



LAFCO MEETING AGENDA

Monday, February 2, 2009

4:00 P.M.

**Board Chambers, County Administration Building
1195 Third Street, Room 305
Napa, California 94559**

Brian J. Kelly, Chair
Juliana Inman, Vice Chair
Bill Dodd, Commissioner
Jack Gingles, Commissioner
Brad Wagenknecht, Commissioner
Cindy Coffey, Alternate Commissioner
Mark Luce, Alternate Commissioner
Gregory Rodeno, Alternate Commissioner

Keene Simonds, Executive Officer
Jacqueline Gong, Commission Counsel
Brendon Freeman, Analyst
Kathy Mabry, Secretary

1. CALL TO ORDER; ROLL CALL: 4:00 P.M.

2. PLEDGE OF ALLEGIANCE

3. APPROVAL OF MINUTES
Minutes of December 1, 2008

4. PUBLIC COMMENT

In this time period, anyone may comment to the Commission regarding any subject over which the Commission has jurisdiction, or request consideration to place an item on a future agenda. No comments will be allowed involving any subject matter that is scheduled for hearing, action, or discussion as part of this agenda. Individuals will be limited to a three-minute presentation. No action will be taken by the Commission as a result of any item presented at this time.

5. CONSENT ITEMS

With the concurrence of the Chair, a Commissioner or member of the public may request discussion of an item on the consent calendar.

a) Second Quarter Budget Report for 2008-2009

The Commission will receive a second quarter budget report for the 2008-2009 fiscal year. The budget report compares adopted and actual expenses through the first half of the fiscal year and is being presented to the Commission to receive and file.

6. PUBLIC HEARING ITEMS

a) Big Ranch Road No. 1 Reorganization

The Commission will consider an application from the City of Napa to annex approximately 20.1 acres of unincorporated territory located along Big Ranch Road north of its intersection with Trancas Street. The affected territory includes three non-contiguous areas each representing entire unincorporated islands substantially surrounded by the City. Staff is recommending approval of the proposal with a modification to concurrently detach the affected territory from County Service Area No. 4. The County of Napa Assessor's Office identifies the 18 subject parcels as 038-170-006, 038-170-007, 038-170-008, 038-170-009, 038-170-011, 038-170-030, 038-170-031, 038-170-002, 038-170-023, 038-170-024, 038-170-026, 038-170-032, 038-170-033, 038-160-005, 038-160-006, 038-160-007, 038-160-008, and 038-160-009.

7. ACTION ITEMS

a) Wilkins Avenue Reorganization

The Commission will consider a proposal from the City of Napa to annex approximately 0.77 acres of unincorporated territory. The affected territory consists of one developed parcel located along Wilkins Avenue north of its intersection with Imola Avenue. Staff is recommending the Commission approve the proposal with a modification to also include the concurrent detachment of the affected territory from County Service Area No. 4. The County of Napa Assessor's Office identifies the subject parcel as 046-271-023.

ACTION ITEMS CONTINUED...

b) Draft Proposed Budget for 2009-2010

The Commission will receive a draft proposed budget from the Budget Committee for 2009-2010. The draft proposed budget projects an overall decrease in operating costs in the amount of \$46,608 or 8.4%. The draft proposed budget is being presented to the Commission for approval.

c) Financial Audit for Fiscal Year Ending June 30, 2008

The Commission will review a written report from an outside consultant auditing the agency's financial statements for the 2007-2008 fiscal year. The report is being presented to the Commission to receive and file.

8. DISCUSSION ITEMS

a) Montecito Boulevard: Concurrent Request for an Outside Service Agreement and Sphere of Influence Amendment from the City of Napa

The Commission will receive a report on the current review regarding the City of Napa's requests seeking concurrent approval of an outside service agreement and sphere of influence amendment involving land located at the eastern terminus of Montecito Boulevard. The report outlines staff's initial analysis and is being presented to the Commission for discussion.

9. EXECUTIVE OFFICER REPORT

The Commission will receive a verbal report from the Executive Officer regarding current staff activities, communications, studies, and special projects. This includes, but is not limited to, the following topics:

- CALAFCO Legislative Committee
- Bay Area LAFCOs
- Congress Valley Water District
- Staffing Update

10. INFORMATION ITEMS

Information items are provided for the Commission to receive and file. The Commission may choose to discuss individual items or to receive and file the entire calendar.

a) Current and Future Proposals

The Commission will receive a report from staff regarding current and future proposals. The report is being presented for information.

11. CLOSED SESSION

None

12. COMMISSIONER COMMENTS; REQUEST FOR FUTURE AGENDA ITEMS

13. ADJOURNMENT TO NEXT REGULAR SCHEDULED MEETING:

April 6, 2009

Materials relating to an item on this agenda that have been submitted to the Commission after distribution of the agenda packet are available for public inspection at the LAFCO office during normal business hours. Commissioners are disqualified from voting on any proposals involving entitlements of use if they have received campaign contributions from an interested party. The law prohibits a Commissioner from voting on any entitlement when he/she has received a campaign contribution(s) of more than \$250 within 12 months of the decision, or during the proceedings for the decision, from any interested party involved in the entitlement. An interested party includes an applicant and any person with a financial interest actively supporting or opposing a proposal. If you intend to speak on any hearing item, please indicate in your testimony if you have made campaign contributions totaling \$250 or more to any Commissioner during the past 12 months. Any member of the public requiring special assistance with respect to attending or listening to the meeting should contact LAFCO staff 24 hours in advance at (707) 259-8645.



Local Agency Formation Commission
LAFCO of Napa County

1700 Second Street, Suite 268
Napa, California 94559
Telephone: (707) 259-8645
Facsimile: (707) 251-1053
<http://napa.lafco.ca.gov>

February 2, 2009
Agenda Item No. 5a (Consent)

January 26, 2009

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Second Quarter Budget Report for 2008-2009

The Commission will receive a second quarter budget report for the 2008-2009 fiscal year. The budget report compares adopted and actual expenses through the first half of the fiscal year and is being presented to the Commission to receive and file.

The Local Agency Formation Commission of Napa County's ("Commission") annual budget is entirely funded by the County of Napa and the Cities of American Canyon, Calistoga, Napa, St. Helena, and the Town of Yountville. State law specifies the County is responsible for one-half of the Commission's annual budget with the remaining amount proportionally shared by the five cities based on a weighted calculation of population and general tax revenues. It is the practice of the Commission to only budget expenses given its prescribed funding sources.

The Commission divides its annual budget into three units: (a) salaries/benefits; (b) services/supplies; and (c) contingencies/reserves. The Commission practices bottom-line accounting which allows for shortfalls within individual accounts in the salaries/benefits and services/supplies units as long as the overall balance remains positive. Funds may not be drawn from the contingencies/reserves unit without Commission approval.

A. Discussion

On June 6, 2008, the Commission adopted a final budget for the 2008-2009 fiscal year totaling \$552,110. At the close of the second quarter on December 31, 2008, the Commission's actual expenses totaled \$189,372. This amount represents 34% of the total adopted budget with one-half of the fiscal year complete.

Adopted and Actual Expenses Through the Second Quarter
(July 1, 2008 through December 31, 2008)

Adopted Expenses	Actual Expenses	Remaining Balance	Percent Available
\$552,110*	\$189,372	\$362,714	66%

* Includes the \$90,594 budgeted within the contingency/reserve unit

Juliana Inman, Vice Chair
Councilmember, City of Napa

Jack Gingles, Commissioner
Mayor, City of Calistoga

Cindy Coffey, Alternate Commissioner
Councilmember, City of American Canyon

Bill Dodd, Commissioner
County of Napa Supervisor, 4th District

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

Mark Luce, Alternate Commissioner
County of Napa Supervisor, 2nd District

Brian J. Kelly, Chair
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

A comparison of adopted and actual expenses through the second quarter within the Commission's three budget units follows with a copy of the general ledger attached.

Salaries/Benefits

Through the end of the second quarter the Commission expended \$110,259 within its salaries/benefits unit. This amount represents 37% of the total amount budgeted in the eight affected accounts. Savings are accumulating in several accounts due to the delay in hiring a fulltime analyst. One account – extra help – finished the second quarter with a balance below 50%. A summary of expenses in this account follows.

Extra Help

This account covers the Commission's costs in funding an employee to fill the duties of the analyst position between July 2008 and January 2009.¹ At the end of the second quarter, the Commission spent \$22,421 in this account, which represents approximately 86% percent of the total amount budgeted. The remaining balance is sufficient to fund the extra help position through January 2009 until a fulltime analyst is hired.

Services/Supplies

Through the end of the second quarter the Commission expended \$79,133 within its services/supplies unit. This amount represents 47% of the total amount budgeted in the 14 affected accounts. Four accounts – office improvements, memberships, publications and notices, and property lease – finished the second quarter with balances below 50%. A summary of expenses in these four accounts follows.

Office Improvements

The office improvements account covers the Commission's costs to fund special expenditures associated with agency operations. This account is generally budgeted at \$1,000 unless specific improvements are scheduled during the fiscal year. In 2008-2009, the Commission budgeted two office improvements totaling \$55,000 to fund the (a) design and development of a new agency website and (b) implement an electronic document management system. At the end of second quarter, the Commission spent \$28,710 in this account, which represents approximately 51% of the total amount budgeted. Nearly all of the expenditures through the second quarter are associated with encumbering and/or paying the full contract amount of \$28,350 with Planeteria to design and develop a new website.

Membership

The membership account covers the Commission's annual due for the California Association of Local Agency Formation Commissions (CALAFCO). The Commission's budgeted membership due for CALAFCO in 2008-2009 is \$2,200, which was paid in full in July 2008.

¹ The extra help employee receives the same hourly pay as a regular fulltime analyst but does not receive any benefits, such as health care insurance. The extra help employee is permitted to work up to 1,000 hours per fiscal year.

Publications and Notices

The publications and notices account covers the Commission's legal noticing requirements for all public hearings. At the end of the second quarter, the Commission spent \$1,386 in this account, which represents approximately 92% percent of the total amount budgeted. These early expenditures were anticipated and are associated with noticing the four sphere of influence reviews the Commission completed during the first-half of the fiscal year. Staff will continue to monitor this account to help ensure an end-of-year deficit does not occur.

Property Lease

The property lease account covers the Commission's rental charge for office space at 1700 Second Street in Napa. The current lease provides a fixed monthly rental charge of \$2,250 through June 2009. The total lease amount for the fiscal year (\$27,000) was encumbered by the County Auditor's Office in July 2008 for the purpose of simplifying monthly payments to the property manager.

Contingencies/Reserves

Through the second quarter the Commission has not drawn funds from its contingencies/reserves unit. It is not expected the Commission will need to draw funds from either of the two affected accounts during the fiscal year given the savings accruing within the salaries/benefits and services/supplies units.

B. Analysis

The Commission is currently on schedule to expend only three-fourths (\$409,229) of its budgeted expenses in 2008-2009. This projected savings is attributed to the delay in hiring a fulltime analyst and the expected retention of all funds within the contingency/reserve unit. In accordance with its practice, the Commission will return all unexpended funds (agency contributions, application fees, and earned interest) to the agencies in the form of credits towards their share of the adopted budget in 2009-2010.²

C. Recommendation

It is recommended that the Commission take the following action:

- 1) Receive and file the "Second Quarter Budget Report for 2008-2009."

Respectfully submitted,

Keene Simonds
Executive Officer

Attachment: as stated

² Staff currently estimates the Commission will finish the fiscal year with a total of \$155,628 in unexpended funds.



Local Agency Formation Commission

LAFCO of Napa County

2nd Quarter Budget Report for 2008-2009: Expenses Through 12/31/08

		<u>Final Budget</u>	<u>Encumbrances</u>	<u>Expenditures</u>	<u>Balance</u>	
Salaries/Benefits						<i>Percent Available</i>
<u>Account</u>	<u>Description</u>					
51100000	Regular Salaries	168,905	-	59,124	109,782	65%
51200100	Extra Help	26,010	-	22,421	3,589	14%
51200500	Commissioner Per Diems	9,600	-	1,900	7,700	80%
51300100	Retirement: Pension	34,551	-	10,131	24,419	71%
51300120	Retirement: Non-Pension	11,295	-	5,648	5,647	50%
51300300	Medicare	2,826	-	1,116	1,711	61%
51300500	Group Health Care	40,148	-	9,486	30,662	76%
51301200	Workers Compensation	149	-	75	75	50%
51301800	Cell Phone Allowance	840	-	383	457	54%
	SUB TOTALS	294,325	-	110,283	184,042	63%
Services/Supplies						
<u>Account</u>	<u>Description</u>					
52243900	Filing Fees	850	-	250	600	71%
52235000	Office Improvements	56,000	25,599	3,112	27,290	49%
52185000	Professional Service Supplies	7,507	-	484	7,023	94%
52070000	Communications	3,500	-	461	3,039	87%
52100300	Insurance: Liability	546	-	273	274	50%
52150000	Memberships	2,200	-	2,200	-	0%
52170000	Office Expenses	15,000	3,213	3,680	8,107	54%
52180200	Information Services	17,768	-	8,884	8,884	50%
52180500	Legal Services	26,320	-	-	26,320	100%
52190000	Publications and Notices	1,500	-	1,386	114	8%
52240500	Property Lease	27,000	11,250	15,750	-	0%
52250000	Transportation and Travel	4,000	-	903	3,097	77%
52250800	Training	4,000	-	1,576	2,424	61%
52251200	Private Mileage	1,000	-	95	905	91%
	SUB TOTALS	167,191	40,061	39,052	88,078	53%
Contingencies/Reserves						
<u>Account</u>	<u>Description</u>					
54000900	Operating Reserve	40,594	-	-	40,594	100%
54001000	Consultant Contingency	50,000	-	-	50,000	100%
		90,594	-	-	90,594	100%
	GRAND TOTALS	\$ 552,110	\$ 40,061	\$ 149,334	\$ 362,714	66%



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February 2, 2009

Agenda Item No. 6a (Public Hearing)

January 28, 2009

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer
Brendon Freeman, Analyst

SUBJECT: Big Ranch Road No. 1 Reorganization

The Commission will consider an application from the City of Napa to annex approximately 20.1 acres of unincorporated territory located along Big Ranch Road north of its intersection with Trancas Street. The affected territory includes three non-contiguous areas each representing entire unincorporated islands substantially surrounded by the City. Staff is recommending approval of the proposal with a modification to concurrently detach the affected territory from County Service Area No. 4

The Commission is responsible under California Government Code (G.C.) Section 56375 to approve, modify, or disapprove boundary changes consistent with its adopted written policies, procedures, and guidelines. The Commission is also authorized to establish conditions in approving boundary changes as long as it does not directly regulate land uses. Underlying the Commission's determination in approving, modifying, or disapproving proposed boundary changes is to consider the logical and timely development of the affected agencies in context with local circumstances and needs.

