0.7			0.6	4.7					0.6	4.3
4	1E	0	15	1889	373	171	198	0	8.6	30	1.0	1.9	1									
4	1M	0	15	1439	321	120	61	18	16.3	37	1.2	1.7				0.2						0.2
4	2M	15	29	1086	458	70	95	22	9.0	25	0.7	0.6			0.4	3.0	39	37	24	Loam	0.5	3.4
4	3M	29	40	2120	1818	140	609	66	25.2	69	1.6	0.6			5.1	17.5					4.7	16.1
5	1E	0	25	2268	228	245	58	0	5.2	25	0.7	2.2	0									
5	1M	0	25	2019	300	70	49	0	5.6	29	0.8	2.0										
5	2M	25	35	3003	1389	148	313	24	0.4	42	1.0	0.8			0.5	5.6	29	27	44	Clay	0.4	4.7
5	3M	35	43	2895	1389	106	363	22	3.9	24	0.5	0.3			0.0	5.9					0.0	3.9
6	1E	0	20	2158	259	338	123	0	6.8	29	0.8	2.3	3									
6	1M	0	20	1534	310	72	70	15	9.4	61	1.0	2.0										
6	2M	20	36	2883	1547	142	470	24	0.5	35	0.8	0.7			0.3	8.0					0.3	10.6
6	3M	36	52	2563	1375	69	349	15	1.6	14	0.3	0.4			0.0	6.0	53	25	22	Sandy Clay Loam	0.0	8.0
7	1E	0	19	2135	205	142	107	0	5.3	33	1.1	1.8	2									
7	1M	0	19	1980	236	81	101	11	9.7	46	1.2	2.4										
7	2M	19	29	2865	1784	150	703	33	3.8	51	1.2	0.8			1.0	11.9	21	27	52	Clay	0.8	9.9
7	ЗM	29	42	3286	2262	153	1109	33	5.3	54	1.4	0.5			0.9	16.2		I			1.0	17.6

Арр	endix	Tabl	<b>e A4</b> 23-Au	g-201§	9	]			Vir	neya	Techno	Boil		3377 Napa	Sola , CA	no Av 94558	ve. #50 }	05									
For									4	Z	F.Y	TE		ph/fa	x: (70	)7)255	5-3176	6			Log Ir	า #			398	610	
Clier	nt	Viney	ard So	oil Tech	nnolog	ies								www	.Vine	yardS	soil.co	om			Date	Sampl	ed		9-Aug	J-2019	
Prop	erty	ED F	ARVE	۲																]	Date	Submi	tted		14-Au	g-2019	)
Projec	t Number	GREE	EN ISL	AND \	/INEY	ARD				R	ерс	ort c	of S	oil /	4na	lysi	is				Date	Report	ted		23-Au	g-2019	)
		19-14	2				]	Von		Mor	ainally					]	Exec	scivoly									
								low		- IXIGI	low			High				high									
							s	aturatio	on Extra	act	1						Extrac	table N	utrients	;				Extra	ctable C	ations	
		Met	hod >	\$ 1.00	\$ 1 10	\$ 2 20	S 1 60	S 1 60	S 1 60		S 1 50	\$ 1.70	S 1 40		\$ 2 10	\$ 4 10	\$ 4 20	9.5.10	S 6 10	S 15 10	S 6 10	S 10 10	9 5 10	S 5 10	<b>8</b> 5 10	R 5 10	octm
Profile	Layer*	Sar Dept	mple th (in)	Sat%	pH	dS/m	meq/l Ca	meq/l Mg	meq/I Na	Calc. SAR	mg/l	meq/l SO <sub>4</sub>	meq/I	Free Lime	mg/kg	mg/kg Polsen	mg/kg P Bray	mg/kg	mg/kg	mg/kg	mg/kg i Ni	neq/100g CEC	Ca	Per Mg	entage o	CEC	H+AI
8	1 🗆	0	17	37	72	0.7	4.0	15	24	15	0.24	2.8		Low	20	21		166	16		0.8	1/1 2	77	17	3.0	25	0
8	1M	0	17	45	7.0	0.9	5.7	2.1	2.4	1.0	0.19	5.0		Low	4.8	16		141	1.0 1.8		1.1	16.0	77	19	2.2	1.7	0
8	2M	17	28 20	69 37	5.3	1.2	3.5	3.7	5.1	2.7	0.04	8.9	2.2	0	1.2	3	5	128 74	0.2		1.0	25.7	42	40	1.3	4.4	12
9	1E	0	17	41	7.3	1.0	6.0	1.7	2.5	1.3	0.19	5.7	2.0	Med	4.7	53	2	272	5.2		0.7	15.1	79	14	4.6	2.0	0
9	1M 2M	0	17	40	6.8	0.6	4.5	0.9	1.3	0.8	0.18	3.9	24	0	2.3	8	2	160	1.1		1.0	12.6	85	10	3.3	1.4	0
9 		28	20 40	77	4.9	3.2	5.5 12.9	4.1 14.2	5.4 12.3	2.5 <u>3.3</u>	0.08 0.04	25.5	2.4 -10.6	0	1.5 <u>1.4</u>	2	1	200	0.2 0.4	37	1.5 2.6	29.0 42.7	- 52 - 44	- 33 - 40	1.0 1.2	5.0 5.4	9
10	1E	0	18	54	7.2	1.1	6.5	2.2	3.5	1.7	0.20	7.3	0.8	High	5.7	49		443	2.4		0.7	27.0	73	20	4.2	2.6	0
10	2M	18	28	60	5.8	1.2	5.7 4.2	3.5	4.5	2.3	0.10 0.06	4.9 8.9	2.0	LOW O	4.2 2.1	30	4	136	0.5		2.1	28.1	50 75	38	1.2	0.9 3.4	7
10 11	- <u>3M</u> 1E	28	44	65 41	6.1	1.1	2.8	2.6 2.7	5.1	3.1 0.3	0.03	7.7	1.8 0.6	0 High	1.5	- <del>2</del> 70		144 258	0.3		2.1	30.9	47	41 6	1.2	<del>5.0</del>	6
11	1M	0	16	39	7.3	0.6	5.0	0.8	0.4	0.3	0.12	2.7	0.0	Low	3.4	14		106	1.5		0.6	10.1	89	8	2.7	0.0	0
11	2M	16 27	27	36	6.7	0.4	1.9 6.1	0.7	1.3	1.2	0.09	2.5	1.0	0	1.5	4		40	0.1		0.5	6.8 24.7	79 51	17 24	1.5	2.5	0
12	1E	0	17	36	7.6	1.0	4.3	1.2	2.3	1.4	0.02 0.17	5.9	1.0	Med	2.2	58	2	468	6.2		0.2	10.0	75	11	12.0	1.9	0
12	1M 2M	0	17	31	6.0	0.6	3.7	1.2	0.7	0.4	0.20	3.9	1 2	0	2.1	7	11	75	0.7	22	0.3	7.3	66	13	2.6	1.0	18
12		27	- 27 - 36	64	5.0 5.3	2.2	5.2 6.0	5.1 5.4	4.0	5.1	0.10 0.06	9.5 17.2	1.3 -5.1	0	1.5	1	2	93	0.0 0.4	23	0.3	23.7	43	20 <u>35</u>	1.4	3.0 10.0	13
13	1E	0	17	34	7.3	1.0	5.9	1.3	2.5	1.3	0.22	6.1		Med	1.7 2.5	45		213	3.9		0.3	8.4	81	11	6.5	2.3	0
13	2M	17	28	33	5.8	2.6	8.8	4.4	13.4	0.5 5.2	0.18 0.03	4.3	11.6	0	3.5 1.3	3	4	37	0.1		0.4	8.3	53	21	1.0	11.4	13
<u> </u>	<u>- 3M</u> 1F	<u>L 28</u> ∩	43 14	<u>I 69</u> 30	5.6 7.6	<u> </u>	<u>25.0</u> 4 7	1 2 <u>3.5</u>	<del>L 29.7</del> 6 1	<u>6.0</u> 3.5	0.02	<del>1 39.2</del> 8 0	1 <u>32.8</u> 22	High	2.4 2.8	58	3	108 399	<u>0.3</u>	I	<u> </u>	1 <u>28.8</u> 79	45 72	<u>35</u>	12.9	<del>12.7</del> 5.2	
14 14 Ar	1M IM	0 Materi	14 als for	33 1661 C	6.8 Green I	1.4 sland 5	14.0		0.7	0.2	0.14	13.9	0.3	0	3.9	7		74	0.7		0.2	6.8	85	11	2.8 Pao	10 12	$f_{62}^{0}$
14́ <sup>∿</sup> 14	2M 3M	14 25	25 40	28 55	7.0	0.4	2.5 5.9	0.5 5.0	1.0 5.1	0.8 2.2	0.06 0.02	2.3 11.4	2.7	0 0	1.5 4.1	5 1	2	46 86	0.1 0.3		0.2 0.4	5.3 16.3	88 49	8 36	2.2 <sup>9</sup> 1.3	1.8 4.3	0 9

Appendix Table A4 - 3

DATA PROCESSED BY WINESOIL COM - VITICULTURAL SOIL AND WATER TECHNOLOGIES

### Appendix Table A4

Date	23-Aug-2019
For	Vineyard Soil Technologies
Client	ED FARVER
Property	GREEN ISLAND VINEYARD
Project Number	19-142



Log In #	398610
Date Sampled	9-Aug-19
Date Submitted	14-Aug-19
Date Reported	23-Aug-19

						. E	Extracta	ble Cat	ions			%	%		tons/acre-ft			F	PARTI	CLE SIZE ANALYSIS	tons/a	acre per
				S-5.10	S-5.10	S-5.10	S-5.10	estm.	S-6.10	S-6.10	S-6.10	S-9.10		S2	.50	Gypsum					laye	r deptn
		Sam	ple	mg/kg	mg/kg	mg/kg	mg/kg	mg/kg	mg/kg	mg/kg	mg/kg	Organic	Active	Lime	Req.	to 60% of	%	%	%		Lime	Gypsum
Profile	Layer*	Depth	n (in)	Ca	Mg	к	Na	н	Mn	Fe	Cu	Matter	Lime	(pH 5.5)	(pH 6.0)	CEC	Sand	Silt	Clay	Classification	(pH6)	(60%)
8	1E	0	17	2203	294	166	83	0	5.2	19	0.8	1.6	1									
8	1M	0	17	2473	374	141	61	0	8.2	34	1.2	2.5	2									
8	2M	17	28	2173	1255	128	262	31	1.2	47	0.7	1.0			1.0	7.7					0.9	7.0
8	3M	28	39	1509	909	74	255	20	0.5	24	0.7	0.3			0.0	5.7	47	33	20	Loam	0.0	5.3
9	1E	0	17	2401	256	272	68	0	5.1	35	1.3	1.8	3									
9	1M	0	17	2142	158	160	41	0	6.3	40	1.4	1.9					35	45	20	Loam		
9	2M	17	28	3096	1192	206	262	29	6.6	39	1.5	0.9			0.8	4.0					0.7	3.7
9	3M	28	40	3799	2086	201	528	37	13.0	64	2.3	0.6			0.9	11.1					0.9	11.1
10	1E	0	18	3938	665	443	162	0	5.1	29	2.1	1.9	1									
10	1M	0	18	4189	749	293	56	0	4.4	35	2.0	3.1	0				23	37	40	Clay		
10	2M	18	28	2954	1363	136	232	22	4.7	37	2.2	1.1			0.0	4.9					0.0	4.1
10	3M	28	44	2894	1557	144	355	18	3.4	25	1.9	0.7				6.9						9.1
11	1E	0	16	2123	94	258	18	0	17.9	23	1.4	2.4	1									
11	1M	0	16	1806	98	106	12	0	6.8	28	1.3	2.0	0									
11	2M	16	27	1064	143	40	39	0	2.3	16	1.0	0.7					45	43	12	Loam		
11	3M	27	41	2547	1033	133	230	22	4.9	24	0.6	0.5			0.5	3.6					0.6	4.2
12	1E	0	17	1503	133	468	44	0	5.2	41	1.3	1.4	2									
12	1M	0	17	954	112	75	16	13	7.8	40	1.6	1.2			0.0		49	37	14	Loam	0.0	
12	2M	17	27	2531	821	133	205	31	8.8	43	1.2	1.0			1.0	2.6					0.8	2.2
12	3M	27	36	1899	919	93	502	24	0.9	44	1.2	0.7			0.4	6.1					0.3	4.6
13	1E	0	17	1366	108	213	44	0	4.0	38	1.2	2.0	1									
13	1M	0	17	1338	161	51	22	0	6.8	38	1.5	1.5										
13	2M	17	28	879	212	37	216	11	3.9	22	1.2	0.7			0.0	1.0	47	37	16	Loam	0.0	0.9
13	ЗM	28	43	2595	1213	108	843	20	0.2	30	1.0	0.7			0.0	7.3					0.0	9.1
14	1E	0	14	1148	91	399	94	0	5.6	19	1.4	1.1	1									
14	1M	0	14	1162	91	74	15	0	4.2	22	1.4	1.3										
14	2M	14	25	928	51	46	22	0	2.3	10	1.1	0.7										
14	3M	25	40	1596	714	86	162	15	0.4	25	0.4	0.6			0.0	3.0	45	23	32	Clay Loam	0.0	3.8

Арре	ndix	Tabl	e A4						Vin	ieya	rd S Techno	Soil ologies		3377 Napa	Solai . CA	no Av 94558	ve. #50 3	)5									
	Date		23-Au	g-2019	)	J			4	J.	Al -	ET.			,												
For		Viney	ard Sc	il Tecł	nnolog	ies	]		7	2	1-Y	SE.		ph/fa	x: (70	)7)25	5-3176	6			Log Ir	ר#			398	610	
Client		ED F	ARVEF	२			]							www	.Vine	yardS	Soil.co	om			Date	Sampl	ed		9-Aug	-2019	
Prope	rty	GRE	EN ISL	AND \	/INEY	ARD	]													1	Date	Submi	tted		14-Au	g-2019	)
Project	Number	19-14	2				]			R	epc	ort c	of S	<u>oil /</u>	Ana	lys	is				Date	Report	ted		23-Au	g-2019	)
								Very Iow		Març	ginally low			High			Exces	sively high									
							S	aturatio	n Extra	ict							Extract	table N	utrients					Extrac	table C	ations	
		Met	hod >	S-1.00	S-1.10	S-2.30	S-1.60	S-1.60	S-1.60		S-1.50	S-1.70	S-1.40		S-3.10	S-4.10	S-4.20	S-5.10	S-6.10	S-15.10	S <b>-</b> 6.10	6 <b>-</b> 10.10	S-5.10	S-5.10	S-5.10	S <b>-</b> 5.10	estm.
Profile	Laver*	Sai Deni	mple th (in)	Sat%	nн	dS/m	meq/l	meq/l	meq/I	Calc.	mg/l	meq/l	meq/l	Free	mg/kg N <b>O</b> ₂-N	mg/kg	mg/kg	mg/kg	mg/kg	mg/kg	mg/kg	heq/100g	Ca	Perc Ma	entage o	fCEC	Η+ΔΙ
1101110	Layer							1.0	1.0		0.01	0.04	01	Line	0.5		,	047		7.	0.4	0.7	75				
15	1E 1M		16	39	7.5	0.6	2.9	1.0	1.8	1.3 0.5	0.21	2.8 4.1		Med	2.5 3.4	52 24		123	3.9		0.4	8.7	75 86	9	9.3 3.5	2.0	0
15	2M	16	24	31	6.9	0.5	2.8	0.7	1.3	0.9	0.11	3.0		0	3.3	7		<u>58</u>	0.3		0.5	7.3	83	13	2.0	1.9	0
15 16	<u>3M</u> 1⊏	24	32 14	29 37	6.5	0.5	1.8	0.8	<del>1.7</del> 6.1	1.5 3.8	0.06	2.9 5.2	20	0 High	1.2	4		38	0.1		0.4 0.8	5.9	71	24 13	1.6	3.2 5.0	0
16	1M	0	14	43	7.0	0.9	6.3	1.7	1.5	0.7	0.20	5.5	2.5	Low	4.9	17		248	2.0		1.3	12.9	81	13	4.9	1.4	0
16	2M	14	26	34	6.6	0.5	2.4	1.0	1.5	1.2	0.07	3.1		0	<u>6.2</u>	7		122	0.7		1.2	9.5	75	19	3.3	2.2	0
16 17	3M 1F	26	- <del>38</del> - 18	28 40	6.1 7.5	1.2 0.9	3.6 4 3	2.5 1 7	5.7 3.0	3.2 1 7	0.04	8.1 3.4	2.3	0 Med	1.0 2.8	2		41 198	0.1		0.4 1.0	7.1 14.4	56 75	29 19	1.5 3.5	6.5 2.5	6
17	1M	0	18	41	6.7	0.8	4.0	1.9	2.1	1.2	0.14	4.4		0	3.9	13		100	1.6		1.8	12.5	74	21	2.0	2.1	0
17	2M	18	31	37	6.3	0.7	2.2	1.3	2.7	2.1	0.07	4.3		0	1.8	6	_	76	0.3		0.9	20.5	61	29	0.9	3.0	6
1/ 18	3M 1F	31	52 17	44 46	5.9 7.0	1.1	3.9 7.6	3.1 2.8	4.1 6.6	2.2	0.02	7.0 8.8	3.1 2.5	0 Hiah	1.0 14.6	4	5	81 614	0.3		1.2 1.6	25.6 16.0	55 70	- 34 - 16	0.8 9.8	3.4 4.3	0
18	1M	0	17	43	6.8	0.7	5.0	1.6	1.0	0.6	0.23	2.8		0	12.1	15		141	2.0		1.4	14.5	80	17	2.5	1.0	0
18	2M	17	30	59	5.4	0.6	2.2	1.7	2.2	1.6	0.06	4.7		0	1.1	2	2	150	0.3	07	2.0	23.4	48	35	1.6	2.5	12
18 19	3M 1E	30 0	- 52 - 18	- <del>61</del> - 36	4.7	1.2 1.3	3.1 5.3	3.0 1.4	-5.7 5.8	3.2 3.1	0.05	7.9 5.9	3.0 2.2	0 Hiah	1.0 4.0	32	4	157 349	0.4	-67	2.9 0.3	27.5 8.8	41 74	- 38 - 11	1.5 10.2	5.2 4.7	14 0
19	1M	0	18	33	7.4	0.5	4.1	0.7	0.4	0.3	0.13	2.5		Med	3.0	16		171	<u>1</u> .3		0.3	8.3	86	8	5.2	0.6	0
19	2M	18	29	27	6.5	0.7	1.8	0.7	4.2	3.8	0.08	4.9		0	1.7	3		43	0.1		0.2	5.0	70	19	2.2	8.6	0
20	- 3M 1E	29	48 17	- <del>59</del> - 41	5.0 7.1	1.1	22.4	3.2	5.8 2.8	3.7 0.8	0.02	7.8 21.0	2.1	U Hiah	1.5 4.7	52	8	215	3.9	-22	0.7	12.9	47 86	- <del>34</del> - 8	1.3 4.3	0.1 1.6	0
20	1M	0	17	34	7.1	0.5	3.4	0.9	0.7	0.5	<mark>0.16</mark>	2.6		Low	2.1	6		76	<mark>0</mark> .4		0.3	11.0	85	13	1.8	0.9	0
20	2M	17	35	72	7.0	0.8	2.3	1.9	4.2	2.9	0.02	4.2	45.0	Low	1.1	1		149	0.5		0.8	32.6	54	40	1.2	4.9	0
Desir	ed level	for gra	pes	20-60	5.5-7.0	0.2-2.0	<5.0	<3.0	<5.0	<4	<1.5	-5:0	-5:0	nigh	2-10	15-30	15-30	125-300	>1.0	<100	×15	5-40	>60	20-40	2:4	<4	<20

\*Layer 1 is Topsoil; Layer 2 is Upper Subsoil; Layer 3 is Lower Subsoil; Layer 4 is Deep Subsoil; E represents a sample from under the emitter; M from the midrow

In accompanying diagrams, critical criteria are shown as horizontal lines on the charts. These criteria are color coded according to "traffic light" logic: It is desirable for data to pass through green critical criteria lines, while it is undesirable for data to pass through red or amber critical criteria lines.

