



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

1030 Seminary Street, Suite B
Napa, California 94559
Phone: (707) 259-8645
Fax: (707) 251-1053
www.napa.lafco.ca.gov

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

Agenda Item 6a

TO: Local Agency Formation Commission

PREPARED BY: Brendon Freeman, Executive Officer

MEETING DATE: September 22, 2015

SUBJECT: Napa Pipe Sphere of Influence Amendment, Annexation, and Outside Service Agreement Involving the City of Napa

RECOMMENDATION

Staff recommends the Commission adopt three resolutions (Attachments One, Two, and Three) making California Environmental Quality Act (CEQA) findings, approving the proposed sphere of influence amendment and outside service agreement, and approving the proposed annexation and detachment of the annexed territory from County Service Area (CSA) No. 4.

SUMMARY

The Commission has received a proposal from Napa Redevelopment Partners on behalf of the City of Napa (“City”) requesting three concurrent actions with respect to the Napa Pipe development project. The three proposed concurrent actions involve: (1) sphere of influence amendment for the City to include all of the Napa Pipe project area; (2) annexation of approximately 111 acres of the Napa Pipe project area to the City; and (3) authorize the City to provide municipal services to the remaining unincorporated portion of Napa Pipe, until such time as the remaining area is annexed. The purpose of the proposal is to facilitate the Napa Pipe mixed-use development project, which will include up to 945 residential units, 150 senior housing units, a 150-unit hotel, approximately 385,000 square feet of non-residential uses, and parks and open space. Staff has proposed a concurrent detachment from CSA No. 4 of the portion of the Napa Pipe project area that is being proposed for annexation at this time.

Juliana Inman, Chair
Councilmember, City of Napa

Greg Pitts, Commissioner
Councilmember, City of St. Helena

Joan Bennett, Alternate Commissioner
Councilmember, City of American Canyon

Diane Dillon, Vice Chair
County of Napa Supervisor, 3rd District

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

Keith Caldwell, Alternate Commissioner
County of Napa Supervisor, 5th District

Brian J. Kelly, Commissioner
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Brendon Freeman
Executive Officer

The Napa Pipe project area is currently unincorporated and located three miles south of downtown Napa and adjacent to the City's southern boundary ("Napa Pipe"). The approximately 154-acre site is surrounded by the Napa River to the west, industrial uses to the north, the Napa Valley Commons Corporate Park to the east and south, and Bedford Slough to the south. Napa Pipe is comprised of Assessor's Parcels 046-412-005 (63 acres) and 046-400-030 (91 acres). Approximately 18.5 acres at the southwest portion of the site are already within the City's Sphere of Influence ("SOI"). The two parcels are separated by an existing Union Pacific Railroad right-of-way running in a north-south direction. The entire site is located within the City's voter-approved rural urban limit (RUL) line.

A summary of stated Napa Pipe objectives include the following:

- Provision of a safe and attractive neighborhood with suitable urban services
- Contribution towards the County's Regional Housing Needs Allocation
- Integration of affordable housing
- Reduction of pressure to develop county agricultural land for residential uses
- Location of housing in proximity to jobs to reduce traffic
- Provision of multiple housing types in proximity to educational and recreational amenities
- Provision of a financially feasible development program to allow for site remediation
- Implementation of "smart growth" principles
- Provision of fiscal benefits to both the County and the City without diversion of resources

BACKGROUND

Napa Pipe was formerly used for industrial purposes and contains a range of industrial facilities, including materials handling equipment, rail spurs, waterfront improvements, manufacturing facilities, offices, warehouses, and storage areas. The site is generally disturbed by the previous industrial activities with the exception of areas bordering Bedford Slough.

Following the County's approval of the General Plan amendment and rezoning, the City and County executed a Memorandum of Understanding ("MOU") to establish the terms and conditions under which the City would provide municipal services to the property and could ultimately annex the property to the City. The MOU establishes a process by which the City and County would work together to facilitate development of the Napa Pipe project and identifies various actions that will be taken by the City and County to implement the MOU process.

In 2014, the Commission comprehensively updated the City's SOI. Napa Pipe was reviewed for potential inclusion within the SOI at that time, but was not added due to the lack of specification regarding municipal services to be provided and potentially significant environmental impacts. The County subsequently certified a Final Environmental Impact Report (FEIR) for Napa Pipe, which analyzed environmental impacts for identified land use specifications. The City later prepared an Initial Study and Addendum to the County's FEIR to address municipal service provision for Napa Pipe. Based on the initial study, the City determined that the County's EIR adequately identified and analyzed the potential environmental effects that are likely to result from the City's actions and no additional environmental document is required.

The City has recently amended its General Plan to designate APN 046-400-030 as *Mixed Use* and APN 046-412-005 as *Light Industrial*. The County of Napa assigns a *Napa Pipe Mixed Use* General Plan designation for the entire project site. The City and County have each provided a combination of matching rezoning assignments for Napa Pipe, including *Industrial: Airport Compatibility*, *Industrial Business Park: Airport Compatibility*, *Industrial Business Park Waterfront: Airport Compatibility*, and *Mixed Use Residential Waterfront: Airport Compatibility*.

The City Council and County Board of Supervisors have each adopted resolutions pertaining to design guidelines, the development plan, and the development agreement for Napa Pipe. This includes agreements for the provision of municipal services, regional housing needs allocations, tax sharing, and an amendment to the City's sphere of influence. A list of City and County actions pertaining to Napa Pipe follows.

The County Board of Supervisors ("Board") has adopted the following for Napa Pipe:

- On January 14, 2013, adopted Resolution No. 2013-03 certifying the FEIR for Napa Pipe as well as approving a General Plan amendment;
- Resolution No. 2013-60, approved on June 4, 2013, adopting (1) CEQA findings, a Statement of Overriding Considerations, and a Mitigation Monitoring and Reporting Program ("MMRP"); (2) a Water Supply Assessment pursuant to Water Code Section 10911; and (3) conforming amendments to the Napa County General Plan;
- Ordinance No. 1382, approved on June 4, 2013, adding Chapter 18.66 to the Napa County Code to create the Napa Pipe Zoning District, and specifying conditions of approval for future development in the Napa Pipe Zoning District;

- Resolution No. 2014-139, approved on November 25, 2014, approving a Tentative Map for Napa Pipe;
- Ordinance No. 1393, approved on December 16, 2014, approving a Development Plan for the Napa Pipe Zoning District portion of Napa Pipe;
- Ordinance No. 1394, approved on December 16, 2014, approving a Development Agreement for the Napa Pipe Zoning District portion of Napa Pipe;
- Ordinance No. 1397, approved on February 10, 2015, approving the Design Guidelines for the Napa Pipe Zoning District portion of Napa Pipe;

The City Council has adopted the following for Napa Pipe:

- On July 22, 2014, an Initial Study/Addendum to the County's FEIR and General Plan Amendment updating the Rural Urban Limit ("RUL") line, which was later approved by voters in November 2014.
- On July 21, 2015, a General Plan re-designation for Napa Pipe.
- By City Council Resolution dated July 21, 2015, the City Council authorized the City Manager to execute an Annexation Consent, Protest Waiver, and Water Service Agreement between the City and Napa Redevelopment Partners. The City Council also authorized the City Manager to execute agreements regarding the City's sphere of influence, tax sharing, municipal services, and regional housing needs allocation. Additionally, the City Manager was authorized to submit an application to LAFCO, submitted on behalf of the City by Napa Redevelopment Partners, to (1) expand the City's sphere to include all of Napa Pipe, (2) extend municipal services to Napa Pipe for areas within the sphere but outside the City's jurisdictional boundary, and (3) annex Napa Pipe to the City in two phases. The first phase of annexation involves those portions of Napa Pipe currently designated for industrial uses under the County's Zoning Ordinance. The second phase of annexation involves the remainder of Napa Pipe, which shall be annexed on December 31, 2022 (the effective date of the second phase shall be not later than December 31, 2022), subject to LAFCO approval.
- On August 4, 2015, Prezoning for Napa Pipe.

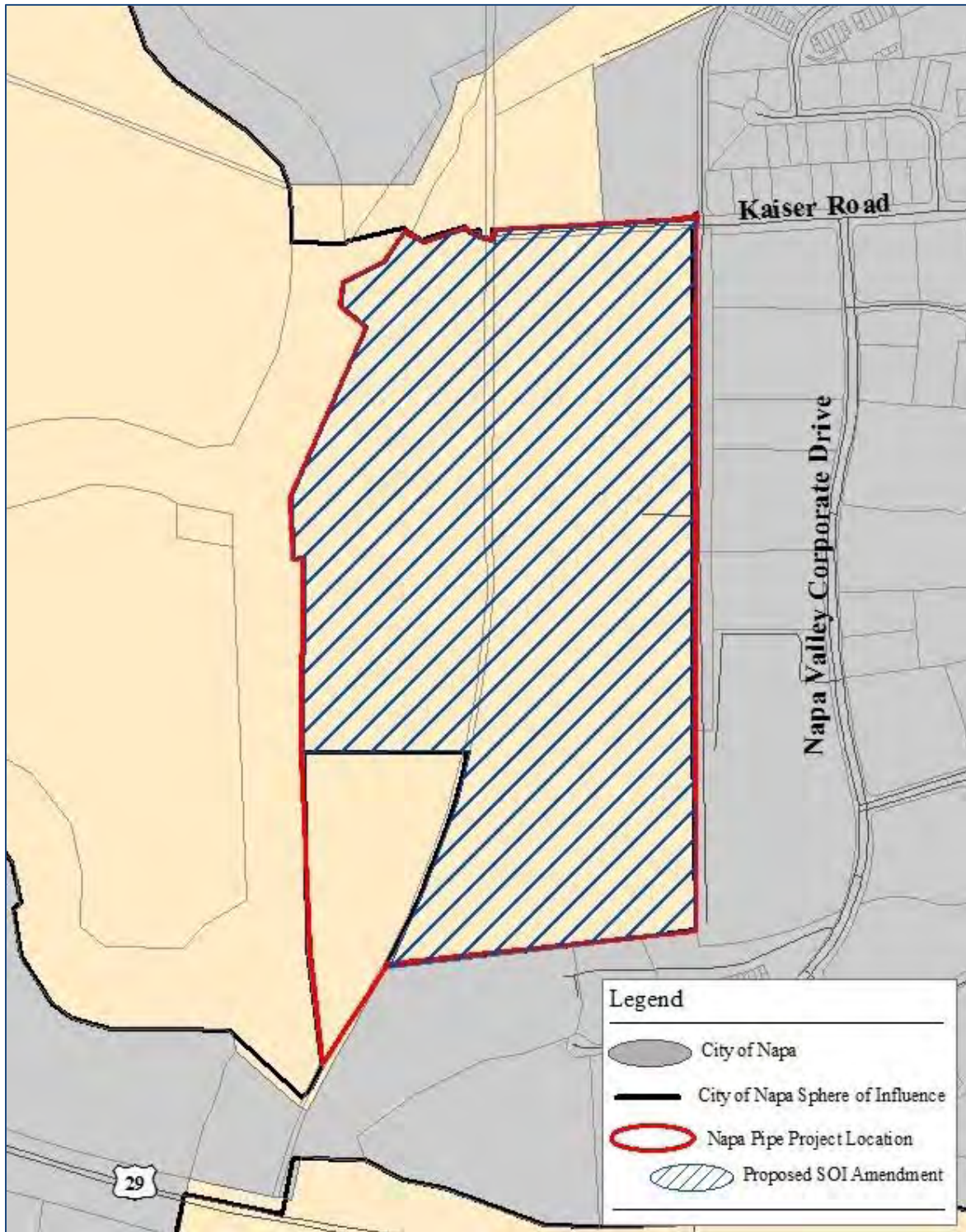
ANALYSIS

Proposal approval and eventual development of Napa Pipe would result in new demands for the full range of public services; services that will be provided by the City of Napa and Napa Sanitation District (NSD). The City and NSD have demonstrated they have adequate capacities to serve the Napa Pipe project as described in the Commission's recent Central County Region Municipal Service Review (available on the Commission's website). An expanded discussion of existing conditions and potential future service demands is provided on pages 13 to 20 of this report. Napa Pipe is proposed to be annexed and developed in two phases with build-out anticipated in 2022. The first phase of annexation involves only the portion of Napa Pipe that has been rezoned by the City for non-residential land uses. The second and future phase of annexation involves the portion that has been rezoned by the City for residential land use. The second phase (residential portion) will be proposed for annexation as part of a future proposal that is expected to be submitted to LAFCO by 2022. Further detail is provided in the DEIR, FEIR, and Initial Study/Addendum. Additionally, a tax sharing agreement for the entire Napa Pipe project location has been negotiated and reached between the City and County.

PROPOSAL MODIFICATION

Staff has modified the proposal to include the concurrent detachment of the territory proposed to be annexed from CSA No. 4, consistent with the Commission's General Policy Determination VII(D)(3) regarding concurrent annexations to cities. CSA No. 4 was formed in 2002 and includes all unincorporated territory along with certain incorporated territory located in the Cities of Calistoga, Napa, St. Helena, and Yountville. The intent and function of CSA No. 4 is to sponsor a voter-approved special assessment on all assessor parcels in its jurisdiction containing one acre or more of vineyards to fund farmworker housing services. Concurrently detaching the portion of Napa Pipe proposed to be annexed to the City is appropriate given the discontinuity between these lands' current and planned uses, paired with the role of the District in providing public farmworker housing services.

SPHERE OF INFLUENCE AMENDMENT AREA



The proposal to amend the City's SOI is consistent with the Commission's General Policy Determinations Section III(C) regarding proposed amendments to city spheres of influence. This includes consistency with adopted general plan policies of the City and County that guide future development away from designated agricultural or open-space land, adopted policies of the City and County that promote infill of existing vacant or underdeveloped land, and the City's adopted RUL.

Government Code Section 56425 requires the Commission to consider five specific factors anytime it reviews proposals for sphere of influence amendments. The following analysis addresses these factors with respect to the sphere of influence amendment request for Napa Pipe.

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

In recent amendments to their General Plans, Napa Pipe was re-designated by each the City and County as "Napa Pipe Mixed Use," a transitional land use category that contemplates a broad range of residential and commercial uses including high-density, senior, and other housing types, hotel, retail, office, light industrial and recreational land uses.

The City and the County have engaged in a joint planning effort for Napa Pipe that contemplates initiation of development activity under the County's jurisdiction and eventual annexation of the entire area to the City as memorialized in a Memorandum of Understanding (MOU) adopted by both parties. The MOU sets out a process that encompasses a series of City-County agreements necessary to accomplish this goal, including a development agreement and other agreements on tax sharing, development standards and design guidelines.

The project area is already within the City's RUL. The proposal will have a net positive impact with respect to open-space lands given that no agricultural or open-space lands are currently located within Napa Pipe, but open-space will be provided as part of the project's eventual development.

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

The proposed SOI expansion area is a currently an unused industrial/manufacturing site. The Napa Pipe project will require the full range of services provided by the City. This includes fire protection, law enforcement, and potable water services. The project will receive public sewer services from Napa Sanitation District. The Commission's Central County Region Municipal Service Review indicates the City has established adequate capacities and controls to provide these municipal services to Napa Pipe within the proposed sphere of influence.

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

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

The City's capacity to provide adequate services to the Napa Pipe site with proposed mixed use development is generally established in two parts: 1) facilities and service capacities described in the Central County Region Municipal Service Review and 2) the Napa Pipe project description, including the mitigation measures adopted by the City and County in their processes to amend their General Plans.

