



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

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

Agenda Item 7a (Action)

TO: Local Agency Formation Commission

PREPARED BY: Islands Committee (Inman, Gregory, and Freeman)

MEETING DATE: August 7, 2017

SUBJECT: Island Annexation Program

RECOMMENDATION

It is recommended the Commission authorize the Executive Officer to submit a formal letter requesting the City of Napa commit to a partnership with respect to annexing unincorporated islands (Attachment Five). It is also recommended the Commission consider providing direction to the Policy Committee with respect to changing the Commission's adopted definition of "substantially surrounded" under local policy as described in this report.

BACKGROUND

The California Legislature has recognized that unincorporated islands create inefficiencies in the delivery of municipal services, support incompatible land use planning, and increase jurisdictional confusion and costs in the local delivery of services. California Government Code (G.C.) Section 56375.3 provides an expedited process for cities to annex unincorporated islands while avoiding protest proceedings. G.C. Section 56375.3 is included as Attachment One. In order to use the expedited proceedings, the affected city is required to propose the annexation of one or more islands by way of adopting a resolution of application at a public hearing. Additionally, LAFCO would be required to conduct a noticed public hearing on the proposed annexation.

At its June 5, 2017 meeting, the Commission established an ad hoc subcommittee ("Islands Committee") and appointed Commissioners Inman and Gregory to serve with the Executive Officer. The Islands Committee is tasked with identifying resources that will be needed and the process associated with annexing unincorporated islands surrounded by the City of Napa ("City"). The Islands Committee is also tasked with developing a strategy in partnership with the City to perform outreach and education as well as initiate formal annexation proceedings.

Juliana Inman, Commissioner
Councilmember, City of Napa

Margie Mohler, Commissioner
Councilmember, Town of Yountville

Kenneth Leary, Alternate Commissioner
Councilmember, City of American Canyon

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

Diane Dillon, Commissioner
County of Napa Supervisor, 3rd District

Ryan Gregory, Alternate Commissioner
County of Napa Supervisor, 2nd District

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

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Brendon Freeman
Executive Officer

SUMMARY

The Islands Committee will provide a verbal presentation to the Commission summarizing the costs and process associated with annexing unincorporated islands. The Islands Committee met on June 15, 2017 and July 13, 2017 to gather information and develop a strategy to begin proactively annexing the islands. This report includes a recommendation to submit a letter to the City formally requesting the City's commitment to partner with the Commission to annex some or all of the islands. Additionally, the Islands Committee recommends the Commission provide direction to the Policy Committee to revise the Commission's adopted definition of "substantially surrounded" under local policy as described in this report.

DISCUSSION

Information summarizing various characteristics of City islands along with the costs and process to annex the islands follows.

Unincorporated Islands in Napa County

There are a total of 18 unincorporated islands surrounded by the City.¹ This includes islands meeting the Commission's definition of "substantially surrounded", which applies to territory located within the City's sphere of influence with at least two-thirds of its perimeter bordered by its jurisdiction. The Islands Committee recommends the Commission consider providing direction to the Policy Committee to draft a policy amendment that would define "substantially surrounded" islands to apply to territory located within the City's sphere of influence with *more than one-half* of its perimeter bordered by its jurisdiction. If implemented in the future, this policy amendment would result in the creation of up to seven new islands surrounded by the City.²

The Islands Committee estimates there are 2,405 residents residing within these 18 existing islands and seven potential new islands. This amount is equivalent to 3.0% of Napa's estimated current resident population of 80,628. A map depicting all 18 existing islands along with the seven potential new islands is included as Attachment Two. A summary chart with City island characteristics – including the potential new islands – is included as Attachment Three. Individual maps for all 18 existing islands along with the seven potential new islands are included as Attachment Four. The City has confirmed all 18 existing islands and all seven potential new islands have already been rezoned, which is a prerequisite to annexation.

¹ Additionally, there is one island that is substantially surrounded by the City of American Canyon near Watson Lane and Paoli Loop Road. There are no other islands in Napa County.

² This policy amendment may also result in the creation of two new islands in the North Valley. One area is approximately 50% surrounded by the City of Calistoga. The second area is approximately 50% surrounded by the Town of Yountville. Land surveys performed by a professional engineer may be needed to determine whether these areas would meet the amended definition of a "substantially surrounded" island.

Incentives for Island Annexation

Annexation to the City would provide numerous incentives to landowners, residents, and the City. These incentives include – but are not limited to – political empowerment for registered voters, new or elevated levels of public utilities and services, public service efficiencies, orderliness of jurisdictional boundaries, greater land use potential, and an overall reduction in annual public service charges. Additionally, annexation of the islands would address the Commission’s previously adopted municipal service review recommendations for the City to proactively annex the islands given that islands undermine the orderly development of the City while creating inefficiencies in the delivery of public services.

Prime Agricultural Land

The expedited annexation proceedings authorized under G.C. Section 56375.3 may only be utilized if no prime agricultural lands as defined by G.C. Section 56064 are located within the affected island. Planted vineyards have been identified on two parcels in Island No. 5 (Silverado / Stonecrest) as well as one parcel in a potential new island, Island No. 20 (Big Ranch / Rosewood). Further analysis is needed to determine if the existing vineyards meet the definition of prime agricultural lands pursuant to G.C. Section 56064. If the parcels meet the definition of prime agricultural lands, the Islands Committee will return with a revised inventory of islands.

City Rural Urban Limit Line

17 of the existing islands and all seven of the potential new islands are located entirely within the City’s Rural Urban Limit (RUL) line. Approximately half of the territory within the remaining existing island (Basalt / Kaiser) is within the City’s RUL. Adopted policy designates an affected city’s sphere of influence as the outer boundary for substantially surrounded islands. The Policy Committee has drafted a policy amendment that would instead designate the outer boundary of a substantially surrounded island to be the affected city’s adopted urban growth boundary. If this policy amendment is approved in the future, the Islands Committee will return with updated maps and information.

City Water Service

The City Water Division has confirmed 816 of the 885 existing island parcels have active public water service accounts with the City. This represents 92.2% of existing island parcels. There are no known challenges with respect to the City extending water service to the remaining parcels. Further analysis is needed to determine the number of parcels within the seven potential new islands that have active City water service accounts.

Napa Sanitation District

The Commission's adopted policies require annexation proposals to the City of Napa to also annex to the Napa Sanitation District (NSD) if (1) there is 100% consent from landowners, (2) the affected territory is located within NSD's sphere of influence, and (3) public sewer service is available. All 18 existing islands and all seven potential new islands are within NSD's sphere of influence. As shown in the islands summary chart included as Attachment Three, 12 of the existing islands and all seven potential new islands are located entirely within NSD's jurisdictional boundary. Four existing islands are partially within NSD's jurisdictional boundary. Two existing islands are located entirely outside NSD's jurisdictional boundary.

NSD has communicated that extending public sewer services to the islands that are currently outside the District's jurisdictional boundary would involve significant costs to the landowners and require new engineering studies. Further, it is unlikely the Commission would receive 100% consent from all landowners for concurrent annexation to NSD. Therefore, expanding the island annexation program to include NSD is not recommended at this time.

Island Annexation Processing Costs

The Commission has already eliminated its direct fees tied to processing an island annexation as part of its adopted fee schedule. Eliminating indirect fees, however, remains an outstanding issue and will specifically require the external cooperation of other agencies. A cost analysis associated with processing the annexation of the 18 existing islands along with the seven potential new islands follows.

- Island annexation proceedings under G.C. Section 56375.3 must be initiated by a city. It is the policy of the City of Napa to require an underlying applicant deposit \$5,000 to cover time and material expenses tied to preparing, presenting, and adopting a resolution of application. If the City proactively initiates annexation proceedings, the City's requirement for a \$5,000 deposit would not be needed.
- State law requires maps and geographic descriptions depicting the affected territory for all changes of organization or reorganizations. Preparing these documents lies outside the expertise of staff. This would involve retaining a licensed engineer to prepare these documents, which would represent a variable cost based on the number, size, and property complexity of islands that would be subject to an annexation proposal. The Islands Committee estimates this cost could range from approximately \$100,000 to \$200,000. If the Commission and the City agree to a financing mechanism for this activity, it would be appropriate to distribute a request for proposals seeking qualified engineering firms to prepare maps and geographic descriptions for all islands prior to the City taking formal action to adopt a resolution of application for annexation.

- All annexation maps and geographic descriptions are subject to the County Surveyor's annexation review fee of \$249.17. The County has confirmed it would need to collect this fee for each of the islands, resulting in a total cost of \$6,229.25. It would be appropriate for the Commission to request a fee waiver from the County for this activity based on the public benefit of annexing islands.
- State law requires the Commission file all approved annexations with the County Assessor's Office. The current fee is \$162. The County has confirmed it would waive this fee based on the public benefit of annexing islands.
- For all boundary changes, the State Board of Equalization (BOE) requires a recordation fee based on the acreage of the affected territory. In the case of island annexations, the fees for all the annexations that are grouped and itemized in a single resolution may be calculated cumulatively, based on the total acreage of all islands combined. This helps to further reduce the costs of island annexations provided cities decide to initiate and complete several small island annexations in a single resolution. Given that the 18 existing islands and the seven potential new islands total approximately 590 acres in size, the BOE fee would be \$2,500. It would be appropriate to share this cost with the City unless the Commission prefers to cover the entire cost by drawing down on its unrestricted fund balance.
- Annexations are considered "projects" under the California Environmental Quality Act (CEQA) and it is unlikely there are exemptions available that could be applied to an island annexation proposal. CEQA requirements would likely involve at a minimum an initial study and negative declaration along with associated environmental filing fees. The City would be the appropriate "lead agency" for purposes of preparing and filing these environmental documents. The City's Final Environmental Impact Report for its General Plan may address all CEQA requirements. However, if new documents must be prepared to satisfy CEQA requirements, the current filing fee for an environmental impact report is \$3,078.25 and the fee for a negative declaration is \$2,216.25. The cost of preparing the environmental documents is currently unknown. It may be appropriate for the Commission to contribute towards these potential costs when they do become known.

In total, all costs associated with processing the annexation of the 18 existing islands along with the seven potential new islands would range from approximately \$109,000 to \$217,000. However, this amount does not include costs tied to preparing any needed environmental documents. This amount also does not include costs tied to preparing and distributing requests for proposals associated with seeking consultants.

In addition, staff resources from the City and the County may be needed to perform additional outreach efforts. It is reasonable to assume several community meetings with landowners and residents would be required prior to initiation of an island annexation proposal submitted by the City. It is important to note a bilingual translator will be needed to assist with any written communication that will be mailed to landowners and residents as well as for any future community meetings.

Post-Annexation Financial Considerations

The Islands Committee has evaluated and compared service charges for lands located within and outside of the City. This includes assessments, charges, and other taxes relating to public water, sewer, garbage collection, emergency response, storm drainage, and flood control services. The Islands Committee has also confirmed that annexation would not result in changes to homeowner insurance rates unless further development occurs in the future. Assuming typical service needs, the net annual savings for each landowner following annexation would be approximately \$60. A table summarizing these service charges follows.

Category	City of Napa	County of Napa	Cost Difference Post-Annexation
Water Charge	\$669.60	\$970.80	\$301.20
Sewer Charge	\$638.10	\$638.10	\$0.00
Garbage Charge	\$499.56	\$344.32	(\$155.24)
Paramedic Tax	\$75.00	N/A	(\$75.00)
Storm Drainage Tax	\$12.00	N/A	(\$12.00)
County Flood Tax	\$17.92	\$21.10	\$3.18
TOTAL	\$1,912.18	\$1,974.32	\$62.14

* Assumptions:

- 1) Water consumption of 10,000 gallons per month
- 2) 65-gallon garbage container
- 3) Assessed value of land equal to \$500,000 for calculation of paramedic tax (paramedic tax calculated as 0.015% of total assessed value)

It is important to note that infrastructure improvements relating to street lighting, sidewalks, and other City amenities may be necessary with the annexation of certain islands. This could represent a significant additional cost burden for the City that has not been contemplated in current budgets. Opportunities to offset these costs have not been fully explored. It is reasonable to assume a comprehensive fiscal analysis of infrastructure needs within all islands would be required prior to the City taking formal action to adopt a resolution of application for annexation. Toward this end, the draft letter to the City included as Attachment Five contemplates the Commission contracting with the consultant to conduct a fiscal analysis. With this in mind, the Islands Committee is seeking feedback from the Commission with respect to the language in the draft letter as it relates to financing a study prepared by a consultant. If the Commission is agreeable, and if the City provides a commitment to partner with the Commission, it would be appropriate to distribute a request for proposals seeking qualified consultants.

Action Plan

The Islands Committee has developed an action plan with estimated timelines as follows.

- 1) Submit the letter included as Attachment Five to the City with any desired changes requesting a partnership (August 2017);
- 2) Schedule a meeting with representatives from the City and the County to discuss outreach, opportunities, challenges, costs, timelines, infrastructure needs, and tax sharing (September 2017);
- 3) Authorize the release of a request for proposals seeking a qualified consultant for purposes of preparing a comprehensive study of infrastructure needs and economic impacts (October 2017);
- 4) Conduct outreach and education, including bilingual mailers and public workshops within the island neighborhoods (October 2017 to April 2018);
- 5) Authorize the release of a request for proposals seeking a qualified consultant for purposes of preparing maps and geographic descriptions of each island to be annexed (April 2018);
- 6) The City will conduct the necessary environmental review to address the requirements of CEQA (April 2018 to December 2018);
- 7) The City and the County will each adopt resolutions agreeing to a property tax exchange for the islands or confirm the application of the existing master property tax exchange adopted in 1980 (December 2018);
- 8) The City will conduct a noticed public hearing to adopt a resolution of application for the annexation of some or all islands (February 2019); and
- 9) The Commission will conduct a noticed public hearing to approve the island annexation proposal (June 2019).

A draft flyer that would be mailed to island landowners and residents as part of any outreach efforts is included as Attachment Six. Notably, the flyer includes the cost differential that shows annexation would result in an average annual savings of approximately \$60 for each landowner. The Islands Committee will report back to the Commission with respect to the outcome of outreach and education efforts.

