



Local Agency Formation Commission
LAFCO of Napa County

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December 7, 2009
Agenda Item No. 8b (Action)

December 2, 2009

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Comments on the County of Napa's Draft Environmental Impact Report on Napa Pipe

The Commission will review a draft letter prepared by staff providing comments on the County of Napa's Draft Environmental Impact Report on Napa Pipe. The Commission will consider authorizing the Chair to sign the draft letter with any desired revisions.

Local Agency Formation Commissions (LAFCOs) are responsible under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 to regulate the formation and development of local governmental agencies and their services. Most notably, this includes approving, modifying, or disapproving proposals filed by local agencies, landowners, or registered voters to establish, expand, retract, or dissolve cities and special districts. LAFCOs may also initiate certain types of proposals if deemed appropriate in fulfilling its statutory mandates, including the establishment of new special districts.

A. Background

The County of Napa has prepared a Draft Environmental Impact Report (DEIR) on Napa Pipe. The project would redevelop approximately 155 acres of unincorporated territory located immediately adjacent to the City of Napa and west of the Napa Valley Corporate Park. The project site comprises two assessor parcels that have been previously used for industrial purposes ranging from ship building to steel fabrication. The project proposes to redevelop the site over three distinct phases to include:

- 2,580 attached residential units
- 150-unit senior retirement home
- 150-room cooperative condominium hotel
- 190,000 square feet of corporate park uses
- 40,000 square feet of retail uses

LAFCO of Napa County's ("Commission") review of the DEIR is predicated on addressing the agency's potential role as a responsible agency under the California Environmental Quality Act. Specifically, under the proposed project, Commission approval may be required to form a new special district to provide one or more community services to Napa

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Pipe. Additionally, as part of a project alternative, Commission approval may be required to authorize an outside water service extension involving the City of Napa.

This report focuses on central aspects of the project along with pertinent issues the Commission would need to consider relative to its potential roles as outlined in the preceding paragraph. The underlying intent of the report is to inform the Commission in reviewing a draft comment letter on the DEIR prepared by staff. A copy of the draft letter is attached. Staff requests the Commission authorize the Chair to sign the draft letter with any desired revisions. The deadline for submitting written comments is January 21, 2010.

B. Discussion

Jurisdictional Setting

The project site comprises two unincorporated assessor parcels currently designated and zoned by the County as *Study Area* and *Industrial: Airport Compatibility*, respectively. As part of the project, the County would redesignate the site as *Napa Pipe Mixed Use* along with creating new zoning districts compatible with the proposed uses. Although the project site is located entirely outside Napa's urban growth boundary, a portion of one of the two parcels lies within the City's sphere of influence (map attached). This portion totals 18.0 acres and was included in Napa's sphere of influence at the time of its adoption in 1972 given the City was providing potable water service to the area. The Commission retained this portion of the project site in Napa's sphere of influence as part of its 2005 comprehensive update in deference to planned discussion between the City and County with regards to future development activity in the area.

In addition, the entire project site is located within the Napa Sanitation District's (NSD) sphere of influence and jurisdictional boundary. NSD has been providing sewer service to the project site for several decades, although current demands are relatively minimal according to the agency. There are also five countywide limited special districts that are authorized to provide specific services within the project site given their jurisdictional boundaries include the affected territory. These five special districts are County Service Area No. 4, Napa County Flood Control and Water Conservation District, Napa County Mosquito Abatement District, Napa County Resource Conservation District, and Napa County Regional Park and Open Space District.

Community Services

The DEIR estimates the buildout of the project would result in a population increase of approximately 5,901 persons. This anticipated buildout population would make Napa Pipe the fourth largest resident community in the county behind Napa (77,831), American Canyon (16,503), and St. Helena (5,960). It would be larger than Calistoga (5,331) and Yountville (3,263).¹ A summary of the core community services contemplated in the DEIR to support the project in terms of demands, capacities, and organizational structures follows.

¹ Current population figures are provided by the California Department of Finance as of January 1, 2009.

Water Service

The DEIR states water supplies would be drawn entirely from existing and new wells located within the project site. Overall annual demand at buildout has been calculated at 620 acre-feet, which the DEIR states can be sufficiently accommodated through groundwater withdraws with minimal impact to adjacent users.² No significant impacts have been identified. The DEIR identifies three organizational options with respect to potential service providers: investor-owned utility; private mutual water company; or a special district. Only the formation of a special district would require Commission approval. Formation of an investor-owned utility is regulated by the California Public Utilities Commission. It is staff's understanding the formation of a private mutual water company is subject only to the filing requirements of the Secretary of State.

