



Local Agency Formation Commission of Napa County
Subdivision of the State of California

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

April 1, 2013

Agenda Item No. 6c (Public Hearing)

March 31, 2013

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer
Brendon Freeman, Analyst

SUBJECT: Napa Berryessa Resort Improvement District Sphere of Influence Update
The Commission will consider taking two separate actions relating to the agency's scheduled sphere of influence update on the Napa Berryessa Resort Improvement District. The first proposed action is for the Commission to formally receive and file a final report on the sphere update. The second proposed action is for the Commission to adopt a draft resolution enacting the final report's central recommendation to affirm the District's sphere designation with the addition of 130 acres comprising Oakridge Estates.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH") directs Local Agency Formation Commissions (LAFCOs) to establish, amend, and update spheres of influence ("spheres") for all cities and special districts. LAFCOs use spheres to designate the territory it independently believes represents the appropriate future service areas and jurisdictional boundaries of the affected agencies. Importantly, all jurisdictional changes and outside service extensions must be consistent with the affected agencies' spheres with limited exceptions. Sphere updates are prepared in concurrence with municipal service reviews and must be performed for all local agencies every five years.

A. Discussion

Staff has prepared a final report representing LAFCO of Napa County's ("Commission") scheduled sphere update on the Napa Berryessa Resort Improvement District (NBRID); the governmental entity responsible for providing water and sewer services for the unincorporated Berryessa Highlands community. The basic objective of the report – which was initially presented in draft form at the February 4th meeting for discussion and review – is to independently identify and evaluate areas warranting consideration for inclusion or removal from NBRID's sphere relative to the policies and goals codified in CKH and adopted by the Commission. The report follows the last comprehensive sphere update for NBRID adopted by the Commission in December 2007. The report also draws on information collected and analyzed in the Commission's recently completed municipal service review on the Lake Berryessa region, which included evaluating the adequacy and capacity of services provided by NBRID.

Lewis Chilton, Commissioner
Councilmember, Town of Yountville

Joan Bennett, Commissioner
Councilmember, City of American Canyon

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

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

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

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

Brian J. Kelly, Vice Chair
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

B. Summary/Analysis

Policy Focus

The final report and its analysis has been oriented to focus on a central policy question as to whether it is appropriate to expand NBRID's current sphere to include the District's entire jurisdictional boundary. This central consideration is drawn from the Commission's previous action to include only 25 percent of NBRID's jurisdictional boundary in establishing the sphere in 1985 for reasons detailed in the report. The report, accordingly, evaluates the merits of adding this lone study category consisting of approximately 1,387 acres of remaining jurisdictional land to the sphere relative to current considerations (i.e., legislative directives, adopted policies, and member preferences). The report further divides this lone study category into two distinct subareas labeled "A-1" and "A-2" based on ownership factors. An enlarged map of the study category and its subareas is attached.

Report Conclusions

The final report concludes there is relatively *equal* merit for the Commission to either change or maintain NBRID's existing sphere designation depending on the collective preference of members (emphasis added). A total of four specific options have been identified and subject to Commission preference in administering LAFCO law in Napa County. The four options are identified below with an expanded discussion provided in the report's Executive Summary.

- **Option One: Affirm and Expand the Sphere to Include the Entire Jurisdictional Boundary**
This option would be appropriate if it is the Commission's preference to assign overriding deference to the lands' existing social and economic ties to NBRID in choosing to add the subareas to the sphere.
- **Option Two: Affirm and Expand the Sphere to Include A-1's Oakridge Estates**
This option would be appropriate if it is the Commission's preference to assign overriding deference to the existing provision and need for water and sewer services in Oakridge Estates as well as their social and economic ties to NBRID in choosing to add the approximate 130 acres to the sphere. This option would orient the sphere to explicitly reflect NBRID's present service area, and in doing so, eliminate the current policy inference of the Commission that the affected lands – irrespective of their connectivity to the water and sewer systems – be detached.
- **Option Three: Affirm Sphere and Pursue Detachment Alternatives**
This option would be appropriate if it is the Commission's preference to emphasize the affected lands' limited land use and, to a lesser degree, service planning compatibilities with NBRID in choosing to continue to exclude the subareas from the sphere with the pertinent exception of the Oakridge Estates given its referenced service ties to the District. This option would serve to reaffirm the Commission's