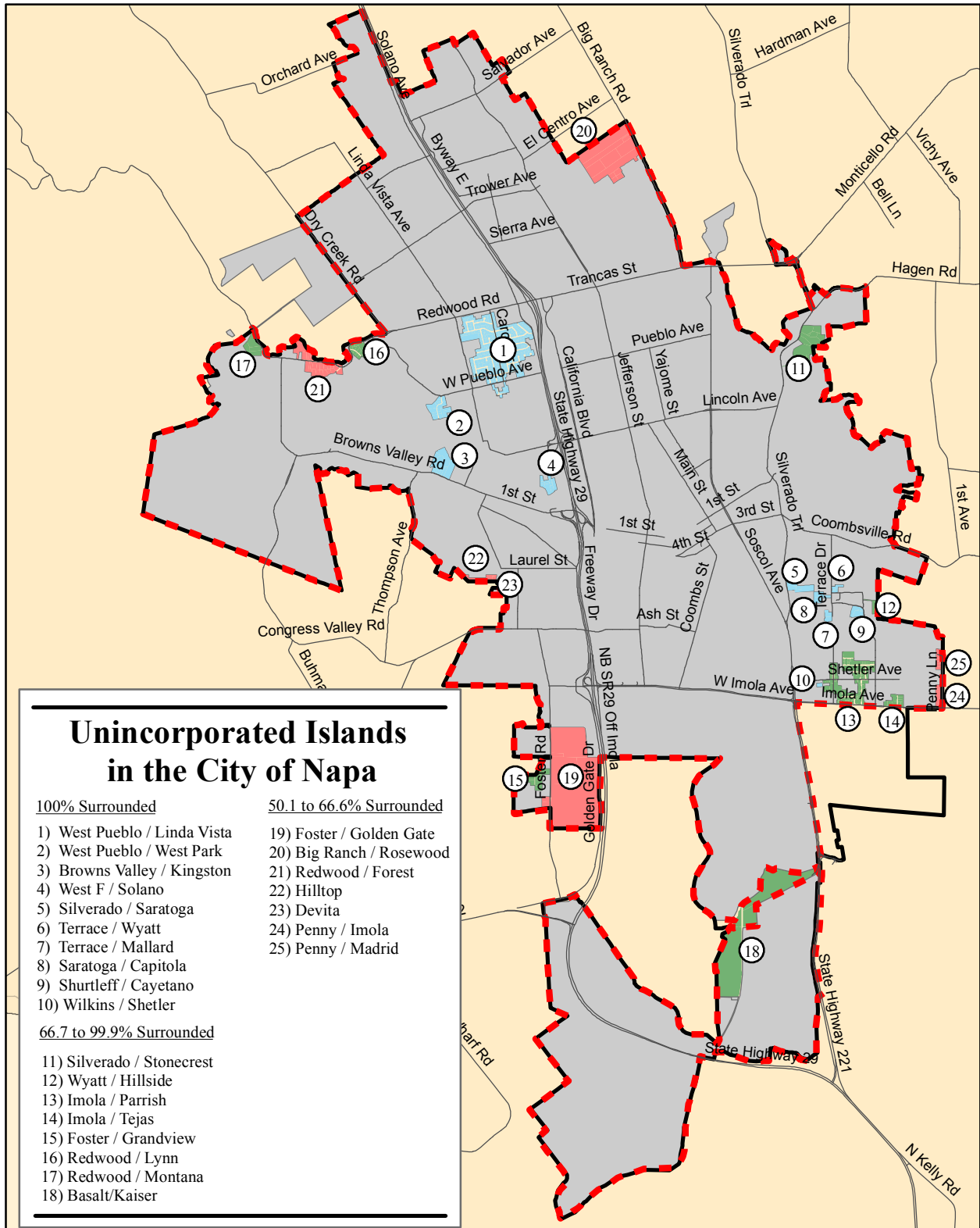
ATTACHMENTS

- 1) California Government Code Section 56375.3
- 2) Map Depicting All City of Napa Islands
- 3) Summary Chart for All City of Napa Islands
- 4) Individual City of Napa Island Maps
- 5) Draft Letter to the City of Napa Requesting Partnership
- 6) Draft Flyer for Mailings (Page One Only)

California Government Code Section 56375.3

- (a) In addition to those powers enumerated in Section 56375, a commission shall approve, after notice and hearing, the change of organization or reorganization of a city, and waive protest proceedings pursuant to Part 4 (commencing with Section 57000) entirely, if all of the following are true:
- (1) The change of organization or reorganization is initiated on or after January 1, 2000.
 - (2) The change of organization or reorganization is proposed by resolution adopted by the affected city.
 - (3) The commission finds that the territory contained in the change of organization or reorganization proposal meets all of the requirements set forth in subdivision (b).
- (b) Subdivision (a) applies to territory that meets all of the following requirements:
- (1) It does not exceed 150 acres in area, and that area constitutes the entire island.
 - (2) The territory constitutes an entire unincorporated island located within the limits of a city, or constitutes a reorganization containing a number of individual unincorporated islands.
 - (3) It is surrounded in either of the following ways:
 - (A) Surrounded, or substantially surrounded, by the city to which annexation is proposed or by the city and a county boundary or the Pacific Ocean.
 - (B) Surrounded by the city to which annexation is proposed and adjacent cities.
 - (4) It is substantially developed or developing. The finding required by this paragraph shall be based upon one or more factors, including, but not limited to, any of the following factors:
 - (A) The availability of public utility services.
 - (B) The presence of public improvements.
 - (C) The presence of physical improvements upon the parcel or parcels within the area.
 - (5) It is not prime agricultural land, as defined by Section 56064.
 - (6) It will benefit from the change of organization or reorganization or is receiving benefits from the annexing city.
 - (7) This subdivision does not apply to any unincorporated island within a city that is a gated community where services are currently provided by a community services district.
 - (8) Notwithstanding any other law, at the option of either the city or the county, a separate property tax transfer agreement may be agreed to between a city and a county pursuant to Section 99 of the Revenue and Taxation Code regarding an annexation subject to this subdivision without affecting any existing master tax sharing agreement between the city and county.
- (c) Notwithstanding any other provision of this subdivision, this subdivision shall not apply to all or any part of that portion of the development project area referenced in subdivision (e) of Section 33492.41 of the Health and Safety Code that as of January 1, 2000, meets all of the following requirements:
- (1) Is unincorporated territory.
 - (2) Contains at least 100 acres.
 - (3) Is surrounded or substantially surrounded by incorporated territory.
 - (4) Contains at least 100 acres zoned for commercial or industrial uses or is designated on the applicable county general plan for commercial or industrial uses.
- (d) The Legislature finds and declares that the powers set forth in subdivision (a) for territory that meets all the specifications in subdivision (b) are consistent with the intent of promoting orderly growth and development pursuant to Section 56001 and facilitate the annexation of disadvantaged unincorporated communities, as defined in Section 56033.5.

City of Napa Unincorporated Islands



Unincorporated Islands in the City of Napa

<u>100% Surrounded</u>	<u>50.1 to 66.6% Surrounded</u>
1) West Pueblo / Linda Vista	19) Foster / Golden Gate
2) West Pueblo / West Park	20) Big Ranch / Rosewood
3) Browns Valley / Kingston	21) Redwood / Forest
4) West F / Solano	22) Hilltop
5) Silverado / Saratoga	23) Devita
6) Terrace / Wyatt	24) Penny / Imola
7) Terrace / Mallard	25) Penny / Madrid
8) Saratoga / Capitola	
9) Shurtleff / Cayetano	
10) Wilkins / Shetler	
<u>66.7 to 99.9% Surrounded</u>	
11) Silverado / Stonecrest	
12) Wyatt / Hillside	
13) Imola / Parrish	
14) Imola / Tejas	
15) Foster / Grandview	
16) Redwood / Lynn	
17) Redwood / Montana	
18) Basalt/Kaiser	

	City of Napa
	City of Napa SOI
	City of Napa RUL
	100% Surrounded
	66.7 to 99.9% Surrounded
	50.1 to 66.6% Surrounded



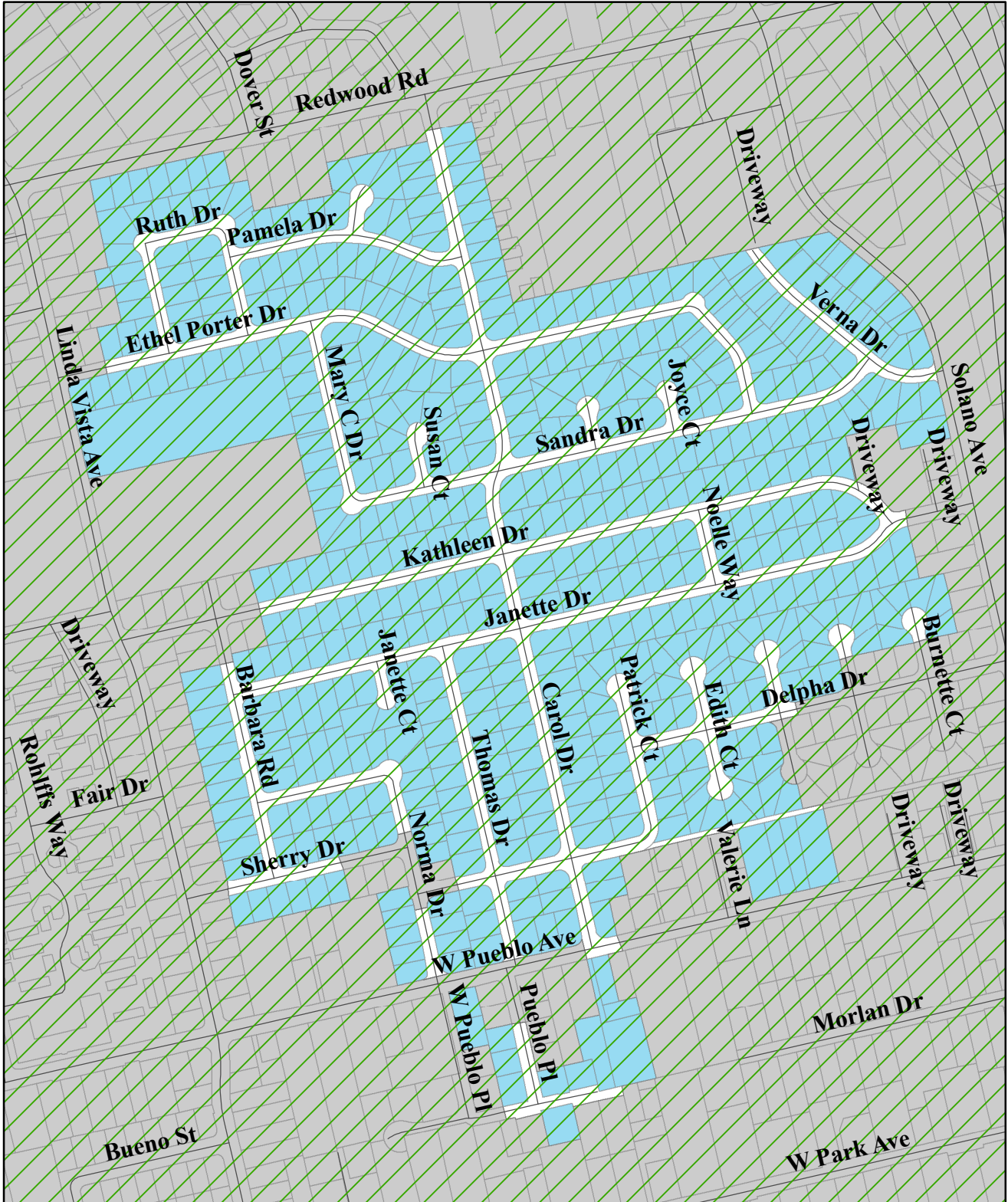
Not to Scale
July 13, 2017
Prepared by BF




LAFCO of Napa County
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City of Napa Islands (>50% Surrounded)

<i>Island Number</i>	<i>Island Vicinity</i>	<i>Surrounded By City (%)</i>	<i>Inside NSD (%)</i>	<i>Inside RUL (%)</i>	<i>Island Acres</i>	<i>Total Parcels</i>	<i>Developed Parcels</i>	<i>Estimated Population</i>
1	West Pueblo / Linda Vista	100	100	100	87.4	543	540	1404
2	West Pueblo / West Park	100	100	100	10.1	19	18	47
3	Browns Valley / Kingston	100	22	100	14.8	11	10	26
4	West F / Solano	100	100	100	6.7	13	13	34
5	Silverado / Saratoga	100	100	100	6.1	4	2	5
6	Terrace / Wyatt	100	100	100	1.6	6	6	16
7	Terrace / Mallard	100	100	100	2.2	3	3	8
8	Saratoga / Capitola	100	100	100	3.6	4	4	10
9	Shurtleff / Cayetano	100	100	100	3.5	4	3	8
10	Wilkins / Shetler	100	100	100	0.6	2	2	5
Totals for 100% Surrounded Islands					136.6	609	601	1563
11	Silverado / Stonecrest	82	49	100	23.6	10	10	26
12	Wyatt / Hillside	70	100	100	2.5	3	2	5
13	Imola / Parrish	93	100	100	33.1	217	217	564
14	Imola / Tejas	71	100	100	5.3	16	16	42
15	Foster / Grandview	81	0	100	7.6	6	6	16
16	Redwood / Lynn	79	0	100	7.1	16	14	36
17	Redwood / Montana	76	17	100	8.1	4	4	10
18	Basalt / Kaiser	77	59	50	116.7	4	3	0
Totals for 66.7 - 99.9% Surrounded Islands					204.0	276	272	699
19	Foster / Golden Gate	52	100	100	146.8	9	8	21
20	Big Ranch / Rosewood	55	100	100	66.3	12	12	31
21	Redwood / Forest	59	100	100	22.7	23	21	55
22	Hilltop	56	100	100	6.0	4	3	8
23	Devita	51	100	100	0.2	1	1	3
24	Penny / Imola	51	100	100	4.2	3	3	8
25	Penny / Madrid	63	100	100	3.9	7	7	18
Totals for 50.1 - 66.6% Surrounded Islands					250.1	59	55	143
Totals for All Islands					590.7	944	928	2405