Application Materials for 1661 Green Island Road SOI Request

### Appendix Table A4

Date	23-Aug-2019
For	Vineyard Soil Technologies
Client	ED FARVER
Property	GREEN ISLAND VINEYARD
Project Number	19-142



Log In #	398610				
	0.4				
Date Sampled	9-Aug-19				
	44 Aug 40				
Date Submitted	14-Aug-19				
Date Reported	23-Aug-19				

						E	xtracta	ble Cat	ions			%	%	tons/acre-ft		PARTICLE SIZE ANALYSIS			CLE SIZE ANALYSIS	tons/acre per		
				S-5.10	S-5.10	S-5.10	S-5.10	estm.	S-6.10	S-6.10	S-6.10	S-9.10		S2	.50	Gypsum					laye	r depth
		San	nple	mg/kg	mg/kg	mg/kg	mg/kg	mg/kg	mg/kg	mg/kg	mg/kg	Organic	Active	Lime	Req.	Req. Ca	%	%	%		Lime	Gypsum
Profile	Layer*	Dept	h (in)	Ca	Mg	к	Na	н	Mn	Fe	Cu	Matter	Lime	(pH 5.5)	(pH 6.0)	CEC	Sand	Silt	Clay	Classification	(pH6)	(60%)
15	1E	0	16	1305	147	317	41	0	5.7	21	1.1	1.2	2									
15	1M	0	16	1537	98	123	23	0	7.1	22	1.2	1.7	2									
15	2M	16	24	1215	112	58	32	0	4.9	13	1.1	1.0										
15	ЗM	24	32	847	173	38	44	0	3.5	14	0.7	0.6					47	39	14	Loam		
16	1E	0	14	1876	198	489	147	0	7.5	24	1.2	2.0	4									
16	1M	0	14	2091	205	248	43	0	9.3	51	1.5	2.7	1									
16	2M	14	26	1432	219	122	48	0	6.2	27	1.3	1.5										
16	ЗM	26	38	805	255	41	107	4	3.8	12	0.6	0.6				0.4	45	39	16	Loam		0.4
17	1E	0	18	2170	326	198	83	0	4.7	20	1.0	2.2	0									
17	1M	0	18	1870	327	100	60	0	8.3	34	1.2	2.2										
17	2M	18	31	2499	716	76	142	13	4.2	21	0.4	0.7										
17	3M	31	52	2830	1072	81	201	15	3.8	15	0.3	0.5			0.0	2.0	47	33	20	Loam	0.0	3.5
18	1E	0	17	2240	309	614	157	0	16.4	39	1.8	2.3	1									
18	1M	0	17	2324	293	141	33	0	6.8	42	1.8	2.5					35	43	22	Loam		
18	2M	17	30	2271	1006	150	132	29	11.7	46	2.4	0.8			0.7	4.5					0.8	4.9
18	ЗM	30	52	2255	1269	157	327	40	23.8	75	2.8	0.7			1.8	8.7					3.3	16.0
19	1E	0	18	1305	114	349	95	0	6.5	19	0.9	1.6	2									
19	1M	0	18	1443	80	171	11	0	5.8	24	1.1	1.3	2				47	41	12	Loam		
19	2M	18	29	707	114	43	99	0	3.0	12	0.6	0.6					49	39	12	Loam		
19	ЗM	29	48	1987	879	108	294	24	1.3	46	0.9	0.6			0.5	4.6					0.8	7.3
20	1E	0	17	2227	129	215	49	0	6.3	29	1.2	2.0	3									
20	1M	0	17	1856	171	76	22	0	2.4	18	1.2	0.9	2				47	33	20	Loam		
20	2M	17	35	3494	1599	149	368	0	1.9	23	2.1	0.7	0			3.5						5.3
20	3M	35	52	3596	1843	211	984	0	0.5	20	0.8	0.5	11			8.0			ĺ			114

\*Layer 1 is Topsoil; Layer 2 is Upper Subsoil; Layer 3 is Lower Subsoil; Layer 4 is Deep Subsoil; E represents a sample from under the emitter; M from the midrow In accompanying diagrams, critical criteria are shown as horizontal lines on the charts. These criteria are color coded according to "traffic light" logic It is desirable for data to pass through green critical criteria lines, while it is undesirable for data to pass through red or amber critical criteria lines.

# **EXHIBIT B**

# **GREEN ISLAND VINEYARDS**

1075 Ross Circle Napa, CA 94558

September 30, 2021

Napa County LAFCO Attn: Diane Dillon, Chair 1754 2<sup>nd</sup> Street, Suite C Napa, CA 94559

Re: Green Island Vineyards, LLC Sphere of Influence Application

**Dear Chair and Commissioners:** 

We are writing to provide you with important information regarding the Green Island Vineyards, LLC (GIV) Sphere of Influence Application.

Green Island Vineyards, LLC is the owner of property, located at 1661 Green Island Road, City of American Canyon. The property is essentially an "in-fill island" and surrounded on three sides by the City of American Canyon. GIV purchased the property in 1996, with the intention of farming the portion of the property that could support agriculture.

In 1997, GIV entered into an agreement with the City of American Canyon (City) to receive recycled water from the City as there was and still is no other option for water.

Over the next 20 years GIV planted up to 130 acres of vineyards. Unfortunately, GIV soon realized that some of the planted area could not support grapevines due to soil salinity and portions of the vineyard were removed.

In 2012, GIV listed the property for sale with Ghisletta Land & Investment/Wine Country Realty, an experienced Napa vineyard real estate broker. No offers were received. In 2014 GIV signed an Engagement Letter with Zepponi & CO, a leading wine/vineyard merger, acquisition and advisory firm, to assist GIV in the sale of the GIV property. With lead advisor Joe Ciatti, Zepponi & Co marketed the property from 2014 until 2018. During that time one offer was received which, after conducting due diligence, was withdrawn because the prospective purchaser, with their independent experts concluded that the soil, due to high levels of salt, would not and does not sustain winegrapes. Later the property was again listed with Ghisletta Land & Investment for portions of 2020 up to February 2021 and no offers were received.

After over 20 years of attempting to farm this property, GIV recognizes the futility of farming grape vines in soils that have seen increasing salinity not only from nearby salt water intrusion, but also from poor quality recycled irrigation water. Today GIV is farming only 67 vine acres and will be removing approximately 30 more vine acres in 2021. The

Napa County LAFCO September 30, 2021

remaining vine acres will be removed in the next few years. GIV will not replant any of the property due to the toxicity of the soils.

Since the property is and can only be served by the City of American Canyon we believe that it should be included in the Sphere of Influence of the City of American Canyon.

Thank you for considering this information and our request.

Sincerely yours,

A sucer

Ed Farver Manager Green Island Vineyards, LLC

Will Nord Manager Green Island Vineyards, LLC

cc: Brendon Freeman, Executive Officer

# **EXHIBIT C**



**UBS Farmland Investors LLC** 1920 Tienda Drive, Suite 204 Lodi, CA 95242 Tel. +1-209-368 8874

Erik C. Roget, ARA, RPRA, AFM Erik.Roget@ubs.com

www.ubs.com

Green Island Vineyard, LLC Mr. Will Nord, Manager Mr. Ed Farver, Manager Mr. David B. Gilbreth, Manager 1152 Hardman Avenue Napa, CA 94558

September 30, 2021

#### Re: Green Island Vineyard, TLH #1

Gentlemen:

This letter is intended to summarize our company's efforts in 2016 to acquire the above referenced vineyard in the City of American Canyon in Napa County on behalf of one of our clients. Part of our efforts included spending material client funds to undertake appropriate due-diligence activities of the property including but not limited to soil and vine testing by Crop Care Associates, a highly regarded local agricultural consulting firm. In addition, we spent time analyzing the water supply and conditions of the vineyard.

Importantly, under the UBS Farmland Investors business model, we do not directly operate any of the farms we manage but lease them out. The proposed tenant for this acquisition was the Mumm Napa winery which had been purchasing grapes from the vineyard for a number of years. The Crop Care report was, of course, provided to Mumm Napa for their review and comment along with other due-diligence materials. That combined with their noted concerns regarding the condition of the vineyard following the 2016 crop and extended drought conditions at that time resulted in Mumm Napa declining to enter into a long-term lease with our client.

With no other prospective tenants and because of the noted concerns, we concluded that the vineyard was not likely to be viable in the future due to saline toxicity and terminated our escrow. Looking back with the benefit of hindsight, I am relieved that the purchase was not completed and believe we avoided a potentially disastrous investment.

We appreciated your professional cooperation at the time and know like us that you are disappointed with the condition of the vineyard and soil.

Please feel free to contact me with any other questions you may have.

UBS Farmland Investors LLC is a subsidiary of UBS AG



**UBS Farmland Investors LLC** 1920 Tienda Drive, Suite 204 Lodi, CA 95242 Tel. +1-209-368 8874

Erik C. Roget, ARA, RPRA, AFM Erik.Roget@ubs.com

www.ubs.com

Sincerely,

UBS Farmland Investors LLC

/ m c.toge

Erik C. Roget Director

UBS Farmland Investors LLC is a subsidiary of UBS AG



October 12, 2021

David B. Gilbreth, Manager Ed Farver, Manager Will Nord, Manager Green Island Vineyard LLC

#### ADDENDUM ASSESSING FRUIT AND NUT TREES Soils and Vineyard Report Green Island Vineyard Project 21-178

The objective of this Addendum is to assess the feasibility of fruit trees and nut trees subject to the current condition of the Green Island Vineyard irrigation water chemistry, soil chemistry and condition of the vineyard and update the Site Visit Report Green Island Vineyard Project 21-178 dated September 29, 2021.

In summary, it is my professional opinion as a result of my analysis of the irrigation water chemistry, soil chemistry and condition of the vineyard, that the vineyard is continuing in death spiral and the soils are unsustainable for not only wine grapes but also for fruit trees and nut trees as a result of excessive accumulation of salts in the rootzones of the vines and most certainly an expected accumulation of salts in the rootzones if the fruit trees and nut trees would be planted. Consequently, as generally anticipated based on the data presented in my 2018 report, in 2021 the vineyard owners removed one-half of the most severely affected vineyard blocks. An additional one-quarter of the blocks will be removed at the termination of this season (2021), and the remaining blocks will be removed in the very near future. The review of the American Canyon Recycled Water (ACRW) indicates it is unsuitable for not only winegrapes but also for fruit trees and nut trees. It is probably the repeated use of the ACRW on this vineyard that has caused the salinity, sodium, and chloride problems in the vineyard.

#### **Introduction**

I am incorporating the Vineyard Site Visit Report Green Island Vineyard Project 21-178 dated September 29, 2021 and rather than reiterating it, I am attaching it because all of the data, soils analysis and conclusions are relevant to assessing the feasibility of fruit and nut trees. For reference I have attached the *University Of California Crop Salinity Tolerance And Yield Function - Salinity Management* table. The table presents the Threshold EC value at which yields will start to decline, and the slope of the decline. The document then presents a qualitative assessment of the sensitivity of each fruit and nut tree to salinity damage. This data indicates that most fruit and nut trees are moderately sensitive with EC-Thresholds 1.5 to 1.8 dS/m.

The Threshold EC value for fruit tree and nut trees clearly indicates that the salt tolerance, which is the level at which plant damage is initiated, is unsustainable for grape vineyards is also unsustainable for fruit trees and nut trees because the Threshold EC values are quite similar. Any replanting of grapevines, or fruit and/or nut trees, would start with soil already above these thresholds, and then compound the salinity issue by the necessary continued irrigation with high-salt water.

	Сгор	EC o saturated s			
<u>Common name</u>	Botanical name <sup>2</sup>	Threshold <sup>1</sup> dS/m	Slope (%)/ dS/m	Rating <sup>2</sup>	
Almond	Prunus duclis	1.5	19.0	S	
Apple	Malus sylvestris			S	
Apricot	Prunus ,armeniaca	1.6	24.0	S	
Avocado	Persea americana			S	
Blackberry	Rubus sp.	1.5	22.0	S	
Boysenberry	Rubus ursinus	1.5	22.0	S	
Castorbean	Ricinus communis			MS*	
Cherimoya	Annona cherimola			S*	
Cherry, sweet	Prunus .9 vium			S*	
Cherry, sand	P. besseyi			S*	
Currant	Ribes sp.			S*	
Date palm	Phoenix dactylifera	4.0	3.6	т	
Fig	Ficus carica			MT*	
Gooseberry	Ribes sp.			S*	
Grape	Vitis sp.	1.5 9.6		MS	
Grapefruit	Citrus paradisi	1.8	16.0	S	
Guayule	Parthenium argentatum	15	13.0	Т	
Jojoba	Simmondsia chinensis			Т	
Jujube	Zi4ohus jujuba			MT*	
Lemon	Citrus A77011			S	
Lime	C. aurantiifolia			S*	
Loquat	Eriobotrya japonica			S*	
Mango	Mangifera indica		8	S*	
Olive	Olea europaea			MT	
Orange	Citrus s:nensis	1.7	16.0	S	
Рарауа	Carica papaya			MT	
Passion fruit	Pass/flora edulis			S*	
Peach	Prunus persica	1.7	21.0	S	
Pear	Pyrus communis			S*	
Persimmon Diospyros virginiana				S*	
Pineapple	ineapple Ananas comosus			MT*	
Plum; prune	Plum; prune Prunus domestica		18.0	S	
Pomegranate	Pomegranate Punica granaturn			MT*	
Pummelo	Citrus maxima			S*	
Raspberry	Rubus idaeus			S	
Rose apple	Syzygium jambos			S*	
Sapote, white Casimiroa edulis				S*	
Tangerine	Citrus reticulata			S*	

#### **Conclusion**

In conclusion, it is my professional opinion as a result of my analysis of the irrigation water chemistry, soil chemistry and condition of the vineyard that the vineyard is continuing in death spiral and the soils are unsustainable not only for wine grapes, but also for fruit trees and nut trees as a result of excessive accumulation of salts in the rootzones of the vines and most certainly an expected accumulation of salts in the rootzones of any future fruit trees.

Paul R. Anamora

Paul R. Anamosa, Ph.D. Soil Scientist & Viticulturist

# Hal Huffsmith

October 20, 2021

Mr. Will Nord Mr. Ed Farver Mr. David Gilbreth 1152 Hardman Avenue, Napa CA

Gentlemen,

Pursuant to a request from David Gilbreth to examine soil, irrigation water and related material associated with past and recent studies addressing vineyard productivity and longevity for the property located at 1661 Green Island Road, American Canyon, I offer the following opinion based on an examination of those studies and a recent walk-through evaluation of the property.

The referenced soil and irrigation water studies (Crop Care Associates Baseline Soil Analysis and Viticulture Assessment – September 30, 2015, Vineyard Soil Technologies Soil Water Chemistry Review – June 2018, Vineyard Soil Technologies Baseline Soil Analysis for Vineyard Problem Investigation – September 2019 and Vineyard Soil Technologies reexamination of previous studies and on site vineyard evaluation (Site Visit Reports) – September 15, 21 and 29, 2021) lead to the same conclusion that it is highly unlikely that this property will support a financially viable vineyard. The current "root zone" salinity levels and the continued use of the saline American Canyon Recycled Water (ACRW) for irrigation have rendered this property unsuitable for wine grape production.

Based on my experience as Senior Vice President of Vineyard Operations for Trinchero Family Estates (responsible for farming 9,500 acres of wine grapes across 10 California counties) I agree with Dr. Anamosa's assessment and conclusion that, due to excessive salt accumulation with the continued use of ACRW for vineyard irrigation, the Green Island Vineyard is engaged in a "death spiral" leading to soil conditions that are toxic to grapevines.

Sincerely,

Snum

Hal Huffsmitte, Retired - SVP Vineyard Operations, Trinchero Family Estates

# ROBERT STEINHAUER

#### WINELAND CONSULTING, LLC

October 27, 2021

Napa County LAFCO Attn: Diane Dillon, Chair 1754 2<sup>nd</sup> Street, Suite C Napa, CA 94559

Re: Green Island Vineyards, LLC Sphere of Influence Application Confirmation of Unsuitable Soils/Support for SOI Application Actually Protects Sustainable Agriculture

Dear Chair and Commissioners:

I have been requested by the Green Island Vineyard LLC managers to independently provide my opinion of the soil, irrigation water and related material associated with various studies and opinions set forth below involving the agricultural viability of the property at 1661Green Island Road, American Canyon. My opinion is a result of a site visit to the vineyard in the last week and a review of those studies.

I reviewed the following studies:

- Crop Care Associates Baseline Soil Analysis and Viticulture Assessment, dated September 30, 2015;
- Vineyard Soil Technologies Soil Water Chemistry Review, dated June 2018;
- Vineyard Soil Technologies Baseline Soil Analysis for Vineyard Problem Investigation -September 2019 and Vineyard Soil Technologies reexamination of previous studies and on site vineyard evaluation (Site Visit Reports) dated September 15, 21 and 29, 2021 respectively in which Dr. Anamosa reached the conclusion that it is highly unlikely that this property will support a financially viable vineyard. The current "root zone" salinity levels and the continued use of the saline American Canyon Recycled Water (ACRW) for irrigation have rendered this property unsuitable for wine grape production; and,
- Hal Huffsmith's confirming opinion dated October 20, 2021.
- Published reports and my technical files for reference for my comprehensive review.

As a result of my review of those studies, I clearly agree with the opinions and conclusions of Dr. Anamosa and Hal Huffsmith that there is toxic salt accumulation and that the Green Island Vineyard will not sustain a grape vine vineyard. Additionally, I note that there is no reasonable water source for any viable agricultural activity.

Respectfully, I urge you to accept and approve the application to include this property into the Sphere of Influence in the City of American Canyon for the following reasons:

The SOI Application actually protects sustainable agriculture and is a benefit to the Napa community.

The Napa Cities, Napa County and the State of California over a period of more than ten years have invested tens of millions of dollars of road infrastructure extending Devlin Road and connecting it to

Green Island Road with a goal of having a western traffic connector for truck traffic west of 29, keeping trucks off of 29 so they can go in and out of Jameson Canyon.

Importantly the goal includes providing warehousing in the City of American Canyon served by this infrastructure in order to protect viable agricultural lands. The GIV LLC property is clearly not viable agricultural land.

The infrastructure is essentially complete except for the improvements on Green Island Road. This property is served by this western traffic connector and if not included part of the overall goal and investment by local and state governments would certainly not be realized.

Respectfully submitted,

Robert E. Stenhaver Robert Steinhauer

Wineland Consulting, LLC

Ed Henderson 269 Monte Vista Drive Napa, CA 94558

November 9, 2021

Napa County LAFCO Attn: Diane Dillon, Chair 1754 2<sup>nd</sup> Street, Suite C Napa, CA 94559

Re: Support for Sphere of Influence Application by GIV, LLC

Dear Chair Diane Dillon & Members of the Commission:

I strongly, most respectfully, urge you to approve the GIV, LLC SOI Application because I think it is in the absolute best interest of the Napa community, is in compliance with applicable law, and is consistent with excellent planning which clearly preserves and supports the preservation of viable agriculture, logical boundaries, the delivery of services, and is needed to complete the road infrastructure regarding the extension of Devlin Road and the connection to Green Island Road.

If this land was out in the middle of nowhere of course I wouldn't support the application. But that's not the case here and this just makes overall classical good planning sense with logical boundaries.

Incidentally, I am troubled and dismayed that the authority of the City of American Canyon and the authority of Napa County LAFCO seems to be undermined by an agreement in 2008 that purports to limit the rights of the City to modify its Urban Limit Line for a period of about 22 years, i.e., to 2030. Fundamentally, among other items, in my view, there should be no such purported limitations and as a matter of reality it is impossible to tell the future. Proper planning should not restrain Cities or try to compel the City to foresee the future, especially over a 22 year period. Obviously it has been 13 years and there have been enormous changes including the construction of the Amazon Hub , IKEA warehouse and massive infrastructure improvements.

The land, as confirmed by the leading viticultural experts in Napa County, has no agricultural viability. All of the services come from the City of American Canyon and none come from the County of Napa. It appears to be a quarter of a mile or more south of the developed northern boundary of the City of American Canyon and a cut out piece surrounded on three sides by the City of American Canyon.

As some might know, it was my honor and pleasure to be the Mayor of the City of

Napa for eight years from 1997 to 2005.

I appointed council member JoAnn Busenbark to LAFCO so that she would independently and thoughtfully consider and make her decisions regarding the incorporation of the City of American Canyon and applications for SOI's and ultimate annexations.

I was proud of her thoughtful decisions in March 1998 to include non-viable agricultural lands and annex them into the City of American Canyon. She looked at the totality of the facts, including the non-viable agricultural aspect, the location adjacent to the City of American Canyon and the provision of services, the need to put housing there so that the housing didn't take up viable agricultural lands to the north and made her decision. She understood that the AW designation on the 157 acre parcel and the other parcel of 25 acres, under the circumstances, should and was considered but common sense and logical planning supported her decision to include non-viable agricultural lands (confirmed by soil samples and lack of a water source) which did in fact thoughtfully preserve viable agriculture. I believe that that's the case now and actually even stronger. Our Napa community has invested tens of millions of dollars to create an industrial area and put in the road extensions on Devlin Road to keep warehousing from the northern viable agricultural lands and truck traffic off of Highway 29. This land will contribute to those goals and pay for a portion of the last upgrades required on Green Island Road and preserve viable agriculture.

I believe GIV's proposal is logical and should be approved.

Thank you for your consideration.

...

Huderson

Ed Henderson

Application Materials for 1661 Green Island Road SOI Request

Report on the Economic Viability of Agricultural Production on

1611 Green Island Road, American Canyon, CA

Prepared for GIV, LLC.

By Wenbiao Cai, Ph.D., Vega Economics

November 12, 2021

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#### I. QUALIFICATIONS AND ASSIGNMENT

- My name is Wenbiao Cai. I am a Director at Vega Economics, a full-service economic consulting firm located in Berkeley, California. I hold a Ph.D. in Economics from the University of Iowa and a bachelor's degree in Finance from the University of Alberta. Prior to joining Vega, I was an associate professor of economics at the University of Winnipeg.
- 2. I am a specialist in agricultural economics. My doctoral dissertation was on agriculture and income differences across countries. My research on agricultural economics has been published in leading economics journals including *Economic Inquiry*, *Journal of Economic Dynamics and Control*, and *International Economic Review* and has received research funding from government agencies including the Social Science and Humanities Research Council of Canada.
- I have been asked to provide my independent professional opinion on the economic feasibility of agricultural production on the real property located on 1611 Green Island Road, City of American Canyon, California (the "Subject Property").
- 4. It is my understanding that the owner of the Subject Property commissioned a report by Dr. Paul R. Anamosa (the "Anamosa Report"), who opined that the soil on the Subject Property is "not suitable for wine grapes as a result of excessive accumulation of salts in the rootzones of the vines."<sup>1</sup> In an addendum to his report, Dr. Anamosa further opined that the property is "unsuitable for not only wine grapes but also for fruit trees and nut trees."<sup>2</sup>
- 5. I relied on the Anamosa Report for the scientific assessment of soil salinity on the Subject Property. Because Dr. Anamosa has provided his professional opinion that it is not sustainable to grow wine grapes, fruit trees, or nut trees on the Subject Property, I did not evaluate the economic feasibility of growing these agricultural commodities on the Subject Property.
- 6. Instead, I evaluated whether the Subject Property soil can support growing other crops commonly planted in the Napa County region and, if so, whether such an operation would be economically viable. I also evaluated whether the Subject Property could support an economically viable ranching operation with cows.

<sup>&</sup>lt;sup>1</sup> Anamosa, Paul R. Site Visit Report, Green Island Vineyard Project 21-178 (September 21, 2021) at 1.

<sup>&</sup>lt;sup>2</sup> Anamosa, Paul R. Addendum Assessing Fruit and Nut Trees, Soils and Vineyard Report, Green Island Vineyard Project 21-178 (October 12, 2021) at 3.