policy statement the affected lands be detached and memorialized by requesting the NBRID Board take action to initiate a proposal for Commission consideration to detach the subareas.

- **Option Four: Affirm Sphere and Table Related Policy Considerations**

This option would be appropriate if it is the Commission's preference to maintain the status quo on the sphere and table all related policy considerations to the next update. This option would specifically be appropriate if the Commission prioritizes allowing the pending reorganization proceedings to be completed without changing baseline factors and/or if members believe more information is needed in aligning the sphere with the needs of the community.

Public Comments

A notice of review on the draft report prepared on NBRID's sphere update and presented at the February 4th meeting was circulated on February 6th. The notice summarized the report's key conclusions and invited written comments through March 11th as well as to provide verbal testimony at the public hearing. The notice was posted on the Commission's website and mailed to NBRID as well as all landowners within the two subject subareas. Written comments were received from NBRID and summarized below.

- **NBRID**

NBRID's General Manager Phillip Miller stated the District had reviewed the draft report and support updating the sphere consistent with Option Two. NBRID also provided clarification on the status of the 2007 bond assessment as well as advised of the details of a 2012 bond assessment for inclusion in the final report.

Changes in Final Report

The final report includes a revised recommendation to affirm and expand NBRID's existing sphere to include Oakridge Estates (Option Two). This revised recommendation supersedes the draft's recommendation to affirm NBRID's existing sphere with no changes and table all related policy considerations to the next update (Option Four). Other changes included in the final report address requested clarifications by Commissioners and incorporation of additional information generated in subsequent communications with NBRID. This includes, pertinently, amending the report to clarify the existing jurisdictional and service relationship between NBRID and Oakridge Estates as well as implementation inquiries concerning the pending reorganization of the District approved by the Commission in April 2011.

Report's Recommendation

As referenced, the final report includes a revised recommendation for the Commission to affirm and expand NBRID's sphere designation to include A-1's Oakridge Estates; actions memorialized as Option Two. These actions – most notably – would be consistent with the preferences initially provided by Commissioners during the review of the draft report at February 4th meeting. These actions would also correspond with the stated preference of NBRID. Additional details in support of the recommendation are provided in the Executive Summary.

C. Recommendation

Staff recommends the Commission formally accept the final report as presented. Staff also recommends the Commission adopt the attached draft resolution confirming the determinative statements in the final report to update NBRID's sphere with the addition of Oakridge Estates.

D. Alternatives for Action

The following alternative actions are available to the Commission.

Alternative Action One (Recommended):

Approve by motion to (a) accept the final report as presented and (b) adopt the draft resolution confirming the determinative statements therein in updating NBRID's sphere as specified by members.

Alternative Action Two:

Approve by motion a continuance to a future meeting and provide direction to staff with respect to additional information requests as needed.

E. Procedures for Consideration

This item has been agendized as a noticed public hearing. The following procedures are recommended with respect to the Commission's consideration of this item:

- 1) Receive verbal report from staff;
- 2) Open the public hearing (mandatory); and
- 3) Discuss item and consider action on recommendations.