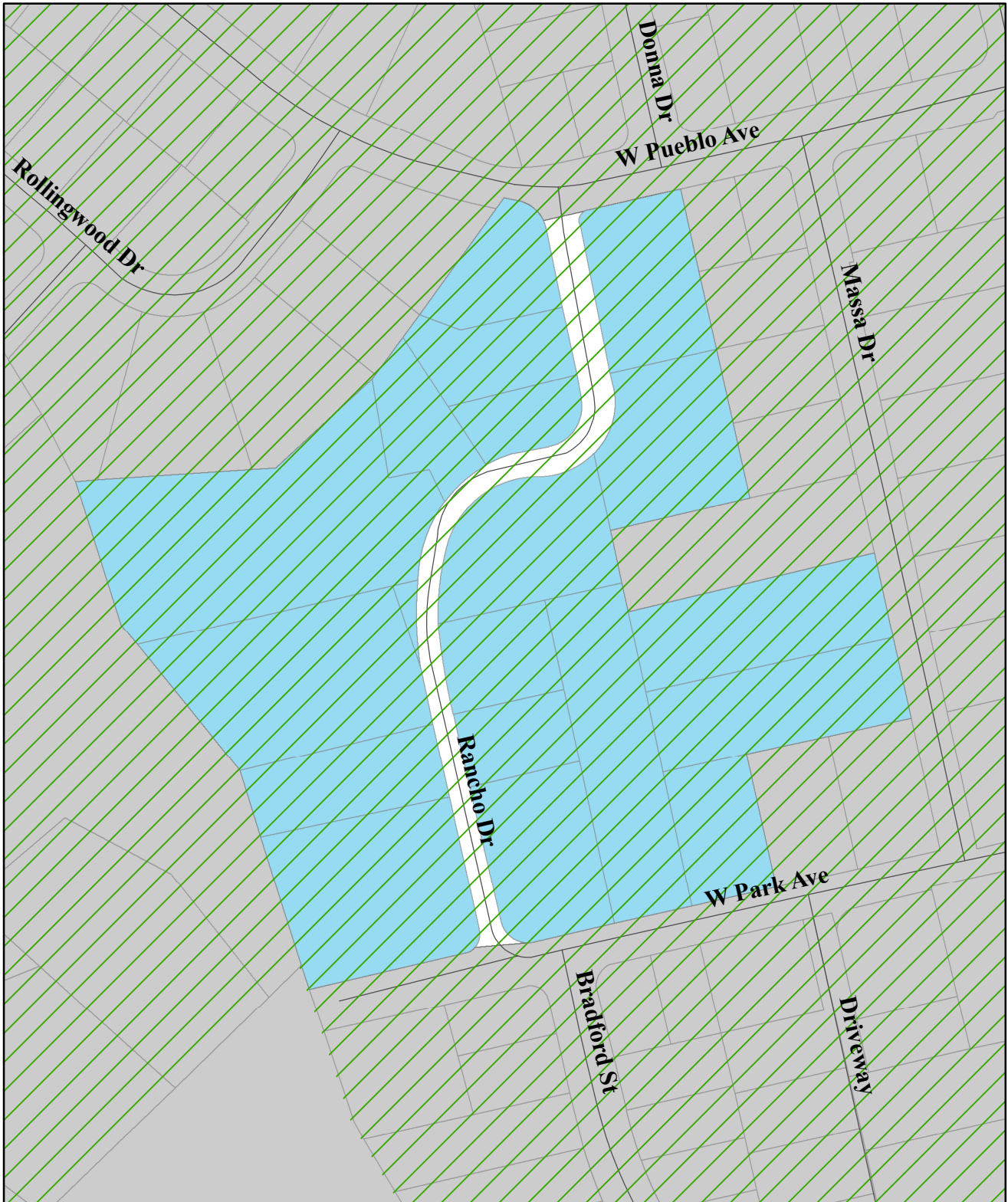
Island No. 1
West Pueblo / Linda Vista






Legend	
	City of Napa
	Island Parcels
	Napa Sanitation District

Attributes
Number of Parcels: 543
Total Acres: 87.4
Surrounded: 100%
City RUL: Yes

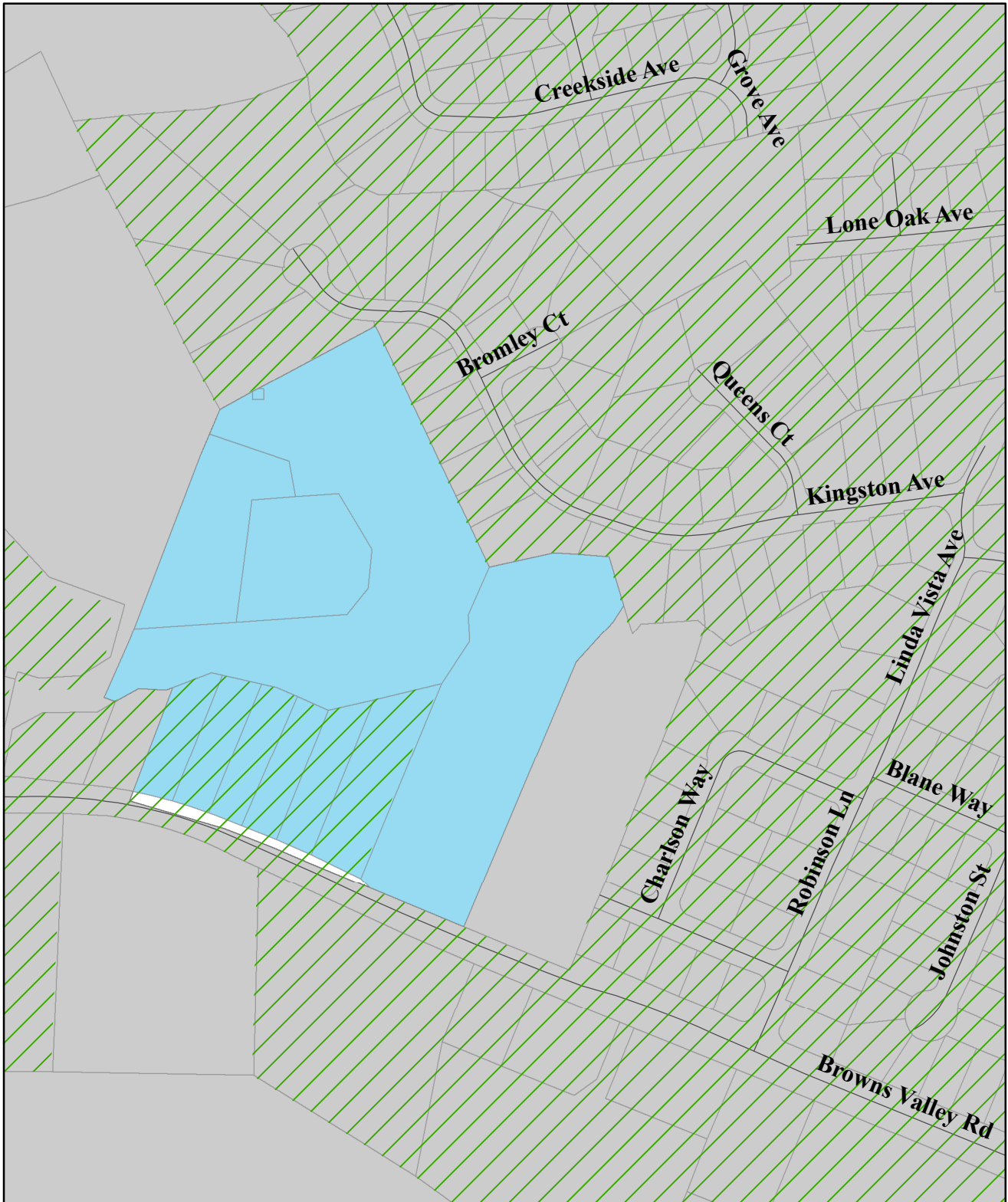
Island No. 2
West Pueblo / West Park






Legend	
	City of Napa
	Island Parcels
	Napa Sanitation District

Attributes
Number of Parcels: 19
Total Acres: 10.1
Surrounded: 100%
City RUL: Yes

Island No. 3
Browns Valley / Kingston

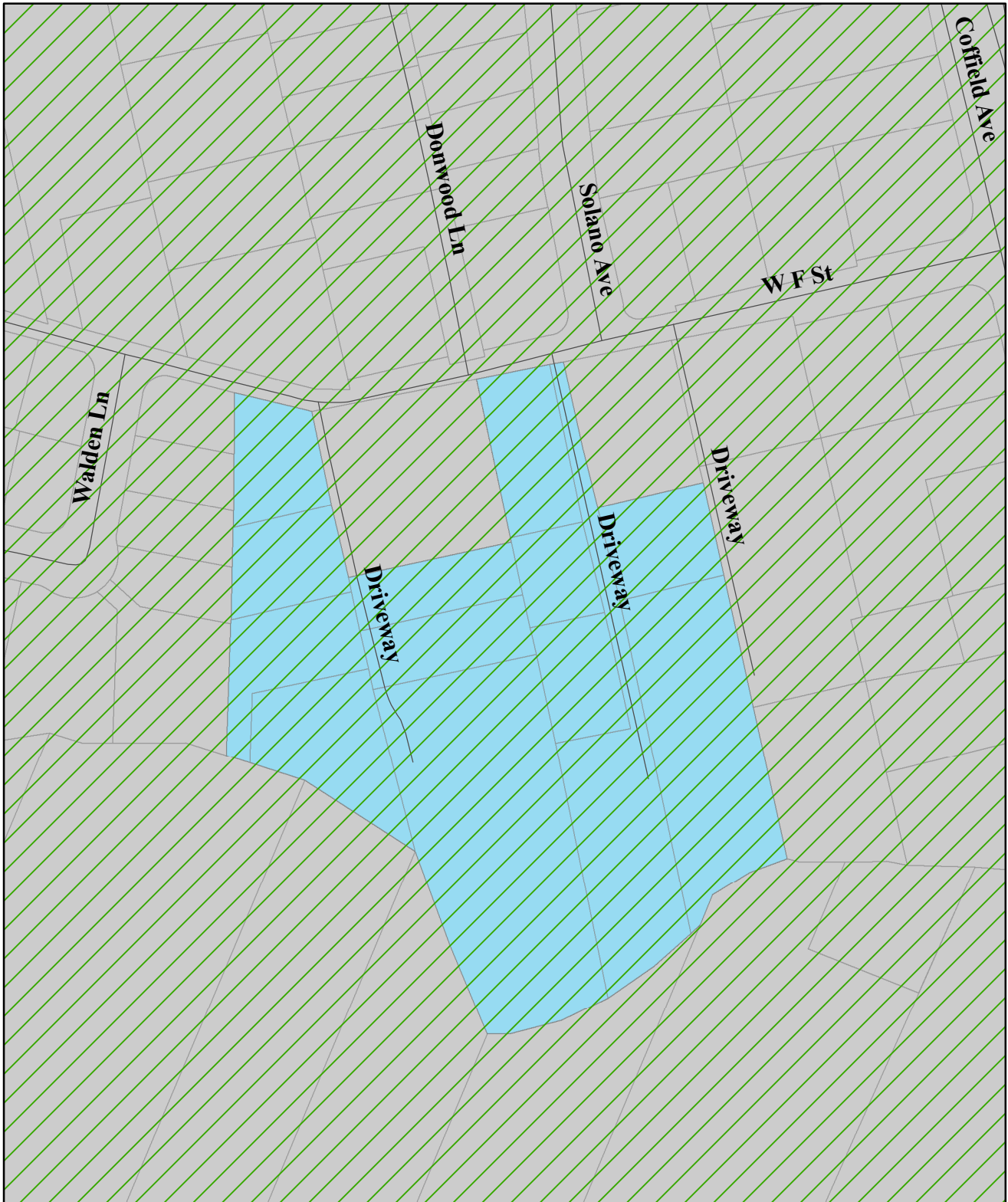





Legend	
	City of Napa
	Island Parcels
	Napa Sanitation District

Attributes
Number of Parcels: 11
Total Acres: 14.8
Surrounded: 100%
City RUL: Yes