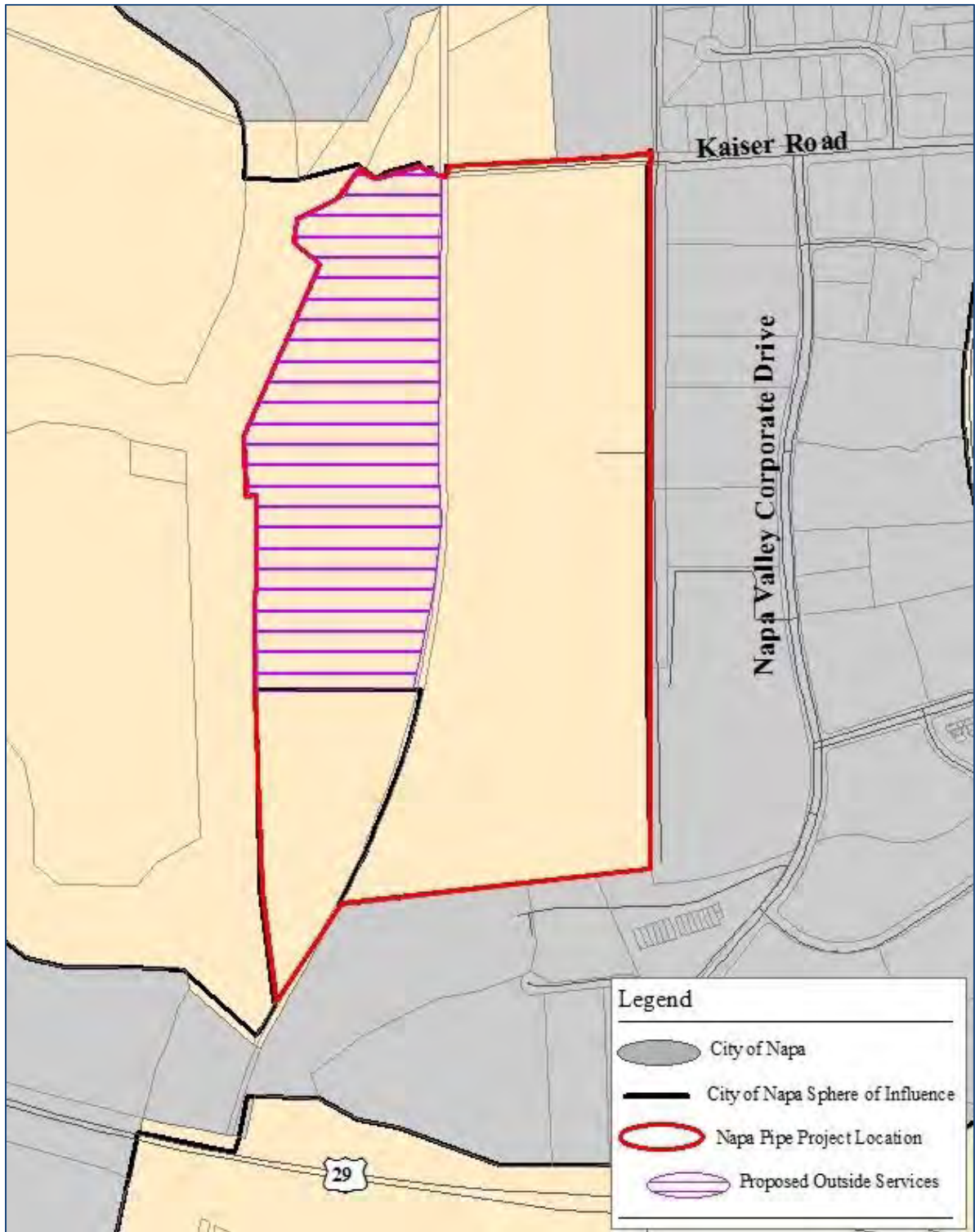
(4) The existence of any social or economic communities of interest in the sphere if the commission determines that they are relevant to the agency.

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

(5) The present and probable need for public sewer facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

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

OUTSIDE SERVICE AGREEMENT



Commission approval is needed for a city to provide new or extended services outside its jurisdictional boundary. The proposal involves authorizing the City to provide a full range of municipal services to the 43-acre portion of APN 046-412-005 that is not proposed to be annexed at this time. The outside service agreement for this 43-acre portion of Napa Pipe is allowed under G.C. Section 56133(b), which allows for approval of an outside service agreement when the area to be served is located within the city's SOI and annexation of the area is anticipated in the future.

The agreements adopted by the City and County require the second phase of annexation to occur by December 31, 2022. Therefore, the land subject to the outside service agreement component of the proposal has an explicit expectation of annexation in the foreseeable future, ensuring consistency with G.C. Section 56133(b). Further, the County's FEIR and City's Initial Study/Addendum contemplate the provision of the City's municipal services to the entire Napa Pipe location.

The proposal is consistent with the Commission's General Policy Determinations Section V(B) regarding proposed outside service agreements involving cities. The Commission's Policy on Outside Service Agreements identifies the following three factors that are required to be reviewed and analyzed prior to formal outside service authorization:

(1) The ability of the applicant to extend the subject service to the affected land.

The City and County have various agreements in place that ensure the 43-acre portion of APN 046-412-005 will be adequately served by the City for a full range of municipal services in anticipation of future annexation to memorialize the service commitments. The Commission's Central County Region Municipal Service Review indicates the City has established adequate capacities to provide Napa Pipe with a full range of municipal services based on estimated future service impacts.

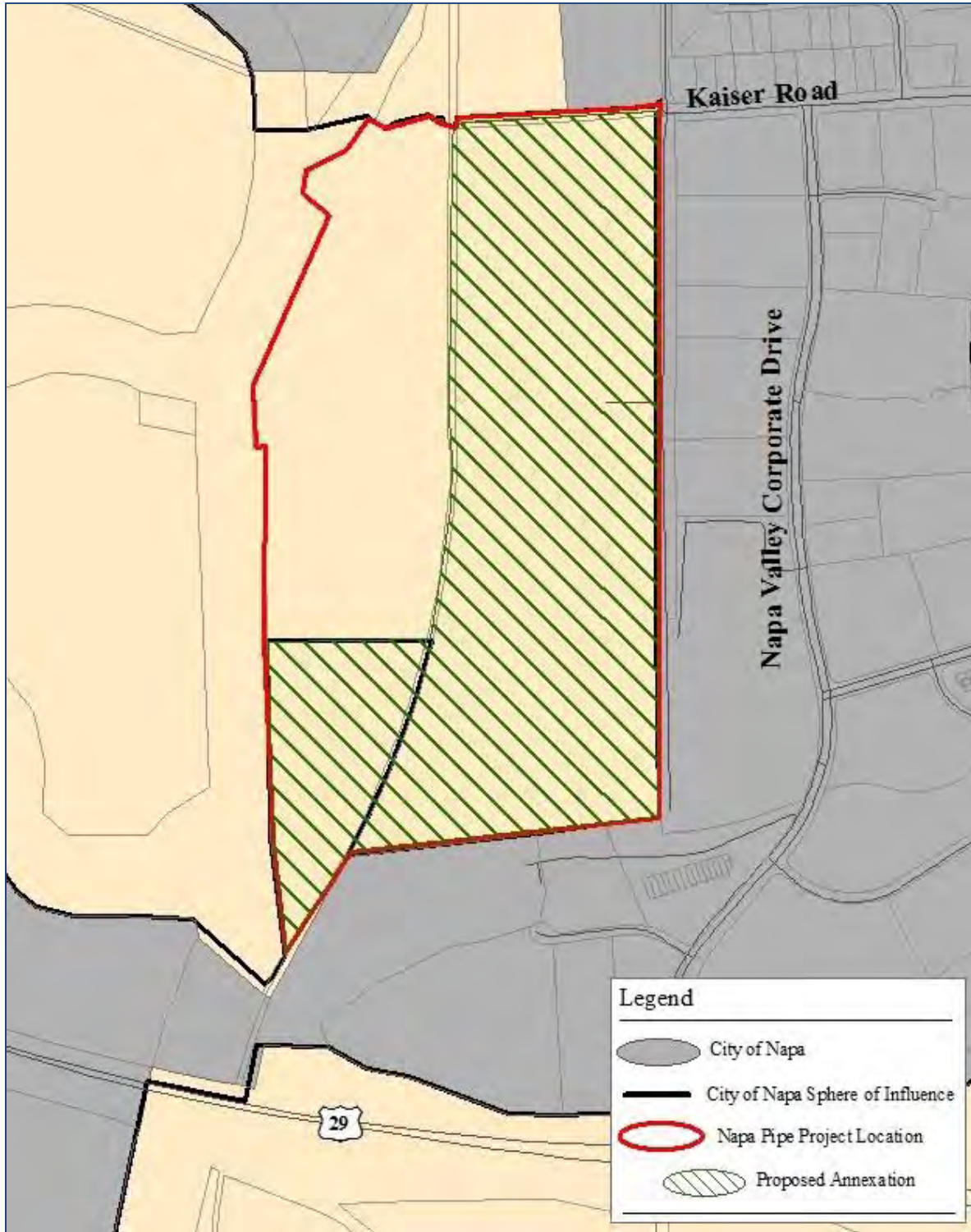
(2) The application's consistency with the policies and general plans of all affected local agencies.

The City and County General Plans each generally guide urban development into incorporated areas. The City and County have each recently amended their respective General Plans and provided new zoning assignments for Napa Pipe that contemplate the need for a full range of municipal services. The proposed outside service agreement represents the first step towards eventual annexation of the affected land in a manner consistent with existing City and County agreements and policies.

(3) The application's effect on growth and development within and adjacent to the affected land.

Proposal approval would directly facilitate significant residential growth and development within the affected land. This growth and development has been contemplated by the City and County and involves the construction of up to 945 single-family residential units and a 150-unit senior care facility. The existing City and County agreements allow the City to assume 80% of the County's regional housing needs allocation for the current housing element cycle. Approval of the proposal would allow the County to certify its housing element for the current cycle while guiding urban development towards incorporated cities consistent with the general plan policies of the affected agencies.

ANNEXATION



The area proposed to be annexed to the City represents the non-residential portions of Napa Pipe and includes approximately 111 acres of unincorporated territory. The annexation proposal is consistent with the Commission's General Policy Determinations Section VII(A) regarding annexations involving cities. This includes consistency with the City's SOI, given that a sphere amendment is a component of the proposal.

Government Code Section 56668 requires the Commission to consider 15 specific factors anytime it reviews proposals for annexations involving cities. No single factor is determinative and the intent is to provide a baseline for LAFCOs in considering boundary changes in context to locally adopted policies and practices. The following analysis incorporates the recommended modification for concurrent detachment from CSA No. 4.

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

Napa Pipe was formerly used for industrial purposes and contains a range of industrial facilities, including materials handling equipment, rail spurs, waterfront improvements, manufacturing facilities, offices, warehouses, and storage areas. The site currently has a permanent population of zero. Proposal approval would help facilitate the construction of up to 945 new single-family residences, 150 senior housing units, a 150-unit hotel, approximately 385,000 square feet of non-residential uses, and parks and open space resulting in a future buildout population of approximately 2,600. The City of Napa recently assigned Napa Pipe a *Mixed Use* General Plan designation and combination rezoning to include *Industrial: Airport Compatibility*, *Industrial Business Park: Airport Compatibility*, *Industrial Business Park Waterfront: Airport Compatibility*, and *Mixed Use Residential Waterfront: Airport Compatibility*.

Napa Pipe is located entirely within the City of Napa's RUL. Topography includes slight slopes with site elevation ranging from approximately 6 to 13 feet above sea level. Napa Pipe is a flat, predominantly paved, 154-acre industrial site. An existing wetland is located in the southeastern portion of the site. Napa Pipe drains into the Napa River, which is located to the immediate west.

Adjacent lands to the immediate east and south are incorporated and developed as the Napa Valley Commons Corporate Park. Adjacent lands to the immediate north are unincorporated and partially developed with industrial uses. The Napa River borders the entire western portion of Napa Pipe. Bedford Slough is located to the immediate south. The proposal is not expected to induce development of adjacent lands or result in significant growth in the surrounding area.

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

The present need for organized public services within Napa Pipe is limited given the lands are currently undeveloped and includes a basic level of law enforcement directly provided by the County, vector control, soil conservation, and flood control services indirectly provided by several countywide special districts. The entire project location is already within the Napa Sanitation District's (NSD) jurisdictional boundary and therefore eligible for public sewer services. Impacts to NSD's sewer system, treatment plant, and recycled water system have been evaluated.

The future need for additional and elevated public services extending beyond the baseline would be triggered if the proposal is approved. Specifically, there would be a need for public services throughout Napa Pipe to accommodate the planned and expected 945 new single-family residences, 150 senior housing units, a 150-unit hotel, approximately 385,000 square feet of non-residential uses, and parks and open space.

Annexation and buildout of Napa Pipe would require elevated levels of fire protection, law enforcement, sewer, and water services. A review of projected demands for Napa Pipe indicates the City of Napa and Napa Sanitation District have sufficient capacities and controls to reasonably accommodate future needs. This statement is predicated on information collected and analyzed in the Commission's Central County Region Municipal Service Review and supplemented by the application materials. No service deficiencies for the area were identified in the municipal service review. Additional information regarding projected service demands associated with the buildout of Napa Pipe is provided below.

Fire Protection and Emergency Medical

Proposal approval and buildout of Napa Pipe as anticipated in the development project description would result in approximately 240 new annual fire protection and emergency medical service calls. This amount is based on the City's ratio of 92.8 fire protection and emergency medical service calls per 1,000 residents over the last five years. The City has established adequate capacities and controls to accommodate these new demands.

Law Enforcement

Proposal approval and buildout of Napa Pipe as anticipated in the development project description would result in approximately 2,148 new annual law enforcement service calls. This amount is based on the City's current ratio of 826.1 law enforcement service calls per 1,000 residents over the last five years. The City has established adequate capacities and controls to accommodate these new demands.

Water

Proposal approval and buildout of Napa Pipe as anticipated in the development project description would result in new annual potable water demands totaling approximately 340 acre-feet or 110.8 million gallons. This amount is based on current average single-family residential potable water demands within the City. The City has established adequate capacities and controls to accommodate these new demands.

Sewer

Proposal approval and buildout of Napa Pipe as anticipated in the development project description would result in new sewer flows totaling approximately 149,350 gallons per day. This amount is based on current average single-family residential sewer demands within NSD of approximately 149 gallons per day per residence coupled with estimated sewer demands associated with the planned 150-room hotel, 150-unit senior center, and warehouse store. NSD has established adequate capacities and controls to accommodate these new demands without impacting existing service commitments or ratepayers.

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

The proposal would strengthen economic and social ties between the affected territory and the City of Napa. These ties were established when the affected territory was added to the City's RUL as approved by voters in 2014. The recent City General Plan amendment and rezoning of Napa Pipe marked an expectation that the lands be annexed and developed for mixed commercial, industrial, and residential uses.

The recommended modification to concurrently detach the affected territory from CSA No. 4 supports mutual social and economic interests. Specifically, detaching the lands would recognize the discontinuity between their present and probable urban uses and the role of the CSA No. 4 in providing farmworker housing.

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

The proposal is consistent with the Commission's General Policy Determinations. This includes consistency with the mixed land use designations for Napa Pipe, avoidance of premature conversion of agricultural uses, and would be consistent with the spheres of influence upon proposal approval. Therefore, the proposal does not conflict with Government Code Section 56377.

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

Proposal will have no effect on the physical and economic integrity of agricultural lands, given that the affected territory does not qualify as "agricultural land" under LAFCO law.

