LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
Political Subdivision of the State of California

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

CITY OF NAPA
SPHERE OF INFLUENCE REVIEW AND UPDATE

Prepared in accordance with Government Code Section 56425

Draft Report
December 2013

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I. EXECUTIVE SUMMARY

1.0 Overview

This report is presented as part of a process mandated by Section 56425 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. As stated in that section, "In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local government agencies so as to advantageously provide for the present and future needs of the county and its communities, the Local Agency Formation Commission shall develop and determine the sphere of influence of each local governmental agency within the county." A "sphere of influence" under the definition in the Cortese-Knox-Hertzberg Act (Government Code Section 56076) is "…. a plan for the probable physical boundaries and service area of a local (government) agency."

Decisions on annexations, detachments and other boundary or organizational changes must be consistent with the conclusions that the Commission has drawn in its previous research and policy activities. The adopted spheres of influence are used by LAFCO as a policy guide in its consideration of boundary change proposals affecting each city and special district in Napa County. Other agencies and individuals use adopted spheres of influence to better understand the services provided by each local agency and the geographic area in which those services will be available. Clear public understanding of the planned geographic availability of urban services is crucial to the preservation of agricultural land and discouraging urban sprawl – policy objectives that are held in common by LAFCO, Napa County, and the City of Napa.

The following report reviews and proposes amendments to the sphere of influence of the City of Napa, originally established by Napa LAFCO in 1972 and updated in 1976 and most recently in 2005.

2.0 Approach

In updating its adopted spheres of influence, the Commission is required to consider and adopt written determinations for five factors relevant to the development of spheres of influence. Those factors are:

1. The present and planned land uses in the area, including agricultural and open space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services which the agency provides or is authorized to provide.
4. The existence of any social or economic communities of interest in the area if the commission determines they are relevant to the agency.
5. If the city or district provides water, sewer, or fire, the present and probable need for those services of any disadvantaged unincorporated communities within the existing sphere.

This periodic review and update, including the draft determinations for the five factors listed above, is partially based on Napa LAFCO's recently released Municipal Service Review for the City of Napa which details services provided by the City of Napa and the City's ability to continue and extend those services. That report is available to the public on the Commission's website.

Both the Municipal Service Review and this Sphere of Influence Update have been separated from study of three special districts that also provide service in the Central County Area. This alteration of the original work program has been undertaken in order to accelerate review of the City's boundary and service area. The services, boundaries and service areas of the Napa Sanitation District, Congress Valley Water District and Silverado Community Services District will be the subjects of the next phase of study, which will include analysis of organizational alternatives for those agencies.

Study Areas

For the City of Napa, staff identified Primary, Secondary and Tertiary study areas, ranked according to staff's estimation of how each area meets the definition of "sphere of influence" as well as recent changes to local planning policy, service demand and service availability. A map showing the study areas is included on page _ of the following report.

The Primary Study Area includes lands subject to known development projects that are near or adjacent to Napa's existing sphere that if approved would require one or more urban type of municipal services within the next five years. Two sub-areas have been identified for inclusion within the Primary Study Area and briefly identified as:

- P-1 consists of two unincorporated contiguous parcels totaling 155 acres. P-1 is commonly referred to as the Napa Pipe site and immediately southwest of the intersection of Kaiser and Basalt Roads. A portion of the Napa Pipe site is already within the City's sphere of influence.

- P-2 consists of two unincorporated contiguous parcels totaling 82 acres. P-2 is commonly referred to as the County Jail site and immediately east of the intersection of State Highway 221 and Basalt Road.

The Secondary Study Area consists of four sub-areas to the west, north and east of the City's current boundary. These areas have been identified where outside service extensions within the next five to ten years may be justified based on existing policies and land use planning, but where justification for annexation to the City is doubtful in that timeframe. The four subareas are listed and discussed beginning on page _ of the staff report.

The Tertiary Study Area consists of ten small sub-areas on all sides of the City's current boundary. The sub-areas have been identified where the nature of the area and land use policy make the extension of water and other City services unlikely, but where there may be merit in re-evaluation in future land use planning and service review updates. The ten tertiary sub-areas are listed and discussed beginning on page _ of the staff report.

3.0 Conclusions & Recommendations

Staff recommends that the Commission amend the sphere of influence of the City of Napa to include the two sub-areas of the Primary Study Area. The Napa Pipe site and the County Jail site have reached an advanced stage of development review and will clearly demand services that the City of Napa would most logically provide. The City is able to provide those services, especially water service, as shown in the Commission's accompanying Municipal Service Review or by virtue of mitigation measures incorporated into the project designs in both areas.

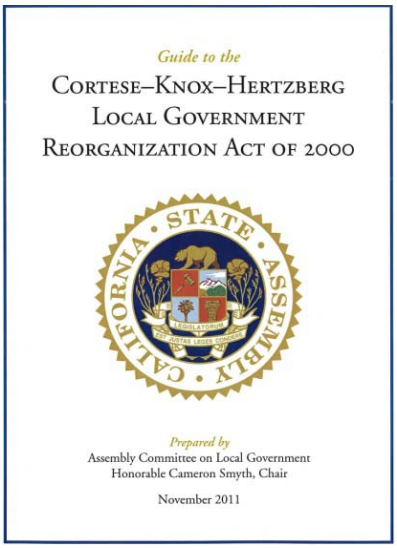
Although this report and recommendation has been undertaken as part of a periodic review of the City's sphere of influence that the Commission is obligated to undertake, the development processes on both sites anticipate applications for each recommended sphere of influence amendment from the City of Napa at some time during 2014. If the Commission chooses to approve the sphere of influence amendments recommended by staff, it may wish to evaluate the timing of its formal action by resolution in order to more fully consider the subsequent final environmental review actions of the City acting as lead agency on both projects. LAFCO would then act as a responsible agency on both projects.

II. INTRODUCTION

1.0 Local Agency Formation Commissions

1.1 Authority and Objectives

Local Agency Formation Commissions (LAFCOs) were established in 1963 as political subdivisions of the State of California and are currently responsible for providing regional growth management services under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH").[1] LAFCOs are located in all 58 counties in California and are delegated regulatory and planning powers to coordinate and oversee the logical formation and development of local governmental agencies and their municipal service areas. Towards this end, LAFCOs are commonly referred to as the Legislature's "watchdog" for local governance issues. Underlying LAFCOs' regulatory and planning powers is to fulfill specific objectives outlined by the California Legislature under Government Code (G.C.) Section 56301, which states:



> *"Among the purposes of the commission are discouraging urban sprawl, preserving open space and prime agricultural lands, efficiently providing governmental services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances. One of the objects of the commission is to make studies and to obtain and furnish information which will contribute to the logical and reasonable development of local agencies in each county and to shape the development of local agencies so as to advantageously provide for the present and future needs of each county and its communities."*

1.2 Regulatory Responsibilities

LAFCOs' principal regulatory responsibility involves approving or disapproving all jurisdictional changes involving the establishment, expansion, and reorganization of cities and special districts within their jurisdictions.[2] LAFCOs are also provided broad discretion to condition jurisdictional changes as long as they do not directly regulate land use, property development, or subdivision requirements. LAFCOs generally exercise their regulatory authority in response to applications submitted by local agencies, landowners, or registered voters. Recent amendments to CKH, however, now empower and encourage LAFCOs to initiate on their own jurisdictional changes to form, merge, and dissolve special districts consistent with current and future community needs. The following table provides a complete list of LAFCOs' regulatory authority as of January 1, 2013.

LAFCOs' Regulatory Authority	
• City Incorporations and Disincorporations	• City and District Annexations
• District Formations and Dissolutions	• City and District Detachments
• City and District Consolidations	• Merge/Establish Subsidiary Districts
• City and District Outside Service Extensions	• District Service Activations or Divestitures

[1] Reference California Government Code Section 56000 et seq.