Island No. 4
West F / Solano

Attachment Four






Legend	
	City of Napa
	Island Parcels
	Napa Sanitation District

Attributes
Number of Parcels: 13
Total Acres: 6.7
Surrounded: 100%
City RUL: Yes

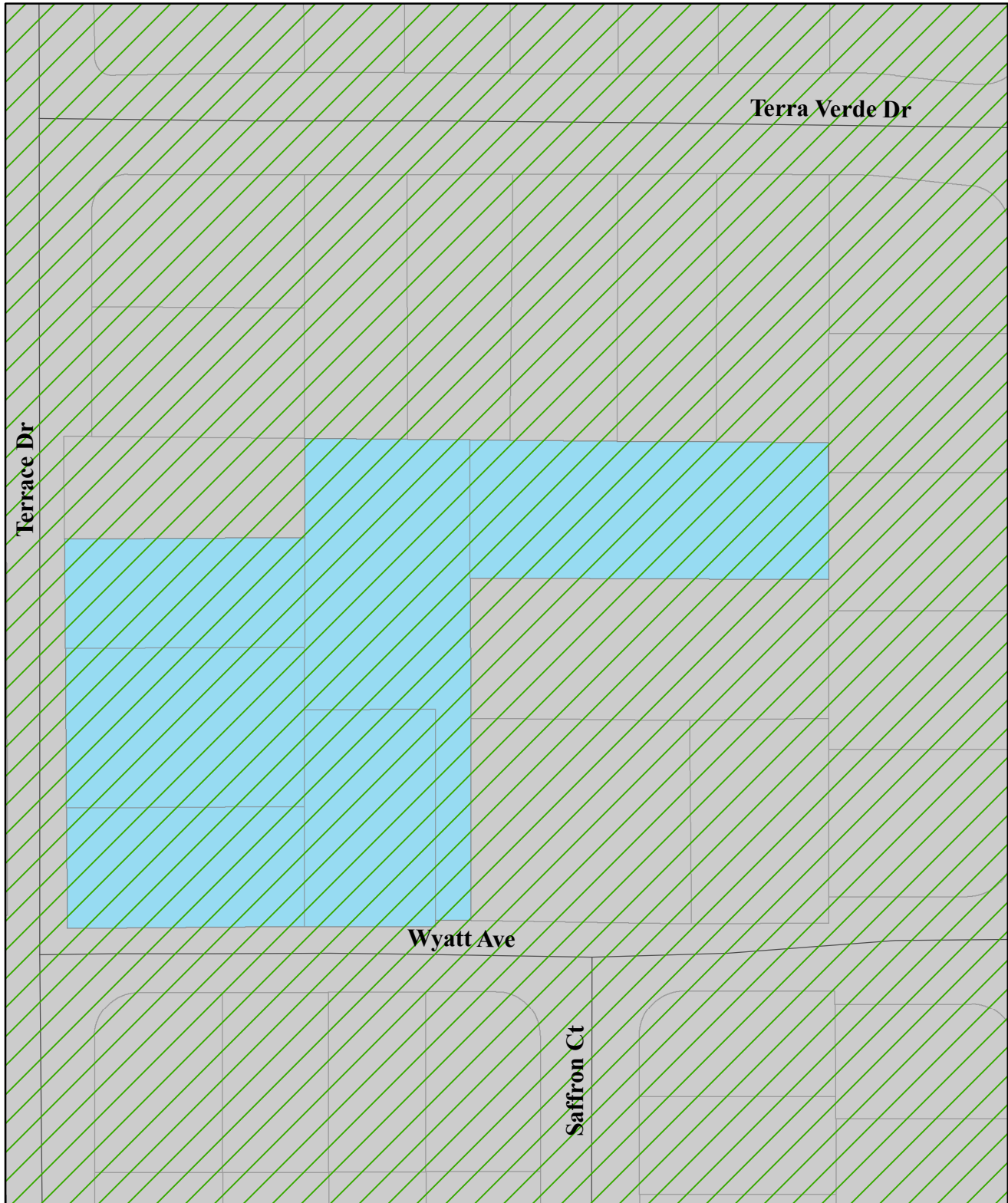
Island No. 5
Silverado / Saratoga






Legend	
	City of Napa
	Island Parcels
	Napa Sanitation District

Attributes
Number of Parcels: 4
Total Acres: 6.1
Surrounded: 100%
City RUL: Yes

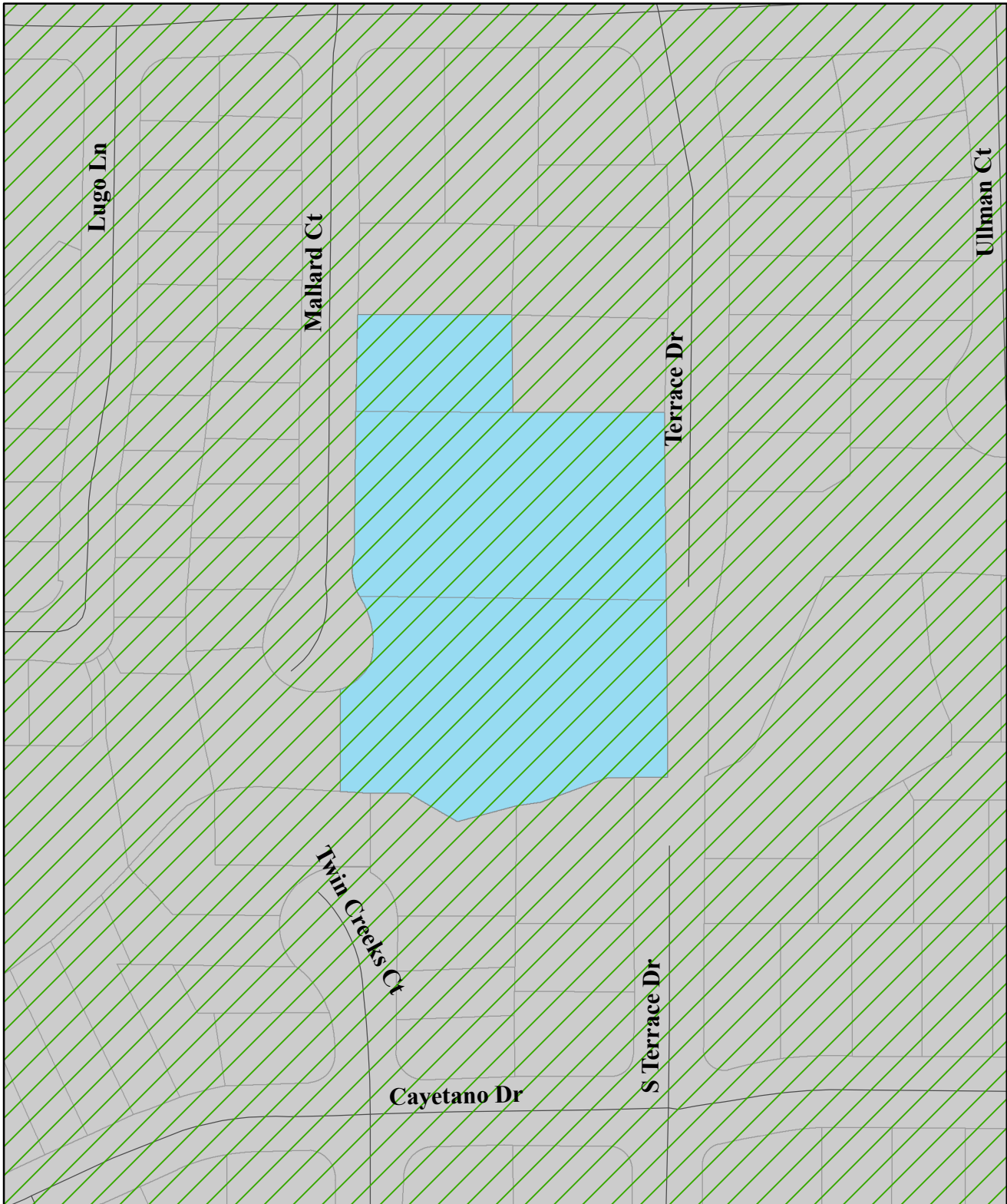
Island No. 6
Terrace / Wyatt






Legend	
	City of Napa
	Island Parcels
	Napa Sanitation District

Attributes
Number of Parcels: 6
Total Acres: 1.6
Surrounded: 100%
City RUL: Yes

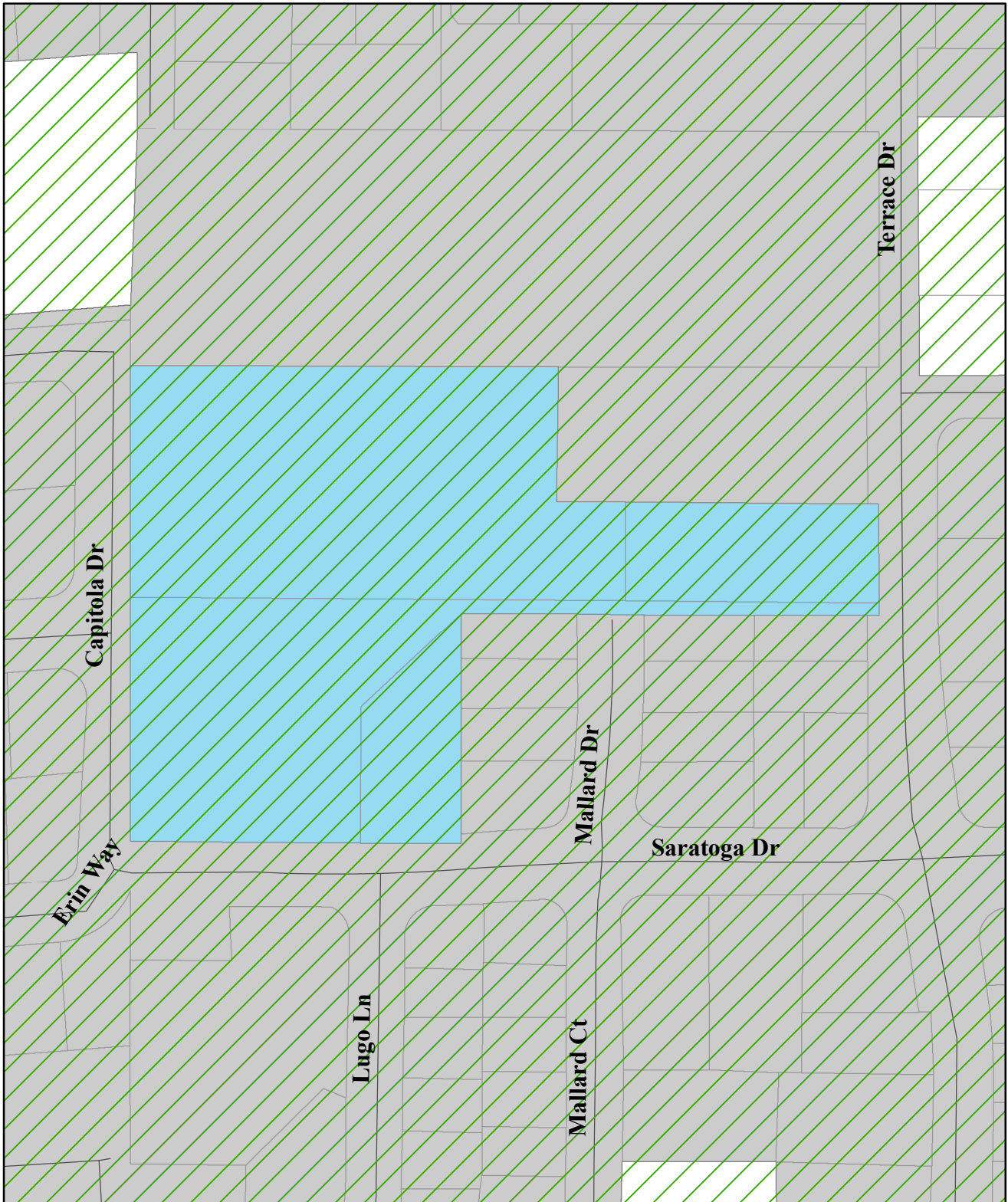
Island No. 7
Terrace / Mallard






Legend	
	City of Napa
	Island Parcels
	Napa Sanitation District

Attributes
Number of Parcels: 3
Total Acres: 2.2
Surrounded: 100%
City RUL: Yes

Island No. 8
Saratoga / Capitola






Legend	
	City of Napa
	Island Parcels
	Napa Sanitation District

Attributes
Number of Parcels: 4
Total Acres: 3.6
Surrounded: 100%
City RUL: Yes

Island No. 9