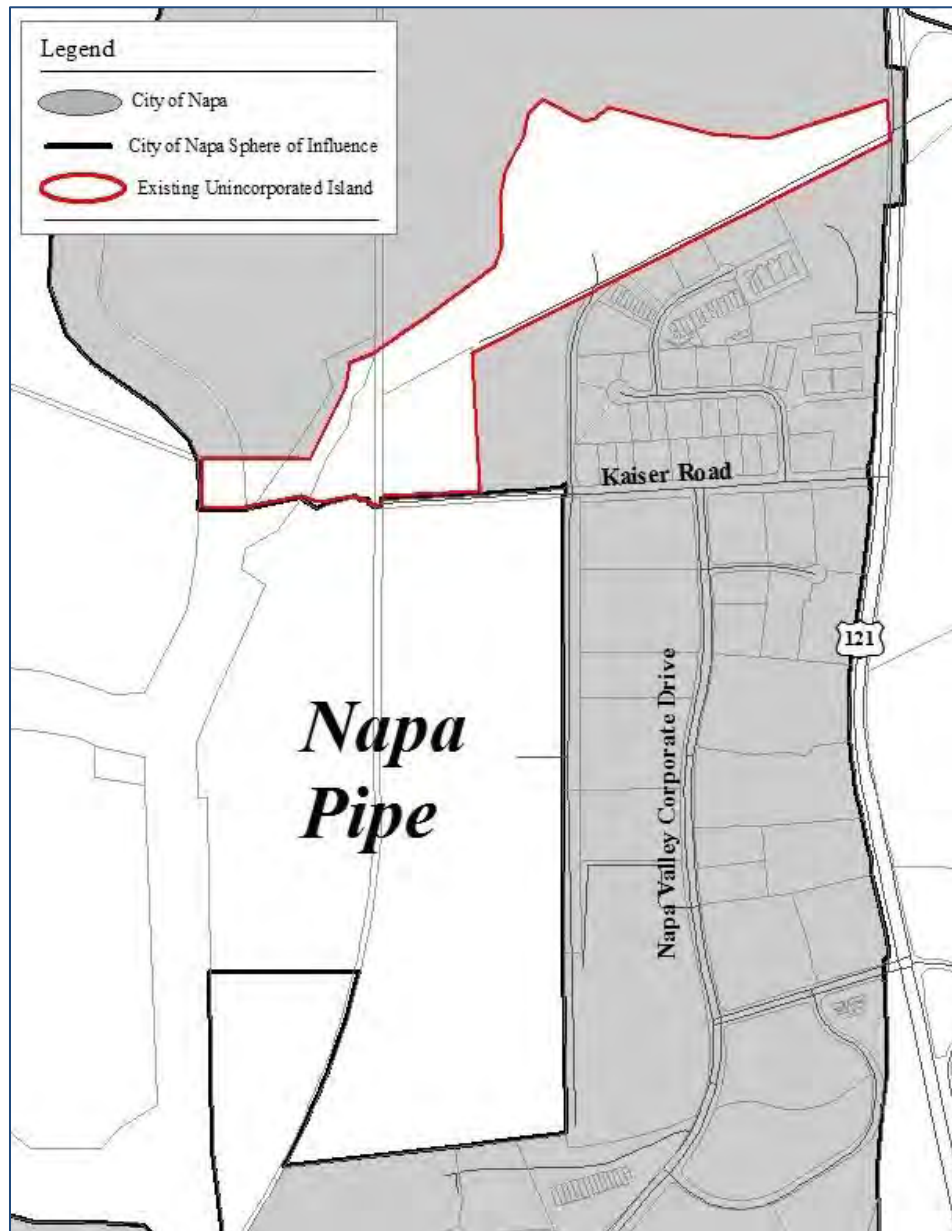
(6) The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.

The proposal includes multiple distinct but interrelated actions involving two parcels identified by the County of Napa Assessor's Office as 046-400-030 and 046-412-005. The sphere of influence amendment would involve both entire parcels. The annexation component of the proposal would apply to the entirety of APN 046-400-030 and an approximate 20-acre portion of APN 046-412-005. The remaining approximate 43-acre portion of APN 046-412-005 is being proposed for outside service authorization from the City in anticipation of being annexed in the foreseeable future.

Annexation would not result in the creation of any unincorporated islands. However, approval as proposed would create non-conformance with lines of assessment. Napa Redevelopment Partners proposes the portioned annexation of APN 046-412-005 to allow the County to issue residential building permits prior to the annexation of lands zoned for residential land use of Napa Pipe. This would allow the County to receive housing credits towards its regional housing needs allocation. Once the residential building permits have been issued, Napa Redevelopment Partners or the City will submit an application to annex the remaining portion of APN 046-412-005.

It is important to note that an existing substantially surrounded unincorporated island is located to the immediate north of Napa Pipe. The island is approximately 60 acres in size and is 82% surrounded by the City's jurisdictional boundary. The existing island is currently used for industrial land uses and is not being contemplated for annexation to the City in the near future. Annexation of the island would first require the City to prezone

the territory and make appropriate environmental findings pursuant to CEQA. Approval of the proposal would increase the size of the existing island until the second phase of annexation has been completed, at which time the island will return to approximately its current size and form. Proposal approval would result in the island becoming 77% surrounded by the City, which meets the Commission’s adopted policy definition of “substantially surrounded.” Further, G.C. Section 56744 specifies that no new *completely* surrounded unincorporated islands may be created as a result of annexation. Therefore, the proposal is consistent with locally adopted policies and State law with respect to unincorporated islands. A map depicting the existing island is provided below.



(7) Consistency with the city or county general plans, specific plans, and adopted regional transportation plan.

The proposal and underlying development project are consistent with the City's General Plan designations of *Mixed Use* for APN 046-400-030 and *Light Industrial* for APN 046-412-005. The Metropolitan Transportation Commission's regional transportation plan (RTP) was updated in 2013 and outlines specific goals and objectives to direct public transportation infrastructure in the Bay Area through 2040. No projects are included in the RTP involving Napa Pipe. Accordingly, the proposal impact is neutral with respect to the RTP.

(8) The sphere of influence of any local agency affected by the proposal.

The affected territory is located outside the existing SOI for the City. However, the proposal involves concurrently amending the City's SOI as part of the Commission's action and therefore would ensure SOI consistency.

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

The City provided a resolution authorizing Napa Redevelopment Partners to submit an application for concurrent sphere amendment, annexation, and outside service authorization. Staff issued a request for review to all affected agencies, transportation agencies, and school districts inviting comments. No comments were received.

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

Information collected and analyzed in the Commission's recent Central County Region Municipal Service Review indicates the City and NSD have developed overall adequate financial resources and controls relative to their service commitments. Additional analysis provides reasonable assurances the City and NSD's fiscal capacities would enable the agencies to extend services consistent with the land use and density assumptions in the Napa Pipe project description without significant adverse impacts.

(11) Timely availability of water supplies adequate for projected needs as specified in Government Code Section 65352.5.

Napa Pipe is expected to generate approximately 340 acre-feet of new annual water demands for the City at buildout. The City's water supplies are generated from three sources: (1) Lake Hennessey; (2) Milliken Reservoir; and (3) State Water Project. Total supplies vary according to hydrologic conditions. A table depicting water service demands associated with Napa Pipe relative to the City's existing supplies and demands follows. As shown on the following page, adequate water supplies exist for the projected needs of the City, including the area to be annexed.

Baseline Without Annexation of the Affected Territory (Amounts in Acre-Feet)			
Category	Normal Year	Multiple Dry	Single Dry
Annual Supply	39,410	26,870	18,840
Annual Demand	13,808	13,808	13,808
Difference	25,602	13,062	5,032

Adjusted With Annexation/Buildout of the Affected Territory (Amounts in Acre-Feet)			
Category	Normal Year	Multiple Dry	Single Dry
Annual Supply	39,410	26,870	18,840
Annual Demand	14,148	14,148	14,148
Difference	25,262	12,722	4,692

(12) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments.

The proposal would result in a benefit to both the City and the County with respect to achieving their fair share of the regional housing needs during the foreseeable future as a result of the eventual development of up to 945 residential units as contemplated in the Napa Pipe project description, including up to 190 affordable housing units.

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

Staff issued a request for review to all affected agencies and landowners inviting comments. No comments were received.

(14) Any information relating to existing land use designations.

The City General Plan designates APN 046-400-030 as *Mixed Use* and APN 046-412-005 as *Light Industrial*. The County General Plan designates both parcels as *Napa Pipe Mixed Use*. The City and County have each provided a combination of matching zoning assignments for Napa Pipe to include *Industrial: Airport Compatibility*, *Industrial Business Park: Airport Compatibility*, *Industrial Business Park Waterfront: Airport Compatibility*, and *Mixed Use Residential Waterfront: Airport Compatibility*.

(15) The extent to which the proposal will promote environmental justice

“Environmental justice” is defined as the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services. Proposal approval would facilitate the eventual development of up to 190 affordable residential housing units. To this extent, the proposal would promote environmental justice. There is no documentation or evidence suggesting the proposal would have any adverse implications for environmental justice in Napa County.

PROTEST PROCEEDINGS

Protest proceedings shall be waived in accordance with G.C. Section 56662(a) given that the affected territory is uninhabited, all landowners have provided their written consent, and no written opposition to a waiver of protest proceedings has been received by any agency.

CEQA

The County has prepared an FEIR, building upon its earlier DEIR and supplemental analyses, and the City prepared an Initial Study/Addendum addressing all potential significant impacts to the environment associated with the project. Staff has reviewed the DEIR, FEIR, and Initial Study/Addendum and believes the County and City documents were completed in compliance with CEQA and are adequate for the Commission's use in approving the SOI Amendment, Outside Services Agreement, and Annexation proposal, and no additional environmental analysis is required. Copies of the DEIR, FEIR, and initial study have been transmitted to Commissioners.

ALTERNATIVES

Staff has identified three options for Commission consideration with respect to the proposal. These options are summarized below.

Alternative Action One (Recommended):

Adopt the draft resolutions identified as Attachments One, Two, and Three making CEQA findings, adopting a statement of overriding considerations, and approving the proposed sphere amendment, annexation, and outside service agreement with the recommended amendment to concurrently detach the territory proposed to be annexed from CSA No. 4 along with any desired changes as requested by members.

Alternative Action Two:

Continue consideration of the item to a future regular meeting and provide direction to staff for additional information as needed.

Alternative Action Three:

Disapprove the proposal. Disapproval would statutorily prohibit the initiation of a similar proposal for one year unless a request for reconsideration is filed and approved within 30 days of Commission action.

PROCEDURES FOR CONSIDERATION

This item has been agendized for consideration as part of 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 and invite testimony (mandatory); and
- 3) Discuss item and – if appropriate – close the hearing and consider action on recommendation.

ATTACHMENTS

- 1) Draft Resolution Making CEQA Findings, Adopting a Statement of Overriding Considerations, and Adopting an MMRP
- 2) Draft Resolution Approving the Proposed Sphere of Influence Amendment and Outside Service Agreement
- 3) Draft Resolution Approving the Proposed Annexation
- 4) Aerial Map of Napa Pipe
- 5) Application Materials
- 6) Commission's General Policy Determinations
- 7) Commission's Policy on Outside Service Agreements

RESOLUTION NO. _____

**RESOLUTION OF
THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
MAKING FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL
QUALITY ACT, ADOPTING A STATEMENT OF OVERRIDING CONSIDERATIONS,
AND ADOPTING A MITIGATION MONITORING AND REPORTING PROGRAM
FOR THE**

**NAPA PIPE SPHERE OF INFLUENCE AMENDMENT, ANNEXATION,
AND OUTSIDE SERVICE AGREEMENT**

WHEREAS, on August 5, 2015, Napa Redevelopment Partners filed a proposal on behalf of the City of Napa, hereinafter referred to as the “City,” with the Executive Officer of the Local Agency Formation Commission of Napa County, hereinafter referred to as the “Commission,” pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000;

WHEREAS, the proposal seeks approval of a Sphere of Influence Amendment to include the Napa Pipe project area (commonly known as the “Napa Pipe” property) within the City’s Sphere of Influence, Annexation of a portion of the Napa Pipe project area to the City concurrent therewith, and an Outside Service Agreement to allow the City to provide services to the portion of the Napa Pipe property not proposed to be included in the initial Annexation (collectively referred to herein as the “Proposal” or “Application”);

WHEREAS, the Napa Pipe property is approximately 154 acres, bordering the Napa River, and is surrounded on three sides by the City;

WHEREAS, the Commission has undertaken a comprehensive analysis of the Proposal and has prepared a report with recommendations;

WHEREAS, in 2013, the County of Napa (hereinafter “County”) approved a General Plan amendment for and rezoning of the Napa Pipe property to allow development on the property of a mixed-use community containing up to 945 residential units, 150 units of senior housing, a 150 unit hotel, and approximately 385,000 square feet of non-residential uses, as well as parks and open space;

WHEREAS, the County prepared a draft Environmental Impact Report (“EIR”) pursuant to the California Environmental Quality Act (CEQA) for the Napa Pipe project, analyzing the potential environmental effects of the project;

WHEREAS, on January 2, 2009, a Notice of Preparation was distributed to appropriate agencies to obtain comments regarding the scope and content of the EIR;

WHEREAS, during preparation of the draft EIR, the County held five public workshops with local residents and stakeholders to discuss the project;

WHEREAS, in November and December 2009, the County's Planning Commission held three public hearings to consider all testimony and written comments regarding the EIR;

WHEREAS, subsequent to the close of the public comment period on the EIR, the project was modified and the County prepared and circulated a Supplement to the EIR for public review from February 14, 2011, to May 2, 2011;

WHEREAS, after the close of the comment period on the Supplement to the EIR, the project was further modified to reduce the number of dwelling units, consistent with the studies prepared by the Napa Sanitation District;

WHEREAS, all comments on the EIR and Supplement to the EIR were responded to and included in a Final EIR circulated by the County on February 3, 2012;

WHEREAS, a revised development application was submitted to the County following its May 2, 2012, Planning Commission meeting;

WHEREAS, a second Supplemental Environmental Analysis, dated September 19, 2012, was prepared for the modified project, which found that the developer's revised proposal would not result in any new or increased impacts not addressed in the Final EIR;

WHEREAS, following additional Planning Commission hearings and a hearing of the Napa County Airport Land Use Commission, the County certified the Final EIR on January 14, 2013, which included the Draft EIR and the two Supplements to the EIR, as well as the responses to comments and all other documents submitted to the County as part of the record ("Certified Napa Pipe EIR");

WHEREAS, on June 4, 2013, the County adopted findings, mitigation measures, a statement of overriding considerations, and a mitigation monitoring and reporting plan, and approved a General Plan amendment and rezoning for the project (Resolution No. 2013-60 and Ordinance No. 1382);

WHEREAS, following the County's approval of the General Plan amendment and rezoning, the City and County executed a Memorandum of Understanding (MOU) under which the City would work together to facilitate the development of the Napa Pipe project and identifies various actions to be taken by the City and County, including establishing the terms and conditions under which the City would provide municipal services to the property and could ultimately annex the property;

WHEREAS, consistent with the actions contemplated in the MOU between the City and County, the County approved a Tentative Map for the project (Resolution No. 2014-139), a Development Plan for the Napa Pipe Zoning District (Ordinance No. 1393), a Development Agreement for the Napa Pipe Zoning District (Ordinance No. 1394), and the Design Guidelines for the Napa Pipe Zoning District (Ordinance No. 1397), approved by the Board on November 25, 2014, approving a Tentative Map for Napa Pipe;

WHEREAS, on May 6, 2014, the City directed its staff to draft a General Plan amendment to modify its Rural Urban Limit ("RUL") line to include the Napa Pipe property;

WHEREAS, on July 2, 2014, the City released an Initial Study/Addendum, pursuant to CEQA, which analyzed whether additional environmental review was required to support the City's actions required under the MOU, including the Application to the Commission;

WHEREAS, the actions requested of the Commission in the Application were reviewed by staff and staff determined that the actions were wholly contemplated in the Initial Study/Addendum;

WHEREAS, on July 22, 2014, the City considered the Initial Study/Addendum (which incorporated by reference the County's Certified Napa Pipe EIR), and modified its RUL line to include the Napa Pipe project area, and made corresponding changes to this General Plan and Section 180 of the City Charter (Resolution No. 2014-132);

WHEREAS, on July 21, 2015, the City authorized its City Manager to execute a consent to annexation, protest waiver, and a Water Service Agreement with the project developer, as well as agreements with the County regarding the City's Sphere of Influence, a revenue tax-sharing agreement, a municipal services agreement, and an agreement regarding the future allocation of regional housing needs credits;

WHEREAS, the City Manager was also authorized to submit an application to LAFCO to (1) expand the City's sphere to include all of Napa Pipe, (2) extend municipal services to Napa Pipe for areas within the sphere but outside the City's jurisdictional boundary, and (3) annex Napa Pipe to the City in two phases (the first phase of annexation involves those portions of the Napa Pipe project area currently designated for industrial uses under the County's Zoning Ordinance, while the second phase of annexation involves the remainder of the Napa Pipe project area);

WHEREAS, on September 15, 2015, the County approved final amendments to the Development Agreement;

WHEREAS, the Commission heard and fully considered all the evidence presented at a public meeting held on the Proposal;

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

1. The Commission, as responsible agency, certifies that it has reviewed and considered the environmental effects and information set forth in the County's Certified Napa Pipe EIR, certified by the County on January 14, 2013, and the City's Initial Study/Addendum for the Napa Pipe Project, approved by the City on July 21, 2015, prior to making its determinations on the Proposal. The Commission has determined that the County's Certified Napa Pipe EIR and the City's Initial Study/Addendum were completed in compliance with CEQA and are adequate for its use in approving the Proposal.
2. The Commission approves and adopts the County's Findings, Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Program, as set forth in Resolution No. 2013-60, which makes findings for each of the Napa Pipe project's significant effects and associated mitigation measures and alternatives, and the City's

findings and Statement of Overriding Considerations, as set forth in City Resolution No. 2014-132. County Resolution No. 2013-60 and City Resolution No. 2014-132 are incorporated herein by this reference.