[2] CKH defines "special district" to mean any agency of the State formed pursuant to general law or special act for the local performance of governmental or proprietary functions within limited boundaries. All special districts in California are subject to LAFCO with the following exceptions: school districts; community college districts; assessment districts; improvement districts; community facilities districts; and air pollution control districts.

1.3 Planning Responsibilities

LAFCOs inform their regulatory actions through two central and interrelated planning responsibilities: (a) making sphere of influence ("sphere") determinations and (b) preparing municipal service reviews. Sphere determinations have been a central planning function of LAFCOs since 1971 and effectively serve as the Legislature's version of "urban growth boundaries" with regard to delineating the appropriate interface between urban and non urban uses. Municipal service reviews, in contrast, are a relatively new planning responsibility enacted in 2001 as part of CKH and are intended to inform – among other activities – sphere determinations. The Legislature mandates, notably, all sphere changes be accompanied by preceding municipal service reviews to help ensure LAFCOs are effectively aligning governmental services with current and anticipated community needs. An expanded summary of the function and role of these two planning responsibilities follows.

Sphere Determinations

LAFCOs establish, amend, and update spheres for all cities and special districts to designate the territory it independently believes represents the appropriate and probable future service area and jurisdictional boundary of the affected agency. Importantly, all jurisdictional changes, such as annexations and detachments, must be consistent with the spheres of the affected local agencies with limited exceptions.[3] Further, an increasingly important role involving sphere determinations relates to their use by regional councils of governments as planning areas in allocating housing need assignments for counties and cities, which must be addressed by the agencies in their housing elements.

LAFCO must review and update as needed each local agency's sphere every five years. In making a sphere determination, LAFCO is required to prepare written statements addressing five specific planning factors listed under G.C. Section 56425. These mandatory factors range from evaluating current and future land uses to the existence of pertinent communities of interest between an agency under study and geographic areas to which its jurisdiction might be extended. The intent in preparing the written statements is to orient LAFCO in addressing the core principles underlying the sensible development of each local agency consistent with the anticipated needs of the affected community. The five mandated planning factors are summarized in the following table.

Sphere Determinations: Mandatory Written Statements	
1.	Present and planned land uses in the area, including agricultural and open space.
2.	Present and probable need for public facilities and services in the area.
3.	Present capacity of public facilities and adequacy of public services the agency provides or is authorized to provide.
4.	Existence of any social or economic communities of interest in the area if the commission determines they are relevant to the agency.
5.	If the city or district provides water, sewer, or fire, the present and probable need for those services of any disadvantaged unincorporated communities within the existing sphere.

[3] Exceptions in which jurisdictional boundary changes do not require consistency with the affected agencies' spheres include annexations of State correctional facilities or annexations to cities involving city owned lands used for municipal purposes.

Municipal Service Reviews

Municipal service reviews are comprehensive studies of the availability, range, and sufficiency of governmental services provided within a defined geographic area. LAFCOs generally prepare or update municipal service reviews to explicitly inform subsequent sphere determinations as required by the Legislature. LAFCOs also prepare municipal service reviews irrespective of making any specific sphere determinations in order to obtain and provide current information contributing to the overall orderly development of local communities.

Municipal service reviews vary in scope and can focus on a particular agency or governmental service. LAFCOs may use the information generated from municipal service reviews to initiate other actions under their authority, such as forming, consolidating, or dissolving one or more local agencies. All municipal service reviews – regardless of their intended purpose – culminate with LAFCOs preparing written statements addressing seven specific service factors listed under G.C. Section 56430. This includes, most notably, infrastructure needs or deficiencies, growth and population trends, and financial standing. The seven mandated service factors are summarized in the following table.

Municipal Service Reviews: Mandatory Written Statements	
1.	Growth and population projections for the affected area.
2.	Location and characteristics of any disadvantaged unincorporated communities within or contiguous to affected spheres of influence.[4]
3.	Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies.
4.	Financial ability of agencies to provide services.
5.	Status and opportunities for shared facilities.
6.	Accountability for community service needs, including structure and operational efficiencies.
7.	Matters relating to effective or efficient service delivery as required by LAFCO policy.

[4] This determination was added to the municipal service review process by Senate Bill 244 effective January 1, 2012. The definition of "disadvantaged unincorporated community" is defined under G.C. Section 56330.5 to mean inhabited territory that constitutes all or a portion of an area with an annual median household income that is less than 80 percent of the statewide annual median household income; the latter amount currently totaling $57,287.

III. OVERVIEW

1.0 Current Agency Operations

The City of Napa ("Napa") provides a relatively full range of municipal services directly and highlighted by operating its own fire, police, and public works departments. Napa also contracts with outside agencies to provide additional municipal services, such as garbage collection and street cleaning.[5] The City's current total staffing is 475. Its adopted budget for Fiscal Year 2013-14 is $66.4 million.

The current estimated population within Napa is 77,881; an amount representing a 2.5% overall – or approximately 0.3% annual – increase in population since the last sphere of influence update was completed in 2006. The City has responded to the 2008-12 economic downturn by controlling the growth of its staff and taking other measures to strengthen its financial standing, apparently without significant impact on service programs. Although a structural deficit has reduced the City's reserve account balance during the recession, that deficit has been nearly eliminated as the recession has reached its end. Measures of infrastructure adequacy show results of management strategies that have maintained the City's service capabilities under challenging circumstances.

As detailed in the Draft Municipal Service Review for the City of Napa submitted to LAFCO in October 2013, the City, with manageable exceptions, is capable of providing adequate municipal services to its current residents and anticipated population increase and remains appropriately accountable for provision of those services.

2.0 Background

2.1 Incorporation and Early Development

The City was incorporated in 1914 as a charter-law municipality governed by a five-member city council elected at large.[6] Napa's original boundaries spanned approximately 1.1 square miles in size and generally extended clockwise from Lincoln Avenue, Soscol Avenue, Elm Street, and York Street. Napa's incorporation population was estimated at approximately 4,000 and modestly grew thereafter as the economy transitioned towards more industrial uses and highlighted by the establishment of several tanneries and flour mills. This gradual growth eventually expanded Napa's boundary by the end of the 1930s to extend from Pueblo Avenue to the north and Imola Avenue to the south with an estimated population of 7,700.

Ambitious development policies enacted in the 1940s positioned Napa to become a large regional metropolitan community in step with growth trends throughout the San Francisco Bay Area. Markedly, and over the next forty years, Napa's population growth rate continually exceeded the statewide average as wartime operations at nearby Basalt Rock and Mare Island created thousands of new jobs and demand for new housing; the latter of which were accommodated in Napa with the annexation and development of Westwood in the 1940s followed by the Bel Aire and Devita areas in the 1950s and produced a population of 22,200 by 1960. Napa anticipated additional growth would occur through the end of the

[5] A notable exception with regards to the delivery of local municipal services involves wastewater, which is provided by the Napa Sanitation District.

[6] Napa was originally incorporated in 1872 as a general-law municipality.

century and codified these expectations with the adoption of its first General Plan in 1969. The inaugural General Plan, which paralleled growth expectations codified a decade earlier by the County of Napa, contemplated Napa expanding north to Ragatz Lane and east to Wooden Valley Road by 1990 and result in a total population of 150,000.

2.2 Revised Growth and Development Policies

Napa's growth management policies aimed at becoming a large metropolitan community proved to be relatively short-lived, however, as a paradigm shift towards slower growth emerged and resulted in the City issuing an advisory ballot requesting residents to identify a preferred population total for 2000. The results of the advisory ballot led Napa to adopt a new General Plan in 1975 reducing the population projection to 75,000 by 2000 as well as establishing an urban growth boundary or Rural Urban Limit line (RUL). Subsequent updates to Napa's General Plan were adopted in 1982, 1986, and 1998 with the latter codifying policies and standards with respect to land use and development over the succeeding two decade period. Pertinently, the 1998 General Plan contemplates a total buildout population for Napa of 90,000 by 2020.