Shurtleff / Cayetano






Legend	
	City of Napa
	Island Parcels
	Napa Sanitation District

Attributes
Number of Parcels: 4
Total Acres: 3.5
Surrounded: 100%
City RUL: Yes

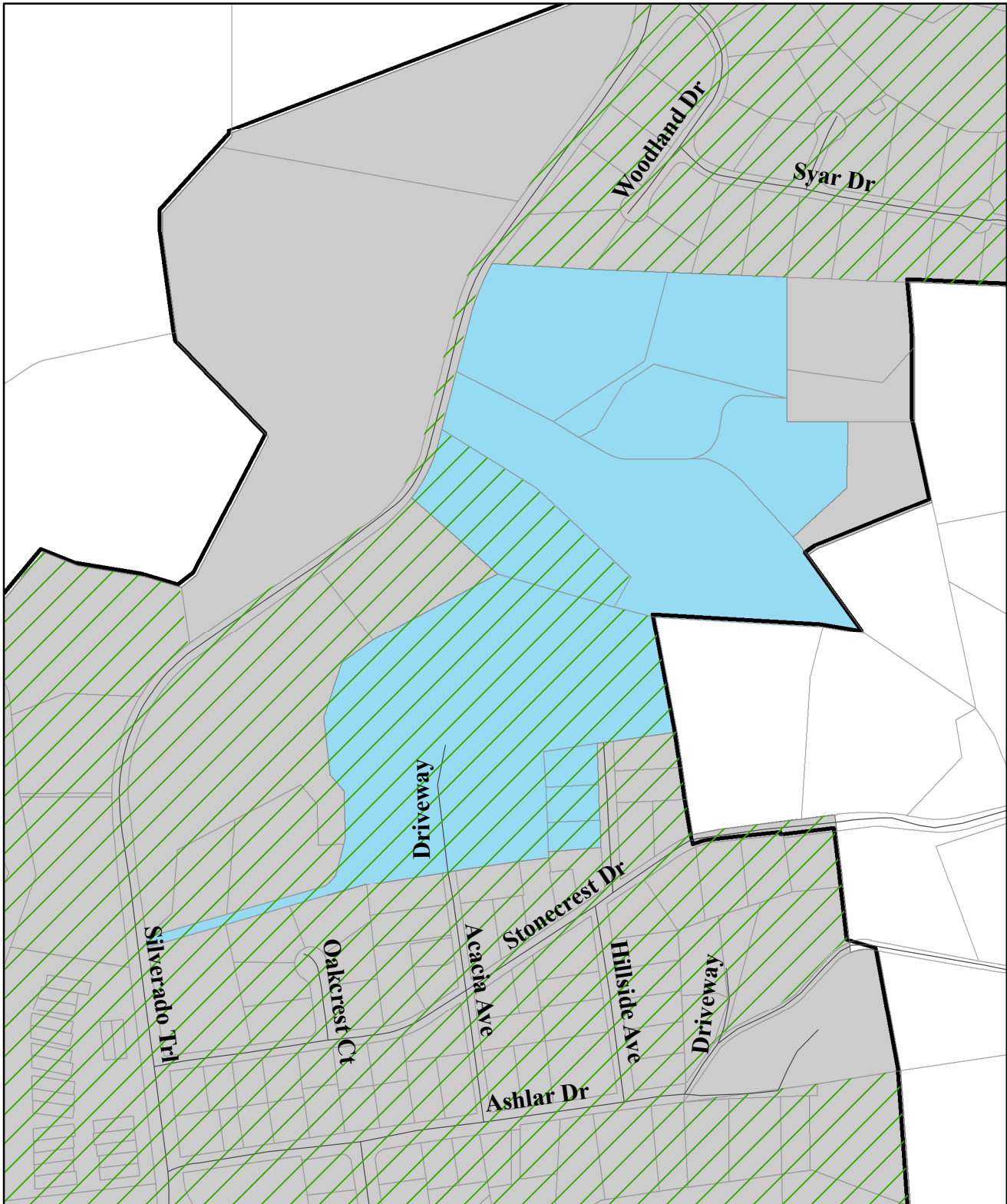
Island No. 10
Wilkins / Shetler






Legend	
	City of Napa
	Island Parcels
	Napa Sanitation District

Attributes
Number of Parcels: 2
Total Acres: 0.6
Surrounded: 100%
City RUL: Yes

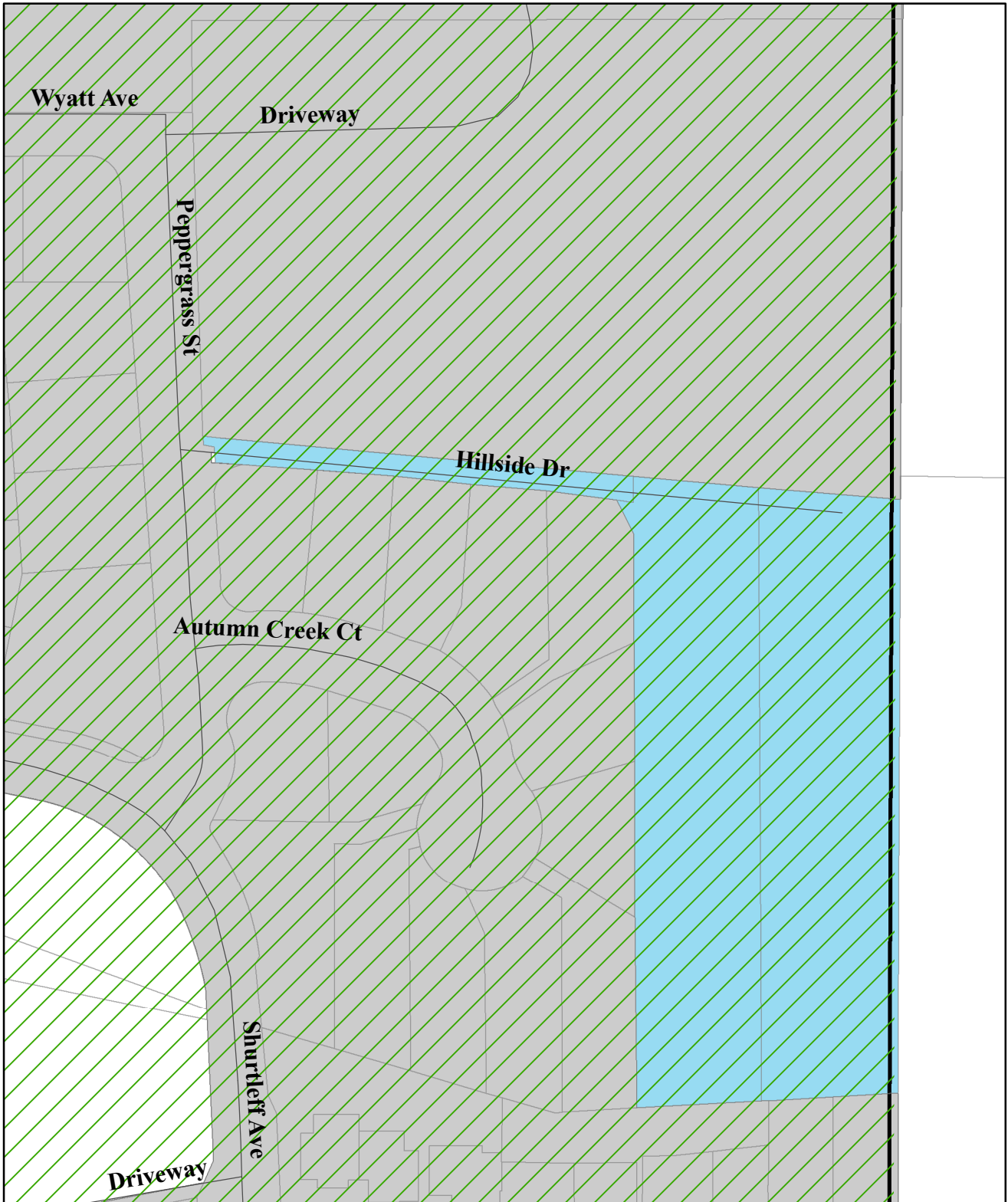
Island No. 11
Silverado / Stonecrest






Legend	
	City of Napa
	Island Parcels
	Napa Sanitation District

Attributes
Number of Parcels: 10
Total Acres: 23.6
Surrounded: 82%
City RUL: Yes

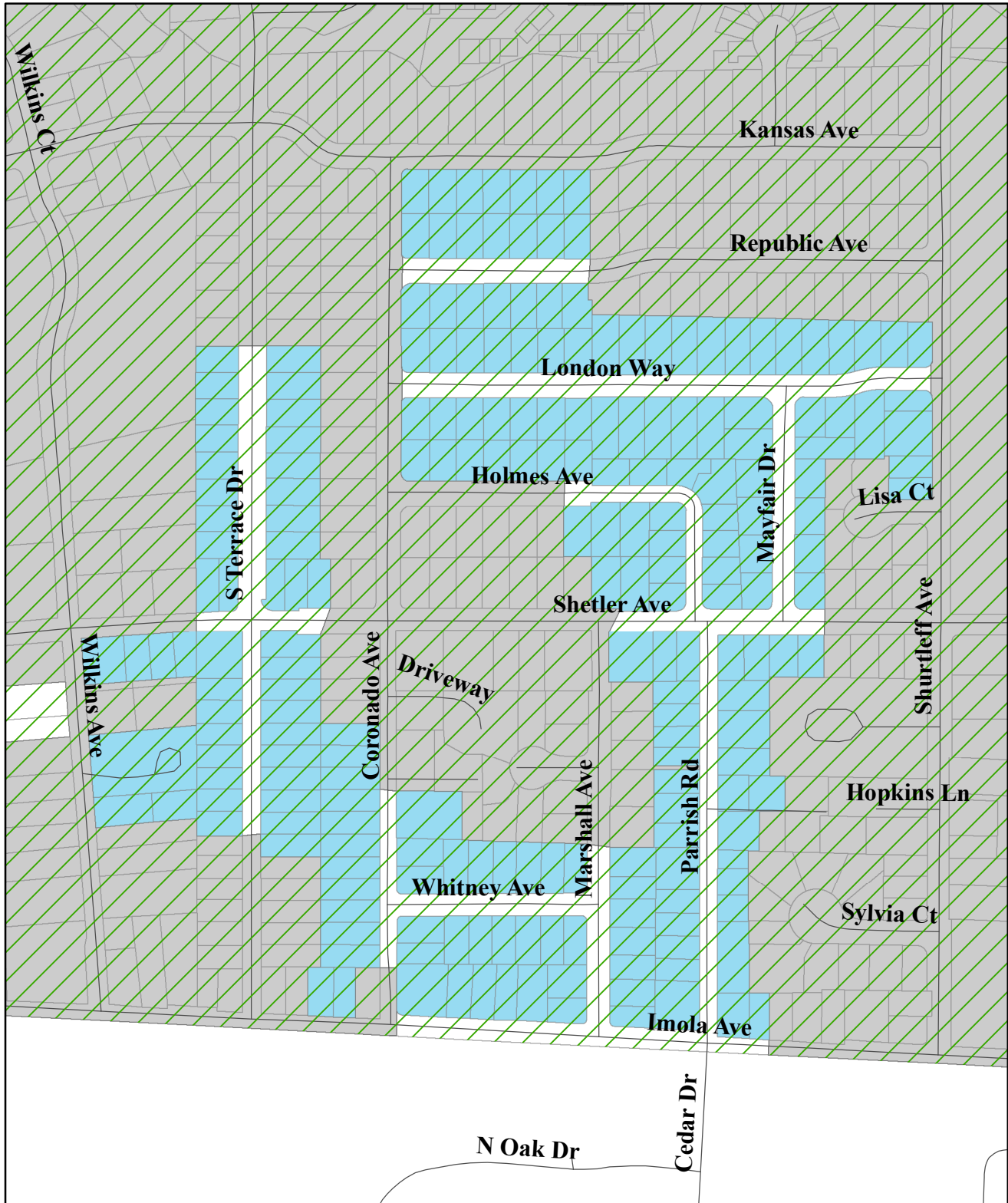
Island No. 12
Wyatt / Hillside






Legend	
	City of Napa
	Island Parcels
	Napa Sanitation District

Attributes
Number of Parcels: 3
Total Acres: 2.5
Surrounded: 70%
City RUL: Yes

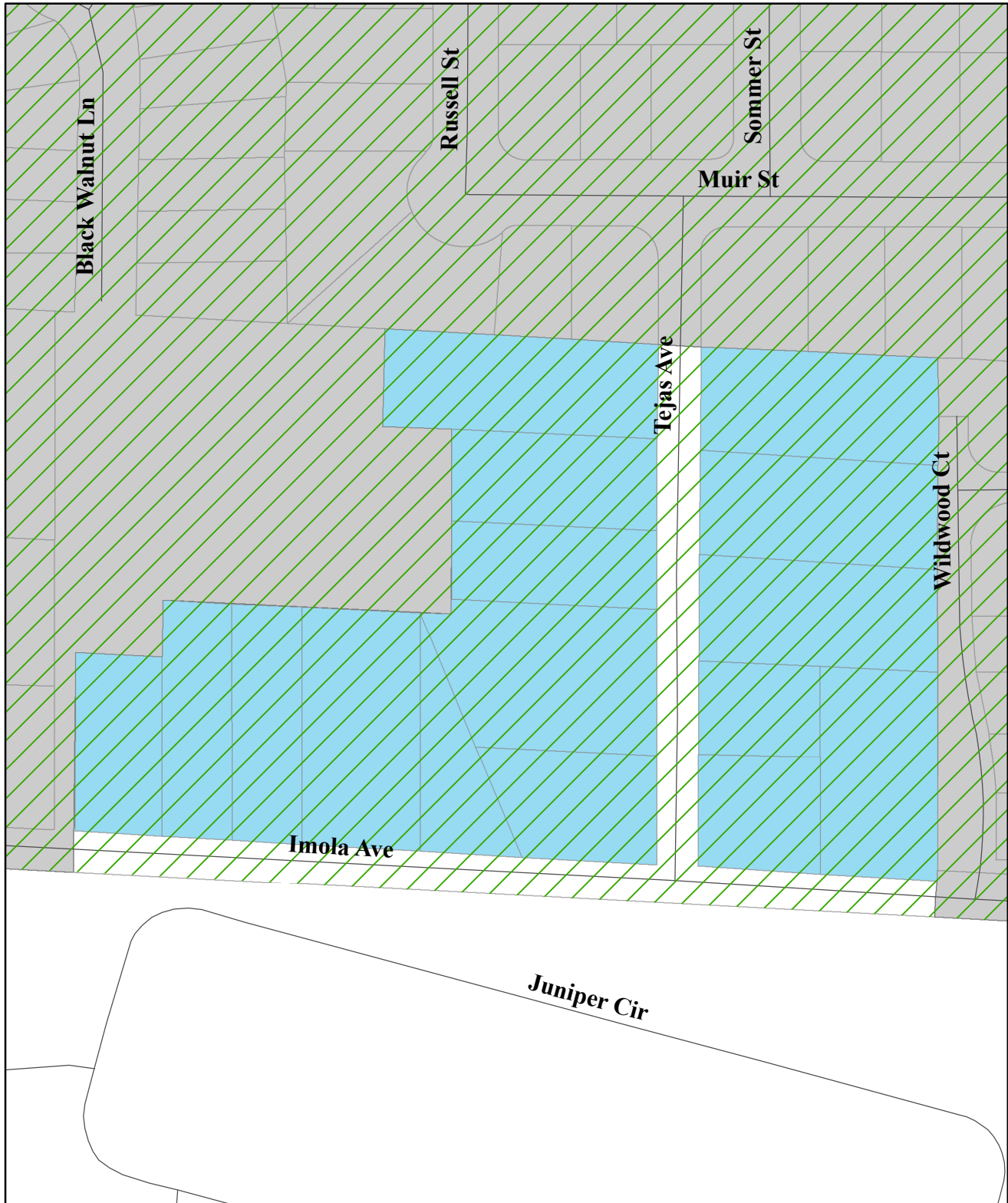
Island No. 13
Imola / Parrish






Legend	
	City of Napa
	Island Parcels
	Napa Sanitation District

Attributes
Number of Parcels: 217
Total Acres: 33.1
Surrounded: 93%
City RUL: Yes