3. The Commission further finds that there have been no significant changes in the project or in the environment since the preparation of the Certified Napa Pipe EIR and the Initial Study/Addendum, and that none of the conditions described in CEQA calling for the preparation of a subsequent or supplemental EIR are present, and the Commission can rely on the Certified Napa Pipe EIR and Initial Study/Addendum to support the Commission's actions.
4. The Commission hereby adopts the applicable mitigation measures contained within the Initial Study/Addendum, the County's "Mitigation Monitoring and Reporting Program" (MMRP), and the MMRP itself, incorporated herein by this reference as though wholly set forth herein. The City and County shall be responsible for implementing all mitigation identified in the MMRP and for overall administration of the MMRP. Consistent with CEQA, the Commission shall only have responsibility for mitigating or avoiding the direct or indirect environmental effects of those parts of the project which it approves. The City and County will report to LAFCO on the implementation of the MMRP and all monitoring reports prepared by the City and/or County shall be provided to the Commission.
5. The Commission finds and determines that it has considered all public comments, testimony, and staff reports in making these determinations.
6. The Commission's findings are based on its independent judgment and analysis. The records upon which these findings are made are located at the Commission office at 1030 Seminary Street, Suite B, Napa, California 94559.

The foregoing resolution was duly and regularly adopted by the Commission at a public meeting held on September 22, 2015, by the following vote:

AYES: Commissioners _____

NOES: Commissioners _____

ABSTAIN: Commissioners _____

ABSENT: Commissioners _____

ATTEST: Brendon Freeman
 Executive Officer

Recorded by: _____
 Kathy Mabry
 Commission Secretary

RESOLUTION NO. _____**RESOLUTION OF
THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
MAKING DETERMINATIONS****NAPA PIPE SPHERE OF INFLUENCE AMENDMENT AND
OUTSIDE SERVICE AGREEMENT**

WHEREAS, on August 5, 2015, Napa Redevelopment Partners filed a proposal on behalf of the City of Napa, hereinafter referred to as the “City,” with the Executive Officer of the Local Agency Formation Commission of Napa County, hereinafter referred to as the “Commission,” pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000;

WHEREAS, the proposal seeks approval of a Sphere of Influence Amendment to include the Napa Pipe project area (commonly known as the “Napa Pipe” property) within the City’s Sphere of Influence, Annexation of a portion of the Napa Pipe project area to the City concurrent therewith, and an Outside Service Agreement to allow the City to provide services to the portion of the Napa Pipe project area not proposed to be included in the initial Annexation (collectively referred to as the “Proposal” or “Application”);

WHEREAS, in order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the County and its communities, the Commission shall develop and determine the Sphere of Influence of each local governmental agency within the County;

WHEREAS, the Commission prepared a service review for the City of Napa as part of the Central County Region Municipal Service Review adopted on December 2, 2013;

WHEREAS, the City and County have approved a Memorandum of Agreement regarding the provision of municipal services for the Napa Pipe development project, which provides that the City will provide City services to Napa Pipe in the same manner as the City provides services to similarly situated properties in the incorporated City to the area depicted in Exhibit C, following the necessary approvals by the Commission;

WHEREAS, the City and County approved a Memorandum of Agreement regarding the City’s sphere of influence and Napa Pipe which would expand the City’s existing sphere to include the entire Napa Pipe project location and require the second phase of annexation to be occur with an effective date that shall be no later than December 31, 2022, subject to the necessary approvals by the Commission;

WHEREAS, the Executive Officer has undertaken a comprehensive analysis of the Proposal and has prepared a report with recommendations;

WHEREAS, the Proposal and the Executive Officer's report have been presented to the Commission in the manner provided by law;

WHEREAS, the Commission heard and fully considered all the evidence presented at a public meeting held on the Proposal;

WHEREAS, the Commission considered all the factors required by law under Government Code Sections 56425 pertaining to Spheres of Influence, and Government Code Section 56133, pertaining to outside service agreements ; and

WHEREAS, the Commission, in accordance with California Environmental Quality Act (CEQA), has reviewed and considered the environmental effects and information set forth in the environmental review documents prepared and certified by the City and County, adopted Findings, a Statement of Overriding Considerations, and a Mitigation Monitoring and Reporting Program, as set forth in LAFCO Resolution No. 2015-____ (proposed as part of today's Commission action).

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

1. The Commission determines that the proposed Sphere of Influence Amendment for the City of Napa is consistent with the Commission's purpose and responsibility for planning, shaping, and coordinating the logical and orderly development of local governmental agencies so as to advantageously provide for the present and future needs of the county and its communities.
2. The proposed Sphere of Influence Amendment, to include the area depicted in Exhibit "A," is therefore APPROVED.
3. Pursuant to California Government Code Section 56425 of the Government Code, the Commission adopts the Statement of Determinations, attached hereto in Exhibit "B."
4. The effective date of this Sphere of Influence Amendment shall be immediate.
5. The Executive Officer shall revise the official records of the Commission to reflect this Sphere of Influence Amendment.
6. The Commission also determines that it hereby authorizes the City to provide extended services outside its jurisdictional boundaries, but within its amended Sphere of Influence (as depicted in Exhibit C) in anticipation of a later change of organization, pursuant to Government Code Section 56133.
7. Approval of the Outside Service Agreement is conditioned on the City submitting a future application to annex the area covered by the Outside Service Agreement to allow for annexation of the area to be completed by December 31, 2022. In the event that the City does not submit an application to annex the area covered by the Outside Service Agreement to allow for annexation of the area to be completed by December 31, 2022, the Commission's approval of the Outside Service Agreement shall expire by its own terms.

8. In making these determinations, the Commission has considered the Executive Officer's Report, the environmental documents prepared and certified by the City and County, including the impacts of the project and adopted mitigation measures; oral and written public comments, public agency comments, staff reports, and other pertinent information in the Commission's record of proceedings on the Proposal.

The foregoing resolution was duly and regularly adopted by the Commission at a public meeting held on September 22, 2015, by the following vote:

AYES: Commissioners _____

NOES: Commissioners _____

ABSTAIN: Commissioners _____

ABSENT: Commissioners _____

ATTEST: Brendon Freeman
Executive Officer

Recorded by: _____
Kathy Mabry
Commission Secretary

NAPA COUNTY SPHERE OF INFLUENCE AMENDMENT LANDS OF NAPA REDEVELOPMENT PARTNERS LLC

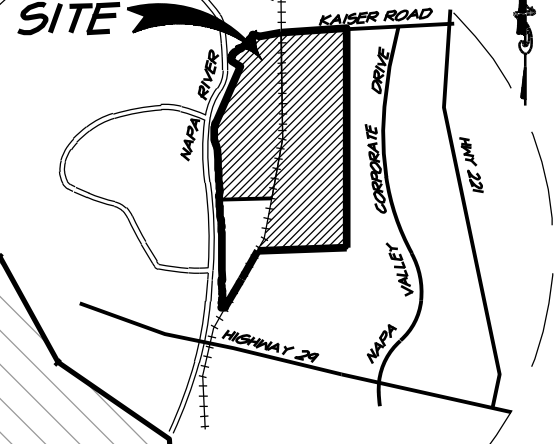
NAPA COUNTY

CALIFORNIA

APN 046-411-002
NAPA COUNTY FLOOD & WATER
CONSERVATION DISTRICT
(NAPA RIVER)

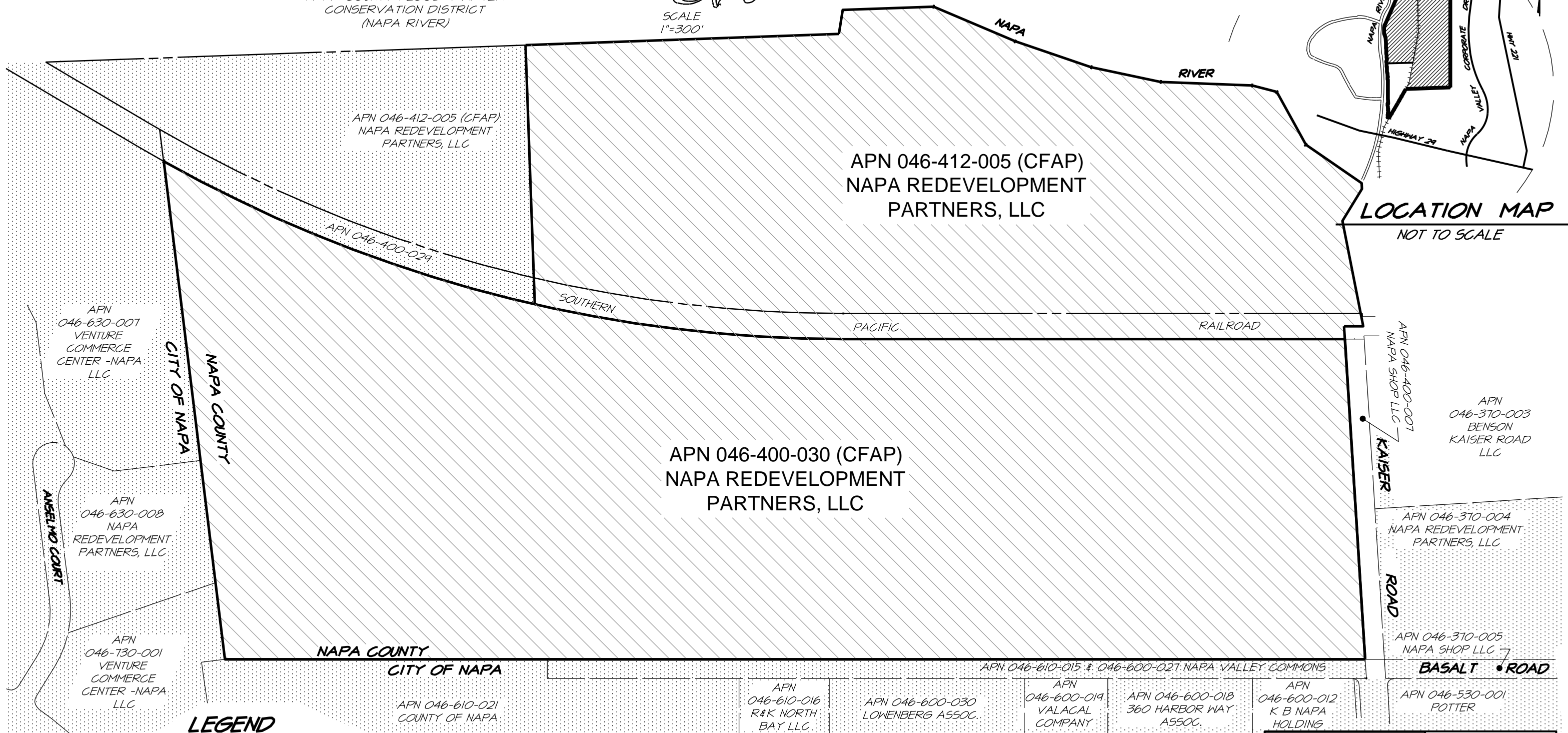


SITE

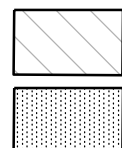


LOCATION MAP

NOT TO SCALE



LEGEND



PROPOSED SOI AMENDMENT
CURRENT CITY OF NAPA SOI

RSA+
1515 FOURTH STREET
NAPA, CALIF. 94559
OFFICE | 707 | 252.3301
+ www.RSAcivil.com +

RSA+ | CONSULTING CIVIL ENGINEERS + SURVEYORS + est 1980

EXHIBIT B
STATEMENT OF DETERMINATIONS

NAPA PIPE
SPHERE OF INFLUENCE AMENDMENT INVOLVING THE CITY OF NAPA

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

In recent amendments to their General Plans, Napa Pipe was re-designated by each the City and County as “Napa Pipe Mixed Use,” a transitional land use category that contemplates a broad range of residential and commercial uses including high-density, senior, and other housing types, hotel, retail, office, light industrial and recreational land uses.

The City and the County have engaged in a joint planning effort for Napa Pipe that contemplates initiation of development activity under the County’s jurisdiction and eventual annexation of the entire area to the City as memorialized in a Memorandum of Understanding (MOU) adopted by both parties. The MOU sets out a process that encompasses a series of City-County agreements necessary to accomplish this goal, including a development agreement and other agreements on tax sharing, development standards and design guidelines.

The project area is already within the City’s RUL. The proposal will have a net positive impact with respect to open-space lands given that no agricultural or open-space lands are currently located within Napa Pipe, but open-space will be provided as part of the project’s eventual development.

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

The proposed SOI expansion area is a currently an unused industrial/manufacturing site. The Napa Pipe project will require the full range of services provided by the City. This includes fire protection, law enforcement, and potable water services. The project will receive public sewer services from Napa Sanitation District. The Commission’s Central County Region Municipal Service Review indicates the City has established adequate capacities and controls to provide these municipal services to Napa Pipe within the proposed sphere of influence.

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

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

The City's capacity to provide adequate services to the Napa Pipe site with proposed mixed use development is generally established in two parts: 1) facilities and service capacities described in the Central County Region Municipal Service Review and 2) the Napa Pipe project description, including the mitigation measures adopted by the City and County in their processes to amend their General Plans.

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.

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

5. The present and probable need for public sewer facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

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

RESOLUTION NO. _____**RESOLUTION OF
THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
MAKING DETERMINATIONS****NAPA PIPE REORGANIZATION**

WHEREAS, on August 5, 2015 , Napa Redevelopment Partners filed a proposal on behalf of the City of Napa, hereinafter referred to as the “City,” with the Executive Officer of the Local Agency Formation Commission of Napa County, hereinafter referred to as the “Commission,” pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000;

WHEREAS, the proposal seeks approval of a Sphere of Influence Amendment to include the Napa Pipe project area (commonly known as the “Napa Pipe” property) within the City’s Sphere of Influence, Annexation of a portion of the Napa Pipe project area to the City concurrent therewith, and an Outside Service Agreement to allow the City to provide services to the portion of the Napa Pipe project area not proposed to be included in the initial Annexation (collectively referred to as the “Proposal” or “Application”);

WHEREAS, in 2013, the County of Napa (hereinafter “County”) approved a General Plan amendment for and rezoning of the Napa Pipe property to allow development on the property of a mixed-use community containing up to 945 residential units, 150 units of senior housing, a 150 unit hotel, and approximately 385,000 square feet of non-residential uses, as well as parks and open space;

WHEREAS, following on January 14, 2013, the County certified a Final Environmental Impact Report (“EIR”) which included a Draft EIR and two Supplements to the EIR, as well as the responses to comments and all other documents submitted to the County as part of the record (“Certified Napa Pipe EIR”);

WHEREAS, on June 4, 2013, the County adopted findings, mitigation measures, a statement of overriding considerations, and a mitigation monitoring and reporting plan, and approved a General Plan amendment and rezoning for the project (Resolution No. 2013-60 and Ordinance No. 1382);

WHEREAS, following the County’s approval of the General Plan amendment and rezoning, the City and County executed a Memorandum of Understanding (MOU) under which the City would work together to facilitate the development of the Napa Pipe project and identifies various actions to be taken by the City and County, including establishing the terms and conditions under which the City would provide municipal services to the property and could ultimately annex the property;

WHEREAS, consistent with the actions contemplated in the MOU between the City and County, the County approved a Tentative Map for the project (Resolution No. 2014-139), a Development Plan for the Napa Pipe Zoning District (Ordinance No. 1393), a Development

Agreement for the Napa Pipe Zoning District (Ordinance No. 1394), and the Design Guidelines for the Napa Pipe Zoning District (Ordinance No. 1397), approved by the Board on November 25, 2014, approving a Tentative Map for Napa Pipe;