Respectfully submitted,

Keene Simonds
Executive Officer

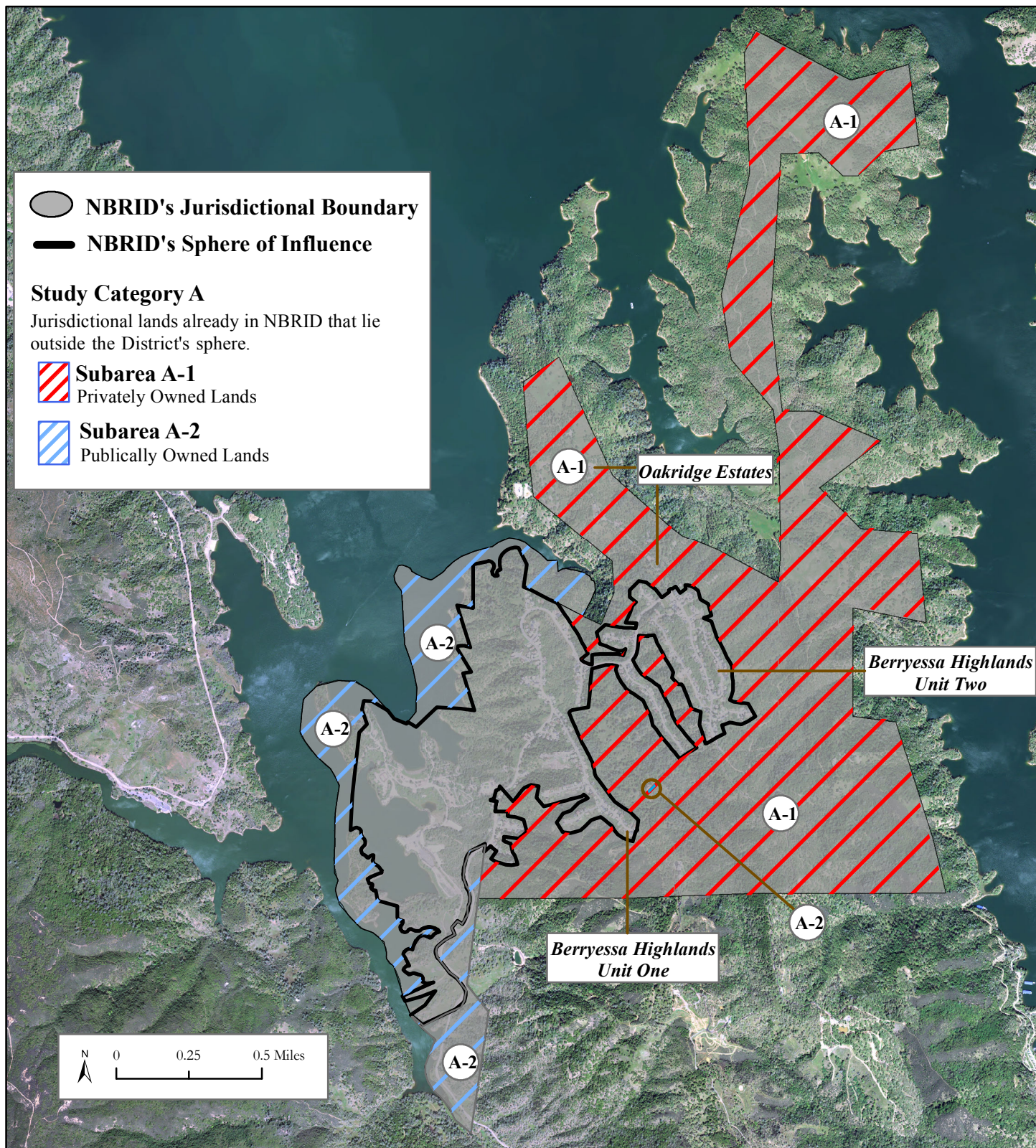
Brendon Freeman
Analyst

Attachments:

1. Map of Study Category and Subareas
2. Final Report
3. Draft Resolution
4. Written Comments from NBRID on Draft Report

NAPA BERRYESSA RESORT IMPROVEMENT DISTRICT

Study Categories



Local Agency Formation Commission of Napa County

Political Subdivision of the State of California

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