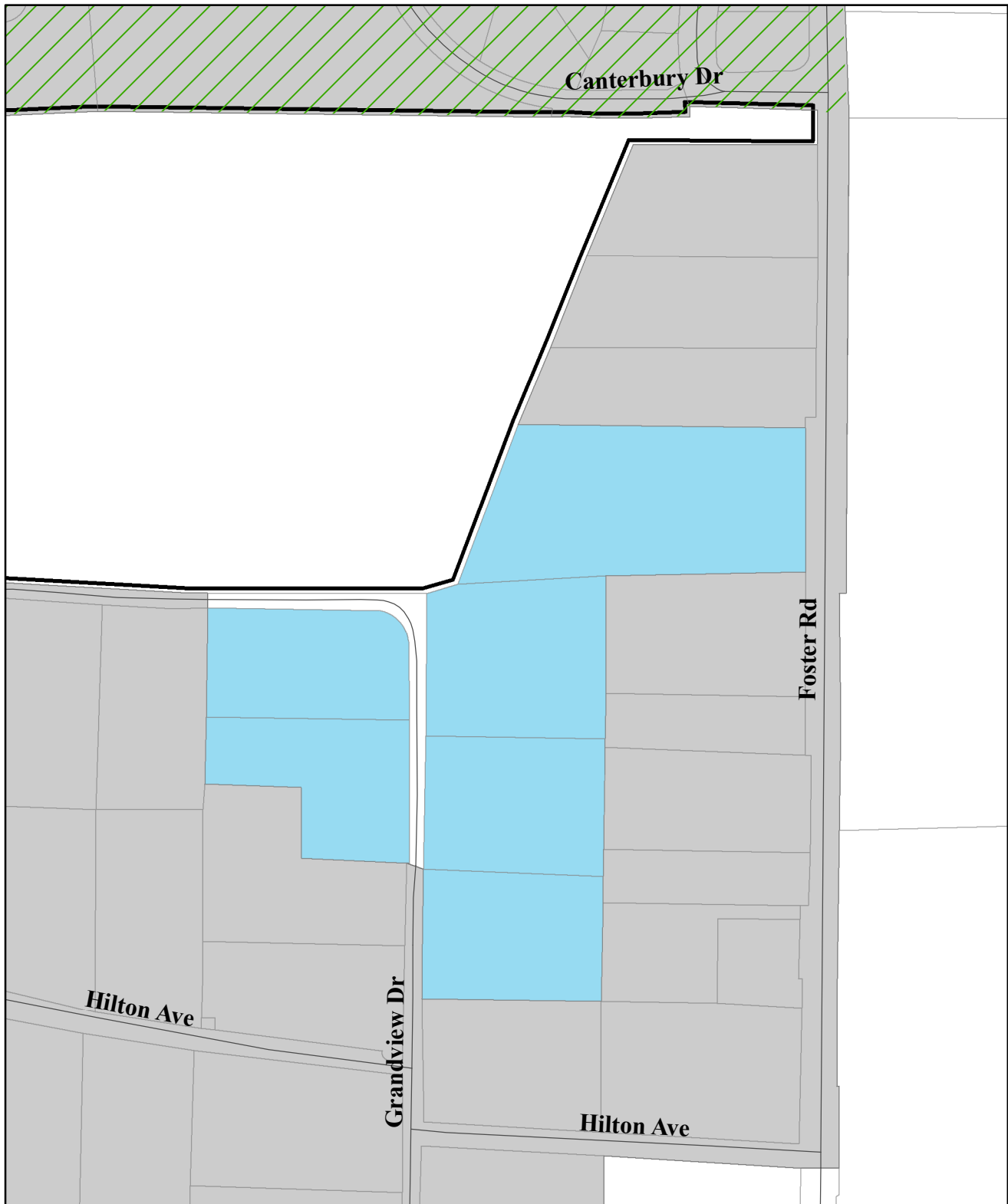
Island No. 14
Imola / Tejas






Legend	
	City of Napa
	Island Parcels
	Napa Sanitation District

Attributes
Number of Parcels: 16
Total Acres: 5.3
Surrounded: 71%
City RUL: Yes

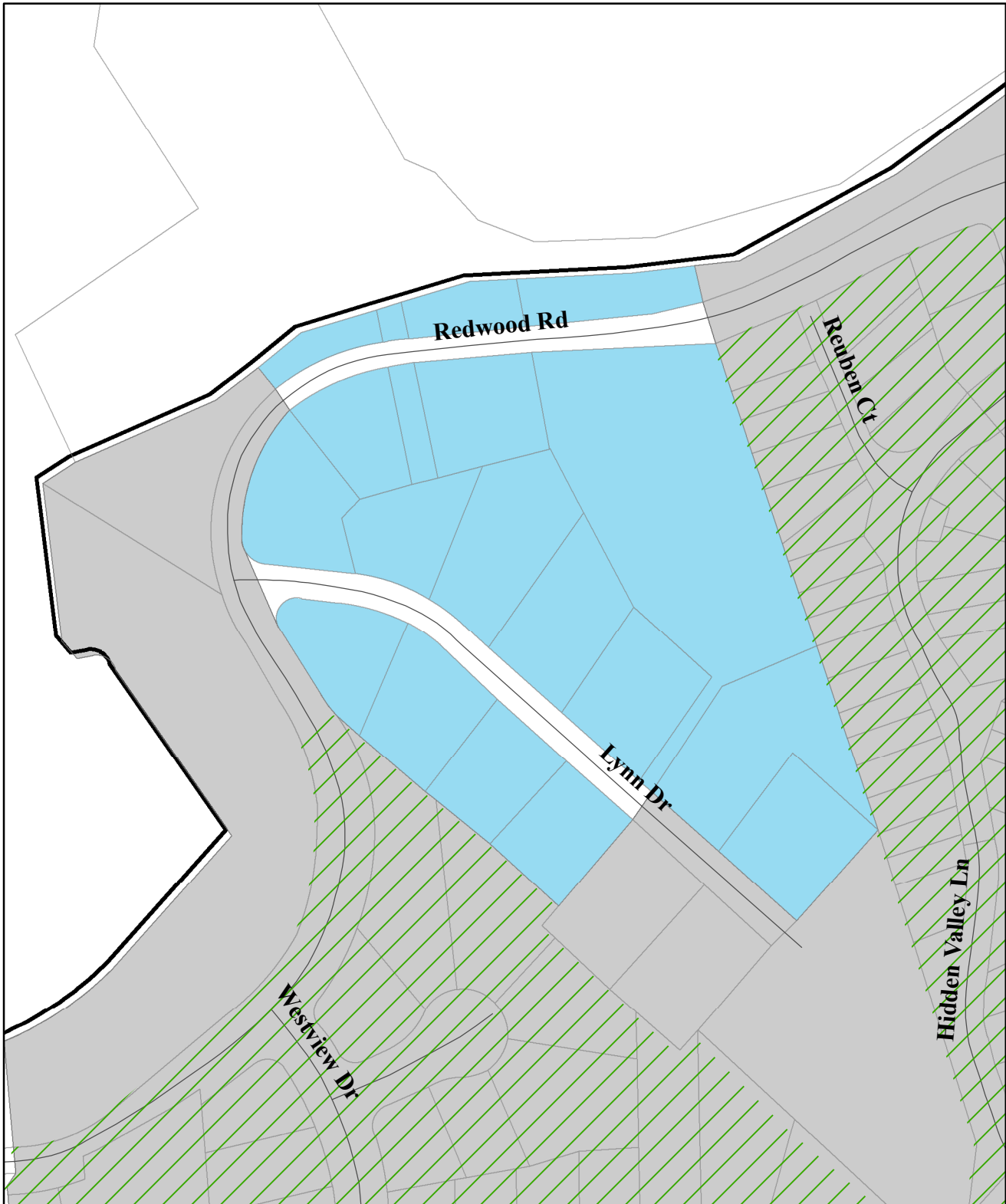
Island No. 15
Foster / Grandview






Legend	
	City of Napa
	Island Parcels
	Napa Sanitation District

Attributes
Number of Parcels: 6
Total Acres: 7.6
Surrounded: 81%
City RUL: Yes

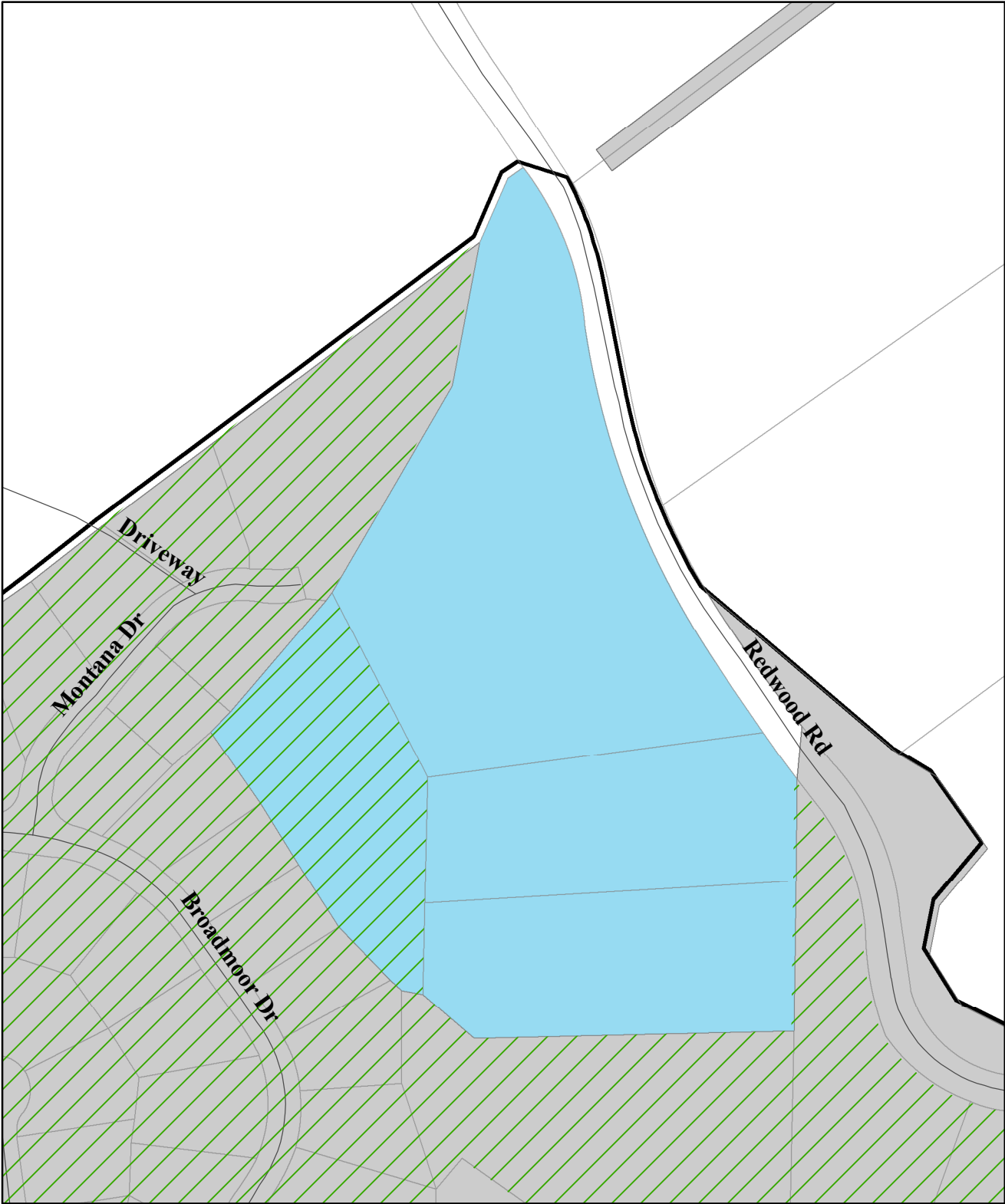
Island No. 16
Redwood / Lynn






Legend	
	City of Napa
	Island Parcels
	Napa Sanitation District

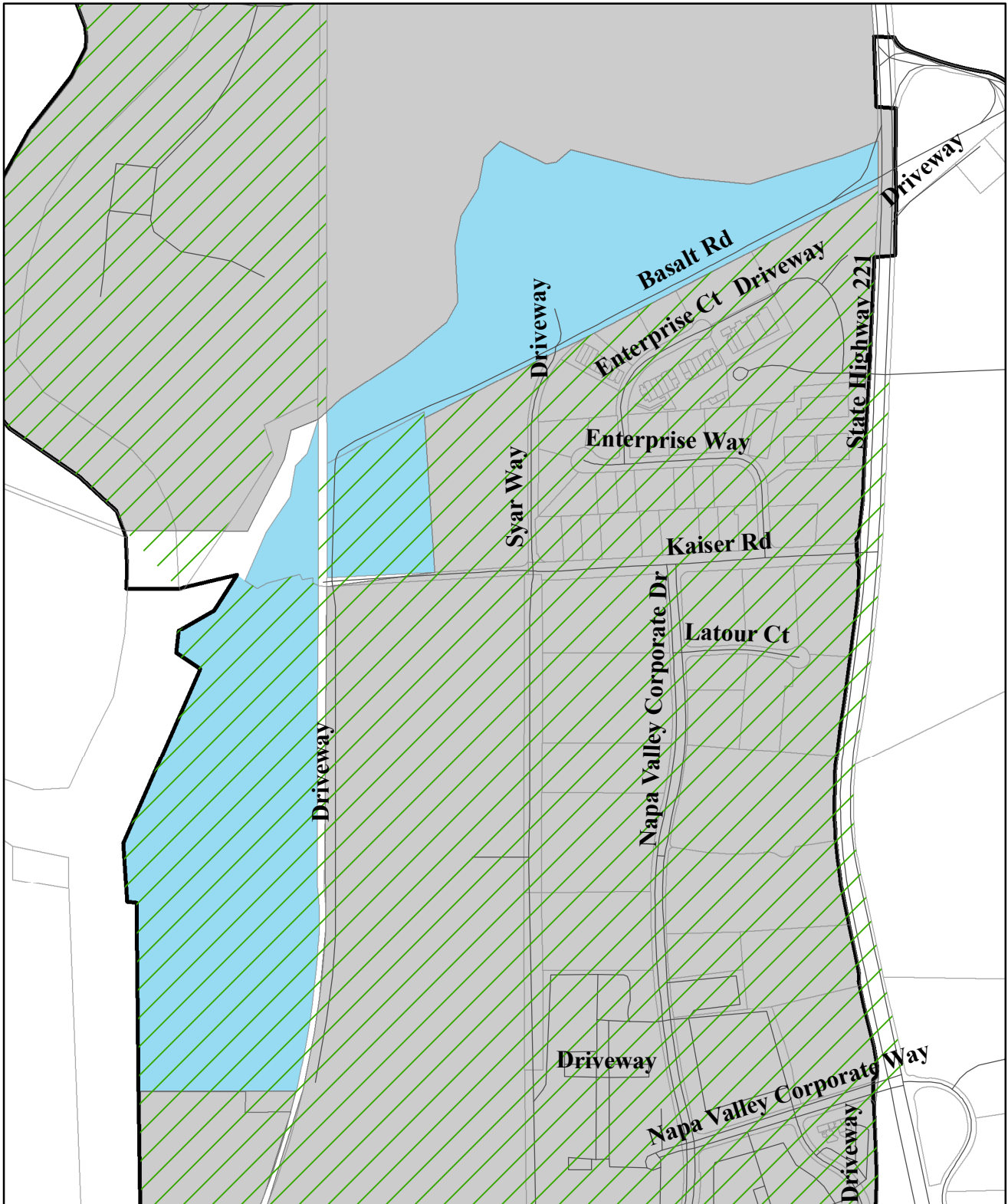
Attributes
Number of Parcels: 16
Total Acres: 7.1
Surrounded: 79%
City RUL: Yes




Island No. 17
Redwood / Montana



Legend	
	City of Napa
	Island Parcels
	Napa Sanitation District

Attributes
Number of Parcels: 4
Total Acres: 8.1
Surrounded: 76%
City RUL: Yes






Legend	
	City of Napa
	Island Parcels
	Napa Sanitation District

Attributes
Number of Parcels: 4
Total Acres: 116.7
Surrounded: 77%
City RUL: 50% Yes