7. Based on my review of Dr. Anamosa's soil report and my independent analysis of the costs and revenues of growing barley and running a beef cattle operation on the Subject Property, it is my professional opinion that agricultural production is not economically viable on the Subject Property.

#### II. AGRICULTURAL PRODUCTION IS NOT ECONOMICALLY VIABLE ON THE SUBJECT PROPERTY.

- 8. The Subject Property is comprised of 157 gross acres, although I understand from the property owner that excluding ditches and roads, only 135 net acres are suitable for agriculture. The Subject Property has been used as vineyard since it was purchased but has experienced unstainable toxic salinity. As a result, the property owner removed 65 acres of vineyard from production with no plans to replant the acreage.<sup>3</sup> I further understand from the property owner that another 35 acres are currently being taken out of production, with the remaining 35 acres to be taken out next year.
- 9. The Subject Property is within the boundaries of Napa County. Wine grapes are the dominant agricultural commodity in Napa County, accounting for more than 99 percent of the total value of agricultural commodities produced in 2019. Outside of wine grapes, agricultural commodities produced in the county include animal products (cattle and calves, sheep and lambs), nut and fruit trees, range pasture, vegetables, and hay.<sup>4</sup>

#### A. The Subject Property Soil Is Not Sustainable for Growing Vegetables.

10. Napa County produced a total \$171,500 in vegetables in 2019 and \$198,700 in 2020.<sup>5</sup> Growing vegetables on the Subject Property, however, is not sustainable due to the high level of soil salinity. Table 1: Salinity Tolerance of Vegetables Commonly Grown in California below, which is based on information contained in a crop salinity tolerance and yield function table published by the University of California at Davis,<sup>6</sup> summarizes the threshold salinity level for a variety of selected vegetables. For comparison, values for grapes, fruit trees, and nut trees are also included.

<sup>&</sup>lt;sup>3</sup> GIV, LLC. Sphere of Influence Amendment Attachment #3 (September 30, 2021).

<sup>&</sup>lt;sup>4</sup> "Napa County Agricultural Crop Report 2020." *Napa County Department of Agriculture and Weights and Measures* (2020) at 5. <a href="https://www.countyofnapa.org/DocumentCenter/View/21404/2020-Agricultural-Crop-Report-English?bidId=">https://www.countyofnapa.org/DocumentCenter/View/21404/2020-Agricultural-Crop-Report-English?bidId=</a> (accessed Nov. 10, 2021).

<sup>&</sup>lt;sup>5</sup> Id.

<sup>&</sup>lt;sup>6</sup> "Crop Salinity Tolerance and Yield Function." *Salinity Management, University of California at Davis.* <a href="https://ucanr.edu/sites/Salinity/Salinity\_Management/Effect\_of\_soil\_salinity\_on\_crop\_growth">https://ucanr.edu/sites/Salinity/Salinity\_Management/Effect\_of\_soil\_salinity\_on\_crop\_growth</a>> (accessed Nov. 9, 2021).

- 11. Soil salinity is measured by the electrical conductivity of saturated soil extracts ( $EC_e$  in dS/m). The threshold indicates the level of salinity above which yield starts to decrease. The slope indicates the percentage yield decrease when the salinity level increases by one unit above the threshold.
- 12. Many vegetables commonly planted in California have salinity tolerance that is similar to that of grapes. The Anamosa Report has concluded that the Subject Property soil is not sustainable for growing wine grapes, fruit trees, or nut trees. Based on this conclusion from the report, and my analysis of the salinity tolerance of vegetables, I conclude that the Subject Property soil is not sustainable for growing vegetables commonly planted in California.

Vacatabla	Threshold	Slope			
vegetable	(dS/m)	(%  per dS/m)			
Asparagus	4.1	2			
Bean	1.0	19			
Broccoli	2.8	9.2			
Brussel sprouts	1.8	9.7			
Cabbage	1.0	14			
Cauliflower	1.8	6.2			
Celery	2.5	13			
Cucumber	1.1	6.9			
Kohlrabi	1.3	13			
Lettuce	1.7	12			
Okra	1.2	16			
Pea	1.5	14			
Pepper	1.7	12			
Pumpkin	1.2	13			
Radish	2.0	7.6			
Spinach	3.2	16			
Squash, zucchini	1.0	33			
Strawberry	1.5	11			
Sweet potato	2.5	9.9			
Tomato	0.9	9			
Grape	1.5	9.6			
Almond	1.5	19			
Apricot	1.6	24			
Orange	1.7	16			

Table 1: Salinity Tolerance of Vegetables Commonly Grown in California

#### B. Growing Barley on the Subject Property Is Not Economically Viable.

13. Some agricultural commodities are more saline-tolerant than others. Barley is one of the most saline-tolerant crops with a threshold salinity level of 8 dS/m. It is commonly grown in the Central Valley and surrounding foothills, but no significant production of barley has been reported for Napa County

-4-
during the 2019-2020 growing season.<sup>7</sup> Nevertheless, because the prospect of growing barley on the Subject Property is supported by the plant's salinity tolerance, I fully evaluated this possibility.

- 14. I estimated the economic returns to an investor who purchases the Subject Property to grow barley. Two models of cultivation were considered—irrigated and non-irrigated. The expected yield from irrigated production is 65 bushels per acre, based on historical yields for the state of California.<sup>8</sup> The expected yield from non-irrigated production is 32.5 bushels per acre, which was assumed to be half the expected yield from irrigated production. The total revenue from these yields was calculated, including both the sales of grains as the primary product as well as the sales of secondary products such as silage, straw, and grazing.
- 15. I relied on the October 2021 Costs and Returns report on barley production published by the United States Department of Agriculture ("USDA") for the following information: (1) per-acre value of secondary product; (2) per-acre operating costs except for hired labor; and (3) per-acre allocated overhead costs except for the cost of land and the opportunity cost of unpaid labor.<sup>9</sup>
- 16. I made the following adjustments to the USDA cost estimates to reflect market conditions specific to California and Napa County. First, I estimated the cost of hired labor based on a labor requirement of two hours per acre (one hour for tilling and one hour for harvesting) and a cost of \$32 per acre. I estimated an opportunity cost of \$32 per acre for unpaid labor supplied by the owner (or family members). Second, for non-irrigated production, the cost of irrigation and straw baling was reduced by 80 percent and the costs of fuel, lube, electricity, repairs, and hired labor were reduced by 20 percent, relative to irrigated production. Third, capital recovery of machinery and equipment is scaled by the ratio of the assumed planted acres on the Subject Property (135 acres) to the benchmark acres used in the USDA estimates (289 acres).

<sup>&</sup>lt;sup>7</sup> "California Agricultural Statistics Review 2019-2020." *California Department of Food and Agriculture* (2020). < https://www.cdfa.ca.gov/Statistics/PDFs/2020\_Ag\_Stats\_Review.pdf> (accessed Nov. 10, 2021).

<sup>&</sup>lt;sup>8</sup> Lazicki, Patricia, Daniel Geisseler, and William R. Horwath. "Barley Production in California." *University of California at Davis* (June 2016) at 2.

<sup>&</sup>lt;a href="https://apps1.cdfa.ca.gov/FertilizerResearch/docs/Barley\_Production\_CA.pdf">https://apps1.cdfa.ca.gov/FertilizerResearch/docs/Barley\_Production\_CA.pdf</a>> (accessed Nov. 10, 2021).

<sup>&</sup>lt;sup>9</sup> "Commodity Costs and Returns." *United States Department of Agriculture*. <https://www.ers.usda.gov/data-products/commodity-costs-and-returns/> (accessed Nov. 9, 2021). Numbers cited in the table correspond to the "Fruitful Rim" region in the USDA report, which includes California.

- Lastly, I calculated the cost of land by amortizing 80 percent of the purchase price over 30 years at an annual interest rate of 3.7 percent. The annual cost is \$81,384, which implies a per-acre cost of \$603 on a 135-acre production basis.<sup>10</sup>
- 18. **Table 2**: *Revenue and Cost Estimates of Hypothetical Barley Production* summarizes the estimated total revenue, operating costs, and overhead costs of the hypothetical barley production, for both the irrigated and non-irrigated scenarios.

	Irrigated	Non-Irrigated
Gross value of production		
Yield (bushels per planted acre)	65.0	32.5
Price (dollars per bushel at harvest)	\$4.8	\$4.8
Primary product, grain	\$313.3	\$156.7
Secondary product, silage/straw/grazing	\$20.1	\$20.1
Total, gross value of production	\$333.4	\$176.7
Operating costs		
Seed	\$29.4	\$29.4
Fertilizer	\$57.0	\$57.0
Chemicals	\$19.1	\$19.1
Custom services	\$28.3	\$28.3
Fuel, lube, and electricity	\$40.6	\$32.5
Repairs	\$45.0	\$36.0
Irrigation and straw baling	\$18.5	\$3.7
Interest on operating inputs	\$0.5	\$0.5
Hired labor	\$32.0	\$25.6
Total, operating costs	\$270.4	\$232.1
Allocated overhead		
Cost of land	\$603	\$603
Opportunity cost of unpaid labor	\$32.0	\$32.0
Capital recovery of machinery and equipment	\$63.4	\$63.4
Taxes and insurance	\$10.9	\$10.9
Total, allocated overhead	\$709.2	\$709.2
Costs listed		
Total, costs listed	\$979.6	\$941.3
Net value		
Value of production less total costs listed (per-acre)	-\$646.2	-\$764.6
Value of production less total costs listed (annual)	-\$87,241	-\$103,219

<sup>&</sup>lt;sup>10</sup> The 2021 assessed land value for the Subject Property is \$1,841,670, as reported by the Napa County Assessor. <a href="https://common1.mptsweb.com/mbap/napa/asr">https://common1.mptsweb.com/mbap/napa/asr</a> (accessed Nov. 12, 2021).

<sup>&</sup>lt;sup>11</sup> Unless otherwise noted, dollar values are expressed in units of dollars per acre.

- Based on my calculations, irrigated barley production on the Subject Property would generate a total revenue of \$333.4 per acre at a cost of \$979.6 per acre, resulting in a loss of \$646.2 per acre. On a 135-acre production basis, the annual total loss would be \$87,241.
- 20. Based on my calculations, non-irrigated barley production on the Subject Property would generate a total revenue of \$176.7 per acre at a cost of \$941.3 per acre, resulting in a loss of \$764.6 per acre. On a 135-acre production basis, the annual total loss would be \$103,219.
- 21. My estimate of the net revenue from the hypothetical barley production is conservative. First, the implied wage of \$16 per hour for hired labor is likely unattainable in the current market, given the severe labor shortage many sectors face at present. Higher labor cost reduces net revenue. Second, the Subject Property currently relies on salty recycled water supplied by the City of American Canyon for irrigation. Growing barley with salty recycled water reduces yield once soil salinity reaches the threshold. That would also reduce net revenue.
- 22. Based on these analyses, I conclude that barley production on the Subject Property is not economically viable.

#### C. A Sheep and Lamb Operation on the Subject Property Is Not Economically Viable.

- 23. To determine the economic prospect of a sheep and lamb operation on the Subject Property, I reviewed a cost of production analysis published by the American Sheep Industry Association. The report shows, based on most recent estimates, that a representative operation in the western U.S. would produce a loss of \$15.67 per ewe.<sup>12</sup>
- 24. The report also indicates that hired labor and pasture are the two largest operating costs for a sheep and lamb operation. Considering that the Subject Property currently has no irrigated pasture and higher labor costs in California than in other western states, I conclude that a sheep and lamb operation on the Subject Property would not be economically viable either.

Application Materials for 1661 Green Island Road SOI Request

<sup>&</sup>lt;sup>12</sup> "U.S. Baseline Lamb Cost of Production Analysis, 2018 Update." *American Sheep Industry Association* (November 27, 2019) at 15. <a href="https://www.sheepusa.org/wp-content/uploads/2019/12/2018-ASI-Budget-Project.pdf">https://www.sheepusa.org/wp-content/uploads/2019/12/2018-ASI-Budget-Project.pdf</a> (accessed. Nov. 11, 2021).

#### D. A Beef Cattle Operation on the Subject Property Is Not Economically Viable.

- 25. In 2019, Napa County produced roughly \$3 million of animal products, among which beef represents the largest value of production. I estimated the economic returns to an investor who purchases the Subject Property to run a beef cattle operation.
- 26. The hypothetical operation I considered involves purchasing twenty yearling heifers in the spring and feeding them on grass from April to October until they reach 1,100 pounds in weight. The animals would then be harvested, processed, and packaged at a USDA-inspected processing plant. Revenue is generated through sales of packaged beef products to consumers.
- 27. I relied on a 2017 cost study of a 20-head beef cattle operation in the Northern Sacramento Valley, published by the University of California at Davis, for the following information: (1) average hanging carcass weight for 1,100-pound cattle; (2) operating costs; and (3) overhead costs except for land cost, opportunity cost of unpaid labor, interest on working capital, and fencing cost.<sup>13</sup>
- 28. I made the following adjustments to those costs. First, unit variable costs and cash overhead costs were adjusted for inflation at an annual rate of three percent. Second, the purchase cost of heifers and the unit wholesale price of beef were updated to reflect current market rates. The purchase price of heifers was based on a February 2021 report from Shasta Livestock Auction Yard.<sup>14</sup> The wholesale price per pound is estimated using the average beef wholesale price reported by the USDA between 2015 and 2020.<sup>15</sup> Third, working capital is calculated as the sum of operating cost and the purchase price of heifers, of which 40 percent is assumed to be borrowed at an annual interest rate of six percent. Fourth, it is assumed that the property owner provides unpaid labor on a part-time basis, with an opportunity cost of \$5,376.<sup>16</sup> Fifth, I estimated a land cost of \$81,384, based on amortizing 80 percent of the purchase price over 30 years at an annual interest rate of 3.7 percent.
- 29. Lastly, an amortized fencing cost was added to the overhead cost. Fences provide protection for the cattle and are necessary for a ranching operation on the Subject Property that borders busy roads on three sides and the Napa River on the fourth. At present, the Subject Property is not fenced. I

<sup>&</sup>lt;sup>13</sup> "Current Cost and Return Studies." *University of California at Davis* (June 11, 2020). <a href="https://coststudies.ucdavis.edu/en/current/">https://coststudies.ucdavis.edu/en/current/</a>> (accessed Nov. 9, 2021).

<sup>&</sup>lt;sup>14</sup> "Current Market Report." Shasta Livestock Auction Yard (February 12, 2021)

<sup>&</sup>lt;a href="https://shastalivestock.com/current-market-report/">https://shastalivestock.com/current-market-report/</a> (accessed Nov. 9, 2021).

<sup>&</sup>lt;sup>15</sup> "Meat Price Spreads." *Economic Research Service, United States Department of Agriculture* (November 10, 2021). <a href="https://www.ers.usda.gov/data-products/meat-price-spreads/">https://www.ers.usda.gov/data-products/meat-price-spreads/</a> (accessed Nov. 10, 2021).

<sup>&</sup>lt;sup>16</sup> Calculated based on forgone wage rate of \$32 per hour and 7 hours per week from April to October.

estimated the total cost of installing barbed wire fences around the Subject Property, based on an estimated cost of \$2.72 per linear foot and an estimated perimeter length of 12,196 feet. The total cost is amortized over an assumed working life of ten years.<sup>17</sup>

30. **Table 3**: *Revenue and Cost Estimates of Hypothetical Beef Cattle Operation* summarizes the returns to the hypothetical beef cattle operation on the Subject Property. The operation would generate a total revenue of \$22,031 at a cost of \$115,033, resulting in an annual total loss of -\$93,002.

		Animals	Weight	Dollar Value	Gross Value	
Gross Value of Production <sup>18</sup>						
Carcasses sold		20	627	\$3.4	\$42,511	
Calves purchased		20	800	\$1.3	\$20,480	
Total, gross value of production					\$22,031	
Operating Cost	Units		Animals	\$/Unit	Total Costs	
Pasture lease	AUM	6.00	20	\$33.8	\$4,052	
Salt/mineral supplements	Tons	0.50	20	\$270.1	\$135	
Hay	Tons	1.00	20	\$135.1	\$135	
Veterinary/Medical	Each		20	\$4.4	\$89	
Death loss (1% of purchased price)				\$204.8	\$205	
Brand inspection	Each		20	\$1.4	\$28	
Marketing order promotion	Each		20	\$1.1	\$23	
Harvest costs	Carcass		20	\$112.6	\$2,251	
Cut and wrap	Pounds	627	20	\$1.1	\$14,114	
Marketing advertisement costs	Each		20	\$39.4	\$788	
1-Ton pickup truck	Miles	1,000		\$0.6	\$608	
Stock trailer	Miles	400		\$0.2	\$90	
ATV-4WD	Miles	1,000		\$0.4	\$394	
Horse (shoes, vet, & feed)	Each		1	\$225.1	\$225	
Total, operating costs					\$23,136	
Allocated Overhead						
Cost of land					\$81,384	
Opportunity cost of unpaid labor					\$5,376	
Amortized fencing cost					\$3,311	
Interest on working capital					\$521	
Insurance (Liability)					\$1,021	
Office expenses					\$281	
Total, allocated overhead					\$91,897	
Total Cost						
Total, costs listed					\$115,033	
Net Revenue						
Value of production less total costs listed (annual) -5						

**Table 3**: Revenue and Cost Estimates of Hypothetical Beef Cattle Operation

<sup>&</sup>lt;sup>17</sup> "Estimated Costs for Livestock Fencing." *Ag Decision Maker, File B1-75. Iowa State University Extension and Outreach* (February 2012). < https://www.extension.iastate.edu/agdm/livestock/html/b1-75.html > (accessed. Nov. 10, 2021). The reported estimates are adjusted for inflation at an annual rate of five percent and an average labor cost of \$32 per hour.

<sup>&</sup>lt;sup>18</sup> The purchased heifer's weight is on the hoof whereas the carcass's sold weight is the hanging weight.

- 31. My calculation of net revenue is conservative because a 20-head operation may exceed the maximum number of animals the Subject Property can support. A general rule of thumb is that 15 to 18 acres of non-irrigated rangeland is needed for each animal,<sup>19</sup> which suggests that the 157-acre Subject Property can support, at most, 10 animals. Since a smaller number of animals reduces revenue proportionately—but not costs—the expected loss would be larger if the actual number of animals in the operation were lower.
- 32. Based on these calculations, I conclude that a beef cattle operation on the Subject Property is not economically viable.

#### III. CONCLUSION

- 33. Based on my independent review of Dr. Anamosa's soil report, I conclude that the Subject Property soil is not sustainable for growing vegetables. Based on my review of cost studies published by the American Sheep Industry Association, I conclude that a sheep and lamb operation on the Subject Property would not be economically viable. Based on my analysis of costs and revenues, I further conclude that growing barley or running a beef cattle operation on the Subject Property would not be economically viable.
- 34. It is therefore my professional opinion that agricultural production is not economically viable on the Subject Property. Given the lack of economic profits, it is against the economic interest of a rational investor to purchase the Subject Property for the purpose of agricultural production.

Dated: November 12, 2021

Wenbiao Cai, Ph.D.

<sup>&</sup>lt;sup>19</sup> Dan Macon and Hannah Meyer. "How Many Cows Can My Property Support? Basics of Carrying Capacity, Stocking Rate, and Pasture Irrigation." *University of California, Agriculture and Natural Resources, Cooperative Extension, publication number 31-1005* (June 2018). <a href="https://projects.sare.org/wp-content/uploads/Pub-31-1005-Carrying-Capacity-and-Stocking-Rate.pdf">https://projects.sare.org/wp-content/uploads/Pub-31-1005</a> (June 2018).

# Lori Luporini November 25th, 2021

Dear LAFCO Commissioners,

I have had the honor of being on the City of American Canyon Planning Commission from 1994 to 1996 and the City of American Canyon City Council from 1996 to 2006 as a Council Member and a two term mayor.

The voters of the community, City Council and myself identified the critical importance of the green island road, lighting and landscaping improvements and how to pay for them over 25 years ago and we are unfortunately still waiting. We need your help.

The GIV lands, which clearly have no viable agricultural use or really anything else except for growing weeds, should respectfully be included in the sphere of influence for the City of American Canyon.

The inclusion of these lands are extremely important to the historical Napa County plans, the voters of the City of American Canyon and the voters of Napa County.

If approved, the City of American Canyon, can responsibly plan and implement the appropriate assessment district to pay for these improvements, which necessarily fiscally needs to include these lands, to get the nightmare traffic off of Highway 29 which goes through the heart of the City. This is what the voters have always wanted.

The community and Napa County have struggled with each other regarding the issues involving incorporation and other issues.

I believe and hope that your approval will provide for a very harmonious cooperative future together.

Thank you. WII. Lori Luporini

# LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY



Policy on Spheres of Influence (Adopted on June 7, 2021)

#### I. BACKGROUND

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, beginning with California Government Code (G.C.) §56425, requires the Local Agency Formation Commission (LAFCO or "Commission") to establish and maintain spheres of influence for all local agencies within its jurisdiction. A sphere of influence (SOI) is defined by statute as a "plan for the probable physical boundary and service area of a local government agency as determined by the commission" (G.C. §56076). Every determination made by LAFCO shall be consistent with the SOIs of the local agencies affected by that determination (G.C. §56375.5). The Commission encourages cities, towns, and the County of Napa ("County") to meet and agree to SOI changes. The Commission shall give "great weight" to these agreements to the extent they are consistent with its policies (G.C. §56425(b) and (c)). Local agency SOIs are established and changed in part based on information in municipal service reviews, including adopted determinative statements and recommendations (G.C. §56430).

#### II. PURPOSE

The purpose of these policies is to guide the Commission in its consideration of SOI amendment requests as well as SOI reviews and updates initiated by LAFCO. This includes establishing consistency with respect to the Commission's approach in the scheduling, preparation, and adoption of SOI reviews and updates. Requests to amend an SOI may be made by any person or local agency as described in Section VI of this policy. Requests to amend an SOI are encouraged to be filed with LAFCO's Executive Officer as part of the Commission's municipal service review (MSR) and SOI review process.