3.0 Current and Projected Population

Napa's current and permanent resident population is estimated at 77,881. This amount represents an overall population growth rate of 5.3% over the last 10 year period – or 0.5% annually – and marks the highest rate change among all six land use authorities in Napa County with the exception of the City of American Canyon.[7] Napa's recent growth, notably, is characterized by two distinct episodes. Growth within the first half of the 10 year period was 1.7% before more than doubling to 3.6% over the second half. Further, this overall growth rate was three-fifths lower than the growth rate for the previous 10 year period, which was 13.3% or 1.3% annually between 1993 and 2003.

With respect to projections, and as detailed in the accompanying municipal service review, it is reasonable to assume Napa's annual population growth rate over the next 10 years within the existing sphere designation will match the growth rate from the previous decade and remain at or below 0.5%. Two factors provide substantive support for applying this projected annual growth rate. First, the rate parallels recent annual changes in Napa's population growth. Second, the rate is consistent with local employment and household estimates jointly prepared by ABAG and the Metropolitan Transportation Commission (MTC) as part of Plan Bay Area; a working planning document aimed at integrating transportation, land use, and housing decision-making consistent with Senate Bill 375 and its provisions to curb greenhouse gas emissions.[8] If the preceding assumptions hold, Napa's permanent population is expected to increase to 79,828 by 2018 and 81,775 by 2023; the latter amount remaining below the 90,000 build-out population estimate tied to Napa's existing RUL.

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[7] American Canyon's population growth rate over the affected period was 52.7% and marked third among all 101 cities in the San Francisco Bay Area. (Brentwood and San Ramon, both in Contra Costa County, ranked first and second among all Bay Area cities in population growth during this period at 58.1% and 56.1%, respectively).

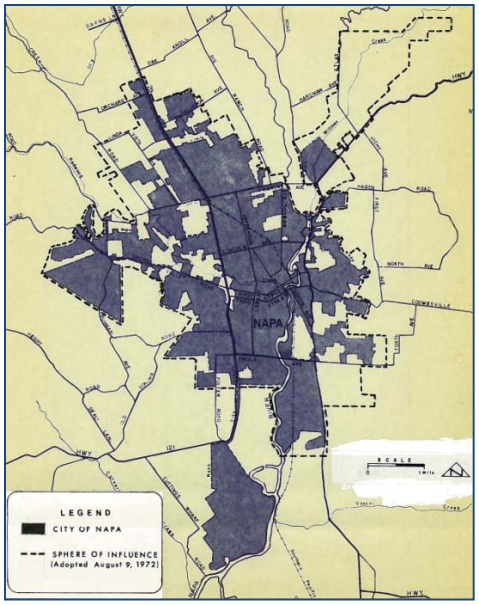
[8] Plan Bay Area anticipates an overall annual population growth rate for the entire region of 1.0% over the next 30 years with the majority – over four-fifths – occurring in locally-defined priority development areas (PDAs) and infill-oriented areas near existing transportation corridors. There is only one PDA in Napa and it is located along Soscol Avenue between First Street and Imola Avenue and anchored by the Gasser Specific Plan that anticipates – among other things – building 500 units of high-density housing units.

Projected Population Growth in Napa within Existing Sphere
(Napa LAFCO)

2013	2018	2023	Difference	Annual Percentage
77,881	79,828	81,775	3,894	0.5

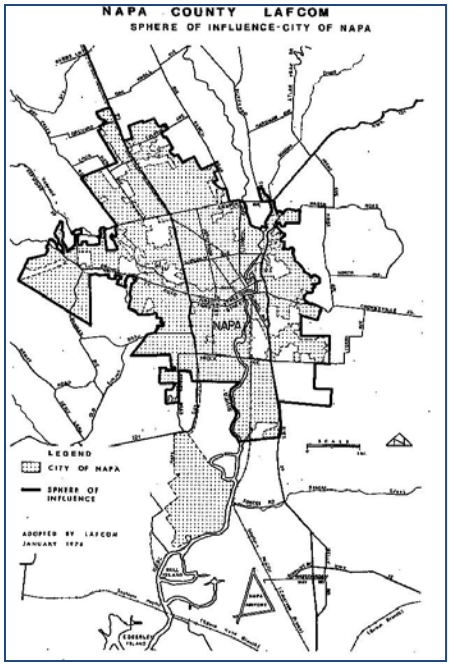
4.0 Sphere of Influence

4.1 Establishment



Napa's sphere was established by the Commission in 1972 to include nearly its entire 8,000 acre then-incorporated boundary – minus the Stanly Ranch area – along with approximately 5,200 acres of unincorporated land; the latter including the Napa State Hospital site, Monticello Road area, and Silverado Resort. The principal planning factor used by the Commission in establishing the sphere was to pair the availability of water and sewer service with expected and reasonable annexation requests within the next five to ten year period. Markedly, the adoption of the inaugural sphere culminated a four year process in which the Commission effectively included about one-half of the total area that had been requested by Napa; a request that included unincorporated lands extending as far north as Ragatz Lane and west into Carneros.

4.2 Update in 1976



The Commission initiated its own update to Napa's sphere in 1976 to review and address new land use policies codified in the City's new General Plan. The update was unanimously adopted by the Commission and significantly reduced the amount of unincorporated land within the sphere by approximately 2,400 acres or nearly one-fifth and marked by the removal of Silverado Resort and the adjacent Monticello Road area. The underlying criterion used by the Commission in redesignating the sphere was to generally align – although not uniformly – with Napa's recently established RUL. The establishment of an RUL coincided with the County of Napa establishing a corresponding zoning assignment for all affected lands requiring annexation to Napa as an alternative to processing any new development applications. Notable examples of lands within the RUL excluded from the sphere included Stanly Ranch, Stewart Dairy, and Big Ranch Road.[9]

[9] The 1976 update immediately facilitated 18 separate amendments through 2005. The majority of these amendments were engendered by petitions of property owners to facilitate residential development as part of concurrent annexation proposals. Notably, in approving these amendments, the Commission determined that there were consistencies between the general plans of the City and County of Napa with respect to the planned land uses of the affected territory.

4.3 Update in 2005

The Commission adopted a second comprehensive update to Napa's sphere in 2005. This update, which was engendered by the earlier enactment of CKH and its cornerstone requirement that LAFCOs review and update each agency's sphere by 2008 and every five years thereafter, expanded Napa's sphere to include an additional 1,090 acres and further align with the RUL. These additional acres comprised six distinct study areas and highlighted by bringing in Stewart Dairy (also known as "Ghisletta" lands), Big Ranch Road, and Stanly Ranch. The substantive result of the second update was general consistency between the sphere and RUL with the lone difference involving the Commission's continued inclusion of the Napa State Hospital.