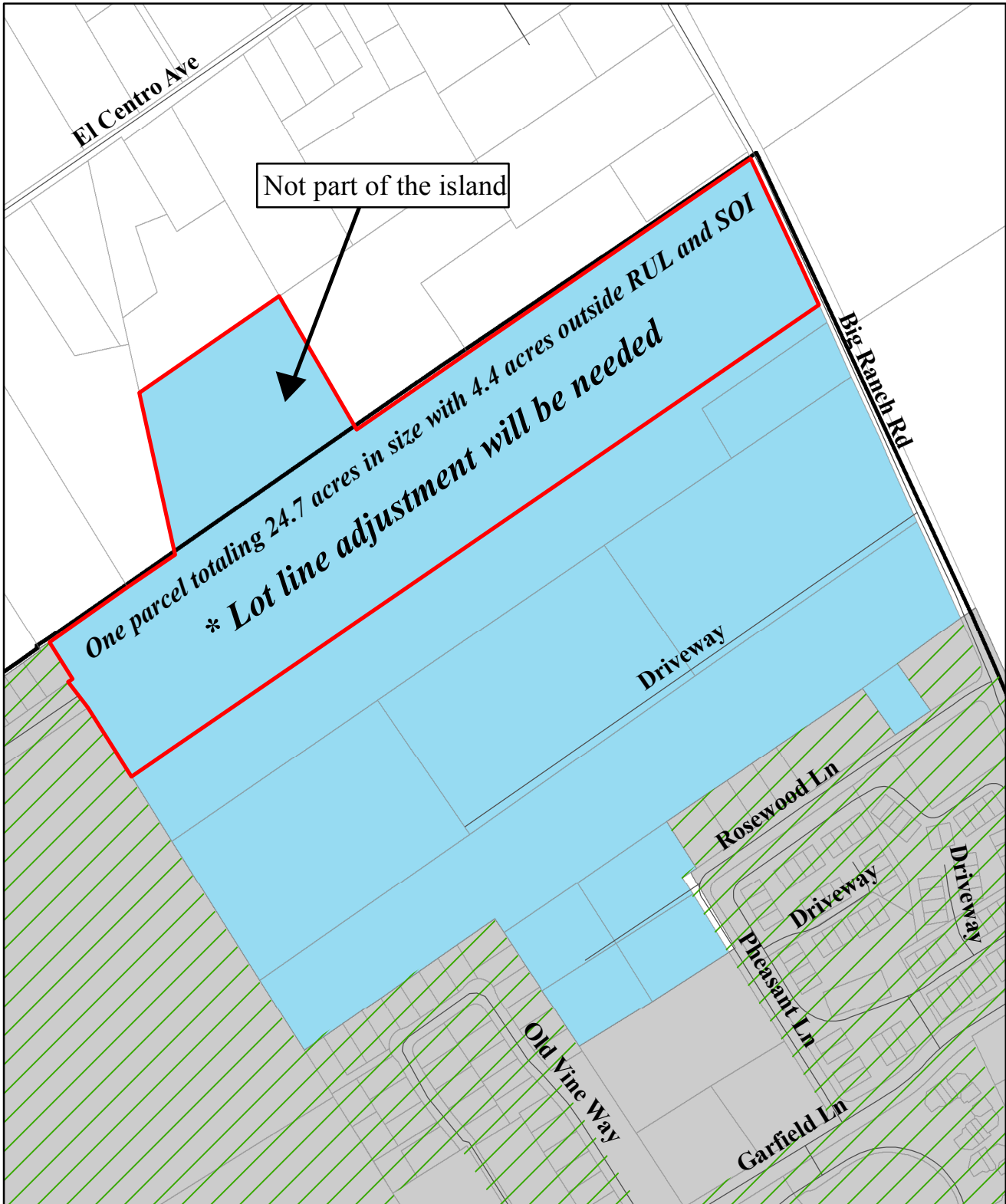
Island No. 19
Foster / Golden Gate






Legend	
	City of Napa
	Island Parcels
	Napa Sanitation District

Attributes
Number of Parcels: 9
Total Acres: 146.8
Surrounded: 52%
City RUL: Yes

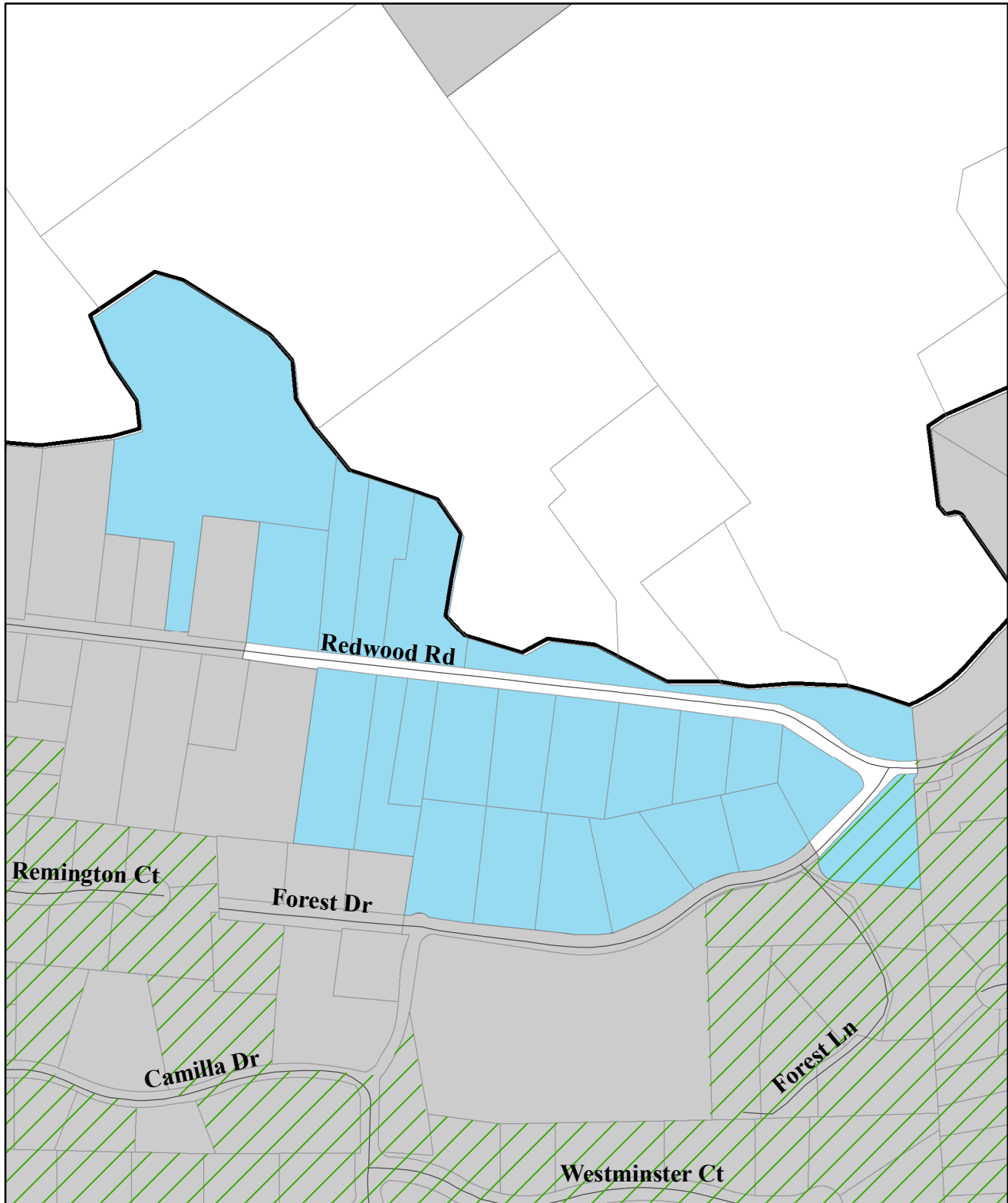
Island No. 20
Big Ranch / Rosewood






Legend	
	City of Napa
	Island Parcels
	Napa Sanitation District

Attributes
Number of Parcels: 12
Total Acres: 66.3
Surrounded: 55%
City RUL: Yes

Island No. 21
Redwood / Forest



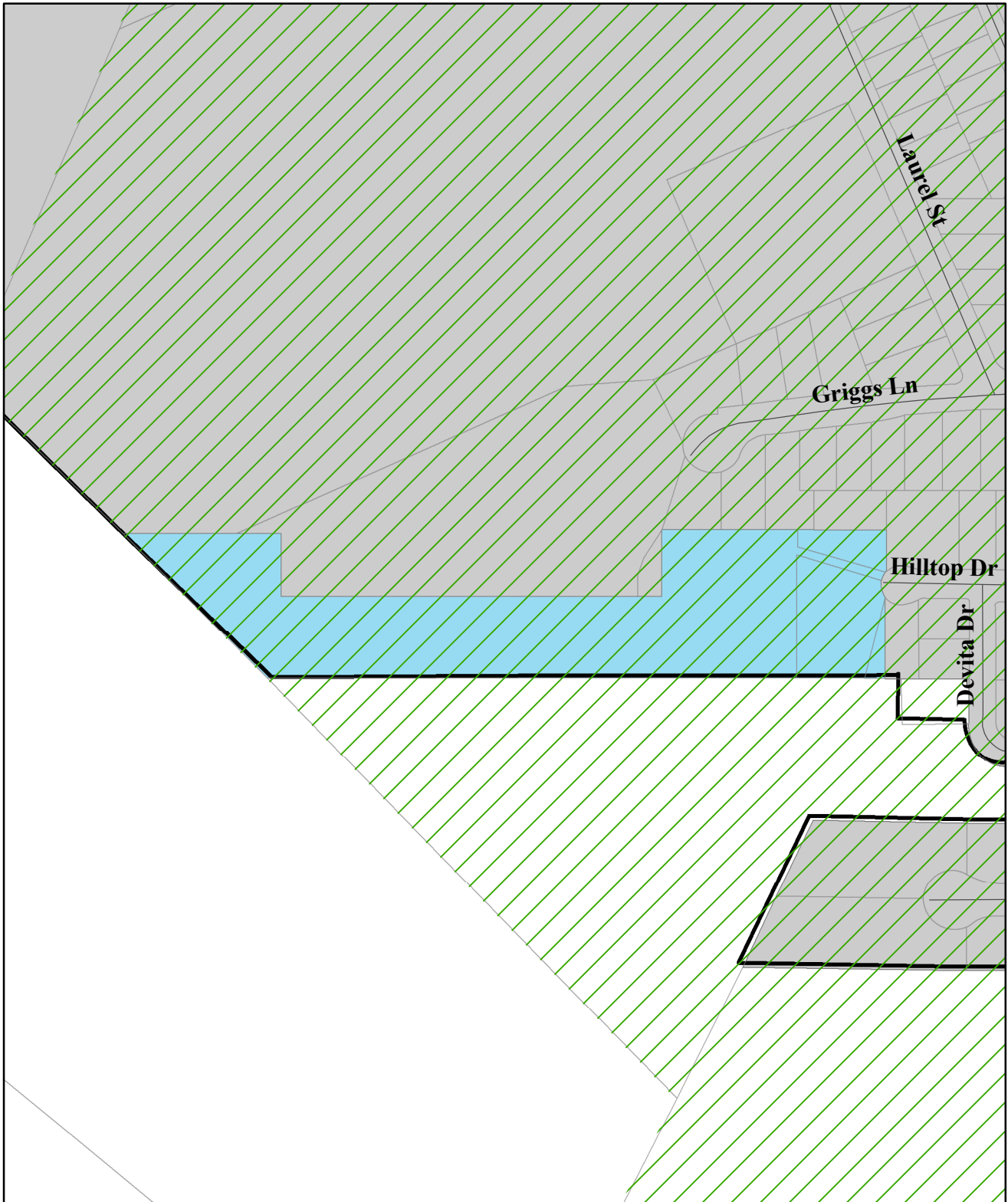
Legend




-  City of Napa
-  Island Parcels
-  Napa Sanitation District

Attributes

Number of Parcels: 23
Total Acres: 22.7
Surrounded: 59%
City RUL: Yes

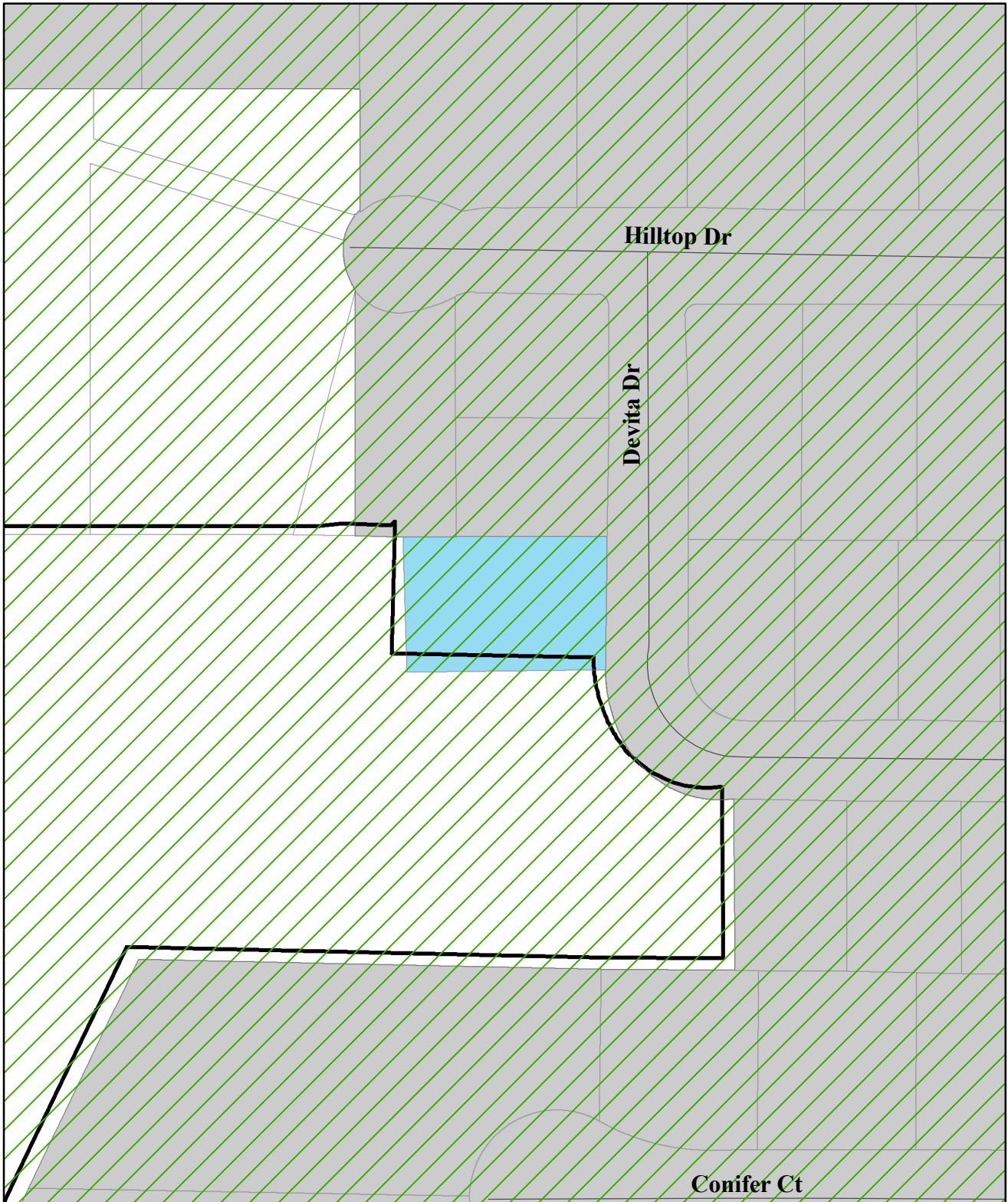
Island No. 22
Hilltop






Legend	
	City of Napa
	Island Parcels
	Napa Sanitation District

Attributes
Number of Parcels: 4
Total Acres: 6.0
Surrounded: 56%
City RUL: Yes

Island No. 23
Devita

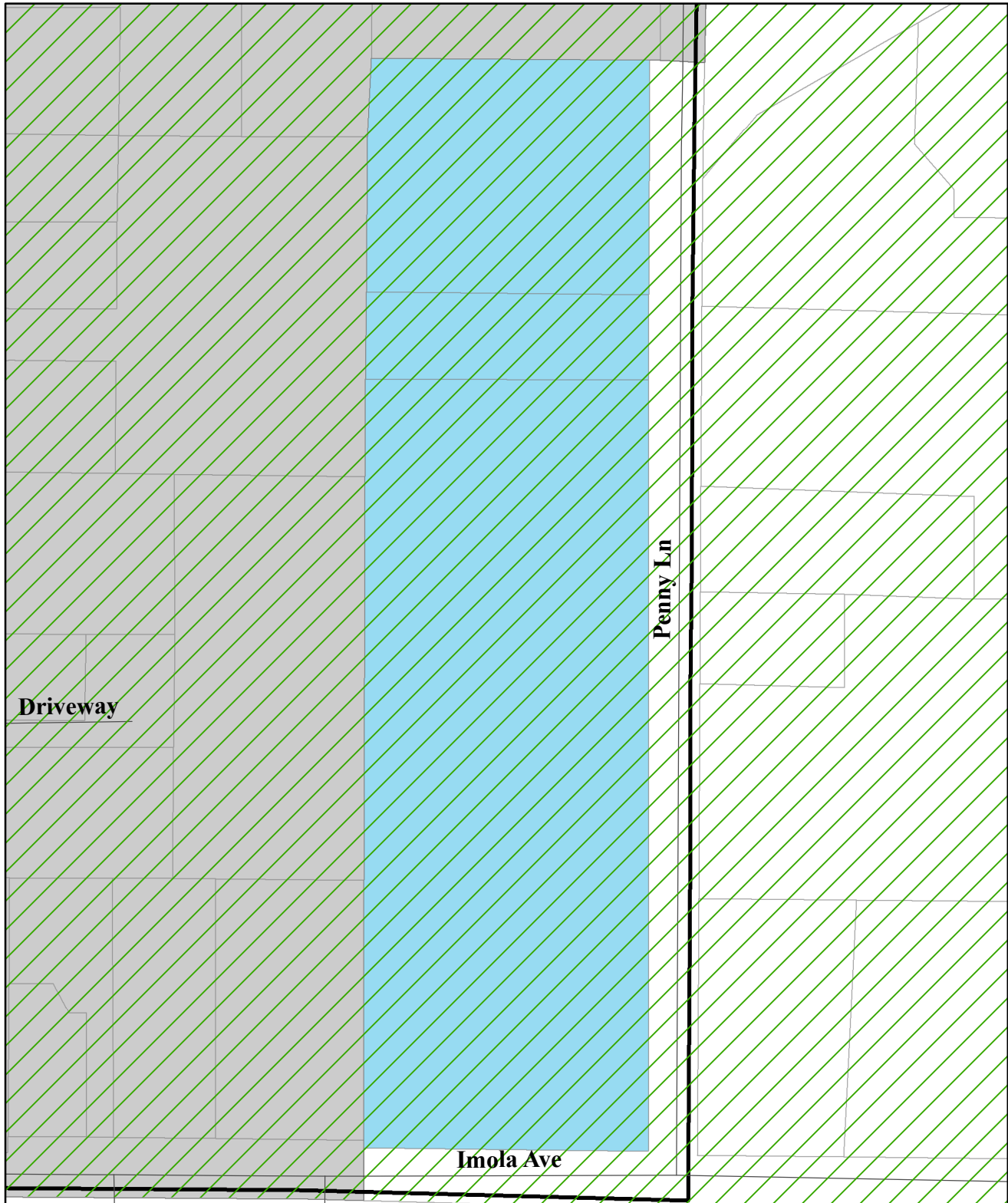





Legend	
	City of Napa
	Island Parcels
	Napa Sanitation District

Attributes
Number of Parcels: 1
Total Acres: 0.2
Surrounded: 51%
City RUL: Yes

Island No. 24
Penny / Imola

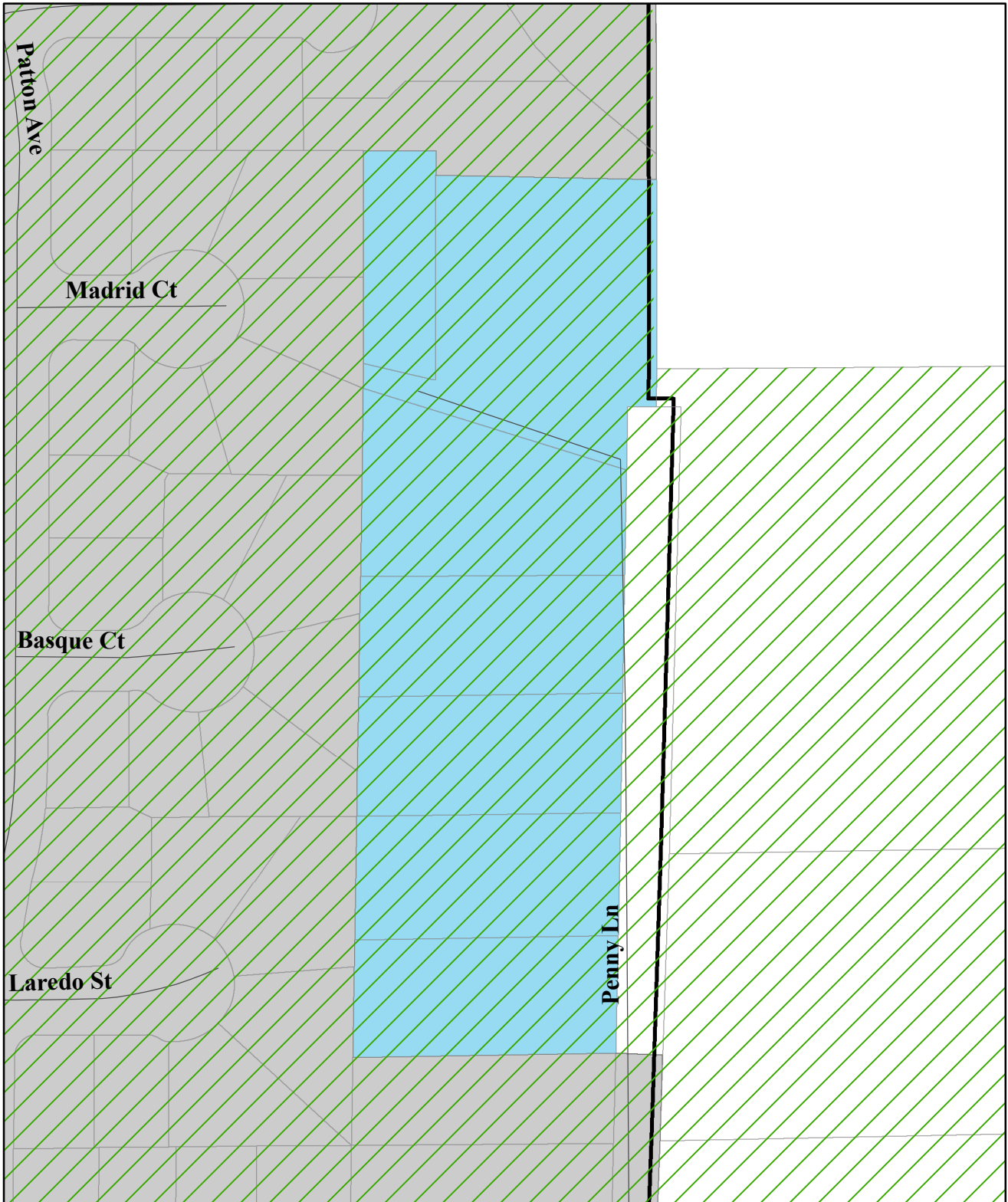
Attachment Four






Legend	
	City of Napa
	Island Parcels
	Napa Sanitation District

Attributes
Number of Parcels: 3
Total Acres: 4.2
Surrounded: 51%
City RUL: Yes

Island No. 25
Penny / Madrid



Legend	
	City of Napa
	Island Parcels
	Napa Sanitation District

Attributes
Number of Parcels: 7
Total Acres: 3.9
Surrounded: 63%
City RUL: Yes



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

August 7, 2017

Ms. Nancy Weiss, Acting City Manager
 City of Napa
 955 School Street
 Napa, California 94559

SUBJECT: Request for Partnership to Initiate Island Annexations

Ms. Weiss:

The Local Agency Formation Commission (LAFCO) of Napa County recently held strategic planning workshops on March 6, 2017 and May 1, 2017 for purposes of identifying the Commission's goals and top priorities for the foreseeable future. The Commission considered approximately 25 potential activities related to improving local governance, agricultural preservation, financial considerations, and housing opportunities. Each Commissioner independently assigned an individual score for each potential activity. The activity that received the highest composite score was to pursue the proactive annexation of unincorporated islands. Toward this end, the Commission has begun work in developing an island annexation program to utilize the expedited proceedings provided under Government Code (G.C.) Section 56375.3. This statute allows cities to initiate the annexation of unincorporated islands under certain conditions while avoiding the costs and uncertainties associated with protest proceedings. The expedited proceedings also curtail LAFCOs' discretion by directing annexation approval if the island is less than 150 acres, does not comprise prime agricultural land, and is substantially developed or developing.

In step with the referenced statute, Napa LAFCO has focused the development of its island annexation program on eliminating the 18 existing islands and their estimated 2,300 residents lying within the City of Napa. In addition to the 18 existing islands, there are also seven potential new islands with an estimated resident population of 140 that could soon meet the Commission's adopted definition of "substantially surrounded" based on current policy-related activities. The Commission previously adopted formal municipal service review recommendations for the City to proactively annex the islands given that islands undermine the orderly development of the City while creating inefficiencies in the delivery of public services. Further, the continued existence of islands disenfranchises residents given they are substantively affected by City Council decisions while they are precluded from participating in City elections. In terms of specific benefits of annexation, residents within the islands would receive additional public services from the City and experience an average net reduction of approximately \$60 in composite annual service costs. Eliminating the islands is beneficial to the City, the County, and the residents themselves. However, the City has taken no formal actions to date with respect to proactively annexing the islands.

Juliana Inman, Commissioner
 Councilmember, City of Napa

Margie Mohler, Commissioner
 Councilmember, Town of Yountville

Kenneth Leary, Alternate Commissioner
 Councilmember, City of American Canyon

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

Diane Dillon, Commissioner
 County of Napa Supervisor, 3rd District

Ryan Gregory, Alternate Commissioner
 County of Napa Supervisor, 2nd District

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

Gregory Rodeno, Alternate Commissioner