WHEREAS, on May 6, 2014, the City directed its staff to draft a General Plan amendment to modify its Rural Urban Limit (“RUL”) line to include the Napa Pipe property;

WHEREAS, on July 2, 2014, the City released an Initial Study/Addendum, pursuant to CEQA, which analyzed whether additional environmental review was required to support the City’s actions required under the MOU, including the submission of the Application to the Commission and necessary rezoning;

WHEREAS, on July 21, 2014, the City considered the Initial Study/Addendum (which incorporated by reference the Napa Pipe EIR certified by the County on January 14, 2013), and modified its RUL line to include the Napa Pipe project area, and made corresponding changes to this General Plan and Section 180 of the City Charter (Resolution No. 2014-132);

WHEREAS, on August 4, 2015, the City approved the rezoning for the Napa Pipe project;

WHEREAS, on July 22, 2015, the City authorized its City Manager to execute a consent to annexation, protest waiver, and a Water Service Agreement with the project developer, as well as agreements with the County regarding the City’s Sphere of Influence, a revenue tax-sharing agreement, a municipal services agreement, and an agreement regarding the future allocation of regional housing needs credits;

WHEREAS, the City Manager was also authorized to submit an application to LAFCO to (1) expand the City's sphere to include all of Napa Pipe, (2) extend municipal services to Napa Pipe for areas within the sphere but outside the City's jurisdictional boundary, and (3) annex Napa Pipe to the City in two phases (the first phase of annexation involves those portions of the Napa Pipe project area currently designated for industrial uses under the County's Zoning Ordinance, while the second phase of annexation involves the remainder of the Napa Pipe project area);

WHEREAS, the Executive Officer has undertaken a comprehensive analysis of the Proposal and prepared a report with recommendations;

WHEREAS, the Proposal and the Executive Officer’s report have been presented to the Commission in the manner provided by law;

WHEREAS, the Commission heard and fully considered all the evidence presented at a public meeting held on the Proposal;

WHEREAS, the Commission adopted a resolution amending the City’s Sphere of Influence (LAFCO Resolution No. 2015- ____ (proposed as part of today’s Commission action) to include the entire Napa Pipe property, as well as authorizing the City to provide extended municipal services outside its jurisdictional boundaries, but within its amended Sphere of Influence;

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

WHEREAS, the Commission, in accordance with California Environmental Quality Act (CEQA), has reviewed and considered the environmental effects and information set forth in the environmental review documents prepared and certified by the City and County, adopted Findings, a Statement of Overriding Considerations, and a Mitigation Monitoring and Reporting Program, as set forth in LAFCO Resolution No. 2015-____ (proposed as part of today's Commission action).

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

1. The proposed annexation is APPROVED, as modified to concurrently detach the affected territory from County Service Area (CSA) No. 4. This approval is based on the administrative record of this action and the findings in this Resolution, and is subject to the terms and conditions set forth in this Resolution. In approving the Annexation, the Commission has considered the factors required by law and its policies, and has made findings as set forth in this Resolution. While these findings list references to certain documents or facts, each finding is based on the whole of the administrative record of the Proposal.
2. The Commission finds that notice as required by law has been given. The Commission finds that proper notice has been provided to all interested parties and agencies including the legislative body and Executive Officer of all affected agencies consistent with Government Code Section 56123.¹
3. The Commission finds that it has received and considered the Executive Officer's Report, consistent with Section 56666.
4. The Commission finds that the Proposal for annexation complied with the requirements of Sections 56652, 56654, and 56700.
5. The Commission finds that it has considered all relevant factors set forth in Section 56668 and all other relevant factors in reaching its conclusions regarding the Proposal, as set forth in the Executive Officer's report, incorporated herein by this reference.
6. The proposed annexation as modified to include concurrent detachment from CSA No. 4 is assigned the following distinctive short-term designation:

NAPA PIPE REORGANIZATION

7. The affected territory is shown in the draft map and geographic description provided in Exhibit "A."
8. The affected territory is uninhabited as defined in Government Code Section 56046.

¹ All further statutory references are to the Government Code, unless otherwise provided.

9. The City utilizes the regular assessment roll of the County of Napa.
10. The following lists the agencies currently providing public services within the area proposed for annexation and the corresponding agency that will provide services upon approval of the proposed change of organization:

<u>Service</u>	<u>Current Agency</u>	<u>Proposed Agency</u>
Fire Protection	County of Napa Fire Department	City of Napa Fire Department
Law Enforcement	County of Napa Sheriff	City of Napa Police Department
Sewer	Napa Sanitation District	Napa Sanitation District
Water	None	City of Napa

11. Upon effective date of the proposal, the affected territory will be subject to all previously authorized charges, fees, assessments, and taxes that were lawfully enacted by the City. The affected territory will also be subject to all of the rates, rules, regulations, and ordinances of the City.
12. As required by Section 56375, subdivision (a)(7), the Commission finds that the City rezoned the area to be annexed on August 4, 2015, through Ordinance No. 2015-9, consistent with the objectives, goals and policies of the City of Napa General Plan.
13. As required by Revenue and Tax Code Section 99, the Commission finds that the City and County have entered into a Property Tax Exchange Agreement dated August 25, 2015.
14. The Commission finds that the Proposal is consistent with the Commission's purpose and responsibility for planning, shaping and coordinating the logical and orderly development of local governmental agencies so as to advantageously provide for the present and future needs of the county and its communities. In making all of the findings and determinations heretofore, the Commission has considered numerous factors and documents, including but not limited to:
 - a. The Executive Officer's Report;
 - b. The Central County Region Municipal Service Review Section on the City of Napa adopted December 2, 2013;
 - c. The following agreements between the City and County:
 - (1) Memorandum of Agreement Regarding the City's Sphere of Influence and the Napa Pipe Development Project
 - (2) Memorandum of Agreement Regarding the Allocation of Property Tax, Sales Tax, and Transient Occupancy Tax Revenues Generated by the Napa Pipe Site Consisting of Assessor's Parcels 046-400-030 and 046-412-005 and the Allocation of Property Tax Generated by the Other Properties within the City's Sphere of Influence
 - (3) Memorandum of Agreement Regarding Regional Housing Needs Allocations for Future Housing Element Planning Periods
 - (4) Memorandum of Agreement Regarding the Provision of Municipal Services for the Napa Pipe Property

- d. The Proposal and attachments and appendices thereto;
 - e. The County's Certified Napa Pipe EIR and the City's Initial Study/Addendum;
 - f. All oral and written public comments;
 - g. Public agency comments, staff reports and other pertinent information in the Commission's record of proceedings;
 - h. City Ordinance No. 2015-9 and City Resolutions No. 2014-132; and
 - i. County Ordinance Nos. 1382, 1393, 1394, and 1397 as well as County Resolutions No. 2013-60 and No. 2014-139.
15. The Commission authorizes conducting authority proceedings to be waived in accordance with Government Code Section 56662(a).
16. Recordation is contingent upon receipt by the Executive Officer of the final map and geographic description of the affected territory determined by the County Surveyor to conform to the requirements of the State Board of Equalization.
17. All terms and conditions shall be satisfied within one calendar year of the proposal's approval unless a request for extension of time is received and approved by the Commission.
18. The effective date shall be the date of recordation of the Certificate of Completion.

The foregoing resolution was duly and regularly adopted by the Commission at a public meeting held on September 22, 2015, by the following vote:

AYES: Commissioners _____

NOES: Commissioners _____

ABSTAIN: Commissioners _____

ABSENT: Commissioners _____

ATTEST: Brendon Freeman
 Executive Officer

Recorded by: _____
 Kathy Mabry
 Commission Secretary

#4106029.0
Napa Redev. Annex.
September 9, 2015

EXHIBIT "A"
Napa Pipe Annexation 1
to the City of Napa

GEOGRAPHIC DESCRIPTION

Beginning at the angle point in the northwest corner of the western boundary of the Kaiser Road/State Highway 29 No. 2 Annexation, to the City of Napa, recorded August 18, 1981 under Book 679 of Official Records at Page 684, Napa County Records;

Thence (1) South 3562.80 feet along said City of Napa Kaiser Annexation No. 2;

Thence (2) South 82° 59' 45" West 1666.75 feet along said City of Napa Kaiser Annexation No. 2 to the east line of the Southern Pacific Railroad;

Thence (3) leaving said City of Napa Kaiser Annexation No. 2 northerly along said east line of the Southern Pacific Railroad to the north line of the Lands of Napa Redevelopment Partners, LLC, a Delaware Limited Liability Company, as recorded on December 23, 2005 as Series Number 2005-0052179, Napa County Records;

Thence (4) along the north line of said Lands of Napa Redevelopment Company, LLC, North 86° 22' 03" East 1000.26 feet to the Point of Beginning.

Containing 90.8 acres of land, more or less.

Together with:

Commencing at the angle point in the northwest corner of the western boundary of the Kaiser Road/State Highway 29 No. 2 Annexation, to the City of Napa, recorded August 18, 1981 under Book 679 of Official Records at Page 684, Napa County Records;

Thence (1) South 3562.80 feet along said City of Napa Kaiser Annexation No. 2;

Thence (2) South 82° 59' 45" West 1666.75 feet along said City of Napa Kaiser Annexation No. 2 to the east line of the Southern Pacific Railroad;

Thence (5) leaving said City of Napa Kaiser Annexation No. 2 and continuing South 82° 59' 45" West to the west line of the Southern Pacific Railroad and being the **Point of Beginning**;

Thence (6) northerly along said west line of the Southern Pacific Railroad to the south line of the Napa Redevelopment Partners, LLC, as shown on the Lot Line Adjustment Application, Permit Number W15-0083;

Thence (7) westerly along said south line, 220.86 feet;

Thence (8) continuing along said south line, North 44.34 feet;

Thence (9) continuing along said south line, westerly 568.34 feet to the east line of the Lands of Napa County Flood and Water Conservation District;

Thence (10) southerly along said east line, 1694.57 feet to said west line of said Southern Pacific Railroad;

Thence (11) northerly along said west line of the Southern Pacific Railroad, 381.34 feet to the **Point of Beginning**.

Containing 18.3 acres of land, more or less.

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

NAPA COUNTY ANNEXATION TO CITY OF NAPA LANDS OF NAPA REDEVELOPMENT PARTNERS LLC

NAPA COUNTY

CALIFORNIA

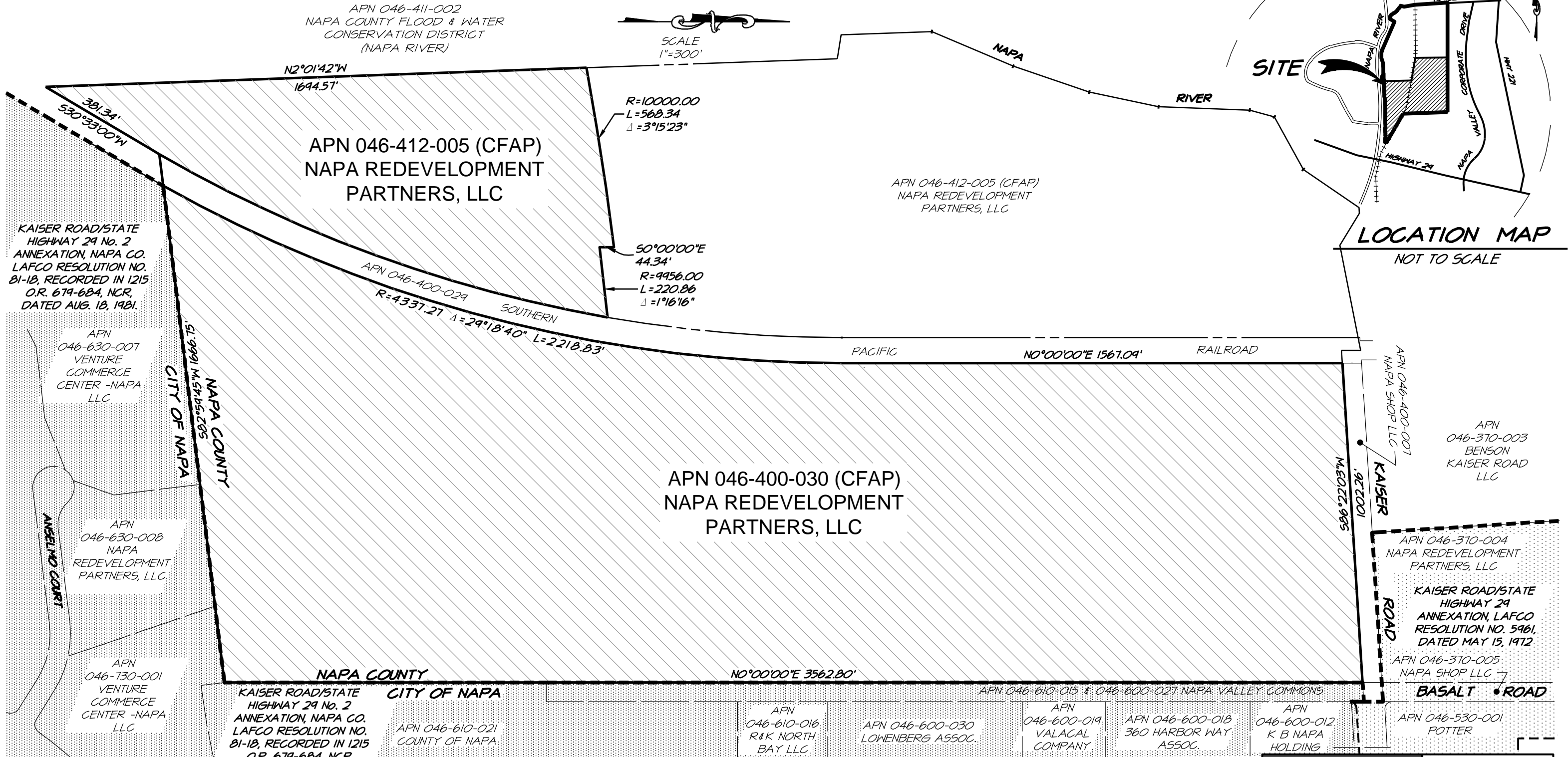
APN 046-411-002
NAPA COUNTY FLOOD & WATER
CONSERVATION DISTRICT
(NAPA RIVER)



SITE

LOCATION MAP

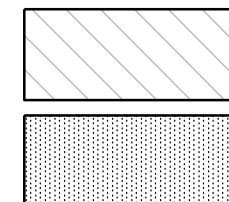
NOT TO SCALE



LEGEND

- EXISTING PROPERTY LINE
- - - EXISTING DISTRICT BOUNDARY
- PROPOSED CITY OF NAPA ANNEXATION BOUNDARY

EXISTING ZONING: INDUSTRIAL
PROPOSED ZONING: XXX



AREA TO BE ANNEXED
XX± ACRES (TOTAL)