### III. OBJECTIVE

It is the intent of the Commission to determine appropriate SOIs that promote the orderly expansion of cities, towns, and special districts in a manner that ensures the protection of the environment and agricultural and open space lands while also ensuring the effective, efficient, and economic provision of essential public services, including public water, wastewater, fire protection and emergency response, and law enforcement. The Commission recognizes the importance of considering local conditions and circumstances in implementing these policies. An SOI is primarily a planning tool that will:

- Serve as a master plan for the future organization of local government within the County by providing long range guidelines for the efficient provision of services to the public;
- Discourage duplication of services by two or more local governmental agencies;
- Guide the Commission when considering individual proposals for changes of organization;
- Identify the need for specific reorganization studies, and provide the basis for recommendations to particular agencies for government reorganizations.

# IV. DEFINITIONS

Recognizing that an SOI is a plan for the probable physical boundary and service area of a local government agency as determined by LAFCO, the Commission incorporates the following definitions:

- A. "Agricultural lands" are defined as set forth in <u>G.C. §56016</u>.
- B. "Open space" are defined as set forth in <u>G.C. §56059</u>.
- C. "Prime agricultural land" is defined as set forth in <u>G.C. §56064</u>.
- D. "Infill" is defined as set forth in <u>Public Resources Code §21061.3</u>.
- E. "Underdeveloped land" is defined as land that lacks components of urban development such as utilities or structure(s).
- F. "Vacant land" is defined as land that has no structure(s) on it and is not being used. Agricultural and open space uses are considered a land use and therefore the underlying land is not considered vacant land.
- G. "SOI establishment" refers to the initial adoption of a city or special district SOI by the Commission.
- H. "SOI amendment" refers to a single change to an established SOI, typically involving one specific geographic area and initiated by a landowner, resident, or local agency.
- I. "SOI review" refers to a comprehensive review of an established SOI conducted as part of an MSR. Based on information collected in the SOI review component of an MSR, the Commission shall determine if an SOI update is needed.
- J. "SOI update" refers to a single change or multiple changes to an established SOI, typically initiated by the Commission and based on information collected in the SOI review.
- K. "Zero SOI" when determined by the Commission, indicates a local agency should be dissolved and its service area and service responsibilities assigned to one or more other local agencies.
- L. "Study area" refers to territory evaluated as part of an SOI update for possible addition to, or removal from, an established SOI. The study areas shall be identified by the Commission in consultation with all affected agencies.

#### V. LOCAL CONSIDERATIONS

#### A. General Guidelines for Determining Spheres of Influence

The following factors are intended to provide a framework for the Commission to balance competing interests in making determinations related to SOIs. No single factor is determinative. The Commission retains discretion to exercise its independent judgment as appropriate:

- 1) Land defined or designated in the County of Napa General Plan land use map as agricultural or open space shall not be approved for inclusion within any local agency's SOI for purposes of new urban development unless the action is consistent with the objectives listed in Section III of this policy.
- 2) The Commission encourages residents, landowners, and local agencies to submit requests for changes to SOIs to the LAFCO Executive Officer as part of the LAFCO-initiated MSR and SOI review process.
- 3) The first Agricultural Preserve in the United States was created in 1968 by the Napa County Board of Supervisors. The Agricultural Preserve protects lands in the fertile valley and foothill areas of Napa County in which agriculture is and should continue to be the predominant land use. Measure J was passed by voters in 1990 and Measure P was passed by voters in 2008 and requires voter approval for any changes that would re-designate unincorporated agricultural and open-space lands. The Commission will consider the Agricultural Preserve and intent of voters in passing Measure J and Measure P in its decision making processes to the extent they apply, prior to taking formal actions relating to SOIs.
- 4) In the course of an SOI review for any local agency as part of an MSR, the Commission shall identify all existing outside services provided by the affected agency. For any services provided outside the affected agency's jurisdictional boundary but within its SOI, the Commission shall request the affected agency submit an annexation plan or explanation for not annexing the territory that is receiving outside services. For any services provided outside an agency's jurisdictional boundary and SOI, the Commission encourages a dialogue between the County and the affected agency relating to mutually beneficial provisions.
- 5) In the course of reviewing a city or town's SOI, the Commission will consider the amount of vacant land within the affected city or town's SOI. The Commission discourages SOI amendment requests involving vacant or underdeveloped land that requires the extension of urban facilities, utilities, and services where infill development is more appropriate.

- 6) A local agency's SOI shall generally be used to guide annexations within a five-year planning period. Inclusion of land within an SOI shall not be construed to indicate automatic approval of an annexation proposal.
- 7) When an annexation is proposed outside a local agency's SOI, the Commission may consider both the proposed annexation and SOI amendment at the same meeting. The SOI amendment to include the affected territory, however, shall be considered and resolved prior to Commission action on the annexation.
- 8) A local agency's SOI should reflect existing and planned service capacities based on information collected by, or submitted to, the Commission. This includes information contained in current MSRs. The Commission shall consider the following municipal service criteria in determining SOIs:
  - a) The present capacity of public facilities and adequacy of public services provided by affected local agencies within the current jurisdiction, and the adopted plans of these local agencies to address any municipal service deficiency, including adopted capital improvement plans.
  - b) The present and probable need for public facilities and services within the area proposed or recommended for inclusion within the SOI, and the plans for the delivery of services to the area.
- 9) The Commission shall consider, at a minimum, the following land use criteria in determining SOIs:
  - a) The present and planned land uses in the area, including lands designated for agriculture and open-space.
  - b) Consistency with the County General Plan and the general plan of any affected city or town.
  - c) Adopted general plan policies of the County and of any affected city or town that guide future development away from lands designated for agriculture or open-space.
  - d) Adopted policies of affected local agencies that promote infill development of existing vacant or underdeveloped land.
  - e) Amount of existing vacant or underdeveloped land located within any affected local agency's jurisdiction and current SOI.
  - f) Adopted urban growth boundaries by the affected land use authorities.

#### **B.** Scheduling Sphere of Influence Reviews and Updates

<u>G.C. §56425(g)</u> directs the Commission to update each SOI every five years, as necessary. Each year, the Commission shall adopt a Work Program with a schedule for initiating and completing MSRs and SOI reviews based on communication with local agencies. This includes appropriate timing with consideration of city, town, and County general plan updates. The Commission shall schedule SOI updates, as necessary, based on determinations contained in MSRs.

#### C. Environmental Review

SOI establishments, amendments, and updates will be subject to the review procedures defined in the California Environmental Quality Act (CEQA) and the Napa LAFCO CEQA Guidelines. If an environmental assessment or analysis is prepared by an agency for a project associated with an SOI establishment, amendment, or update, and LAFCO is afforded the opportunity to evaluate and comment during the Lead Agency's environmental review process, then LAFCO can act as a Responsible Agency under CEQA for its environmental review process. All adopted environmental documents prepared for the project, a copy of the filed Notice of Determination/Notice of Exemption, and a copy of the Department of Fish and Wildlife fee receipt must be submitted as part of the application. Completion of the CEQA review process will be required prior to action by the Commission.

### VI. REQUESTS FOR SPHERE OF INFLUENCE AMENDMENTS

### A. Form of Request

Any person or local agency may file a written request with the Executive Officer requesting amendments to an SOI pursuant to <u>G.C. 56428(a)</u>. Requests shall be made using the form provided in Attachment A and be accompanied by a cover letter and a map of the proposed amendment. Requests shall include an initial deposit as prescribed under the Commission's adopted Schedule of Fees and Deposits. The Executive Officer may require additional data and information to be included with the request. Requests by cities, towns, and special districts shall be made by resolution of application.

### **B.** Review of Request

The Executive Officer shall review and determine within 30 days of receipt whether the request to amend an agency's SOI is complete. If a request is deemed incomplete, the Executive Officer shall immediately notify the applicant and identify the information needed to accept the request for filing.

#### C. Consideration of Request

Once a request is deemed complete, the Executive Officer will prepare a written report with a recommendation. The Executive Officer will present his or her report and recommendation at a public hearing for Commission consideration. The public hearing will be scheduled for the next meeting of the Commission for which adequate notice can be given. The Commission may approve, approve with conditions, or deny the request for an SOI amendment. The Commission's determination and any required findings will be set out in a resolution that specifies the area added to, or removed from, the affected agency's SOI. While the Commission encourages the participation and cooperation of the subject agencies, the determination of an SOI is a LAFCO responsibility and the Commission is the sole authority as to the sufficiency of the documentation and consistency with law and LAFCO policy.

### ATTACHMENT A

Local Agency Formation Commission of Napa County 1754 Second Street, Suite C Napa, California 94559 (707) 259-8645 Telephone www.napa.lafco.ca.gov

# Questionnaire for Amending a Sphere of Influence

1. Applicant information:

	Name:					
	Address:					
	Telephone Numb	er:		_(Primary)		(Secondary)
	E-Mail Address:					
2.	What is the purpose	for the prop	posed spher	e of influence	e amendment?	
3.	Describe the affected pertinent characterist	1 territory ics.	in terms of	Elocation, siz	ze, topography	and any other
4.	Describe the affected	l territory's	present and	d planned lan	d uses.	

# ATTACHMENT A Attachment Two

5.	Identify the current land use designation and zoning standard for the affected territory.	-
6.	Is the affected territory subject to a Williamson Act contract? If yes, please provide a copy of the contract along with any amendments.	- l
7.	If applicable, identify the governmental agencies currently providing the listed municipal services to the affected territory.	- 
	Water:	
	Sewer:	_
	Fire:	_
	Police:	_
Pri	int Name:	
Da	ate:	
Sig	gnature:	



State of California

**GOVERNMENT CODE** 

Section 56428

56428. (a) Any person or local agency may file a written request with the executive officer requesting amendments to a sphere of influence or urban service area adopted by the commission. The request shall state the nature of the proposed amendment, state the reasons for the request, include a map of the proposed amendment, and contain any additional data and information as may be required by the executive officer.

(b) After complying with the California Environmental Quality Act, Division 13 (commencing with Section 21000) of the Public Resources Code, the executive officer shall place the request on the agenda of the next meeting of the commission for which notice can be given. The executive officer shall give notice in the manner provided by Section 56427. On the date and time provided in the notice, the commission may do either of the following:

(1) Without further notice, consider the amendments to a sphere of influence.

(2) Set a future date for the hearing on the request.

(c) The executive officer shall review each requested amendment and prepare a report and recommendation. The report shall be completed not less than five days before the date specified in the notice of hearing. The executive officer shall send copies of the report to the person or agency making the request, each affected local agency, and each person who has filed a request for a report.

(d) At its meeting, the commission shall consider the request and receive any oral or written testimony. The consideration may be continued from time to time, but not to exceed 70 days from the date specified in the original notice. The person or agency which filed the request may withdraw it at any time prior to the conclusion of the consideration by the commission.

(e) At the conclusion of its consideration, the commission may approve with or without amendment, wholly, partially, or conditionally, or disapprove the request. The commission shall follow the procedures in Section 56425.

(f) The commission may require the person or agency making a request pursuant to this section to pay a fee to cover the commission's costs. The fee shall not exceed the estimated reasonable cost of providing the service and shall be set pursuant to Section 56383. The commission may waive the fee if it finds that the request can be considered and studied as part of the periodic review of spheres of influence required by Section 56425. In addition, the commission may waive the fee if it finds that payment would be detrimental to the public interest.

(g) The commission and executive officer may review and act on any request to amend a sphere of influence or urban service area concurrently with their review and

determination on any related change of organization or reorganization. In case of a conflict between the provisions of this section and any other provisions of this part, the other provisions shall prevail.

(Amended by Stats. 2011, Ch. 300, Sec. 69. (AB 1430) Effective January 1, 2012.)



State of California GOVERNMENT CODE

Section 56425

56425. (a) In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies subject to the jurisdiction of the commission to advantageously provide for the present and future needs of the county and its communities, the commission shall develop and determine the sphere of influence of each city and each special district, as defined by Section 56036, within the county and enact policies designed to promote the logical and orderly development of areas within the sphere.

(b) Prior to a city submitting an application to the commission to update its sphere of influence, representatives from the city and representatives from the county shall meet to discuss the proposed new boundaries of the sphere and explore methods to reach agreement on development standards and planning and zoning requirements within the sphere to ensure that development within the sphere occurs in a manner that reflects the concerns of the affected city and is accomplished in a manner that promotes the logical and orderly development of areas within the sphere. If an agreement is reached between the city and county, the city shall forward the agreement in writing to the commission, along with the application to update the sphere of influence. The commission shall consider and adopt a sphere of influence for the city consistent with the policies adopted by the commission pursuant to this section, and the commission shall give great weight to the agreement to the extent that it is consistent with commission policies in its final determination of the city sphere.

(c) If the commission's final determination is consistent with the agreement reached between the city and county pursuant to subdivision (b), the agreement shall be adopted by both the city and county after a noticed public hearing. Once the agreement has been adopted by the affected local agencies and their respective general plans reflect that agreement, then any development approved by the county within the sphere shall be consistent with the terms of that agreement.

(d) If no agreement is reached pursuant to subdivision (b), the application may be submitted to the commission and the commission shall consider a sphere of influence for the city consistent with the policies adopted by the commission pursuant to this section.

(e) In determining the sphere of influence of each local agency, the commission shall consider and prepare a written statement of its determinations with respect to each of the following:

(1) The present and planned land uses in the area, including agricultural and open-space lands.

(2) The present and probable need for public facilities and services in the area.

(3) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

(4) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

(5) For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

(f) Upon determination of a sphere of influence, the commission shall adopt that sphere.

(g) On or before January 1, 2008, and every five years thereafter, the commission shall, as necessary, review and update each sphere of influence.

(h) In determining a sphere of influence, the commission may assess the feasibility of governmental reorganization of particular agencies and recommend reorganization of those agencies when reorganization is found to be feasible and if reorganization will further the goals of orderly development and efficient and affordable service delivery. The commission shall make all reasonable efforts to ensure wide public dissemination of the recommendations.

(i) When adopting, amending, or updating a sphere of influence for a special district, the commission shall establish the nature, location, and extent of any functions or classes of services provided by existing districts.

(j) When adopting, amending, or updating a sphere of influence for a special district, the commission may require existing districts to file written statements with the commission specifying the functions or classes of services provided by those districts.

(Amended by Stats. 2012, Ch. 62, Sec. 2. (AB 2698) Effective January 1, 2013.)



# AGREEMENT BETWEEN THE COUNTY OF NAPA AND THE CITY OF AMERICAN CANYON

This Agreement (hereafter "Agreement") is entered into and effective as of July 3, 2008 by and between the County of Napa, a political subdivision of the State of California (hereafter "County"), and the City of American Canyon, a municipal corporation (hereafter "City").

WHEREAS, the parties recognize the importance of agricultural preservation and open space in the County and desire to preserve agricultural and open space lands in the County so as to maintain a viable agriculture-based economy, preserve open space, prevent urban sprawl, and direct growth and development into already urbanized areas; and

WHEREAS, the parties desire to implement the planned development of the City and adjacent lands within the County; and

WHEREAS, the parties recognize the importance of the Napa County Airport ("Airport") to the economy of the County and have a longstanding interest in protecting the Airport from the encroachment of incompatible land uses; and

WHEREAS, the parties recognize that citizens, businesses and employees within both jurisdictions benefit when the parties collaborate successfully and solve disagreements amicably; and

WHEREAS, the parties seek to provide a solid footing for future planning and decisionmaking by recognizing a mutually agreed upon City urban growth boundary that will remain in place without change until 2030; and

WHEREAS, the parties are taking such steps as may be necessary to ensure that an adjusted urban growth boundary in the form of an amended City Urban Limit Line will not be changed until the year 2030; and

WHEREAS, in the County's view, industrial development within the County Airport Industrial Area Specific Plan ("Airport Specific Plan") boundaries supports agricultural uses in the County, benefits the local economy, and will contribute to the construction of necessary infrastructure improvements; and

WHEREAS, the parties recognize that upon incorporation in 1992, the City assumed the rights and responsibilities of the former American Canyon County Water District; and

WHEREAS, the parties recognize that the City provides water service to properties located within the City's Water Service Area, which includes the Airport Specific Plan area, and

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that it is essential for the City to continue to provide water service to these properties in an environmentally sensitive, reasonable and fair manner.

# NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

# PART I. AGREEMENT DEFINITIONS

When used in this Agreement, the following words or phrases shall have the following meanings unless the context clearly indicates otherwise:

"Airport Industrial Area Specific Plan" or "Airport Specific Plan" shall mean the 1986 Napa County Airport Industrial Area Specific Plan, as amended through the effective date of this Agreement.

"CEQA" shall mean the California Environmental Quality Act, Public Resources Code section 21000 et seq.

"City" shall mean the City of American Canyon.

"City Customers" shall mean all persons and entities presently receiving water service from the City, and all persons and entities that are requesting or in the future request new or increased water service from the City, for parcels that are located within City's incorporated limits.

"City's Water Service Area" shall mean all lands within the area depicted in Exhibit H, attached hereto and incorporated herein by this reference.

"County" shall mean the County of Napa.

"LAFCO" shall mean the Napa County Local Agency Formation Commission.

"Outside Customers" shall mean all persons and entities presently receiving water service from the City, and all persons and entities that are requesting or in the future request new or increased water service from the City for parcels that are located outside the City's limits but within the Airport Industrial Area Specific Plan boundaries.

"Panattoni Property" shall mean that real property described by Assessor Parcel Numbers 057-090-075 and 057-090-076, consisting of approximately 16.30 acres and 34.40 acres, respectively, as is more fully described in Exhibit A, attached hereto and incorporated herein by this reference.

"Subject Parcels" shall mean:

- 1. The parcel commonly known as the "Headwaters property," Assessor Parcel Number 057-090-069 consisting of approximately 218.06 acres as is more fully described in Exhibit B, attached hereto and incorporated herein by this reference.
- 2. The parcel commonly known as the "Atkins property," Assessor Parcel Number 057-040-007 consisting of approximately 25.44 acres as is more fully described in Exhibit C, attached hereto and incorporated herein by this reference.

"Sphere of Influence" shall mean the LAFCO-approved plan for the probable physical boundary and service area of the City of American Canyon, as defined in Government Code section 56076.

"Urban Limit Line" or "ULL" shall mean that line which describes the boundaries described in Exhibit D, attached hereto and incorporated herein by this reference, beyond which the City and the City's Sphere of Influence shall not expand prior to 2030 unless the citizens of the City first approve an expansion of the line.

### PART II. PRE-CONDITIONS TO THE AGREEMENT TAKING EFFECT; ANNEXATION OF PANATTONI PROPERTY

# A. <u>Preconditions to Agreement Effectiveness</u>

This Agreement, excluding Agreement Section II.B, shall become effective only if each and every one of the following events occurs within its respective time frame. Therefore, if any one of the preconditions fails to occur within the time frame set forth in this Agreement for that precondition, then this Agreement and the obligations of the parties as set forth in Agreement Section III shall automatically become null and void.

# 1. Industrial Easements.

The City shall ensure that the owners of the Subject Parcels and the Panattoni Property, prior to amendment of the City's sphere of influence and completion of annexation of the Subject Parcels and the Panattoni Property to the City:

a. Grant and record industrial easements in favor of the County in perpetuity, in a form acceptable to the County Counsel and the City Attorney, ensuring that the Subject Parcels and the Panattoni Property may be developed in accordance with the uses permitted for those parcels by the Airport Specific Plan, and

b. Deed restrict, in a form acceptable to the County Counsel and the City Attorney, the Subject Parcels and Panattoni Property prior to development or use of the same, ensuring that the Subject Parcels and the Panattoni Property shall be developed in accordance with the uses permitted for those parcels in the Airport Specific Plan.

c. The City shall ensure that any development approvals sought by the owners of the Subject Parcels and the Panattoni Property in the City shall be conditioned by the City to be industrial uses as permitted for those parcels by the Airport Specific Plan and that the owners of these parcels grant and record avigation (flight) easements in favor of the County, in a form acceptable to the County Counsel and the City Attorney.

2. *Standards for Providing Water Service.* On or before September 1, 2008 the City shall take the following actions:

a. Revise its water policies to confirm that the City will provide water service to all Outside Customers upon request under all of the same terms and conditions under which the City provides water service to City Customers, and that the City will not impose any term or condition on any water service to any Outside Customer that is different from the terms and conditions that the City imposes on City Customers, except that the City may continue to impose higher water rates on Outside Customers consistent with Hansen v. City of San Buenaventura (1986) 42 Cal.3d 1172; and

b. Amend City Municipal Code sections 13.10.010, 13.10.020, and 13.10.040, and all other related Municipal Code provisions, implementing resolutions and policies, so that they will be consistent with Agreement Sections II.A.2.a, III.E, and Exhibit E. The City shall schedule a public hearing for this purpose. The City shall make all of the revisions and amendments referenced in Agreement Section II.A.1 and II.A.2 before the City files any requests for any amendment of the City's Sphere of Influence or any annexations of the Subject Parcels and the Panattoni Property.

3. *Preconditions Are Prerequisite to Sphere of Influence Amendment and Annexation.* Satisfaction of the requirements set forth in Agreement Section II.A.1 (Industrial Easements) and II.A.2 (Standards for Providing Water Service) are preconditions to this Agreement. If these preconditions are not satisfied, this Agreement shall be null and void.

# B. Immediate Annexation of Panattoni Property

Notwithstanding any other provision of this Agreement, as an indication of good faith of both parties, the County shall, upon execution of this Agreement and upon satisfaction of the requirements set forth in Agreement Sections II.A.1 (Industrial Easements), II.A.2 (Standards for Providing Water Service) and III.F.2 (Property Tax Revenue Sharing Agreement), provide written support of that portion of City's application before LAFCO involving a sphere amendment or annexation of the Panattoni Property to the City.

# PART III. AGREEMENT OBLIGATIONS

# A. <u>City's Urban Limit Line</u>

The parties agree that the City's growth boundary shall not expand beyond the ULL described and depicted in Exhibit D until at least 2030. To implement this ULL agreement, the parties will take one or more of the following actions which are intended to ensure that the ULL will not change prior to 2030.

