

LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

CITY OF AMERICAN CANYON: SPHERE OF INFLUENCE REVIEW AND UPDATE

Final Report

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Prepared by:

LAFCO of Napa County

1700 Second Street, Suite 268

Napa, California 94559

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

Committed to serving the citizens and government agencies of its jurisdiction by encouraging the preservation of agricultural lands and open-space and coordinating the efficient delivery of municipal services.

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I. INTRODUCTION

A. Local Agency Formation Commissions

Local Agency Formation Commissions (LAFCOs) are political subdivisions of the State of California and are responsible for administering a section of Government Code now known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“CKH”). LAFCOs are located in all 58 counties and are delegated regulatory responsibilities to coordinate the logical formation and development of local governmental agencies and services. Specific regulatory duties include approving or disapproving proposals involving (a) city incorporations or disincorporations, (b) special district formations, consolidations, and dissolutions, and (c) city and special district annexations and detachments. LAFCOs inform their regulatory duties through a series of planning activities, namely preparing municipal service reviews and sphere of influence updates. Underlying LAFCOs regulatory and planning responsibilities is fulfilling certain 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.”

LAFCOs are generally governed by a five-member commission comprising two county supervisors, two city councilmembers, and one representative of the general public.¹ Members must exercise their independent judgment on behalf of the interests of residents, landowners, and the public as a whole. LAFCOs have sole authority in administering its legislative responsibilities and its decisions are not subject to an outside appeal process.

B. Spheres of Influence

A central planning responsibility for LAFCO is the determination of a sphere of influence (“sphere”) for each city and special district under its jurisdiction.² LAFCO establishes, amends, and updates spheres to designate the territory it believes represents the appropriate and probable future service area and jurisdictional boundary of the affected agency. All jurisdictional changes, such as annexations and detachments, as well as outside service extensions must be consistent with the spheres of the affected local agencies with limited exceptions.³

“Sphere” means a plan for the probable physical boundary and service area of a local agency, as determined by LAFCO.

There are several important and distinct policy considerations underlying sphere determinations. For example, inclusion within a multiple-purpose agency’s sphere, such as a city or community services district, generally indicates an expectation by LAFCO the territory should be developed for urban uses. Alternatively, inclusion of territory within a limited-purpose agency’s sphere, such as a hospital or mosquito abatement district, may be intended to support both urban and non-urban uses. It is also important to note inclusion

¹ Several LAFCOs also have two members from independent special districts within their county. Each category represented on LAFCO has one alternate member.

² LAFCOs have been required to determine spheres for cities and special districts within its jurisdiction since 1972.

³ A prominent exception involves land owned and used by cities for municipal purposes that are non-contiguous to their incorporated boundary (G.C. Section 56742).

within a sphere does not provide any guarantees the territory will be annexed. Jurisdictional changes must be considered on their own merits with particular attention focused on assessing whether the timing of the proposed action is appropriate.

Sphere determinations may also lead LAFCO to take other actions under its authority. This may include initiating the formation, consolidation, or dissolution of local agencies. 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 each local agency's sphere every five years as necessary.

In making a sphere determination, LAFCO is required to prepare written statements addressing four specific planning factors listed under G.C. Section 56425. These factors range from evaluating current and future land uses to the existence of pertinent communities of interest. The intent in preparing the written statements is to focus LAFCO in addressing the core principles underlying the sensible development of each local agency consistent with the anticipated needs of the affected community. The four factors are outlined below.

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 that 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 that they are relevant to the agency.

LAFCOs inform their sphere determinations by preparing municipal service reviews to evaluate the level and range of governmental services provided in the region. Municipal service reviews vary in scope and can focus on a particular agency, service, or geographic area. Municipal service reviews culminate with LAFCO making determinations on a number of governance-related factors. This includes infrastructure needs or deficiencies, growth and population projections, and financial standing. LAFCOs may also consider additional factors if required by local policy. LAFCOs must complete the municipal service review process prior to making related sphere determinations.

C. City of American Canyon

This report represents LAFCO of Napa County's ("Commission") scheduled sphere review of the City of American Canyon. The report supersedes the last comprehensive sphere review of American Canyon adopted by the Commission in February 2004. This report draws on information collected and analyzed in the Commission's recently completed municipal service review on the southeast county region, which included evaluating the availability, adequacy, and capacity of services provided by American Canyon. Other governmental agencies evaluated in the southeast county municipal service review were the American Canyon Fire Protection District (ACFPD) and County Service Area (CSA) No. 3, whose spheres will be updated in the near future as part of separate reports. The municipal service review's executive summary is attached and includes the written determinations adopted by the Commission at its June 1, 2009 meeting.

The focus of this report is to consider whether changes to American Canyon’s sphere are warranted in terms of consistency with the provisions of CKH and the adopted policies and administrative practices of the Commission. In identifying study areas for review, the report incorporates a request made by American Canyon to expand the City’s sphere to correspond with its recently revised urban limit line. The report also considers two separate agreements between American Canyon and the County providing consensus for adding certain lands to the City’s sphere. The affected lands are identified in this report as Study Area “A” and the *Town Center* portion of Study Area “E.” These agreements have been submitted to LAFCO in accordance with G.C. Section 56425(b). This statute directs LAFCO to “give great weight” to the agreements to the extent they are consistent with its policies in its final determination of the subject agency’s sphere.

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II. AGENCY OVERVIEW

A. Background

American Canyon was incorporated in 1992 and operates under a council-manager system of government. American Canyon is approximately 4.9 square miles in size and provides a full range of municipal services directly or through contracts with outside contractors with limited exceptions. American Canyon is the second largest municipality in Napa County and has been one of the fastest growing communities in the entire San Francisco Bay Area with an average annual population increase of 7.2% over the last 10 years. The California Department of Finance estimates American Canyon's population at 16,293. This amount represents an approximate two-third increase in population since 1998.

American Canyon's current operating budget is \$16.5 million. American Canyon's primary revenue source is drawn from property taxes, which currently fund nearly half of the City's operating budget. Markedly, on a regional level, American Canyon collects more in property taxes than any other city in Napa County as measured on a per capita basis.⁴ American Canyon's remaining discretionary revenues are principally generated from sales tax and motor vehicle license fees, with the former having increased by over one-third over the last five years as result of new commercial development in the City. This includes the recent construction of the first two phases of Napa Junction, which represents American Canyon's largest commercial site and anchored by a Wal-Mart Superstore.⁵ The single largest operating expense for American Canyon involves police protection services and presently represents close to one-quarter of all discretionary expenditures. American Canyon's projected operating fund balance at the end of the 2008-2009 fiscal year is \$4.3 million.

American Canyon operates two municipal enterprises involving sewer and water services. Both systems extend beyond American Canyon's incorporated boundary and were inherited by the City at the time of its formation as successor agency to the American Canyon County Water District (ACCWD). In 2001, G.C. Section 56133 became effective to mandate local agencies receive LAFCO approval before providing new or extended services beyond their jurisdictions by contract or agreement with local landowners. The statute limits LAFCO approval for new or extended services beyond the agency's jurisdiction but within their spheres in anticipation of future annexations. Approval for new or extended services beyond an agency's jurisdiction and sphere is limited to addressing existing or impending public health or safety threats. In response, the Commission reconciled the requirements of the statute with American Canyon's inherited responsibilities by establishing extraterritorial sewer and water service areas for the City. The sewer and water extraterritorial service areas extend north of American Canyon to include unincorporated lands designated for an urban use by the County of Napa to Fagan Creek and Soscol Ridge, respectively.⁶

⁴ Based on actual 2007-2008 totals, American Canyon received \$424 in property tax revenues, which surpassed St. Helena at \$382, Calistoga at \$285, Napa at \$263, and Yountville at \$135.

⁵ A third phase of Napa Junction is expected to add an additional 130,000 feet in commercial space.

⁶ American Canyon must receive Commission approval before providing new or extended services within the extraterritorial service areas with the exception of land subject to the County's Airport Industrial Area Specific Plan.

B. Sphere of Influence

Establishment

American Canyon's sphere was established by the Commission in 1991 in conjunction with approving the City's incorporation. The Commission designated the sphere to closely match American Canyon's approved incorporated boundary with the notable addition of approximately 410 unincorporated acres located along the City's eastern border.⁷ This unincorporated area was added to the sphere given its urban land use designation under the County General Plan, which was based on following the perceived 15% slope line of the adjacent Sulphur Mountain range. Two incorporated areas not included in the sphere involved American Canyon's water treatment plant located off of Kirkland Ranch Road and its wastewater storage ponds situated at the western terminus of American Canyon Road.

Amendments/Updates

The Commission has approved three changes to American Canyon's sphere since its establishment in 1991. The first two changes to the sphere involved amendment requests made by individual landowners. The first amendment was approved in 1998 and added 25 acres located southeast of American Canyon Road's intersection with Flosden Road. This area was added as part of a concurrent annexation proposal and represents the far eastern portion of the present-day La Vigne subdivision. The second amendment was approved in 1999 and added 70 acres located east of State Highway 29's intersection with Poco Boulevard. This area was added to facilitate a future annexation of a town center project and is commonly referred to as the "horseshoe" area. The area remains unincorporated and undeveloped. The third change to the sphere was approved by the Commission in 2004 as part of a scheduled comprehensive update. The update included adding four distinct areas to the sphere totaling 640 acres. The largest addition involved over 370 acres located along the northern side of Green Island Road, which was later annexed into American Canyon in 2005, although it remains undeveloped or underdeveloped. The other additions to the sphere involved areas located off of Watson Lane, Eucalyptus Drive, and American Canyon Road and generally remain unincorporated.⁸

Current Composition

American Canyon's sphere is currently 3,333 acres or 5.1 square miles in size. The sphere is coterminous with nearly 90% of American Canyon's incorporated boundary and includes a total of 5,214 assessor parcels. Of this amount, 18 assessor parcels are unincorporated and concentrated within four distinct areas. Three of these four unincorporated areas were added to the sphere in 2004 as part of the last comprehensive review. The fourth area, which consists of three assessor parcels located east of the intersection of State Highway 29 and Poco Boulevard, was added to the sphere in 1999 and is part of a planned town center project. Figure One depicts the current composition of the sphere. Figure Two highlights the four unincorporated areas within the current sphere.

⁷ American Canyon's incorporated boundary was established by the Commission to generally follow ACCWD's jurisdictional boundary with the exception of lands designated for non-urban use by the County.

⁸ A portion of the area along Eucalyptus Drive was annexed into American Canyon in 2005 as part of the City's construction of a new wastewater treatment plant.