EXISTING CITY BOUNDARY

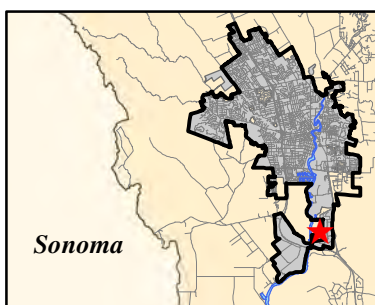
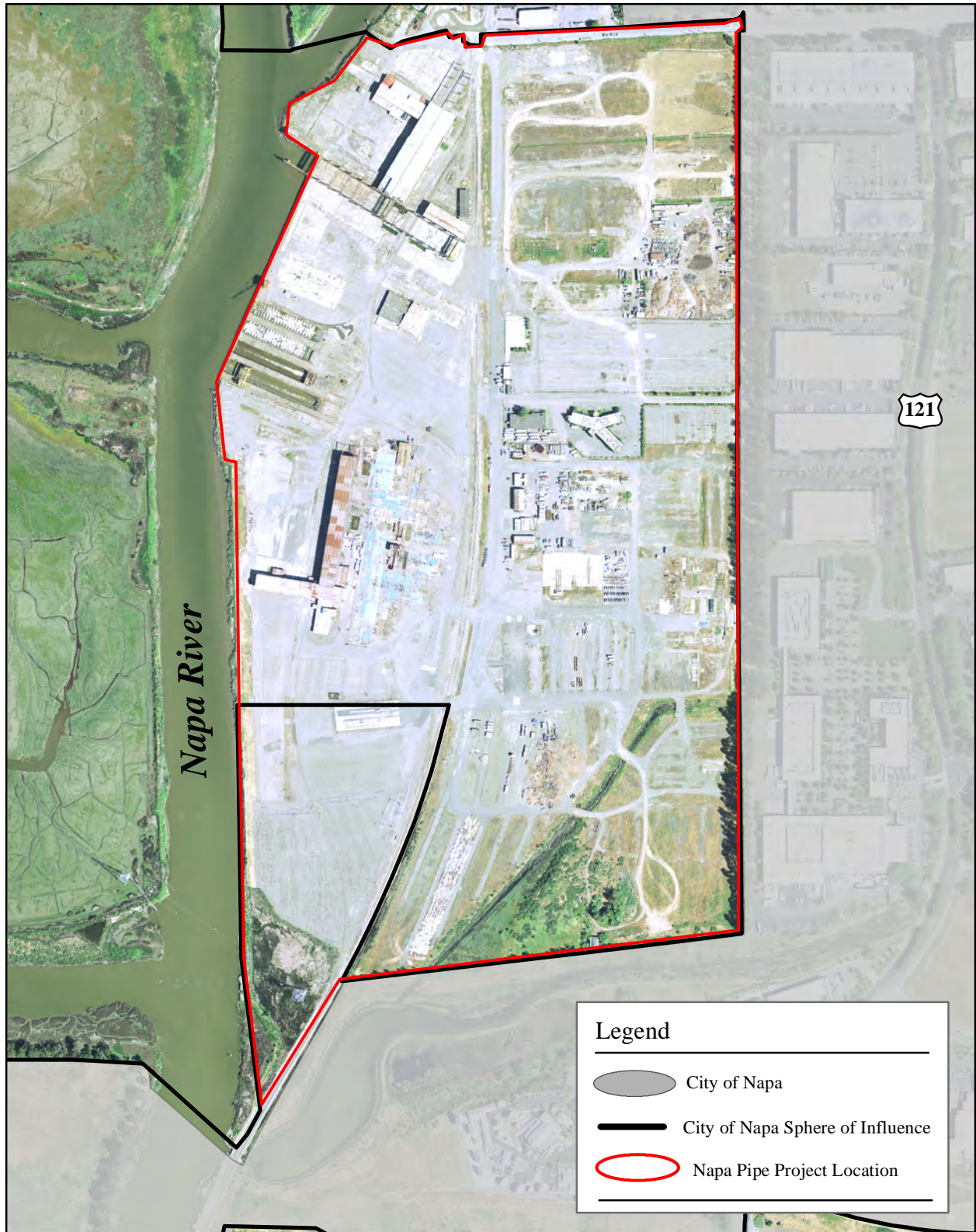
RSA+

1515 FOURTH STREET
NAPA, CALIF. 94559
OFFICE | 707 | 252.3301
+ www.RSAcivil.com +

RSA+ | CONSULTING CIVIL ENGINEERS + SURVEYORS + est. 1980

AUGUST 2015 4106029.0 ANNEXMAP 1 OF 1

Napa Pipe



Not to Scale
September 1, 2015
Prepared by BF

LAFCO of Napa County
1030 Seminary Street, Suite B
Napa, California 94559
<http://www.napa.lafco.ca.gov>

NAPA REDEVELOPMENT PARTNERS

RECEIVED

AUG 5 2015

NAPA COUNTY
LAFCO

August 5, 2015

Brendon Freeman
Interim Executive Officer
Napa County LAFCO
1030 Seminary Street, Suite B
Napa, California 94559

RE: Request for Special Meeting of Napa County LAFCO

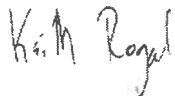
Dear Mr. Freeman,

Napa Redevelopment Partners, LLC (NRP), on behalf of the City of Napa, is submitting applications for an amendment to the City of Napa's sphere of influence (SOI) and for a change in organization for the City's boundaries. The SOI amendment application requests the Commission consider expanding the City's SOI to encompass territory commonly referred to as the Napa Pipe site. The application for the change in organization requests the Commission consider expanding the City's boundary to include the area of the currently unincorporated Napa County which includes the portions of the Napa Pipe site designated for industrial/business park uses under the County's Zoning Ordinance and the City's rezoning.

In order for these applications to be timely considered by the Commission, NRP requests that a special meeting be held on or around September 21, 2015. This request is made pursuant to Ralph M. Brown Act (Gov. Code, § 54950, et seq.) and the Napa County LAFCO Commission Meetings Policy for Special Meetings (Napa County LAFCO, Policies Regarding Scheduling Commission Meetings, § II(B)(2) Special Meeting Requests).

Thank you for your consideration in this matter.

Sincerely,



Keith H. Rogal

1025 Kaiser Road
Napa, CA 94558

main 707-252-7000
fax 707-259-5461

Local Agency Formation Commission of Napa County
1030 Seminary Street, Suite B
Napa, California 94559
(707) 259-8645 Telephone
<http://www.napa.lafco.ca.gov>

Questionnaire for Amending a Sphere of Influence

1. Applicant information:

Name: Napa Redevelopment Partners, LLC on behalf of City of Napa (Keith Rogal, Agent)

Address: 1025 Kaiser Road, Napa, CA, 94558

Telephone Number: 707-252-7000 (Primary) 707-251-0123 (Secondary)

E-Mail Address: keith@rogalwalshmol.com

2. What is the purpose for the proposed sphere of influence amendment?

The affected territory is commonly referred to as the Napa Pipe site. Currently 18.5 acres at the southwest corner of the site are within the City of Napa's Sphere of Influence (SOI). The purpose of the amendment is to update the City's SOI boundary to bring the whole Napa Pipe site within the SOI. The proposed SOI amendment is appropriate given the proximity of the site to the City and the nature of the project proposed to be developed thereon. Pursuant to Government Code Section 56133, the City also requests to provide water service to the project site outside of its jurisdiction upon approval of this requested SOI amendment.

3. Describe the affected territory in terms of location, size, topography, and any other pertinent characteristics.

The Napa Pipe site consists of two unincorporated contiguous parcels totaling 154 acres. The Napa Pipe site is immediately southwest of the intersection of Kaiser and Basalt Roads. The site borders the Napa River and is surrounded on three sides by the City of Napa. The site's northern, eastern, and southern boundaries are coterminous with the existing SOI boundaries.

4. Describe the affected territory's present and planned land uses.

The Napa Pipe site is a former industrial use site. In 2013, the County of Napa approved a General Plan amendment for and rezoning of the site allow development on the property of a mixed-use community containing up to 945 residential units, 150 units of senior housing, a 150-unit hotel, and approximately 385,000 square feet of non-residential uses, as well as parks and open space.

5. Identify the County of Napa's current land use designation and zoning standard for the affected territory.
County Land Use for APNs 046-412-005 and 046-400-030: Napa Pipe Mixed Use, excepting a 19 acre area within APN 046-400-030 designated Study Area; County Zoning for APN 046-412-005: Mixed-Use Residential Waterfront Airport Compatibility District overlay(NP-MUR-W:AC), Industrial Business Park Waterfront Airport Compatibility District overlay(NP-IBP-W:AC); APN 046-400-030: Napa Pipe Industrial/Business Park Zoning District(NP-IBP);Industrial Airport Compatibility District overlay(I:AC).

6. Is the affected territory subject to a Williamson Act contract? If yes, please provide a copy of the contract along with any amendments.

No.

7. If applicable, identify the governmental agencies currently providing the listed municipal services to the affected territory.

Water: City of Napa Water Department

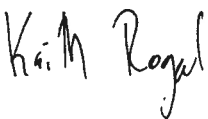
Sewer: Napa Sanitation District

Fire: Napa County Fire Department

Police: Napa County Sheriff Department

Print Name: Keith Rogal, Napa Redevelopment Partners

Date: August 6, 2015

Signature: 

FORM B

Date Filed:

8/5/15

Received By:

BF

PETITION FOR PROPOSAL

For Filing with the Local Agency Formation Commission of Napa County

A proposal for a change of organization made by a landowner or registered voter shall be initiated by petition. The petition shall state the nature of the proposal and all associated proposed changes of organization. It shall also state the reason for the proposal and enumerate and include supporting information as required under Government Code Section 56700. The petition must be submitted to the Executive Officer for filing within 60 days after the last signature is affixed. Applicants are encouraged to use this form.

Nature of Proposal and All Associated Changes of Organization:

Proposal is change the City of Napa's boundary to include an area of currently unincorporated Napa County commonly referred to as the Napa Pipe site. The Napa Pipe site consists of two unincorporated contiguous parcels totaling 154 acres. The portions of the site currently proposed to be incorporated into the City's boundary are those designated for industrial/business park uses under the County's Zoning Ordinance and the City's rezoning (comprised of the areas designated Napa Pipe -Industrial/Business Park Waterfront:Airport Compatibility (NP-IBP-W:AC), Napa Pipe - Industrial/Business Park:Airport Compatibility (NP-IBP:AC), and Industrial:Airport Compatibility (NP-I:AC)).

Description of Boundaries of Affected Territory Accompanied by Map:

Reason for Proposal and Any Proposed Conditions:

The intent of the proposal is to effect the shared interest of the City, the County, and the Landowner to bring the Napa Pipe site into the City's boundaries. The commercial portions of the site (zoned NP-IBP-W:AC, NP-IBP:AC and I:AC) are proposed to annex to the City under this application. The annexation of the remaining residential/mixed use portion of the site (zoned NP-MUR-W:AC) will occur under separate application at a later date.

Type of Petition:

Landowner

Registered Voter

Sphere of Influence Consistency:

(with concurrent SOI amendment application)

No

If Landowner Petition, Complete the Following:

- 1) Name: Napa Redevelopment Partners, LLC (Keith Rogal, Agent)
Mailing Address: 1025 Kaiser Road, Napa, CA 94558
Assessor Parcel: APN 046-412-005 (partial) and APN 046-400-030 (full)
Signature: Keith Rogal Date: August 6, 2015
- 2) Name: _____
Mailing Address: _____
Assessor Parcel: _____
Signature: _____ Date: _____
- 3) Name: _____
Mailing Address: _____
Assessor Parcel: _____
Signature: _____ Date: _____

If Registered Voter Petition, Complete the Following:

- 1) Name: _____
Mailing Address: _____
Resident Address: _____
Signature: _____ Date: _____
- 2) Name: _____
Mailing Address: _____
Resident Address: _____
Signature: _____ Date: _____
- 3) Name: _____
Mailing Address: _____
Resident Address: _____
Signature: _____ Date: _____

FORM D

JUSTIFICATION OF PROPOSAL Change of Organization/Reorganization

I. APPLICANT INFORMATION

A. Name:	Keith Rogal	Napa Redevelopment Partners, LLC on behalf of City of Napa	
	Contact Person	Agency/Business (If Applicable)	
Address:	1025 Kaiser Road	Napa, CA	94558
	Street Number	Street Name	City
	707-252-7000;		Zip Code
Contact:	707-251-0123	keith@rogalwalshmol.com	
	Phone Number	Facsimile Number	E-Mail Address

B. Applicant Type: (Check One)

<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Local Agency	Registered Voter	Landowner

II. PROPOSAL DESCRIPTION

A. Affected Agencies:

City of Napa	PO Box 660, Napa, CA 94559
Name	Address
County of Napa	1195 Third Street, Napa, CA 94559
Name	Address
Name	Address

Use Additional Sheets as Needed

B. Proposal Type: (Check as Needed)

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Annexation	Detachment	City Incorporation	District Formation
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
City/District Dissolution	City/District Merger	Service Activation (District Only)	Service Divestiture (District Only)

C. Purpose Statement: (Specific)

The intent of the proposal is to effect the shared interest of the City, the County, and the Landowner to bring the Napa Pipe site into the City's boundaries. The commercial portions of the site (zoned NP-IBP-W:AC, NP-IBP:AC and I:AC) are proposed to annex to the City under this application. The annexation of the remaining residential/mixed use portion of the site (zoned NP-MUR-W:AC) will occur under separate application at a later date.

III. GENERAL INFORMATION

A. Location:	1025 Kaiser Road, Napa, CA 94558	046-412-005	~ 20
	Street Address	Assessor Parcel Number	Acres
	1025 Kaiser Road, Napa, CA 94558	046-400-030	91.5
	Street Address	Assessor Parcel Number	Acres
	Street Address	Assessor Parcel Number	Acres
	Street Address	Assessor Parcel Number	Acres
	Total Location Size (Including Right-of-Ways) _____		

B. Landowners:

- (1) Assessor Parcel Number : 046-412-005 Name: Napa Redevelopment Partners, LLC
Mailing Address: 1025 Kaiser Road, Napa, CA 94558
707-252-7000;
Phone Number: 707-251-0123 E-mail: keith@rogalwalshmol.com
- (2) Assessor Parcel Number : 046-400-030 Name: Napa Redevelopment Partners, LLC
Mailing Address: 1025 Kaiser Road, Napa, CA 94558
707-252-7000;
Phone Number: 707-251-0123 E-mail: keith@rogalwalshmol.com
- (3) Assessor Parcel Number : _____ Name: _____
Mailing Address: _____
Phone Number: _____ E-mail: _____
- (4) Assessor Parcel Number : _____ Name: _____
Mailing Address: _____
Phone Number: _____ E-mail: _____

Use Additional Sheets As Needed

C. Population:

- (1) Total Number of Residents: 0
- (2) Total Number of Registered Voters: 0

D. Land Use Factors:

- (1a) County General Plan Designation: Napa Pipe Mixed Use
APN 046-412-005: Industrial Business Park Waterfront Airport Compatibility District overlay (NP-IBP-W:AC); APN 046-400-030: Napa Pipe Industrial/Business Park Zoning District (NP-IBP); Industrial Airport Compatibility District overlay(I:AC)
- (1b) County Zoning Standard: APN 046-412-005: Light Industrial; APN 046-400-030: Mixed Use
- (2a) Applicable City General Plan Designation: APN 046-412-005: Light Industrial; APN 046-400-030: Mixed Use
- (2b) Applicable City Rezoning Standard: APN 046-412-005: Industrial Business Park Waterfront Airport Compatibility District overlay (NP-IBP-W:AC); APN 046-400-030: Napa Pipe Industrial/Business Park Zoning District (NP-IBP); Industrial Airport Compatibility District overlay(I:AC)

E. Existing Land Uses:
(Specific)

The site was originally developed and was used for industrial/shipyard purposes since before World War II, but has been underutilized for many years.

The project site currently contains a range of industrial facilities, including materials handling equipment, rail spurs, waterfront improvements, manufacturing facilities, offices, warehouses, and storage areas.

F. Development Plans:

(1a) Territory Subject to a Development Project?

Yes
No

(1b) If Yes, Describe Project: The full Napa Pipe project would redevelop 154-acres of industrial lands with high-density residential neighborhoods, public open space, neighborhood service retail and restaurants, a wholesale warehouse (Costco), a hotel and a new business park with research and development, light industrial, warehousing, and office space. Only the commercial portions of the site are proposed to be annexed to the City under this application.

(1c) If No, When Is Development Anticipated? _____

G. Physical Characteristics:

(1) Describe Topography:

The site is a flat, largely paved, 154-acre industrial site and currently ranges in elevation from approximately 6 to 9 feet above mean sea level.

(2) Describe Any Natural Boundaries:

The site is bounded by Napa River (west), industrial uses (north), the Napa Valley Commons Corporate Park (east and south), and Bedford Slough (south).

(3) Describe Soil Composition and Any Drainage Basins:

The site is covered with a layer of fill that ranges from approximately 2 to 13 feet in thickness. The fill consists mainly of imported clay, silt and sand and gravel that covers the native surficial soils, estuarine and alluvial sediments throughout the site. The site is divided into two major drainage areas, to the east and west of the railroad right-of-way.

(4) Describe Vegetation:

The site is paved and largely devoid of vegetation. There is an existing wetland near the south end of the diagonal ditch in the southeastern portion of the site.