1. If a citizen's initiative is circulated that establishes an ULL as a part of the City General Plan that is consistent with Exhibit D and that cannot be changed without a vote of the people until 2030, and if that initiative gathers a sufficient number of valid signatures to require the City to either adopt the initiative or place the matter on the ballot, then the City shall either: (a) adopt the initiative without alteration at the regular meeting at which the certification of the initiative petition is presented to the City Council or within 10 days after it is submitted; or (b) place the matter on the ballot. Otherwise, this Agreement shall become null and void, except that the parties may agree otherwise concerning the 60 foot strip in the unincorporated territory separating Area 1 from Area 2, as described and depicted in Exhibit D.

2. If a notice of intent to circulate a citizen's initiative to establish an ULL consistent with Agreement Section III.A.1 is not filed with the City elections official on or before June 30, 2008, then a ballot measure that will establish an ULL in the City General Plan that is consistent with Exhibit D and cannot be changed without a vote of the people until 2030 shall be placed on

the November 2008 municipal ballot by the City Council. The order of election shall be adopted by the City Council no later than August 8, 2008. Any such ballot measure shall expressly provide that any further changes to the ULL described and depicted in Exhibit D prior to 2030 shall take effect only following the approval by a majority of the voters of the City at a regularly scheduled municipal election. If the City fails to place such a measure on the ballot, this Agreement shall automatically become null and void, except that the parties may agree otherwise concerning the 60 foot strip in the unincorporated territory separating Area 1 from Area 2, as described and depicted in Exhibit D.

3. If a notice of intent to circulate a citizen's initiative to establish an ULL in the City's General Plan that is consistent with Exhibit D and cannot be changed without a vote of the people until 2030 is filed with the City election official on or before June 30, 2008, and the initiative is circulated but fails to achieve the necessary number of signatures to qualify for the November 2008 ballot, then a ballot measure that will establish an ULL as a part of the City's General Plan that is consistent with Exhibit D and cannot be changed without a vote of the people until 2030 shall be placed on the November 2008 municipal ballot by the City Council. The order of election shall be adopted by the City Council no later than August 8, 2008. Any such ballot measure shall expressly provide that changes to the ULL depicted in Exhibit D that cannot be changed without a vote of the people prior to 2030 shall take effect only following the approval by a majority of the voters of the City at a regularly scheduled municipal election. If the City fails to place such a measure on the ballot, or if a referendum successfully repeals action of the City, this Agreement shall automatically become null and void, except that the parties may agree otherwise concerning the 60 foot strip in the unincorporated territory separating Area 1 from Area 2, as described and depicted in Exhibit D.

4. If the City fails to satisfy the requirements of Section III.A of this Agreement, or if the City is successfully challenged in court on its action as authorized in Agreement Section III.A, this Agreement shall automatically become null and void, excepting the obligations of Agreement Section II.B.

5. If Agreement Section III.A.1 is applicable and the City Council places the matter on the November 2008 ballot rather than adopting the initiative measure without alteration and the initiative does not pass, then this Agreement shall automatically become null and void, excepting the obligations of Agreement Section II.B.

6. If Agreement Section III.A.2 or III.A.3 is applicable, and Agreement Section III.A.1 is not, and if a majority of the voters of the City do not approve the ULL depicted in Exhibit D with the condition that it cannot be changed without a vote of the people until 2030, then this Agreement shall automatically become null and void, excepting the obligations of Agreement Section II.B.

7. Area 4 as described and depicted in Exhibit D (commonly known as "Clark Ranch West") is currently in an Agriculture, Watershed and Open Space land use designation. As a condition of this Agreement, the City will keep this area in open space, recreation, and/or wildlife conservation when the area is annexed to the City and will take all actions necessary to ensure that this property remains in open space, recreation and/or wildlife conservation.

# B. Sphere of Influence Amendments of the Subject Parcels

Within ten days of execution of this Agreement, City shall amend its pending application for an amendment of its Sphere of Influence, which was filed with LAFCO in 2007, so that the application is consistent with this Agreement. City shall not pursue any applications with LAFCO for a Sphere of Influence amendment and/or annexation of any properties, other than the Panattoni Property as set forth in Agreement Section II.B, until the preconditions in Agreement Section II.A have been satisfied.

The parties recognize that any expansion of City's Sphere of Influence must be heard and approved by LAFCO. County agrees to provide written support of City's application to expand its Sphere of Influence to include the Subject Parcels described in Exhibits B and C but only if the voters of the City, or the City, as the case may be, first approves adoption of the ULL described in Exhibit D, with the condition that the approval occurred in such a manner that the approved ULL cannot be changed prior to 2030 except by the voters of the City. Otherwise, the County reserves the right to oppose including such parcels within the City's Sphere of Influence. This County obligation to support the City's application to expand its Sphere of Influence for the Subject Parcels is in addition to, and separate from the County's obligation to support any Sphere of Influence amendment necessary to complete the annexation of the Panattoni Property, as required by Agreement Section II.B.

# C. Annexation of the Subject Parcels

The parties recognize that expansion of the City by annexation is a matter to be heard and approved by LAFCO. County agrees to provide written support of the City's application to LAFCO for annexation of the Subject Parcels described in Exhibits B and C only if the voters of the City, or the City, as the case may be, have first approved adoption of the ULL described in Exhibit D and further providing that the approval occurred in such a manner that the approved ULL cannot be changed prior to 2030 unless first approved by the voters of the City. Otherwise, the County reserves the right to oppose the annexation of the Subject Parcels. This obligation in support of the City's applications to annex the Subject Parcels is in addition to, and separate from, the obligation to support the annexation of the Panattoni Property as required by Agreement Section II.B.

It is further understood and agreed that nothing contained in this Agreement shall be construed as requiring the County to support annexations of parcels located within the ULL to the City or the inclusion of those parcels in the City's Sphere of Influence, other than the Subject Parcels and the Panattoni Property.

# D. Parties to Amend Their Respective General Plans

1. County Requirements Following Voter Approval of the ULL Depicted in Exhibit D. The County will amend the Goals, Policies and implementing measures of all applicable maps, tables and diagrams of its General Plan to reflect the City adjusted ULL in a manner that is consistent with Exhibit D, concurrent with the completion of City's obligations described in Agreement Section III.A.

2. City Requirements if an Initiative Adopting the ULL Depicted in Exhibit D is successful. The City will amend the Goals, Policies and implementing measures of all applicable maps, tables and diagrams of its General Plan to reflect the City adjusted ULL in a manner that is consistent with Exhibit D, concurrent with the completion of City's obligations described in Agreement Section III.A.

# E. <u>City Water Services to the Airport Industrial Specific Plan Area</u>

The City shall continue to provide water service to existing Outside Customers and, upon request, the City shall provide new or increased water service to all Outside Customers under the same terms and conditions under which the City provides water service to City Customers, as provided in Agreement Section II.A.2.a. The City shall provide all new City Customers and all new Outside Customers with water service under the conditions in Exhibit E, attached hereto and incorporated herein by this reference. Nothing in this Agreement shall limit or affect the rights of City water customers for parcels that are located outside the City's limits and the Airport Specific Plan area but within the City's Water Service Area.

# F. Property Tax Revenue Sharing Agreements

1. Within 120 days of execution of this Agreement and as a condition of County's support of annexation of the Subject Parcels to City, the parties will enter into an agreement setting forth the method of sharing those incremental real property taxes (the "Tax Revenue Sharing Agreement") generated by the Subject Parcels subsequent to annexation of those parcels to the City. This Tax Revenue Sharing Agreement will become effective only upon annexation of the Subject Parcels to the City. The Tax Revenue Sharing Agreement shall provide that the City and County will each receive forty-seven and one-half percent (47.5%) of the property tax increment, with the American Canyon Fire Protection District, a subsidiary special district of the City receiving five percent (5%). The Agreement shall expressly provide that the City's proposed annexation of parcels within the voter approved ULL, other than the Subject Parcels and the Panattoni Property, are not subject to the Tax Revenue Sharing Agreement.

2. Within 120 days of execution of this Agreement and as a condition of County's support of annexation of the Panattoni Property to City, the parties will enter into a separate Tax Revenue Sharing Agreement setting forth the method of sharing those incremental real property taxes generated by the Panattoni Property subsequent to annexation of those parcels to the City. This Tax Revenue Sharing Agreement will become effective only upon annexation of the Panattoni Property to the City. The Tax Revenue Sharing Agreement shall provide that the City and County will each receive forty-seven and one-half percent (47.5%) of the property tax increment, with the American Canyon Fire Protection District, a subsidiary special district of the City receiving five percent (5%). The Agreement shall expressly provide that the City's proposed annexation of parcels within the approved ULL, other than the Subject Parcels and the Panattoni Property, are not subject to the Tax Revenue Sharing Agreement.

# G. <u>Return of Tax Revenues</u>

1. Any party who violates one or more of the provisions contained in Agreement Section III.G.2. shall return to the other party the following incremental property tax revenues the offending party has received and will receive pursuant to the Tax Revenue Sharing Agreements referenced in Agreement Section III.F.1 and III.F.2:

a. All such property tax revenues received for the four (4) fiscal years prior to the fiscal year in which the violation occurred; and

b. All such property tax revenues received for the fiscal year in which the violation occurred; and

c. All such property tax revenues received in all future fiscal years following the fiscal year in which the violation occurred (i.e. in perpetuity).

2. A violation of the Agreement triggering Agreement Section III.G shall be deemed to have occurred if any of the following occurs:

a. The ULL described and depicted in Exhibit D is changed on or before January 1, 2030, by the City, by the passage of an initiative measure placed on the ballot by the City, or by the passage of an initiative measure which resulted from a successful petition circulated by registered voters of the City which qualifies for the ballot.

b. The City files an application with LAFCO prior to January 1, 2030 seeking to expand the City's Sphere of Influence to include parcels outside the ULL described and depicted in Exhibit D.

c. The County fails to support the City's Sphere of Influence application and related annexation of the Subject Parcels in the manner and within the timeframes contemplated by this Agreement. Notwithstanding the foregoing, nothing in this Agreement shall be interpreted to require any member of the County Board of Supervisors to vote in any certain manner when sitting as a Commissioner on LAFCO.

d. The City fails to provide a water service will-serve letter to any person or entity requesting such a letter in a manner that is consistent with the terms of this Agreement. If City fails to provide such a will-serve letter within 90 days after receiving a request for such a letter, and if a mutual agreement between the City and the property owner making the request to extend that 90 day period for up to an additional 180 days has not been executed within the original 90 day period, then it shall be conclusively presumed that the City has violated the requirement to provide water service will-serve letters upon request. This paragraph shall not apply if during that entire 90 day period the City has in effect a policy of refusing to provide water service to all new City Customers, and of refusing to provide increased levels of water to all existing City Customers, due to factors relating to water shortages encountered by the City. When said policy ceases to be applied, a requirement to provide the requested will-serve letters within the 90 day period following the termination of the policy shall automatically go into effect.

e. The City fails to provide water service to, or unlawfully discriminates against any Outside Customer in the provision of water services, or the City otherwise does not provide water service to any Outside Customer in a manner that is consistent with this Agreement. However, the amount of water service that the City is obligated to provide shall be subject to the City's Zero Water Footprint Methodology, provided the City applies this Zero Water Footprint Methodology equally to City Customers and Outside Customers in a manner that does not result in conditions of approval that differ between similarly situated Outside Customers and City Customers. The list of Water Conditions that the City will impose on all parcels for which new water service is requested is attached to this Agreement as Exhibit E, and a copy of the Zero Water Footprint Methodology is attached to this Agreement as Exhibit F. The process for Outside Customers to appeal conditions imposed by the City as a result of implementing the Zero Water Footprint Methodology is described in Exhibit G to this Agreement. Exhibits E, F and G are incorporated herein by this reference and may only be changed upon mutual consent of the parties.

f. The City imposes a requirement that any future Outside Customer, other than the owner or owners of record of the Subject Parcels, must consent to, or waive objection to, annexation of his, her, or its parcel to the City as a condition of receiving water services from the City.

g. The County amends its Airport Specific Plan prior to 2030 to allow residential uses in the Airport Specific Plan area.

# H. Development of Parcels

As a precondition to the grant of final entitlements to any of the Subject Parcels or the Panattoni Property that are not challenged within the applicable statute of limitations, the party having land use authority over that parcel shall ensure that all of the following are accomplished conditions of approval, either through a development agreement or a reimbursement agreement:

Subject to any claims the County is obligated to perform related to the Montalcino 1. Project (Napa County Use Permit #98177-UP and #P05-0220-MOD), traffic mitigation fees attributable to the Subject Parcels and the Panattoni Property that the County receives pursuant to its Airport Industrial Area Traffic Mitigation Program, to the extent those parcels are developed in the unincorporated area shall be placed in a restricted account, if not already appropriated and expended by the County. All such fees shall be placed in a segregated account by the County Auditor and may only be disbursed to construct improvements to and/or extend Devlin Road from Tower Road to Airpark Road, as depicted in Exhibit I (attached to this Agreement and incorporated herein by this reference), including the construction of a two lane bridge ("Bridge") including pedestrian and bike lanes across Fagan Creek. If any of the Subject Parcels or the Panattoni Property is annexed to the City prior to development same, then the City shall pay to the County the amount of fees the County would have collected under the Airport Industrial Area Traffic Mitigation Program had that parcel been developed in the unincorporated area. City's obligation to pay those fees shall be due and payable within ten days of (1) issuance of the building permit or (2) whenever development would have triggered payment of the traffic mitigation fee under the County's Airport Industrial Area Traffic Mitigation Program had the parcel been developed in the unincorporated area, whichever date is earlier. The fees shall be used by the County to offset costs to construct improvements to and/or extend Devlin Road as described in this Agreement, or to reimburse County for expenditures it may have previously made toward the design and construction of Devlin Road in the event development on these parcels lags any portion of the development of Devlin Road.

2. The County shall take appropriate steps to ensure that the Devlin Road and Bridge are completed prior to 2018. This shall include the design, acquisition of right-of-way and construction of the Devlin Road extension and Bridge (including pedestrian and bike lanes) over Fagan Creek.

3. Development of the Headwaters property shall be conditioned upon dedication of a secondary public access road to support the Airport. That access road shall at a minimum be a Type H Collector including two travel lanes, parallel parking, and consisting of 56 feet of public right-of-way in accordance with Napa County Road and Street Standards.

4. The parties further agree that in order to implement the provisions of Agreement Sections III.H.1, III.H.2 and III.H.3, the Public Works Directors of the City and the County shall annually report to their respective entities with respect to the generation of all traffic revenue within the affected area and their expenditures to accomplish the described improvements.

# PART IV. GENERAL PROVISIONS

# A. Warranty of Legal Authority

Each party warrants and covenants that it has the present legal authority to enter into this Agreement and to perform the acts required of it hereunder. If any party is found to lack the authority to perform the acts required of it hereunder or is prevented from performing the acts by a court of competent jurisdiction, then this Agreement shall be null and void.

# B. <u>Assignment/Delegation</u>

Neither party hereto shall assign or transfer any benefit or obligation of this Agreement without the prior written consent of the other, and no assignment shall be of any force or effect whatsoever unless and until the other party shall have so consented.

# C. <u>Severability</u>

In the event any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions of this Agreement will remain in full force and effect.

# D. <u>Waiver</u>

Any waiver (express or implied) by either party of any breach of this Agreement shall not constitute a waiver of any other or subsequent breach.

# E. <u>Venue</u>

This Agreement shall be governed and construed in accordance with the laws of the State of California. Any claim, action, arbitration or other proceeding arising from this Agreement shall be initiated and conducted only in the County of Napa.

# F. <u>Notices</u>

All notices required or authorized by this Agreement shall be in writing and shall be delivered in person or by deposit in the United States mail, by certified mail, postage prepaid, return receipt

requested. Any mailed notice, demand, request, consent, approval or communication that either party desires to give the other party shall be addressed to the other party at the addresses set forth below. Either party may change its address by notifying the other party of the change of address. Any notice sent by mail in the manner prescribed by this Paragraph shall be deemed to have been received on the date noted on the return receipt or five days following the date of deposit, whichever is earlier.

> *City of American Canyon*: City Manager 300 Crawford Way American Canyon, California 94503

With copy to: City Attorney Law Offices of William Ross 400 Lambert Street Palo Alto, California 94306

#### County of Napa:

Napa County Executive Officer 1195 Third Street, Suite 310 Napa, CA 94559

With copy to: Napa County Counsel County of Napa 1195 Third Street, Suite 301 Napa, CA 94559

### G. <u>Amendment</u>

This Agreement may only be amended in writing by an amendment authorized by the City Council and County Board of Supervisors, except as provided in Agreement Section IV.K below.

### H. <u>Recitals Adopted</u>

The parties hereby agree to, and adopt, the Agreement recitals as portions of the Agreement.

### I. <u>Termination for Cause</u>

Either party may terminate this Agreement for cause of non-performance. Such termination shall be based upon ninety (90) days notice given to the other party in the manner set forth in Agreement Section IV.F. Such notice shall also constitute a notice of default, which shall provide the defaulting party with an automatic right to cure the default within sixty (60) days.

### J. Joint Defense in Event of Third Party Challenges to the Agreement

In the event of a third party challenge of any type to this Agreement, the parties agree to jointly

defend the validity and implementation of the Agreement.

### K. Extension of Dates by Mutual Agreement

The dates provided for the performance of any of the terms of this Agreement may be changed and/or extended by mutual written agreement of the parties, the City acting through its City Manager and the County acting through its County Executive Officer.

#### L. Entire Agreement

This document is intended both as the final expression of the agreement between the parties hereto with respect to the included terms and as a complete and exclusive statement of the terms of the Agreement. This Agreement may be executed in two counterparts, each of which shall constitute an original.

**IN WITNESS WHEREOF,** this Agreement was executed by the parties hereto as of the date first above written.

COUNTY Bv: BRAD WAGENKNECH Chair of the Board

ATTEST: Gladys I. Coil Clerk of the Board of Supervisors

By:

APPROVED AS TO FORM: ROBERT WESTMEYER, County Counsel

Bv:

CITY OF AMERICAN CANYON

Bv:

LEON GARCIA, Mayor

ATTEST: Dorothy Roadman American Canyon City Clerk

B١

APPROVED AS TO FORM: WILLIAM D. ROSS, City Attorney

By: Will- Dh

cc\D\Cities\AmCyn\AmCyn-CoAgmt2008\ AmCanyon-Revised Consistent w Initiative clean..doc 12

#### EXHIBIT A

#### Legal Description of Panattoni Parcel

Commencing at the southwest corner of the 0.504 acre parcel of land described in the Deed to the State of California, recorded January 27, 1949 in Book 301 at page 69 of Official Records of Napa County; thence along the western line of the lands of said State of California; northerly along a curve to the left, from a tangent that bears N 0°12'55.6"W having a radius of 9910 feet, through a central angle of 2°16'39.4" an arc distance of 393.94 feet; thence N02°29'35"W 16.21 feet to a point on the south line of a 0.16 acre parcel of land described in Exhibit "B" of the Grant Deed recorded at series number 1993-037831 in the office of the Napa County Recorder; thence N63°49'30"W along the south line of said parcel 31.32 feet; thence N84°18'26"W along said south line 35.36 feet; thence N02°26'14"W to the centerline of Kelly Road South as shown on Exhibit "B" as shown on the Grant Deed recorded at series number 1993-037831 in the office of the Napa County Recorder; thence S87°25'31"W along said centerline 28.33 feet to a curve concave to the south, having a radius of 250 feet; thence westerly and southerly along said curve through a central angle of 33°41'24" an arc length of 147.00 feet; thence S53°44'07"W 376.66 feet to the beginning of a curve concave to the northwest, having a radius of 1000.00 feet; thence southerly and westerly along said curve through a central angle of 12°48'50" an arc length of 223.64 feet; thence S66°32'57"W 117.18 feet to the eastern line of a 35.29 acre parcel of land described in Exhibit "A" of the Grant Deed recorded at series number 1993-037831 in the Office of the Napa County Recorder; thence S08°41'22"E along said eastern line 65.93 feet to the southeast corner of said parcel; thence S61°04'46"W along the southern line of said parcel, 36.24 feet; thence S8°35'53"E 115.44 feet to the beginning of a curve concave to the west having a radius of 1000.00 feet; thence southerly along said curve through a central angle of 13°38'08" an arc length of 237.99 feet; thence S05°02'15"W 494.58 feet to the beginning of a curve concave to the northwest having a radius of 475.00 feet; thence southerly along said curve through a central angle of 51°02'54" an arc length of 423.21 feet; thence S56°05'09"W 312.76 feet to the northeastern line of the Napa Valley Branch of the Southern Pacific Railroad and/or the San Francisco, Napa and Calistoga Railway; thence S27°45'25"E along the northeastern line of said railway 282.16 feet to the south line of the 397.75 acre tract of land described as Parcel One in the Deed to Louis Gonsalves, et ux, recorded July 13, 1944 in Book 211 at Page 476 of Official Records of Napa County; thence east along the south line of said 397.75 acre parcel of land to the southwestern corner of the parcel of land described in the Deed to Ray L Welch, et ux, recorded December 7, 1953 in Book 428 at page 398 of Official Records of Napa County; thence along the western line of the land of said Welch, N00°36'30"E 582.14 feet to the southwestern corner of the 2.5 acre parcel of land described in the Deed to Arthur C. Pollard, et ux, recorded June 23, 1947 in Book 271 at page 168 of Official Records of Napa County; thence along the western line of the Land of Pollard, N28°36'W 124.4 feet and N17°04'E 302.3 feet to the southwestern corner of the 3.54 acre parcel of land described in the Deed to James K. Pendery, et ux, recorded November 13, 1947 in Book 278 at page 403 of Official Records of Napa County; thence along the western line of the lands of said Pendery N00°36'E 468.30 feet, more or less, to the southeastern corner of the 1 acre parcel of land described in the Deed to William Gonsalves, et ux, recorded November 13, 1961 in Book 640 at page 583 of Official Records of Napa County; thence along the southern line of the land of said Gonsalves, N89°24'W 208 feet to the southwestern corner thereof; thence along the western line of said land N00°36'E, 208 feet to the northwestern corner thereof; thence along the northern line of said land S89°24'E 208 feet to the northeastern corner thereof, said corner also being the northwestern corner of the land of James K. Pendery, above referred to; thence along the northern line of the land of said Penderey S89°24'E, 203.76 feet, more or less, to the point of beginning.