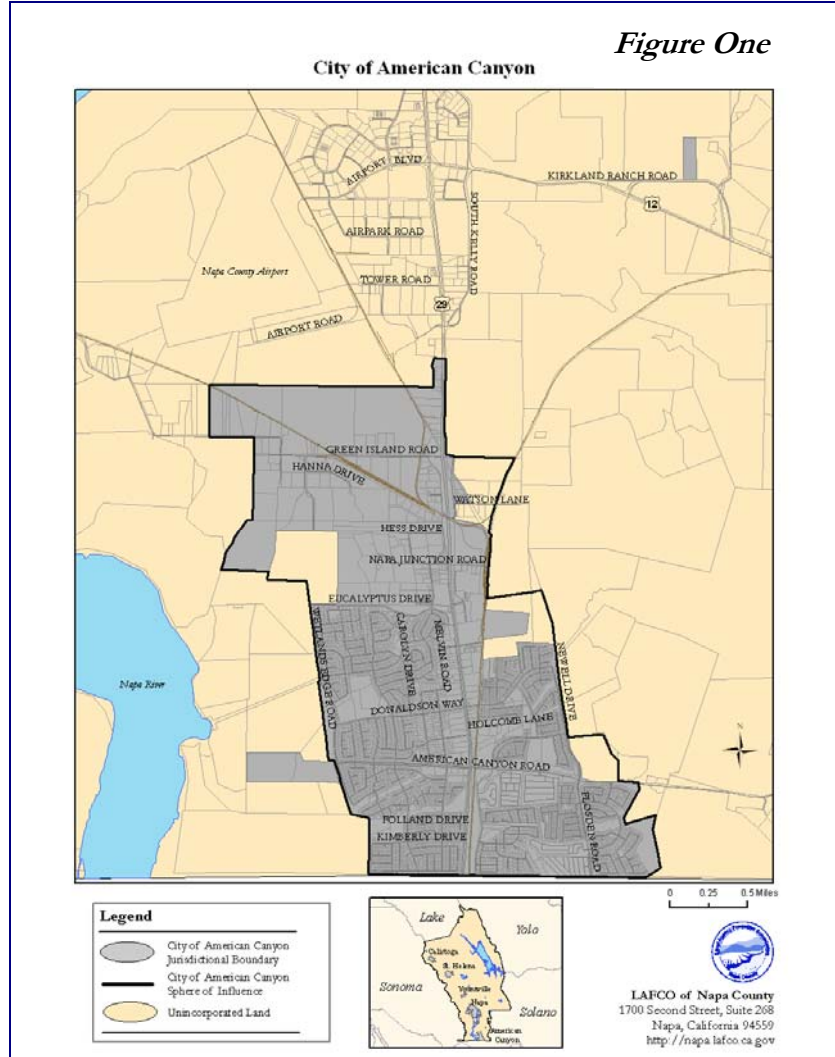


Table One

Unincorporated Areas Within American Canyon’s Sphere

(Source: LAFCO)

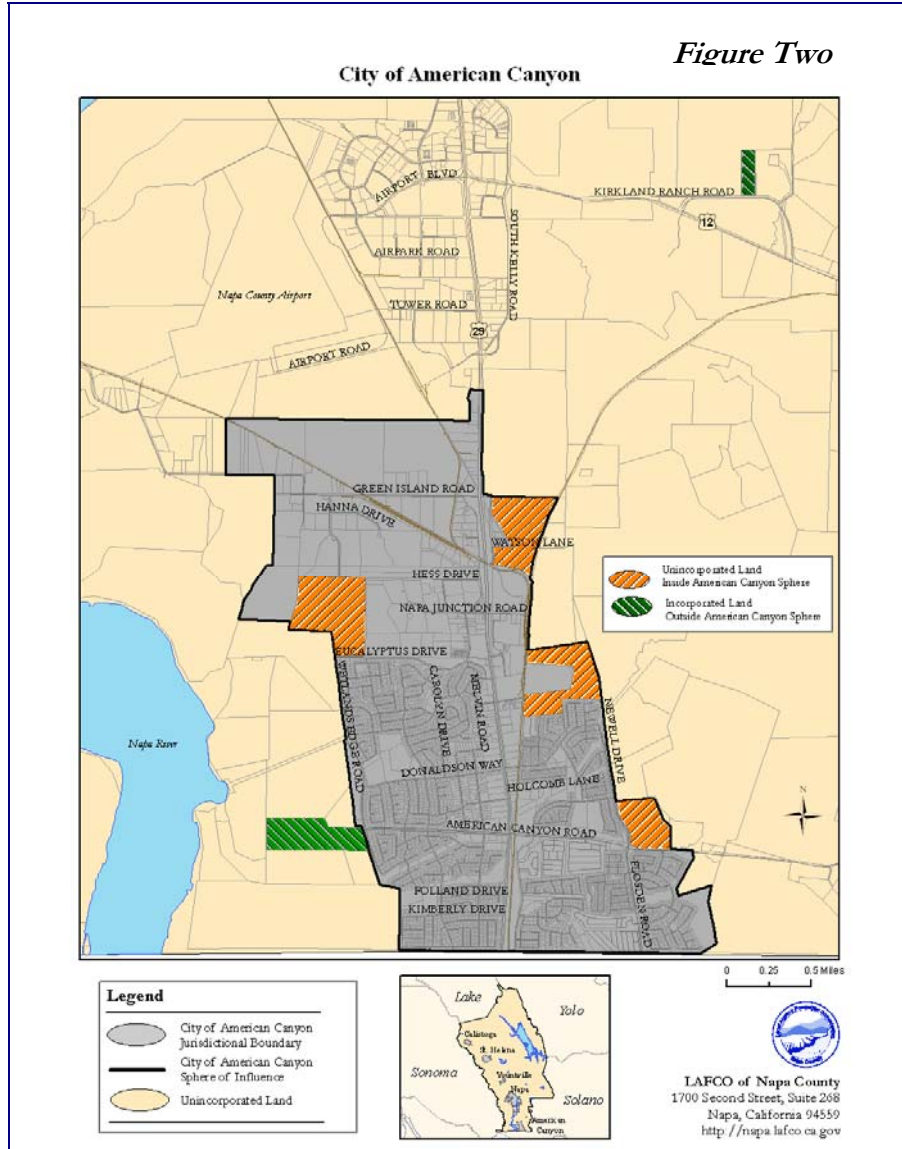
Location Description	Acres	Current Land Use
State Highway 29/Watson Lane	76.7	Rural Residential
American Canyon Road/Newell Drive	49.5	Under Construction: School Site
Eucalyptus Drive/Wetlands Edge Drive	106.6	Undeveloped
State Highway 29/Poco Way	70.0	Undeveloped

Table Two

Incorporated Areas Outside American Canyon’s Sphere

(Source: LAFCO)

Location Description	Acres	Current Land Use
Kirkland Ranch Road/Jameson Canyon	14.4	Water Treatment Facility
American Canyon Road/Wetlands Edge Drive	62.7	Undeveloped



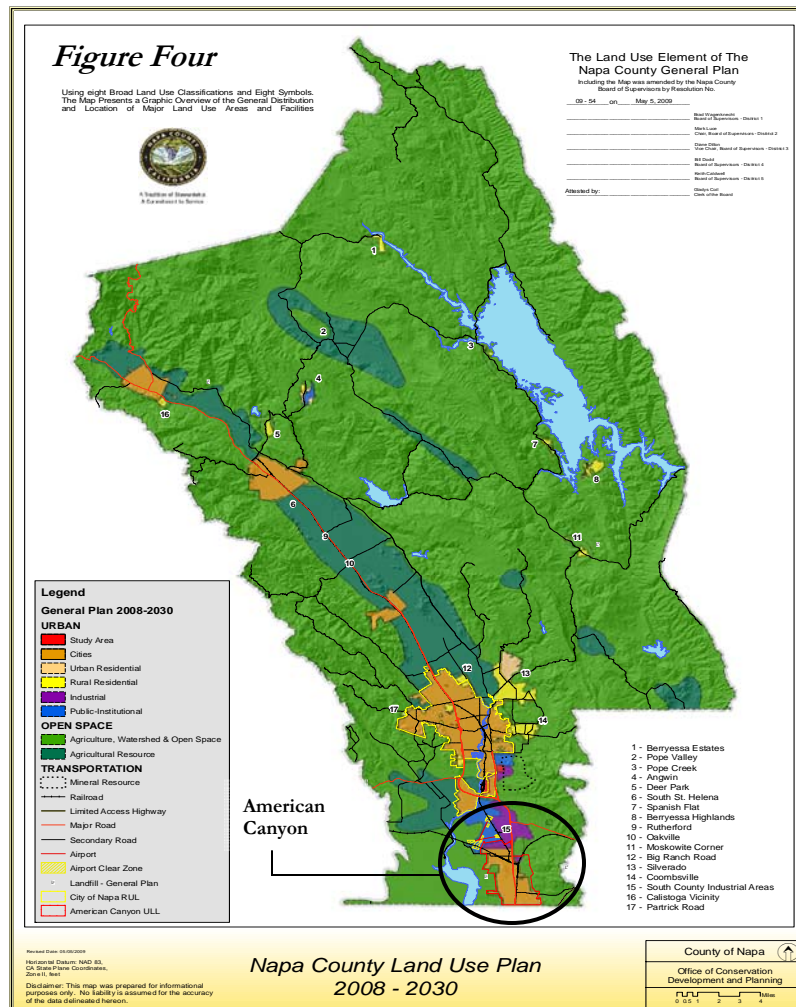
C. Land Use Policies

American Canyon

The American Canyon General Plan was adopted in 1994 and codifies land use objectives and policies for the City through 2010. The General Plan includes a vision statement for American Canyon to evolve into a “compact urban community surrounded by a well-defined network of farmlands, hillsides, and riverine habitats.” The General Plan outlines four broad development goals: (a) serve as a bedroom community for the greater region; (b) create a sufficient commercial base for residents; (c) become a subregion employment center; and (d) emerge as a destination for visitors to the Napa Valley.

County

The County General Plan was last updated in 2008 and designates nearly all adjacent unincorporated lands east and west of American Canyon as *Agriculture, Watershed and Open Space*. This designation supports the preservation of existing agricultural and open-space land uses characterizing most of the area by requiring minimum lot densities of 160 acres. Contemplated uses under this designation include agriculture, processing of agricultural products, and single-family residences with or without a detached second unit.¹⁰ Adjacent unincorporated land north of American Canyon is designated under the County General Plan as *Industrial*. This designation specifies minimum lot densities between 0.5 to 40 acres based on proximity to utilities and is intended to support various industrial uses, including warehouses, manufacturing facilities, and wineries.¹¹ Figure Four shows the County's General Plan Land Use Map.



¹⁰ The County zones these lands as *Agricultural Watershed*. Specific uses allowed without a permit include agriculture, wineries, family daycare, residential care, and one single-family residence per legal lot with or without a second unit.

¹¹ Maximum building density coverage is 50%. The County zones the majority of these lands as *General Industrial*. Specific uses allowed without permit include agriculture, bakeries, creameries, storage yards, assembly and packing facilities, and electrical, plumbing, heating, welding, and sheet metal shops.