A. Proposal Summary

The Commission has received an application from the City of Napa ("City") proposing the annexation of approximately 20.1 acres of unincorporated territory. The affected territory consists of three non-contiguous areas located along Big Ranch Road north of its intersection with Trancas Street. Each of the three areas represent entire unincorporated islands substantially surrounded by the City. The three areas are identified in this report as "A," "B," and "C" and summarized below.

- Area A is approximately 5.9 acres in total size and includes seven parcels and an adjacent right-of-way portion of Big Ranch Road. Area A includes five single-family residences and two commercial retail units. The subject parcels in Area A are identified by the County Assessor's Office as 038-170-006, 038-170-007, 038-170-008, 038-170-009, 038-170-011, 038-170-030, and 038-170-031.

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- Area B is approximately 8.9 acres in size and includes six parcels and an adjacent portion right-of-way portion of Big Ranch Road. Area B includes six single-family residences. The six parcels in Area B are identified by the County Assessor's Office as 038-170-002, 038-170-023, 038-170-024, 038-170-026, 038-170-032, and 038-170-033.
- Area C is approximately 5.3 acres in size and includes five parcels and an adjacent right-of-way portion of Big Ranch Road. Area C includes four single-family residences. One of the five parcels remains undeveloped. The six parcels in Area C are identified by the County Assessor's Office as 038-160-005, 038-160-006, 038-160-007, 038-160-008, and 038-160-009.

B. Discussion

Proposal Purpose

The purpose of the proposal is to facilitate the future division and development of the affected territory under the land use authority of the City. The City General Plan designates the majority of the affected territory for moderate to high density residential uses, which could accommodate the development of up to 75 total single-family units.¹ No projects exist at this time given it is City policy not to accept a development application unless the subject land is already within its jurisdictional boundary. However, the landowner of two parcels in Area B has communicated his intention to submit a development application upon annexation to the City.²

Island Annexation

In adopting a resolution of application, the City has requested annexation of the affected territory under the provisions of G.C. Section 56375.3. This code section was originally enacted by the California Legislature in 1999 and provides an expedited process for cities to annex islands under certain conditions while avoiding protest proceedings. Markedly, this code section limits the Commission's discretion by directing it to approve island annexations if it determines the following factors have been satisfied:

1. The affected territory does not exceed 150 acres in size, and the area constitutes an entire unincorporated island.
2. The affected territory constitutes an entire unincorporated island located within the limits of the affected city, or constitutes a number of individual unincorporated islands.
3. The affected territory is surrounded in either of the following ways:

¹ The remaining portion of the affected territory is designated under the City General Plan for commercial use and could accommodate up to 9,758 square feet of retail space.

² The two affected parcels in Area B are identified by the County Assessor's Office as 038-170-032 and 038-170-033.

- a) Surrounded, or substantially surrounded, by the city to which annexation is proposed or by the city and the county boundary or by the Pacific Ocean.
 - b) Surrounded by the city to which annexation is proposed and adjacent cities.
4. The affected territory is substantially developed or developing. This includes, but is not limited to, considering the following issues:
 - a) The availability of public utility services
 - b) The presence of public improvements
 - c) The presence of physical improvements
 5. The affected territory does not meet the definition for prime agricultural land under G.C. Section 56064.
 6. The affected territory will benefit from the annexation or is receiving benefits from the annexing city or is receiving benefits from the annexing city

Staff has reviewed these factors and believes the proposal qualifies as an island annexation proceeding under G.C. Section 56375.3. This conclusion is supported by recognizing the affected territory is less than 150 acres, constitutes three entire individual unincorporated islands substantially surrounded by the City, and does not qualify as prime agricultural land.^{3 4} The affected territory is also considered to be developing given public services are readily available and its present housing density is 0.8 per gross acre, which exceeds the Commission's adopted definition for determining developed island.⁵ It is also apparent the affected territory will benefit from the annexation by receiving an elevated level of public services consistent with its planned urban development under the City General Plan.

Potential Modifications

In reviewing the application materials, staff believes it is appropriate to modify the proposal into a reorganization to include the concurrent detachment of the affected territory from County Service Area (CSA) No. 4. CSA No. 4 was formed in 2002 and includes all unincorporated territory along with certain incorporated territory located within the Cities of Calistoga, Napa, St. Helena, and Yountville. The intent and function of CSA No. 4 is to serve as a governmental sponsor for a voter approved assessment on all parcels within its jurisdiction containing one acre or more of planted vineyard for the purpose of funding farmworker housing services. CSA law has historically included a provision requiring land

³ In making the former statement, staff has applied the Commission's adopted definition of "substantially surrounded" as territory that is 66.6% surrounded by the affected city. Based on the County's Geographic Information System, staff has confirmed Areas A, B, and C are 75%, 81%, and 70%, respectively, surrounded by the City.

⁴ Staff has confirmed the affected territory's soil index is not classified by the USDA Natural Resources Conservation Services as Class I or II nor does it qualify for 80 to 100 under the Storie Index Rating. The affected territory is also not under commercial agricultural use. These factors preclude the affected territory from qualifying as prime agricultural land under G.C. Section 56064.

⁵ The Commission's adopted definition for determining a developed island is 0.5 units per gross acre.

be automatically detached from a CSA upon its annexation to a municipality unless waived by a commission based on specific findings. This automatic detachment provision was deleted effective January 1, 2009 as part of a comprehensive rewrite of CSA law. The legislative intent in deleting the provision is to broaden a commission's discretion in determining whether it believes land should be detached from a CSA upon annexation to a municipality. With regards to this proposal, the affected territory is not part of the CSA No. 4 assessment and its current and planned land uses are residential and commercial. These factors support the Commission exercising its discretion to modify the proposal to include the concurrent detachment of the affected territory from CSA No. 4.⁶

C. Analysis

Required Factors for Review

G.C. Section 56668 requires the Commission to consider 15 factors anytime it reviews proposed boundary changes. No single factor is determinative. The purpose in considering these factors is to help inform the Commission in its decision-making process. An evaluation of these factors as it relates to the proposal follows.

1) Population and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent areas, during the next 10 years.

The current population in the affected territory is estimated at 42 with a density of 2.1 persons per acre.⁷ If developed to the maximum extent allowed under the City General Plan, the affected territory's build-out population would be approximately 196 with a density of 9.8 persons per acre.⁸ Topography is relatively flat with a peak elevation of 51 feet above sea level in the center portion of Area C. There are two unnamed seasonal tributaries bordering and intersecting Areas B and C, respectively. The total current assessed value of the affected territory is \$8.24 million according to the County Assessor's Office.

The potential for new growth adjacent to the affected territory is limited. Nearly all adjacent and nearby properties to the west of the affected territory are developed with single-family residences and could not be further divided under the City's land use authorities given their current lot sizes. Adjacent or nearby properties to the east

⁶ The Commission's concurrent annexation policy involving the Napa Sanitation District (NSD) does not apply to this proposal because there is not 100% consent from the affected landowners. Additionally, in reviewing the application materials, NSD advised staff it would not support the affected territory's annexation to the District until a specific development project was known in order to establish appropriate terms for the extension of sewer service.

⁷ The current population has been calculated by staff. The calculation reflects the sum of the total number of residential units (16) within the affected territory multiplied by the population factor (2.62) used by the California Department of Finance for the City.

⁸ The City General Plan designates the affected territory as *Single-Family Residential-33I*, *Single-Family Residential-33J*, *Single-Family Residential-33K*, *Single-Family Residential-33L*, and *Local Commercial-416*. The residential designations provide respective maximum densities of four, three, two, and six units per acre and thereby allow the affected territory to be divided into a total of 75 single-family units. The current population density in the City is 6.7 persons per acre.

of the affected territory are outside the City's sphere of influence and designated for agricultural use under the City General Plan. Accordingly, development within these eastern lying properties is limited to current uses.

- 2) **The need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs for those services and controls; probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas.**

The proposal is expected to facilitate the future development of the affected territory within the next ten years in a manner consistent with the City General Plan to include up to 75 total single-family residential units.⁹ Governmental services will be needed to accommodate and support the intensified urban uses. Most notably, this includes providing an appropriate level of (a) fire protection and emergency medical, (b) law enforcement, (c) sewer, and (d) water services. An analysis of the availability and adequacy of these governmental services in the affected territory follows.

Fire Protection and Emergency Medical Service

The County is currently the legal entity responsible for providing fire protection and emergency medical services to the affected territory. However, given the affected territory comprises three unincorporated islands, the City is already the probable first-responder for fire protection and emergency medical service calls based on an established mutual aid agreement with the County. Annexation would eliminate any duplication and/or inefficiencies associated with the City providing fire protection and emergency medical services to the affected territory.

Law Enforcement Service

The County is currently the legal entity responsible for providing law enforcement services to the affected territory. However, given the affected territory comprises three unincorporated islands, the City is already the probable first-responder for law enforcement service calls based on an established mutual aid agreement with the County. Annexation would eliminate any duplication and/or inefficiencies associated with the City providing law enforcement services to the affected territory.

⁹ Two of the parcels identified by the County Assessor's Office as 038-170-011 and 038-170-031 are designated for local commercial uses and can not be further divided given their current lot sizes.

Sewer Service

Three of the seven parcels comprising Area A are already within and receive public sewer service from the Napa Sanitation District (NSD).¹⁰ The remaining 15 parcels in the affected territory are outside NSD's boundary but within the District's sphere of influence. NSD's Sewer Master Plan indicates it has sufficient capacities and facilities to extend sewer service to the remaining 15 parcels without adversely affecting existing customers.

Water Service

All 18 parcels comprising the affected territory are dependent on groundwater through private onsite wells. Upon annexation, all 18 parcels would be eligible to receive water service from the City. Through a formal application process, the City's Urban Water Management Plan indicates the City has adequate supplies and facilities to extend water service to the 18 parcels without adversely affecting existing customers. An expanded review of the City's water services are addressed on page eight of this report.

3) The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.

The proposal would recognize and strengthen the social and economic ties existing between the affected territory and the City. These ties are drawn from the landowners and residents utilizing commercial, social, recreational, and public services provided by and or within the City. Modification of the proposal to include the concurrent detachment of the affected territory from CSA No. 4 would support its logical development by removing incorporating land designated for urban use that does not have an economic or social tie to the District.

4) The conformity of the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities set forth in G.C. Section 56377.

The Commission has previously determined the City is the logical land use and service provider for the affected territory by including all 18 parcels within the sphere of influence. The proposed annexation of the affected territory to the City is infill-oriented and would eliminate three existing unincorporated islands. Annexation would not induce, facilitate, or lead to the conversion of existing open-space lands as defined under G.C. Section 56377.

5) The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by G.C. Section 56016.

The affected territory does not qualify as agricultural land as defined under G.C. Section 56016.

¹⁰ These three parcels are identified by the County Assessor's Office as 038-170-009, 038-170-011, and 038-170-031.

- 6) The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.**

A map and geographic description have been prepared by a licensed surveyor identifying the boundaries of the affected territory in accordance with the requirements of the State Board of Equalization. These documents provide sufficient certainty with regards to the exact boundaries of the affected territory.

- 7) Consistency with the city and county general plan and specific plans.**

The City General Plan designates the majority of the affected territory for moderate to high density residential uses that could ultimately accommodate up to 75 single-family units. The remaining portion of the affected territory is designated by the City for commercial use and could accommodate up to 9,758 square feet of retail space. These designations are consistent with the Commission's policies and practices to permit annexations to cities for the purpose of facilitating planned orderly urban development. The designations are also consistent with the County General Plan, which designates the affected territory as *Cities*.

- 8) The sphere of influence of any local agency which may be applicable to the proposal.**

The affected territory is located within the City's sphere of influence and therefore consistent with the proposal. The affected territory is also located within CSA No. 4's sphere of influence, which has been designated to include all lands in Napa County. Given its countywide designation, amending CSA No. 4's sphere of influence to remove the affected territory if concurrently detached from the District as part of the proposal is infeasible.

- 9) The comments of any affected local agency or other public agency.**

On November 11, 2008, LAFCO staff electronically circulated copies of the application materials for review and comment to local governmental agencies. NSD conditions approval on annexing to the District the 15 parcels not currently within the District's boundaries. Napa County Resource Conservation District (NCRCD) noted three parcels in Area B are located within the 100-year floodplain as identified in a recent District study.¹¹ No other substantive comments were received.