Sewer Service

The DEIR contemplates sewer service within the project site would be provided by connecting to NSD or forming a new special district for purposes of constructing and operating a new wastewater treatment facility. The average daily dry-weather demand at buildout has been calculated at 0.51 million gallons with peak-day demand reaching 0.72 million gallons. The DEIR states NSD has not fully evaluated the capacity of its facilities with regard to serving the proposed project. The DEIR asserts any impacts, however, can be mitigated to a less-than-significant level by the applicant paying NSD connection fees to contribute toward the improvements needed to adequately serve the project. Commission approval would only be needed to form a new special district given the project site is already located within NSD.

Public Safety

The DEIR contemplates the County will continue to provide law enforcement and fire protection services within the project site. An approximate 2,700 square foot joint-use facility would be constructed by the applicant on Kaiser Road to localize public safety provision in the area. The DEIR calculates public safety service calls within the project site at buildout will range from 500 to 700 annually. The DEIR directs the County to establish a community facilities district to mitigate monetary impacts to a less-than-significant level to maintain current law enforcement and fire protection service levels through the funding of additional personnel and equipment.³ The DEIR also directs the County to re-negotiate the terms of its automatic aid agreements with Napa to mitigate impacts to a less-than-significant level involving City call volumes.

² The DEIR references an earlier water supply assessment prepared for the Napa Pipe project. This assessment states recorded groundwater withdrawals within the project site have been as high as 1,230 acre-feet annually. The assessment notes more recent withdrawals have averaged 146 acre-feet annually.

³ The DEIR states the County would need to hire seven additional sworn officers to maintain its current ratio of approximately one deputy for every 1,000 residents. The DEIR also states the County would need to hire 10 additional firefighters to provide adequate staffing levels.

C. Analysis

Staff believes it would be appropriate for the Commission to make the following comments on the DEIR.

- **Comment One**

The Utilities Section (4.13-1) contemplates three organizational options in providing water service to the project: investor-owned utility; private mutual water company; or a special district. The Report Summary (2-2), however, fails to identify a special district as a potential water service provider. This portion of the DEIR should be revised to identify all three organizational options as a possible water service provider as outlined in the Utilities Section. This portion should also be revised to accurately identify the two sewer service provider options outlined in the Utilities Section.

- **Comment Two**

The scope of the project strongly suggests a special district – and not a private entity – should be formed to provide water service to the site, either directly or through a contract with another agency. A special district would provide a more formal and transparent process for landowners and registered voters to effectively influence and tailor service operations to meet the needs of the community. A private entity in comparison, such as a mutual water company or investor-owned utility, is owned by landowners or shareholders, respectively, and would not be as accountable to all affected ratepayers. A special district could also incur long-term debt secured through voter-approved assessments to fund ongoing maintenance and capital improvement projects. A special district's boundary and infrastructure would also be regulated by the Commission to ensure its orderly development consistent with local conditions and policies. The expansion of a private entity's boundary or infrastructure is not subject to this type of third party review. Finally, forming a multi-purpose special district, such as a community service district (CSD) or county service area (CSA), could consolidate needed service provision (water, public safety, parks, roads, etc) within the site under a single public administration.

- **Comment Three**

The Utilities Section (4.13-21) contemplates two organizational options in providing sewer service to the project: connecting to NSD or forming a new special district. Formation approval of a new special district to provide sewer service to the project would concurrently require detachment of the site from NSD. This portion of the DEIR should be revised to address potential impacts to NSD as well as appropriate mitigation measures relating to detachment proceedings.

- **Comment Four**

The Alternatives Section (5-1) identifies two substitutes regarding the proposed project's intention to rely solely on groundwater. The first substitute assumes the project would rely exclusively upon water from Napa. The second substitute assumes the project would supplement its use of groundwater with water from Napa. The discussion of these two substitutes on page 5-69 states any water from Napa to serve the project may require Commission approval if it deems the service as "new" or "extended" under Government Code Section 56133. This portion of the DEIR should be revised to specify Commission approval would be needed for Napa to provide water to the project since it would constitute as an "extended" service given the redesignation and intensification of land uses.

- **Comment Five**

The County should consider and identify long-term governance objectives in managing community services for the project and make corresponding revisions to the DEIR as appropriate. If the governance objective is to maintain Napa Pipe as an unincorporated community and control service decision-making, the County should prioritize forming a CSA. If the governance objective is to maintain Napa Pipe as an unincorporated community while delegating service decision-making to registered voters, the County should prioritize forming a CSD. Last, if the governance objective is to ultimately facilitate the annexation of Napa Pipe to Napa, the County should prioritize forming a CSD and contract with the City for services to avoid the duplication of public infrastructure and facilities. This ladder governance objective could also be accomplished by adding the project site to Napa's sphere of influence for purposes of entering into outside service agreements under Government Code Section 56133.