III. DISCUSSION

A. Objectives

The basic objective of this report is to identify and evaluate areas warranting consideration for inclusion or removal from American Canyon's sphere as part of a comprehensive review. Underlying this effort is to designate the sphere to facilitate the sensible and timely development of American Canyon consistent with the provisions of CKH. Specific goals under this legislation include discouraging urban sprawl, preserving open-space and prime agricultural lands, and providing for the efficient extension of governmental services.

The Commission's "Policy Determinations" were last amended in 2003 and provide prescription in fulfilling its legislative objectives. The Policy Determinations highlight the Commission's commitment to avoid the premature conversion of designated agricultural or open-space lands to urban uses through a series of restrictive allowances. This includes a determination to exclude lands designated as agricultural or open-space from city spheres for the purpose of accommodating urban type development unless it is demonstrated that infill opportunities are limited or non-existent. An additional determination states the Commission will recognize the public's support for Measure "J" by deferring to the County General Plan in determining agricultural and open-space land use designations.¹² The Commission also directs any development or use of land for purposes other than open-space shall be guided away from existing prime agricultural lands.

B. External Considerations

Spheres have assumed an increasingly important role in informing statewide and regional planning activities that are external to LAFCOs, but parallel shared goals with respect to coordinating efficient and sustainable growth. The use of spheres, for example, by local council of governments (COGs) as the planning areas for purposes of preparing biannual population, jobs, and housing projections is significant. These projections are used by COGs in allocating regional housing needs assignment (RHNA) among cities and counties within their regions as assigned by the Department of Housing and Community Development. Importantly, depending on the COGs allocation process, the placement of unincorporated land within a city sphere with potential job growth may result in an increased RHNA to the municipality as part of the next cycle.¹³ Conversely, the placement of unincorporated land within a city sphere with potential housing growth may result in a decreased RHNA to the municipality. Agreements among local agencies may also have an effect on the allocations. Regardless, central to the allocation process is the sphere.

A more recent external consideration associated with spheres relates to Senate Bill 375, which was enacted in January 2009. This legislation now requires regional transportation agencies to establish sustainable community strategies (SCS) as part of their regional transportation plans. The end-goal of a SCS is to connect smart growth land use principles with transportation funding in order to further reduce greenhouse gas emissions in the state. The law requires consideration of adopted spheres in the development of a SCS.

¹² Measure J was enacted by Napa County voters in 1990 and prohibits the amendment of agricultural or open-space land use designations in unincorporated areas without electorate approval through 2020. This initiative was extended in 2008 through 2050 through Measure "P."

¹³ COGs' housing need allocation currently cycles every seven to eight years.

C. Timeframe

State law requires LAFCOs review and update each local agency's sphere by January 1, 2008 and every five years thereafter as needed. 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 area. This update's analysis is consistent with this practiced timeframe.

IV. STUDY AREAS

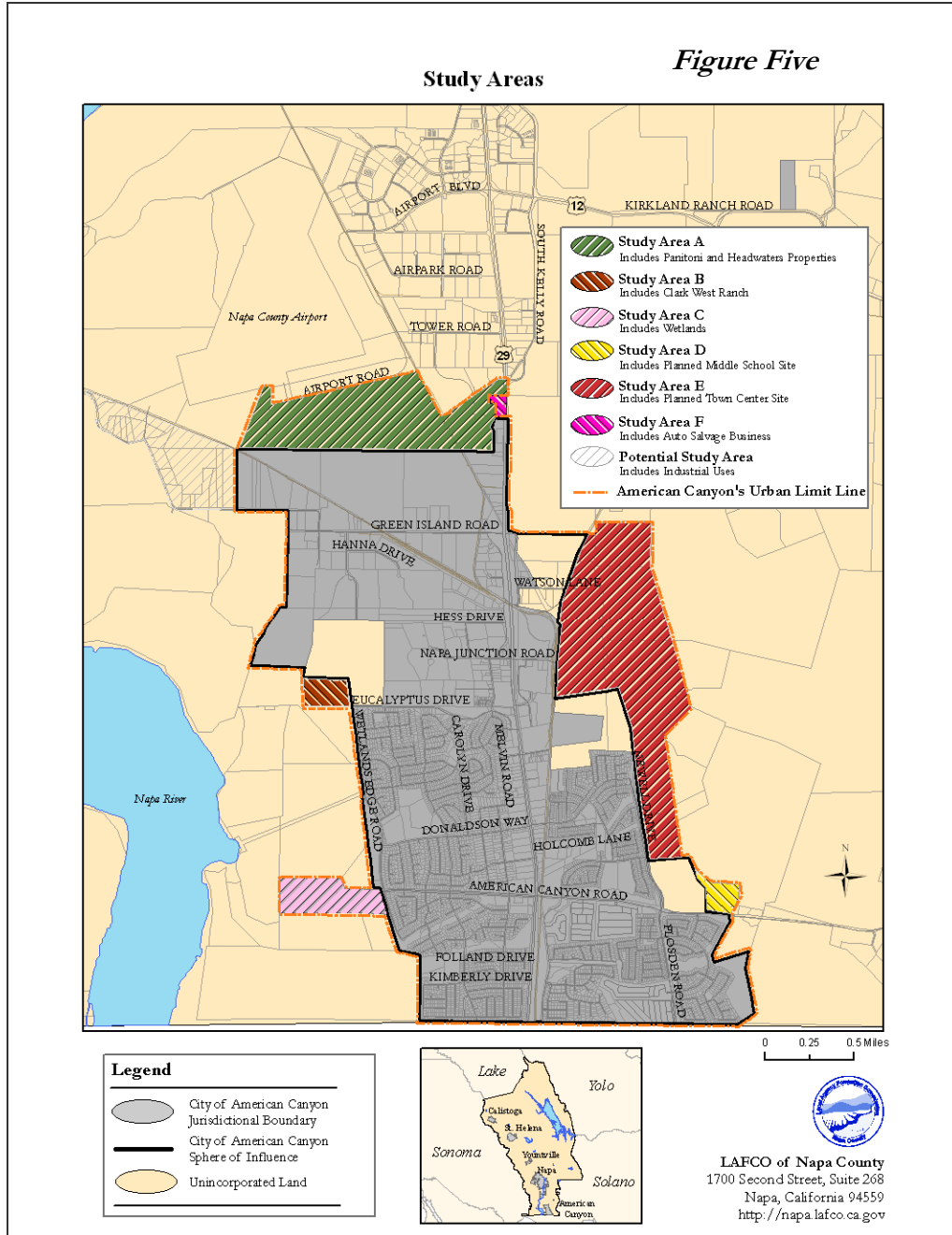
A. Criteria and Selection

This report incorporates a formal request made by American Canyon to expand the sphere to match its revised ULL. As described on page 12 of this report, the amended ULL was formulated as part of a negotiated agreement between American Canyon and the County and implemented through a citizens' initiative adopted by the City Council in August 2008. The ULL is intended to guide American Canyon's growth through 2030 and includes a total of 777 unincorporated acres lying outside the current sphere. This report categorizes these unincorporated ULL lands within five distinct study areas based on geographic similarities and are identified as "A," "B," "C," "D," and "E." A sixth study area, "F," has also been included for review by staff given the affected unincorporated lands are surrounded nearly four-fifths by American Canyon's ULL.

A potential seventh study area was also considered for conclusion in this review and update. This area comprises 155 unincorporated acres of mostly industrial land uses located along Green Island Road between American Canyon and the Napa River. Although it is outside the ULL, the area lies within American Canyon's extraterritorial water and sewer service areas as determined by the Commission. All vehicular access to the area must also go through American Canyon byway of Green Island Road. These preliminary factors all suggest including the area into the sphere is merited. Previous outreach efforts made during the last update, though, identified a sizeable portion of the landowners in the area opposed inclusion into the sphere. It is reasonable to assume this opposition continues today given the perceived lack of landowner change in the area. With this opposition in mind, and given the five-year timeframe, consideration of expanding the sphere to include the area is not further considered as part of this review.

Additionally, no study areas have been identified for review with respect to considering removal of any of the four existing unincorporated areas from the sphere. The rationale for not considering removals is prefaced on recognizing all four unincorporated areas are subject to current or impending annexation proposals.

Figure Five depicts the study areas evaluated as part of this review and update.



V. ANALYSIS

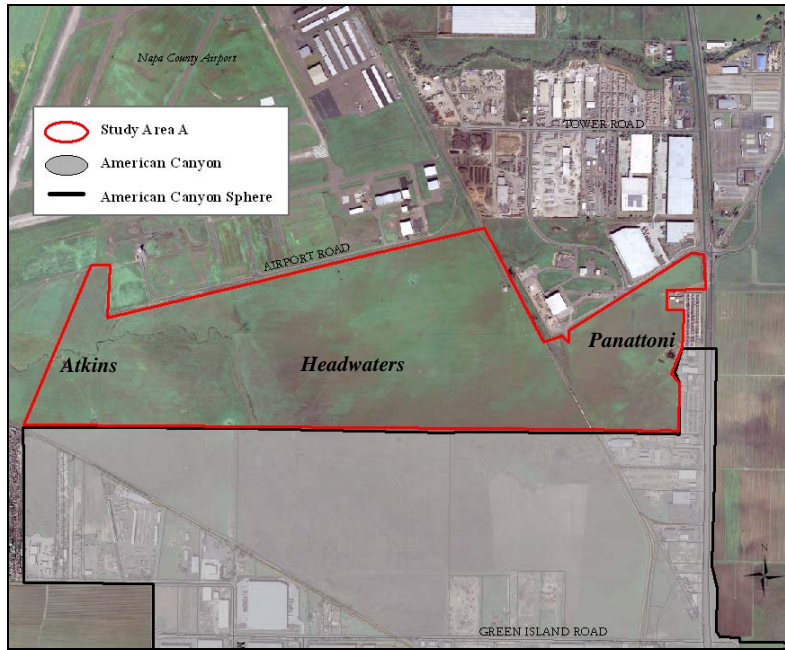
A. Evaluation Factors

Evaluation of each study area is organized to address the four planning factors the Commission is required to consider anytime it makes a sphere determination. These planning factors are (a) present and planned uses, including agricultural and open space lands, (b) present and probable need for public facilities and services, (c) present adequacy and capacity of public services, and (d) existence of any social or economic communities of interest. Conclusions are offered for each study area with regard to whether a sphere modification is appropriate based on the accompanying analysis.

B. Study Areas

Study Area A

This study area comprises approximately 293 unincorporated acres located immediately north of American Canyon’s existing jurisdictional boundary and sphere and south of the Napa County Airport. The study area includes four entire assessor parcels and is bisected along its eastern side by an active railroad owned by Union Pacific. The affected assessor parcels are commonly referred to by their current or former landowner’s names, “Atkins,” “Headwaters,” and “Panattoni.” The study area was included in American Canyon’s original ULL and is considered for inclusion into the sphere at the request of the City and supported by the County as part of a August 2008 agreement.