¹¹ The County Assessor's Office identifies these parcels as 038-170-026, 038-170-032, and 038-170-033.

- 10) The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.**

The City has adequate service capacities, financial resources, and administrative controls to serve the affected territory. The City will also receive 55% of the County's proportional share of property tax proceeds to help offset new service-related costs as part of a master tax exchange agreement.

- 11) Timely availability of water supplies adequate for projected needs as specified in G.C. Section 65352.5.**

The City's water supplies are drawn from three sources: 1) Lake Hennessey; 2) Milliken Reservoir; and 3) the State Water Project. The City's most recent Urban Water Management Plan (UWMP) estimates its total annual water supply generated from these three sources during normal and multiple-dry years is 29,296 and 16,957 acre-feet, respectively.¹²

The City's current annual water demand is approximately 14,500 acre-feet. It is anticipated the annexation of the affected territory and its subsequent maximum development under the City General Plan would generate an additional annual water demand of 28.5 acre-feet.¹³ This amount can be reasonably accommodated by the City based on its existing supplies.

- 12) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.**

The proposal makes no significant impact on the ability of the County or City in achieving their respective regional housing needs assignment as determined by the Association of Bay Area Governments (ABAG). Based on the methodology used by ABAG, the potential housing stock associated with the affected territory has been fully allocated to the City in determining its housing need assignment given its location within its urban limit line.

- 13) Any information or comments from the landowner or owners, voters, or residents of the affected territory.**

The City surveyed all 18 affected landowners to determine whether they would support the annexation. The results of the survey follow:

¹² The City's UWMP defines a multiple-dry year period as a period generally considered to have the lowest average runoff for a consecutive multiple year period (three years or more) for a watershed since 1903.

¹³ Maximum allowable units under the City General Plan have been calculated by staff (75) and are multiplied by the average annual water demand (0.38 acre-feet) for a single-family residence.

Support	Oppose	No-Response
038-160-005	038-160-007	038-170-006
038-160-006	038-160-008	
038-170-002	038-160-009	
038-170-008	038-170-007	
038-170-009	038-170-026	
038-170-011	038-170-024	
038-170-023		
038-170-030		
038-170-031		
038-170-032		
038-170-033		

14) Any information relating to existing land use designations.

The City designates the affected territory as *Single-Family Residential 33I, Single-Family Residential 33J, Single-Family Residential 33K, Single-Family Residential 33L, and Local Commercial 416.*

15) The extent to which the proposal will promote environmental justice. As used in this subdivision, “environmental justice” means the fair treatment of people of all races, cultures, and incomes with respect to the local of public facilities and the provision of public services.

There is no documentation or evidence suggesting the proposal will have a measurable effect with respect to promoting environmental justice.

Rezoning Assignment

G.C. Section 56375(3) requires cities prezone territory as a condition to annexation. The City has prezoned the affected territory with three residential assignments and one commercial assignment: *RS-5* (Single-Family Residential); *RS-10* (Single-Family Residential); *RS-20* (Single-Family Residential); and *CL* (Local Commercial). These rezoning assignments are consistent with the City General Plan. The City may not change the zoning for the affected territory in a manner that does not conform to the rezoning at the time of annexation for a period of two years with limited exceptions.

Property Tax Agreement

In accordance with provisions of California Revenue and Taxation Code Section 99, the County of Napa and the City of Napa have previously agreed by resolution of their respective boards to a master property tax exchange agreement applicable to the proposal. The agreement specifies the City shall receive 55% of the County’s existing portion of property tax revenues generated from the affected territory.

Environmental Review

The City serves as lead agency for the proposal under the California Environmental Quality Act (CEQA). The City prepared an initial study and has determined the annexation and potential development of the affected territory could not have a significant effect on the environment because all potential significant effects have been adequately analyzed and addressed in the Final Environmental Impact Report (FEIR) prepared for the General Plan.

As responsible agency, the Commission is required to rely on the City's environmental documentation in acting on the proposal, but must prepare and issue its own findings. Staff has reviewed the aforementioned initial study and believes the City has made an adequate determination the annexation will not introduce any new considerations with respect to the FEIR. In addition, development projects, as they become known, will be subject to additional environmental review.

D. Alternatives for Commission Action

Staff has identified four alternative actions for Commission consideration with respect to the proposal. These alternatives are:

Option One: Approve the proposal as submitted authorizing the annexation of the affected territory to the City with standard terms and conditions while waiving protest proceedings pursuant to G.C. Section 56375.3(a)(1).

Option Two: Approve a modified proposal authorizing the annexation of the affected territory to the City and the concurrent detachment of the land from CSA No. 4 with standard terms and conditions while waiving protest proceedings pursuant to G.C. Section 56375.3(a)(1).

Option Three: Continue consideration of the proposal to a future meeting.

Option Four: Deny the proposal.

E. Recommendation

Staff recommends the Commission approve the proposal with a modification to include the concurrent detachment of the affected territory from CSA No. 4, which is identified in the preceding section as Option Two. This reorganization will eliminate three entire unincorporated islands and facilitate orderly and infill-oriented growth.

Respectfully submitted,

Keene Simonds
Executive Officer

Brendon Freeman
Analyst

Attachments:

- 1) LAFCO Aerial Map
- 2) LAFCO Draft Resolution of Approval (Option Two)
- 3) Application Materials

Big Ranch Road No. 1 Reorganization

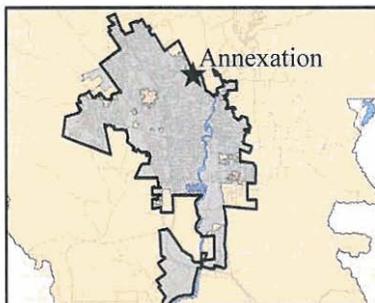
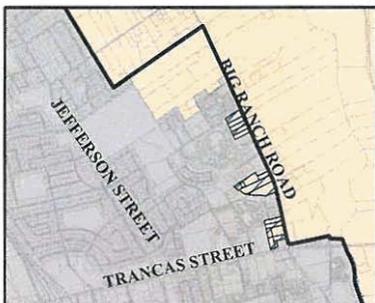
January 27, 2009



LEGEND

- City of Napa
- City of Napa Sphere of Influence
- Proposed Annexation

Area A	Area B	Area C
75% Surrounded	81% Surrounded	70% Surrounded
1) 038-170-031	8) 038-170-033	14) 038-160-009
2) 038-170-011	9) 038-170-032	15) 038-160-008
3) 038-170-009	10) 038-170-002	16) 038-160-007
4) 038-170-030	11) 038-170-026	17) 038-160-006
5) 038-170-008	12) 038-170-023	18) 038-160-005
6) 038-170-007	13) 038-170-024	
7) 038-170-006		



0.1 Miles



LAFCO of Napa County
 170 Second Street, Suite 268
 Napa, California 94559
<http://napa.lafco.ca.gov>

RESOLUTION NO. _____

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

BIG RANCH ROAD NO. 1 REORGANIZATION

WHEREAS, an application of the City of Napa, by resolution, proposing the annexation of territory to the City of Napa has been filed with the Executive Officer of the Local Agency Formation Commission of Napa County, hereinafter referred to as the "Commission", pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

WHEREAS, the Executive Officer reviewed the proposal and prepared a report with recommendations; and

WHEREAS, the proposal and the Executive Officer's report have 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 public hearing held on said proposal; and

WHEREAS, the Commission considered all the factors required by law under Government Code Section 56375.3 and 56668; and

WHEREAS, the Commission found the proposal consistent with the sphere of influence established for the City of Napa and with the Commission's adopted policy determinations.

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

1. In accordance with the applicable provisions of the California Environmental Quality Act (CEQA), the Commission has considered the Initial Study and determination by the City of Napa, lead agency under CEQA, the annexation will not have a significant effect on the environment because all potential significant effects have been adequately analyzed and addressed as part of the Environmental Impact Report (EIR) prepared for the City General Plan, certified December 1, 1998. The Commission has considered the EIR and finds that it makes land use assignments for the subject territory and adequately discusses the environmental impacts of development to the assigned densities. The Commission concurs with the City's determination and finds the annexation will not introduce any new considerations with respect to this EIR, and probable future projects are adequately addressed by it. The Commission further finds that projects, as they become known, will be subject to environmental review as they are developed.
2. The affected territory includes entire unincorporated islands as defined under Government Code Section 56375.3.

3. The proposal is APPROVED with the modification to include the concurrent detachment of the affected territory from County Service Area No. 4.

4. The proposal is assigned the following distinctive short-term designation:

BIG RANCH ROAD NO. 1 REORGANIZATION

5. The affected territory to be annexed to the City of Napa and detached from County Service Area No. 4 is shown in the attached Exhibit "A".

6. The affected territory is inhabited as defined in Government Code Section 56046.

7. The City of Napa utilizes the regular assessment roll of the County of Napa.

8. The affected territory will be taxed for existing general bonded indebtedness of the City of Napa.

9. The proposal shall be subject to the terms and conditions specified in the attached Exhibit "B".

10. The Commission authorizes conducting authority proceedings to be waived in accordance with Government Code Section 56375(a)(1).

11. Recordation is contingent upon receipt by the Executive Officer of a final map and geographic description determined by the Executive Officer and County Surveyor to conform to the requirements of the State Board of Equalization.

12. Recordation is contingent upon payment of any and all outstanding fees owed to the Commission and/or other agencies involved in the processing of this proposal.

13. Recordation is contingent upon receipt by the Executive Officer of an indemnification agreement signed by the City in a form provide by the Commission.

14. The effective date shall be the date of recordation of the Certificate of Completion.

The foregoing resolution was duly and regularly adopted by the Commission at a regular meeting held on February 2, 2009, by the following vote:

AYES: Commissioners _____

ATTEST: Keene Simonds
Executive Officer

NOES: Commissioners _____

ABSTAIN: Commissioners _____

Recorded by: _____
Kathy Mabry
Commission Secretary

ABSENT: Commissioners _____

EXHIBIT "A"

GEOGRAPHIC DESCRIPTION

BIG RANCH ROAD NO. 1 AREA 'A'

CITY ANNEXATION -- NAPA

All that property situate in the County of Napa, State of California, lying within the Napa Rancho, described as follows:

Beginning at the southeast corner of the boundary of the existing annexation district as shown on the map entitled "Map Delineating the Boundary of Trancas Street/Valle Verde Drive No. 2 City Annexation -- Napa", recorded June 28, 1999, in Series Document No. 1999-0020798 of Official Records of said Napa County;

thence, (1) northerly 642.28 feet along the east line of said existing City Boundary to an angle point in the easterly boundary of the existing annexation district shown as Exhibit "B" on the map entitled "Map Delineating the Boundary of Trancas Street/Valle Verde Drive Annexation District", recorded April 30, 1969 in Book 806 of Official Records at page 819, Napa County Records;

thence continuing along the east line of said existing City Boundary, (2) northerly 74.23 feet, more or less, to the southwest corner of the existing annexation district as shown on the map entitled "Map Delineating the Boundary of Big Ranch Road City Annexation -- Napa", recorded April 27, 1990 in Book 1734 of Official Records at page 986, Napa County Records;

thence along the south line of said existing City Boundary, (3) easterly 412 feet to the southeast corner thereof, said southeast corner being on the east line of Big Ranch Road;

thence leaving said existing City Boundary and along said east line of Big Ranch Road, (4) southerly 548 feet, more or less, to the northeast corner of the existing annexation district as shown on the map entitled "Map Delineating the Boundary of Trancas Street/Big Ranch Road City Annexation – Napa", recorded March 17, 1993 in Series Document No. 1993-008385 of Official Records of said Napa County;

thence, (5) westerly 282.11 feet along the north line of said existing City Boundary;

thence, (6) southerly 165.10 feet along west line of said existing City Boundary to the northern line of the existing annexation district shown as Exhibit "B" on the map entitled "Map Delineating the Boundary of Trancas Street – Soscol Avenue Annexation District", recorded August 29, 1968 in Book 793 of Official Records at page 277, Napa County Records;

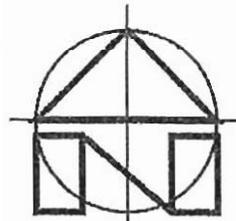
thence, (7) westerly 191.14 feet, more or less, along said northern line of the existing City Boundary to the point of beginning.

Containing 6.62 acres of land more or less

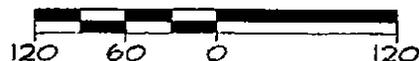
For assessment purposes only. This description of land is not a legal property description as defined in the Subdivision Map Act and may not be used as the basis for an offer for sale of the land described.