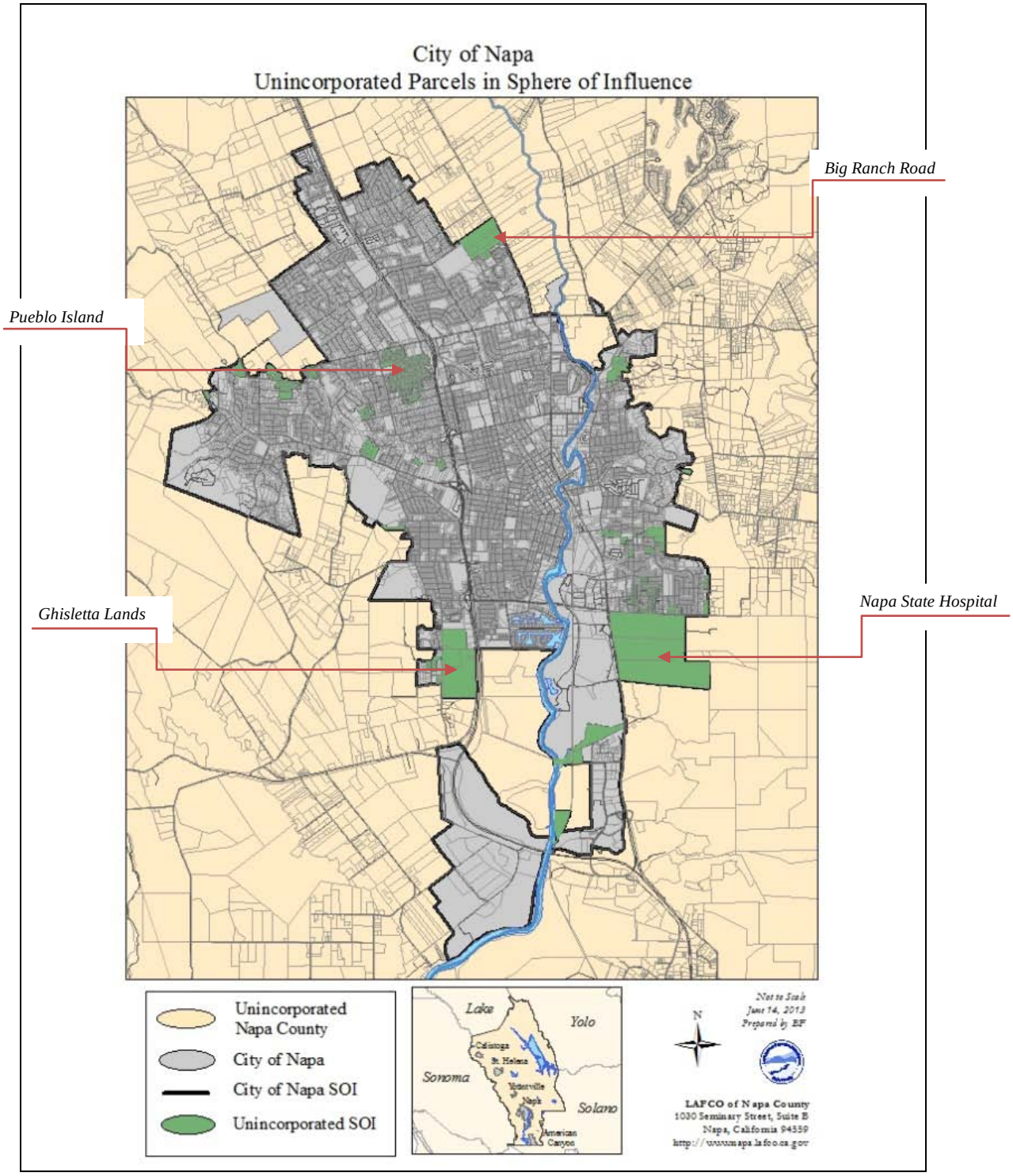
Since the 2005 SOI update, Napa LAFCO has approved 11 annexations of territory within the City's sphere of influence totaling approximately 143 acres to the City of Napa as shown in the following table.

City of Napa Annexations Since 2006		
Year Approved	**Proposal Name**	**Size (acres)**
2013	Grandview Drive No. 1	1.1
	Forest Drive No. 2	6.0
	Imola Avenue No. 1	2.3
	Levitin Way No. 1	18.6
2012	Rosewood Lane No. 1	1.1
2011	N/A	0.0
2010	Trancas Crossing Park	33.3
2009	Big Ranch Road No. 1	20.1
2008	Silverado Trail No. 1	28.8
2007	Laurel Street No. 1	26.3
2006	El Centro No. 8	5.3
TOTAL		142.9

4.4 Current Composition

There are close to 1,000 unincorporated acres in Napa's sphere eligible for annexation or outside service extensions.

Napa's sphere remains entirely intact from the last update and presently encompasses 19.7 square miles or 12,624 acres. There are a total of 967 entire and portions of five unincorporated lots covering 974 acres currently in the sphere and eligible for annexation or outside service extensions; the latter amount meaning 7.7% of acreage within the sphere remains unincorporated. The majority of these unincorporated lands lie within the 20 islands that are either entirely or substantially surrounded by Napa. A map highlighting the unincorporated lands already within the sphere is provided below.


City of Napa
Unincorporated Parcels in Sphere of Influence
Big Ranch Road
Pueblo Island
Ghisletta Lands
Napa State Hospital
Unincorporated Napa County
City of Napa
City of Napa SOI
Unincorporated SOI
Lake
Yolo
Sonoma
Solano
Calistoga
St. Helena
Yountville
Napa
American Canyon
N
Not to Scale
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5.0 Relevant Planning and Service Factors

5.1 City of Napa

The Napa General Plan was comprehensively updated in 1998 and codifies land use and development policies for the City through 2020. Major and broad land use objectives within the General Plan include restricting development within the RUL and maintaining and cultivating distinct neighborhood characteristics. The General Plan also emphasizes redevelopment of the downtown area in step with the implementation of the Napa River/Napa Creek Flood Protection Project.[10] All unincorporated lands located within the RUL – which currently total 594 acres – have been prezoned by Napa and, with limited exceptions, are assigned moderate to low residential densities. The General Plan contemplates a total resident population in Napa of 90,000 by 2020.

The Napa General Plan divides the RUL – which generally aligns with the existing sphere as described in the preceding section – into 12 distinct planning areas with residential designations comprising the north, east, and west perimeters. Residential density allowances range from two to 40 housing units per acre. Housing units overall have increased by 6.6% over the last ten years, rising by 1,873 since 2003 to a total of 30,295. Housing units constructed during this period has been fairly evenly divided between single family and multi-unit development with single family units comprising 55% of the total. Napa has also experienced a sizable increase in unoccupied residences with the residential vacancy rate rising from 4% in 2003 to approximately (and coincidentally) 6.6% currently.

It is pertinent to note Napa's water service area – as defined in a 1966 agreement between the City and the Napa County Flood Control and Water Conservation District – extends beyond the existing sphere and RUL and covers all lands south to Soscol Ridge, east to Silverado, west to Old Sonoma Notch, and north to Oak Knoll.[11] As of 2001, two separate and sequential approval processes are required for Napa to provide new or extended outside water service. First, Napa's Resolution No. 7 requires the City Council to approve making a request to the Commission for a new or extended outside water service connection with no less than four affirmative votes. Second, the Commission must make one of two determinations in authorizing an outside water service connection under G.C. Section 56133. If the affected territory lies within the existing sphere, the Commission may approve the outside connection so long as it determines it is in explicit anticipation of a future annexation. If the affected territory lies beyond the existing sphere, the Commission may approve the outside connection so long as it determines it addresses a present or impending threat to public health or safety.

[10] The Napa River/Napa Creek Flood Protection Project was approved by all six local land use authorities in 1997 and funded through a voter-approved half cent sales tax (Measure A) in 1998. Key project activities include constructing a new bypass channel where the Napa River and Napa Creek converge to direct flood waters away from the downtown area and is scheduled to be completed in 2018.

[11] Napa's water service area also extends beyond and north of Oak Knoll to serve properties along Highways 29 and 128 that connect directly to the City's transmission line to Lake Hennessey.