 Representative of the General Public

Brendon Freeman
 Executive Officer

Request for Partnership to Initiate Island Annexations

August 7, 2017

Page 2 of 2

The Commission appreciates there are legitimate constraints discouraging the City in proposing annexations of entire islands. These constraints range from community opposition to the cost of improving deficit infrastructure. With this in mind, the Commission has expressed interest in partnering with the City in developing an island annexation program. This type of program would include a comprehensive educational program designed towards developing accurate service information, identifying benefits for citizens, and how land use provisions might change for island residents. The Commission would consider defraying some of the costs associated with evaluating service and infrastructure needs within the islands. Specifically, the Commission would finance a contract with a consultant for purposes of analyzing the extent of infrastructure work required within the islands.

I am attaching a map depicting the location of 18 islands that are either completely or substantially surrounded by the City. The map also depicts an additional seven unincorporated areas that would qualify as islands if the Commission reduces its adopted threshold in defining territory as substantially surrounded by a city from 66.6% to 50.1%. All 25 islands are less than 150 acres in size and with limited exceptions do not appear to include prime agriculture land. Additional analysis would be needed to determine whether any specific island includes land qualifying as prime agriculture under G.C. Section 56064.

At your earliest convenience, please advise whether the City is willing to partner with the Commission with respect to developing an island annexation program. If affirmative, please identify any issues you believe should be addressed in the scoping process to help ensure an effective program design and implementation.

Thank you for your consideration. I would be pleased to provide any additional information as requested and attend a City Council meeting on this topic. I am available by telephone at (707) 259-8645 or by e-mail at bfreeman@napa.lafco.ca.gov.

Sincerely,



Brendon Freeman
Executive Officer

Attachments: (Attachments already included with staff report)

- ~~1) Map of All Islands Surrounded by the City of Napa~~
- ~~2) California Government Code Section 56375.3~~

cc: LAFCO Commissioners
Mr. Rick Tooker, City of Napa Community Development Director
Mr. Minh Tran, Interim County of Napa Executive Officer



Island Annexations

Local Agency Formation Commission of Napa County

What are islands?

Islands are county lands that are surrounded by a city and are typically created as a result of leap-frog development. Islands are located throughout California and are often older communities with limited and aging public infrastructure relative to neighboring city lands. Most islands were created many decades ago, leaving the residents unaware that they are part of the county and not the city.

More information: contact LAFCO

1030 Seminary Street, Suite B
Napa, California 94559
(707) 259-8645
<http://www.napa.lafco.ca.gov>

Myths regarding annexation

A common misconception regarding annexation is that it costs more to be in the City of Napa; this is not true. Check out the annual cost comparison below between Napa and the County.

Category	City of Napa	County	Cost Difference Post Annexation
Paramedic Tax	\$75.00	N/A	(\$75.00)
Storm Tax	\$12.00	N/A	(\$12.00)
Flood Tax	\$17.92	\$21.10	\$3.18
Water Charge	\$669.60	\$970.80	\$301.20
Sewer Charge	\$638.10	\$638.10	\$0.00
Garbage Charge	\$499.56	\$344.32	(\$155.24)
Totals	\$1,912.18	\$1,974.32	\$62.14

What's the problem with islands?

disorderly growth (densities, connectivity)
inefficient public service provision (police, fire)
unfunded demands on city services (parks, roads)
representation (non-participation in city elections)

What's LAFCO's role in eliminating islands?

LAFCOs are political subdivisions of the State of California responsible for regulating city and special district boundaries. LAFCOs are located in all 58 California counties and tasked with coordinating the logical formation and expansion of local agencies and their services while preventing urban sprawl.

In 2000, special legislation was passed streamlining the annexation proceedings for islands. This includes establishing an expedited review process and significantly reduced application costs.

How many islands are in the City of Napa?

There are 18 islands entirely or substantially surrounded by the City of Napa. These islands comprise 885 parcels and 340 acres and have an estimated population of over 2,200. Are you in an island? Check out the map on the other side!