LEGEND

- APN ASSESSOR'S PARCEL NUMBER
- P.O.B. POINT OF BEGINNING
-  EXISTING CITY ANNEXATION
-  PROPOSED ANNEXATION TO CITY



SCALE: 1"=120'



ZONE: RC1UR
 AREA: 6.62 AC.
 STREET: 0.10 MILES

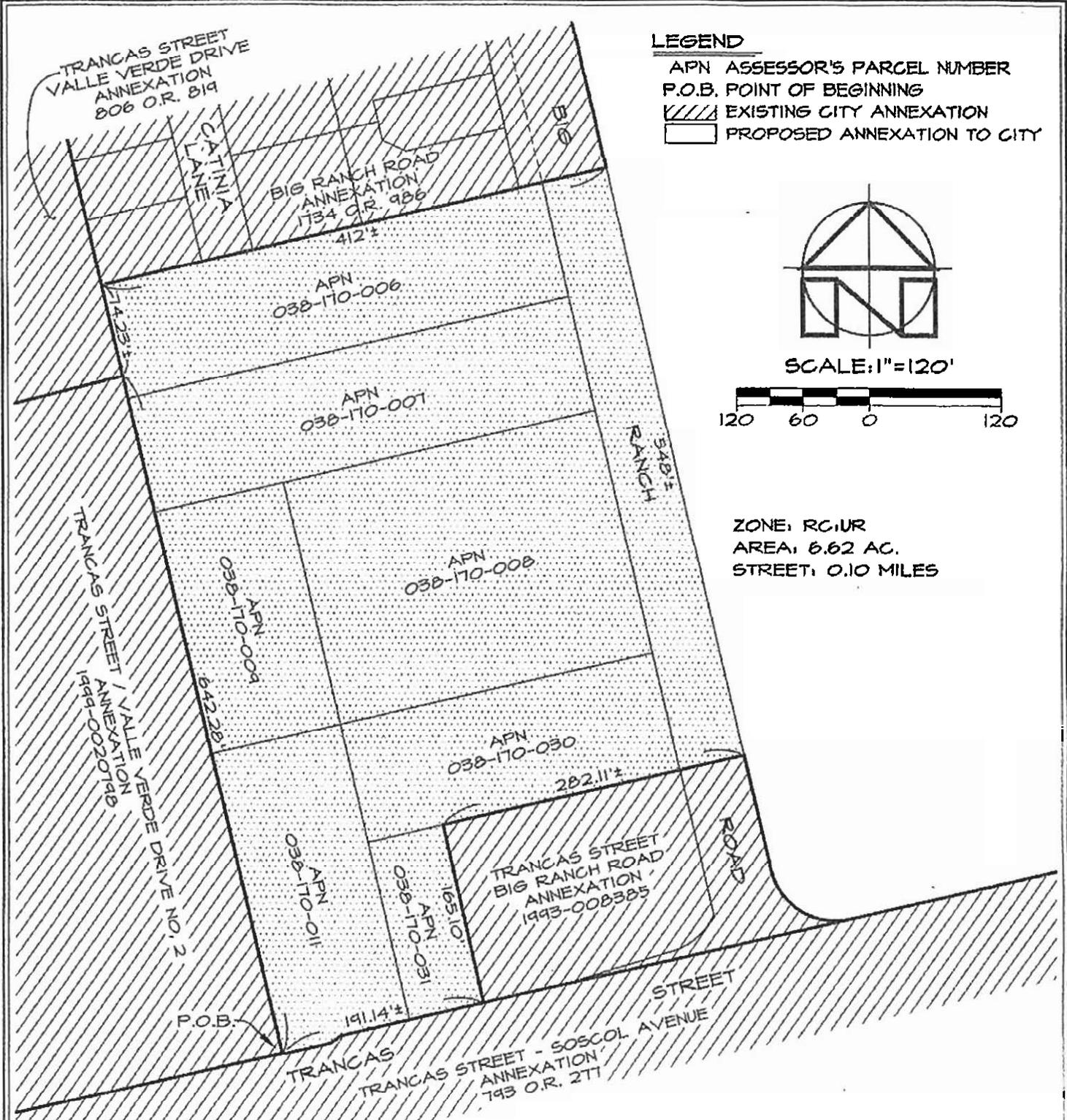


EXHIBIT "A"

**MAP DELINEATING
 THE BOUNDARY OF
 BIG RANCH ROAD NO. 1 AREA 'A'
 CITY ANNEXATION - NAPA
 BEING A PORTION OF NAPA RANCHO**

DISCLAIMER:
 "FOR ASSESSMENT PURPOSES ONLY.
 THIS DESCRIPTION OF LAND IS NOT A
 LEGAL PROPERTY DESCRIPTION AS
 DEFINED IN THE SUBDIVISION MAP ACT
 AND MAY NOT BE USED AS THE BASIS
 FOR AN OFFER FOR SALE OF THE LAND
 DESCRIBED."

DRAFT

EXHIBIT "A"

GEOGRAPHIC DESCRIPTION

BIG RANCH ROAD NO. 1 AREA 'B'

CITY ANNEXATION – NAPA

All that property situate in the County of Napa, State of California, lying within the Napa Rancho, described as follows:

Beginning at the northeast corner of the boundary of the existing annexation district as shown on the map entitled "Map Delineating the Boundary of Big Ranch Road City Annexation – Napa", recorded April 27, 1990 in Book 1734 of Official Records at page 986, Napa County Records, said northeast corner being on the east line of Big Ranch Road;

thence along the northern line of said existing City Boundary, (1) westerly 60.00 feet to the east line of said Big Ranch Road;

thence continuing along the northern line of said existing City Boundary, (2) westerly 247.36 feet to the most easterly corner of the boundary of the existing annexation district as shown on Exhibit "B" on the map entitled "Map Delineating the Boundary of Trancas Street/Valle Verde Drive Annexation District", recorded April 30, 1969 in Book 806 of Official Records at page 819, Napa County Records;

thence along the northeasterly lines of said existing City Boundary, (3) northwesterly 363.48 feet to the southeast corner of the boundary of the existing annexation district as shown on the map entitled "Map Delineating the Boundary of Valle Verde Drive City/District Reorganization Napa & NSD", recorded September 16, 1986 in Book 1466 of Official Records at page 309, Napa County Records;

thence along the northeast lines of said existing City Boundary, (4) northwesterly 336.66 feet,

(5) southwesterly 34.80 feet and,

(6) northwesterly 156.26 feet to the most northerly corner thereof, said corner being on the southerly boundary of the existing annexation district as shown on the map entitled "Map Delineating the Boundary of Big Ranch Road/Villa Lane City Annexation – Napa", recorded October 26, 1989 in Book 1693 of Official Records at page 774, Napa County Records;

thence, (7) northeasterly 16.97 feet, more or less, along the existing City Boundary line to the southwest corner of the boundary of the existing annexation district as shown on Exhibit "A" on the map entitled "Map Delineating the Boundary of Big Ranch Road – Griffen Lane City Annexation – Napa", recorded August 22, 2002 in Series Document No. 2002-0033293 of Official Records of said Napa County;

thence, (8) northeasterly 666.78 feet along the existing City Boundary line to the southeast corner of said last mentioned annexation, said corner being on the boundary said Big Ranch Road/Villa Lane Annexation;

thence along the existing City Boundary the following, (9) southeasterly 100.73 feet and,

(10) northeasterly 310.00 feet more or less to the southeast corner of said Big Ranch Road/Villa Lane Annexation, said southeast corner being on the easterly line of Big Ranch Road;

thence leaving said existing City Boundary, (11) southeasterly 575 feet, more or less, along the easterly line of Big Ranch Road to the point of beginning.

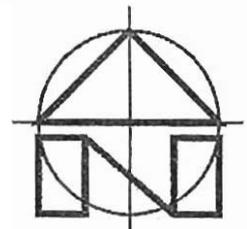
Containing 8.80 acres more or less

For assessment purposes only. This description of land is not a legal property description as defined in the Subdivision Map Act and may not be used as the basis for an offer for sale of the land described.

LEGEND

- APN ASSESSOR'S PARCEL NUMBER
- P.O.B. POINT OF BEGINNING
- EXISTING CITY ANNEXATION
- PROPOSED ANNEXATION TO CITY

DISCLAIMER:
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 DEFINED IN THE SUBDIVISION MAP ACT
 AND MAY NOT BE USED AS THE BASIS
 FOR AN OFFER FOR SALE OF THE LAND
 DESCRIBED."



SCALE: 1"=200'

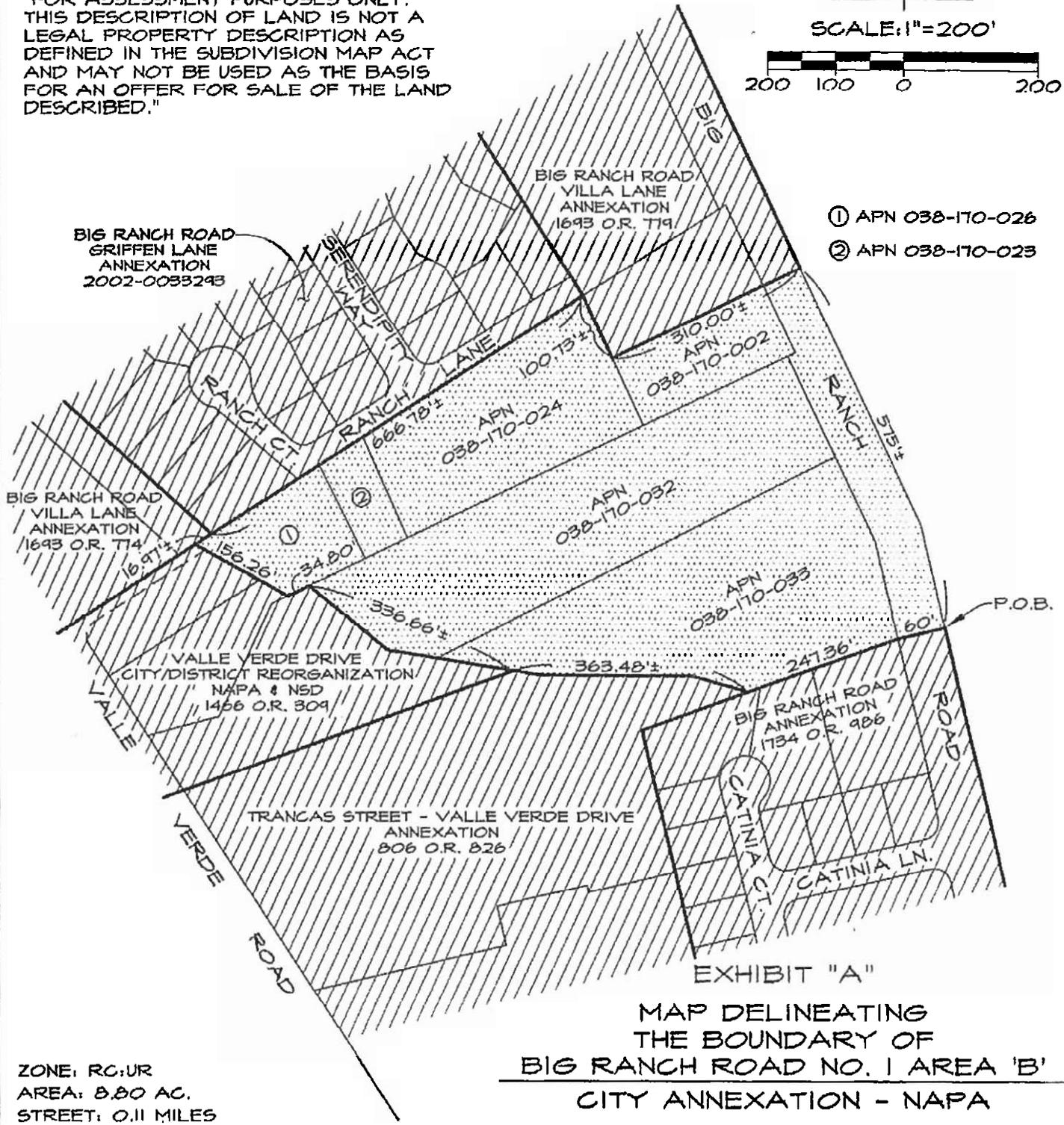


EXHIBIT "A"

MAP DELINEATING
 THE BOUNDARY OF
 BIG RANCH ROAD NO. 1 AREA 'B'
 CITY ANNEXATION - NAPA
 BEING A PORTION OF NAPA RANCHO

ZONE: RC:UR
 AREA: 8.80 AC.
 STREET: 0.11 MILES

DRAFT

EXHIBIT "A"

GEOGRAPHIC DESCRIPTION

BIG RANCH ROAD NO. 1 AREA 'C'

CITY ANNEXATION – NAPA

All that property situate in the County of Napa, State of California, lying within the Napa Rancho, described as follows:

Beginning at the northeast corner of the boundary of the existing annexation district as shown on the map entitled "Map Delineating the Boundary of Garfield Lane/Big Ranch Road No. 2 City Annexation – Napa", recorded March 11, 1999 in Series Document No. 1999-0008135 of Official Records of Napa County, said northeast corner being on the east line of Big Ranch Road;

thence, (1) southwesterly 455.71 feet, more or less, along the north line of said existing City Boundary to the east line of the boundary of the existing annexation district shown as Exhibit "B" on the map entitled "Map Delineating the Boundary of Garfield Lane Annexation District", recorded April 5, 1973 in Book 905 of Official Records at page 582, Napa County Records;