APN 057-090-076

Commencing at the southeasterly corner of the lands of the South Napa Waste Management Authority (S.N.W.M.A.) Exhibit "A" recorded November 19, 1993 as Instrument Number 1993-037831 in the office of the Napa County Recorder and shown on the Record of Survey of a portion of the lands of South Napa Waste Management Authority (S.N.W.M.A.) recorded February 25, 1997 in Book 31 of Surveys at Pages 8-10 in the office of the Napa County Recorder; thence South 61° 04' 46", 36.24 feet to the TRUE POINT OF BEGINNING; thence from said true point of beginning South 08° 35' 53" East 115.44 feet to the beginning of a curve concave to the west having a radius of 1000.00 feet; thence southerly along said curve through a central angle of 13° 38' 08" an arc length of 237.99 feet: thence South 05° 02' 15" West 494.58 feet to the beginning of a curve concave to the northwest having a radius of 475.00 feet; thence southerly along said curve through a central angle of South 51° 02' 54" an arch length of 423.21 feet; thence South 56° 05' 09" West to the northeastern line of the Napa Valley Branch of the Southern Pacific Railroad and/or the San Francisco, Napa and Calistoga Railway; thence northwest along the northeastern line of the Napa Valley Branch of the Southerly corner of the said South Napa Waste Management Authority parcel: thence northeasterly along the southerly corner of the said South Napa Waste Management Authority parcel: thence northeasterly along the southerly of the South Sumagement Authority to the TRUE POINT OF BEGINNING.

APN 057-090-075

#### EXHIBIT B

Legal Description of Headwaters Parcel

Beginning at the intersection of the south line of the land described in the Deed to the County of Napa recorded December 31, 1986 in Book 1489 at page 213 in the office of the Napa County Recorder and the southwest line of the Napa Valley Branch of the Southern Pacific Railroad and/or the San Francisco, Napa, and, Calistoga Railway; thence South 75°30'04"West along the south line of the said lands of Napa County 4509.24 feet to the southwest corner of said lands of Napa County, said corner also being a point on the western line of the Lands of Louis Gonsalves described as Parcel One in the deed to Louis Gonsalves, et ux, recorded July 13, 1944 in Book 211 at page 476 of official records of Napa County; thence southerly along the western line of said land to the southwestern comer thereof, thence east along the south line of said 397.75 acre parcel of land to the southwestern line said Railway; thence northwesterly along the southwestern line of said Railway to the Point of Beginning.

APN 057-090-069

#### EXHIBIT C

#### Legal Description of Atkins Parcel

Commencing at the Southeastern corner of the 140.04 acre tract of land described in the Deed to Steve O. Atkins, et al, recorded January 4, 1954, in book 430, Page 186 Official Records of Napa County, running thence South 87 degrees 54 minutes 30 seconds West, along the Southern line of said tract, 859.82 feet to the Northeastern Right of Way line of the Santa Rosa Branch of the Southern Pacific Railroad: thence North 68 degrees 44 minutes 48 seconds West, along said Northeastern line, 90.77 feet to the most Southerly corner of that certain 52.95 acre tract of land described in the Deed to County of Napa recorded August 16, 1956, in book 521 of Official Records at page 292; thence along the Easterly line of said 52.95 acre tract of land, North 21 degrees 38 minutes East 1919.15 feet to the most Northerly corner of said 52.95 acre tract; being a point in the Southern line of the Napa County Airport as described in the Judgment of Condemnation recorded April 12, 1944 in book 208, page 364, Official Records of Napa County; thence North 76 degrees 08 minutes 23 seconds East along said Southern line, 281.89 feet to the Northeastern corner of the 140.04 acre tract above referred to; thence South 1 degree 03 minutes 57 seconds West, along the Eastern line of said tract, 1859.55 feet to the point of commencement.

Excepting from said Parcel One an undivided 1/2 interest in and to all of the oil, gas and other minerals and mineral rights of whatsoever nature, as granted to Charles I. Joens, et ux, in Deed recorded March 17, 1967, in book 762 of Official Records, at page 759, Napa County Records.

APN 057-040-007

#### EXHIBIT D

#### Legal Description - Proposed Urban Limit Line for American Canyon, CA

#### <u>AREA #1:</u>

A portion of Township 4 North, Range 3, 4, and 5 West, Mount Diablo Base and Meridian (and also being shown on the attached plat entitled "Plat of Description - Proposed American Canyon, CA. Urban Limit Line" attached hereto, for illustrative purposes only, as EXHIBIT "D-1"), more particularly described as follows:

BEGINNING at a t-bar and tag stamped "R.C.E. 6250", marking the westernmost corner of Parcel B-1, as shown on the map entitled "Survey and Division of the Madigan Ranch in Napa County and Solano County, California", filed December 17, 1971 in Book 3 of Parcel Maps at Page 67-68 in the office of the County Recorder of Napa County, California, all further references to filing or recording being made to said Napa County Recorder unless otherwise stated for purposes of this description; said Point of Beginning being a point on the Napa - Solano County line: thence westerly along said Napa - Solano County line 9460± feet to the southwest corner of Parcel A as shown on the map entitled "Final Map of Napa Meadows Unit 8" filed July 27, 2000 in Book 22 of Record Maps at Page 10-15 in the office of the County Recorder of Napa County, California; thence northerly along the extended westerly line of Parcels A, C & B as shown on said "Final Map of Napa Meadows Unit 8" 1900± feet to the southeast corner of the lands known as "Napa Meadows Unit 7" as shown on the map entitled "Final Map of Napa Meadows Unit 7" filed October 26, 2000 in Book 22 of Record Maps at Page 27-33 in the office of the County Recorder of Napa County, California; thence westerly and northwesterly along the southerly and extended westerly lines of said "Napa Meadows Unit 7" to a t-bar and tag stamped "R.C.E. 6250" at the easterly terminus of a line labeled "N87°45'00"W 187.83" marking a point on the easterly line of the lands of Pauline Burastero, et al, as shown on the map entitled "Record of Survey of the lands of American Canyon Sanitary Land Fill Co., Inc., and the lands of Pauline Burastero, et al" filed May 31, 1974 in Book 18 of Surveys at Page 71; thence westerly, northerly and westerly along the lines of said lands of Pauline Burastero, et al 9700± fect to a <sup>3</sup>/<sub>4</sub>" iron pipe stamped "R.C.E. 3389" marking the northwest corner thercof, said point being also the southwest corner of the 58.49 acre parcel of land described in the Judgment and Final Order of Condemnation filed February 15, 2006 and recorded as Document No. 2006-0005485; thence northerly and easterly along the lines of said 58.49 acre parcel of land  $2016\pm$  feet to a <sup>3</sup>/<sub>4</sub>" iron pipe stamped "R.C.E. 11649" marking the southwest corner of Parcel 1 as shown on the map entitled "Parcel Map of the lands of Louis 0. Wurz Jr., et al and Covenant Presbyterian Church of Napa" filed December 1, 1986 in Book 15 of Parcel Maps at Page 20; thence northerly along the westerly line of said Parcel 1, 2280± feet to the northwest corner thereof, said northwest corner being also the southwest corner of Parcel One as shown on the map entitled "Parcel Map of the Lands of Napa Mill Development Company..." filed October 12, 2006 in Book 25 of Parcel Maps at Page 29-32; thence northerly along the West line of said Parcel One 575± feet to the southerly right of way line of Green Island Road; thence westerly along said southerly right of way line of Green Island Road 1510± feet to the intersection with the extended westerly line of the lands of All Technical Engineering & Construction, Inc, as shown on the map entitled "Record of Survey of the lands of All Technical Engineering & Construction, Inc.", filed October 6, 1978 in Book 20 of Surveys at Page 88; thence northerly along the extended westerly line of said lands of All Technical Engineering & Construction, Inc. 1820± feet to the southerly line of the lands described in the Grant Deed filed October 11, 2005 and recorded as Document No. 2005-0041461; thence northwesterly and northeasterly along said lands  $2010\pm$  feet to the northwest corner thereof; thence northeasterly along the northerly line of said lands 282± feet to the northeast corner thercof; thence southerly along the easterly line of said lands 545± feet to the northwest corner of the lands described in the Grant Deed filed September 7, 2006 and recorded as Document No. 2006-0031319; thence northeasterly along the northerly line of said lands 4510± feet to the northeastern corner thereof; said
Attachment Five

corner being a point on the southwesterly right of way line of the Napa Valley Branch of the Southern Pacific Railroad right of way; thence southeasterly along said southwesterly right of way line 1510± feet to the intersection with the extended southerly line of the lands of S.N.W.M.A. as shown on the map entitled "Record of Survey of South Napa Waste Management Authority..." filed February 25, 1997 in Book 31 of Surveys at Page 8-10; thence northeasterly along said southerly line 1250± feet to the southerly right of way line of Kelly Road South, as shown on the same map entitled "Record of Survey of South Napa Waste Management Authority..."; thence northeasterly along said southerly right of way line 850± feet to the westerly right of way line of State Highway 29; thence southerly along said westerly right of way line 350± feet to the northeast corner of the lands described in the Grant Deed filed August 16, 2007 and recorded as Document No. 2006-0028706; thence westerly along the northerly line of said lands 225± feet to the northwestern corner thereof; said northwestern corner being also the northeastern corner of the lands described in the Grant Deed filed November 13, 1961 and recorded in Book 640 at Page 583; thence westerly along the northerly line of said lands 208± feet to the northwestern corner thereof; thence southerly  $208\pm$  feet to the southwesterly corner thereof; thence easterly  $208\pm$  feet to the southeasterly corner thereof, said southcasterly corner being also a point on the westerly line of the aforementioned lands described in the Grant Deed filed August 16, 2007 and recorded as Document No. 2006-0028706; thence southerly along said westerly line 468± feet to the southwestern corner thereof; thence easterly along the extended southerly line of said lands 380±feet to a point on the easterly right of way line of State Highway 29, said easterly right of way line of State Highway 29 being also the westerly line of Parcel C as shown on the map entitled "Parcel Map of the lands of Security Owners Corporation..." filed August 24, 1995 in Book 21 of Parcel Maps at Page 50-51; thence southerly along said westerly line of Parcel C 3460± feet to the southwestern corner thereof; thence easterly along the southerly line of said Parcel C 2500± feet to the southeastern corner thereof, said southeastern corner being also a point on the westerly line of Parcel One as described in the Corporation Grant Deed filed December 31, 1997 and recorded as Document No. 1997-031470; thence northerly along said westerly line 375± feet to the northwestern corner thereof; thence easterly along the northerly line of said Parcel One 1678± feet to the northeastern corner thereof; thence southerly along the extended easterly line of said Parcel One 3580± feet to the a point on the northerly line of the lands of John D. & Lorrayne D. Cantoni as shown on the map entitled "Record of Survey of the lands of John D. & Lorrayne D. Cantoni" filed April 23, 1980 in Book 21 of Surveys at Page 69; thence leaving said northerly line 2200± feet to a nail and tag stamped "R.C.E. 15390" in a corner post at the northerly terminus of a line labeled "N40°13'46"E 2463.39" on said map; thence southwesterly along the last mentioned line  $1300\pm$  feet to the point of intersection with the northerly extension of the line labeled "N9°56'50"W 1007.63" shown on the map entitled "Record of Survey of the lands of Amcan Land Holdings Inc..." filed February 18, 1999 in Book 32 of Surveys at Page 34; thence southerly along said extended line labeled "N9°56'50"W 1007.63" 3460± feet to the southerly terminus thereof, said line terminus being also a point on the easterly line of Parcel One as described in the Grant Deed filed January 25, 2007 and recorded as Document No. 2007-0002762; thence southeasterly along said easterly line 2600± feet to a point on the southerly line of said Parcel One, said point being also the northwest corner of the lands of Palm, marked by a <sup>1</sup>/<sub>2</sub>" rebar and tag stamped "L.S. 4510" as shown on the map entitled "Parcel Map of the lands of a portion of the lands of Mary C. Avilla" filed December 10, 1986 in Book 15 of Parcel Maps at Page 23-24; thence southerly along the extended westerly line of said lands of Palm 350± feet to the southerly right of way line of American Canyon Road; thence westerly along said southerly right of way line of American Canyon Road 170± feet to a t-bar and tag stamped "R.C.E. 6250", marking the northeastern corner of Parcel B, as shown on the map entitled "Survey and Division of the Madigan Ranch in Napa County and Solano County, California", filed December 17, 1971 in Book 3 of Parcel Maps at Page 67-68; thence southwesterly, northeasterly, southerly and southwesterly along the eastern line of said Parcel B 5100± feet to a t-bar and tag stamped "R.C.E. 6250", marking the westernmost corner of Parcel B-1 as shown on said map entitled "Survey and Division of the Madigan Ranch in Napa County and Solano County, California", said point being the TRUE POINT OF BEGINNING.

#### AREA #2 :

BEING that 62.779 acre parcel designated "American Canyon County Water District" as shown on the map entitled "Record of Survey of the lands of American Canyon Sanitary Land Fill Co., Inc., and the lands of Pauline Burastero, et al" filed May 31, 1974 in Book 18 of Surveys at Page 71 in the office of the County Recorder at Napa County, California.

#### <u>AREA #4</u> :

A portion of the lands of Pauline Burastero, et al as the same is shown on the map entitled "Record of Survey of the lands of American Canyon Land Fill Co. ...and of the lands of Pauline Burastero, et al" filed May 31, 1974 in Book 18 of Surveys at Page 71 in the office of the Recorder of Napa County, California, more particularly described as follows:

BEGINNING at a <sup>3</sup>⁄<sub>4</sub>" iron pipe tagged "R.C.E. 3389" marking the northeast corner of the lands of Pauline Burastero, et al as shown on the map entitled "Record of Survey of the lands of American Canyon Land Fill Co. ...and of the lands of Pauline Burastero, et al" filed May 31, 1974 in Book 18 of Surveys at Page 71 in the office of the Recorder of Napa County, California; thence along the northerly line of said lands of Burastero N 89°14'40" W 1318.94 feet to an angle point on said northerly line; thence leaving said northerly line S 3°46'32" E 790.22 feet to a point on the northerly right of way line of Eucalyptus Drive; thence along said northerly right of way line of Eucalyptus Drive S 89°46'10" E 1365.83 feet to the intersection of the northerly right of way line of Eucalyptus Drive with the easterly line of said lands of Burastero; thence along the easterly line of the lands of Burastero N 7°16'00" W 782.90 feet to the POINT OF BEGINNING.

# EXHIBIT E

Water Conditions To Be Imposed On All Parcels (City Customers and Outside Customers) For Which New Water Service is Requested

The City of American Canyon ("City") may impose the conditions listed below on new water services for Outside Customers by including these conditions in the "will-serve" letters that the City provides to such Outside Customers, but only if the City also imposes the same conditions on all new water services for parcels with similar uses within the City's limits. The County shall include these same conditions in all new land use development permits for parcels within the Airport Industrial Area Specific Plan area.

1. City Capacity Fees and Conditions of Approval for Water Service. Capacity Fees charged for parcels within the City's Water Service Area shall be established by the City and will be periodically reviewed and updated. Capacity Fees (also known as Connection Fees) will be uniform throughout the Water Service Area, regardless of whether the parcel to which the fee applies is inside or outside the City's Limits. The Capacity Fee and any conditions on new water service will be determined based on the Water Supply Report, which shall contain the analysis described in Part II.C. of Exhibit "F" of this Agreement, and which will be consistent with the City's Zero Water Footprint Policy, adopted by the City on October 23, 2007.

Cost of Water Service. The cost of new water service shall be imposed through 2. the capacity fees in the City's Ordinance 2007-09 or through new capacity fees approved by the County and enacted in a new City ordinance. However, if the Water Supply Report finds, consistent with the City's Zero Water Footprint Policy (see Exhibit F), that the City will have to obtain additional water supplies to meet "dry year" shortfalls, then the cost of water to meet such "dry year" shortfalls will be the sole responsibility of the Applicant. In determining whether or not such "dry year" shortfalls will occur, the City shall include in the base supplies available to the City during "dry years" the new water supplies that have been or will be included in the calculations used to set the City's Capacity Fees and water rates. The City will conclude that "dry year" shortfalls will occur only if such base supplies will not be adequate to meet anticipated "drv year" demands. The City may not impose any costs on the Applicant under this section to reimburse the City for any capital or operating costs that have been or will be included in the calculations used to set the City's Capacity Fees or water rates. The City may impose the additional costs described in the preceding sentence on Outside Customers only if the City also imposes such additional costs uniformly on City Customers.

3. **Maximum Allowable Water Use.** Water received from the City for use on parcels within the Airport Industrial Area Specific Plan area and on parcels with similar uses within the City's limits shall be limited to an average of 650 gallons of water per day per acre (measured monthly), and Applicants for new or increased City water service for all such parcels shall be required to demonstrate to the City while the City is preparing the Water Supply Report for the Applicant the maximum extent to which the Applicant can further reduce its water consumption by applying the following best management practices:

- No Flow or Low Flow Fixtures. These Applicants shall be required to install no flow or low flow water fixtures, and to implement other reasonable water conservation measures that are described in the City's Water Conservation Guidelines adopted in the City's Resolution No. 2008-08 or in new City water conservation guidelines approved by the County and adopted in a new City ordinance or resolution.
- Drought Tolerant Landscape & Irrigation with Recycled Water. These Applicants shall be required to use only drought tolerant landscaping, and they may only irrigate landscaped areas with recycled water, when it is available.
- Purple Pipe. These Applicants shall be required to dual plumb their buildings and install "purple pipe" in all landscape areas in anticipation of the availability of recycled water and shall use the recycled water when available.
- These Applicants shall follow the water conservation methods that are described in the Water Conservation Guidelines adopted in the City's Resolution No. 2008-08 or in new City water conservation guidelines approved by the County and adopted in a new City ordinance or resolution.

The City may apply the provisions of this Paragraph 3 to Applicants for new or increased City water service for parcels within the Airport Industrial Area Specific Plan area only if the City also uniformly applies these provisions to all Applicants for new or increased City water service for parcels with similar uses within the City's limits.

4. **Water Offsets**. Applicants for City water service for parcels within the Airport Industrial Area Specific Plan area and for parcels with similar uses within the City's limits that wish to use more than an average of 650 gallons of water per day per acre (measured monthly) shall offset the proposed water use over 650 gallons per day per acre (measured monthly) through the use of one or more options that are made available by the City to the Applicants. These options include, but are not limited to, retrofitting of existing residences with low flow fixtures, purchase of otherwise developable land as permanent open space, or acquisition of other water supply resources as provided for by a water supply analysis that follows the Zero Water Footprint Methodology described in Exhibit F. The City shall make all such options available uniformly to Applicant for City water service for parcels within the Airport Industrial Area Specific Plan area and for parcels with similar uses within the City's limits, and that seek such offsets.

5. **Drought Restrictions**. To the extent permitted by law, the City may curtail or ration the use of water provided by the City below the limit of 650 gallons per day per acre (measured monthly) in dry years through the imposition of drought restrictions that are uniformly applied throughout the City's Water Service Area.

Attachment Five

## EXHIBIT F

Zero Water Footprint and Water Supply Report Methodology

### I. PURPOSE

To implement the Zero Water Footprint Policy adopted by the City Council on October 23, 2007. In this policy, "Zero Water Footprint" is defined as:

"No loss in reliability or increase in water rates for existing water service customers due to requested increased demand for water within the City's Water Service Area."

#### II. PROCEDURES

- A) Initial Request. Applicants for all projects requiring additional water supplies from the City of American Canyon, either inside City limits or in the City's Water Service Area but outside of City limits, shall complete a water supply worksheet estimating average and peak use for indoor and outdoor uses and provide the completed worksheet to the City's Engineering Division.
- **B)** Evaluation of Water Footprint. The Engineering Division shall evaluate the water footprint of the project, using the water supply worksheet provided by the Applicant, to determine whether a Water Supply Report is required. A Water Supply Report will not be required if the project meets the adopted Zero Water Footprint definition. This can be accomplished by projects with no additional water demand or by projects which offset increased water demand by off-site conservation measures.
- C) Water Supply Report. A Water Supply Report shall be prepared for all projects that do not meet the adopted Zero Water Footprint definition. The Water Supply Report shall be prepared by the City of American Canyon at the cost of the project applicant. The Water Supply Report shall be substantially in the form of the report approved in the City's Resolution No. 2008-02, or in a new form approved by the County and approved by the City in a new resolution and shall include the following analysis:
  - 1) Water service request
    - a) Description of project
    - b) Water service request
      - (i) Avera ge Daily Demand
      - (ii) Peak Day Demand
    - c) Conservation Measures Included in Project
  - 2) Consistency
    - a) Urban Water Management Plan
    - b) Recycled Water Facilities Plan
    - c) Water Conservation Implementation Guidelines
  - 3) Water footprint
    - a) Zero Water Footprint Definition
    - b) Project's impact on reliability
    - c) Project's impact on rates

- d) Project's water footprint
- 4) Project's contribution
  - a) Capacity fee
  - b) Reimbursable improvements
- 5) Capital program status
  - a) Summary
  - b) System planning status
  - c) Water supply
    - (i) Water suppl y implementation status
    - (ii) Water supply alternatives
  - d) Water treatment
    - (i) Water treatment impleme ntation status
    - (ii) Water treatment alternatives
  - e) Water storage, transmission, and distribution status
  - f) Water capital program financial status
- 6) Vineyards analysis
  - a) Vineyards decision
  - b) Facts with respect to solutions to water supply problems
  - c) Water supply over the life of the project
  - d) Impacts of likely future water sources
  - e) Possible replacement sources and their impacts
- 7) Recommended mitigations
  - a) Long term water mitigations
  - b) Short term water mitigations
- 8) Opportunities to reduce project's water footprint
  - a) On-site conservation opportunities
  - b) Off-site conservation opportunities
- **D)** Applicant Review of Water Supply Report. The Water Supply Report, once approved by the City, will be furnished to the project applicant. If the applicant elects to revise the project to reduce the water footprint, the Water Supply Report may be revised at the applicant's cost.
- E) Water Will Serve Letter. Water will-serve letters are required for projects outside of the Napa Valley Gateway project limits that are requesting increased water services from the City. The Napa Valley Gateway project is subject to the terms and conditions of a will-serve letter for the entire project agreed upon between the City of American Canyon and Charles Slutzkin of Napa Valley Gateway Limited in a will-serve letter agreement dated December 13, 2002. So long as the terms and conditions of that will-serve letter agreement are complied with, developments of parcels within the Napa Valley Gateway project limits will not require any Water Supply Report or additional will-serve letters.