5.2 County of Napa

The County General Plan was comprehensively updated in 2008 and codifies land use policies through 2030. The General Plan includes a vision statement for the County to moderate and direct growth in ways that minimize resource consumption and make the unincorporated area a sustainable rural community. The General Plan also incorporates and complements two voter initiatives strongly influencing growth in the unincorporated area commonly referred to as Measures "A" and "P." Measure A was approved by voters in 1980 and subsequently re-adopted by the Board of Supervisors as an ordinance in 2000 and limits housing growth in the unincorporated area to 1.0% annually. Measure P was originally approved by voters in 1990 and subsequently extended in 2008 to prohibit the re-designation of unincorporated lands designated for agricultural or open space use to another category except by majority vote of the people through 2058. The County General Plan emphasizes and directs the majority of urban development to areas within the boundaries of the County's five incorporated cities.

There are five distinct unincorporated areas immediately adjacent to Napa's existing sphere designated under the County General Plan for an urban type use. Four of these adjacent urban designated areas – referred to by their principal roadway as "Monticello," "Coombsville," "Big Ranch," and "Partrick" – are predominately built-out with low-density residential uses (sometimes including very small vineyards and private equestrian facilities) as provided under the General Plan. The fifth adjacent urban designated area – referred to as "Napa Pipe" – was a former industrial use site that has been recently re-designated from industrial to mix residential/commercial uses in anticipation of considering a development project submitted by the landowner.[12] All five of these adjacent urban designated areas lie outside the sphere and RUL.

5.3 Napa Sanitation District

NSD provides public wastewater collection, treatment, and disposal services within and adjacent to Napa's existing sphere of influence and RUL. NSD is a dependent special district governed by an appointed five-member board with members appointed from both the Napa City Council and the County Board of Supervisors. Approximately 71% of NSD's existing jurisdiction lies within the boundary of the City of Napa. There have been two separate reviews over the last 20 years to considering the merits of reorganizing NSD either as a subsidiary district of the City of Napa or as an independent sanitary district.[13] The first formal review was initiated by NSD in 1995 in response to an earlier grand jury report. This review – prepared by a NSD subcommittee and in consultation with the Commission, Napa, and the County – produced a recommendation that was ultimately enacted through special legislation to increase the number of members on the governing board of the existing sanitation district from three to five with the two new seats belonging to members of the public and each getting appointed by Napa or the County.[14] The second review was performed directly by the Commission as part of its inaugural municipal service review on NSD and included a determination finding that the current governance structure appropriately balances the interests of both Napa and the County while allowing NSD to remain independent in matters of local land use decisions.[15]

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[12] The development project for Napa Pipe currently proposes a master planned community consisting of 945 townhome and apartment units, 150-room hotel, 50,000 square feet of office and retail space, and a 155,000 square foot Costco.

[13] Government Code Section 57105 requires that 70% of a district's geographic area and 70% of its registered voters lie within the boundary of a city in order for the district to become a subsidiary district of that city.

[14] Reference is for California State Senate Bill 156 (Thompson) in 1995.

[15] The municipal service review on NSD and the referenced determination was adopted by the Commission in April 2006.

IV. DISCUSSION

1.0 Objectives

The basic objective of this report is to identify and evaluate areas warranting consideration for inclusion in the City of Napa's sphere of influence as part of a scheduled update required by the State. This effort is will culminate in a designated sphere of influence that represents a plan for the probable boundary and service area of the City of Napa that, in the Commission's independent judgment, will facilitate the sensible and timely development of the City consistent with the objectives of the Legislature as expressed in the Cortese-Knox-Hertzberg Act. Specific goals under this legislation include discouraging urban sprawl, preserving open-space and prime agricultural lands, and providing for the efficient extension of local government services.

The Commission's "Policy Determinations" were comprehensively updated in 2011 and provide general prescription in fulfilling its legislative objectives paired with responding appropriately to local conditions and circumstances. The Policy Determinations highlight the Commission's commitment to avoid the premature conversion of important agricultural or open-space lands for urban uses through a series of restrictive allowances. This includes a broad determination to exclude all agricultural or open-space lands from city and district spheres of influence with limited exceptions. An additional and closely related policy determination states the Commission's support for Measure "P" by assigning deference to the County General Plan as it relates to determining agricultural and open-space land use designations.[16]

2.0 Coverage Period

State law currently requires LAFCOs review and update each local agency's sphere by January 1, 2008 and every five years thereafter. Accordingly, it has been the practice of the Commission to update each local agency's sphere in a manner emphasizing a probable five year annexation or outside service area plan; actual boundary change approvals, however, are subject to separate analysis with particular emphasis on determining whether the timing of the proposed action is appropriate.[17] This update's analysis is consistent with this practice.

[16] Measure P – formerly Measure J – was initially enacted by Napa County voters in 1990 and prohibits the County from amending agricultural or open-space land use designations for urban uses without electorate approval through 2050. Measure P only applies to unincorporated lands designated for an agricultural or open space use prior to 2008.

[17] LAFCOs are directed to consider 16 specific factors under G.C. Section 56668 anytime it reviews a proposed boundary change (i.e. annexation) for purposes of informing the appropriateness of the action. Additionally, it is Commission policy to discourage annexations to cities and districts involving undeveloped or underdeveloped lands without a known project or development plan.

V. STUDY AREAS

1.0 Criteria

This report and its analysis on potential sphere modifications for Napa is predicated on the policy interest of the Commission to facilitate Napa's logical development relevant to the factors prescribed by the Legislature and local needs as determined by the membership. Directly said, this update assesses whether a change to Napa's sphere is warranted either now and possibility in the future to facilitate the expansion of the incorporated boundary and/or service area under three distinct timing periods: primary; secondary, or tertiary. These timing periods are further described below.

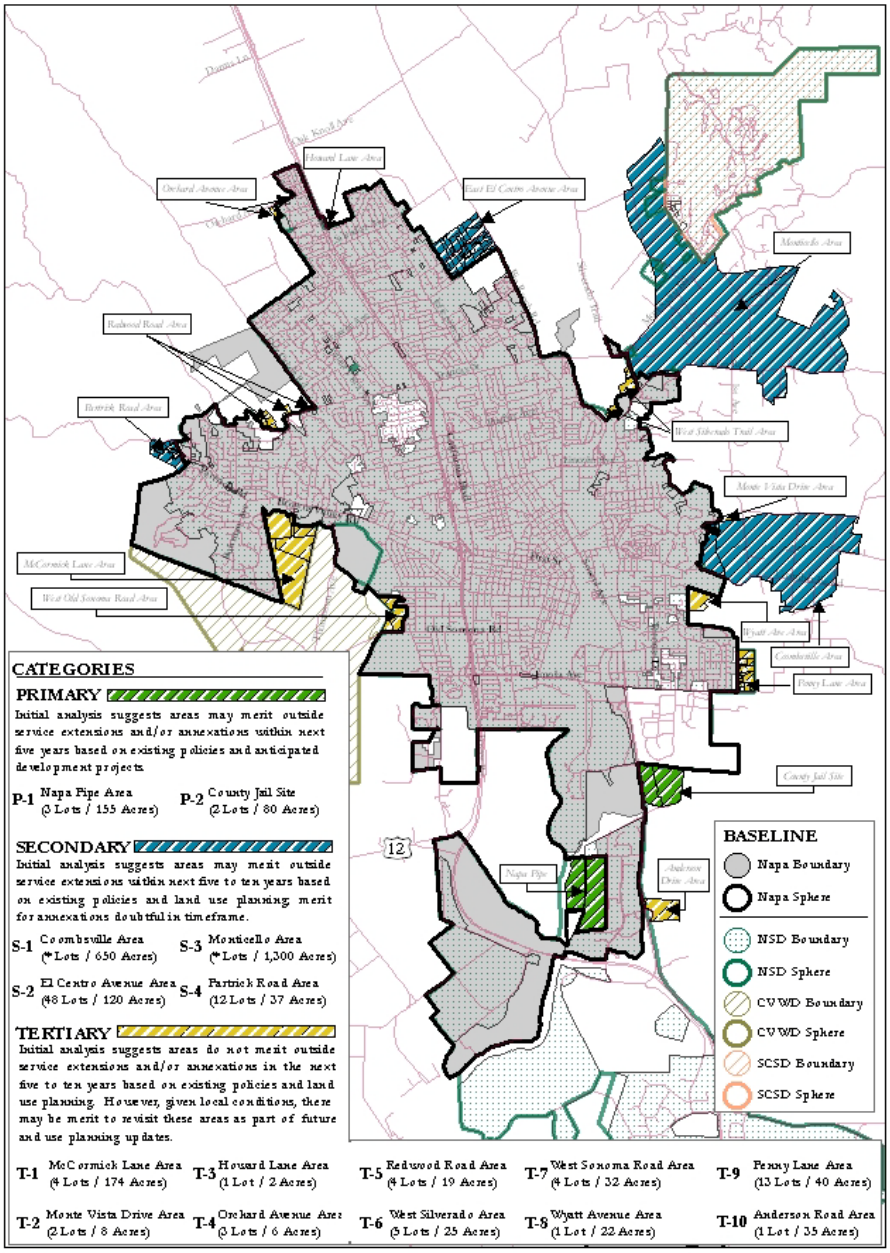
- Primary Category (Probable Need in Next Five Years)
  Areas that appear to merit consideration for inclusion into Napa's sphere to either facilitate an annexation or outside service extension based on existing policies and/or anticipated projects as part of this five year update.