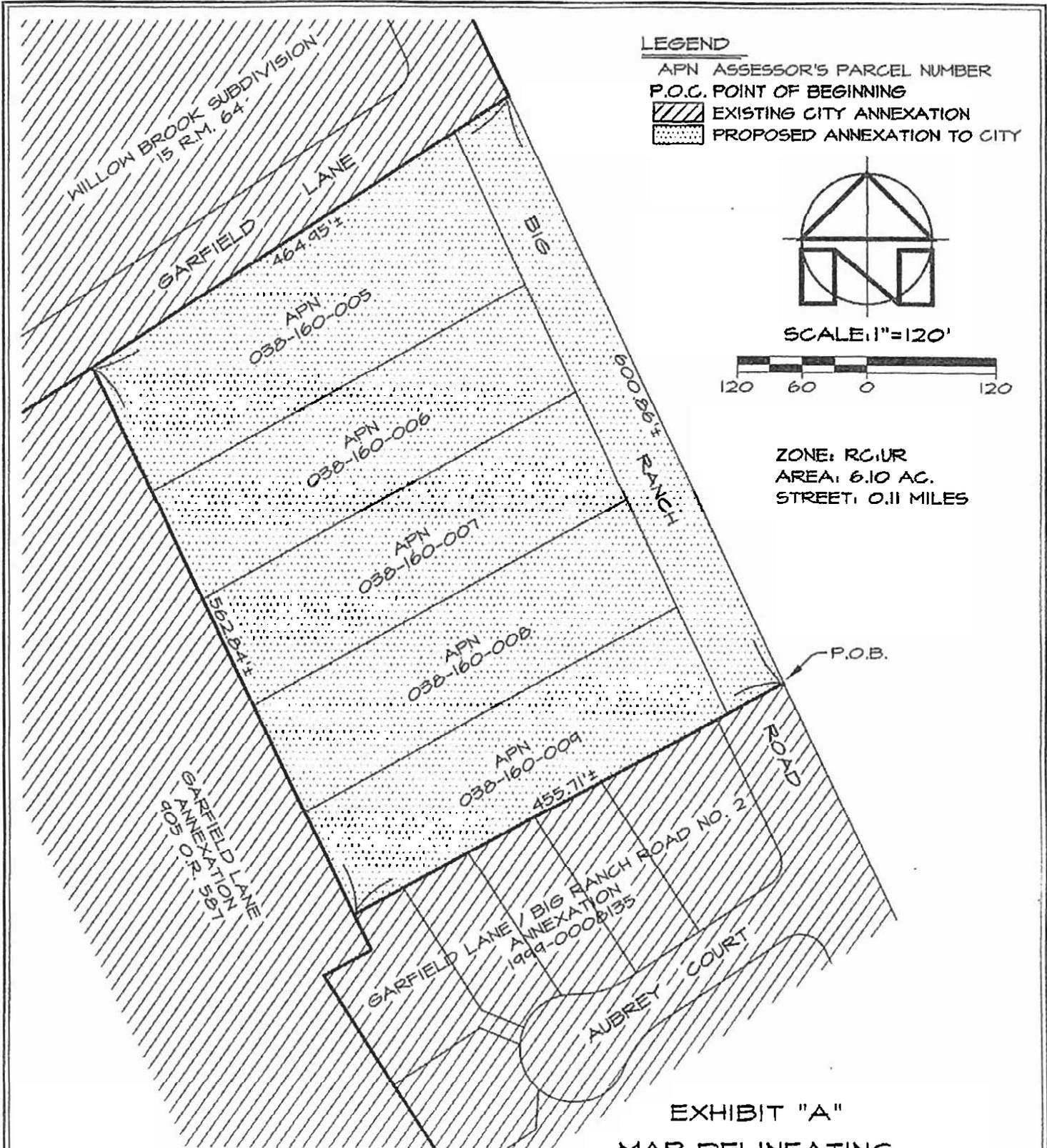
thence, (2) northwesterly 562.84 feet, more or less, along the east line of said existing City Boundary to the south line of the boundary of the existing annexation district as shown on Exhibit "B" of the map entitled "Map Delineating the Boundary of Garfield Ln.–Big Ranch Rd.";

thence, (3) northeasterly 464.95 feet, more or less, along the existing City Boundary to the east line of Big Ranch Road;

thence, (4) southerly 600.86 feet, more or less, along said east line of Big Ranch Road to the point of beginning.

Containing 6.10 acres more or less

For assessment purposes only. This description of land is not a legal property description as defined in the Subdivision Map Act and may not be used as the basis for an offer for sale of the land described.



DISCLAIMER:
"FOR ASSESSMENT PURPOSES ONLY, THIS DESCRIPTION OF LAND IS NOT A LEGAL PROPERTY DESCRIPTION AS DEFINED IN THE SUBDIVISION MAP ACT AND MAY NOT BE USED AS THE BASIS FOR AN OFFER FOR SALE OF THE LAND DESCRIBED."

EXHIBIT "A"
MAP DELINEATING
THE BOUNDARY OF
BIG RANCH ROAD NO. 1 AREA 'C'
CITY ANNEXATION - NAPA
BEING A PORTION OF NAPA RANCHO

DRAFT
JACQUES R. LAROCHELLE
PUBLIC WORKS DIRECTOR

EXHIBIT B

TERMS AND CONDITIONS

BIG RANCH ROAD NO. 1 REORGANIZATION

1. Upon and after the effective date of said annexation, the affected territory, all inhabitants within such territory, and all persons entitled to vote by reasons of residing or owning land within the territory, shall be subject to the jurisdiction of the City of Napa, hereafter referred to as "the City"; shall have the same rights and duties as if the affected territory has been a part of the City upon its original formation; shall be liable for the payment of principal, interest, and any other amounts which shall become due on account of any outstanding or then authorized but therefore issued bonds, including revenue bonds, or other contracts or obligations of the City; shall be subject to the levying or fixing and collection of any and all taxes, assessments, service charges, rentals, or rates as may be necessary to provide for such payment; and shall be subject to all of the rates, rules, regulations, and ordinances of the City, as now or hereafter amended.

2. Upon and after the effective date of said annexation, the affected territory, and all inhabitants within such territory shall, to the extent permitted by law, be subject to all previously authorized charges, fees, assessments, and taxes that were lawfully enacted by the City.

RESOLUTION R2008 189

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NAPA, STATE OF CALIFORNIA, REQUESTING THE LOCAL AGENCY FORMATION COMMISSION (LAFCO) OF NAPA COUNTY TO TAKE PROCEEDINGS FOR THE BIG RANCH ROAD CITY ANNEXATION NAPA PROJECT NO. 08-0080

WHEREAS, this annexation request is consistent with Envision Napa 2020, the City of Napa's General Plan, that establishes future land uses for the subject territory, and contains policies encouraging annexations within the City's Urban Limit and its Sphere of Influence; and

WHEREAS, the territory proposed to be annexed lies well within the City's Urban Limit in three unincorporated "islands" and within the LAFCO Sphere of Influence; and

WHEREAS, the parcels located within the three "islands" which are proposed to be annexed in their entirety, and is considered an inhabited annexation (per LAFCO law), and a description of the boundaries of the proposed territory to be annexed is set forth in the location map Exhibit A attached hereto and by this reference incorporated herein; and

WHEREAS, the City of Napa desires to initiate proceedings pursuant to the Cortese Knox-Hertzberg Local Government Reorganization Act of 2000, commencing with Section 56000 of the California Government Code, for the Big Ranch Road City Annexation Napa; and

WHEREAS, the plan for providing services for the Big Ranch Road City Annexation – Napa is described in accordance with the General Plan land use map (portion) is set forth in Attachment 3 to the staff report, along with corresponding pre-zoning classifications in Attachment 4; and

WHEREAS, factors identified in Government Code Section 56668 shall be considered by LAFCO in review of the proposal; and

WHEREAS, an initial study has been prepared utilizing the previous Environmental Impact Reports for Envision Napa 2020 and the Big Ranch Specific Plan; and

WHEREAS, there is no land use change for this area or other change that would require revisions to the prior General Plan EIR or Big Ranch Specific Plan EIR; and

WHEREAS, the City Council has considered all information related to this matter, as presented at the public meetings of the City Council identified herein, including any supporting reports by City staff, and any information provided during public meetings.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Napa, as follows:

1. The City Council hereby finds that the facts set forth in the recitals to this Resolution are true and correct, and establish the factual basis for the City Council's adoption of this Resolution.

2. The City Council hereby determines that the potential environmental effects of the Recommended Action described in this Agenda Report were adequately examined by the Environmental Impact Reports (EIR) for Envision Napa 2020, the City of Napa's General Plan, certified December 1, 1998, and the Big Ranch Specific Plan, certified October, 1996, pursuant to CEQA Guidelines Sections 15063 and 15162. As documented in the Initial Study for the Big Ranch Road Annexation (08-0080), the EIRs adequately identify the density ranges for the subject territory, and adequately discuss at a program level, the environmental and mitigating policies, and programs for future development at assigned density ranges.

3. This Resolution of Application is hereby adopted and approved by the City Council of the City of Napa, and LAFCO of Napa County is hereby requested to take proceedings for the annexation of territory as shown in Exhibit A, incorporated herein, including the following parcels: APNs 038-160-005, 006, 007, 008, 009; 038-170-002, 006, 007, 008, 009, 011, 023, 024, 026, 030, 031, 032 and 033, as well as the unincorporated Big Ranch Road ROW shown in Exhibit A.

4. The City Council finds that all parcels have been pre-zoned, and will have the following zoning upon annexation:

APN	City Zoning
038-170-031	CL:TI
038-170-011	CL:TI
038-170-009	CL
038-170-030	RS-5
038-170-008	RS-5
038-170-007	RS-5
038-170-006	RS-5
038-170-033	RS-7, RS-10 & RS-20
038-170-032	RS-7, RS-10 & RS-20
038-170-002	RS-10 & RS-20
038-170-026	RS-7
038-170-023	RS-7
038-170-024	RS-7
038-160-009	RS-10 & RS-20
038-160-008	RS-10 & RS-20
038-160-007	RS-10 & RS-20
038-160-006	RS-10 & RS-20
038-160-005	RS-10 & RS-20

5. This Resolution shall take effect immediately upon its adoption.

I HEREBY CERTIFY that the foregoing Resolution was duly adopted by the City Council of the City of Napa at a public meeting of said City Council held on the 21st day of October, 2008, by the following vote:

AYES: Techel, van Gorder, Krider, Inman

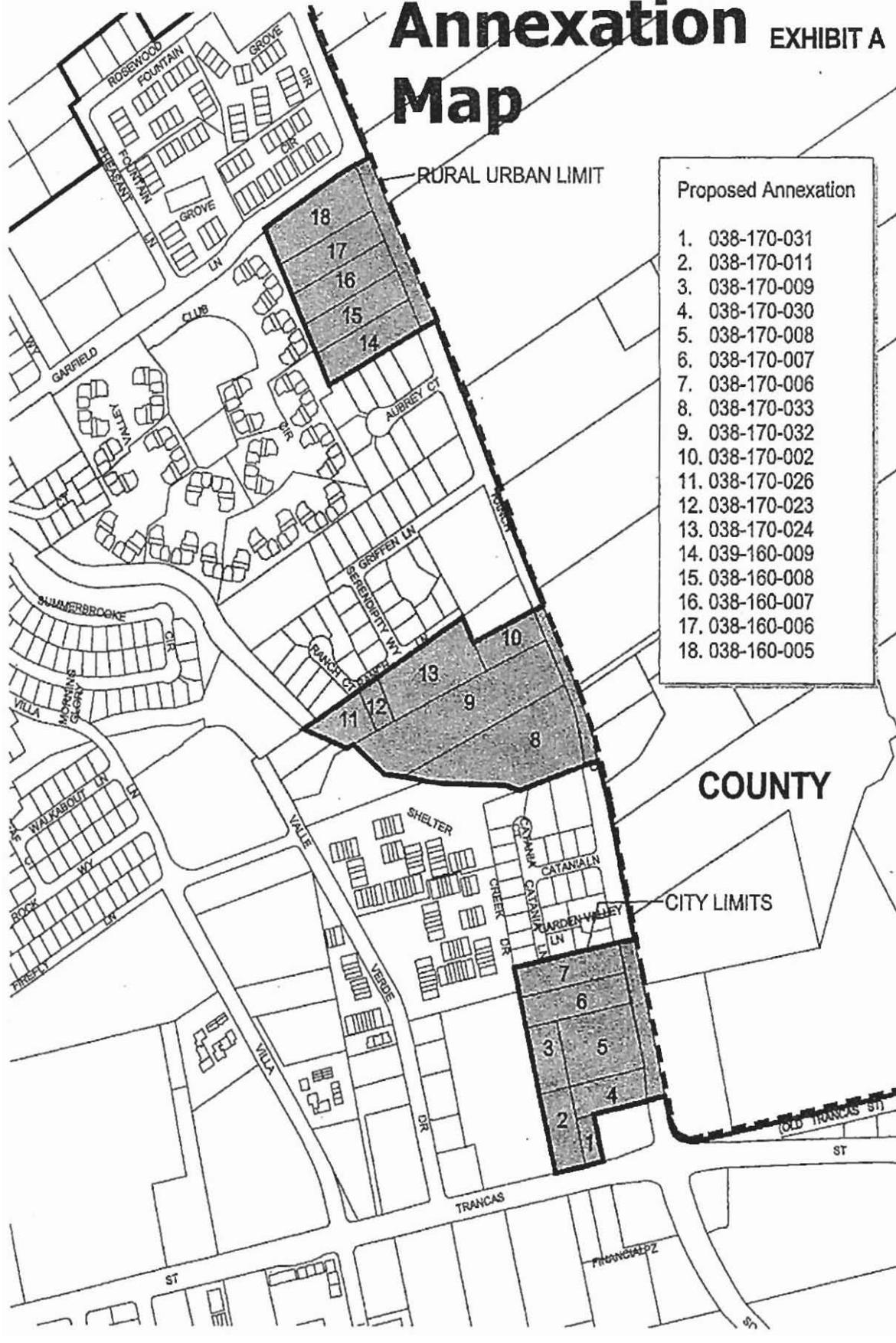
NOES: Mott

ABSENT: None

ABSTAIN: None

ATTEST: Sara J. Cox
CITY CLERK OF THE CITY OF NAPA

Annexation Map EXHIBIT A



Proposed Annexation	
1.	038-170-031
2.	038-170-011
3.	038-170-009
4.	038-170-030
5.	038-170-008
6.	038-170-007
7.	038-170-006
8.	038-170-033
9.	038-170-032
10.	038-170-002
11.	038-170-026
12.	038-170-023
13.	038-170-024
14.	039-160-009
15.	038-160-008
16.	038-160-007
17.	038-160-006
18.	038-160-005



Local Agency Formation Commission
LAFCO of Napa County

1700 Second Street, Suite 268
Napa, California 94559
Telephone: (707) 259-8645
Facsimile: (707) 251-1053
<http://napa.lafco.ca.gov>

February 2, 2009
Agenda Item No. 7a (Action)

January 26, 2009

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer
Brendon Freeman, Analyst

SUBJECT: Wilkins Avenue Reorganization

The Commission will consider a proposal from the City of Napa to annex approximately 0.77 acres of unincorporated territory. The affected territory consists of one developed parcel located along Wilkins Avenue north of its intersection with Imola Avenue. Staff is recommending the Commission approve the proposal with a modification to also include the concurrent detachment of the affected territory from County Service Area No. 4.