D. Recommendation

The comments on the DEIR outlined in the preceding section have been incorporated into the attached letter addressed to the County. Staff recommends the Commission authorize the Chair to sign the letter with any desired revisions.

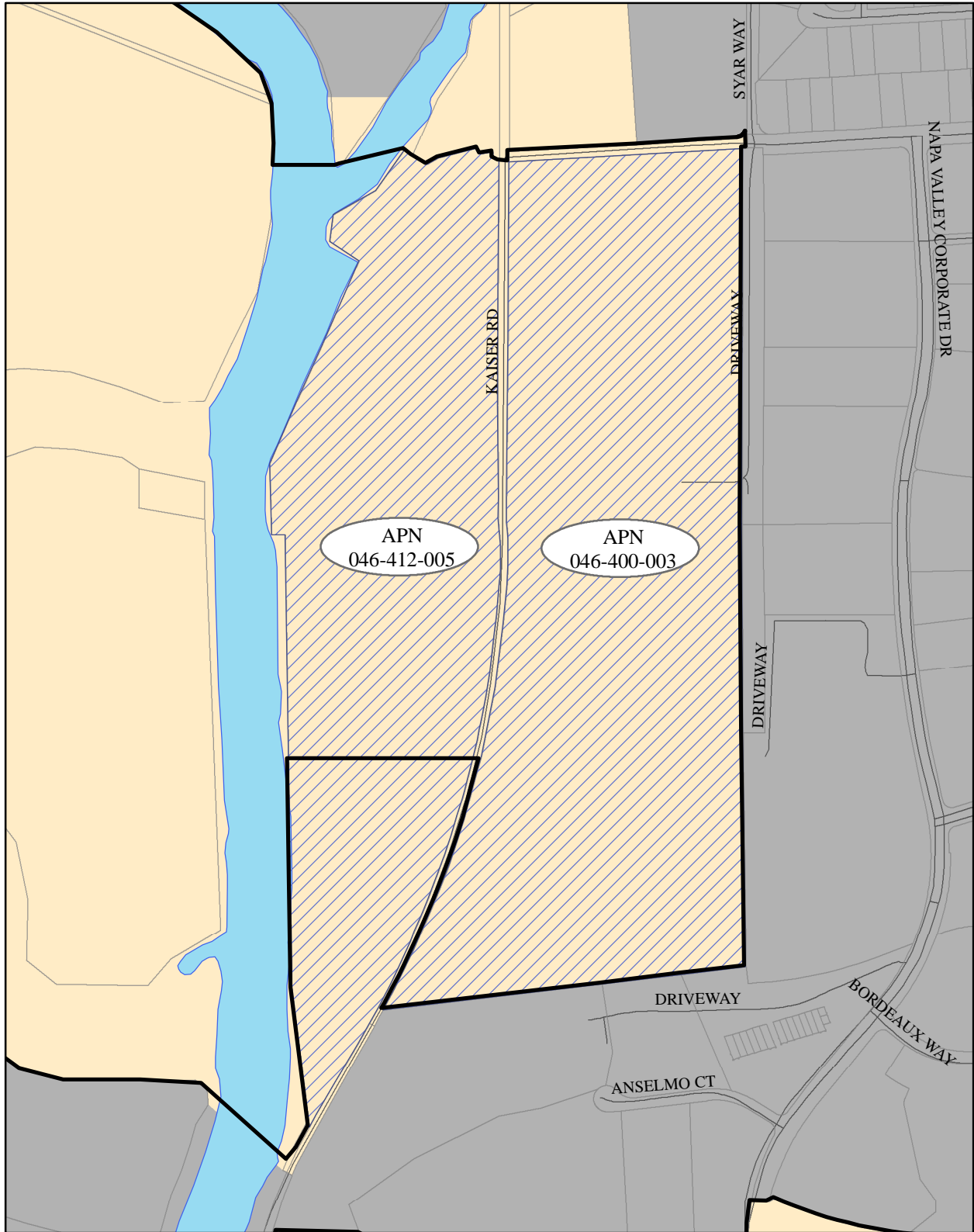
Respectfully submitted,

Keene Simonds
Executive Officer





Attachments:

- 1) Map
- 2) Draft Comment Letter

Napa Pipe Site



LEGEND

	Unincorporated Land
	City of Napa: Incorporated Boundary
	City of Napa: Sphere of Influence
	Napa Pipe Site