- Secondary Category (Potential Need in Next 10-20 Years)
  Areas that appear to merit some consideration for inclusion into Napa's sphere to either facilitate an annexation or outside service extension based on existing land use and policies as part of future updates.

- Tertiary Category (More Discussion in Future Updates)
  Areas that do not appear to merit consideration for inclusion into Napa's sphere to either facilitate an annexation or outside service extension based on existing land use and policies in this or future updates. However, given local conditions, it would be appropriate for the Commission and interested parties – specifically Napa and the County – to discuss potential changes in land use policies and revisit the merits of adding these areas to the sphere in future updates.

2.0 Selection

Based on the criteria outlined in the preceding section, and in consultation with affected and interested parties, two primary study areas have been selected for detailed review as part of this update. These primary study areas are identified hereafter as "P-1" and "P-2" and evaluated for purposes of facilitating annexation and/or outside service extension within the next five years. Four additional study areas – hereafter identified as "S-1" though "S-4" – have been selected for limited review representing sites that potentially merit inclusion into the sphere beyond the five year coverage period for purposes of informing/guiding subsequent updates. Finally, 10 other study areas – hereafter identified as "T-1" through "T-10" – have been selected for limited review representing sites that may potentially merit inclusion into the sphere in the more distant future, but additional discussions among affected and interested parties are first needed to more fully inform the Commission. All study areas selected for review and divided between the three referenced timing categories are depicted in the following map.


City of Napa
Sphere Study Areas
Howard Lane Area
Orchard Avenue Area
East El Centro Avenue Area
Monticello Area
Redwood Road Area
Patrick Road Area
West Silverado Trail Area
Monte Vista Drive Area
McCormick Lane Area
West Old Sonoma Road Area
Wyatt Ave Area
Coombsville Area
Penny Lane Area
County Jail Site
Napa Pipe
Anderson Drive Area
CATEGORIES
PRIMARY
Initial analysis suggests areas may merit outside service extensions and/or annexations within next five years based on existing policies and anticipated development projects.
P-1 Napa Pipe Area (3 Lots / 155 Acres)
P-2 County Jail Site (2 Lots / 80 Acres)
SECONDARY
Initial analysis suggests areas may merit outside service extensions within next five to ten years based on existing policies and land use planning merit for annexations doubtful in timeframe.
S-1 Coombsville Area (* Lots / 650 Acres)
S-3 Monticello Area (* Lots / 1,300 Acres)
S-2 El Centro Avenue Area (48 Lots / 120 Acres)
S-4 Partrick Road Area (12 Lots / 37 Acres)
TERTIARY
Initial analysis suggests areas do not merit outside service extensions and/or annexations in the next five to ten years based on existing policies and land use planning. However, given local conditions, there may be merit to revisit these areas as part of future and use planning updates.
T-1 McCormick Lane Area (4 Lots / 174 Acres)
T-3 Howard Lane Area (1 Lot / 2 Acres)
T-5 Redwood Road Area (4 Lots / 19 Acres)
T-7 West Sonoma Road Area (4 Lots / 32 Acres)
T-9 Penny Lane Area (13 Lots / 40 Acres)
T-2 Monte Vista Drive Area (2 Lots / 8 Acres)
T-4 Orchard Avenue Area (3 Lots / 6 Acres)
T-6 West Silverado Area (5 Lots / 25 Acres)
T-8 Wyatt Avenue Area (1 Lot / 22 Acres)
T-10 Anderson Road Area (1 Lot / 35 Acres)
BASELINE
Napa Boundary
Napa Sphere
NSD Boundary
NSD Sphere
CVWD Boundary
CVWD Sphere
SCSD Boundary
SCSD Sphere
Local Agency Formation Commission / Napa County
Subdivision of the State of California
0 0.5 1 Miles
* Prepared by LAFCO Staff
August 30, 2013

3.0 Evaluation Factors

The evaluation of the 16 study areas selected for review as part of this report are organized to focus on addressing the five factors the Commission is required to consider anytime it makes a sphere determination under CKH. These five factors are: (a) present and planned uses; (b) present and probable need for public facilities and services; (c) present adequacy and capacity of public services; (d) existence of any social or economic communities of interest; and (e) if the agency provides water, sewer, or fire protection, present and probable need for these services for any disadvantaged unincorporated communities.

Discussion and staff's conclusions are offered for each study area relative to evaluating the preceding factors along with incorporating the policies of the Commission in administering the Cortese-Knox-Hertzberg Act in Napa County. This includes considering the merits of any proposed change relative to the Commission's five interrelated policies with respect to determining the appropriate sphere of influence as summarized below.

- The location of a city's sphere shall serve to promote appropriate urban uses as independently determined by the Commission with limited exceptions.
- A city's sphere should reflect existing and planned service capacities based on information independently analyzed by the Commission.
- Lands designated for agricultural or open-space uses shall not be included in a city's sphere for purposes of facilitating urban development unless special and merited circumstances exist as determined by the Commission.
- The Commission shall assign deference to the County General Plan in determining the appropriate location of urban uses while reserving discretion to address unique or otherwise pertinent considerations in support of sensible growth management.
- A city's sphere shall guide annexations and outside service extensions within a five-year planning period. Inclusion of land within a sphere, however, shall not be construed to indicate automatic approval of a subsequent annexation or outside service extension request; these requests will be considered on their own merits with deference assigned to timing.

VI. ANALYSIS

1.0 Primary Study Area

The Primary Study Area includes lands subject to known development projects that are near or adjacent to Napa's existing sphere that if approved would require one or more urban type of municipal services within the next five years. Two sub-areas (P-1 and P-2) have been identified for inclusion within the Primary Study Area and briefly identified as:

- P-1 consists of two unincorporated contiguous parcels totaling 155 acres. P-1 is commonly referred to as the Napa Pipe site and immediately southwest of the intersection of Kaiser and Basalt Roads.

- P-2 is consists of two unincorporated contiguous parcels totaling 82 acres. P-2 is commonly referred to as the County Jail site and immediately east of the intersection of State Highway 221 and Basalt Road.