H. Williamson Act Contracts
(Check One)

Yes
No

IV. GOVERNMENTAL SERVICES AND CONTROLS

A. Plan For Providing Services: See attached sheet.

(1) Enumerate and Describe Services to Be Provided to the Affected Territory:

(2) Level and Range of Services to Be Provided to the Affected Territory:

(3) Indication of When Services Can Feasibly Be Extended to the Affected Territory:

(4) Indication of Any Infrastructure Improvements Necessary to Extend Services to the Affected Territory:

(5) Information On How Services to the Affected Territory Will Be Financed:

V. ENVIRONMENTAL INFORMATION

A. Environmental Analysis

(1) **Lead Agency for Proposal:** City of Napa
Name

(2) **Type of Environmental Document Previously Prepared for Proposal:**

- Environmental Impact Report and Addendum
- Negative Declaration/Mitigated Negative Declaration
- Categorical/Statutory Exemption: _____
Type
- None

Provide Copies of Associated Environmental Documents

VI. ADDITIONAL INFORMATION

A. Approval Terms and Conditions Requested For Commission Consideration:

Use Additional Sheets As Needed

B. Identify Up to Three Agencies or Persons to Receive Proposal Correspondence:
(Does not include affected landowners or residents)

(1) Recipient Name: Rick Tooker, City of Napa Community Development Director
Mailing Address: 1600 First Street/PO Box 660, Napa CA 94559-0660
E-Mail: rtooker@cityofnapa.org

(2) Recipient Name: Larry Florin, Napa County Director of Housing & Intergovernmental Affairs
Mailing Address: 1195 Third St, Suite 310, Napa, CA 94559
E-Mail: lawrance.florin@countyofnapa.org

(3) Recipient Name: _____
Mailing Address: _____
E-Mail: _____

VII. CERTIFICATION

I certify the information contained in this application is correct. I acknowledge and agree the Local Agency Formation Commission of Napa County is relying on the accuracy of the information provided in my representations in order to process this application proposal.

Signature: Keith Rogal

Printed Name: Keith Rogal

Title: Principal, Napa Redevelopment Partners, LLC

Date: August 6, 2015

IV. GOVERNMENTAL SERVICES AND CONTROLS

A. Plan For Providing Services:

(1) Enumerate and Describe Services to Be Provided to the Affected Territory:

Potable Water:	City of Napa Water Department
Sewer:	Napa Sanitation District
Solid Waste/Recycling:	Napa-Vallejo Waste Management Agency
Electricity/Natural Gas:	Pacific Gas & Electric
Fire:	City of Napa Fire Department
Police:	City of Napa Police Department

(2) Level and Range of Services to Be Provided to the Affected Territory:

Level and range of services to be provided are those necessary to serve 154,000 sq. ft. membership warehouse store and gas station (Costco); 100,000 sq. ft. of Office Space; 75,000 sq. ft. of Industrial, research and development, warehousing, distribution; 150 room hotel; and associated parks and open space. The service needs of the project are described in the Final Environmental Impact Report certified by the County for the project in June 2013, as supplemented by addenda prepared by the City of Napa.

(3) Indication of When Services Can Feasibly Be Extended to the Affected Territory:

NSD currently serves, and would continue to provide sewer services to, the Affected Territory.

PG&E currently serves, and would continue to provide energy services to, the Affected Territory.

Napa-Vallejo Waste Management Agency currently oversees solid waste disposal in the Affected Territory. Garbage and recycling collection at the Affected Territory is currently provided by, and will continue to be provided by, Napa County Recycling and Waste Services (NCRWS).

The City of Napa currently provides water service for industrial uses to the Affected Territory. Pursuant to Government Code Section 56133, upon LAFCO approval of the Sphere of Influence Amendment, the City of Napa would provide water service to the Affected Territory for other uses as well. The application for a Sphere of Influence Amendment is being filed concurrently with this application.

City shall provide all other required municipal services, including fire and police, upon approval of this annexation application.

(4) Indication of Any Infrastructure Improvements Necessary to Extend Services to the Affected Territory:

JUSTIFICATION OF PROPOSAL

Change of Organization/Reorganization

Napa Pipe Project

The following offsite improvements are required to provide City water service to the Affected Territory: Treatment system updates at Barwick Jamieson Treatment Plan; 24-inch pipeline on Hwy 221; Imola Tank and Pipeline; Approximately 5,000 feet of 12-inch water line on Delvin Road and Soscol Ferry Road

NSD has performed studies to determine the capacity of its facilities to serve the Affected Territory. Based on those studies, some improvements already identified in the NSD's master plan may need to be accelerated. On site improvements needed to tie into the NSD system would be constructed by the landowner.

The Landowner would be responsible for providing the local infrastructure necessary to provide these electric and gas utilities to the Affected Territory; Pacific Gas & Electric would be responsible for regional infrastructure. New on-site utility lines for electricity and gas would be placed underground, and the existing transmission tower and utility lines would remain on-site.

(5) Information On How Services to the Affected Territory Will Be Financed:

For water service, a Water Capacity Fee shall be imposed on all development at the Affected Territory pursuant to and in the amounts set forth in Table 4 of that certain Napa Pipe Water Capacity Fee Report dated July 15, 2015. Per the Water Agreement between the project Landowner and the City, the Landowner shall reimburse the City for the proportional share of costs for certain treatment, transmission and storage infrastructure required to provide water service to the Affected Territory.

For sewer service, the project is required to implement mitigation requiring the payment of connection fees, sewer service fees to NSD, and funding planned improvements as described in NDS's 2011 master plan studies. (See Napa Pipe EIR, Mitigation Measure UTIL-1.)

For other services, Landowner will pay the costs of infrastructure as necessary to serve the Affected Territory and to mitigate impacts on the community of the development of the Affected Territory.

Indemnification Agreement

Name of Proposal:

Should the Local Agency Formation Commission of Napa County ("Napa LAFCO") be named as a party in any litigation (including a "validation" action under California Civil Code of Procedure 860 et seq.) or administrative proceeding in connection with a proposal, the applicant _____ and/or Napa Redevelopment Partners, LLC (real party in interest: the landowner) agree to indemnify, hold harmless, and promptly reimburse Napa LAFCO for:

1. Any damages, penalties, fines or other costs imposed upon or incurred by Napa LAFCO, its agents, officers, attorneys, and employees from any claim, action, or proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul the approval of this application or adoption of the environmental document which accompanies it. The Napa LAFCO Executive Officer may require a deposit of funds to cover estimated expenses of the litigation. Applicant and/or real party in interest agree that Napa LAFCO shall have the right to appoint its own counsel to defend it and conduct its own defense in the manner it deems in its best interest, and that such actions shall not relieve or limit Applicant's and/or real party in interest's obligations to indemnify and reimburse defense cost; and
2. All reasonable expenses and attorney's fees in connection with the defense of Napa LAFCO.

This indemnification obligation shall include, but is not limited to, expert witness fees or attorney fees that may be asserted by any person or entity, including the applicant, arising out of, or in connection with, the approval of this application. This indemnification is intended to be as broad as permitted by law.

City Representative

Print Name

Date

Keith Rogal

Principal Landowner Signature

Keith Rogal
Print Name

August 6, 2015
Date



LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

General Policy Determinations

Adopted on August 9, 1972
Last Amended on October 3, 2011

I. Background

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 specifies the Commission's principal objectives are discouraging urban sprawl, preserving open-space and agricultural resources, and encouraging the orderly formation and development of cities and special districts and their municipal services based on local conditions. Regulatory duties include approving or disapproving proposals involving the formation, reorganization, expansion, and dissolution of cities and special districts. The Commission's regulatory actions must be consistent with its adopted written policies and procedures. The Commission must also inform its regulatory duties through a series of planning activities, which includes establishing and updating spheres of influence.

II. General Policies

The intent of these policies is to serve as the Commission's constitution with regards to outlining clear goals, objectives, and requirements in uniformly fulfilling its prescribed duties. The Commission reserves discretion in administering these policies, however, to address special conditions and circumstances as needed.

A) Legislative Declarations

The Commission acknowledges and incorporates into its own policies, the policies of the Legislature regarding the promotion of orderly, well-planned development patterns that avoid the premature conversion of agricultural and open-space lands and ensure effective, efficient, and economic provision of essential public services. The Commission wishes to specifically note the following declarations and policies contained in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000:

- (1) The Legislature recognizes that the logical formation and determination of local agency boundaries is an important factor in promoting orderly development and in balancing that development with sometimes competing state interests of discouraging urban sprawl, preserving open-space and prime agricultural lands, and efficiently extending government services. (G.C. §56000)

- (2) It is the intent of the Legislature that each commission, not later than January 1, 2002, shall establish written policies and procedures and exercise its powers pursuant to this part in a manner consistent with those policies and procedures, and that encourages and provides planned, well-ordered, efficient urban development patterns with appropriate consideration of preserving open-space lands within those patterns. (G.C. §56300)
- (3) In reviewing and approving or disapproving proposals which could reasonably be expected to induce, facilitate, or lead to the conversion of existing open-space lands to uses other than open-space uses, the commission shall consider all of the following policies and priorities:
 - a) Development or use of land for other than open-space uses shall be guided away from existing prime agricultural lands in open-space use toward areas containing nonprime agricultural lands, unless that action would not promote the planned, orderly, efficient development of an area.
 - b) Development of existing vacant or nonprime agricultural lands for urban uses within the existing jurisdiction of a local agency or within the sphere of influence of a local agency should be encouraged before any proposal is approved which would allow for or lead to the development of existing open-space lands for non-open-space uses which are outside of the existing jurisdiction of the local agency or outside of the existing sphere of influence of the local agency.
(G.C. §56377)

B) Commission Declarations

The Commission declares its intent not to permit the premature conversion of designated agricultural or open-space lands to urban uses. The Commission shall adhere to the following policies in the pursuit of this intent, and all proposals, projects, and studies shall be reviewed with these policies as guidelines.

- (1) Use of County General Plan Designations:
In evaluating a proposal, the Commission will use the Napa County General Plan to determine designated agricultural and open-space lands. The Commission recognizes that inconsistencies may occur between the County General Plan and the affected city general plan with respect to agricultural and open-space designations. Notwithstanding these potential inconsistencies, the Commission will rely on the Napa County General Plan in recognition of the public support expressed in both the incorporated and unincorporated areas of Napa County for the County's designated agricultural and open-space lands through enactment of Measure "J" in 1990 and Measure "P" in 2008.

- (2) Location of Urban Development:
The Commission shall guide urban development away from designated agricultural or open-space lands until such times as urban development becomes an overriding consideration as determined by the Commission.
- (3) Timing of Urban Development:
The Commission discourages proposals involving the annexation of undeveloped or underdeveloped lands to cities and special districts that provide potable water, sewer, fire protection and emergency response, or police protection services. This policy does not apply to proposals in which the affected lands are subject to a specific development plan or agreement under consideration by a land use authority. This policy does not apply to city annexation proposals in which the affected lands are part of an unincorporated island.
- (4) Factors for Evaluating Proposals Involving Agricultural or Open-Space Lands:
The Commission recognizes there are distinct and varying attributes associated with agricultural and open-space designated lands. A proposal which includes agricultural or open-space designated land shall be evaluated in light of the existence of the following factors:
- a) "Prime agricultural land", as defined by G.C. §56064.
 - b) "Open-space", as defined by G.C. §56059.
 - c) Land that is under contract to remain in agricultural or open-space use, such as a Williamson Act Contract or Open-Space Easement.
 - d) Land which has a County General Plan agricultural or open-space designation (Agricultural Resource or Agriculture, Watershed and Open-Space).
 - e) The adopted general plan policies of the County and the affected city.
 - f) The agricultural economic integrity of land proposed for conversion to urban use as well as adjoining land in agricultural use.
 - g) The potential for the premature conversion of adjacent agricultural or open-space designated land to urban use.
 - h) The potential of vacant non-prime agricultural land to be developed with a use that would then allow the land to meet the definition of prime agricultural land under the Williamson Act.

(5) Encouragement of Reorganizations:

The Commission encourages reorganization proposals as a means of coordinating actions of local governmental agencies involving, but not limited to, annexation of land to two or more public agencies. The Commission recognizes the usefulness of the reorganization concept as a vehicle designed to simplify and expedite such actions.

III. Policies Concerning Spheres of Influence

It is the intent of the Commission to establish spheres of influence that promote the orderly expansion of cities and special districts to ensure effective, efficient and economic provision of essential public services, including public sewer and water, fire protection and emergency response, and police protection.

A) Legislative Declarations

The Commission acknowledges and incorporates into its own policies, the policies of the Legislature as they relate to spheres of influence. The Commission wishes to specifically note the following declarations and policies contained in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000:

- (1) "Sphere of influence" means a plan for the probable physical boundaries and service area of a local agency, as determined by the Commission. (G.C. §56076)
- (2) In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the county and its communities, the Commission shall develop and determine the sphere of influence of each local governmental agency within the county and enact policies designed to promote the logical and orderly development of areas within the sphere. (G.C. §56425(a)).
- (3) The Commission encourages cities and the County to meet and agree to sphere of influence changes. The Commission shall give "great weight" to these agreements to the extent they are consistent with its policies. (G.C. §56425(b) and (c))
- (4) On or before January 1, 2008, and every five years thereafter, the Commission shall, as necessary, review and update each sphere of influence. (G.C. §56425(g))

B) General Guidelines for the Review of Spheres of Influence

It is the intent of the Commission to consider the following factors whenever reviewing a proposal that includes the adoption, amendment, or update of a sphere of influence.

- (1) The Commission incorporates the following definitions:
 - a) An “establishment” refers to the initial development and determination of a sphere of influence by the Commission.
 - b) An “amendment” refers to a limited change to an established sphere of influence typically initiated by a landowner, resident, or agency.
 - c) An “update” refers to a comprehensive change to an established sphere of influence typically initiated by the Commission.
- (2) The Commission discourages proposals from residents, landowners, and agencies proposing amendments to spheres of influence unless justified by special conditions and circumstances.
- (3) The Commission shall consider the following land use criteria in establishing, amending, and updating spheres of influence:
 - a) The present and planned land uses in the area, including designated agricultural and open-space lands.
 - b) Consistency with the County General Plan and the general plan of any affected city.
 - c) Adopted general plan policies of the County and of any affected city that guide future development away from designated agricultural or open-space land.
 - d) Adopted policies of affected agencies that promote infill of existing vacant or underdeveloped land.
 - e) Amount of existing vacant or underdeveloped land located within any affected agency’s jurisdiction and current sphere of influence.
 - f) Adopted urban growth boundaries by the affected land use authorities.

- (4) The Commission shall consider the following municipal service criteria in establishing, amending, and updating spheres of influence:
 - a) The present capacity of public facilities and adequacy of public services provided by affected agencies within the current jurisdiction and the adopted plans of these agencies to improve any municipal service deficiency, including adopted capital improvement plans.
 - b) The present and probable need for public facilities and services within the area proposed for inclusion within the sphere of influence and the plans for the delivery of services to the area.
- (5) The Commission shall endeavor to maintain and expand, as needed, spheres of influence to accommodate planned and orderly urban development. The Commission, however, shall consider removal of land from an agency's sphere of influence if any of the two conditions apply:
 - a) The land is outside the affected agency's jurisdictional boundary but has been within the sphere of influence for 10 or more years.
 - b) The land is inside the affected agency's jurisdictional boundary, but is not expected to be developed for urban uses or require urban-type services within the next 10 years.

C) City Spheres of Influence

The Commission shall adhere to the following policies in the establishment, amendment, or update of a city's sphere of influence.

- (1) Location of Urban Development:
It shall be a basic policy of the Commission is that the sphere of influence shall guide and promote the affected city's orderly urban growth and development.
- (2) Sphere of Influence to Reflect Service Capacities:
A city's sphere of influence should reflect existing and planned service capacities based on information collected by, or submitted to, the Commission.
- (3) Use of County General Plan Agricultural and Open-Space Designations:
The Commission shall use the most recently adopted County General Plan as the basis to identify designated agricultural and open-space lands in establishing, amending, and updating a city's sphere of influence.