### EXHIBIT G

Appeal Procedure: Zero Water Footprint Methodology

1. **Grounds for Appeal- Conditions of Approval.** If the water service application is for a parcel outside the City's limits, then the City shall, within 30 days of receipt of such application, provide to the Applicant and the County any conditions of approval that the City proposes to impose on the parcel at least 90 days before imposing the conditions of approval.

Conditions of approval that result from the Water Supply Report and that the City proposes to include in a water service will-serve letter that will be issued by the City for a parcel outside of the City's limits may be appealed by an Applicant under the process described in Section 3 below.

2. **Exceptions**: An appeal may not challenge water rates imposed by the City that are consistent with *Hansen v. City of San Buenaventura* (1986) 42 Cal.3d 1172, and the City's Ordinance 2007-13. An appeal also may not challenge Capacity Fees that are set pursuant to the City's Ordinance 2007-09, or new capacity fees approved by the County and enacted in a new City ordinance.

3. **Appeal Process and Appeal Panel.** An appeal of water service conditions of approval that the City proposes for a parcel outside the City's limits may be filed within ninety (90) days after the proposed conditions are forwarded to the Applicant and the County for inclusion in a development permit. The appeal will be heard by the panel described in the following paragraph, and this panel will determine whether any of the conditions under appeal is inconsistent with any provision of this Agreement.

The Appeal Panel will be made up of one member selected by the County Executive Officer, one member selected by the City Manager and one member selected by the two appointed members. If the two appointed members cannot agree on the third member, the name of each candidate shall be placed in a hat to be drawn for selection. The decision of the Appeal Panel will be final, but subject to judicial review pursuant to Code of Civil Procedure section 1094.5. The reasonable cost of the Appeal Panel shall be borne by the Applicant.

#### EXHIBIT H

#### City's Water Service Area



cc D'Cities AmCyn-AmCyn-CoAgmt2008 AmCanyon-Revised Consistent w Initiative tracked doc

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**Attachment Five** 

#### EXHIBIT I

#### Devlin Road Extension



cc\D\Cities\AmCyn\AmCyn-CoAgmt2008\ AmCanyon-Revised Consistent w Initiative clean..doc

Attachment Five

Being a portion of that parcel of land conveyed to the Brown Trust by deed filed November 4, 1987 and recorded in Book 1547 of Official Records at Page 932 in the office of the Recorder of Napa County, California; being also a portion of Parcel "B" as shown on the Record of Survey filed February 24, 1960 and recorded in Book 5 of Surveys at Page 59 in the office of the Recorder of Napa County, California, and also shown on the "Plat of Description" attached hereto and made a part hereof by reference; more particularly described as follows:

A STRIP OF LAND, 68 feet wide, the centerline of which is described as follows:

BEGINNING at a point on the northerly line of the aforementioned lands of Brown, said point being also the southerly terminus of the centerline of "Devlin Road", as shown on the Final Map filed February 19, 1999 and recorded in Book 21 of Record Maps at Page 30 - 33 in the office of the Recorder of Napa County, California; said point being also a point on a compound curve concave to the northwest having a radius of 585.00; thence southerly 182.85 feet along said curve through a central angle of 17°54'31" to the beginning of a reverse curve concave to the southeast having a radius of 585.00 feet and to which beginning a radial line bears N 55°44'20" W"; thence southerly 342.40 feet through a central angle of 33°32'04"; thence leaving said curve along a line parallel to and 34 feet westerly of the easterly line of Parcel "B" as shown on the aforementioned Record of Survey filed February 24, 1960 and recorded in Book 5 of Surveys at Page 59 in the office of the Recorder of Napa County, California, S 00°59'33" W 523.46 feet more or less to the northerly right of way line of Tower Road.

The sidelines of the above described 68 foot strip to be extended or shortened to terminate at the northerly line of that parcel of land conveyed to the Brown Trust by deed filed November 4, 1987 and recorded in Book 1547 of Official Records at Page 932 in the office of the Recorder of Napa County, California, and the northerly right of way line of Tower Road.

A portion of Napa County Assessor's Parcel Numbers 057-110-012, 023 & 070

Containing 70942 square feet or 1.63 Acres, more or less.



# EXHIBIT LIST

<u>EXHIBIT A</u>	Legal Description of Panattoni Parcel	
<u>EXHIBIT B</u>	Legal Description of Headwaters Parcel	
<u>EXHIBIT C</u>	Legal Description of Atkins Parcel	
<u>EXHIBIT D</u>	Legal Description - Proposed Urban Limit Line for American Canyon, CA	
<u>EXHIBIT E</u>	Water Conditions To Be Imposed On All Parcels (City Customers and Outside Customers) For Which New Water Service is Requested	
<u>EXHIBIT F</u>	Zero Water Footprint and Water Supply Report Methodology	
<u>EXHIBIT G</u>	Appeal Procedure: Zero Water Footprint Methodology	
<u>EXHIBIT H</u>	City's Water Service Area	
<u>EXHIBIT I</u>	Devlin Road Extension	



Via Email bfreeman@napa.lafco.ca.gov

November 23, 2021

Brendon FreemanLAFCO Executive OfficerLocal Agency Formation Commission of Napa County1754 Second Street, Suite CNapa, CA 94559

# Re: **OPPOSITION – Proposed Sphere of Influence Amendment** 1661 Green Island Road

Dear Executive Officer Freeman and Members of the Commission:

The California Farm Bureau Federation and the Napa County Farm Bureau (collectively "Farm Bureau")<sup>1</sup> write to express our continued opposition to the proposed sphere of influence amendment for the property located at 1661 Green Island Road in American Canyon. We attach our 2018 letter to the Napa County Board of Supervisors on this matter and urge the Commission to deny this application as the request arises again in 2021.

It is apparent from the application that the owners have been disappointed in the property's potential as a vineyard. Nothing within the project application materials rules out the use of the property for all other agricultural purposes as a matter of course<sup>2</sup>, however, or takes away from the property's ancillary value as open space. It would set a bad precedent in Napa County for an annexation request or sphere amendment to be approved simply because the agricultural land in question was deemed unfit for an owner's best expectations of particular crop return, or because the owner had difficulty marketing the land on the basis of that particular crop expectation.<sup>3</sup>

<sup>&</sup>lt;sup>1</sup> The California Farm Bureau is a non-governmental, non-profit, voluntary membership California corporation whose purpose is to protect and promote agricultural interests throughout the state of California and to find solutions to the problems of the farm, the farm home, and the rural community. Farm Bureau is California's largest farm organization, comprised of 53 county Farm Bureaus currently representing more than 22,000 agricultural members in 56 counties, including over 1,000 members within the County of Napa. Farm Bureau strives to protect and improve the ability of farmers and ranchers engaged in production agriculture to provide a reliable supply of food and fiber through responsible stewardship of California's resources.

<sup>&</sup>lt;sup>2</sup> In point of fact, there are a number of agricultural crops which are tolerant of high-salinity soils, including hay, oats and rye. These crops are grown with success in neighboring Sonoma County, as an example.

<sup>&</sup>lt;sup>3</sup> The attachments to the application seem mainly to indicate that the land is not good for a vineyard. The "Site Visit Report" by Vineyard Soil Technologies *does not* broadly conclude, as the applicants state, that future agricultural use is precluded; it is overwhelmingly focused on the land as a *vineyard*. Similarly, applicants overstate their difficulties in marketing the land for *vineyard purposes* as support for the much broader proposition that the property is "no longer suitable for agricultural use."

Brendon Freeman 1661 Green Island Road November 23, 2021

We appreciate your careful consideration of the foregoing and thank the Commission for the opportunity to comment as set forth above.

Very Truly Yours,

Ryan Klobas

Ryan Klobas CEO Napa County Farm Bureau

chics

Christian C. Scheuring Managing Counsel California Farm Bureau

Enclosure:

CC: County of Napa Board of Supervisors: <u>Alfredo.Pedroza@countyofnapa.org</u> <u>Diane.Dillon@countyofnapa.org</u> <u>Ryan.Gregory@countyofnap.org</u> <u>Belia.Ramos@countyofnapa.org</u> <u>Brad.Wagenknecht@countyofnapa.org</u>

> City of American Canyon City Council: Mariam Aboudamous - <u>maboudamous@cityofamericancanyon.org</u> David Oro - <u>doro@cityofamericancanyon.org</u> Pierre Washington - <u>pwashington@cityofamericancanyon.org</u> Mark Joseph - <u>mjoseph@cityofamericancanyon.org</u> Leon Garcia - <u>lgarcia@cityofamericancanyon.org</u>

David Morrison, County of Napa David.Morrison@countyofnapa.org

Minh Tran, County of Napa Minh.Tran@countyofnapa.org

Jason Holley, City of American Canyon jholley@cityofamericancanyon.org

Bill Ross, City of American Canyon wross@lawross.com



July 19, 2018

Board of Supervisors County of Napa 1195 Third Street, 3<sup>rd</sup> Floor Napa, CA 94559

Dear Board of Supervisors:

On July 18, 2018, the Napa County Farm Bureau Board of Directors took under advisement the issue of annexation of 1661 Green Island Road to the City of American Canyon. After careful consideration, the Board of Directors voted unanimously to oppose annexation of the parcel to the City of American Canyon.

The Napa County Farm Bureau has studied this issue closely. We have received information from the interested parties and realize the inherent issues with the parcel. We recognize that the owners of the parcel believe the parcel is no longer viable for agricultural use and wish to annex the parcel into the City of American Canyon. However, we strongly disagree that the parcel is no longer viable for agricultural use. While grape growing may be the property owners' preferred use, it is certainly not exhaustive of all other forms of agriculture that can be conducted on the property. In accordance with Farm Bureau's land use policies, we believe annexing this parcel to the City of American Canyon sets a very unwise precedent for agricultural zoning in Napa County and we remain strongly opposed to its annexation.

Thank you for your time and attention to this matter.

Sincerely,

Johnnie White

Johnnie White President Napa County Farm Bureau

cc: Brendon Freeman, LAFCO Minh Tran, County of Napa David Morrison, County of Napa Jason Holley, City of American Canyon

Attachment Seven

Planning, Building & Environmental Services

1195 Third Street, Suite 210 Napa, CA 94559 www.countyofnapa.org

> David Morrison Director



A Tradition of Stewardship A Commitment to Service

December 1, 2021

Brendon Freeman, Executive Officer Napa County Local Agency Formation Commission (LAFCO) 1754 Second Street, Suite C Napa, California 94559

#### RE: GREEN ISLAND VINEYARD SPHERE OF INFLUENCE AMENDMENT APPLICATION

#### Dear Mr. Freeman:

Napa County (County) would like to express our appreciation to LAFCO Commissioners and staff for considering our critical concerns over the proposed Green Island Vineyards Sphere of Influence (SOI). This proposal seeks to amend the SOI for the City of American Canyon (City) and American Canyon Fire District (District) to include this property, which is the first step toward annexation and urbanization. This action would be in direct conflict with the City General Plan, County General Plan, adopted Memorandum of Understanding on growth boundaries between the City and County, and ultimately, LAFCO's Sphere of Influence Policy. Consideration and approval of this SOI amendment is extremely premature by designating an area for future annexation well in advance of any evaluation of the land use and environmental consequences.

The County and the cities/town have a long history of thoughtful and balanced consideration of urban boundary expansion and protection of agricultural lands. To that end, in 2008, the City and County entered into an agreement on the growth boundary for the City. Among other commitments between the agencies, the agreement set forth that the County would support certain annexations of unincorporated properties located within the growth boundary in turn for the City ensuring that additional properties beyond the boundary would not be considered for inclusion within the City prior to 2030, absent voter approval. This proposal is outside of the growth boundary described in that agreement. This proposal should not be considered until at least 2030, and not until the City has taken steps to include this site within their General Plan and various master plans for the provision of urban services. LAFCO should therefore deny this request.

The Objective of LAFCO's Sphere of Influence Policy (Section III) is to "promote the orderly expansion of cities, towns, and special districts in a manner that ensures the protection of the environment and agricultural and open space lands while also ensuring the effective, efficient, and economic provision of essential public services, including public water, wastewater, fire protection and emergency response, and law enforcement." This proposal does not conform to that objective for the following reasons:

- American Canyon's General Plan, including its plans for expansion, does not contemplate inclusion of this
  property within the City.
- No review of the potential environmental impacts has been conducted, and no project commitments have been put forth to ensure protection of the environment.

Green Island Vineyard SOI Amendment Application November 30, 2021

MSR or the City's General Plan and water and sewer master plans. All of these documents will require amendment/updating, including evaluation of potential environmental impacts under CEQA.

- Policy V.A.9 directs that the following land use criteria shall be considered in determining SOI's:
  - a. Land designated for agriculture and open space The project site is designated for agricultural land use.
  - b. Consistency with the County and City General Plans The project conflicts with County General Plan Policy AG/LU-130 which recognizes and supports the City's currently adopted urban growth boundary that does not include the subject property. The City has not taken a position to either support or oppose the SOI Amendment, and thus has not provided comments on the proposal's consistency with their General Plan. Adopted policies of affected agencies promoting infill development – As noted previously, the project conflicts with the City/County growth boundary agreement, which implements and supports both agencies General Plans and their overarching goals to direct non-agricultural development into urbanized areas and limit conversion of agricultural lands.
  - c. Amount of existing vacant or undeveloped land located within the affected agency The applicant's submittal materials do not address this. Furthermore, the City has not taken a position to either support or oppose the SOI Amendment, and thus has not provided any information on the extent of vacant or undeveloped land within its boundaries.
  - d. Adopted urban growth boundaries As noted previously, the project conflicts with the adopted City/County growth boundary agreement.

Please also note that Section C. of LAFCO's SOI Policy states that SOI amendments will be subject to the California Environmental Quality Act (CEQA). This policy is consistent with the State CEQA Guidelines and supporting case law. This project represents the first step toward inclusion of the property within the City of American Canyon and thus enabling its conversion to urban land uses. Should LAFCO proceed with this application, the CEQA evaluation should occur prior to any final decision. Typically, before LAFCO would see an application of this nature, the City would have prepared a thorough environmental review, (likely an Environmental Impact Report) in concert with required changes to their General Plan and facilities master plans.. Without the environmental review, LAFCO does not have sufficient information to adequately evaluate the potential impacts of this proposal.

As detailed in this letter, there is a strong and compelling argument for LAFCO to deny this request. Agriculture is the foundation of our community identity and the local economy within Napa County. Any loss of farmland needs to be carefully considered in the context of available alternatives and the cumulative effect on the larger land use strategy shared by the City, County, and LAFCO. None of this context is provided with the proposal, which instead has been provided an accelerated process that prevents the thoughtful and deliberative consideration needed when addressing incremental impacts to the future of agriculture.

Thank you for providing an opportunity to review and comment on the document. If you should have any questions regarding any of the items listed above, please feel free to contact me at 707-253-4805 or by email at <u>david.morrison@countyofnapa.org</u>,

Sincerely, West

David Morrison Planning, Building and Environmental Service Director

cc: Board of Supervisors Minh Tran, Napa County CEO Jason Holley, American Canyon City Manager

Attachment Eight



December 3, 2021

Brendon Freeman LAFCO Executive Officer Local Agency Formation Commission of Napa County 1754 Second Street, Suite C Napa, CA 94559

# Re: Comment to Commission – Please Read: Proposed Sphere of Influence Amendment to 1661 Green Island Road

Dear LAFCO Executive Officer Freeman and Members of the Commission,

On Behalf of the Napa Valley Grapegrowers' 700 members, with a mission to preserve and promote Napa Valley's world-class vineyards, I write to express our opposition to the proposed amendment to the sphere of influence (SOI) for 1661 Green Island Road, which would be a step in the direction of annexation. Preservation is one of the key foundations of who we are as an organization, and as such, NVG has continuously supported policies that protect land zoned for agriculture. This history of commitment to ag preservation has defined Napa County and distinguished us from other regions that have lost farmland at staggering rates to urban development and other pressures.

As such, NVG urges you to deny the SOI amendment. To allow this would set a risky precedent that could lead to more attempts to annex and convert ag land throughout Napa County. Furthermore, the purpose of protections such as the Ag Preserve and Ag Watershed zoning policies is to protect all kinds of agriculture—not only vineyard land; so, while this site may pose unique challenges for growing grapes, this does not mean that it is unsuitable for all forms of agriculture. To amend the SOI for this reason would also set a bad precedent for protecting all types of ag land moving forward. We believe this also against LAFCO's own stated policy "to promote the orderly expansion of cities, towns, and special districts in a manner that ensures the protection of the environment and agricultural and open space lands…"

We greatly appreciate LAFCO Commissioners and staff for taking these concerns into consideration.

Sincerely,

Michel Silan

Michael Silacci, President, Napa Valley Grapegrowers



March 7, 2022

Via Electronic Mail Bfreeman@napa.lafco.ca.gov

Brendon Freeman, Executive Officer Local Agency Formation Commission of Napa County 1754 Second Street, Suite C Napa, CA 94559

### Re: GIV, LLC Application for Sphere of Influence Amendment

Dear Mr. Freeman

After consideration by our Community and Industry Issues Committee and the Board of Directors, the Napa Valley Vintners (NVV) submits the following comments regarding the possible inclusion of 1661 Green Island Road into the American Canyon Sphere of Influence:

It has always been the position of the Napa Valley Vintners that Agricultural lands in Napa County should be preserved, whether in the Agricultural Preserve, or in the Agricultural Watershed. The NVV recognizes the unique circumstances surrounding the parcel at 1661 Green Island Road in American Canyon; however, we feel that any change in land use should go through the existing process with Napa County, including a vote from the people.

Sincerely,

Michelle Mon

Michelle Novi Industry Relations and Regulatory Affairs Director Napa Valley Vintners 707-968-4206



# AMERICAN CANYON FIRE PROTECTION DISTRICT

Michael P. Cahill Fire Chief

911 DONALDSON WAY, EAST AMERICAN CANYON, CA. 94503 Phone 707-551-0650 Fax 707-642-0201 Geoff Belyea Assistant Fire Chief

March 23, 2022

VIA E-MAIL Diane.DILLON@countyofnapa.org

The Honorable Diane Dillon, Chair and Commission Members Napa County Local Agency Formation Commission 1754 Second Street, Suite C Napa, CA 94559-2450 Attn: Brendan Freeman, Executive Officer <u>bfreeman@napa.lafco.ca.gov</u>

# Re: Napa County LAFCO Application No. 2109-30; GIV, LLC Request for Sphere of Influence Amendment of American Canyon Fire Protection District

Dear Chair Dillon and Commission Members:

At a properly noticed March 22, 2022 meeting of the American Canyon Fire Protection District ("District") Board of Directors ("Board"), the Board by unanimous vote of Board Members present (4-0), endorsed the Application of GIV, LLC (now known as Green Island Property, LLC), for an Amendment of the District Sphere of Influence ("SOI") to include the Green Island Property, LLC property (the "affected property") within the District SOI.

The District respectfully notes that affected property has been continuously served by the American Canyon Formation District since its formation in 1957 for the services authorized in the District's principle Act, the Fire Protection District Law of 1987, including fire suppression and prevention, hazardous materials response and emergency medical services.

Should you have any questions, please contact District Chief Mike Cahill at: (707) 551-0651.

Sincerely yours,

Lem García

Leon Garcia, Board Chair American Canyon Fire Protection District

March 23, 2022 Page 2

cc: Mark Joseph, Board Member Pierre Washington, Board Member David Oro, Board Member

> Mike Cahill, Chief Geoff Belyea, Assistant Chief Martha Banuelos, Fire Executive Assistant/Office Administrator

Jason Holley, City Manager, City of American Canyon

David Gilbreth, Comanager, Green Island Property, LLC



December 2, 2021

Sent Via Email to: <u>bfreeman@napa.lafco.ca.gov</u>

Brendon Freeman, Executive Officer Local Agency Formation Commission of Napa County 1754 2nd St, Suite C Napa, California 94559

#### Subject: Green Island Vineyards landowner request to amend the City of American Canyon and American Canyon Fire Protection District Spheres of Influence involving 1661 Green Island Road (APN 058-030-041)

Dear Mr. Freeman:

Thank you for the public hearing notice and staff report informing the City that on December 6, 2021, the Napa County LAFCO Board will consider a landowner request to amend of the City of American Canyon and American Canyon Fire Protection District spheres of influence (SOI).

As explained in the public hearing notice and staff report, the application includes approximately 157.15 acres of unincorporated territory located at 1661 Green Island Road (APN 058-030-041). The staff report notes the property is located outside the boundaries of the 2008 SOI and Urban Limit Line (ULL) Agreement between the City of American Canyon and Napa County.

This letter is intended to inform the LAFCO Board that the City of American Canyon takes "no position" on the proposed application. If you have any questions, I may be contacted at (707) 647-4335 or by e-mail at bcooper@cityofamericancanyon.org.