1.1 Napa Pipe (P-1)

The Napa Pipe area is comprised of two parcels totaling 155 acres located on the east bank of the Napa River approximately three miles south of downtown Napa. The area is contiguous to and surrounded on three sides by the City's present boundary. Access to the site is exclusively by means of the City's street network, most notably Kaiser Road west of the Napa Vallejo Highway (Highway 221). A portion of the site (18.5 acres) at the southern end is already within the City's sphere of influence. The site is flat with industrial and office park uses to the east and south. Part of the site and adjacent areas are wetlands.

Present and Planned Land Use

In a recent amendment to its General Plan, Sub-Area P-1 was recently re-designated by the County primarily (other than a 19 acre "reserve" area) as "Napa Pipe Mixed Use," a transitional land use category that contemplates a broad range of residential and commercial uses including high-density, senior and other housing types, hotel, retail, office, light industrial and recreational land uses. The County has adopted a Final Environmental Impact Report (FEIR), a statement of overriding considerations and a mitigation monitoring and reporting program for amendments to the General Plan to accommodate development of Napa Pipe.

Napa County and the City of Napa are currently engaged in a joint planning effort for this area that contemplates initiation of development activity under the County's jurisdiction and eventual annexation of the entire area to the City as memorialized in a Memorandum of Understanding (MOU) adopted by both parties earlier this year. The MOU sets out a process that encompasses a series of County-City agreements necessary to accomplish this goal, including a development agreement and other agreements on tax sharing, development standards and design guidelines. The project area is outside of the City's RUL; therefore, any action to annex the territory to the City would first require voter approval of an amendment to the RUL.

The subsequent and ongoing planning activities affecting this site are expected to take the form of inter-governmental planning efforts reflected in these agreements which are intended to coordinate the policy objectives of the City and County with regard to housing, population growth and development standards. The project anticipates, among many other milestones, favorable action by LAFCO to include the site in the City's sphere of influence, followed by voter approval of the City's RUL, and then followed by development of the site. Development would occur in phases which would be initiated under the County's jurisdiction and annexed to the City prior to completion.

Present and Probable Need for Public Facilities and Services

This area is a currently disused industrial/manufacturing site. If development of the Napa Pipe site is approved as proposed, the project will require the full range of services provided by the City of Napa, especially water, public safety and public works services.

The project as proposed includes construction of all on-site infrastructure to serve the mix of uses included in the project, financing for those facilities and services through standard sources of tax revenue as well as community facilities districts and homeowners/property owners associations. The project's new housing and non-residential uses will create significant demand for municipal services from the City's transportation, water, police, fire, library and other services that the City is uniquely capable of providing.

Present Capacity and Adequacy of Public Services

The City's capacity to provide adequate services to the Napa Pipe site with proposed mixed use development is generally established in two parts: 1) Facilities and service capacities described in the Municipal Service Review for the Central County Region, Draft Section on City of Napa, and, 2) The description of the Napa Pipe project, including the mitigation measures adopted by the County in its process to amend its General Plan. There remain some limited issues requiring further study and mitigation, such as expansion of off-site water transmission facilities and emergency service response times. However, these issues remain subject to the ongoing City-County planning and development approval process, thereby requiring resolution prior to final project approval.

Social and Economic Communities of Interest

Due to the proximity of (and access to) the Napa Pipe site to the incorporated area of the City of Napa, development of the Napa Pipe project in intensive mixed urban uses would create the most basic communities of interest between the project site and the City's currently incorporated area. Potential communities of interest would include the participation of project area residents and businesses in the civic institutions and activities in the City of Napa (school attendance, service organizations, sports leagues etc.), patronage or market areas in common for commercial activity in both the project area and existing City enterprises.

Present and Probable Need for Public Services for Disadvantaged Unincorporated Communities

Neither inclusion of the Napa Pipe site within the sphere of influence of the City of Napa nor its anticipated development is related to the need for public services for disadvantaged unincorporated communities. No disadvantaged unincorporated communities meeting the definition under State law have been identified anywhere in Napa County.

Recommendation

The Napa Pipe site has been in industrial and other non-agricultural uses for many years. Re-development of the site within the City's boundary and sphere of influence would be consistent with various policies adopted by LAFCO, the County of Napa and City of Napa promoting urban development within city boundaries.

Redevelopment of the Napa Pipe area is apparently immanent. Both the demand for City services and the ability of the City to provide those services have been documented in the Commission's current Service Review and in various documents associated with development review and environmental review of the proposed project. Staff recommends that the Commission amend the sphere of influence of the City of Napa to include the Napa Pipe site on the basis of:

- The site's geographic relationship to the City boundary, services and facilities;
- Consistency with relevant plans and policies;
- The significant commitments of public planning effort on the part of the City and the County to coordinate development of the site;
- The necessary role of LAFCO in the sequence of steps required to implement a multi-jurisdictional planning effort.

1.2 County Jail Site (P-2)

Sub-Area P-2, the County Jail Site, is located on unincorporated land approximately two miles southeast of Downtown Napa. The site is made up of two parcels totaling 80 acres contiguous to the boundary of the City of Napa on the east side of Soscol Avenue (Napa-Vallejo Highway/State Route 221) immediately south of Napa State Hospital.

Present and Planned Land Use

The current land use of the jail site area is described in the County Jail Project Draft Environmental Impact Report ("DEIR", August 16, 2013), "Portions of both parcels are currently used for equipment storage, retail and wholesale of building materials and an impound yard for a local towing company. The eastern parcel is dominated by a large, oblong warehouse. The western parcel contains a complex of eight abandoned industrial buildings; two small modern buildings; and a rectangular, open bay, partitioned sand/gravel storage area."

The project would re-designate the site from "Study Area" to "Public Institution" in the County General Plan.

Present and Probable Need for Public Facilities and Services

Napa County initiated an Adult Correctional System Master Plan in 2004 that identified deficiencies in programs, practices and capacity of the County's jail facilities. In order to address the identified correctional system needs, the County proposes phased construction of new facilities to replace the existing jail in downtown Napa.

The project description consists of a new jail and a "staff secure facility." Again as described in the DEIR, "The jail would be designed with an initial capacity of 366 beds, but would include core support facilities designed for expansion and occupancy of up to 526 beds in the event the County needs to add bed capacity at some point in the future. Ancillary facilities would include a storage and maintenance unit, administrative offices, food services, laundry, medical and mental health units, programming rooms, visiting areas, and inmate intake and release." The Staff Secure Facility "… would house 50 to 100 additional inmates, and would serve as a transitional step for inmates moving back to the community. The facility would also provide programming space, recreational areas, and staff offices, as well as kitchen and laundry space."

The project would require extension of utilities, including water service from the City of Napa and sewer service from Napa Sanitation District. The project site lies outside the City's boundary and sphere of influence. Expansion of the City's sphere of influence would allow extension of water service either following annexation to the City or by approval of an outside service agreement with the City. The County has no announced plan to seek annexation of the site or amendment to the City's RUL. If the site is added to the City's sphere of influence, a four-fifths vote of the City Council would be required to seek LAFCO's approval of extension of water service in the absence of annexation.

Present Capacity and Adequacy of Public Services

The City's capacity to provide adequate services to the County Jail site's correctional facilities is established in two parts: 1) facilities and service capacities described in the Municipal Service Review for the Central County Region, Draft Section on City of Napa; and, 2) the more focused conclusions of the DEIR for the County Jail. Water service is available from the City's main transmission line on the west side of Soscol Avenue. Water supply is adequate, given the City's ability to manage water shortages in a single dry year scenario, as discussed in both source documents.

Mitigation measures proposed in the DEIR will address traffic impacts of the new facility. The nature of the jail facility, with its residents incarcerated, indicates that demand for other City services such as police protection, library and community development would be minimal or similar to service demand from the existing jail.