- (4) Avoidance of Inclusion of Agricultural and Open-Space Lands:
Land specifically designated as agricultural or open-space lands shall not be approved for inclusion within any city's sphere of influence for purposes of urban development unless exceptions are warranted based on the criteria outlined in Section B(3) and (4).
- (5) Preference for Infill:
The Commission will consider the amount of vacant land within the established sphere of influence of a city when considering amendments and updates. The Commission encourages sphere of influence proposals that promote the infill of existing vacant or underdeveloped land thereby maximizing the efficient use of existing city services and infrastructure as well as discouraging urban sprawl. Conversely, the Commission discourages sphere of influence proposals involving vacant or underdeveloped land that requires the extension of urban facilities, utilities, and services where infill is more appropriate.
- (6) Spheres of Influence as Guides for City Annexations:
A city's sphere of influence shall generally be used to guide annexations within a five-year planning period. Inclusion of land within a sphere of influence shall not be construed to indicate automatic approval of an annexation proposal; an annexation will be considered on its own merits with deference assigned to timing.
- (7) Joint Applications:
When an annexation is proposed outside a city's sphere of influence, the Commission may consider both the proposed annexation and the necessary change in the sphere of influence at the same meeting. The change to the sphere of influence to include the affected territory, however, shall be considered and resolved prior to Commission action on the annexation.
- (8) Cooperative Planning and Development:
Spheres of influence shall be developed by the Commission in cooperation with input from the cities and the County.
- a) The urban areas as delineated by the spheres of influence or other boundary adopted by the Commission should be recognized and considered as part of planning and development programs of the affected cities as well as any affected special districts and the County.
- b) The Commission shall encourage cities to first develop existing vacant and underdeveloped infill lands located within their jurisdictions and spheres of influence to maximize the efficient use of available services and infrastructure and discourage the premature conversion of agricultural and open-space lands to urban uses. The Commission shall encourage the development of vacant or underdeveloped infill

lands located within cities' jurisdictions before the annexation of lands requiring the extension of urban facilities, utilities, and services.

- c) No urban development should be permitted by the County to occur on unincorporated lands within a city's sphere of influence. If approval of urban development in such areas is legally required of the County, such development should conform to applicable city standards and be the subject of a joint city-County planning effort.

D) Special District Spheres of Influence

The Commission shall adhere to the following policies in the establishment, review, amendment, or update of a special district's sphere of influence.

- (1) Urbanizing Effect of Services:
It shall be a basic policy of the Commission that the establishment, amendment, or update of a special district's sphere of influence serves to promote urban development with limited exceptions.
- (2) Sphere of Influence to Reflect Service Capacities:
A special district's sphere of influence should reflect existing and planned service capacities based on information collected by, or submitted to, the Commission.
- (3) Exclusion of Agricultural and Open-Space Lands:
Land designated agricultural or open-space by the applicable city or County general plan shall not be approved for inclusion within any special district's sphere of influence for purposes of urban development through the extension of essential public services. Such designations shall be recognized by the Commission as designating the land as non-urban in character in regard to the existing use of the area or its future development potential. The Commission may consider exceptions to this policy based on evidence provided by the affected special district demonstrating all of the following:
 - a) The expansion is necessary in order to provide potable water or sewer to the territory to respond to a documented public health or safety threat.
 - b) The affected special district can provide adequate potable water or sewer service to the affected territory without extending any mainline more than 1,000 feet.
 - c) The expansion will not promote the premature conversion of agricultural or open-space land to urban use.

- (4) Sphere of Influence as a Guide to Special District Annexations:
A special district's sphere of influence shall generally be used to guide annexations within a five-year planning period. Inclusion of land within a sphere of influence shall not be construed to indicate automatic approval of an annexation proposal; an annexation will be considered on its own merits with deference assigned to timing.

- (5) Joint Applications:
When an annexation is proposed outside a special district's sphere of influence, the Commission may consider both the proposed annexation and the necessary change in the sphere of influence at the same meeting. The change to the sphere of influence to include the affected territory, however, shall be considered and resolved prior to Commission action on the proposed annexation.

- (6) Cooperative Planning and Development Programs:
Spheres of influence shall be developed by the Commission in cooperation with any affected cities and the County.
 - a) The service area of a special district as delineated by the sphere of influence or other boundary adopted by the Commission should be recognized and considered as part of the planning and development programs of any affected district, city, and the County.

IV. Policies Concerning the County Of Napa

A) Location of Urban Development

- (1) Development of an urban character and nature should be located within areas designated as urban areas by the County General Plan in close proximity to a city or special district which can provide essential public services.

- (2) Urban development should be discouraged if it is apparent that essential services necessary for the proposed development cannot readily be provided by a city or special district.

- (3) The Commission shall review and comment, as appropriate, on the extension of services or the creation of new service providers to furnish services into previously unserved territory within unincorporated areas.

B) Use of County Service Areas and Community Services Districts

- (1) In those unincorporated urban areas where essential urban services are being provided by the County, the Board of Supervisors should consider the establishment of county service areas or community services districts so that area residents and landowners pay their fair and equitable share for the services received.

V. Policies Concerning Cities

A) Incorporations

- (1) The Commission discourages proposals to incorporate communities unless substantial evidence suggests the County and any affected special district are not effectively meeting the needs of the community.
- (2) The Commission discourages proposals to incorporate communities involving land that is not already receiving essential public services from a special district.
- (3) Any community proposed for incorporation in Napa County shall have at least 500 registered voters residing with the affected area at the time proceedings are initiated with the Commission as required under G.C. §56043.

B) Outside Service Agreements

- (1) Commission approval is needed for a city to provide new or extended services outside its jurisdictional boundary by contracts or agreements. A Request by a city shall be made by resolution of application and processed in accordance with G.C. §56133.
- (2) The Commission shall incorporate the following definitions in administering these policies:
 - a) “Services” shall mean any service provided by a city unless otherwise exempted under G.C. 56133.
 - b) “New” shall mean the actual extension of a municipal service to previously unserved non-jurisdictional land. Exceptions include non-jurisdictional land in which the city or County has adequately contemplated the provision of the subject service on or before January 1, 2001 as determined by the Commission.

- c) “Extended” shall mean the intensification of an existing municipal service provided to non-jurisdictional land associated with a land use authority’s redesignation or rezoning after January 1, 2001 as determined by the Commission.
- (3) The Commission shall establish policies and procedures in the review of outside service agreement requests involving a city.

VI. Policies Concerning Special Districts

A) In Lieu of New District Creation

- (1) Where a limited-purpose special district exists and additional services are required for an unincorporated area designated as urban by the County General Plan, the Commission encourages reorganizations to provide the extended services of the existing limited services special district.

B) Preference for Districts Capable of Providing All Essential Services

- (1) All new special districts proposed for formation in the unincorporated urban areas as designated under the County General Plan should be capable of providing essential urban type services which include, but are not limited to, water, sanitation, fire protection, and police protection.

C) Establishing New Services or Divestiture of Existing Service Powers

- (1) Commission approval is required for a special district to establish new services or divest existing service powers within all or parts of its jurisdictional boundary. Requests by a special district shall be made by adoption of a resolution of application and include all the information required and referenced under G.C. §56824.12.
- (2) The Commission incorporates the following definitions in administering these policies:
 - a) “New” shall mean activating a latent service not previously authorized.
 - b) “Divestiture” shall mean deactivating a service power previously authorized.
- (3) The Commission shall consider the effect of the proposal in supporting planned and orderly growth within the affected territory.

D) Outside Service Agreements

- (1) Commission approval is needed for a special district to provide new or extended services outside its jurisdictional boundary by contracts or agreements. Requests made by special districts shall be made by resolution of application and processed in accordance with G.C. §56133.
- (2) The Commission shall incorporate the following definitions in administering these policies:
 - a) “Services” shall mean any service provided by a special district subject to the jurisdiction of the Commission unless otherwise exempted under G.C. 56133.
 - b) “New” shall mean the actual extension of a municipal service to previously unserved non-jurisdictional land. Exceptions include non-jurisdictional land in which the special district or land use authority has adequately contemplated the provision of the subject service on or before January 1, 2001 as determined by the Commission.
 - c) “Extended” shall mean the intensification of an existing municipal service provided to non-jurisdictional land associated with a land use authority’s redesignation or rezoning after January 1, 2001 as determined by the Commission.
- (3) The Commission shall establish policies and procedures in the review of outside service agreement requests involving a special district.

VII. Policies Concerning Annexations

A) General Policies Concerning Annexations to a City

- (1) Inclusion in Sphere of Influence:
The affected territory shall be included within the affected city sphere of influence prior to issuance of the Executive Officer's certificate of filing for the subject annexation proposal. The Executive Officer may amend both a sphere of influence amendment and annexation application for Commission consideration and action at the same meeting.

- (2) Substantially surrounded:
For the purpose of applying the provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act, most notably G.C. §56375, the affected territory of an annexation proposal shall be deemed “substantially surrounded” if the following two conditions apply:
 - a) The affected territory lies within the city’s sphere of influence.
 - b) The affected territory is surrounded by no less than 66.6% by the city, as set forth in a boundary description accepted by the Executive Officer.

B) Policies Concerning Island Annexations

- (1) Boundary of Areas Not 100% Surrounded by City:
The outside boundary of an unincorporated island less than 100% surrounded shall be the affected city sphere of influence boundary line.
- (2) Criteria for Determining a Developed Island:
A developed island shall substantially meet all the following criteria:
 - a) The island shall have a housing density of at least 0.5 units per gross acre.
 - b) All parcels within the island can readily receive from the affected city or any affected special district basic essential services including but not limited to police protection, fire protection, potable water and sanitation.
- (3) Policy Regarding Annexations Within an Identified Island Area:
When an annexation proposal includes territory within a developed island, the Commission shall invite the affected city to amend the boundary of the proposed annexation to include the entire island. To the extent permitted by law, the Commission reserves the right to expand the boundaries of the proposed annexation to include the entire island.

C) Policies Concerning Annexation of Municipally-Owned Land

- (1) Restricted Use Lands Owned by Public Agencies:
The Commission shall disapprove annexation of publicly-owned land designated agricultural or open-space or subject to a Williamson Act contract unless the land will be used for a municipal purpose and no suitable alternative site reasonably exists within the affected city’s sphere of influence.

- (2) Facilities Exempt from Policy:
Municipal purpose shall mean a public service facility which is urban in nature such as water and sewage treatment facilities and public buildings, but shall not include land which is vacant or used for wastewater reclamation irrigation, a reservoir, or agricultural, watershed or open-space.

D) Concurrent Annexation Policies

It is the intent of the Commission to promote concurrent annexations to cities and special districts whenever appropriate. The Commission may waive its concurrent annexation policies based on unique conditions or circumstances surrounding the annexation proposal which make application of the policy impractical and will not result in the annexation of lands designated agricultural or open-space by the applicable city or County General Plan.

(1) City of Napa and Napa Sanitation District

a) Annexations to the District:

All annexation proposals to the Napa Sanitation District located outside of the City of Napa shall first be required to annex to the City if the affected territory is located within the City's sphere of influence as adopted by the Commission, is located within the City Residential Urban Limit Line (RUL) as adopted by the City, and annexation is legally possible.

b) Annexations to the City:

All 100% consent annexation proposals to the City of Napa located outside of the Napa Sanitation District shall be required to annex to the Napa Sanitation District if the affected territory is located within the District's sphere of influence and if sanitation service is available.

(2) City of American Canyon and American Canyon Fire Protection District

a) Annexations to the District:

All annexation proposals to the American Canyon Fire Protection District located outside of the City of American Canyon shall be required to annex to the City if the affected territory is located within the City's sphere of influence as adopted by the Commission and if annexation is legally possible.

b) Annexations to the City:

All annexation proposals to the City of American Canyon located outside of the American Canyon Fire Protection District shall be required to annex to the District if the affected territory is located within the District's sphere of influence.

(3) County Service Area No. 4

a) Annexations to Cities:

All annexation proposals to a city shall be required to concurrently detach from County Service Area No. 4 unless the affected territory has been, or is expected to be, developed to include planted vineyards totaling one acre or more in size.



LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

Policy on Outside Service Agreements

Adopted: November 3, 2008

Amended: June 6, 2011

I. Background

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 includes provisions requiring cities and special districts to request and receive written approval from the Commission before providing new or extended services by agreements outside their jurisdictional boundaries with limited exemptions (Government Code Section 56133). The Commission may authorize a city or special district to provide new or extended service outside their jurisdictional boundary in anticipation of a subsequent change of organization, such as an annexation. The Commission may also authorize a city or special district to provide new or extended service outside their jurisdictional boundary and sphere of influence to address an existing or future threat to the public health or safety.

II. Purpose

The purpose of these policies is to guide the Commission in reviewing city and special district requests to provide new or extended services by agreement outside their jurisdictional boundaries. This includes making policy statements and establishing consistent procedures with respect to the form, review, and consideration of requests.

III. Objective

The objective of the Commission in implementing these policies is to ensure the extension of services by cities and special districts outside their jurisdictional boundaries is logical and consistent with supporting orderly growth and development in Napa County. The Commission recognizes the importance of considering local conditions and circumstances in implementing these policies.

IV. Outside Service Agreement Policies

A. General Statements

- 1) Annexations to cities and special districts involving territory located within the affected agency's sphere of influence is generally preferred to outside service agreements. The Commission recognizes, however, there may be instances when outside service agreements involving territory within the affected agency's sphere of influence is appropriate given local circumstances.
- 2) The Commission shall authorize a city or special district's request to provide new or extended services outside their jurisdictional boundary and sphere of influence only in response to either an (a) existing or (b) impending threat to public health or safety in accordance with Government Code Section 56133(c).

- 3) The Commission recognizes the importance of proactively addressing impending threats to public health and safety in considering requests for outside water and sewer services in support of existing and planned residential uses with reasonable access to existing infrastructure. Accordingly, the Commission will consider outside water and sewer service requests for purposes of addressing an impending public health or safety threat if all of the following criteria is applicable:
 - (a) The subject property is zoned for residential type uses by the affected land use authority.
 - (b) The subject property comprises a legal lot of record as of January 1, 2001.
 - (c) The subject property is adjacent to a public right-of-way in which the affected service line is located.
 - (d) The proposed service extension can be accommodated by an appropriate connection for single-family uses.
- 4) The Commission authorizes the Chair to approve a city or special district's request for an outside service agreement if there is an existing or impending public health or safety emergency. The Commission shall ratify the Chair's determination at the next regular scheduled meeting.
- 5) All requests for outside service agreements are subject to the applicable provisions of the California Environmental Quality Act.
- 6) Commission approval is not required for cities or special districts to provide new or extended services outside their jurisdictional boundaries if any of the following conditions apply in accordance with Government Code Section 56133(e):
 - (a) The agreement involves two or more public agencies where the contracted service is an alternative or substitute for public services already provided.
 - (b) The agreement involves the transfer of non-potable or non-treated water.
 - (c) The agreement involves the provision of surplus water to agricultural lands for conservation projects or to directly support agricultural industries.
 - (d) The agreement involves an extended service that a city or special district was providing on or before January 1, 2001.

The Commission encourages cities and special districts to work with the Executive Officer in determining when the above exemptions may apply.

B. Form of Request

Requests to authorize an outside service agreement shall be filed with the Executive Officer by the affected city or special district. Requests shall be made in writing with a cover letter accompanying a completed application using the form provided in Attachment A. Requests shall also include a check in the amount prescribed under the Commission's adopted fee schedule along with a copy of the proposed service agreement. The application shall be signed by an authorized representative of the city or special district.

C. Review of Request

The Executive Officer shall review and determine within 30 days of receipt whether the request to authorize an outside service agreement is complete. If a request is deemed incomplete, the Executive Officer shall immediately notify the applicant and identify the information needed to accept the request for filing.

D. Consideration of Request

Once a request is deemed complete, the Executive Officer will prepare a written report with a recommendation. The Executive Officer will present his or her report and recommendation at a public hearing for Commission consideration. The public hearing will be scheduled for the next regular meeting of the Commission for which adequate notice can be given but no later than 90 days from the date the request is deemed complete. The Executive Officer's written report will be made available to the public for review prior to the scheduled hearing and include an evaluation of the following three factors:

- 1) The ability of the applicant to extend the subject service to the affected land.
- 2) The application's consistency with the policies and general plans of all affected local agencies.
- 3) The application's effect on growth and development within and adjacent to the affected land.

The Commission may approve the request with or without conditions. If denied, the affected city or special district can ask for reconsideration within 30 days.