Sincerely,

Brent Cooper, AICP Community Development Director

Copies to: Jason Holley, City Manager Mike Cahill, Fire Chief, American Canyon Fire Protection District Bill Ross, City Attorney

Andrea A. Matarazzo

Partner andrea@pioneerlawgroup.net direct: (916) 287-9502

September 15, 2021

Via Electronic Mail bfreeman@napa.lafco.ca.gov dgillick@sloansakai.com

Brendon Freeman, Executive Officer Local Agency Formation Commission of Napa County 1754 Second Street, Suite C Napa, CA 94559-2450

DeeAnne Gillick, Senior Counsel Sloan Sakai Yeung & Wong, LLP 555 Capitol Mall, Suite 600 Sacramento, CA 95814

> Re: GIV, LLC Application to Napa County LAFCO for Sphere of Influence Amendment (Napa County APN 058-030-041)

Dear Mr. Freeman and Ms. Gillick:

Pioneer Law Group, LLP represents GIV, LLC, owner of the abovereferenced property located at 1661 Green Island Road, American Canyon, California, 94503.

As you may know, GIV, LLC is preparing an application to amend the sphere of influence of the City of American Canyon to include this property. GIV, LLC expects to timely file its application on or before October 1, 2021, so that Napa County LAFCO may consider the request at its meeting scheduled for Monday, December 6, 2021, at 2:00 p.m. Accordingly, we enclose for your review and use our analysis of GIV, LLC's proposed amendment in relation to the provisions of the California Environmental Quality Act ("CEQA").

GIV, LLC's proposed SOI amendment is exempt from CEQA and no environmental review is required because it continues the status quo of existing conditions and results in no new land use or municipal service authority.



Re: GIV, LLC Application to Napa County LAFCO for Sphere of Influence Amendment (Napa County APN 058-030-041) September 15, 2021 Page 2

Thank you for reviewing this information as you prepare for LAFCO's consideration of the GIV, LLC application.

Very truly yours,

PIONEER LAW GROUP, LLP ANDREA A. MATARAZZO

AAM:jl Enclosure

cc: Doug Straus, Counsel, GIV, LLC Will Nord, Manager, GIV, LLC Ed Farver, Manager, GIV, LLC David B. Gilbreth, Manager, GIV, LLC



# TO: Brendon Freeman, Executive Officer Local Agency Formation Commission of Napa County

DeeAnne Gillick, Senior Counsel Sloan Sakai Yeung & Wong, LLP

- cc: Doug Straus, Counsel, GIV, LLC Will Nord, Manager, GIV, LLC Ed Farver, Manager, GIV, LLC David B. Gilbreth, Manager, GIV, LLC
- FROM: Andrea A. Matarazzo
- DATE: September 15, 2021
- RE: CEQA Review of Proposed SOI Amendment

**QUESTION PRESENTED:** Is GIV's proposed amendment to the City of American Canyon's sphere of influence ("SOI") subject to environmental review under the California Environmental Quality Act ("CEQA")?

**SHORT ANSWER:** GIV's proposed SOI amendment is exempt from CEQA and no environmental review is required because it continues the status quo of existing conditions and results in no new land use or municipal service authority.

#### **DISCUSSION:**

GIV proposes an amendment to the City of American Canyon's SOI for its property located at 1661 Green Island Road, American Canyon, California, 94503 (Napa County APN 058-030-041). The SOI amendment would reflect the fact that the property address is in the City of American Canyon, and for many years, the City has contracted to provide and continues to provide potable and recycled water to the property. The City also provides fire protection and law enforcement services to the property, which is bordered on three sides by the City limits and is located approximately 1,000 yards south of major City development by Amazon, IKEA and Kendall Jackson Winery wine storage. We understand that Napa County does not now and has not in the past provided any municipal services to the property, and has no infrastructure to provide water, wastewater, or other municipal services.

Accordingly, GIV's proposed SOI amendment requests LAFCO to formally recognize that the City, as the property's current and future municipal service provider, should have an opportunity to address land use planning for the property.

The Cortese-Knox-Hertzberg Act governs all types of all types of boundary changes, including SOI amendments. Under section 56428 of the Act:

- (a) Any person or local agency may file a written request with the executive officer requesting amendments to a sphere of influence or urban service area adopted by the commission. The request shall state the nature of the proposed amendment, state the reasons for the request, include a map of the proposed amendment, and contain any additional data and information as may be required by the executive officer.
- (b) After complying with the California Environmental Quality Act, Division 13 (commencing with Section 21000) of the Public Resources Code, the executive officer shall place the request on the agenda of the next meeting of the commission for which notice can be given.

(Gov. Code, § 56428.)

Compliance with CEQA does not always require an environmental document, however. "Environmental review is required under CEQA only if a public agency concludes that a proposed activity is a project and does not qualify for an exemption." (*Union of Medical Marijuana Patients, Inc. v. City of San Diego* (2019) 7 Cal.5th 1171, 1199.) Only if a public agency determines that a proposed action is both a project and not exempt from CEQA does that agency undertake an initial study (after which it determines which type of environmental document is appropriate). (*Id.* at p. 1187.)

A "project" under CEQA is "the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, and as relevant here is:

> An activity directly undertaken by any public agency including but not limited to public works construction and related activities clearing or

grading of land, improvements to existing public structures, enactment and amendment of zoning ordinances, and the adoption and amendment of local General Plans or elements thereof pursuant to Government Code Sections 65100–65700.

(CEQA Guidelines, § 15378(a); see also Pub. Resources Code, § 21065.)

As California's Supreme Court recently held, "a proposed activity is a CEQA project if, by its general nature, the activity is capable of causing a direct or reasonably foreseeable indirect physical change in the environment." (*Union of Medical Marijuana Patients, supra*, 7 Cal.5th at p. 1197.) The appropriate inquiry is "not whether the activity will affect the environment, . . . but whether the activity's potential for causing environmental change is sufficient to justify the further inquiry into its actual effects that will follow from an application of CEQA." (*Id.* at p. 1198.)

Under the circumstances presented here, "further inquiry into actual effects" of the proposed SOI amendment is fundamental to the questions of whether and to what extent CEQA could apply. "Not all of LAFCO's decisions, particularly sphere of influence determinations, require an EIR or negative declaration." (City of Agoura Hills v. Local Agency Formation Commission (1988) 198 Cal.App.3d 480, 494.) Rather, case law distinguishes between two types of LAFCO actions: a decision "which constitutes an essential step culminating in action which may affect the environment and [a decision] which portends no particular action affecting the environment." (Fullerton Joint Union High School District v. State Board of Education (1982) 32 Cal.3d 779, 796-797.) "The evaluation process contemplated by CEQA relates to the effect of proposed changes in the physical world which a public agency is about to either make, authorize or fund, not to every change of organization or personnel which may affect future determinations relating to the environment." (Simi Valley Recreation & Park District v. Local Agency Formation Commission of Ventura County (1975) 51 Cal.App.3d 648, 666.)

The fact that SOI determinations are important factors in development "does not compel the conclusion" that they are "per se" subject to environmental review under CEQA. (*City of Agoura Hills, supra,* 198 Cal.App.3d at pp. 495-496.) This is consistent with case law recognizing that impacts which are speculative or unlikely to occur are not reasonably foreseeable under CEQA and therefore do not trigger environmental review. (See, e.g., *Aptos Council v. County of Santa Cruz* (2017) 10 Cal.App.5th 266 [potential impacts of local ordinance amending hotel zoning limits were not reasonably foreseeable

because future hotel developments were wholly speculative at the time of adoption].)

Likewise here, GIV's proposed SOI amendment does not commit any local agency to take any definite course of action or to approve any specific project; it does not foreseeably impact the physical environment in any way and therefore is not subject to CEQA review. CEQA analysis should not be undertaken when it would be speculative to do so; there must be some proposed project before CEQA analysis is required. (CEQA Guidelines, § 15004(b) [CEQA documents] "should be prepared as early as feasible in the planning process to enable environmental considerations to influence project program and design yet late enough to provide meaningful information for environmental assessment"]; § 15352 [CEQA is triggered when approval commits the agency to a definite course of action]; see, e.g., No Oil, Inc. v. City of Los Angeles (1974) 13 Cal.3d 68, 77, fn. 5; Lake County Energy Council v. County of Lake (1977) 70 Cal.App.3d 851, 854; Center for Biological Diversity v. County of San Bernardino (2016) 247 Cal.App.4th 326, 349; see also Kaufman & Broad-South Bay, Inc. v. Morgan Hill Unified School District (1992) 9 Cal.App.4th 464 [agency action that establishes funding for potential future projects but does not commit the agency to proceed with them is not subject to CEQA];<sup>1</sup> Citizens to enforce CEQA v. City of Rohnert Park (2005) 131 Cal.App.4th 1594 [city's agreement to fund infrastructure to support proposed casino was not approval of a project because it merely established a funding source for improvements that the city might approve if the proposed casino were built]; Chung v. City of Monterey Park (2012) 210 Cal.App.4th 394, 406 [ballot measure requiring competitive bidding for city's trash collection franchise agreements was not a project because it did not commit city to a specific course of action that would affect the environment. Parchester Village Neighborhood Council v. City of Richmond (2010) 182 Cal.App.4th 305, 315 [CEQA does not apply to agency actions that are merely procedural precursors to potential projects that may be modified or not implemented at all depending on a number of factors, including environmental review by the lead agency with primary responsibility for evaluating and approving it].)

Possible later phases of a project need not be considered if no commitment has been made to future actions. (See *El Dorado County* 

<sup>&</sup>lt;sup>1</sup> / The California Supreme Court approvingly cited *Kaufman & Broad-South Bay, Inc.* as an example of a case where, as here, the causal link between the activity (formation of the community facilities district) and potential changes in the environment (construction of a specific project) was missing. (*Union of Medical Marijuana Patients, Inc., supra*, 7 Cal.5th at p. 1197.)

Taxpayers for Quality Growth v. County of El Dorado (2004) 122 Cal.App.4th 1591, 1600 [future expansion was not foreseeable consequence of project approval because decision to allow future expansion was speculative depending on environmental, social, and political factors].) CEQA recognizes that no purpose would be served in requiring speculation about the environmental consequences of uncertain future development. (Pala Band of Mission Indians v. County of San Diego (1998) 68 Cal.App.4th 556, 575 [because future use of tentatively reserved landfill sites was speculative, tentative reservation of such sites in county solid-waste plan was not substantial evidence of potential impact]: Lucas Valley Homeowners Association v. County of Marin (1991) 233 Cal.App.3d 130, 162 [because use permit to convert residence to synagogue required new or amended permit before growth or expansion, previous expansion plans were not substantial evidence that future expansion was reasonably foreseeable]: Perlev v. Board of Supervisors (1982) 137 Cal.App.3d 424, 434, fn. 6 [county properly treated use permit for open-pit mining operation as separate for CEQA purposes from an underground mine that applicant hoped eventually to open subject to later review if application was submitted].)

So it is here. A sphere of influence amendment is a plan for possible future annexations, not a commitment. It continues the status quo without change in regard to the physical environment.<sup>2</sup> A subsequent annexation to the government responsible for delivery of services is necessary and, even then, annexations are commonly categorically exempt from CEQA review. (CEQA Guidelines, § 15319(b) [annexations of areas containing structures developed to the density allowed by current zoning are exempt as long as any utility services are designated to serve only the existing development]; § 15320 [exemption for changes in organization of local agencies].) An SOI amendment is very rarely ripe for environmental review unless it is made in conjunction with an annexation

<sup>&</sup>lt;sup>2</sup> / Under CEQA, the potential "impacts of a proposed project are ordinarily to be compared to the actual environmental conditions existing at the time of CEQA analysis." (*Communities for a Better Environment v. South Coast Air Quality Management District* (2010) 48 Cal.4th 310, 321–322; see also *Citizens for East Shore Parks v. State Lands Commission* (2011) 202 Cal.App.4th 549, 558–559 [same]; *Riverwatch v. County of San Diego* (1999) 76 Cal.App.4th 1428, 1453 ["environmental impacts should be examined in light of the environment as it exists when a project is approved"].)

that will lead to changes in the environment – such as new development or different government services.<sup>3</sup>

Accordingly, LAFCO agencies typically require CEQA review of sphere of influence amendments only if directly connected with a development project. In that case, CEQA review is performed by the lead agency for the project, typically a city.<sup>4</sup> When engaging in routine SOI determinations, LAFCOs commonly rely on the commonsense exemption in CEQA Guidelines section 15061(b)(3), which applies when "it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment" because no new land use or municipal service authority is granted. (See, e.g., Napa County LAFCO SOI Review and Update of the Lake Berryessa Region (August 2, 2021, Agenda item 6a).)<sup>5</sup>

<sup>4</sup>/ See, e.g. San Bernardino LAFCO Resolution No. 3293 (Nov. 20, 2019) [available at the following weblink:

http://www.sbcounty.gov/uploads/LAFCO/Proposals/3235/LAFCOResolution329 3.pdf].

In certain unique circumstances, LAFCO will serve as lead agency. For example, Santa Cruz LAFCO did so when adjusting the City of Scotts Valley's sphere of influence in 2016. This was done in response to a request from the City of Scotts Valley due to an expected future annexation and development. (Santa Cruz LAFCO Resolution No. 2016-13 (December 7, 2016) [available at the following weblink: <u>https://www.santacruzlafco.org/wp-</u>content/uploads/2016/12/12-7-16-Agenda-Packet-Reduced-Size.pdf].)

<sup>5</sup>/ See also Alameda LAFCO Resolution No. 2006-43 (Sept. 22, 2006) [available at the following weblink:

https://www.acgov.org/lafco/documents/soi Pleasanton.pdf]; Santa Cruz LAFCO Resolution No. 2021-11 (May 5, 2021) [available at the following weblink: https://www.santacruzlafco.org/wp-content/uploads/2021/04/5a.4-Attachment-Draft-Reso-No.-2021-11.pdf]; El Dorado LAFCO Notice of Exemption (Jan. 28, 2010) [available at the following weblink:

<sup>&</sup>lt;sup>3</sup>/ Napa County LAFCO's "Policy on Spheres of Influence," adopted June 7, 2021, specifically notes that a sphere of influence amendment is simply a condition precedent to annexation, but "[i]nclusion of land within an SOI shall not be construed to indicate automatic approval of an annexation proposal." An SOI is only one of several factors considered by LAFCO when evaluating changes of organization or reorganization.

Here, even if LAFCO desired to treat GIV's proposed SOI amendment as a CEQA event and prepare an environmental analysis of potential future development, it would be a speculative and essentially meaningless exercise. LAFCO would have no ability, beyond mere speculation, to identify appropriate land uses, analyze their environmental impacts, formulate mitigation measures, or consider alternatives. GIV's proposed SOI amendment therefore is exempt from CEQA, and no environmental review is required.

https://www.edlafco.us/files/c1920684e/10Jan Item6 StaffMemo Attachment B NOE.pdf].

Attachment Thirteen

# **RESOLUTION NO.**

# RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY MAKING DETERMINATIONS

### SPHERE OF INFLUENCE AMENDMENTS INVOLVING THE CITY OF AMERICAN CANYON, AMERICAN CANYON FIRE PROTECTION DISTRICT, AND 1661 GREEN ISLAND ROAD

WHEREAS, a landowner seeking sphere of influence (SOI) amendments involving the City of American Canyon ("the City"), American Canyon Fire Protection District (ACFPD), and unincorporated territory located at 1661 Green Island Road has filed an application with the Local Agency Formation Commission of Napa County, hereinafter referred to as "Commission," pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

**WHEREAS**, the application seeks Commission approval to amend the spheres of influence of the City and ACFPD to include approximately 157.15 acres of territory comprising one entire parcel identified by the County of Napa Assessor's Office as 058-030-041; and

WHEREAS, the Executive Officer prepared a written report of the application; and

WHEREAS, said Executive Officer's report has been presented to the Commission in the manner provided by law; and

WHEREAS, the Commission heard and fully considered all the evidence presented at a properly noticed public hearing held on December 6, 2021 and April 4, 2022; and

WHEREAS, the Commission considered all the factors required by law under California Government Code Section 56425.

# NOW, THEREFORE, THE COMMISSION DOES HEREBY RESOLVE, DETERMINE, AND ORDER as follows:

The requested SOI amendments involving the City and ACFPD are hereby denied as the SOI is inconsistent with the following Commission Policies: Sections III, V(A)(1), V(A)(3), V(A)(6), V(A)(8)(b), V(A)(9)(a), V(A)(9)(b), V(A)(9)(c), and V(A)(9)(f). The SOI request would not ensure the protection of agricultural lands and would facilitate the conversion of agricultural lands to an urban use. The SOI request would not promote orderly development and would allow for the premature conversion of agricultural lands. The County General Plan land use map designates the affected territory as *Agriculture, Watershed, and Open Space*. The affected territory is subject to Measure P and is limited to agriculture land use unless voter approval occurs and including this territory in the SOI promotes conversion of agricultural land. Furthermore, the affected territory is located outside the City's urban limit line.

The foregoing resolution was duly and regularly adopted by the Commission at a public meeting held on April 4, 2022, after a motion by Commissioner\_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, by the following vote:

AYES:	Commissioners	
NOES:	Commissioners	
ABSENT:	Commissioners	
ABSTAIN:	Commissioners	
ATTEST:	Brendon Freeman Executive Officer	Diane Dillon Commission Chair

# **RESOLUTION NO.**

# RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY MAKING DETERMINATIONS

#### SPHERE OF INFLUENCE AMENDMENTS INVOLVING THE CITY OF AMERICAN CANYON, AMERICAN CANYON FIRE PROTECTION DISTRICT, AND 1661 GREEN ISLAND ROAD

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**WHEREAS**, the application seeks Commission approval to amend the spheres of influence of the City and ACFPD to include approximately 157.15 acres of territory comprising one entire parcel identified by the County of Napa Assessor's Office as 058-030-041; and

WHEREAS, the Executive Officer prepared a written report of the application; and

WHEREAS, said Executive Officer's report has been presented to the Commission in the manner provided by law; and

WHEREAS, the Commission heard and fully considered all the evidence presented at a noticed public hearing held on December 6, 2021, and April 4, 2022; and

WHEREAS, the Commission considered all the factors required by law under California Government Code Section 56425.

# NOW, THEREFORE, THE COMMISSION DOES HEREBY RESOLVE, DETERMINE, AND ORDER as follows:

- 1. The SOIs of the City and ACFPD are hereby amended to include all areas within their current SOIs as of the date of this resolution plus the area shown in Exhibit One.
- The Commission finds that the SOI is consistent with Commission Policy Sections III, V(A)(1), V(A)(3), V(A)(6), V(A)(8)(b), V(A)(9)(a), V(A)(9)(b), V(A)(9)(c), and V(A)(9)(f) based on the following: [Commission will determine facts and findings to support approval]

- 3. The Commission finds the SOI amendments are exempt from further review under the California Environmental Quality Act pursuant to Title 14 of the California Code of Regulations Section 15061(b)(3). This finding is based on the Commission determining with certainty the SOI amendments would not cause the direct, or reasonably foreseeable indirect, physical change in the environment and does not have the potential for causing a significant effect on the environment, as no new land use or municipal service authority would be provided. This finding is based on its independent judgment and analysis. The Executive Officer is the custodian of the records upon which this determination is based and such records are located at the Commission office located at 1754 Second Street, Suite C, Napa, California.
- 4. Pursuant to California Government Code Section 56425, the Commission adopts the statement of determinations as shown in Exhibit Two.
- 5. The Commission hereby directs staff to file a Notice of Exemption upon the receipt of the appropriate Commission fee in compliance with CEQA.
- 6. The effective date of this sphere of influence update shall be immediate upon the Executive Officer's receipt of the appropriate Commission fee.
- 7. The Executive Officer shall revise the official records of the Commission to reflect the SOI amendments upon the receipt of the appropriate Commission fee.

The foregoing resolution was duly and regularly adopted by the Commission at a public meeting held on April 4, 2022, after a motion by Commissioner \_\_\_\_\_\_, seconded by Commissioner \_\_\_\_\_\_, by the following vote:

AYES:	Commissioners
NOES:	Commissioners
ABSENT:	Commissioners
ABSTAIN:	Commissioners

Diane Dillon Commission Chair

ATTEST:

Brendon Freeman Executive Officer




## EXHIBIT TWO

## STATEMENT OF DETERMINATIONS

## SPHERE OF INFLUENCE AMENDMENTS INVOLVING THE CITY OF AMERICAN CANYON, AMERICAN CANYON FIRE PROTECTION DISTRICT, AND 1661 GREEN ISLAND ROAD

1. Present and planned land uses in the sphere, including agricultural and open-space lands (Government Code 56425(e)(1)):

The County General Plan assigns the affected territory a land use designation of *Agriculture, Watershed, and Open Space* and zoning standard of *Agricultural Watershed: Airport Compatibility.* These land use characteristics prescribe a minimum lot size of 160 acres. Actual land uses within the affected territory are currently limited to a commercial vineyard. There are no other planned land uses for the affected territory at this time. However, the discontinuation of existing vineyard operations is planned.

2. The present and probable need for public facilities and services in the sphere (Government Code 56425(e)(2)):

The affected territory currently receives outside water service from the City through a grandfathered agreement consistent with G.C. Section 56133. This includes potable water during the summer months for the vineyard's frontage road located on Jim Oswalt Way. In addition, the City provides potable and reclaimed water for irrigation of the vineyard, with City meters historically showing very little potable use for this purpose. The affected territory also receives fire protection and law enforcement services from the County. Based on current and planned land uses, there is no need for additional public facilities or services within the affected territory at this time.

3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide (Government Code 56425(e)(3)):

Based on the Commission's *South County Region Municipal Service Review and Sphere of Influence Updates* adopted in 2018, the City and ACFPD have established adequate capacity to provide a full range of municipal services to the affected territory based on the current land use as a commercial vineyard.

4. The existence of any social or economic communities of interest in the sphere if the Commission determines that they are relevant to the agency (Government Code 56425(e)(4)):

There are no social or economic communities of interest that are relevant to any potential SOI amendments involving the affected territory.

5. Present and probable need for public services for disadvantaged unincorporated communities (Government Code 56425(e)(5)):

There are no disadvantaged unincorporated communities within the City's SOI or ACFPD's SOI.