The Commission is responsible under California Government Code (G.C.) Section 56375 to approve, modify, or disapprove boundary changes consistent with its adopted written policies, procedures, and guidelines. The Commission is also authorized to establish conditions in approving boundary changes as long as it does not directly regulate land uses. Underlying the Commission's determination in approving, modifying, or disapproving proposed boundary changes with or without conditions is to consider the logical and timely development of the affected agencies in context with local conditions.

A. Proposal Summary

The Commission has received an application from the City of Napa ("City") proposing the annexation of approximately 0.77 acres of unincorporated territory. The affected territory consists of one parcel developed with a single-family residence and detached garage that has been converted into a second residence. The affected territory is part of an approximate 33.7 acre unincorporated island substantially surrounded by the City. The subject parcel is identified by the County of Napa Assessor's Office as 046-271-023.

B. Discussion

Proposal Purpose

The purpose of the proposal is to facilitate the future division and development of the affected territory under the land use authority of the City. The City General Plan designates the affected territory for relatively dense single-family residential uses and could accommodate up to five total lots. No projects exist at this time given it is City policy not to accept a development application unless the subject land is already within its

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Executive Officer

jurisdictional boundary. However, the landowner has expressed his intent to seek the development of the affected territory immediately upon its annexation to the City.

Potential Modifications

In reviewing the application materials, staff believes it is appropriate to modify the proposal into a reorganization to include the concurrent detachment of the affected territory from County Service Area (CSA) No. 4. CSA No. 4 was formed in 2002 and includes all unincorporated territory along with certain incorporated territory located within the Cities of Calistoga, Napa, St. Helena, and Yountville. The intent and function of CSA No. 4 is to serve as a governmental sponsor for a voter approved assessment on all parcels within its jurisdiction containing one acre or more of planted vineyard for the purpose of funding farmworker housing services. CSA law has historically included a provision requiring land be automatically detached from a CSA upon its annexation to a municipality unless waived by a commission based on specific findings. This automatic detachment provision was deleted effective January 1, 2009 as part of a comprehensive rewrite of CSA law. The legislative intent in deleting the provision is to broaden a commission's discretion in determining whether it believes land should be detached from a CSA upon annexation to a municipality. With regards to this proposal, the affected territory is not part of the CSA No. 4 assessment and its current and planned land uses are residential. The affected territory is also less than the one acre minimum size requirement for a planted vineyard to be subject to the CSA No. 4 assessment. These factors support the Commission exercising its discretion to modify the proposal to include the concurrent detachment of the affected territory from CSA No. 4.

C. Analysis

Required Factors for Review

G.C. Section 56668 requires the Commission consider 15 specific factors anytime it reviews proposed boundary changes. No single factor is determinative. The purpose in considering these factors is to help inform the Commission in its decision-making process. An evaluation of these factors as it relates to the proposal follows.

- 1) Population and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent areas, during the next 10 years.**

The affected territory is 0.77 acres in size and includes one unincorporated parcel developed with a single-family residence and a detached garage that has been converted into a second residence. There are currently four residents within the affected territory, which produces a population density of 5.2 persons per acre. If annexed, it is expected the affected territory will be developed during the next 10 years in a manner consistent with the City General Plan. The City General Plan allows the affected territory to be divided into a maximum total of five lots. This maximum development would generate an estimated 13 total residents and produce

a population density of 16.9 persons per acre.¹ Topography slopes modestly west to east as well as north to south with a peak elevation of 53 feet above sea level. There are no notable natural boundaries or drainage basins. The total current assessed value of the affected territory is \$69,521.

The potential for new growth adjacent to the affected territory is limited. The affected territory is part of an unincorporated island that includes 219 total parcels and is approximately 33.7 acres in size. Nearly all of the remaining parcels in the unincorporated island are developed with single-family residences and could not be further divided under the County or City given their current lot sizes.²

2) The need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs for those services and controls; probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas.

The proposal is expected to facilitate the future division and development of the affected territory during the next 10 years in a manner consistent with the City General Plan to include up to five total residential units. Governmental services will be needed to accommodate and support the intensified urban uses. Most notably, this includes providing an appropriate level of (a) fire protection and emergency medical, (b) law enforcement, (c) sewer, and (d) water services. An analysis of the availability and adequacy of these governmental services in the affected territory follows.

Fire Protection and Emergency Medical Service

The County is currently the legal entity responsible for providing fire protection and emergency medical services to the affected territory. However, given the affected territory is part of an unincorporated island, the City is already the probable first-responder based on an established mutual aid agreement with the County. Annexation would eliminate any duplication and/or inefficiencies associated with the City providing fire protection and emergency medical services to the affected territory.

Law Enforcement Service

The County is currently the entity legally responsible for providing law enforcement services to the affected territory. However, given the affected territory is within an unincorporated island, the City is already the probable first-responder based on an established mutual aid agreement with the County. Annexation would eliminate any duplication and/or inefficiencies associated with the City providing law enforcement services to the affected territory.

¹ The California Department of Finance currently estimates a population factor of 2.62 per residence in the City. The current population density within the City is 6.7 persons per acre.

² It is estimated the remaining 218 parcels in the unincorporated island have a current population of 571 which produces a population density of 17.3 persons for every acre.

Sewer Service

The affected territory is already within and currently receives public sewer service from the Napa Sanitation District (NSD). NSD's Sewer Master Plan indicates it has sufficient capacities and facilities to accommodate the development of the affected territory consistent with the City General Plan without adversely affecting existing customers.

Water Service

The affected territory currently receives water through a private onsite well. The City will be responsible for extending public water service upon development. The City's Urban Water Management Plan indicates the City has adequate supplies and facilities to extend water service to the affected territory at its maximum contemplated development without adversely affecting existing customers. An expanded review of the City's water services are addressed on page six of this report.

3) The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.

The proposal would recognize and strengthen the social and economic ties existing between the affected territory and the City. These ties are drawn from the landowner and residents utilizing commercial, social, recreational, and public services provided by and or within the City. Modification of the proposal to include the concurrent detachment of the affected territory from CSA No. 4 would support its logical development by removing incorporating land designated for urban use that does not have an economic or social tie to the District.

4) The conformity of the proposal and its anticipated effects with both the adopted commission policies and the policies set forth in G.C. Section 56377.

As mentioned, the affected territory is part of an unincorporated island substantially surrounded by the City. It is the policy of the Commission to consider expanding the proposal to include the remaining parcels within the unincorporated island for the purpose of its elimination. Based on the results of the previous survey conducted by the City, it is reasonable to assume such an expansion would draw considerable opposition from landowners and residents. Furthermore, the opposition engendered as a result of the expansion would likely be sufficient to cause an election or outright terminate the proceedings during the protest hearing.

The above circumstances highlight a policy conflict for the Commission with regard to considering proposals that would reduce rather than eliminate unincorporated islands. Specifically, this policy conflict is drawn from the Commission's equal desire to (a) support infill-oriented annexations while (b) seeking the elimination of unincorporated islands and the service inefficiencies they perpetuate.

In reviewing this proposal, staff communicated to the City the Commission's interest in working together to actively eliminate unincorporated islands. City staff has responded favorably and has pledged its commitment to partner with the Commission on an island annexation program. The program would include public outreach to help inform affected island landowners and residents of the benefits of annexation as well as addressing common misconceptions. The underlying aim of the program would be to utilize G.C. Section 56375.3, which offers a streamlined process for cities to annex entire islands that are less 150 acres in size and do not include prime agriculture land. Most notably, this includes waiving protest proceedings. Staff believes this commitment provides sufficient assurances the Commission's interest in annexing the remaining parcels in the unincorporated island will be addressed in the near future. This commitment was also referenced by the Commission in approving a similar proposal seeking the reduction rather than the elimination of an unincorporated island in December 2008.³

5) The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by G.C. Section 56016.

The affected territory does not qualify as agricultural land as defined under G.C. Section 56016.

6) The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.

A map and geographic description have been prepared by a licensed surveyor identifying the boundaries of the affected territory in accordance with the requirements of the State Board of Equalization. These documents provide sufficient certainty with regards to the exact boundaries of the affected territory.

7) Consistency with the city and county general plan and specific plans.

The City General Plan designates the affected territory as *Single Family Infill – 178*, which allows for the development of up to five total lots. This designation is consistent with the Commission's policies and practices to permit annexations to cities for the purpose of facilitating planned orderly urban development. The designation is also consistent with the County General Plan, which designates the affected territory as *Cities*.

³ *Silverado Trail Reorganization* (LAFCO Resolution No. 08-16)

8) The sphere of influence of any local agency applicable to the proposal.

The affected territory is located within the City's sphere of influence and therefore consistent with the proposal. The affected territory is also located within CSA No. 4's sphere of influence, which has been designated to include all lands in Napa County. Given its countywide designation, amending CSA No. 4's sphere of influence to remove the affected territory if concurrently detached as part of the proposal is infeasible.

9) The comments of any affected local agency or other public agency.

On July 31, 2008, LAFCO staff circulated copies of the proposal's application materials for review and comment to local governmental agencies. No substantive comments were received.

10) The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.

The City has adequate service capacities, financial resources, and administrative controls to serve the affected territory. The City will also receive 55% of the County's proportional share of property tax proceeds to help offset new service-related costs as part of a master tax exchange agreement.

11) Timely availability of water supplies adequate for projected needs as specified in G.C. Section 65352.5.

The City's water supplies are drawn from three sources: 1) Lake Hennessey; 2) Milliken Reservoir; and 3) the State Water Project. The City's most recent Urban Water Management Plan (UWMP) estimates its total annual water supply generated from these three sources during normal and multiple-dry years is 29,296 and 16,957 acre-feet, respectively.⁴

The City's current annual water demand is approximately 14,500 acre-feet. As mentioned, the affected territory is currently dependent on groundwater. It is anticipated the annexation of the affected territory and its subsequent maximum development under the City General Plan would generate a new annual water demand on the City of 1.9 acre-feet.⁵ This amount can be reasonably accommodated by the City based on its existing supplies.

⁴ The City's UWMP defines a multiple-dry year period as a period generally considered to have the lowest average runoff for a consecutive multiple year period (three years or more) for a watershed since 1903.

⁵ Maximum allowable units for the affected territory under the City General Plan is five and has been multiplied by the average annual water demand of 0.38 acre-feet per single-family residence in estimating the potential new water demand associated with the proposal.

- 12) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.**

The proposal makes no significant impact on the ability of the County or City in achieving their respective regional housing needs assignment as determined by the Association of Bay Area Governments (ABAG). Based on the methodology used by ABAG, the potential housing stock associated with the affected territory has been fully allocated to the City in determining its housing need assignment given its location within its urban limit line.

- 13) Any information or comments from the landowner or owners, voters, or residents of the affected territory.**

The landowner of the affected territory has provided his written consent to the proposal as well as its possible modification to include concurrent detachment of the land from CSA No. 4. Accordingly, if the proposal is approved with or without the referenced modification, the Commission may waive protest proceedings pursuant to G.C. Section 56663.

- 14) Any information relating to existing land use designations.**

As mentioned, the City General Plan designates the affected territory as *Single-Family Infill 178* and permits a maximum division and development of up to five total units. Uses contemplated under this designation include detached and attached single family homes, duplexes, triplexes, mobile homes, manufactured housing, and compatible uses such as day care and residential care facilities.

- 15) The extent to which the proposal will promote environmental justice. As used in this subdivision, “environmental justice” means the fair treatment of people of all races, cultures, and incomes with respect to the local of public facilities and the provision of public services.**

There is no documentation or evidence suggesting the proposal will have a measurable effect with respect to promoting environmental justice.

Prezoning Assignment

G.C. Section 56375(3) requires cities prezone territory as a condition to annexation. The City has prezoned the affected territory as *Residential Infill – 5*. This prezoning assignment requires a minimum lot size of 0.1 per acre and permits single family residences, family day care homes, or small residential care facilities. Conditional uses associated with this prezoning assignment include multi-family residences and mobile home parks. The City may not change the zoning for the affected territory in a manner that does not conform to the prezoning at the time of annexation for a period of two years with limited exceptions.

Property Tax Agreement

In accordance with provisions of California Revenue and Taxation Code Section 99, the County of Napa and the City of Napa have previously agreed by resolution of their respective boards to a master property tax exchange agreement applicable to the proposal. The agreement specifies the City shall receive 55% of the County's existing portion of property tax revenues generated from the affected territory.

Environmental Review

The City serves as lead agency for the proposal under the California Environmental Quality Act (CEQA). In adopting its resolution of application, the City concluded the Final Environmental Impact Report (FEIR) prepared for its General Plan adequately discusses the impacts and outlines mitigating policies for the future development of the affected territory at assigned densities. As responsible agency, the Commission is required to rely on the City's environmental documentation in acting on the proposal, but must prepare and issue its own findings. Staff believes the City has made an adequate determination that the annexation will not introduce any new considerations with respect to the FEIR. In addition, development projects, as they become known, will be subject to additional review pursuant to CEQA.