Assessor Parcels	Landowner	Acre Size
057-090-080	Napa Airport Corp. Centre	11.9
057-090-079	Napa Airport Corp. Centre	37.2
057-090-069	Napa Industrial, LLC	218.1
057-040-007	Larry Atkins	25.4

Present and Planned Uses, Including Agricultural and Open Space Lands

Existing Setting

The entire study area is presently undeveloped and consists of native grassland. There is no documentation or evidence indicating the study area has been developed or utilized in the past for any uses other than perhaps livestock grazing.

County Land Use Policies

The County designates the entire study area as *Industrial* and contemplates a variety of urban non-residential uses ranging from manufacturing to office space.¹⁴ The designation is supported by the County's zoning standard of *Industrial Park* for all four of the affected assessor parcels, which specifies a minimum lot requirement of 5.0 acres. Specific development and design standards for the study area are outlined in the County's Airport Industrial Area Specific Plan (AIASP).¹⁵ The County General Plan was updated in 2008 to illustrate the entire study area as part of American Canyon's ULL. This illustration reflects the County's expectation the entire study area will be eventually developed for urban type uses within American Canyon.

American Canyon Land Use Policies

American Canyon also designates the entire study area as *Industrial* and has rezoned the affected assessor parcels as *Napa County Airport Industrial Area*. This rezoning standard has been made in conjunction with filing an annexation proposal with the Commission and fully incorporates the development and design standards codified in the County's AIASP. The rezoning standard ensures future uses and densities within the study area would be identical under either jurisdiction.

Development Projects

There are two vested projects tied to the study area. The first project involves the smaller of the two contiguous affected assessor parcels referred to as the Panattoni property. The project was approved by the County Planning Commission in April 2008 and allows for the construction of four detached light industrial buildings totaling 171,000 square feet.¹⁶ The second vested project involves subdividing the largest of the four affected assessor parcels referred to as the Headwaters property. This project was approved by the County Planning Commission in January 2009 and allows for the creation of a new 40 acre lot and the construction of a 645,000 square foot warehouse and distribution facility adjacent to the western side of the Union Pacific railroad track.¹⁷ Both projects are currently dormant, but are expected to be completed within the timeframe of this review. These vested projects would not be affected by annexation.

¹⁴ The minimum lot requirement under the County's *Industrial* designation is 0.5 to 40 acres based on utility and road access.

¹⁵ The County's AIASP guides growth management within the surrounding 3,000 acre area through 2025.

¹⁶ The County has received a separate application to construct a 279,000 square foot warehouse and distribution facility on the larger of the two contiguous parcels comprising the Panattoni property. The application is on hold.

¹⁷ This vested project has been modified from an earlier approval by the County Planning Commission in 1999 to allow the entire Headwaters property to be developed by the prior landowner (Beringer) to include a 1.4 million square foot warehouse for winery production and storage along with a commercial vineyard.

Additional Land Use Factors

The study area does not qualify as agricultural or open-space land under LAFCO law.¹⁸ There are also no existing agricultural contracts tied to the four affected assessor parcels. The study area does lie within the Napa County Airport’s Compatibility Zone D, which marks the lands are routinely overflowed by aircraft ranging in altitude between 300 to 1,000 feet above ground. This zone prohibits all residential uses as well as any other uses deemed hazardous to flight as determined by the Napa County Airport Land Use Commission.¹⁹

Category	American Canyon	County of Napa
Designation	.....Industrial	.....Industrial
Designation Uses *	.....Manufacturing	.....Manufacturing
	.....Aviation	.....Warehouses
	.....Agribusiness	..Winery/Food Processing Facilities
	.....Thematic Industrial	.....Administrative Facilities
	.....Business Park	.....Research Institutions
	.....Warehouses	...Limited Office/Commercial Uses
	.....Professional Offices	
	.....Supporting Retail	
	.....Restaurants	
	.....Financial Uses	
Zoning	....Napa County Airport Industrial Area	.....Industrial Park
Zoning Density	.....Minimum Lot Size: 5.0 Acres	.....Minimum Lot Size: 5.0 Acres

* As noted, the County and American Canyon’s zoning for the affected territory is identical and ensures future uses and densities within the study area would be the same under either jurisdiction.

Present and Probable Need for Public Facilities and Services

Public facilities and services currently available or provided within the study area are considered basic and include fire protection and law enforcement from the County.²⁰ The study area also receives basic services, directly and indirectly, from several countywide special districts relating to vector control, soil conservation, parks and open-space, and flood control. The basic level and scope of these present services in the study area appears appropriate given the affected lands are undeveloped.

A full range of elevated public facilities and services are needed in the study area under both the urban land use designations and zoning standards adopted by the County and American Canyon. This includes, but is not limited to, an elevated level of community planning, police, fire, water, sewer, storm drainage, and street lighting and maintenance. These elevated services are expected to be needed in the timeframe of this review given two vested projects are already tied to two of the affected assessor parcels. American Canyon is the most logical multi-service provider for the study area based on service proximity.

Category	County of Napa	American Canyon
Probable Need for Public Facilities/Services	.....Yes	.....Yes

Probable Need Based on Agency Land Use Designations

¹⁸ Nearly three-fourths of the study area’s soil qualifies as prime agricultural land under LAFCO law based on its Class II rating by the United States Department of Agriculture’s Land Capability Index.

¹⁹ State law authorizes a city to override a determination by an Airport Land Use Commission by a two-thirds vote.

²⁰ The property known as “Atkins” is located within ACFPD and is entitled to receive an elevated level of fire protection services from the District as needed.

Present Capacity of Public Facilities and Adequacy of Public Services

Information collected and analyzed in the municipal service review generally indicates American Canyon presently has adequate capacities to extend a full range of public facilities and services to the study area to accommodate its planned and probable urban uses under the County and City's land use policies. Specific and pertinent citywide capacity issues identified in the municipal service review relevant to the study area's potential development that should be addressed at the time annexation is proposed include:

- Expansion of American Canyon's water treatment and storage facilities to independently accommodate current and future peak-day demands.
- Availability of potable water supplies to meet present and future service demands during dry-year conditions.
- Improvements to traffic circulation to attain acceptable levels of services.

Existence of Social or Economic Communities of Interest

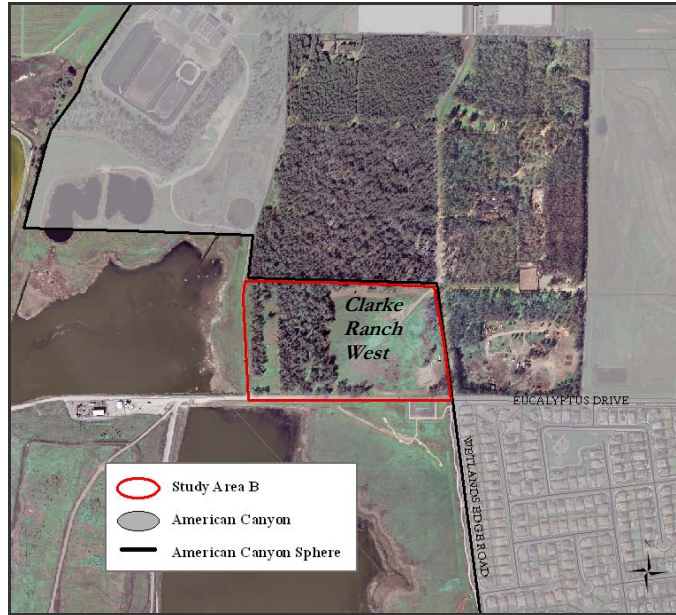
The study area's social and economic interests are most strongly identified with American Canyon. These interests have been primarily fostered through the community's long-standing expectation the study area would eventually become part of American Canyon given its inclusion within the City's original ULL. The Commission recently recognized and strengthened these interests by including the affected lands in American Canyon's extraterritorial water and sewer service areas. The County has also recognized these interests by agreeing to support the inclusion of the affected lands in the sphere as well as their annexation to American Canyon. These interests also appear reciprocal given all three of the current landowners within the study area have submitted letters of support to add their properties to the sphere to facilitate future annexation and development.

Conclusion

Modifying American Canyon's sphere to include the study area as well as the adjacent right-of-way portion of State Highway 29 appears warranted given the preceding analysis. Inclusion is consistent with the study area's planned urban land uses under both the County and American Canyon General Plans. Inclusion would be responsive to the probable need for a full range of public services in which American Canyon is the most logical multi-service provider. Inclusion would also recognize the study area's existing and distinct social and economic ties with American Canyon as well as support an agreement between the City and County regarding the long-term development of the Napa County Airport area. Furthermore, inclusion is consistent with the adopted policies of the Commission in facilitating orderly municipal growth. This includes guiding future urban uses away from County designated agricultural and open-space lands.

Study Area B

This study area comprises approximately 26 unincorporated acres located west of American Canyon’s existing jurisdictional boundary and sphere near the intersection of Eucalyptus Drive and Wetlands Edge Road. The study area also lies immediately west of an unincorporated property commonly known as the “Eucalyptus Grove,” which is already in the sphere. The study area represents a portion of a 113 acre assessor parcel purchased by American Canyon in 1999. American Canyon refers to the study area as “Clarke Ranch West” and added the affected lands to the ULL in 2008. The study area is considered for inclusion into the sphere at the request of the American Canyon.



Assessor Parcel	Landowner	Acre Size
058-020-013 (portion)	City of American Canyon	26

Present and Planned Uses, Including Agricultural and Open Space Lands

Existing Setting

The study area is generally undeveloped with no permanent structures. The far eastern portion does include a small number of temporary structures and equipment associated with the American Canyon 4-H Club, which houses small farm animals and poultry on site. The study area was formerly part of a large commercial cattle ranch.

County Land Use Policies

The County designates the entire study area as *Agriculture, Watershed and Open-Space* and contemplates a limited variety of non-urban uses ranging from agriculture to processing of agricultural products. The designation also allows for a single-family residence. The designation is supported by the County’s zoning standard of *Agricultural Watershed* for the portion of the affected assessor parcel, which specifies a minimum lot requirement of 160 acres. The County General Plan was updated in 2008 to illustrate the entire study area as part of American Canyon’s ULL. This illustration reflects the County’s expectation the entire study area will be eventually developed for urban type uses within American Canyon.

American Canyon Land Use Policies

American Canyon designates the entire study area as *Open-Space* with the intent the lands be retained for open-space purposes, which includes passive recreation. American Canyon recently rezoned the study area *Open Space – Clarke West Ranch* in conjunction with filing an annexation proposal with the Commission. This rezoning prescribes a minimum lot requirement of 10 acres.

Development Projects

American Canyon is currently in the process of completing a trail system connecting the City to the Napa River that runs parallel along the southern and western perimeter of the study area. American Canyon anticipates developing the study area into a passive public recreational park. This anticipated use may also include building a public safety facility to accommodate both a park ranger and fire station. The fire station, if built, would be used and operated by ACFPD.