Social and Economic Communities of Interest

Although there is no compelling necessity for a jail facility to be sited within the same jurisdiction as the population it serves, some substantial proportion of both staff and inmate population of the County Jail will be residents of the City of Napa. In addition, employment, social and recreational opportunities for released or transitioning inmates housed in the staff secure facility at the jail would be most immediately available in the City of Napa, now adjacent to the jail site. At least to this extent, a community of interest may be expected to exist between the jail site and the City if and when the jail is built.

Present and Probable Need for Public Services for Disadvantaged Unincorporated Communities

No disadvantaged unincorporated communities meeting the definition under State law have been identified anywhere in Napa County.

Recommendation

Like the Napa Pipe site, the site for the proposed County Jail facility has been in industrial use for many years. Re-development of the site within the City's sphere of influence would be consistent with various policies adopted by LAFCO, the County of Napa and City of Napa promoting urban development within city boundaries.

The County is well-advanced in its planning process for the new jail having completed a Draft EIR and having acquired an option to purchase the site. Both the demand for City services and the ability of the City to provide those services have been documented in the Commission's current Service Review and in various documents associated with environmental review of the proposed project. On the basis of significant commitments of public planning effort on the part of the County to plan and develop the site as well as the necessary role of LAFCO in provision of water service for the site, staff recommends that the Commission amend the sphere of influence of the City of Napa to include the County Jail site.

2.0 Secondary Study Area

The Secondary Study consists of four sub-areas in which outside service extensions within the next five to ten years may be justified based on existing policies and land use planning, but where justification for annexation to the City of doubtful in that timeframe. The four sub-areas are identified and summarized below.

Napa SOI Subareas: Land Use Planning Characteristics – Secondary Study Area (Source: Napa LAFCO)

Subarea	Parcels	Acres	General Plan Designation	Zoning Standard
S-1: Coombsville	310	576.7	95% Rural Residential 5% Agriculture, Watershed and Open Space	Residential Country
S-2: El Centro Avenue	47	115.1	Rural Residential	Residential Country
S-3: Monticello Road	681	1,248.2	Rural Residential	85% Residential Country 13% Residential Single 1% Commercial Limited 1% Planned Development
S-4: Partrick Road	12	37.4	75% Rural Residential 25% Agriculture, Watershed and Open Space	Residential Country

As shown in the table, the four sub-areas are primarily rural residential areas with some agricultural and open space designations interspersed. Zoning in these areas is Residential Country and Residential Single. Each is outside the City's general plan area and RUL, but not subject to the County's Measure P restrictions on conversion of agricultural and open space lands.

These areas are characterized by average parcel sizes of two to three acres, typically with either exclusively residential use or with small-scale vineyard or equestrian uses. All four sub-

sub-areas are contiguous to the City's boundary and have access through the City's street network. Extensive portions of the Monticello area (S-3) and all of the Partrick Road area (S-4) receive water from the City through outside service extensions that either pre-date LAFCO's authority to review such extensions or that the Commission has approved since 1993. The other two areas rely on groundwater. Some level of further demand for City water service may be expected to emerge in the future as a result of individual well problems or other localized conditions. The use of recycled wastewater for application to vineyards or other non-residential uses may also be a long-term possibility in the Coombsville area (S-1).

In the development of this report, no indication of widespread community support for eventual annexation to the City has emerged in any of these areas. While some demand for City water service may be expected to arise as groundwater problems occur, there is no indication of demand for other City services to these areas.

Recommendation – Secondary Study Area

In the absence of City action to amend its General Plan and RUL, these sub-areas cannot be accurately described as part of the City's "probable boundary and service area" as would be necessary under the definition of sphere of influence. However, underlying conditions, including local planning policy and demand for City services, may change over time. The purpose of defining and discussing secondary study areas is to alert the Commission, other local government agencies and the public of the proximity and nature of these sub-areas for future consideration.

Staff recommends that the Commission take no action to include any part of the Secondary Study Area in the sphere of influence of the City of Napa at this time. Unless otherwise directed by the Commission, staff will undertake no further analysis of inclusion of these areas in the sphere of influence of the City of Napa within this five-year update cycle.

3.0 Tertiary Study Area

The Tertiary Study consists of ten sub-areas in which the nature of the sub-areas and land use policy make the extension of water and other City services unlikely, but where there may be merit in re-evaluation in future land use planning and service review updates. The Ten sub-areas are identified and summarized below.

Napa SOI Subareas: Land Use Planning Characteristics – Tertiary Study Area (Source: Napa LAFCO)

Subarea	Parcels	Acres	General Plan Designation	Zoning Standard
T-1: McCormick Lane	4	173.4	Agriculture, Watershed and Open Space	Agricultural Watershed
T-2: Monte Vista Drive	1	4.4	Agriculture, Watershed and Open Space	Residential Country
T-3: Howard Lane	1	1.9	Agricultural Resource	Agricultural Preserve
T-4: Orchard Avenue	3	6.1	Agricultural Resource	Agricultural Preserve
T-5: Redwood Road	4	19.1	Agricultural Resource	Agricultural Preserve
T-6: West Silverado	5	25.2	Agricultural Resource	Agricultural Preserve
T-7: W. Old Sonoma Road	4	32.4	Agriculture, Watershed and Open Space	Agricultural Watershed
T-8: Wyatt Avenue	1	22.8	Agriculture, Watershed and Open Space	Agricultural Watershed
T-9: Penny Lane	17	37.1	Agriculture, Watershed and Open Space	Residential Country
T-10: Anderson Road	1	35.2	Agriculture, Watershed and Open Space	Agricultural Watershed: Airport Compatibility

As shown in the table, these sub-areas are designated for Agriculture, Watershed, Open Space and Agricultural Resource use categories. Zoning classifications within these sub-areas are Agricultural Watershed, Residential Country, Agricultural Preserve and Airport Compatibility. Each is outside the City's general plan area and RUL and all are subject to the County's Measure P restrictions on conversion of agricultural and open space lands. The County General Plan designations, Measure P restriction and parcel sizes in these sub-areas distinguish the Tertiary Study Area from other areas discussed in this report.

Parcel sizes in these sub-areas vary widely between two and 43 acres, with an overall average parcel size of approximately 25 acres. These sub-areas typically combine rural residential with small-scale agricultural use. All ten sub-areas are contiguous to the City's boundary and have access through the City's street network. None of the sub-areas receives water service from the City, relying instead on wells. As with the Secondary Study Area, some level of further demand for City water service may be expected to emerge in the future as a result of individual well problems or other localized conditions.

Again, in the development of this report, no indication of widespread community support for eventual annexation to the City has emerged in any of the Tertiary Study Area, though there are occasional letters from property owners interested in receiving water service from the City.

Recommendation – Tertiary Study Area

As is the case with the Secondary Study Area, these sub-areas cannot be accurately described as part of the City's "probable boundary and service area" due to their designation for agricultural and open space use under the County's General Plan and the absence of City action to amend its General Plan and RUL. The fact that the Tertiary Study Area is also covered by the County's restrictions against the conversion to urban use of agricultural and open space lands under Measure P further indicates the current improbability of considering these sub-areas as eligible for annexation to the City.

However, these sub-areas do include a component of residential use and each is contiguous to, and receives access from, the City's street system. Underlying conditions, including local planning policy and demand for City services, may change over time. The purpose of defining and discussing a Tertiary Study Area is to acknowledge these facts in the public record and to provide a beginning point to the next five-year update of the City's sphere of influence. In the short term, these sub-areas may be recognized by other agencies as of potential relevance to updates or amendments to City and County general plans.

Staff recommends that the Commission take no action to include any of the ten sub-areas of the Tertiary Study Area in the sphere of influence of the City of Napa at this time. Unless otherwise directed by the Commission, staff will undertake no further analysis of inclusion of these sub-areas in the sphere of influence of the City within this five-year update cycle.