D. Alternatives for Commission Action

Staff has identified four alternative actions for Commission consideration with respect to the proposal. These alternatives are:

- Option One:** Approve the proposal as submitted authorizing the annexation of the affected territory to the City with standard terms and conditions while waiving protest proceedings under G.C. Section 56663.
- Option Two:** Approve a modified proposal authorizing the annexation of the affected territory to the City and the concurrent detachment of the land from CSA No. 4 with standard terms and conditions while waiving protest proceedings under G.C. Section 56663.
- Option Three:** Continue consideration of the proposal to a future meeting.
- Option Four:** Deny the proposal.

E. Recommendation

Staff recommends the Commission approve the proposal with a modification to include the concurrent detachment of the affected territory from CSA No. 4, which is identified in the preceding section as Option Two. This reorganization will facilitate orderly and infill-oriented growth and will not induce the premature conversion of any agricultural or open-space land. The City's written commitment to working on an island annexation program provides sufficient assurances the Commission's interest in annexing the remaining island parcels associated with the affected territory will be addressed in the near future.

Respectfully submitted,

Keene Simonds
Executive Officer

Brendon Freeman
Analyst

Attachments:

- 1) LAFCO: Aerial Map
- 2) LAFCO: Draft Resolution of Approval
- 3) City of Napa: Application Materials
- 4) City of Napa: Letter



Local Agency Formation Commission
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February 2, 2009
Agenda Item No. 7b (Action)

January 27, 2008

TO: Local Agency Formation Commission
FROM: Budget Committee (Gingles, Kelly, and Simonds)
SUBJECT: Draft Proposed Budget for 2009-2010

The Commission will receive a draft proposed budget from the Budget Committee for 2009-2010. The draft proposed budget projects an overall decrease in operating costs in the amount of \$46,608 or 8.4%. The draft proposed budget is being presented to the Commission for approval.

The Local Agency Formation Commission of Napa County (“Commission”) is responsible for annually adopting a proposed budget by May 1st and a final budget by June 15th. In preparing for its own provisions, the Commission has established a Budget Committee consisting of two appointed Commissioners and the Executive Officer. The Budget Committee’s initial responsibility is to prepare and present a draft proposed budget for approval by the Commission before it is circulated for comment to each funding agency. It is has been the practice of the Commission to receive proposed and final budgets from the Budget Committee for adoption at its April and June meetings, respectively.

A. Background

The Commission’s annual operating costs are entirely funded by the County of Napa and the Cities of American Canyon, Calistoga, Napa, St. Helena, and Yountville. The law states the County is responsible for one half of the Commission’s operating costs while the remaining amount is apportioned among the five cities based on a weighted calculation of population and general tax revenues. It is the Commission’s practice to only budget operating costs given its prescribed funding sources. As part of this practice, the Commission returns all of its unspent revenues (contributions, application fees, etc.) to the funding agencies in the form of credits towards their calculated share of the subsequent fiscal year budget. Accordingly, for budgeting purposes, the Commission has two annual funding sources: (a) agency credits and (b) agency contributions. The Commission’s adopted operating costs and its matching revenue sources for the last three fiscal years is presented below.

	FY06-07	FY07-08	FY08-09
Adopted Budget (Costs)	<u>\$456,758</u>	<u>\$466,672</u>	<u>\$552,168</u>
Agency Credits (Revenue)	145,317	183,338	199,402
Agency Contributions (Revenue)	311,441	283,333	352,765
	<u>\$456,758</u>	<u>\$466,672</u>	<u>\$552,168</u>

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Executive Officer

B. Discussion

The Budget Committee met on January 14, 2009 to review the Commission's operating costs for the upcoming fiscal year. The Budget Committee created a spending baseline to estimate how much it would cost to continue the Commission's current level of services and activities at next fiscal year's price for labor and supplies. In reviewing these estimates, the Budget Committee considered actual expenses from previous fiscal years and whether adjustments in spending are appropriate to reflect anticipated changes in demand or need. The Budget Committee also prioritized minimizing costs whenever warranted to help limit the financial impact on the funding agencies given the current economic climate.

Based on its review and the aforementioned considerations, the Budget Committee's draft proposed budget for 2009-2010 projects an overall decrease of 8.4% (\$46,608) in operating costs over the current fiscal year. The majority of the projected decrease is attributed to the decision not to fund any substantive special departmental expenses in the upcoming fiscal year. This contrasts with the current fiscal year in which \$55,000 was budgeted to develop a new website and implement an electronic document management system. Other factors contributing to the projected decrease include moderate savings in the Commission's legal service and retirement expense accounts.

With respect to increases, the Budget Committee has allocated additional funds in the Commission's regular salaries and property lease expenses accounts. The net increase in salaries totals 3.3% (\$6,373) and is primarily attributed to accommodating a cost-of-living adjustment and scheduled step advancements for the Executive Officer and Analyst.¹ The increase in the property lease totals 8.4% (\$2,280) and reflects the anticipated new cost to the Commission in renewing its agreement for office space at 1700 Second Street in Napa. The projected increase has been negotiated and would remain fixed over the next three years. The Budget Committee has reviewed alternative accommodations and believes the rent increase is reasonable given it remains relatively low compared to other office spaces in the downtown area as measured by its monthly \$2.03 square foot cost.² A summary of the draft proposed budget's total operating costs in 2009-2010 is presented below.

Expense Type	Adopted Final FY08-09	Proposed Draft FY09-10	Change
Salaries/Benefits	294,325	299,802	5,477
Services/Supplies	167,192	114,343	(52,849)
Contingencies/Reserves	90,652	91,295	644
	<u>\$552,168</u>	<u>\$505,559</u>	<u>\$(46,608)</u>

* The complete draft proposed budget for 2009-2010 is provided as Attachment One.

¹ The cost-of-living adjustment scheduled in 2009-2010 is 3.0% and has been negotiated as part of the County's labor agreement. The scheduled step advancements are consistent with the County's job classification system, but are considered a discretionary expense for the Commission.

² The current and proposed monthly rent at 1700 Second Street includes all utilities and three reserved parking spaces.

A key aspect underlying the Commission's consideration of the draft proposed budget is its anticipated impact on the six funding agencies in terms of their expected contribution in 2009-2010. Most importantly, this includes considering the amount of unspent revenues expected to be available and returned to the funding agencies in the form of credits at the end of this fiscal year. With this in mind, it is currently expected the Commission will finish this fiscal year with approximately \$155,628 in unspent revenues which is primarily attributed to the delay in hiring a fulltime analyst and retention of all budgeted reserves and contingencies. The combination of the projected decrease in operating costs and anticipated year-end credits produces an overall savings to the funding agencies as measured by their expected contributions in 2009-2010 of 0.9% (\$2,834) as summarized below.

	Adopted Final FY08-09	Draft Proposed FY09-10	Change
Adopted Budget (Costs)	<u>\$552,168</u>	<u>\$505,559</u>	<u>\$(46,608)</u>
Agency Credits (Revenue)	199,402	155,628	(43,774)
Agency Contributions (Revenue)	352,765	349,931	(2,834)
	<u>\$552,168</u>	<u>\$505,559</u>	<u>\$(47,920)</u>

C. Analysis

The draft proposed budget for 2009-2010 accomplishes the Budget Committee's principal objectives to (a) provide sufficient resources to maintain current service levels while (b) avoiding cost increases to the funding agencies. The latter accomplishment, however, is dependent on the Commission finishing this fiscal year with no less than \$151,483 in unspent revenues which can be carried forward and reduce the funding agencies' contributions in 2009-2010. This minimum level of unspent revenues is expected to be available to the Commission at the end of the fiscal year based on the agency's current spending projection. If the Commission does finish the fiscal year with less than the stated minimum level of unspent revenues, the Budget Committee believes it would be appropriate to cover the needed amount by drawing down on its undesignated reserves to ensure no new cost increases to the funding agencies in 2009-2010.

D. Recommendation

It is recommended for the Commission to take the following actions:

- 1) Approve with any desired changes the draft proposed budget for 2009-2010;
- 2) Direct the Executive Officer to circulate the approved draft proposed budget for review and comment to each funding agency; and
- 3) Direct the Executive Officer to schedule a public hearing for the Commission to consider adopting a proposed budget at its April 6, 2009 meeting.

Respectfully submitted on behalf of the Budget Committee,

Keene Simonds
Executive Officer



Local Agency Formation Commission
LAFCO of Napa County

2009-2010 Draft Proposed Budget: Operating Costs

		Adopted Final FY06-07	Adopted Final FY07-08	Adopted Final FY08-09	Draft Proposed FY09-10	Difference Dollars	Difference Percentage
Salaries/Benefits							
<u>Account</u>	<u>Description</u>						
51100000	Regular Salaries	190,231	185,527	168,905	201,289 ¹	32,383	19.2%
51200100	Extra Help	-	-	26,010	-	(26,010)	-100.0%
51200200	Overtime	-	-	-	-	-	0.0%
51200500	Commissioner Per Diems	3,600	9,600	9,600	9,600	-	0.0%
51300100	Retirement: Pension	32,953	31,583	34,551	35,058	507	1.5%
51300120	Retirement: Non-Pension	-	-	11,295	8,706 ²	(2,589)	-22.9%
51300300	Medicare	2,849	2,650	2,826	2,919	92	3.3%
51300500	Group Health Care	36,030	43,168	40,148	41,223	1,075	2.7%
51301200	Workers Compensation	685	185	149	168	19	12.8%
51301700	401A Employer Contributions	1,500	-	-	-	-	0%
51301800	Cell Phone Allowance	840	840	840	840	-	0.0%
	SUB TOTALS	268,689	273,553	294,325	299,802	5,477	1.9%
Services/Supplies							
<u>Account</u>	<u>Description</u>						
52243900	Filing Fees	-	850	850	850	-	0.0%
52235000	Special Departmental Expenses	1,000	1,000	56,000	1,000 ³	(55,000)	-98.2%
52185000	Professional Services	6,500	7,150	7,508	7,883 ⁴	375	5.0%
52070000	Communications	3,500	3,500	3,500	3,500	-	0.0%
52100300	Insurance: Liability	534	352	546	347	(199)	-36.4%
52150000	Memberships	2,200	2,000	2,200	2,288 ⁵	88	4.0%
52170000	Office Expenses	15,000	15,000	15,000	15,000	-	0.0%
52180200	Information Services	17,800	16,387	17,768	18,705 ⁶	937	5.3%
52180500	Legal Services	18,750	21,500	26,320	24,990 ⁷	(1,330)	-5.1%
52190000	Publications and Notices	1,000	1,500	1,500	1,500	-	0.0%
52240500	Property Lease	26,307	27,000	27,000	29,280 ⁸	2,280	8.4%
52250000	Transportation and Travel	4,000	4,000	4,000	4,000	-	0.0%
52250800	Training	3,000	4,000	4,000	4,000	-	0.0%
52251200	Private Mileage	1,500	1,000	1,000	1,000	-	0.0%
	SUB TOTALS	101,091	105,239	167,192	114,343	(52,849)	-31.6%
Contingencies/Reserves							
<u>Account</u>	<u>Description</u>						
54000900	Operating Reserve	36,978	37,879	40,652	41,414	763	1.9%
54001000	Consultant Contingency	50,000	50,000	50,000	50,000	-	0.0%
	SUB TOTALS	86,978	87,879	90,652	91,414	763	0.8%
	GRAND TOTALS	\$ 456,758	\$ 466,672	\$ 552,168	\$ 505,559	\$ (46,608)	-8.44%

Notes

- 1) This account budgets two fulltime (Executive Officer and Analyst I) and one parttime (Secretary) employee. The budgeted amount anticipates scheduled step increases for the Executive Officer and Analyst I. The budgeted amount assumes approval of a 3.0% cost-of-living adjustment for all employees pending final approval by the County of Napa.
- 2) This account funds the Commission's Other Post Employment Benefits and covers retiree health care insurance.
- 3) The Commission budgeted two one-time office improvements in 2008-2009 to (a) develop a new website and (b) implement an electronic document management system. No substantive office improvements are scheduled for 2009-2010.
- 4) The budgeted amount anticipates a 5.0% across-the-board increase in hourly rates for the County of Napa Auditor's Office in 2009-2010.
- 5) The Commission is a member of the California Association of Local Agency Formation Commissions (CALAFCO). CALAFCO has advised its members to budget an approximate 4.0% increase in dues in 2009-2010 consistent with changes to the consumer price index.
- 6) This account is for administration costs associated with the County of Napa's Information Technology Information Department (ITS) and includes network maintenance for payroll, purchasing, accounting, and geographic information services. ITS costs are calculated by the County and apportioned based on the number of computers and employees in each department or contracting agency.
- 7) It is expected the Commission will require 170 total hours of legal services in 2009-2010, which reflects the average number of hours required over the last three fiscal years. The budgeted amount has been calculated by multiplying Commission Counsel's expected hourly rate of \$147 in 2009-2010 by 170. A small savings is projected given the Commission is not budgeting additional funds for outside counsel.
- 8) The Commission's lease for 1,200 square feet of office space at 1700 Second Street in Napa is scheduled to expire on June 30, 2009. The landlord has proposed extending the lease for an additional three years at a fixed annual amount of \$29,280 and includes all utilities.