Additional Land Use Factors

The study area does not qualify as agricultural land under LAFCO law.²¹ It does, though, qualify as open-space land given the study area’s designation under the County General Plan. The affected assessor parcel is not subject to an agricultural contract. The study area also lies within the Napa County Airport’s Compatibility Zones D and E. Zone D applies to most of the study area and signals aircraft routinely fly-over at altitudes between 300 to 1,000 feet above ground. No residential or other uses deemed hazardous to flight by the Napa County Airport Land Use Commission are allowed. Zone E applies to a small southeast section of the study area and signifies aircraft commonly flyover at altitudes above 1,000 feet in the course of landing or departing. Noise-sensitive outdoor uses are prohibited.

Category	American Canyon	County of Napa
Designation	.....Open Space	.....Agriculture, Watershed & Open Space
Designation Uses	.....Private or Public Open Space	.....Agriculture
	.....Passive Recreational	.....Processing of Agriculture
	.....Resource Management	.....Single-Family Residence
Zoning	.....Open Space - Clarke West Ranch	.....Agricultural Watershed
Zoning Density	.....Minimum Lot Size: 10 Acres	.....Minimum Lot Size: 160 Acres

Present and Probable Need for Public Facilities and Services

Public facilities and services currently available or provided within the study area are considered basic and include fire protection and law enforcement from the County. The study area also receives basic services, directly and indirectly, from several countywide special districts relating to vector control, soil conservation, parks and open-space, and flood control. The present basic level and scope of services in the study area appears appropriate given the affected lands are undeveloped for urban use.

²¹ The study area does not qualify as prime agricultural land under LAFCO law based on its soil rating of Class III under the United States Department of Agriculture’s Land Capability Index.

There is no probable need for a full range of elevated public facilities and services within the study area based on the non-urban land use designations and zoning standards adopted by both the County and American Canyon. A limited number of elevated public services, though, may be needed if the study area is annexed to American Canyon. In particular, this would include providing elevated community planning and law enforcement to accommodate and support the passive recreational use of the study area as contemplated by American Canyon. Other elevated services, such as water and sewer, may also be needed and defined when a specific project is proposed. American Canyon has indicated interest in proceeding with a master plan to guide the recreational development of the study area in the near future. If this development proceeds as contemplated, American Canyon is the most logical service provider in terms of delivering coordinated community planning and law enforcement as well as potentially extending water and sewer based on service proximity.

<u>Category</u>	<u>County of Napa</u>	<u>American Canyon</u>
Probable Need for Public Facilities/Services	.....No	.....No

Need Based on Agency Land Use Designations

Present Capacity of Public Facilities and Adequacy of Public Services

Information collected and analyzed in the municipal service review generally indicates American Canyon presently has adequate capacities to extend a limited range of elevated public facilities and services in the study area needed to accommodate its potential passive recreational uses as contemplated by the City and allowed under its General Plan and Zoning Ordinance. The municipal service review does not identify any specific and pertinent capacity issues relative to American Canyon’s ability to accommodate this potential recreational use in terms of extending community planning and law enforcement services. This statement is predicated on presuming the demands would be relatively minimal; an assumption that would be reassessed at the time annexation is considered.

Existence of Social or Economic Communities of Interest

The study area has established distinct social and economic interests with both the County and American Canyon. The study area’s social and economic ties with the County were established in 1968 and drawn from its designation under the County General Plan as *Agriculture, Watershed and Open Space*. This designation carries significant local importance given it underlies the County’s sustained effort to maintain agriculture as the region’s primary land use as well as principal economic commodity. The designation also underscores an important social tie with the general public given they have repeatedly approved measures to protect all unincorporated agricultural lands as designated by the County from urban uses unless specifically authorized by voters.

The study area’s social and economic interests with American Canyon were established in 1999 when the City purchased the affected lands with the intent of eventually developing the site into a passive recreational park. American Canyon has strengthened these social and economic ties by recently adding the study area to the ULL.

Conclusion

Modifying American Canyon's sphere to include the study area does not appear warranted given the preceding analysis. Inclusion would conflict with the study area's present and planned non-urban land uses under both the County and American Canyon General Plans, which suggest a full range of public services are not needed. Inclusion would also dismiss the tenured social and economic ties between the study area and the County. Additionally, inclusion would be inconsistent with the adopted policy of the Commission to use a city sphere to explicitly direct the location of urban development, which by practice has not been defined to include public parks. Furthermore, there does not appear to be sufficient public benefits outweighing the referenced policy considerations to support inclusion at this time.

As an alternative to expanding the sphere, the Commission may consider allowing American Canyon to annex the study area under G.C. Section 56742. This statute allows LAFCOs to annex non-contiguous lands owned and used by the affected city for municipal purposes without consistency with their sphere. The statute also includes a "poison pill" to require automatic detachment if the affected city ceases to be the landowner. Proceeding under this statute would allow American Canyon to coordinate elevated service provision within the study area consistent with its contemplated uses without diminishing the Commission's assignment of the sphere as a demarcation of urban development. The Commission has used this statute before in accommodating city annexations of public parks, the most recent example involving Trancas Crossing to the City of Napa in February 2010.

Study Area C

This study area comprises approximately 64 acres located west of American Canyon’s existing jurisdictional boundary and sphere near the intersection of American Canyon Road and Wetlands Edge Road. It includes two entire assessor parcels and a portion of a third assessor parcel. The study area is already incorporated with the exception of a 1.5 acre strip running along its entire eastern and a portion of the northern perimeter. The study area was previously owned by ACCWD before being transferred to American Canyon as part of the incorporation process. The study area was included in American Canyon’s original ULL and is considered for inclusion into the sphere at the request of the City.



Assessor Parcels	Landowner	Acre Size
058-050-047 (portion)	City of American Canyon	1.5
058-050-047	City of American Canyon	38
058-050-048	City of American Canyon	25

Present and Planned Uses, Including Agricultural and Open Space Lands

Existing Setting

The study area is presently undeveloped. The far eastern portion of the study area is currently used by American Canyon as a corporation yard associated with an adjacent public works facility. The western portion is substantially submerged by tidal waters from the Napa River and includes four inactive wastewater storage ponds formerly used by ACCWD.

County Land Use Policies

The County designates the entire study area as *Cities*, which memorializes its expectation the affected lands are or shall be eventually incorporated. The County does not zone the affected assessor parcels.

American Canyon Land Use Policies

American Canyon designates the entire study area as *Public*. This designation contemplates a limited number of quasi-urban uses ranging from government buildings to public schools. American Canyon has also zoned the affected assessor parcels *Public*, which does not prescribe a minimum lot requirement.

Development Projects

There are no current projects tied to the study area. American Canyon has indicated an eventual interest in relocating the corporation yard to allow for the development of the dry portion of the study area into a public park. It is not expected this potential project would be initiated within the timeframe of this review.

Additional Land Use Factors

The study area does not qualify as agricultural or open-space lands under LAFCO law.²² None of the affected assessor parcels are subject to an agricultural contract.

Category	American Canyon	County of Napa
Designation	.....Public	.....Cities
Designation Uses	.....Governmental Admin. Facilities	.....Cities
	.....Public Utilities	
	.....Schools	
	.....Public Parking	
	.....Parks	
	.....Landfills	
Zoning	.....Public	.....N/A (97%) .....Agricultural Watershed (3%)
Zoning Density	.....Minimum Lot Size: N/A	.....Minimum Lot Size: N/A

Present and Probable Need for Public Facilities and Services

Nearly all of the study area is already entitled to receive a full range of elevated services from American Canyon given the affected lands are incorporated. The entire study area is located within ACFPD. The entire study area also receives basic services, directly and indirectly, from several countywide special districts involving vector control, soil conservation, parks and open-space, and flood control. The need for services is presently limited to basic public safety since the affected lands are undeveloped for urban use.

There is a potential need for a full range of elevated public facilities and services within the study area based on the quasi-urban land use designation and zoning standard adopted by American Canyon. Future needs, however, are likely to be limited to community planning and law enforcement to accommodate and support the potential use of the study area as a passive recreational park as contemplated by American Canyon. Other elevated services, such as water and sewer, may also be needed and defined when a specific project is proposed. American Canyon has indicated no timetable for pursuing this development. Nonetheless, if development does eventually proceed, American Canyon is the most logical

²² Less than 10% of the study area qualifies as prime agricultural land under LAFCO law based on its soil rating of Class II under the United States Department of Agriculture’s Land Capability Index. This portion of the study area lies along the far northeastern border near Westland Edge Road.

service provider in terms of delivering coordinated community planning and law enforcement services as well as potentially extending water and sewer.

<u>Category</u>	<u>County of Napa</u>	<u>American Canyon</u>
Probable Need for Public Facilities/Services	.....N/A	.....Yes

Need Based on Agency Land Use Designations

Present Capacity of Public Facilities and Adequacy of Public Services

Information collected and analyzed in the municipal service review generally indicates American Canyon presently has adequate capacities to provide the limited range of elevated public facilities and services in the study area needed to accommodate its contemplated passive recreational uses. There are no specific and pertinent capacity issues identified in the municipal service review relative to American Canyon’s ability to extend the probable need for elevated community planning and law enforcement services to the study area if it is eventually developed. This statement is predicated on presuming the demands would be relatively minimal; an assumption that would be reassessed at the time an annexation is proposed for the 1.5 acre unincorporated portion of the study area.

Existence of Social or Economic Communities of Interest

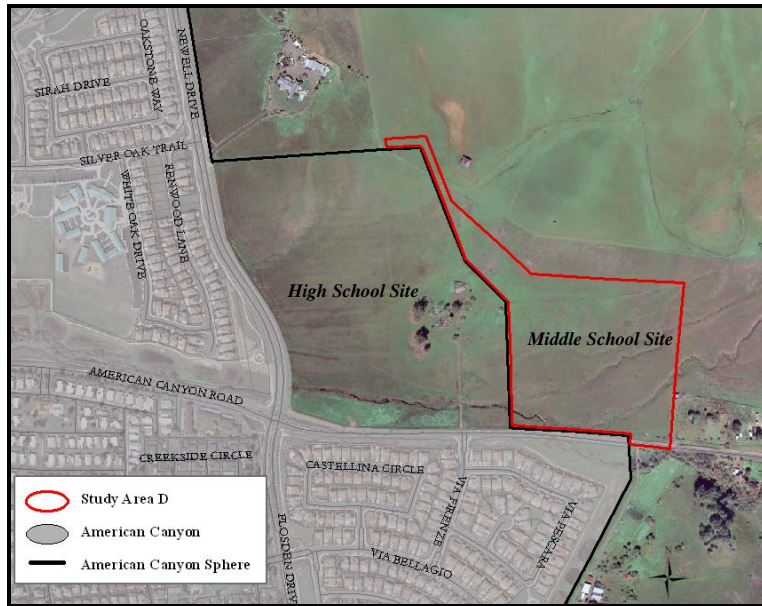
The study area’s social and economic communities of interest are most strongly identified with American Canyon. Economic interests were established at the time of American Canyon’s incorporation when the City assumed ownership of the entire study area. Social interests are drawn from the inclusion of the majority of the study area within American Canyon’s jurisdictional boundary and expectation the site will eventually be developed into a passive recreational park. The American Canyon General Plan supports these social and economic ties by including the entire study area within the City’s ULL.