*Not to Scale
February 2, 2009*



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December 7, 2009

Mr. Sean Trippi, Principal Planner
 County of Napa, Conservation and Planning
 1195 Third Street, Room 210
 Napa, California 94559

SUBJECT: Draft Environmental Impact Report on Napa Pipe

Mr. Trippi:

The Local Agency Formation Commission (LAFCO) of Napa County has reviewed the County of Napa's Draft Environmental Impact Report (DEIR) on Napa Pipe. The DEIR evaluates the potential impacts associated with an application submitted by Napa Redevelopment Partners to develop an approximate 155 acre unincorporated site located immediately adjacent to the City of Napa and west of the Napa Valley Corporate Park. The project description contemplates the site will be developed to include 2,580 attached residential units. It is also contemplated the site will include 230,000 square feet of corporate and retail uses along with certain recreational amenities.

LAFCO's review of the DEIR is predicated on addressing the agency's potential role as a responsible agency under the California Environmental Quality Act. Specifically, under the proposed project, LAFCO approval may be required to form a new special district to provide one or more community services to Napa Pipe. Additionally, as part of a project alternative, LAFCO approval may be required to authorize an outside water service extension involving the City of Napa. With these factors in mind, LAFCO respectfully offers the following comments on the DEIR:

- The Utilities Section (4.13-1) contemplates three organizational options in providing water service to the project: investor-owned utility; private mutual water company; or a special district. The Report Summary (2-2), however, fails to identify a special district as a potential water service provider. This portion of the DEIR should be revised to identify all three organizational options as a possible water service provider as outlined in the Utilities Section. This portion should also be revised to accurately identify the two sewer service provider options outlined in the Utilities Section.

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- The scope of the project strongly suggests a special district – and not a private entity – should be formed to provide water service to the site, either directly or through a contract with another agency. A special district would provide a more formal and transparent process for landowners and registered voters to effectively influence and tailor service operations to meet the needs of the community. A private entity in comparison, such as a mutual water company or investor-owned utility, is owned by landowners or shareholders, respectively, and would not be as accountable to all affected ratepayers. A special district could also incur long-term debt secured through voter-approved assessments to fund ongoing maintenance and capital improvement projects. A special district’s boundary and infrastructure would also be regulated by the Commission to ensure its orderly development consistent with local conditions and policies. The expansion of a private entity’s boundary or infrastructure is not subject to this type of third party review. Finally, forming a multi-purpose special district, such as a community service district (CSD) or county service area (CSA), could consolidate needed service provision (water, public safety, parks, roads, etc.) within the site under a single public administration.
- The Utilities Section (4.13-21) contemplates two organizational options in providing sewer service to the project: connecting to NSD or forming a new special district. Formation approval of a new special district to provide sewer service to the project would concurrently require detachment of the site from NSD. This portion of the DEIR should be revised to address potential impacts to NSD as well as appropriate mitigation measures relating to detachment proceedings.
- The Alternatives Section (5-1) identifies two substitutes regarding the proposed project’s intention to rely solely on groundwater. The first substitute assumes the project would rely exclusively upon water from Napa. The second substitute assumes the project would supplement its use of groundwater with water from Napa. The discussion of these two substitutes on page 5-69 states any water from Napa to serve the project may require Commission approval if it deems the service as “new” or “extended” under Government Code Section 56133. This portion of the DEIR should be revised to specify Commission approval would be needed for Napa to provide water to the project since it would constitute as an “extended” service given the redesignation and intensification of land uses.
- The County should consider and identify long-term governance objectives in managing community services for the project and make corresponding revisions to the DEIR as appropriate. If the governance objective is to maintain Napa Pipe as an unincorporated community and control service decision-making, the County should prioritize forming a CSA. If the governance objective is to maintain Napa Pipe as an unincorporated community while delegating service decision-making to registered voters, the County should prioritize forming a CSD. Last, if the governance objective is to ultimately facilitate the annexation of Napa Pipe to Napa, the County should prioritize forming a CSD and contract with the City for services to avoid the duplication of public infrastructure and facilities. This ladder

governance objective could also be accomplished by adding the project site to Napa's sphere of influence for purposes of entering into outside service agreements under Government Code Section 56133.

LAFCO appreciates the opportunity to comment on the DEIR. If you have any questions regarding our comments, please contact LAFCO Executive Officer Keene Simonds by telephone at (707) 259-8645 or by e-mail at ksimonds@napa.lafco.ca.gov

Sincerely,

Brian J. Kelly
Chair

Attachments: none