Local Agency Formation Commission
LAFCO of Napa County

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<http://napa.lafco.ca.gov>

February 2, 2009
Agenda Item No. 7c (Action)

January 26, 2009

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Financial Audit for Fiscal Year Ending June 30, 2008

The Commission will review a written report from an outside consultant auditing the agency's financial statements for the 2007-2008 fiscal year. The report is being presented to the Commission to receive and file.

It is the practice of the Local Agency Formation Commission of Napa County ("Commission") to retain an outside consultant to perform an audit on the agency's financial statements for each fiscal year completed. The purpose of the audit is for a third-party to assess the reliability of the financial statements by reviewing records and testing transactions to determine their compliance with generally accepted governmental accounting standards. The audit also provides an opportunity for the third-party to identify reporting errors and omissions as well as to make suggestions for improvements.

A. Discussion

In July 2008, the Commission authorized the Executive Officer to retain Bartig, Basler & Ray (BBR) to conduct an independent audit of the agency's financial statements for the 2007-2008 fiscal year. BBR completed its audit in December 2008 and found no material misstatements. The audit also found no instances of significant or unusual changes in reporting practices and does not include any suggestions for improvements. A copy of BBR's audit with an accompanying cover letter addressed to the Commission is attached.

B. Analysis

BBR's audit provides an unqualified opinion the Commission's financial statements for the 2007-2008 fiscal year are reliable representations of the agency's financial position as of June 30, 2008. This clean opinion indicates the Commission has established an effective level of internal control in managing its financial records and transactions which helps to ensure maximum accountability with respect to the agency's use of public funds.

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Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

C. Recommendation

It is recommended that the Commission take the following action:

- 1) Receive and file the attached "Audit Report for the Year Ending on June 30, 2008" prepared by BBR.

Respectfully submitted,

Keene Simonds
Executive Officer

Attachment: as stated



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February 2, 2009
Agenda Item No. 8a (Discussion)

January 28, 2009

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Montecito Boulevard: Concurrent Request for an Outside Service Agreement and Sphere of Influence Amendment from the City of Napa

The Commission will receive a report on the current review of the City of Napa's requests seeking concurrent approval of an outside service agreement and sphere of influence amendment involving land located at the eastern terminus of Montecito Boulevard. The report includes staff's initial analysis and is being presented to the Commission for discussion.

On December 18, 2008, the Local Agency Formation Commission of Napa County ("Commission") received two written requests from the City of Napa ("City"). These requests seek the Commission's concurrent approval of an (a) outside service agreement and (b) sphere of influence amendment involving Shawn and Connie Guttersen's unincorporated and undeveloped property located at the eastern terminus of Montecito Boulevard. This report summarizes the key aspects associated with the requests and outlines staff's initial analysis. Staff anticipates completing its analysis and presenting the requests to the Commission as early as the next regular meeting scheduled for Monday, April 6, 2009.

A. Discussion

The City is requesting the concurrent approval of an outside service agreement and sphere of influence amendment to provide water service to the Guttersen's property to facilitate the development of a single-family residence, although no specific plans exist at this time. The property is approximately 44 acres in size and designated and zoned by the County as "Agricultural Watershed and Open Space" and "Agriculture Watershed," respectively. These land use assignments prohibit the future division of the property by requiring a minimum parcel size of 160 acres. These land use assignments also restrict the future development of the property for residential purposes to one single-family residence along with a second attached or detached unit if specific conditions are met. The City General Plan designates the property as "Greenbelt" to memorialize its expectation the development of the land be limited to unincorporated agricultural or rural residential uses.

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The City's concurrent requests are drawn from its interest in accommodating what it believes is the reasonable extension of its water services in a manner consistent with the provisions of California Government Code (G.C.) Section 56133. This statute specifies cities and special districts must receive commission approval before providing new or extended services outside their jurisdictions by contract or agreement. The statute also specifies a commission may approve outside service agreements beyond an agency's sphere of influence only if it believes it is responding to an existing or impending threat to public health or safety. The City's application materials state it does not believe the proposed outside service agreement addresses a public health or safety threat and therefore it is seeking the concurrent sphere of influence amendment.

It is important to note the City's request for the approval of an outside service agreement is the first such application submitted to the Commission. Markedly, as previously discussed, it had been the practice of the Commission not to require cities or special districts to receive approval before providing new or extended outside services.¹ This practice, however, ended in November 2008 when the Commission adopted a policy addressing its role in administering outside service under G.C. Section 56133, including prescribing the form, review, and consideration of agency requests.

B. Initial Analysis

The City's concurrent requests for the approval of an outside service agreement and sphere of influence amendment involving the Guttersen's property highlights several important policy considerations for the Commission. Most notably, the sphere of influence amendment request appears inconsistent with the Commission's adopted policy to exclude all lands designated for an agricultural or open-space use from a city's sphere for purposes of urban development (Policy Determination II.C.(c)). The stated intent of the sphere of influence amendment is to facilitate an outside service agreement to accommodate the development of a single-family residence. This stated intent seemingly qualifies as a form of urban development and therefore conflicts with the referenced Commission policy. The sphere of influence amendment request also appears inconsistent with the policy of the Commission to use city spheres as guides for future annexations (Policy Determinations II.C.(e)). In particular, not only do the Commission's own policies discourage annexation given the County agricultural land designation, but the City General Plan does not contemplate the annexation of the property.

¹ The Commission's previous practice of not requiring cities or special districts to receive approval before providing new or extended outside services stemmed from an initial reading of G.C. Section 56133, which originally included a broad exemption involving contracts between two or more public agencies. The Commission relied on this broad exemption in concluding the City as well as other local agencies did not require approval to provide new or extended outside services based on their water supply agreements with the Napa County Flood Control and Water Conservation District (NCFCWCD). Markedly, these agreements define extensive outside service areas for each of NCFCWCD's contracting agencies. The exemption the Commission relied on in developing its practice, however, was amended in 2001 to become more restricted and no longer applicable to the referenced agreement.

Staff recognizes the majority of the Commission's policies, including those referenced above, were adopted prior to the enactment of G.C. Section 56133. As a result, the Commission's policies are oriented to focus spheres of influence to designate the probable future jurisdictional boundaries of local agencies and not necessarily reflect their existing or eventual service areas. This orientation is further embedded by the standing practice of the Commission to limit the planning horizon for spheres of influence to five years. These factors considerably raise the threshold for justifying sphere of influence amendments and help to explain why spheres are relatively confined in Napa County.

Based on the considerations outlined above, there does not appear to be sufficient justification for the Commission to approve the City's requests based on existing policies – and in particular the amendment to the sphere of influence. Staff appreciates the Commission has previously expressed interest in exploring the possibility of allowing an exception given the property is located next to the City's transmission line and two adjacent properties are already receiving outside water service. Towards this end, staff's final analysis will consider the merits and demerits of an exception to help fully inform the Commission in its decision making process.

C. Commission Review

The Commission is invited to discuss staff's initial analysis on the City's concurrent requests and provide input on specific areas of interest or concern. As mentioned, staff anticipates completing its analysis and presenting the concurrent requests to the Commission for consideration as early as the next regular meeting scheduled for Monday, April 6, 2009.

Attachments:

- 1) Commission Policy Determinations
- 2) City of Napa's Application Materials



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February 2, 2009
Agenda Item No. 10a (Information)

January 28, 2009

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Current and Future Proposals

The Commission will receive a report regarding current and future proposals. The report is being presented to the Commission for information.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 delegates Local Agency Formation Commissions (LAFCOs) with regulatory and planning duties to coordinate the logical formation and development of cities and special districts. This includes approving proposed jurisdictional boundary changes and requests to provide new or extended extraterritorial services. LAFCOs are also responsible for establishing, updating, and modifying cities and special districts' spheres of influence.

A. Discussion

There are currently six active proposals on file with LAFCO of Napa County ("Commission"). A summary of these active proposals follows.

Silverado Trail/Zinfandel Lane Annexation to the City of St. Helena

This application has been submitted by the City of St. Helena. The City proposes the annexation of two unincorporated parcels totaling approximately 100 acres northwest of the intersection of Silverado Trail and Zinfandel Lane. The affected territory is owned and used by the City to discharge treated wastewater from its adjacent sewer plant. The purpose of the annexation is to provide cost-savings to the City by no longer paying property taxes. The subject territory is located outside the City's sphere, but is eligible for annexation under Government Code Section 56742 given it is owned and used by the City for municipal purposes.

Status: Staff recently circulated copies of the application materials to local agencies for their review and comment. State law requires the City and County to agree to a property tax exchange before the proposal can be considered by the Commission. Staff has notified the City of this requirement.

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Trancas Crossing Park Annexation to the City of Napa

The City of Napa has adopted a resolution of application proposing the annexation of one 33 acre unincorporated parcel located near the northern terminus of Old Soscol Avenue. The subject territory is owned by the City and is currently undeveloped. The purpose of the proposal is to facilitate the planned development of the subject territory into a public park. The subject territory is located outside the City's sphere of influence. Accordingly, staff review of the proposal will include the merits of a concurrent sphere of influence amendment.

Status: Staff recently circulated copies of the application materials to local agencies for their review and comment. State law requires the City and County to agree to a property tax exchange before the proposal can be considered by the Commission. Staff has notified the City of this requirement.

Formation of the Villa Berryessa Water District

This application has been submitted by Miller-Sorg Group, Inc. The applicant proposes the formation of a new special district under the California Water District Act. The purpose in forming the new special district is to provide public water and sewer services to a planned 100-lot subdivision located along the western shoreline of Lake Berryessa. A tentative subdivision map for the underlying project has already been approved by the County. The County has conditioned recording the final map on the applicants receiving written approval from the United States Bureau of Reclamation to construct an access road and intake across federal lands to receive water supplies from Lake Berryessa. Based on their own review of the project, the Bureau is requesting a governmental agency be responsible for accepting responsibility for the construction and perpetual operation of the water and sewer systems serving the subdivision.

Status: Staff is currently awaiting additional information requested from the applicant to help complete the review of the proposal.

Montecito Boulevard: Concurrent Requests for Approval of an Outside Service Agreement and Sphere of Influence Amendment from the City of Napa.

This proposal has been submitted by the City of Napa on behalf of Shawn and Connie Guttersen. The City is requesting concurrent approval of an outside service agreement and sphere of influence amendment involving the Guttersen's approximate 44 acre unincorporated parcel located at the eastern terminus of Montecito Boulevard. The purpose of the concurrent requests is to allow the City to extend water service to facilitate the development of a single-family residence in a manner consistent with Government Code Section 56133.

Status: Staff is currently reviewing the concurrent requests for future consideration by the Commission. An expanded discussion on these requests is provided as part of Agenda Item No. 8a.

Silverado Community Services District: Activation of a Latent Power

The Silverado Community Services District (SCSD) has submitted a resolution of application requesting approval to activate a latent power to improve and maintain sidewalks within its jurisdictional boundary. The activation of this latent power would be in addition to SCSD's established road and landscaping services.

Status: Staff recently circulated copies of the application materials to local agencies for their review and comment. Recent changes to state law now requires SCSD and County to agree to a property tax exchange before the proposal can be considered by the Commission. Staff has notified SCSD of this requirement.

Linda Vista Avenue/Trojan Road No. 4 Annexation to Napa Sanitation District

This application has been submitted by the O'Doul Group, LLC. The applicant proposes the annexation of two incorporated parcels in the City of Napa totaling 1.64 acres to the Napa Sanitation District. The affected parcels are located at 3660 and 3724 Linda Vista Avenue and currently include single-family residences. The purpose of the proposal is to facilitate a 12-lot subdivision that has been tentatively approved by the City.

Status: Staff is awaiting the submittal of an application fee to begin evaluating the proposal for future consideration by the Commission.

Staff is aware of two proposals that are expected to be submitted to the Commission in the near future. A summary of these future proposals follows.

American Canyon High School and American Canyon Middle School Reorganization (City of American Canyon/American Canyon Fire Protection District/CSA No. 4)

The Napa Valley Unified School District (NVUSD) has initiated a multi-phased planning process to construct a 2,200-student high school and 530-student middle school to serve the City of American Canyon. The project site is located at the northeast intersection of American Canyon Road and Newell Drive. NVUSD recently approved a final environmental impact report for the project. As part of the proposed project, Commission approval is required to annex the proposed high school site (45 acres) to American Canyon and the American Canyon Fire Protection District. Commission approval is also required to concurrently annex and add the proposed middle school site (17 acres) to both the City and District's sphere of influence. The Commission may also consider modifying the proposal to include the concurrent detachment of the affected territory from CSA No. 4.

Status: It appears this proposal will be brought to the Commission in phases. The first phase appears to involve NVUSD proposing annexation of the high school site to the District in the next few months. Additional phases of this project will likely be brought to the Commission over the next year.

**American Canyon Town Center Reorganization
(City of American Canyon/American Canyon Fire Protection District/CSA No. 4)**

The City of American Canyon has initiated a planning process to develop approximately 100 acres of land comprising three parcels located southeast of the intersection of Highway 29 and South Napa Junction Road. The proposed project includes the development of 600 to 650 new residential units along with a mixture of commercial, retail, and public uses. Current planning activities completed to date include the preparation of a notice of preparation for a draft environmental impact report. As part of the proposed project, Commission approval is required to annex two of the three affected parcels totaling 70 acres into American Canyon. Commission approval is also required to annex one of the three affected parcels totaling 37 acres to the American Canyon Fire Protection District. The Commission may also consider modifying the proposal to include the concurrent detachment of the affected territory from CSA No. 4.

Status: The City has placed this project on administrative hold since July 2007.

B. Commission Review

Staff respectfully requests the Commission review and provide any comments or questions with respect to any of the current or future proposals identified in this report.

Attachments: none