Conclusion

Modifying American Canyon’s sphere to include the study area does not appear warranted given the preceding analysis. Inclusion would conflict with the lack of a current or probable need for public services in the study area in the timeframe of this review. Additionally, inclusion would be inconsistent with the adopted policy of the Commission to use a city sphere to explicitly direct the location of urban development, which has not been defined by practice to include public parks. There also does not appear to be sufficient public benefits outweighing the referenced policy considerations to support inclusion at this time.

Study Area D

This study area comprises approximately 22 unincorporated areas located north of American Canyon’s existing jurisdictional boundary and sphere near the intersection of American Canyon Road and Newell Drive. The study area includes one entire assessor parcel and portions of two other assessor parcels. It also includes an adjacent portion of American Canyon Road. The study area was included in American Canyon’s original ULL and was recently purchased by the Napa Valley Unified School District (NVUSD), which is slated to begin construction of a new middle school on the site later this year. The unincorporated land to the west, which is already in the sphere, is also owned by NVUSD and currently under construction to include a new high school. The study area is considered for inclusion into the sphere at the request of American Canyon.



Assessor Parcels	Landowner	Acre Size
059-040-075 (portion)	Napa Valley Unified School Dist.	1.9
059-040-076	Napa Valley Unified School Dist.	17.5
059-040-077	Napa Valley Unified School Dist.	2.7

Present and Planned Uses, Including Agricultural and Open Space Lands

Existing Setting

The study area is currently undeveloped. Although previous attempts have been made, there is no documentation or evidence indicating the study area has been developed or utilized in the past for any uses other than perhaps for livestock grazing.²³

²³ In 1989, the study area’s former landowner proposed developing the site along with adjacent lands into a country club anchored by an 18-hole golf course. The proposed project was eventually withdrawn by 1996.

County Land Use Policies

The County designates the entire study area as *Agriculture, Watershed and Open-Space* and contemplates a limited variety of non-urban uses ranging from agriculture to processing of agricultural products. The designation also allows for a single-family residence. The designation is supported by the County’s zoning standard of *Agricultural Watershed* for the affected assessor parcels, which specifies a minimum lot requirement of 160 acres. The County General Plan was updated in 2008 to illustrate the entire study area as part of American Canyon’s ULL. This illustration reflects the County’s expectation the entire study area will be eventually developed for urban type uses within American Canyon.

American Canyon Land Use Policies

American Canyon designates the entire study area as *Public*. This designation contemplates a limited number of quasi-urban uses ranging from government buildings to public schools. American Canyon has also zoned the affected assessor parcels *Public* in conjunction with filing an annexation application with the Commission. This rezoning standard does not prescribe a minimum lot requirement.

Development Projects

As allowed under the law, NVUSD has approved a project to develop the study area into an approximate 50,000 square foot middle school.²⁴ The middle school is expected to accommodate up to 700 students and include a number of auxiliary facilities. NVUSD anticipates starting construction this year with a targeted completion date of August 2012.

Additional Land Use Factors

The study area does not qualify as agricultural land under LAFCO law.²⁵ It does, however, qualify as open-space given the study area’s designation under the County General Plan. None of the affected assessor parcels are subject to an agricultural contract.

Category	American Canyon	County of Napa
Designation	.....Public	.....Agriculture, Watershed and Open Space
Designation Uses	.....Governmental Admin. Facilities	.....Agriculture
	.....Public Utilities	.....Processing of Agriculture
	.....Schools	.....Single-Family Residence
	.....Public Parking	
	.....Parks	
	.....Landfills	
Zoning	.....Public	.....Agricultural Watershed
Zoning Density	.....Minimum Lot Size: N/A	.....Minimum Lot Size: 160 Acres

²⁴ G.C. Section 53094 exempts public school districts from complying with local land use zoning standards.

²⁵ Over two-thirds of the study area’s soil qualifies as prime agricultural land under LAFCO law based on its Class II rating by the United States Department of Agriculture’s Land Capability Index.

Present and Probable Need for Public Facilities and Services

Public facilities and services currently provided or available within the study area are considered basic and include fire protection and law enforcement from the County. The study area also receives basic services, directly and indirectly, from several countywide special districts involving vector control, soil conservation, parks and open-space, and flood control. The present basic level and scope of services in the study area appears appropriate given the affected lands are undeveloped.

A full range of elevated public facilities and services are needed in the study area based on NVUSD’s pending development of the study area to include a middle school. This includes, but is not limited to, an elevated level of police, fire, water, sewer, storm drainage, and street lighting and maintenance services. American Canyon is the most logical multi-service provider for the study area.

<u>Category</u>	<u>County of Napa</u>	<u>American Canyon</u>
Probable Need for Public Facilities/Services	.....No	.....Yes

Need Based on Agency Land Use Designations

Present Capacity of Public Facilities and Adequacy of Public Services

Information collected and analyzed in the municipal service review generally indicates American Canyon presently has adequate capacities to extend a full range of public facilities and services to the study area to accommodate its pending middle school use. Specific and pertinent citywide capacity issues identified in the municipal service review relevant to the study area’s development to be addressed at the time annexation is proposed include:

- Expansion of American Canyon’s water treatment and storage facilities to independently accommodate current and future peak-day demands.
- Availability of potable water supplies to meet present and future service demands during dry-year conditions.
- Improvements to traffic circulation to attain acceptable levels of services.

Existence of Social or Economic Communities of Interest

The study area’s social and economic communities of interests are most strongly identified with American Canyon. Social interests with American Canyon were formally established in 1997 when the study area was added to the original ULL marking a long-standing planning assumption the affected lands would eventually become part of the City. Social interests have been strengthened and expanded to include economic ties with the pending development of the study area into a middle school to primarily serve the American Canyon community. In addition, county voters affirmed their support in constructing the middle school by approving the underlying funding bond measure in 2006. This support lessens the relevance of the social and economic ties existing between the study area and the County drawn from its agricultural designation under the County General Plan.

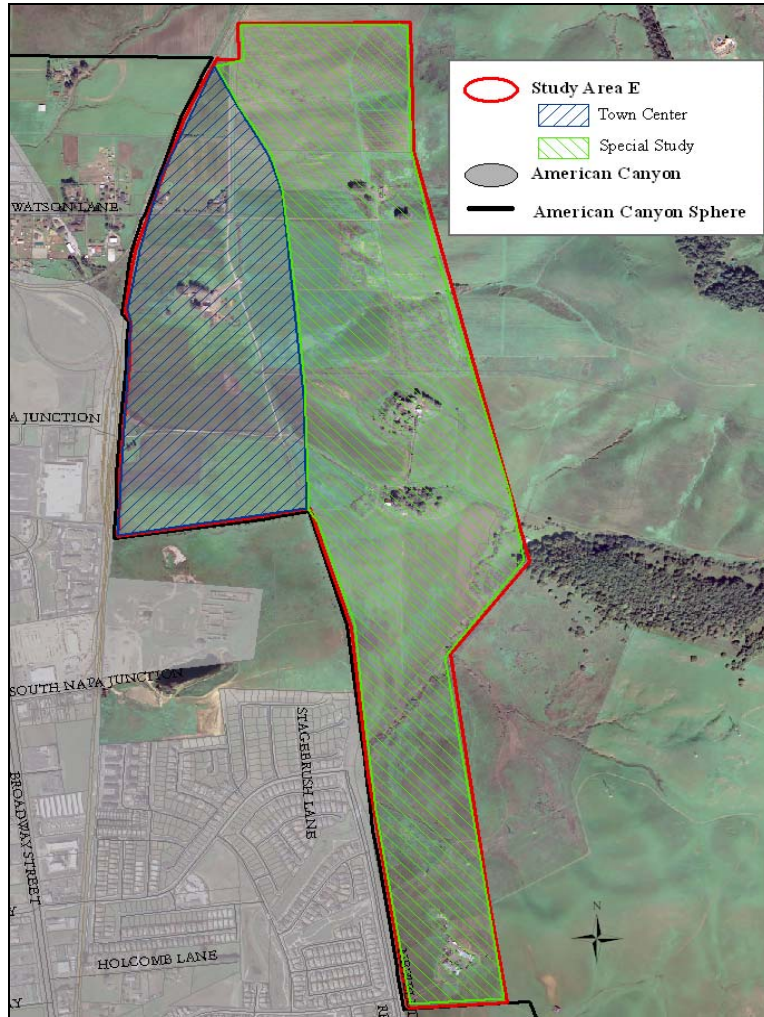
Conclusion

Modifying American Canyon's sphere to include the study area appears warranted given the preceding analysis. Inclusion is consistent with the pending use of the study area as a middle school and supports the associated need for a full range of public services in which American Canyon is the most logical multi-service provider. Inclusion would also recognize the study area's existing and distinct social and economic ties with American Canyon.

Notwithstanding the above statements, inclusion of the study area is arguably inconsistent with the adopted policy of the Commission to exclude lands from city spheres designated for agricultural use under the County General Plan for purposes of urban development. This potential inconsistency, however, appears substantively muted because the middle school would serve both incorporated and non-incorporated students, and therefore supportive of both urban and non-urban development.

Study Area E

This study area comprises approximately 434 unincorporated acres located along the eastern perimeter of American Canyon’s existing jurisdictional boundary and sphere. The study area encompasses six entire assessor parcels and portions of five other assessor parcels. It also includes adjacent portions of Newell Drive and Watson Lane and is bisected west-to-east by a Pacific Gas & Electric tower transmission line. The study area was included in American Canyon’s original ULL and is considered for inclusion into the sphere at the City’s request and supported by the County as part of a May 2010 agreement.



Assessor Parcels	Landowner	Acre Size
057-120-017	Cecil A. Paoli	5.6
059-020-008	Jamcan LLC	7.4
059-020-009	Jamcan LLC	98.7
059-020-010	John and Margaret Roche	1.1
059-020-011	Steven Clerici	10.1
059-020-029 (portion)	Jamcan LLC	75.3
059-020-032	Gary W. Clarke	51.8
059-030-003 (portion)	Pamela Smith	112.1
059-030-004 (portion)	City of American Canyon	9.8
059-040-048 (portion)	Pamela Smith	26.5
059-040-079 (portion)	Edward and Charlotte Biggs	35.4

Present and Planned Uses, Including Agricultural and Open Space Lands

Existing Setting

The study area is predominately undeveloped. The majority of the study area lies south of Watson Lane and consists of native grassland along with three single-family residences. The remaining portion of the study area lying north of Watson Lane consists of commercial vineyards and two single-family residences.

County Land Use Policies

The County designates the entire study area as *Agriculture, Watershed and Open-Space* and contemplates a limited variety of non-urban uses ranging from agriculture to processing of agricultural products. The designation also allows for a single-family residence. The designation is supported by the County's zoning standard of *Agricultural Watershed* for the affected assessor parcels, which specifies a minimum lot requirement of 160 acres. The County General Plan was updated in 2008 to illustrate the entire study area as part of American Canyon's ULL. This illustration reflects the County's expectation the entire study area will be eventually developed for urban type uses within American Canyon.

American Canyon Land Use Policies

American Canyon divides the study area between two distinct designations and rezoning standards. One-half of the study area lying along the eastern half is designated and rezoned by American Canyon as *Special Study*, which specifies all uses and densities shall be determined by a subsequent study. The remaining one-half of the study area is designated and rezoned by American Canyon as *Town Center*. The *Town Center* assignments contemplate a broad mix of urban uses ranging from residential to visitor-serving facilities. Actual uses and densities, however, would be determined as part of a future specific plan. Markedly, land designations and rezoning standards for the entire study area were adopted by American Canyon in August 2008 in response to a citizens' initiative certified to have been signed by more than 10% of eligible voters.

Development Projects

There are no existing projects tied to the study area. However, as referenced above, American Canyon has recently redesignated one-half of the study area lying immediately adjacent to the City's current sphere as *Town Center*.²⁶ This designation for the affected lands represents an expansion of a long-standing development concept tied to an approximate 100 acre area immediately south of the study area involving three assessor parcels collectively referred to as the horseshoe. The most recent version of the town center concept was prepared in May 2006 and involved developing the 100 acre area site south of the study area into 600 to 650 residential units along with a mixture of commercial, retail, and public uses. American Canyon has decided to expand the scope of the development concept to include 220 additional acres lying in the study area to allow, among other things, for the extension of Newell Drive to Green Island Road to serve as an alternate and congestion-relieving route to State Highway 29.

²⁶ Prior to August 2008, the portion of the study area currently designated as *Special Study* was designated as *Commercial Recreation* under the American Canyon General Plan. The portion of the study area currently designated as *Town Center* was designated as *Special Study*.

Additional Land Use Factors

A sizeable portion of the study area qualifies as agricultural land under LAFCO law given it is either used for a commercial vineyard or subject to a Williamson Act contract.^{27 28} The entire study area qualifies as open-space land based on its designation under the County General Plan. Close to three-fourths of the study area also lies within the Napa County Airport’s Compatibility Zones D and E. Zone D applies to approximately 55 acres located in the far northern portion of the study area and signals aircraft routinely fly-over at altitudes between 300 to 1,000 feet above ground. No residential uses as well as other uses deemed hazardous to flight by the Napa County Airport Land Use Commission are allowed. Zone E applies to approximately 287 acres lying within the middle section of the study area and signifies aircraft routinely fly-over at altitudes above 1,000 feet in the course of landing or departing. Any noise-sensitive outdoor uses are prohibited within this zone.

Category	American Canyon	County of Napa
Designation	.....Special Study Area (SS); 66% .....Town Center (TC); 33%	....Agriculture, Watershed and Open Space
Designation Uses	.....To Be Determined (SS) ...Government and Community Services (TC) .....Retail Commercial (TC) .....Professional Offices (TC) .....Entertainment (TC) .....Restaurants (TC) .....Cultural Facilities (TC) .....Visitor-Serving Facilities (TC) .....Transit (TC) .....Multi-Family Residential (TC)	.....Agriculture.....Processing of Agriculture.....Single-Family Residence
Zoning	.....Special Study Area (SS); 66% .....Town Center (TC); 33%	.....Agricultural Watershed
Zoning Density	.....Minimum Lot Size: N/A (SS) (TC)	.....Minimum Lot Size: 160 Acres

Present and Probable Need for Public Facilities and Services

Public facilities and services currently provided or available within the study area are generally considered basic and include fire protection and law enforcement from the County. The study area also receives basic services, directly and indirectly, from several countywide special districts involving vector control, soil conservation, parks and open-space, and flood control. Water service is provided by American Canyon to two of the affected assessor parcels located along Watson Lane as a result of the City assuming ACCWD’s service obligations at the time of incorporation.²⁹ The present level and scope of services in the study area appears appropriate relative to current land uses.

²⁷ Over two-fifths of the study area’s soil (190 acres) qualifies as prime agricultural land under LAFCO law based on its Class II rating by the United States Department of Agriculture’s Land Capability Index. Nearly all of the Class II soil is located within the portion of the study area currently designated by American Canyon as *Town Center*.

²⁸ There are currently three Williamson Act contracts involving five of the affected assessor parcels within the study area, which cover 242 acres, of which 181.3 acres lies within the *Town Center* portion. These affected assessor parcels are identified as 059-020-009, 059-020-008, 059-020-029, 059-030-004, and 059-020-032. The first three affected assessor parcels listed total 181.3 acres and are owned by Jamcan, LLC and under the same contact, which is set to expire March 1, 2012. G.C. Section 56426.6 directs LAFCOs not to approve inclusion of lands under Williamson Act contracts into city spheres unless it makes one of two findings: 1) inclusion would facilitate orderly growth and the public’s interest in the jurisdictional change outweighs the public interest in continuing the contract or 2) inclusion will not adversely affect the continuation of the contract.

²⁹ Water service provided by American Canyon in the study area involves assessor parcels 059-020-010 and 059-020-011.

There is no need for a full range of elevated public facilities and services in the study area based on the County’s non-urban land use designations and zoning standards. The probable need for these types of facilities and services would only be triggered if the study area is annexed to American Canyon. As noted, American Canyon has designated and rezoned one-half of the study area for urban type development as part of its *Town Center* designation. Elevated services required to support this potential urban use include, but are not limited to, community planning, police, fire, water, sewer, storm drainage, and street lighting and maintenance. American Canyon has expressed interest in submitting an annexation proposal for this portion of the study area in the near future. It is unknown whether elevated public services are needed in the *Special Study* portion given the lack of specificity regarding whether the lands will be developed for urban or non-urban uses.

Category	County of Napa	American Canyon
Probable Need for Public Facilities/Services	.....No	.....Yes (TC) .....N/A (SS)

Need Based on Agency Land Use Designations

Present Capacity of Public Facilities and Adequacy of Public Services

Information collected and analyzed in the municipal service review is inconclusive with respect to whether American Canyon currently has adequate capacities to provide a full range of public facilities and services to the study area to accommodate potential urban uses. This comment is drawn from the study area’s previous land use designations under the American Canyon General Plan. As referenced, American Canyon redesignated the study area from *Commercial Recreation* and *Special Study* to *Special Study* and *Town Center*, respectively, in August 2008 in response to a citizens’ initiative. American Canyon’s facility plans, however, have not been updated to address the service needs tied to the redesignation.

American Canyon has confirmed the City’s priority relative to the study area is to add only the portion designated *Town Center* to the sphere to facilitate annexation and development within the timeframe of this review. American Canyon also confirms it would be reasonable to expect nearly four-fifths of the *Town Center* portion would be developed for residential uses. American Canyon attests it expects this development to have a density pattern of six housing units per acre consistent with intensification of the nearby Vintage Ranch subdivision, which would result in up to 1,026 units.³⁰ The remaining one-fifth portion lies within Napa County Airport’s Zone D and is anticipated to be developed for various non-residential uses. These expected land uses in the *Town Center* portion will generate considerable service demands and strain the City’s present capacities.³¹ The collective impacts of these demands have also not been analyzed by American Canyon relation to existing and planned service commitments. The municipal service review attests, however, American Canyon has a positive track record in using the discretionary review process to expand public facility and service capacities to meet increasing demands as needed. This includes entering into contracts to purchase additional water supplies if needed as well as utilizing conditions of approval in financing capital improvements. The American Canyon

³⁰ The housing unit estimate of 1,026 is based on the total number of acres eligible for residential use (190) minus a 10% reduction to account for sidewalks and roads.

³¹ For example, the total annual demand on potable water supplies for the *Town Center* portion is estimated at 287 acre-feet just for residential customers, which assumes each unit will consume 250 gallons per day. This estimated amount represents 22% of American Canyon’s current available water supply capacity under normal conditions based on information collected in the municipal service review.

General Plan also provides institutional guidance in aligning public services with demands. This includes requiring regular reviews of police staffing levels and opportunities to increase water supplies along with limiting sewer connections to comply with available treatment capacity (6.7.2, 5.2.2, and 5.14.6). These policies coupled with practiced administrative controls – including the use of developer agreements to secure infrastructure funding – indicate American Canyon is reasonably capable of supporting urban uses within the *Town Center* portion. Nevertheless, consistent with the municipal service review, specific and pertinent citywide capacity issues to be addressed at the time annexation is proposed include:

- Expansion of American Canyon’s water treatment and storage facilities to independently accommodate current and future peak-day demands.
- Availability of potable water supplies to meet present and future service demands during dry-year conditions.
- Improvements to traffic circulation to attain acceptable levels of services.

Existence of Social or Economic Communities of Interest

The study area has established distinct social and economic interests with both the County and American Canyon. The study area’s social and economic ties with the County were established in 1968 and drawn from its designation under the County General Plan as *Agriculture, Watershed and Open Space*. This designation carries significant local importance given it underlies the County’s sustained effort to maintain agriculture as the region’s primary land use as well as principal economic commodity. The designation also underscores an important social tie with the general public given they have repeatedly approved measures to protect all unincorporated agricultural lands as designated by the County from urban uses unless specifically authorized by voters.

American Canyon’s social and economic ties to the study area were established in 1997 when the City included the affected lands within its original ULL. The inclusion of the affected lands in the ULL was recently reaffirmed and strengthened through a 2008 citizens’ initiative and marks American Canyon’s expectation the lands be eventually development and served by the City. (The citizen’s initiative also removed the Hess Vineyards from American Canyon’s ULL and designated the Clarke Ranch West area for open space use, which helps mitigate the potential loss of agricultural lands tied to the study area.) There are also distinct social and economic interests between American Canyon and the *Town Center* portion. These interests relate to American Canyon’s intention to annex and develop the subject lands to facilitate three specific community goals: 1) extending Newell Drive; 2) accommodating RHNA; and 3) providing for the development of a community anchor. The County recognizes these interests and has provided its written support to add the *Town Center* portion to the sphere and its subsequent annexation.

Conclusion

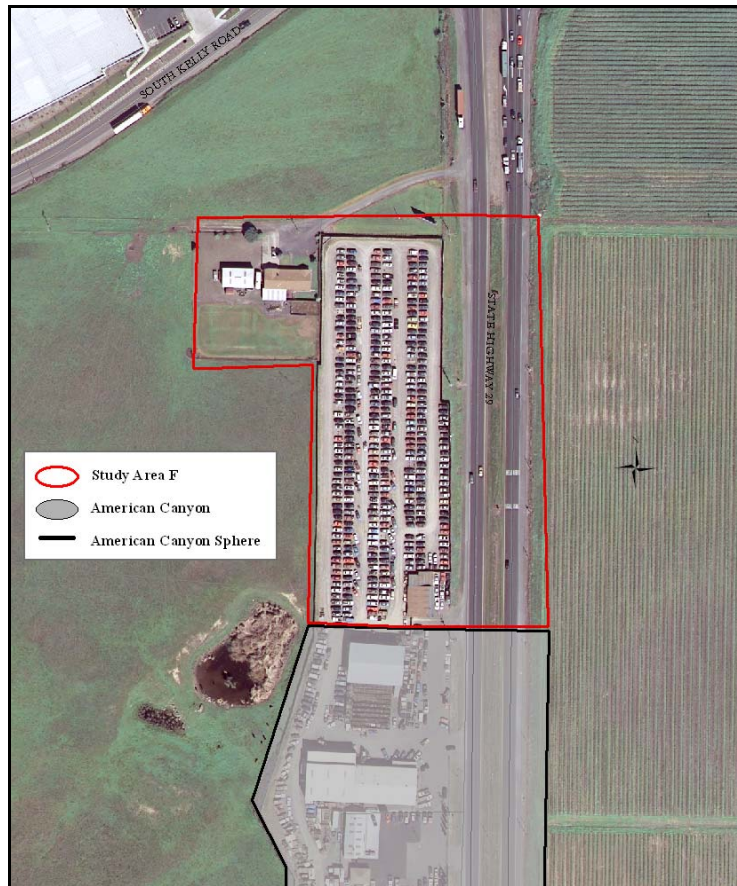
Modifying American Canyon's sphere to include the portion of the study area designated *Special Study* by the City does not appear appropriate given the preceding analysis. Adding this portion is inconsistent with its present and planned non-urban land uses under the County General Plan. Adding this portion may also be inconsistent with the American Canyon General Plan given it does not specify whether urban or non-urban uses are planned; a pertinent consideration given the Commission's policy and practice to use spheres as explicit guides to urban type development. The lack of specification regarding land uses and densities for the *Special Study* portion under the American Canyon General Plan also create uncertainty with respect to assessing the City's present and future ability to provide an appropriate level of municipal services. There also does not appear to be sufficient public benefits outweighing the referenced policy considerations to support inclusion at this time.

Including the *Town Center* portion of the study area to American Canyon's sphere also presents policy challenges for the Commission based on the site's composition of prime agricultural lands and agricultural designation under the County General Plan. Local conditions, however, suggest an exception to these policy considerations is warranted. Adding the *Town Center* portion to the sphere provides American Canyon the most direct opportunity to extend Newell Drive to provide a needed north-south alternative route to State Highway 29 by working with developers in securing easements and funding. Adding the *Town Center* portion will also help the County meet its RHNA as a result of its agreement with American Canyon to receive housing credits from the City in exchange for supporting the sphere addition and annexation of the affected lands.³² Markedly, this agreement will help the County meet its State-mandated housing assignments without directing growth in unincorporated areas that have limited public infrastructure. The Commission has expressed support in making an exception to its referenced policy considerations given these two local conditions — extending Newell Drive and accommodating RHNA — in discussing the merits of adding the *Town Center* portion at its April and May 2010 meetings.

³² This agreement commits American Canyon to transfer 368 housing units to the County over the next two planning cycles (2014 and 2021) in exchange for the County's support to add the affected lands to the sphere and their subsequent annexation to the City. (The County's housing unit assignment for the current cycle is 651.)

Study Area F

This study area comprises approximately 7.0 unincorporated acres located immediately adjacent to the far northern perimeter of American Canyon’s existing jurisdictional boundary and sphere. It encompasses two entire assessor parcels and an adjacent portion of State Highway 29. The study area was included in American Canyon’s original ULL, but removed as part of the 2008 revision. The study area is considered for inclusion into the sphere by staff given the affected lands are surrounded nearly four-fifths by American Canyon’s ULL.



Assessor Parcels	Landowner	Acre Size
057-090-004	Frank and Shirley Azevedo	3.4
057-090-027	William and Lena Gonsalves	1.0

Present and Planned Uses, Including Agricultural and Open Space

Existing Setting

The study area is developed. The larger of the two affected assessor parcels is used as part of an automobile salvage business and consists of an approximate 1,300 square foot building and paved lot used to line available car and trucks for part purchases. The smaller of the two affected assessor parcels consists of a legal non-conforming single-family residence. The adjacent right-of-way section of State Highway 29 includes four traffic lanes and a native grass medium operated by the California Department of Transportation.

County Land Use Policies

The County designates the entire study area as *Industrial*. This designation contemplates a variety of urban non-residential uses ranging from manufacturing to office space. The designation is supported by the County’s zoning standard of *Industrial Park* for all of the affected assessor parcels, which specifies a minimum lot requirement of 5.0 acres. Specific development and design standards for the study area are outlined in the County’s AIASP.

American Canyon Land Use Policies

American Canyon previously designated the study area as *Industrial* before deleting this assignment in 2008 when the City removed the affected lands from its ULL in response to the aforementioned citizens’ initiative.

Additional Land Use Factors

The study area does not qualify as agricultural or open-space lands under LAFCO law.³³ None of the affected assessor parcels are under an agricultural contact. The study area does lie within the Napa County Airport’s Compatibility Zone D, which marks the lands are routinely overflowed by aircraft ranging in altitude between 300 to 1,000 feet above ground. This zone prohibits all residential and other uses deemed hazardous to flight as determined by the Napa County Airport Land Use Commission.

Category	American Canyon	County of Napa
Designation	.....N/A	.....Industrial
Designation Uses	.....N/A	.....Manufacturing.....Warehouses ...Winery/Food Processing Facilities.....Administrative Facilities.....Research Institutions ...Limited Office/Commercial Uses
Zoning	.....N/A	.....Industrial Park
Zoning Density	.....N/A	.....Minimum Lot Size: 5.0 Acres

Present and Probable Need for Public Facilities and Services

Public facilities and services currently provided or available within the study area are generally considered basic. This includes law enforcement from the County as well as services, directly and indirectly, from several countywide special districts relating to vector control, soil conservation, parks and open-space, and flood control. The larger of the two affected assessor parcels also receives fire protection from the County while the remaining assessor parcel is located within ACFPD. No public water or sewer service is currently provided. The present level and scope of services in the study area appears inadequate relative to current urban land uses.

³³ None of the study area comprises prime agricultural land as defined under LAFCO law.

A full range of elevated public facilities and services are needed in the study area under the urban land use designation and zoning standard adopted by the County. This includes, but is not limited to, an elevated level of community planning, police, fire, water, sewer, storm drainage, and street lighting and maintenance. The need for these elevated public facilities and services is already present and will be intensified upon the planned development of the surrounding lands under the AIASP. American Canyon is the most logical multi-service provider for the study area based on service proximity.

<u>Category</u>	<u>County of Napa</u>	<u>American Canyon</u>
Probable Need for Public Facilities/Services	.....Yes	.....N/A

Need Based on Agency Land Use Designations

Present Capacity of Public Facilities and Adequacy of Public Services

Information collected and analyzed in the municipal service review indicates American Canyon has adequate capacities to extend a full range of public facilities and services to the study area to accommodate its current and planned urban uses. Specific and pertinent citywide capacity issues identified in the municipal service review relative to the study area’s present and potential intensification under the AIASP that should be addressed at the time annexation is proposed include:

- Expansion of American Canyon’s water treatment and storage facilities to independently accommodate current and future peak-day demands.
- Availability of potable water supplies to meet present and future service demands during dry-year conditions.
- Improvements to traffic circulation to attain acceptable levels of services.

Existence of Social or Economic Communities of Interest

The study area’s social and economic interests are most strongly identified with American Canyon. These interests were fostered until recently through the standing expectation the study area would eventually become part of American Canyon given its inclusion within the City’s original ULL before it was removed in 2008. Notwithstanding the change to the ULL, pertinent social and economic ties between the study area and American Canyon continue to exist. This includes the inclusion of the study area within American Canyon’s Commission-defined extraterritorial water and sewer service areas.

Conclusion

Modifying American Canyon’s sphere to include the study area appears warranted given the preceding analysis. Inclusion is consistent with the present and planned urban land uses under the County General Plan, which necessitates an elevated level of public facilities and services in which American Canyon is best situated to provide. Inclusion also reflects and strengthens existing social and economic interests between the study area and American Canyon. Inclusion is also consistent with the adopted policies of the Commission. This includes facilitating a more logical jurisdictional boundary line for American Canyon in concert with the earlier recommendation to add Study Area A to the sphere and thereby eliminate the potential future creation of an unincorporated pocket.³⁴

³⁴ The term “unincorporated pocket” is not defined. This term is intended to describe a portion of unincorporated land substantially surrounded by a city without qualifying as an “island” under G.C. Section 56375.3.

VI. RECOMMENDATION

It is recommended the Commission update American Canyon's sphere to include all lands comprising Study Areas A, D, and F as well as the portion of Study Area E designated by the City as *Town Center*. It is also recommended the Commission add a right-of-way portion of State Highway 29 adjacent to Study Area A. The total size of the recommended additions to the sphere is 543 acres. These additions support American Canyon's orderly growth and development in a manner generally consistent with the provision of the CKH and the policies of the Commission. Special considerations are made with respect to supporting the addition of the *Town Center* portion of Study Area E based on unique local conditions and circumstances detailed on page 37 of this report.

Study Areas B, C, and the portion of E designated by American Canyon as *Special Study* are not recommended for inclusion into the sphere given their additions are inconsistent with Commission's legislative directives as well as local policies and practices. Study Areas B and C are not recommended for inclusion based on the Commission's basic policy to use spheres as explicit guides to urban development. This policy supports excluding the two study areas since American Canyon contemplates developing both sites into public parks; a use that by practice has not been considered urban by the Commission.³⁵ The *Special Study* portion of Study Area E is not recommended because the affected lands are designated for agricultural use under the County General Plan. The American Canyon General Plan also does not specify whether urban or non-urban uses are planned for the affected lands.

The following statements are based on information analyzed in this report and have been prepared in support of the preceding recommendation pursuant to G.C. Section 56425:

1. Present and planned land uses in the sphere, including agricultural and open-space lands.

Lands within American Canyon's updated sphere are predominately developed for urban uses or expected to be developed for urban uses within the next five years. Agricultural and open-space lands in the updated sphere are relatively limited.

2. The present and probable need for public facilities and services in the sphere.

Lands within American Canyon's updated sphere presently need an elevated level of public services or are expected to need an elevated level of public services within the next five years to accommodate and support urban uses. American Canyon is best positioned to provide the necessary range of supporting urban services.

³⁵ As stated on page 23 of this report, as an alternative to expanding the sphere, the Commission may consider allowing American Canyon to annex Study Area B consistent with G.C. Section 56742. This statute allows LAFCOs to annex non-contiguous lands owned and used by a city for municipal purposes without consistency with their sphere. The statute also includes a "poison pill" to require automatic detachment if the city ceases to be the landowner.

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

The Commission's recently completed municipal service review on the southeast county region indicates American Canyon has generally established adequate administrative, service, and financial capacities to accommodate present and planned urban uses within the updated sphere.

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

Lands within the updated sphere have established social and economic interdependencies with American Canyon distinct from neighboring unincorporated areas. The update affirms and strengthens these established community ties.